

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
COUNTY SERVICE AREA NO. 29 LUCERNE VALLEY
FINANCIAL STATEMENTS
JUNE 30, 2020**

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
COUNTY SERVICE AREA NO. 29 - LUCERNE VALLEY
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JUNE 30, 2020**

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Board of Supervisors
County of San Bernardino
County of San Bernardino Special
District County Service Area
No. 29 - Lucerne Valley

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the County of San Bernardino Special District County Service Area No. 29 - Lucerne Valley (CSA), a component unit of the County of San Bernardino, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the CSA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The CSA's 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 from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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, the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the minimum audit requirements and reporting guidelines for California Special Districts required by the Office of the State Controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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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 County of San Bernardino Special District County Service Area No. 29 - Lucerne Valley as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Prior-Year Comparative Information

We have previously audited the CSA's 2019 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities and each major fund in our report dated November 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2019, from which such summarized information was derived.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis and the Schedules of Pension Plan Contribution and Proportionate Share of Net Pension Liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information as listed in the table of contents 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020, on our consideration of the CSA'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 solely 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 effectiveness of the CSA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CSA's internal control over financial reporting and compliance.

Eddie and Payne HP

December 30, 2020
Riverside, California

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Statement of Net Position
June 30, 2020

		For Comparative Purposes Only
	2020	2019
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Assets		
Cash and investments	\$ 531,311	\$ 461,635
Special activities fund	7,123	7,123
Taxes receivable	14,948	11,968
Due from other governments	711	-
Capital assets, net of depreciation	<u>901,192</u>	<u>944,413</u>
Total assets	<u>1,455,285</u>	<u>1,425,139</u>
Deferred outflows of resources		
Pensions	<u>85,536</u>	<u>89,754</u>
Total deferred outflows of resources	<u>85,536</u>	<u>89,754</u>
Liabilities		
Current:		
Accounts payable	590	546
Salaries and benefits payable	14,784	11,788
Due to other governments	199,201	121,785
Customer deposits	1,810	200
Long-term:		
Compensated absences payable	39,967	33,312
Net pension liability	<u>227,426</u>	<u>202,216</u>
Total liabilities	<u>483,778</u>	<u>369,847</u>
Deferred inflows of resources		
Pensions	<u>26,841</u>	<u>44,260</u>
Total deferred inflows of resources	<u>26,841</u>	<u>44,260</u>
Net Position		
Net investment in capital assets	901,192	944,413
Restricted for park and recreation services, a cemetery, television translators, and streetlights.	<u>129,010</u>	<u>156,373</u>
Total net position	<u>\$1,030,202</u>	<u>\$ 1,100,786</u>

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Statement of Activities
For the Year Ended June 30, 2020

	2020 Governmental Activities	For Comparative Purposes Only 2019 Governmental Activities
Expenses		
Parks and recreation:		
Salaries and benefits	\$ 334,113	\$ 210,871
Services and supplies	242,329	313,908
Depreciation	72,747	70,819
Total expenses	<u>649,189</u>	<u>595,598</u>
Program Revenues		
Operating grants and contributions:		
State assistance	4,234	4,241
Contributions	5,075	6,500
Total program revenues	<u>9,309</u>	<u>10,741</u>
Net program revenue (expense)	<u>(639,880)</u>	<u>(584,857)</u>
General Revenues		
Property taxes	520,875	491,160
Other taxes	6,620	7,780
Rents and concessions	24,617	15,537
Investment earnings	3,811	3,415
Other	13,373	4,631
Total general revenues	<u>569,296</u>	<u>522,523</u>
Change in net position	(70,584)	(62,334)
Net position at beginning of year	<u>1,100,786</u>	<u>1,163,120</u>
Net position at end of year	<u><u>\$ 1,030,202</u></u>	<u><u>\$ 1,100,786</u></u>

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Balance Sheet
Governmental Funds
June 30, 2020

	2020			
	Special Revenue Fund	Permanent Fund	Capital Project Fund	
	General (1318)	Cemetery (3900)	CIP (3520)	Totals
Assets				
Cash and investments	\$ 387,911	\$ 108,186	\$ 35,214	\$ 531,311
Special activities fund	7,123	-	-	7,123
Due from other governments	711	-	-	711
Taxes receivable	14,948	-	-	14,948
Total assets	\$ 410,693	\$ 108,186	\$ 35,214	\$ 554,093
Liabilities				
Accounts payable	\$ 590	\$ -	\$ -	\$ 590
Salaries and benefits payable	14,784	-	-	14,784
Due to other governments	198,216	-	985	199,201
Customer deposits	1,810	-	-	1,810
Total liabilities	215,400	-	985	216,385
Fund balances				
Restricted for:				
Park and recreation services, a cemetery, television translators, and streetlights	188,170	108,186	34,229	330,585
Assigned:				
Special activities	7,123	-	-	7,123
Total fund balances	195,293	108,186	34,229	337,708
Total liabilities and fund balances	\$ 410,693	\$ 108,186	\$ 35,214	\$ 554,093

Reconciliation of balance sheet of governmental funds to statement of net position:

Total Fund Balance - Governmental Funds	\$ 337,708
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds.	901,192
Compensated absences payable are not due and payable in the current period and, therefore are not reported in the funds.	(39,967)
Deferred outflows of resources, deferred inflows of resources and long-term liability related to the pension plan are not financial resources or due and payable in the current period and therefore are not reported in the governmental funds.	(168,731)
Net position of governmental activities	\$ 1,030,202

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Balance Sheet (continued)
Governmental Funds
June 30, 2020

For Comparative Purposes Only
2019

	Special Revenue Fund <u>General (1318)</u>	Permanent Fund <u>Cemetery (3900)</u>	Capital Project Fund <u>CIP (3520)</u>	Totals
Assets				
Cash and cash equivalents	\$ 358,796	\$102,814	\$ 25	\$ 461,635
Special activities fund	7,123	-	-	7,123
Due from other funds	-	-	-	-
Taxes receivable	11,968	-	-	11,968
Total assets	<u>377,887</u>	<u>102,814</u>	<u>25</u>	<u>480,726</u>
Liabilities				
Accounts payable	\$ 546	\$ -	\$ -	\$ 546
Salaries and benefits payable	11,788	-	-	11,788
Due to other governments	121,785	-	-	121,785
Customer deposits	200	-	-	200
Total liabilities	<u>134,319</u>	<u>-</u>	<u>-</u>	<u>134,319</u>
Fund balances				
Restricted for:				
Park and recreation services, a cemetery, television translators, and streetlights	236,445	102,814	25	339,284
Assigned:				
Special activities	7,123	-	-	7,123
Total Fund Balances	<u>243,568</u>	<u>102,814</u>	<u>25</u>	<u>346,407</u>
Total liabilities and fund balances	<u>\$ 377,887</u>	<u>\$102,814</u>	<u>\$ 25</u>	<u>\$ 480,726</u>

Reconciliation of balance sheet of governmental funds to statement of net position:

Total Fund Balance - Governmental Funds	346,407
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds.	944,413
Compensated absences payable are not due and payable in the current period and, therefore are not reported in the funds.	(33,312)
Deferred outflows of resources, deferred inflows of resources and long-term liability related to the pension plan are not financial resources or due and payable in the current period and therefore are not reported in the governmental funds.	<u>(156,722)</u>
Net position of governmental activities	<u>\$1,100,786</u>

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	2020			
	SPECIAL REVENUE FUNDS	PERMANENT FUNDS	CAPITAL PROJECTS FUNDS	Total
	General (1318)	Cemetery (3900)	CIP (3520)	Governmental Funds
	General (1318)	Cemetery (3900)	CIP (3520)	Governmental Funds
Revenues				
Property taxes	\$ 520,875	\$ -	\$ -	\$ 520,875
Other taxes	6,620	-	-	6,620
State assistance	4,234	-	-	4,234
Rents, concessions and royalties	24,617	-	-	24,617
Investment earnings	-	3,622	189	3,811
Contributions	5,075	-	-	5,075
Other	11,626	1,750	-	13,376
Total revenues	<u>573,047</u>	<u>5,372</u>	<u>189</u>	<u>578,608</u>
Expenditures				
Parks and recreation:				
Salaries and benefits	315,448	-	-	315,448
Services and supplies	241,348	-	-	241,348
Capital outlay:				
Equipment	29,526	-	-	29,526
Structures and improvements	-	-	985	985
Total expenditures	<u>586,322</u>	<u>-</u>	<u>985</u>	<u>587,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,275)</u>	<u>5,372</u>	<u>(796)</u>	<u>(8,699)</u>
Other financing sources (uses):				
Transfers in	-	-	35,000	35,000
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>
Total other financing sources and (uses)	<u>(35,000)</u>	<u>-</u>	<u>35,000</u>	<u>-</u>
Net change in fund balances	<u>(48,275)</u>	<u>5,372</u>	<u>34,204</u>	<u>(8,699)</u>
Fund balances - beginning	<u>243,568</u>	<u>102,814</u>	<u>25</u>	<u>346,407</u>
Fund balances - ending	<u>\$ 195,293</u>	<u>\$ 108,186</u>	<u>\$ 34,229</u>	<u>\$ 337,708</u>

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Statement of Revenue, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
For the Year Ended June 30, 2020

	For Comparative Purposes Only 2019			Total Governmental Funds
	SPECIAL REVENUE FUNDS General (1318)	PERMANENT FUNDS Cemetery (3900)	CAPITAL PROJECTS FUNDS CIP (3520)	
Revenues				
Property taxes	\$ 491,160	\$ -	\$ -	\$ 491,160
Other taxes	7,780	-	-	7,780
State assistance	4,241	-	-	4,241
Rents, concessions and royalties	15,537	-	-	15,537
Investment earnings	205	3,158	52	3,415
Contributions	6,500	-	-	6,500
Other	4,082	549	-	4,631
Total revenues	<u>529,505</u>	<u>3,707</u>	<u>52</u>	<u>533,264</u>
Expenditures				
Parks and recreation:				
Salaries and benefits	248,385	-	-	248,385
Services and supplies	313,908	-	-	313,908
Capital outlay:				
Equipment	5,441	-	-	5,441
Structures and improvements	-	-	-	-
Total expenditures	<u>567,734</u>	<u>-</u>	<u>-</u>	<u>567,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,229)</u>	<u>3,707</u>	<u>52</u>	<u>(34,470)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(38,229)</u>	<u>3,707</u>	<u>52</u>	<u>(34,470)</u>
Fund balances - beginning	281,797	99,107	(27)	380,877
Fund balances - ending	<u>\$ 243,568</u>	<u>\$ 102,814</u>	<u>\$ 25</u>	<u>\$ 346,407</u>

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

County of San Bernardino Special District
County Service Area No. 29 - Lucerne Valley
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

	2020	For Comparative Purposes Only 2019
Net Change in Fund Balances - Total Governmental Funds	\$ (8,699)	\$ (34,470)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay, net of deletions in the current period.	(43,221)	(65,378)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences payable	(6,655)	(2,086)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(12,009)	39,600
Change in Net Position of Governmental Activities	\$ (70,584)	\$ (62,334)

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

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of County Service Area (CSA) No. 29 Lucerne Valley conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting entity

The County Service Area (CSA) No. 29 Lucerne Valley was established by an act of the Board of Supervisors of the County of San Bernardino (the County) on December 30, 1964 to provide park and recreation services, a cemetery, television translators and streetlights to the community of Lucerne Valley.

The CSA is a component unit of the County of San Bernardino and is governed by the actions of the County Board of Supervisors.

The accompanying financial statements reflect only the accounts of the County Service Area No. 29 of the County of San Bernardino and are not intended to present the financial position of the County taken as a whole.

Because the CSA meets the reporting entity criteria established by the Governmental Accounting Standards Board (GASB), the CSA's financial statements have also been included in the Comprehensive Annual Financial Report of the County as a "component unit" for the fiscal year ended June 30, 2020.

Government-wide and fund financial statements

The government-wide financial statements (e.g., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Currently, the CSA does not have any proprietary or fiduciary fund types. Major individual governmental funds are reported as separate columns in the fund financial statements.

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County has established a materiality level for recording year-end accruals. For Special Districts with appropriations of less than \$500,000, individual items of less than \$1,000 are not accrued at year end. For Special Districts with appropriations over \$500,000, individual items of less than \$5,000 are not accrued at year end.

The government reports the following major governmental funds:

The *special revenue fund* labeled "General" is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *permanent fund* labeled "Cemetery" provides maintenance and upkeep for cemetery grounds in Lucerne Valley.

The *capital projects fund* labeled "CIP" is used to account for various improvements to the cemetery, senior center, and communications center.

Financial reporting is based upon all GASB pronouncements including the Codification of Accounting and Financial Reporting Guidelines.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus, basis of accounting, and financial statement presentation (continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the CSA enterprise fund is charges to customers for ambulance transportation services. Operating expenses for enterprise funds include the cost of salaries and benefits, service and supplies, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Cash and investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounts Receivable

No allowance for uncollectibles was recorded at June 30, 2020, based on management's expectation that all accounts receivable will be collected through the property tax roll.

Property taxes

Secured property taxes are levied in two equal installments, November 1 and February 1. They become delinquent with penalties on December 10 and April 10, respectively. The lien date is January 1 of each year. Unsecured property taxes are due on March 1 and become delinquent with penalties on August 31.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
 CSA NO. 29 - LUCERNE VALLEY
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories and prepaid items

Inventories, if any, are valued at cost using the first-in/first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 (for improvements to land and structures and equipment) and have an estimated useful life in excess of two years. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation in accordance with GASB Statement No. 72.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40-60
Structure and improvements	5-40
Equipment and vehicles	4-15

Fund equity

The CSA implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

- *Nonspendable Fund Balance*: Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.
- *Restricted Fund Balance*: Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund equity (continued)

- *Committed Fund Balance:* Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (the Board of Supervisors). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the Board.
- *Assigned Fund Balance:* Amounts are constrained by the government’s intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority, i.e. the County Administrative Office. The County Administrative Office will assign fund balance for specific departmental projects through the use of the respective department’s general fund savings. Such projects would not normally be feasible for the department without reserving funding over a multiple year period.
- *Unassigned Fund Balance:* The General Fund, as the principal operating fund, often has net resources in excess of what can properly be classified in one of the four categories already described. Therefore, in order to calculate unassigned fund balance, total fund balance less nonspendable, restricted, committed, or assigned equals unassigned fund balance. This amount is available for any purpose and will be placed in either the General Purpose Reserve, General Fund – Mandatory Contingencies or the General Fund - Uncertainties Contingencies until allocated for a specific purpose by the Board, by a four-fifths vote.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed. It is the County’s policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Employee compensated absences

Accumulated vacation, holiday benefits, sick pay and compensatory time are recorded as an expense and liability as the benefits are earned. Compensated absence liabilities are recorded as a current liability. The CSA is not obligated to pay for unused sick leave if an employee terminates or retires.

Compensated absences activity for the year ended June 30, 2020 was as follows:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year	LT Comp. Absences
Compensated Absences	33,312	16,466	(9,811)	39,967	-	39,967

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

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

Stewardship, compliance and accountability

A. Budgetary information

In accordance with provisions of Section 29000 - 29143 of the Government code of the State of California, commonly known as the County Budget Act, the CSA prepares and adopts a budget on or before August 30 for each fiscal year.

Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for capital assets within each fund.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of the Special District's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Debt and Interest Payable

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are immediately expensed when incurred in the Government-Wide Financial Statements in addition to the Proprietary and Fiduciary Fund Statements in accordance with GASB No. 65. In the Governmental Fund Financial Statements, with the exception of advances from other funds, long-term liabilities are not presented. Consequently, long term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the Fund Financial Statements, only propriety fund types recognize the interest payable when the liability is incurred.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

In the Government-Wide Financial Statements, net position are classified in the following categories: *Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets. Restricted Net position is restricted by external creditors, grantors, contributors, laws or regulations of other governments. Unrestricted Net position is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CSA’s plan and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by SBCERA. 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.

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS

Cash and investments includes balances of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the CSA's account based upon the CSA's average daily deposit balance during the allocation period. Cash and investments are shown at the fair value as of June 30, 2020. Changes in fair value that occur during a fiscal year are recognized as *investment earnings* reported for that fiscal year. *Investment earnings* reports interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments. The County's practice is to hold investments until maturity.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their investment policy and disclosures related to investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40, and fair value hierarchy disclosures required by GASB Statement No. 72. The County of San Bernardino's CAFR may be obtained from their website <https://www.sbcounty.gov/ATC/Services/Documents>.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

Governmental activities:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 122,015	\$ -	\$ -	\$ 122,015
Total capital assets, not being depreciated	<u>122,015</u>	<u>-</u>	<u>-</u>	<u>122,015</u>
Capital assets, being depreciated:				
Improvements to land	1,155,856	-	-	1,155,856
Structures and improvements	867,255	-	-	867,255
Vehicle	32,394	-	(32,394)	-
Equipment	137,762	29,526	-	167,288
Total capital assets, being depreciated	<u>2,193,267</u>	<u>29,526</u>	<u>(32,394)</u>	<u>2,190,399</u>
Less accumulated depreciation for:				
Improvements to land	(729,723)	(36,754)	-	(766,477)
Structures and improvements	(501,531)	(23,222)	-	(524,753)
Vehicle	(32,394)	-	32,394	-
Equipment	(107,221)	(12,771)	-	(119,992)
Total accumulated depreciation	<u>(1,370,869)</u>	<u>(72,747)</u>	<u>32,394</u>	<u>(1,411,222)</u>
Total capital assets, being depreciated, net	<u>822,398</u>	<u>(43,221)</u>	<u>-</u>	<u>779,177</u>
Total capital assets, net	<u>\$ 944,413</u>	<u>\$ (43,221)</u>	<u>\$ -</u>	<u>\$ 901,192</u>

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4: SPECIAL ACTIVITIES FUND

The CSA operates a revolving fund in accordance with Public Resources Code Section 5784.35. The fund is for the purpose of conducting and supervising special recreational activities. The revenue received and expenses paid are kept in commercial banks. Because the recreational activities are self-funded and are not a part of the CSA's budget, only the cash balance and related equity are reported on the CSA's *Balance Sheet* and *Statement of Net Position*. Profits earned from special activities are reflected as part of charges for services on the *Statement of Activities* and as service fees on the *Statement of Revenues, Expenditures and Changes in Fund Balances*. The total amount deposited in the special activities fund at June 30, 2020 was \$7,123.

NOTE 5: TRANSFERS IN/OUT

Interfund transfers are transactions used to close out a fund, reimburse an operating fund, and transfer cash between operating funds and capital projects funds. The CSA made interfund transfers \$35,000 during the year ending June 30, 2020.

NOTE 6: RETIREMENT PLAN

Plan Description. Employees of the CSA participate in the County of San Bernardino's (County) cost-sharing multiple-employer defined benefit retirement plan (the Plan) administered by the San Bernardino County Employee's Retirement Association (SBCERA). The Plan is governed by the San Bernardino Board of Retirement (Board) under the California County Employees' Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement, 348 W. Hospitality Lane, 3rd Floor, San Bernardino, California 92415-0014.

Benefits Provided. SBCERA provides retirement, disability, death and survivor benefits. SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members, including the CSA's employees, are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is greater than fifty percent of the full standard of hours required are members of SBCERA, and are provided with pension benefits pursuant to Plan requirements.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6: RETIREMENT PLAN (continued)

The CERL and PEPRA establish benefit terms. Retirement benefits for the General Tier 1 and General Tier 2 Plans are calculated on the basis of age, average final compensation and service credit as follows:

	General – Tier 1	General – Tier 2
Final Average Compensation	Highest 12 months	Highest 36 consecutive months
Normal Retirement Age	Age 55	Age 55
Early Retirement: Years of service required and/or eligible for	Age 70 any years	Age 70 any years
	10 years age 50	5 years age 52
	30 years any age	N/A
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	At age 67, 2.5% per year of final average compensation for every year of service credit
Benefit Adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67
Final Average Compensation Limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

Contributions. Participating employers and active members, including the CSA and the CSA’s employees, are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25 and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan’s actuarial funding policy. The contribution rates are adopted yearly, based on an annual actuarial valuation, conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members’ contributions through negotiations and bargaining agreements.

Employee contribution rates for the fiscal year ended June 30, 2020 ranged between 8.62% and 14.65% for Tier 1 General members and was 9.16% for Tier 2 General members.

Employer contribution rates for fiscal year ended June 30, 2020 were 25.39% and 22.86% for Tier 1 and Tier 2, respectively.

Actuarial Assumptions and Discount Rates

See the County of San Bernardino’s Comprehensive Annual Financial Report (CAFR) for details of actuarial assumptions and discount rates for the year ended June 30, 2020.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6: RETIREMENT PLAN (continued)

Pension Liabilities, Pension Expense/Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the CSA reported a liability of \$227,426 which represents 3.31% of the County of San Bernardino Special District's proportionate share of the County's net pension liability. The CSA's proportion was allocated based on FY 2020 total salaries and benefits relative to the total salaries and benefits of the County of San Bernardino Special Districts as a whole.

The County of San Bernardino Special District's proportionate share of the County's net pension liability was based on its contributions to the pension plan relative to the County's contributions for FY 2019 as a whole. The County's net pension liability was allocated by SBCERA based on the actual employer contributions in each cost group.

The Plan's net pension liability was measured as of June 30, 2019 based upon the results of an actuarial valuation as of the same date. Plan fiduciary net position and the total pension liability were valued as of the measurement dates.

Sensitivity of the Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate

The following presents the CSA's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1 percentage-point higher (8.25%) than the current rate:

1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
\$ 414,622	\$ 227,426	\$ 73,955

Pension expenses recognized amounted to \$12,009 for the year ended June 30, 2020.

At June 30, 2020, the CSA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources*	Deferred Inflows of Resources**
\$85,536	\$ 26,841

* Total deferred outflows includes change in assumptions, change in proportion and differences between share of contributions, and contributions after measurement date.

**Total deferred inflows includes differences in expected and actual expense, and net difference between projected and actual earnings on pension plan investments.

**COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
 CSA NO. 29 - LUCERNE VALLEY
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020**

NOTE 6: RETIREMENT PLAN (continued)

Sensitivity of the Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate (continued)

The deferred outflows of resources related to pensions, resulting from the CSA’s contributions to the plan subsequent to the measurement date of \$40,603, will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,		
2021	\$	8,081
2022		(1,649)
2023		6,982
2024		4,224
2025		431
Thereafter		25
Total	\$	<u>18,093</u>

NOTE 7: RISK MANAGEMENT

The County has self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, environmental liability, and workers' compensation claims. Public liability claims are self-insured for up to \$3.0 million per occurrence. Excess insurance coverage over the Self-Insured Retention (SIR) up to \$50 million is provided through a combination of insurance policies as recommended by Alliant Insurance Services Inc., Insurance Broker through CSAC-EIA (California State Association of Counties – Excess Insurance Authority), as follows: Primary Liability coverage \$25 million excess of \$3 million self-insured retention with QBE Insurance, Munich Reinsurance America, Inc., Markel Corp., Great American Ins., Brit Global Specialty USA, and Lloyd’s of London ANNV syndicate. Excess Liability coverage for \$10 million, excess of \$25 million with Brit Global Specialty USA and Great American Ins. Company. Allied World Assurance Co. (AWAC) provides excess liability coverage of \$15 million, excess of \$35 million. In addition, the actuary has recommended that the County maintains a \$24 million reserve to cover SIR exposure for auto and general liability programs. No settlements related to these programs have exceeded insurance coverage in the last three years.

The Workers' Compensation program continued under CSAC-EIA Excess Workers' Compensation Program with a policy of \$2 million SIR and statutory limits with Great American Insurance Co., ACE American Insurance Co., and Liberty Insurance Corporation. Property damage claims are insured on an occurrence basis over a \$25 thousand deductible, and insured through CSAC-EIA and reinsured with Lexington Insurance Co. and with several insurers/reinsurers like AWAC, Ironshore, Partner RE, and Lloyd’s of London, among others.

The County supplements its self-insurance for medical malpractice claims with a \$25 million policy (\$35 million aggregate) with BETA Risk Management Authority, which provides annual coverage on a claims made basis with a SIR of \$1 million for each claim.

COUNTY OF SAN BERNARDINO SPECIAL DISTRICT
CSA NO. 29 - LUCERNE VALLEY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: RISK MANAGEMENT (Continued)

Environmental claims are expected to occur infrequently, but have the potential to be expensive when they do occur. The County has experienced only two significant environmental liability claims since it began self-insuring this exposure in 1983. Given that environmental liability is an extremely volatile coverage, which is characterized by low frequency and high severity, the County has taken a conservative stance, as recommended by the actuary, by setting aside a minimum of \$10 million to cover future environmental liability claims.

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction, and Dishonesty policy covering County monies and securities, with Berkley Regional Insurance Co. with a \$100 thousand deductible, and excess limits up to \$10 million per occurrence.

The activities related to such programs are accounted for in the Risk Management Department's internal service funds ("Funds"), except for unemployment insurance, and employee dental insurance, which are accounted for in the General Fund. The liabilities recorded in these Funds are based on the results of actuarial studies and include amounts for allocated and unallocated loss adjustment expenses. The liabilities for these claims are reported using a discounted rate of 1.392% and an actuarially-determined 80% confidence level. It is the County's practice to obtain actuarial studies on an annual basis.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of their claims liability in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, at June 30, 2020.

NOTE 8: CONTINGENCIES

As of June 30, 2020, in the opinion of the CSA Administration, there are no outstanding matters, which would have a significant effect on the financial position of the CSA.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2020, which is the date the financial statements were available to be issued. During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID- 19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating through the rest of 2020, as federal, state, and local government react to the public health crisis, creating significant uncertainties in the U.S. economy. These uncertainties could negatively impact the CSA's operations and financial results.

REQUIRED SUPPLEMENTARY INFORMATION
 County of San Bernardino Special District
 County Service Area No. 29 - Lucerne Valley
 Budgetary Comparison Schedule - Special Revenue Funds (General)
 For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS			Variances with Final Budget Positive (Negative)
	General (1318)			
	Original Budget	Final Budget	Actual	
Revenues				
Property taxes	\$ 503,892	\$503,892	\$ 520,875	\$ 16,983
Other taxes	2,410	2,410	6,620	4,210
State assistance	-	711	4,234	3,523
Rents and concessions	15,000	15,000	24,617	9,617
Contributions	4,000	4,000	5,075	1,075
Other	10,198	10,198	11,626	1,428
Total revenues	<u>535,500</u>	<u>536,211</u>	<u>573,047</u>	<u>36,836</u>
Expenditures				
Parks and recreation:				
Salaries and benefits	298,483	314,794	315,448	(654)
Services and supplies	255,668	255,068	241,348	13,720
Capital outlay:				
Equipment	-	-	29,526	(29,526)
Total expenditures	<u>554,151</u>	<u>569,862</u>	<u>586,322</u>	<u>(16,460)</u>
Excess (deficiency) of revenues over expenditures	<u>(18,651)</u>	<u>(33,651)</u>	<u>(13,275)</u>	<u>20,376</u>
Other financing sources (uses):				
Transfers out	<u>(35,000)</u>	<u>(42,000)</u>	<u>(35,000)</u>	<u>7,000</u>
Total other financing sources	<u>(35,000)</u>	<u>(42,000)</u>	<u>(35,000)</u>	<u>7,000</u>
Net change in fund balance	<u>\$ (53,651)</u>	<u>\$ (75,651)</u>	<u>(48,275)</u>	<u>\$ 27,376</u>
Fund balance, beginning			<u>243,568</u>	
Fund balance, ending			<u><u>\$ 195,293</u></u>	