

**MARIN-SONOMA MOSQUITO AND VECTOR
CONTROL DISTRICT**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

**MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
FINANCIAL STATEMENTS**

JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Marin-Sonoma Mosquito and Vector Control District
Cotati, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Marin-Sonoma Mosquito and Vector Control District (District) as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Marin-Sonoma Mosquito and Vector Control District as of June 30, 2012, and the respective changes in financial position thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2011, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 5, the Schedule of Funding Progress for Other Postemployment Benefits on page 22, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on pages 23 through 25 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 basic 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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
November 19, 2012

MARIN/SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

This discussion reflects the District's present and future programs for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and offers its readers a narrative overview and analysis of the financial activities of the District.

FINANCIAL HIGHLIGHTS JULY 1, 2011—JUNE 30, 2012

- The District's operating fund cash balance (with the County of Marin) at the beginning of the fiscal year was \$4,990,120 and \$5,171,745 at the end of the fiscal year.
- The District's capital improvement fund cash balance (with the County of Marin) at the beginning of the fiscal year was \$3,674,220 and \$3,049,131 at the end of the fiscal year.
- The District's emergency mosquito control fund cash balance (with the County of Marin) at the beginning of the fiscal year was \$1,148,655 and \$1,151,278 at the end of the fiscal year.
- The District had general revenues and charges for services of \$7,541,746 and program expenses of \$8,219,315. The District's expenses exceeded its revenues by (\$677,569)

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statement is comprised of four (4) components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information

REPORTING ENTITY

The Marin/Sonoma Mosquito Abatement District was formed in May of 1915 and became a California Special District. The District is empowered under the California Health and Safety Code to take all necessary steps to abate mosquitoes and other vectors, such as rats and yellowjackets. The District also provides an Education Program within the Marin and Sonoma County school systems. The District has a twenty four (24) member appointed Board of Trustees that represent both counties and each City or Town. As of June 30, 2012, there were two vacant seats, Belvedere and Cloverdale. The District has a payroll of 37 employees that covers 2300 sq. miles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities include all of the financial activities of the District, including long-term items such as capital assets.

The statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) funds and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

REVENUE AND EXPENSES

	<u>FY 2010/11</u>	<u>FY 2011/12</u>	<u>% CHANGE</u>
PROGRAM REVENUE:			
Taxes and Assessments	\$ 6,942,021	\$ 6,989,944	0.69%
Use of Money and Property	54,518	32,144	-41.04%
Other Revenues	124,699	185,992	49.15%
TOTAL GENERAL REVENUE	<u>\$ 7,121,238</u>	<u>\$ 7,208,080</u>	1.22%
EXPENSES	<u>\$ 8,146,453</u>	<u>\$ 8,219,315</u>	0.89%

The District has experienced an increase in property tax revenue of .69%. Also, use of money and property (investment income) fell by 41%. Other revenues are totally dependent on reimbursements for work performed by the District throughout the fiscal year, which increased by 49%.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

MAJOR FUNDS

GASB Statement No. 34 defines major funds and requires that the District's major governmental type funds be identified and presented separately in the financial statements. Major funds are defined as funds that either have assets, liabilities, revenues, or expenditures equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types. The District has elected to show all funds as major funds.

The General Fund is the main operating fund of the District. This fund is used to account for financial resources not accounted for in other funds.

The Capital Projects Fund is used to account for all capital related purchases.

NET ASSETS

	<u>FY 2010/11</u>	<u>FY 2011/12</u>	<u>% CHANGE</u>
TOTAL ASSETS	<u>\$ 18,111,521</u>	<u>\$ 18,478,370</u>	2.03%
TOTAL LIABILITIES	<u>2,063,506</u>	<u>3,107,924</u>	50.61%
NET ASSETS:			
Invested in Capital Assets	6,542,870	6,725,845	2.80%
Restricted for Pension Obligation	970,588	1,411,764	45.45%
Unrestricted	8,534,557	7,232,837	-15.25%
TOTAL NET ASSETS	<u>\$ 16,048,015</u>	<u>\$ 15,370,446</u>	-4.22%

The District's Net Assets decreased in FY 2011/12 by \$677,569 due to the expenses exceeding revenues. This is mainly due to the accrual of the other post-employment benefits liability, which was not fully funded for in FY 2011/12. The District has two revenue components: Ad valorem taxes and the Benefit Assessments.

Total Liabilities or Long-term Debt increased 50.61% in FY 2011/12. This reflects unpaid employee vacation and compensatory hours. Also calculated in this category are the other postemployment benefits (retiree health care).

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The projected Budget for the 2012-2013 Fiscal Year is \$7,848,245 with projected Revenues of \$7,925,898, with an excess of income over expenditures of \$77,653. For fiscal year 2012-2013 the District's benefit assessments were increased as follows: Benefit Assessment (BA) #1 to \$11.02 per/parcel, BA #2 (Marin County and Zone A) to \$19.92 per/parcel and Zone B to \$19.05 per/parcel. The ad valorem tax rate will not change.

The following factors were considered in preparing the District's Budget for the fiscal year 2012-2013.

- Control of expenses to be within the range of the anticipated revenues.
- Major upgrade of the District's main database to the MapVision system.
- Purchase of new computer hardware for field technicians.
- Continued support of research into vector-borne disease through the Mosquito Research Foundation. Applied research projects in local areas, e.g. Aerial larviciding for tree-hole mosquitoes.
- Continued occurrence of West Nile Virus.
- Enhanced tick-borne disease surveillance and public outreach.
- Programmatic environmental impact report to update the District's CEQA documentation. Wetlands creation from restoration and developer mitigation projects is creating increased workloads and expense for the District.
- Fund water quality monitoring requirements for the Vector Control Pesticide NPDES permit.

FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE DISTRICT

- Need to replace aging vehicles and equipment.
- Potential need for additional personnel for field work and education programs.
- Funding OPEB (Other Post-Employment Benefits)

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Marin/Sonoma Mosquito and Vector Control District, 595 Helman Lane, Cotati, CA 94931.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments (Note 2)	\$ 9,414,064
Accounts receivable, net of allowance	29,345
Deposits (Note 4)	405,727
Loan receivable (Note 9)	280,712
Inventory	<u>210,913</u>
Total current assets	<u>10,340,761</u>
Capital assets (Note 3):	
Non-depreciable	
Land	675,000
Depreciable	
Structures and improvements	6,665,681
Office equipment	635,627
Office furniture	61,910
Field equipment	239,604
Vehicles	2,029,254
Less: Accumulated depreciation	<u>(3,581,231)</u>
Total capital assets	<u>6,725,845</u>
Long-term assets:	
Prepaid expenses (Note 6B)	<u>1,411,764</u>
Total long-term assets	<u>1,411,764</u>
Total assets	<u>18,478,370</u>
LIABILITIES	
Current liabilities:	
Accounts payable	32,413
Noncurrent liabilities (Note 5):	
Due within one year	161,232
Due in more than one year	<u>2,914,279</u>
Total liabilities	<u>3,107,924</u>
NET ASSETS	
Invested in capital assets (Note 11)	6,725,845
Restricted for pension obligation	1,411,764
Unrestricted	<u>7,232,837</u>
Total net assets	<u><u>\$ 15,370,446</u></u>

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

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Public health	\$ (8,219,315)	\$ 333,666	\$ -	\$ -	\$ (7,885,649)
 Total	 <u>\$ (8,219,315)</u>	 <u>\$ 333,666</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>(7,885,649)</u>
 General revenues:					
Taxes and assessments					6,989,944
Use of money and property					32,144
Other revenues					<u>185,992</u>
 Total general revenues					 <u>7,208,080</u>
 Change in net assets					 (677,569)
 Net assets at July 1, 2011					 <u>16,048,015</u>
 Net assets at June 30, 2012					 <u>\$ 15,370,446</u>

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012**

	General Fund	Capital Projects Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments (Note 2)	\$ 6,504,840	\$ 2,909,224	\$ 9,414,064
Accounts receivable	142,954		142,954
Deposits (Note 4)	405,727		405,727
Inventory	210,913		210,913
Loan receivable (Note 9)	280,712		280,712
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,545,146</u>	<u>\$ 2,909,224</u>	<u>\$ 10,454,370</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 32,413	\$ -	\$ 32,413
Deferred revenue	394,321		394,321
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>426,734</u>	<u> </u>	<u>426,734</u>
Fund balances (Note 11):			
Nonspendable: deposits	405,727		405,727
Nonspendable: inventory	210,913		210,913
Committed for dry period funding	3,900,000		3,900,000
Committed for unfunded liabilities (OPEB)	500,000		500,000
Assigned for future capital improvements	90,776	2,909,224	3,000,000
Unassigned	2,010,996		2,010,996
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>7,118,412</u>	<u>2,909,224</u>	<u>10,027,636</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 7,545,146</u>	<u>\$ 2,909,224</u>	<u>\$ 10,454,370</u>

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2012**

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 10,027,636

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Fund Balance Sheet because of the following:

Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Fund Balance Sheet.

Capital assets at historical cost	\$ 10,307,076	
Less: accumulated depreciation	<u>(3,581,231)</u>	6,725,845

The prepaid expense pertaining to governmental fund types is not a current financial resource and therefore is not recorded in the governmental fund statements. 1,411,764

Under the modified accrual basis of accounting used in governmental funds, revenues are not recognized for transactions that do not represent available financial resources. In the statement of net assets and statement of activities, however, revenues and assets are reported regardless of when financial resources are available. 394,321

An allowance for doubtful accounts has been set up in the amount of \$113,609 for certain accounts receivable. (113,609)

The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet.

Compensated absences payable	(322,464)	
Other postemployment benefits payable	<u>(2,753,047)</u>	<u>(3,075,511)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 15,370,446

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2012**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
Revenues:			
Taxes and assessments	\$ 6,989,944	\$ -	\$ 6,989,944
Use of money and property	24,001	8,143	32,144
Other revenues	<u>551,368</u>		<u>551,368</u>
Total revenues	<u>7,565,313</u>	<u>8,143</u>	<u>7,573,456</u>
Expenditures:			
Current:			
Employees' compensation	5,245,251		5,245,251
General and administrative	2,081,451		2,081,451
Capital outlay		<u>498,919</u>	<u>498,919</u>
Total expenditures	<u>7,326,702</u>	<u>498,919</u>	<u>7,825,621</u>
Excess of revenues over (under) expenditures	<u>238,611</u>	<u>(490,776)</u>	<u>(252,165)</u>
Other financing sources (uses):			
Transfers in		2,696,669	2,696,669
Transfers out	<u>(2,696,669)</u>		<u>(2,696,669)</u>
Total other financing sources (uses)	<u>(2,696,669)</u>	<u>2,696,669</u>	
Net Change in Fund Balances	(2,458,058)	2,205,893	(252,165)
Fund Balances - July 1, 2011	<u>9,576,470</u>	<u>703,331</u>	<u>10,279,801</u>
Fund Balances - June 30, 2012	<u>\$ 7,118,412</u>	<u>\$ 2,909,224</u>	<u>\$ 10,027,636</u>

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

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ (252,165)

Amounts reported for governmental activities in the Statement of Activities differ because of the following:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are, therefore, added back to fund balance	\$ 498,919	
Depreciation expense not reported in governmental fund	<u>(315,944)</u>	182,975

The prepaid expense pertaining to governmental fund types is not a current financial resource and therefore is not recorded in the governmental fund statements. This amount represents the amount of the change in the prepaid asset during the fiscal year.		441,176
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Other postemployment benefits payable is not a current liability and therefore is not recorded in the governmental fund statements. This amount represents the amount of the change in the payable in the current period.		(1,063,071)
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Certain revenues are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which current year deferred revenue exceeded prior year.		(36,101)
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The District has set up an allowance for doubtful accounts receivable during the current period in the amount of \$113,609. This amount represents the amount by which current year allowance is less than prior year.		4,391
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The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental fund (net change):

Compensated absences		<u>45,226</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (677,569)</u></u>
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MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Formed in 1915, the Marin-Sonoma Mosquito and Vector Control District (District) is a California Special District empowered to take all necessary steps for the abatement of mosquito and other vectors such as yellow jackets and rats. The District is also empowered to abate as nuisances all standing water that produces mosquitoes. A twenty-four (24) member appointed Board of Trustees governs the District at June 30, 2012. As of June 30, 2012, there were two vacant seats.

The District's basic financial statements include the operations of all organizations for which the District's Board of Trustees exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

This District has no entities that met the aforementioned oversight criteria for inclusion or exclusion from the accompanying basic financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Assets and the Statement of Activities include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) funds and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental type funds be identified and presented separately in the fund financial statements. Major funds are defined as funds that either have assets, liabilities, revenues, or expenditures equal to or greater than ten percent of their fund-type total and five percent of the grand total of all fund types. The District has determined that both of its funds are major funds.

The District reported the following major governmental funds in the accompanying financial statements:

General Fund – the General Fund is the main operating fund of the District. This fund is used to account for financial resources not accounted for in other funds.

Capital Projects Fund – the Capital Projects Fund is used to account for all capital purchases.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when *measurable and available*. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisition under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the District gives or received value without directly receiving or giving equal value in exchange, includes entitlements, and donations. Revenues from entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District funds certain programs by a combination of specific cost-reimbursement funds, categorical block funds, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. The District's policy is to first apply cost-reimbursement resources to such programs, followed by general revenues.

E. Budgets and Budgetary Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Property Tax Levy, Collection, and Maximum Rates

State of California Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than 2% per year unless the property is sold, transferred, or substantially improved. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the counties, cities, school districts and other districts. Counties of Marin and Sonoma assess properties, bill for, and collect property taxes on the schedule that follows:

	Secured	Unsecured
Valuation /lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates (delinquent as of)	50% on November 1 (December 10) 50% on February 1 (April 10)	July 1 (August 31)

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies (Continued)

G. Property Tax Levy, Collection, and Maximum Rates (Continued)

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes are levied and recorded as revenue when received in the fiscal year of levy because of the adoption of the “alternate method of property tax distribution”, known as the Teeter Plan, by the District and the Counties of Marin and Sonoma. The Teeter Plan authorized the auditor-controller of the Counties of Marin and Sonoma to allocate 100% of the secured property taxes billed, but not yet paid. The Counties of Marin and Sonoma remit tax monies to the District in three installments, as follows:

55% remitted on December 15
40% remitted on April 15
5% remitted on June 15

H. Capital Assets

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. The District’s policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$500. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets which range from 20 to 50 years for structures and improvements, 3 to 40 years for office equipment, 3 to 20 years for office furniture, 10 to 20 years for field equipment, and 5 to 15 years for vehicles.

I. Net Assets and Fund Balances

Government-wide Financial Statements

Invested in Capital Assets, Net of Related Debt- This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that contributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Assets- This amount consists of amounts restricted from external creditors, grantors, contributors, or laws of regulations of other governments.

Unrestricted Net Assets- This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets”.

Fund Financial Statements

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as inventories, or are legally or contractually required to be maintained intact. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Unassigned fund balance is the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications. \$1,100,000 included in the Unassigned fund balance at June 30, 2012 is for an emergency reserve. Assigned fund balances include amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The District does not have any restricted fund balances at June 30, 2012.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 1: Summary of Significant Accounting Policies (Continued)

J. Inventory

Inventories are stated at cost (first-in, first-out basis) and are recorded as expenditures at the time the inventory is consumed.

K. New Accounting Pronouncements

The District has implemented the requirements of GASB Statement No. 64 during the fiscal year ended June 30, 2012.

Governmental Accounting Standards Board Statement No. 64 - Derivative Instruments: Application of Hedge Accounting Termination Provisions

This Statement is effective for periods beginning after June 15, 2011. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of the GASB Statement No. 64, did not have an impact on the District's financial statements for the fiscal year ended June 30, 2012.

Note 2: Cash and Investments

Classification

Cash and investments are classified in the financial statements as shown below:

Cash and investments, Statement of Net Assets	<u>\$ 9,414,064</u>
---	---------------------

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 350
Deposits with financial institutions	41,560
Deposits with County of Marin	<u>9,372,154</u>
Total cash and investments	<u><u>\$ 9,414,064</u></u>

A. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The District has not adopted a formal investment policy.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million
Certificates of Deposit	None	None	None
Money Market Funds	N/A	None	None
U.S. Government Securities	None	None	None
County Cash Pool	None	None	None

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>					
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-36 Months</u>	<u>37-48 Months</u>	<u>49-60 Months</u>	<u>More Than 60 Months</u>
Deposits with County of Marin	\$ 9,372,154	\$ 9,372,154	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 9,372,154</u>	<u>\$ 9,372,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
Deposits with County of Marin	\$ 9,372,154	N/A	\$ -	\$ 9,372,154	\$ -	\$ -	\$ -
Total	<u>\$ 9,372,154</u>		<u>\$ -</u>	<u>\$ 9,372,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 2: Cash and Investments (Continued)

D. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2012, there were no District deposits with financial institutions in excess of federal depository insurance limits.

As of June 30, 2012, 99.6% of the District's cash and investments were on deposit in the County of Marin Investment Pool.

Note 3: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets, not depreciated:					
Land	\$ 675,000	\$ -	\$ -	\$ -	\$ 675,000
Construction in progress	460,844	201,606		(662,450)	
Total capital assets, not depreciated	<u>1,135,844</u>	<u>201,606</u>		<u>(662,450)</u>	<u>675,000</u>
Capital assets, being depreciated:					
Structures and improvements	6,003,231			662,450	6,665,681
Office equipment	574,835	84,283	(23,491)		635,627
Office furniture	60,242	1,668			61,910
Field equipment	230,304	9,300			239,604
Vehicles	1,827,192	202,062			2,029,254
Total capital assets, being depreciated	8,695,804	297,313	(23,491)	662,450	9,632,076
Less accumulated depreciation	<u>(3,288,778)</u>	<u>(315,944) *</u>	<u>23,491</u>		<u>(3,581,231)</u>
Total capital assets, being depreciated, net	<u>5,407,026</u>	<u>(18,631)</u>		<u>662,450</u>	<u>6,050,845</u>
Capital assets, net	<u>\$ 6,542,870</u>	<u>\$ 182,975</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,725,845</u>

*Depreciation expense of \$315,944 was charged to public health.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 4: Self-Insurance

The District participated with other public entities in a joint venture under a joint powers agreement which established the Vector Control Joint Powers Agency (VCJPA). The VCJPA is a consortium of 34 mosquito abatement or vector control districts in the State of California. It was established under the provisions of California Government Code Section 6500 et. seq. The day-to-day business is handled by a risk management group employed by the VCJPA.

The District is covered for the first \$1,000,000 of each general liability, automobile liability, and errors and omissions claim, \$500,000 of each workers' compensation claim, and \$1,000,000 per loss for group fidelity through the VCJPA. The District has the right to receive dividends and the obligation to pay assessments based on a formula which, among other expenses, charges the District's account for liability losses under \$50,000 and workers' compensation losses under \$50,000. The VCJPA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$5,000,000. The VCJPA participates in an excess pool which provides workers' compensation coverage from \$500,000 to \$5,000,000 and purchases excess insurance above the \$5,000,000 to the statutory limit. The VCJPA held a deposit in the amount of \$405,727 at June 30, 2012.

Note 5: Long-term Debt

A. Compensated Absences

Accumulated unpaid employee vacation and compensated hours, are recognized as liabilities of the District to the extent they vest. The liability is recorded in the Statement of Net Assets. The liability is calculated in accordance with GASB Statement No. 16. Sick leave has also been included as employees receive 50% of their accumulated sick leave upon termination, death, layoff, and/or retirement. The liability at June 30, 2012, was \$322,464.

A schedule of changes in the long-term debt is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due in One Year
Compensated absences	\$ 367,690	\$ 22,460	\$ (67,686)	\$ 322,464	\$ 161,232
Other post-employment benefits	1,689,976	1,221,128	(158,057)	2,753,047	
Total	<u>\$ 2,057,666</u>	<u>\$ 1,243,588</u>	<u>\$ (225,743)</u>	<u>\$ 3,075,511</u>	<u>\$ 161,232</u>

Note 6: Pension Plan

A. Plan Description

The District contributes to the Marin County Employees' Retirement Association (MCERA). The MCERA provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. MCERA is a cost sharing multiple-employer plan administered by the County of Marin. Employees vest after 10 years of service and may receive retirement benefits at the age of 50. These benefit provisions and all requirements are generated by the County Employees' Retirement Law of 1937, as amended and set forth in Section 31450 et. seq. of the government code.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 6: Pension Plan (Continued)

B. Funding Policy

The MCERA members are required to contribute 6.24% to 11.50% of their annual covered salary, depending on their age at the time of hire. The District is required to contribute at an actuarially determined rate; the current rate is 28.89% of annual covered payroll. Out of the 28.89%, 10.64% is the normal required contribution, while the remaining 18.25% is for the unfunded liability. The contribution requirements of plan members and the District are reviewed on an annual basis. The District's contributions to MCERA for the fiscal years ending June 30, 2012, 2011, and 2010, were \$1,320,548, \$1,281,223, and \$1,328,322, respectively, and equal 160.9%, 164.0%, and 160.4%, respectively, of the required contributions for each fiscal year. An additional \$500,000 was contributed to MCERA during the fiscal year 2011-12, and is accounted for as a prepaid expense on the Statement of Net Assets, and will be amortized over the next 17 years.

As of the June 30, 2011 actuarial date, there is an accrued liability of \$9,474,297 which is associated with the District's pension plan, for future benefits, and the District had \$3,793,677 in a trust account with MCERA that would be used to offset this liability. The difference between the accrued liability and the deposit in the trust account is being amortized over 17 years and will be funded by the District's annual required contribution plus any additional optional contributions made by the District.

Note 7: Other Post-Employment Benefits

Plan Description

The District provides post employment medical benefits to retirees and retirees' spouses (for employees hired prior to July 1, 2009) as long as the retiree had 10 years of service vested with the District. Employees hired on or after July 1, 2009 will receive benefits for themselves only. As of June 30, 2012, twenty-one retirees and/or retiree spouses were receiving benefits.

Funding Policy

The District's policy is to contribute an amount sufficient to pay the current year's premium. For fiscal year 2011-12, the District contributed \$158,057, which covered current premiums, but did not include any additional prefunding of benefits.

Annual OPEB and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution	\$ 1,146,897
Interest on net OPEB obligation	74,231
Annual OPEB cost (expense)	<u>1,221,128</u>
Contributions made	<u>(158,057)</u>
Increase in net OPEB obligation	1,063,071
Net OPEB obligation - beginning of fiscal year	<u>1,689,976</u>
Net OPEB obligation - end of fiscal year	<u><u>\$ 2,753,047</u></u>

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 7: Other Post-Employment Benefits (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2010, 2011, and 2012 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$ 828,977	15%	\$ 701,513
6/30/2011	1,140,562	13%	1,689,976
6/30/2012	1,221,128	13%	2,753,047

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$12,030,407, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,030,407. The covered payroll (annual payroll of active employees covered by the plan) was \$2,684,455, and the ratio of the UAAL to the covered payroll was 448.2 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return, which is the expected long-term investment returns on plan assets, a projected salary increase assumption rate of 3.25 percent per year, and an annual healthcare cost trend rate of 5.0 to 10.0 percent. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at July 1, 2010 was twenty-nine years.

Note 8: Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to full-time employees. The Internal Revenue Service regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. However, participants are allowed to borrow against their account value, up to 50%.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT
Notes to Basic Financial Statements
June 30, 2012

Note 8: Deferred Compensation Plan (Continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are held in trust by third party administrators for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

Note 9: Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the District was \$280,712. As of June 30, 2012 there is a loan receivable and deferred revenue recognized on the Balance Sheet – Governmental Funds. On the Statement of Net Assets, the tax revenues were recognized in the fiscal year for which they were levied (fiscal year 2009-10), therefore, only the loan receivable is recognized.

Note 10: Interfund Transfers

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	\$ -	\$ 2,696,669
Capital Projects Fund	2,696,669	
	\$ 2,696,669	\$ 2,696,669

The transfer represents the amount of cash which needed to be transferred to the Capital Projects fund to reconcile the cash balance with the original \$3,400,000 assigned by the Board of Trustees for capital improvements.

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**Required Supplementary Information
June 30, 2012**

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
7/1/2010	\$ 12,030,407	\$ -	\$ 12,030,407	0.0%	\$ 2,684,455	448.2%

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes and assessments				
Assessments	\$ 2,792,276	\$ 2,792,276	\$ 2,905,267	\$ 112,991
Current secured	3,621,981	3,621,981	3,506,563	(115,418)
Current unsecured	88,211	88,211	109,011	20,800
Prior unsecured	1,504	1,504	3,150	1,646
Homeowners' property tax relief	30,513	30,513	30,273	(240)
Annexation revenue	686,838	686,838	555,310	(131,528)
Supplemental assessments	(56,668)	(56,668)	(121,953)	(65,285)
Other aid			2,323	2,323
Total taxes and assessments	<u>7,164,655</u>	<u>7,164,655</u>	<u>6,989,944</u>	<u>(174,711)</u>
Use of money and property				
Interest income	<u>76,134</u>	<u>76,134</u>	<u>24,001</u>	<u>(52,133)</u>
Other revenues				
Contract work	75,000	75,000	365,376	290,376
Refunds and reimbursements	<u>223,760</u>	<u>223,760</u>	<u>185,992</u>	<u>(37,768)</u>
Total other revenues	<u>298,760</u>	<u>298,760</u>	<u>551,368</u>	<u>252,608</u>
Total revenues	<u>7,539,549</u>	<u>7,539,549</u>	<u>7,565,313</u>	<u>25,764</u>
Expenditures:				
Current:				
Employees' compensation				
Salaries and compensated absences	3,164,447	3,155,957	3,056,444	99,513
Employee benefits	<u>2,289,675</u>	<u>2,291,649</u>	<u>2,188,807</u>	<u>102,842</u>
Total employees' compensation	<u>5,454,122</u>	<u>5,447,606</u>	<u>5,245,251</u>	<u>202,355</u>
Total expenditures forward	<u>5,454,122</u>	<u>5,447,606</u>	<u>5,245,251</u>	<u>202,355</u>

(Continued)

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2012
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Total forward	\$ 5,454,122	\$ 5,447,606	\$ 5,245,251	\$ 202,355
General and administrative				
Agriculture	462,800	462,800	391,909	70,891
Pest supplies	18,500	18,500	17,992	508
Spray/ field equipment	10,050	10,050	6,375	3,675
Source reduction equipment	31,000	31,000	22,559	8,441
Furniture equipment	8,000	8,000	4,716	3,284
Clothing and personal supplies	63,200	63,200	54,272	8,928
Safety equipment	10,950	10,950	4,122	6,828
Communications	53,300	53,300	35,536	17,764
Food	7,000	7,000	2,386	4,614
District special expense	306,204	306,204	259,840	46,364
Household expense	11,650	11,650	8,380	3,270
Insurance	238,144	238,144	210,825	27,319
Projects	10,000	10,000		10,000
Maintenance-equipment	97,000	97,000	86,267	10,733
Maintenance-structure	7,500	7,500	6,780	720
Medical-lab	68,500	68,500	41,743	26,757
Fish supplies	18,025	18,025	6,868	11,157
Disease surveillance	18,000	18,000	5,318	12,682
Memberships	33,785	33,785	28,697	5,088
Office expense	44,200	44,200	29,578	14,622
Professional and special services	430,856	460,856	376,715	84,141
Publications and legal notices	211,000	211,000	130,511	80,489
Rents and leases	16,240	16,240	9,743	6,497
Small tools and instruments	5,850	5,850	4,066	1,784
Minor construction/improvements	22,500	22,500	53,805	(31,305)
Education/public relations	88,500	88,500	62,417	26,083
Education/employees	50,800	50,800	23,734	27,066
Travel and transportation	100,500	100,500	40,867	59,633
Fuel and oil	111,000	111,000	111,366	(366)
Utilities	49,000	49,000	44,064	4,936
Total general and administrative	2,604,054	2,634,054	2,081,451	552,603
Total expenditures	8,058,176	8,081,660	7,326,702	754,958

(Continued)

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2012
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Excess of revenues over (under) expenditures	\$ (518,627)	\$ (542,111)	\$ 238,611	\$ 780,722
Other Financing Sources (Uses)				
Transfers out			(2,696,669)	(2,696,669)
Total other financing sources (uses)			(2,696,669)	(2,696,669)
Net changes in fund balance	(518,627)	(542,111)	(2,458,058)	(1,915,947)
Fund balance, July 1, 2011	9,576,470	9,576,470	9,576,470	
Fund balance, June 30, 2012	<u>\$ 9,057,843</u>	<u>\$ 9,034,359</u>	<u>\$ 7,118,412</u>	<u>\$ (1,915,947)</u>

MARIN-SONOMA MOSQUITO AND VECTOR CONTROL DISTRICT

Board of Trustees
June 30, 2012

	<u>Term Expires</u> <u>Dec 31st</u>
Ed Schulze, President.....	2015
Paul Libeu, Vice President.....	2014
Judith Trusendi, Secretary.....	2013
Wilson Guy, Treasurer.....	2013
Steve Ayala	2012
Nancy Barnard	2012
Charles Bouey	2014
Tom Bradner	2013
Martin Castro.....	2015
Tamara Davis	2012
Frank Egger.....	2015
Margaret Graham	2013
William “Billy” Holland	2012
Bill Pitcher.....	2015
William “Bill” Ring	2013
Sandra Ross	2013
Roger Smith.....	2014
Richard Stabler.....	February 28, 2013
Yvonne Van Dyke.....	2012
Iris Winey.....	2013
Jim Wood	2013
Herman Zwart	2012