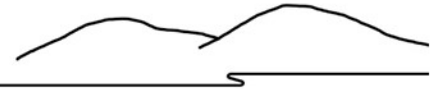


Lake County Vector Control District

FINANCIAL STATEMENTS

AUDIT REPORT

June 30, 2021



November 2, 2021

Lake County Vector Control District

Lakeport, CA 95453

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Lake County Vector Control District as of and for the year-ended June 30, 2021, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

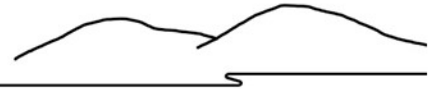
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake County Vector Control District as of June 30, 2021, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

Zach Pehling, CPA

LAKE COUNTY VECTOR CONTROL DISTRICT

**Audit Report
June 30, 2021**

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LAKE COUNTY VECTOR CONTROL

Management's Discussion and Analysis For the year ended June 30, 2021

The intent of the management's discussion and analysis is to provide highlights of the Lake County Vector Control District's financial activities for the fiscal year ended June 30, 2021.

The District's Operations – an Overview

The Lake County Vector Control District is an independent, non-enterprise special district. The District operates under the authority of the California Health and Safety Code. Major activities include various methods of adult mosquito control (e.g., the use of truck-mounted mist blowers and ULV Fogging) and larval control (e.g., treating small backyard sources, aerial larvicide applications to local rice fields, and distribution of mosquitofish to Lake County residents). In addition, the District engages in public awareness and education by speaking to local business associations and organizations, schools and at major county functions. Cooperation with other state and local agencies is another vital part of the District's operations. The District also owns and operates a fleet of vehicles and several small watercrafts to support various operating activities.

FINANCIAL HIGHLIGHTS

Revenues

Combined revenues for the fiscal year totaled \$2,097,963.

Expenses

Combined expenses for the fiscal year totaled 1,560,757.

Expenditures

Combined expenditures for the fiscal year totaled \$1,403,777.

Capital Contributions

Capital Expenditures

During fiscal year 2020/2021 the District budgeted for and ordered a new So-Lo Freezer. The freezer is essential for the storage of dry ice used in carbon dioxide-baited mosquito traps and the storage of insect specimens. Due to the Covid 19 pandemic production and shipping of So-Lo Freezers was delayed by several months causing the actual purchase of the freezer to be rolled over to the 2021/2022 fiscal year.

Interest Earnings

Interest earnings for the year totaled \$13,893. Any interest income received by the District is acquired through investments made by the Lake County Treasurer and then apportioned to the District by the Lake County Auditor-Controller.

General and Administrative

Expenses for regular employees' salaries and wages increased due to several employees receiving regular wage increases. The employer's share of PERS was less this year due to a lower than expected Unfunded Accrued Liability percentage. The Workers' Compensation Insurance account saw a slight increase due to a premium increase.

LAKE COUNTY VECTOR CONTROL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2021**

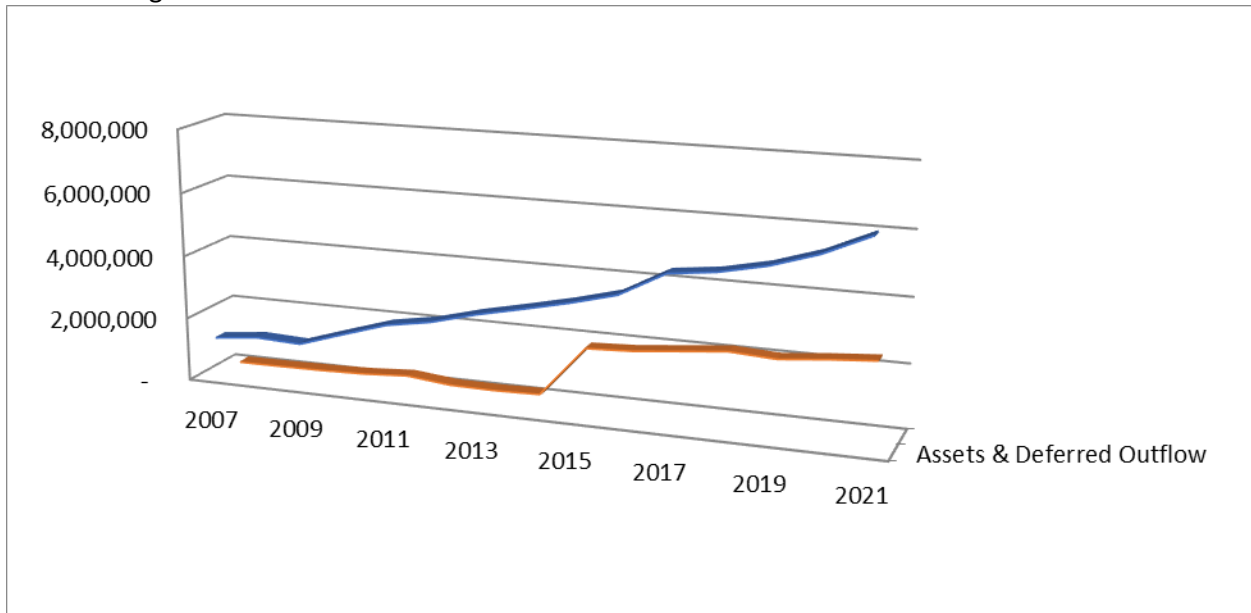
Basis of Accounting

The District's financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

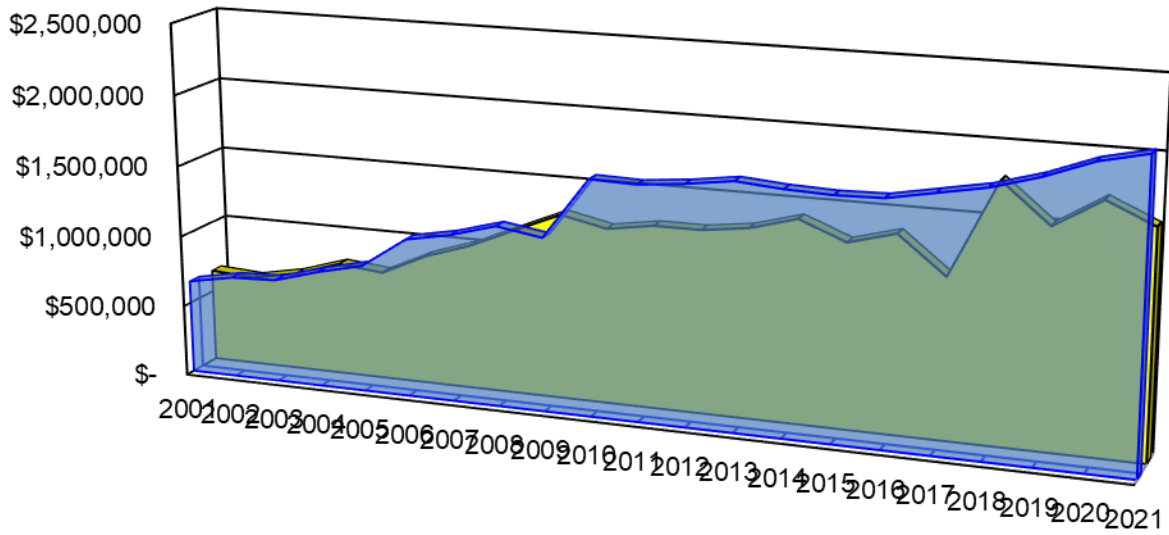
GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

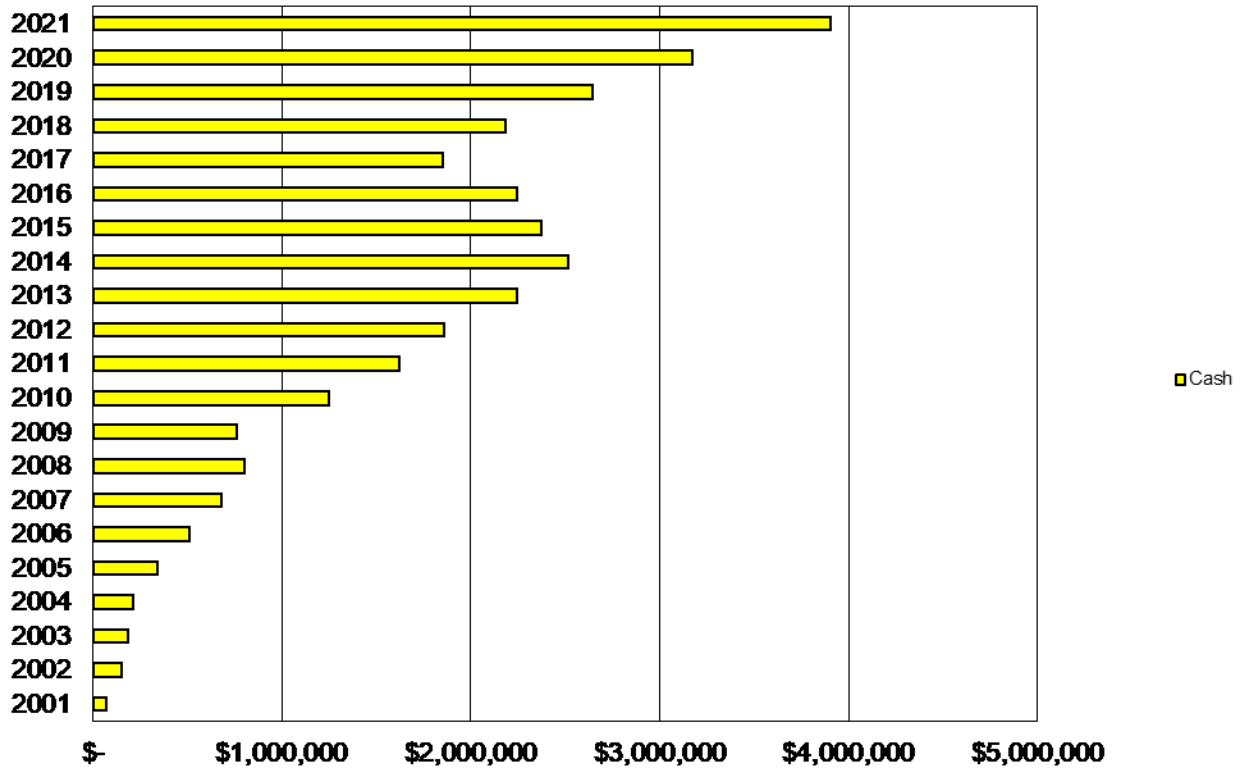
The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net assets are reported on the accrual basis.



The *Statement of Cash Flows* presents information showing how the District’s cash changed during the most recent fiscal year. Observing the cash balances at the District’s year-end shows the funds available to meet current operating needs, pay current liabilities, and meet the amount of capital improvements required to carry on the Districts activities and objectives.



The government-wide financial statements report on the function of the District that is principally supported by intergovernmental revenues. The District’s function is to control mosquitoes in order to increase the quality of life and decrease the risk of disease transmission in Lake County. This is funded primarily with direct charges tax revenue.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

LAKE COUNTY VECTOR CONTROL DISTRICT

**Management's Discussion and Analysis
For the year ended June 30, 2021**

The District has capital assets (e.g. land, structures and equipment). Any investment in capital assets would restrict the use of assets for future spending. The unrestricted net assets of the District are available for future use to provide program services.

The net position of the District increased by \$537,205 during the current fiscal year, due to an increase in property tax revenue and interest revenue. The District's primary source of revenue is property taxes, referred to in the accompanying basic financial statements as "taxes."

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the District's budget for the 2021 fiscal year:

- Property tax rates
- Actual expenditures for 2020

Lake County Vector Control District

**Balance Sheet
June 30, 2021**

	<u>General Fund</u>
<u>ASSETS</u>	
Cash	\$ 3,903,730
Inventory	-
Accounts Receivable	<u>1,309</u>
TOTAL ASSETS	<u>3,905,039</u>
<u>LIABILITIES & FUND BALANCES</u>	
<u>Liabilities:</u>	
Accrued Payables	-
Accounts Payable	<u>79,534</u>
Total Current Liabilities	<u>79,534</u>
 Total Liabilities	 <u>79,534</u>
<u>Fund Balances:</u>	
Unassigned	469,448
Assigned	-
Restricted	-
Committed	<u>3,356,057</u>
 Total Fund Balance	 <u>3,825,505</u>
 <u>TOTAL LIABILITIES & FUND BALANCE</u>	 <u><u>\$ 3,905,039</u></u>

The accompanying notes are an integral part of these financial statements.

Lake County Vector Control District

**Statement of Revenues, Expenditures & Change in Fund Balance
For the Year Ended
June 30, 2021**

<u>REVENUE</u>	<u>General Fund</u>
Taxes and Intergovernmental	\$ 2,027,324
Use of Money & Property	13,893
Other Government	45,109
Other Revenue	11,637
TOTAL REVENUE	2,097,963
<u>EXPENDITURES</u>	
Salaries and Employee Benefits	1,114,566
Maintenance	37,194
Professional Fees	67,774
Fixed Assets	-
Insurance	24,545
Services, Supplies and Refunds	159,698
TOTAL EXPENDITURES	1,403,777
Excess (Deficit) Revenues over Expenditures	694,186
<u>CHANGE IN FUND BALANCE</u>	694,186
<u>FUND BALANCE, BEGINNING OF YEAR</u>	3,131,319
<u>FUND BALANCE, END OF YEAR</u>	\$ 3,825,505

The accompanying notes are an integral part of these financial statements.

Lake County Vector Control District

Statement of Net Position June 30, 2021

	<u>General</u>
<u>ASSETS</u>	
Current Assets:	
Cash on Hand and in Banks	\$ 3,903,730
Inventory	-
Accounts Receivable	1,310
Total Current Assets	<u>3,905,040</u>
Fixed Assets:	
Land	105,295
CIP	-
Buildings and Improvements	2,038,378
Equipment	795,706
Less: Accumulated Depreciation	(961,073)
Total Fixed Assets	<u>1,978,306</u>
TOTAL ASSETS	<u>5,883,346</u>
<u>DEFERRED OUTFLOW</u>	<u>418,407</u>
TOTAL DEFERRED OUTFLOW	<u>418,407</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>6,301,753</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accrued Vacation	78,255
Accounts Payable	79,534
Total Current Liabilities	<u>157,789</u>
Long-Term Liabilities:	
Net Pension Liability	2,092,614
Total Long-Term Liabilities	<u>2,092,614</u>
TOTAL LIABILITIES	<u>2,250,403</u>
<u>DEFERRED INFLOWS</u>	<u>44,074</u>
TOTAL DEFERRED INFLOWS	<u>44,074</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS	<u>2,294,477</u>
<u>NET POSITION</u>	
Net Investment in Fixed Assets	1,978,306
Unrestricted	2,028,970
<u>TOTAL NET POSITION</u>	<u>\$ 4,007,276</u>

The accompanying notes are an integral part of these financial statements.

Lake County Vector Control District

**Statement of Activities
For the Year-Ended
June 30, 2021**

PROGRAM EXPENSES:

Depreciation	\$ 49,650
Insurance	24,545
Professional Fees	67,774
Services, Supplies & Refunds	159,699
Salaries & Employee Benefits	1,221,895
Repairs & Maintenance	37,194
	<hr/>

TOTAL PROGRAM EXPENSES 1,560,757

PROGRAM REVENUES:

Special Assesment 536,333

TOTAL PROGRAM REVENUES 536,333

GENERAL REVENUES:

Use of Money and Property	13,893
Other Government	45,109
Other Revenue	11,636
Taxes & intergovernmental	1,490,991
	<hr/>

TOTAL GENERAL REVENUES 1,561,629

Net Change in Net Position 537,205

Net Position, Beginning of year 3,470,071

Net Position, End of year \$ 4,007,276

The accompanying notes are an integral part of these financial statements.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Lake County Vector Control (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Description of the Reporting Entity

The District operates under the authority of the California Health and Safety Code. Major activities include various methods of adult mosquito control (e.g., mist blowing and ULV Fogging) and larval control (e.g., treating small backyard sources, aerial pesticide applications to rice fields and stocking of mosquitofish). In addition, the District engages in public awareness and education by speaking to local business associations and organizations, schools and at major county functions. Cooperation with other state and local agencies is another vital part of the District's operations. The District also owns and operates a fleet of vehicles and several small watercrafts to support various operating activities.

The District is a governed entity administered by a Board of Trustees (Board) that acts as the authoritative and legislative body of the entity. The Board is comprised of five board members. The City of Lakeport and the City of Clearlake each appoint one member. The remaining openings are filled by the Lake County Board of Supervisors. Elections are held within the Board to appoint the President and the Secretary. The President's responsibilities are to preside at all meetings of the Board as the designated representative of the Board, and shall sign all official documents on behalf of the Board except as required by law.

The accompanying general-purpose financial statements comply with the provisions of GASB Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, and functions that comprise the District. Component units are legally separate entities for which the District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

C. Government-Wide Financial Statements

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

D. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net assets presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities demonstrating the degree to which the direct expenses of a given project are offset by project revenues. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function or segment. Program revenues include (1) charges paid by the recipients of services offered by the program and (2) grants and contributions that are restricted to meeting the

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

operational or capital requirements if a particular program. Revenues that are not classified as program revenues, including taxes are presented instead as general revenues.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental assets and liabilities is reported as net position. The District reports using the major governmental fund of General Fund. The District reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the District. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of California and the bylaws of the District.

Exchange and Non-Exchange Transactions of Revenues – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the District receives value without directly giving value in return, include taxes and donations. Revenues are recognized when susceptible to accrual, when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. The assessor of the County of Lake determines the assessed valuations of such property and the tax collector of the County collects the taxes. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Expenses/Expenditures- On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

E. Budgets and Budgetary Accounting

The District operates under the general laws of the State of California and annually adopts a budget to be effective July 1 for the ensuing fiscal year. Formal budgetary integration is employed as a management control device during the year for the General Fund. The level of control (level at which expenditures may not exceed budget) is the fund. Unused appropriations for all the above annually budgeted funds lapse at the end of the fiscal year. Budgeted amounts are the final authorized amount as revised during the year. Actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items to the General Fund.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

F. Cash on Hand and in Banks

The District's deposits are entirely covered by federal depository insurance (FDIC). The FDIC currently insures the first \$250,000 of the District's deposits at each financial institution. In addition the District maintains its cash in a pool managed by the County of Lake Treasury. The County Treasury, in turn, invests its cash with the State of California in the local agency investment fund as well as other banking institutions. The District does not own any specific identifiable investments in the pool. The risk of loss is minimal.

At year end, the District had the following investments and maturities:

<u>Investment Maturities (in Years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>
Cash - county	\$3,891,228	\$3,891,228
Cash - Wells Fargo	<u>12,502</u>	<u>\$13,085</u>
Total	\$3,903,730	3,171,185

Interest Rate Risk. The District has no adopted policy regarding interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including commercial paper and bonds issued by the State or any local government in the State, which have, at the time of investment, one of the three highest ratings of a nationally recognized rating agency. Credit quality distribution for investments, are as follows at year end:

<u>Investment Type</u>	<u>Rating</u>
County of Lake	unrated
Wells Fargo Bank	Insured

Concentration of Credit Risk. The District has not adopted a policy regarding concentration of credit risk.

G. Inventory

On an accrual basis, inventory is accrued on the Last in First out method.

H. Accounts Payable

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received. Payables are liabilities of the District based upon current year charges for goods or services received but not paid in the current year.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

I. Accrued Payroll

Upon termination of employment or retirement, the District pays to the employee any unused vacation time, which has been accrued and a maximum of \$2,500 for any unused sick leave upon retirement or \$2,000 upon termination.

J. Fixed Assets

Capital assets, which include property, plant, and equipment, infrastructure assets (e.g. roads, bridges, sidewalks and similar items), and intangible assets (i.e., water rights) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (not rounded) and an estimated useful life in excess of one year. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Donated or contributed capital assets are recorded at their estimated fair value on the date received. The assets are depreciated over their estimated useful life, ranging from 5 to 30 years.

The costs of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

K. Net Position

The District's net position represents the difference between its assets and liabilities in the statement of net position. Net position is reported as restricted with there are legal limitations imposed on their use by their source. Portions of the unreserved net assets or fund balance may be designated to indicate tentative plans for financial resources utilization in a future period, such as for general contingencies, purchase of capital assets, or debt service. Such plans or intent are subject to change and may never be legally authorized or result in expenditures.

L. Property Tax Revenue

The District assesses tax through the Lake County tax rolls. Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and payable in two installments on December 10 and April 10, for the secured roll. The unsecured roll is due August 31. All taxes become delinquent if not paid on the due dates.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

N. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

NOTE 2: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the District contracted with private insurance agencies for liability, property, crime damage, and employee and director insurances.

NOTE 3: NET POSITION/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net position presentation. Net Position are categorized as invested in capital assets, net of related debt, restricted, and unrestricted.

_ Net Investment In Capital Assets—This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

_ Restricted Net Position—This category reflects net assets that are subject to constraints either by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

_ Unrestricted Net Position—This category represents net assets of the District not restricted for any project or other purpose. Outstanding liabilities attributable to these assets reduce the balance of this category.

Fund Statement—Fund Balances

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Nonspendable fund balance—includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories or prepaid amounts and also include the long-term receivables, including long-term advances to other funds.

Restricted fund balance—includes amounts with constraints on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance—includes amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision-making authority, the District's Board of Directors. Commitments may be changed only by the District taking the same formal action that originally imposed the constraint.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

Assigned fund balance—includes amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be expressed by either the highest level of decision making, or by a body or an official to which the Board has delegated the authority. This is also the classification for residual amounts in governmental funds, other than the General Fund.

NOTE 4: SPECIAL ASSESSMENT

In 2011 the voters passed a special benefit assessment to be used for mosquito abatement. The following is a statement of revenues and expenditures for the special assessment fund. It is anticipated that the fund balance will be used for capital improvements at the District.

<u>Receipts:</u>				
Special Assessment				\$ 536,333
	Total Receipts			536,333
<u>Disbursements</u>				
Fixed Assets				-
	Total Disbursements			-
Excess(Deficit) of Receipts				
Over Disbursements				536,333
Beginning Balance				2,891,523
Ending Balance				\$ 3,427,856

NOTE 5: CONTIGENCIES

As of June 30, 2021, the District did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 6: COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with current year’s presentation.

NOTE 7 - JOINT POWERS AGREEMENT

The District participates in a joint venture under a joint powers agreement (JPA) with the Vector Control Joint Powers Agency (VCJPA). The relationship between the District and the JPA is such that is not a component unit of the District and the JPA is not a component unit of the District for financial reporting purposes.

The JPA's purpose is to jointly fund and develop programs to provide comprehensive and

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

economical funding of property, general liability, workers compensation, auto physical damage, property, employment practices, and business travel accident coverage. This program is provided through collective self-insurance; the purchase of insurance coverages; or a combination thereof. Copies of VCJPA annual financial reports may be obtained from their executive office at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

NOTE 8 - DEFINED BENEFIT PENSION PLAN

The District entered into the Public Employees Retirement System (PERS). Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by an agency of the State of California. Employees are members of the Public Employees' Retirement System.

Plan Description: The District contributes to the PERS, an agent multiple- employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and district ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of Significant Accounting Policies

For Purposes of Measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this Purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used.

Validation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

General Information about the Pension Plan

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For Public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by the employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2020 (the measurement date), the active employee contribution rate is 6.891 percent of annual pay, and the average employer’s contribution rate is 12.657 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Actuarial Methods and Assumptions Used to determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. Both the June 30, 2019 total pension liability and the June 30, 2020 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2020 measurement period was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. The collective total pension liability was based on the following assumptions:

Investment rate of return	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table ¹	Derived using CalPERS’ Membership Data for all Funds Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies
Post-retirement benefit increase	

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report call the "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

CalPERS is Scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed. Any changes to the discount rate will require Board action and proper stakeholder outreach. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

The expected real rates of return by asset class are as followed:

<i>Asset class¹</i>	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11 + ³
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	-	(0.92)

¹ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in your GASB 68 accounting valuation report may differ from the plan assets reported in your funding actuarial valuation report due to several reasons.

Please refer to the CalPERS Public Agency Cost-Sharing Allocation Methodology Report that can be obtained at CalPERS' website under the GASB 68 section, and see Appendix D of this report for the calculation of the plan's proportionate share of the TPL and FNP.

The plan's proportion of aggregate employer contributions is equal to the plan's proportion of FNP calculated in (4).

The following table shows the Plan's proportionate share of the risk pool collective net pension liability over the measurement period.

Ending Balances - Net Pension Liability & Deferred Outflows/Deferred Inflows of Resources Related to Pensions - 6/30/2021 Reporting Date:		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	-	14,925
Differences between Expected and Actual Experience	107,839	-
Differences between Projected and Actual Investment Earnings	62,164	-
Differences between Employer's Contributions and Proportionate Share of Contributions	24,762	-
Change in Employer's Proportion	-	29,149
Pension Contributions Made Subsequent to Measurement Date	223,642	-
	418,407	44,074
Net Pension Liability as of 6/30/2021	2,092,614	

NOTE: Detailed breakdown of ending balances by Miscellaneous vs Safety can be found in the [Jul 2020-Jun 2021 JE Flow](#) worksheet

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

Pension Expense as of June 30, 2021	319,474																																
At 6/30/2021, proportionate shares of Net Pension Liability/(Asset) by plan(s):																																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Proportionate Share of Net Pension Liability/(Asset)</td> </tr> <tr> <td style="padding-right: 20px;">Miscellaneous</td> <td style="text-align: right; border-top: 1px solid black;">2,092,614</td> </tr> <tr> <td style="padding-right: 20px;">Safety</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> <tr> <td style="padding-right: 20px;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 1px solid black;">2,092,614</td> </tr> </table>		Proportionate Share of Net Pension Liability/(Asset)	Miscellaneous	2,092,614	Safety	-	Total	2,092,614																								
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Miscellaneous	2,092,614																																
Safety	-																																
Total	2,092,614																																
Proportionate share of the Net Pension Liability/(Asset) for the Plan as of 6/30/2020 and 6/30/2021:																																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">Miscellaneous</td> <td style="text-align: center; border-top: 1px solid black;">Safety</td> <td style="text-align: center; border-top: 1px solid black;">Total</td> </tr> <tr> <td style="padding-right: 20px;">Proportion - June 30, 2020</td> <td style="text-align: right;">0.04984%</td> <td style="text-align: right;">0.00000%</td> <td style="text-align: right;">0.01948%</td> </tr> <tr> <td style="padding-right: 20px;">Proportion - June 30, 2021</td> <td style="text-align: right; border-top: 1px solid black;">0.04961%</td> <td style="text-align: right; border-top: 1px solid black;">0.00000%</td> <td style="text-align: right; border-top: 1px solid black;">0.01923%</td> </tr> <tr> <td style="padding-right: 20px;">Change - Increase/(Decrease)</td> <td style="text-align: right; border-bottom: 1px solid black;">-0.00023%</td> <td style="text-align: right; border-bottom: 1px solid black;">0.00000%</td> <td style="text-align: right; border-bottom: 1px solid black;">-0.00024%</td> </tr> </table>		Miscellaneous	Safety	Total	Proportion - June 30, 2020	0.04984%	0.00000%	0.01948%	Proportion - June 30, 2021	0.04961%	0.00000%	0.01923%	Change - Increase/(Decrease)	-0.00023%	0.00000%	-0.00024%																
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Change - Increase/(Decrease)	-0.00023%	0.00000%	-0.00024%																														
<p>Note: Due to the nature of calculating proportionate share of the Net Pension Liability/(asset), total proportion for all employer plans will not equal the sum of the miscellaneous proportion % and the safety proportion %</p>																																	
Other deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:																																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Fiscal Year Ending June 30:</td> <td style="text-align: center; border-bottom: 1px solid black;">Miscellaneous</td> <td style="text-align: center; border-bottom: 1px solid black;">Safety</td> <td style="text-align: center; border-bottom: 1px solid black;">Total</td> </tr> <tr> <td style="padding-right: 20px;">2022</td> <td style="text-align: right;">\$ 11,372</td> <td style="text-align: right;">\$ -</td> <td style="text-align: right;">\$ 11,372</td> </tr> <tr> <td style="padding-right: 20px;">2023</td> <td style="text-align: right;">59,842</td> <td style="text-align: right;">-</td> <td style="text-align: right;">59,842</td> </tr> <tr> <td style="padding-right: 20px;">2024</td> <td style="text-align: right;">49,661</td> <td style="text-align: right;">-</td> <td style="text-align: right;">49,661</td> </tr> <tr> <td style="padding-right: 20px;">2025</td> <td style="text-align: right;">29,816</td> <td style="text-align: right;">-</td> <td style="text-align: right;">29,816</td> </tr> <tr> <td style="padding-right: 20px;">2026</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="padding-right: 20px;">Thereafter</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">150,691</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 150,691</td> </tr> </table>	Fiscal Year Ending June 30:	Miscellaneous	Safety	Total	2022	\$ 11,372	\$ -	\$ 11,372	2023	59,842	-	59,842	2024	49,661	-	49,661	2025	29,816	-	29,816	2026	-	-	-	Thereafter	-	-	-		150,691	-	\$ 150,691
Fiscal Year Ending June 30:	Miscellaneous	Safety	Total																														
2022	\$ 11,372	\$ -	\$ 11,372																														
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Thereafter	-	-	-																														
	150,691	-	\$ 150,691																														
Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate:																																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center; border-top: 1px solid black;">Discount Rate -1%</td> <td style="text-align: center; border-top: 1px solid black;">Current Discount Rate</td> <td style="text-align: center; border-top: 1px solid black;">Discount Rate +1%</td> </tr> <tr> <td></td> <td style="text-align: center;">6.15%</td> <td style="text-align: center;">7.15%</td> <td style="text-align: center;">8.15%</td> </tr> <tr> <td style="padding-right: 20px;">Employer's Net Pension Liability/(Asset) - Miscellaneous</td> <td style="text-align: right; border-top: 1px solid black;">3,041,591</td> <td style="text-align: right; border-top: 1px solid black;">2,092,614</td> <td style="text-align: right; border-top: 1px solid black;">1,308,504</td> </tr> <tr> <td style="padding-right: 20px;">Employer's Net Pension Liability/(Asset) - Safety</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> <tr> <td style="padding-right: 20px;">Employer's Net Pension Liability/(Asset) - Total</td> <td style="text-align: right; border-bottom: 1px solid black;">3,041,591</td> <td style="text-align: right; border-bottom: 1px solid black;">2,092,614</td> <td style="text-align: right; border-bottom: 1px solid black;">1,308,504</td> </tr> <tr> <td></td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </table>		Discount Rate -1%	Current Discount Rate	Discount Rate +1%		6.15%	7.15%	8.15%	Employer's Net Pension Liability/(Asset) - Miscellaneous	3,041,591	2,092,614	1,308,504	Employer's Net Pension Liability/(Asset) - Safety	-	-	-	Employer's Net Pension Liability/(Asset) - Total	3,041,591	2,092,614	1,308,504		-	-	-								
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Employer's Net Pension Liability/(Asset) - Total	3,041,591	2,092,614	1,308,504																														
	-	-	-																														

Lake County Vector Control District
Notes to Financial Statements
June 30, 2021

<u>Misc.</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	0.049610%	0.049836%	0.050225%	0.049934%	0.050570%	0.052670%
Proportionate share of the net pension liability	\$ 2,092,614	\$ 1,995,678	\$ 1,892,831	\$ 1,968,433	\$ 1,756,710	\$ 1,445,027
Covered - employee payroll - measurement period	\$ 604,120	\$ 563,059	\$ 547,687	\$ 524,044	\$ 504,125	\$ 156,000
Proportionate share of the net pension liability as a percentage of covered payroll	346.39%	354.43%	345.60%	375.62%	348.47%	926.30%
Plan fiduciary net position as a percentage of the total pension liability	70.66%	72.59%	73.01%	71.37%	72.17%	76.82%
	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 223,642	\$ 255,233	\$ 221,167	\$ 202,296	\$ 190,488	\$ 177,718
Contributions in relation to the actuarially determined contributions	223,642	255,233	221,167	202,296	190,488	177,718
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll - fiscal year	\$ 582,657	\$ 582,657	\$ 563,059	\$ 547,687	\$ 524,044	\$ 504,125
Contributions as a percentage of covered - employee payroll	38.38%	43.81%	39.28%	36.94%	36.35%	35.25%

Notes to Schedule:

Valuation date: June 30, 2020 June 30, 2019 June 30, 2018 June 30, 2017 June 30, 2016 June 30, 2015

Methods and assumptions used to determine contribution rates:

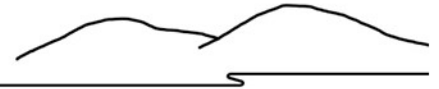
NOTE 9: SUBSEQUENT EVENTS

For the purpose of the accompanying consolidated financial statements, subsequent events have been evaluated through **November 2, 2021**, which is the date these financial statements were available to be issued.

Lake County Vector Control District

Supplemental Information

June 30, 2021



November 2, 2021

Board of Directors
Lake County Vector Control District

Lakeport, CA 95453

INDEPENDENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

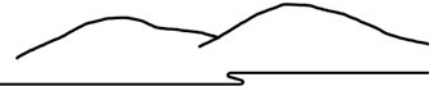
We have audited the financial statements of Lake County Vector Control District as of and for the year ended June 30, 2021, and have issued our report thereon dated **November 2, 2021**. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Lake County Vector Control District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lake County Vector Control District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake County Vector Control District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal controls such there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.



INDEPENDENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake County Vector Control District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Zachary Pehling CPA

Lake County Vector Control District

**Statement of Revenues, Expenditures and Change in Fund Balance
Budget versus Actual
For the Year-Ending
June 30, 2021**

<u>REVENUES</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes and Intergovernmental	\$ 1,910,508	\$ 2,027,324	\$ 116,816
Use of Money & Property	36,000	13,893	(22,107)
Other Government	-	45,109	45,109
Other Revenue	12,952	11,637	(1,315)
TOTAL REVENUES	1,959,460	2,097,963	138,503
<u>EXPENDITURES</u>			
Salaries and Employee Benefits	1,195,150	1,114,566	80,584
Maintenance	45,400	37,194	8,206
Professional Fees	105,300	67,774	37,526
Fixed Assets	10,000	-	10,000
Insurance	25,000	24,545	455
Services, Supplies and Refunds	382,302	159,698	222,604
TOTAL EXPENDITURES	1,763,152	1,403,777	359,375
<u>NET CHANGE IN FUND BALANCE</u>		694,186	
<u>FUND BALANCE, BEGINNING OF YEAR</u>		3,131,319	
<u>FUND BALANCE, END OF YEAR</u>		\$ 3,825,505	

The accompanying notes are an integral part of these financial statements.