

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2019**

**FOUR RIVERS VECTOR CONTROL DISTRICT**

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**OFFICIALS**

**YEAR ENDED JUNE 30, 2019**

***PRESIDENT***

Rodney Diekhoff  
Bend, Oregon

***SECRETARY/TREASURER***

Lawrie Diekhoff  
Bend, Oregon

***DIRECTOR***

Art Sharkey  
Bend, Oregon

***DIRECTOR***

Cindy Van Patten  
Bend, Oregon

***AGENT***

Chad Stubblefield  
Bend, Oregon

**FOUR RIVERS VECTOR CONTROL DISTRICT**

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

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**YEAR ENDED JUNE 30, 2019**

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**FINANCIAL SECTION**

# **STUART KATTER, CPA, LLP**

Certified Public Accountant

2689 Northwest Crossing Drive • Bend, Oregon 97703 • Phone (541) 639-7299 • Fax (541) 728-2137

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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Four Rivers Vector Control District  
Bend, Oregon

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Four Rivers Vector Control District, Bend, Oregon as of and for the year ended June 30, 2019 which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of District management. It is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and the Minimum Standards for Reviews of Oregon Municipal Corporations. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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. Such information is the responsibility of management. We have applied certain limited procedures to the management discussion and analysis 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 review 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 on it. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management. We have reviewed the information, and based on our review, we did not become aware of any material modifications that should be made to such information in order to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the other supplementary information and do not express an opinion on such information.

Stuart Katter, CPA, LLP  
Certified Public Accountant



By: Stuart D. Katter – a partner  
March 5, 2020

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Four Rivers Vector Control District Management's Discussion and Analysis**

As management of Four Rivers Vector Control District (the District), we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

### **Financial Highlights**

The District is primarily a property tax-based organization, with revenues of approximately \$216,000 in property taxes, \$66,000 in charges for services, and \$12,000 in other revenues. The vast majority of our revenues go to support the mosquito eradication in Deschutes County, Oregon.

As a property tax-based organization, we are subject to uncertainties in economic conditions relative to our area.

The District serves the greater area of Deschutes County, Oregon.

Overall, we feel that the District was able to effectively manage its resources to meet increased demands felt in our communities with reduced resources. Unfortunately, the economic outlook is not projected to be improved much in FY19. The District will continue to look for new and unique opportunities to work with other agencies and organizations to provide quality services for our community.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Four Rivers Vector Control District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### **Government-wide financial statements:**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide information about the activities of Four Rivers Vector Control District as a whole and present a longer-term view of the District's finances.

The government-wide financial statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector business. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report Four Rivers Vector Control District's net position and changes to it. Net position (the difference between assets and liabilities) is one way to measure an organization's financial health.

Changes in net position over time provide one indicator of whether financial health is improving or deteriorating.

#### **Fund financial statements:**

Fund financial statements also may give you some insights into Four River Vector Control District's overall health. Fund financial statements report the District's operations in more detail than the government-wide financial statements. Four Rivers Vector Control District has only one type of fund-governmental fund.

#### **Governmental Funds:**

These funds are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of Four Rivers Vector Control District's operations. The relationship (differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in reconciliations after the fund financial statements on pages 8 and 10 of this report.

## Four Rivers Vector Control District Management's Discussion and Analysis

Notes to the financial statements:

The notes provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Our accountant has performed a review of our financial statements as shown on the Accountants' Review Report, located immediately preceding this Management's Discussion and Analysis. A review is substantially less in scope than an audit in accordance with generally accepting auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as whole. A user of this report should read the Accountants' Review Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

### Financial Analysis of the District as a Whole

**Net Position.** The District's net position at June 30, 2019 was \$203,751, an increase of 8,155 from June 30, 2018. (See Table A.)

**TABLE A**

**Four Rivers Vector Control District's Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Current and other assets	\$ 161,180	\$ 150,528
Capital assets, net of depreciation	<u>48,179</u>	<u>48,424</u>
<i>Total Assets</i>	<u>209,359</u>	<u>198,952</u>
Current liabilities	<u>5,608</u>	<u>3,356</u>
<i>Total Liabilities</i>	<u>5,608</u>	<u>3,356</u>
Net position		
Invested in capital assets	48,179	48,424
Unrestricted	<u>155,572</u>	<u>147,172</u>
<i>Total Net Position</i>	<u>\$ 203,751</u>	<u>\$ 195,596</u>

### Budgetary Highlights

Four Rivers Vector Control District's Governing Board may revise its originally adopted budget in order to address unexpected changes in revenues and/or expenditures. The original budget was adopted on a very conservative basis with only anticipated expenditures during the year included in the budget.

The budget is for a two-year period from July 1, 2018 through June 30, 2020.

**Four Rivers Vector Control District  
Management's Discussion and Analysis**

**Budgetary Highlights - continued**

For the year ended June 30, 2019, no adjustment to the original budget was required to address unanticipated expenditures. Budgeted revenues and expenditures for the first year of the two-year budget period for the year ended June 30, 2019 were as anticipated. This is mostly due to the board's conservative approach to governing the District. This conservative approach continues to benefit the District in the event the District experiences unforeseen reductions of future revenue.

**TABLE B**

**Changes in net position.** The District's total revenues increased by 7%, from \$274,779 in FY18 to \$294,445 in FY19.

**Four Rivers Vector Control District's Changes in Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Program Revenues</b>		
Property taxes	\$ 215,843	\$ 201,470
Charges for services	66,000	63,000
Other income	<u>12,602</u>	<u>10,309</u>
<i>Total Revenues</i>	<u>294,445</u>	<u>274,779</u>
<b>Program Expenses</b>		
Mosquitoes eradication	<u>286,290</u>	<u>262,210</u>
<b>Change in Net Position</b>	8,155	(11,326)
<b>Net Position, beginning of year</b>	<u>195,596</u>	<u>206,922</u>
<b>Net Position, end of year</b>	<u>\$ 203,751</u>	<u>\$ 195,596</u>

**Capital Asset Administration**

Total capital assets, net of accumulated depreciation, were \$48,179 at June 30, 2019. The District has land and improvements of \$24,064 and equipment of \$24,115 net of depreciation. The District's capital assets were substantially acquired from expenditures paid by property taxes.

**Economic Factors and Next Year's Budgets**

Central Oregon will continue to face challenges anchored in a relatively difficult economy. The District's largest area of service is in the area of eradication of mosquitoes.

**Requests for Information**

This financial report is designed to provide interested parties with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional financial information contact Four Rivers Vector Control District, Fiscal and Administrative Manager, 56478 Solar Drive, Bend, OR 97707.

## **BASIC FINANCIAL STATEMENTS**

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES**

**JUNE 30, 2019**

**ASSETS**

***Current assets***

Cash and investments	\$ 97,465
Property taxes receivable	14,121
Prepaid insurance	3,997
Inventory	<u>45,597</u>

*Total current assets* 161,180

***Noncurrent assets***

Capital assets, net	<u>48,179</u>
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*Total assets* 209,359

**LIABILITIES**

***Current liabilities***

Accrued expenses	<u>5,608</u>
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*Total liabilities* 5,608

**NET POSITION**

Investment in capital assets	48,179
Unrestricted	<u>155,572</u>

*Total net position* \$ 203,751

See accountants' review report and notes  
to the financial statements

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES**

**YEAR ENDED JUNE 30, 2019**

<i>Functions/Program</i>	<i>Expenses</i>	<i>Program Revenues Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Changes in Net Assets  Total</i>
<b>GOVERNMENTAL ACTIVITIES</b>				
Mosquito eradication	\$ 286,290	\$ 66,000	\$ 10,059	\$ (210,231)
<i>Total primary government</i>	<u>\$ 286,290</u>	<u>\$ 66,000</u>	<u>\$ 10,059</u>	(210,231)
<b>GENERAL REVENUES</b>				
Property taxes				215,843
Interest				<u>2,543</u>
<b>CHANGE IN NET POSITION</b>				8,155
<b>NET POSITION - beginning of year</b>				<u>195,596</u>
<b>NET POSITION - end of year</b>				<u>\$ 203,751</u>

See accountants' review report and notes  
to the financial statements

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**JUNE 30, 2019**

	<i>Total General Fund</i>
<b>ASSETS</b>	
Cash and investments	\$ 97,465
Property taxes receivable	14,121
Prepaid insurance	3,997
Inventory	<u>45,597</u>
<i>Total assets</i>	<u>\$ 161,180</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	
<b><i>Liabilities and deferred inflows of financial resources</i></b>	
Accrued expenses	\$ 5,608
Deferred inflows of financial resources	<u>13,183</u>
<i>Total liabilities and deferred inflows of financial resources</i>	<u>18,791</u>
<b><i>Fund balances</i></b>	
Assigned	15,833
Unassigned	<u>126,556</u>
<i>Total fund balances</i>	<u>142,389</u>
<i>Total liabilities and fund balances</i>	<u>\$ 161,180</u>

See accountants' review report and notes  
to the financial statements

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**

**JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Fund balances of governmental funds	\$ 142,389
Certain property taxes due after sixty days are considered to be deferred inflows of financial resources in the governmental funds.	13,183
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>48,179</u>
<i>Net position of governmental activities</i>	<u>\$ 203,751</u>

See accountants' review report and notes  
to the financial statements

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2019**

	<i>Total General Fund</i>
<b>REVENUES</b>	
Property taxes - current levy	\$ 206,807
Property taxes - prior levy	5,191
Interest on investments	2,543
Grants and other	10,059
Contract services	<u>66,000</u>
<i>Total revenues</i>	<u>290,600</u>
<b>EXPENDITURES</b>	
Personal services	159,836
Materials and services	120,599
Capital outlay	<u>5,610</u>
<i>Total expenditures</i>	<u>286,045</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,555
<b>FUND BALANCES - beginning of year</b>	<u>137,834</u>
<b>FUND BALANCES - end of year</b>	<u>\$ 142,389</u>

See accountants' review report and notes  
to the financial statements

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2019**

Net changes in fund balances - total governmental funds	\$	4,555
Amounts reported for governmental activities in the Statement of Activities are different because:		
Certain property taxes due after sixty days considered to be revenue in the Statement of Activities.		3,845
Governmental funds report capital outlay 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 that depreciation expense of \$5,855 exceeded capital outlay of \$5,610.		<u>(245)</u>
<i>Change in net position of governmental activities</i>	\$	<u>8,155</u>

See accountants' review report and notes  
to the financial statements

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*The District*

The Four Rivers Vector Control District is a municipal corporation chartered and operating under the laws of the State of Oregon. The governing body is a four-member Board of Directors. The Board of Directors are charged with the responsibility for overseeing operations and assuring that the functions of a public health vector control district, principally the eradication of mosquitoes, is carried out at the least cost to the District.

*Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for goods and services provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues, including property taxes, sales of assets and interest earning.

*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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grant have been met.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable is when the amount of the transaction can be determined. Available means collectable within sixty days of the current period. The revenues susceptible to accrual include property taxes, intergovernmental revenue, interest revenue and charges for services. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

The District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. As a result of this statement, the General Reserve Fund is reported as a component of the General Fund.

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)*

The District maintains one major fund the General Fund and therefore reports the following governmental funds:

*General Fund*

The General Fund is used to account for the financial operations of the District not accounted for in any other fund.

*Cash and Investments*

For financial reporting purposes, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Oregon Revised Statutes authorized the District to invest in obligations of the U.S. Treasury and Agencies, time certificates of deposit, bankers' acceptances, repurchase agreements, and the State of Oregon Local Government Investment Pool. Such investments are stated at cost which approximates fair value.

Equity in pooled cash and investments includes amounts in demand deposits as well as amounts in investment pools that have the general characteristics of demand deposit accounts.

*Property Taxes*

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Deschutes County and remitted to the District. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as deferred inflows of financial resources.

*Capital assets*

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair value on the date donated. The District defines capital assets as assets with an initial cost of more than \$500 and an estimated life in excess of one year. Interest and other costs incurred during construction are capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. It is the policy of the District to capital assets are depreciated using the straight-line method for equipment 5-10 years and for improvements 20-50 years based on management's estimate.

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Compensated Absences*

Vacation pay is recorded as an expenditure when earned. The funds charged with the expenditures reimburse the pooled payroll account where the liability is recorded. The liability and the cash accumulated to retire it are reported in the General fund. All compensated absences are considered currently payable.

*Deferred Inflows/Outflows 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 future periods and so will not be recognized as an outflow of 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 future periods and so will not be recognized as an inflow of resources (revenue) until then.

*Long-Term Obligations*

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Assets.

*Fund Equity*

In the fund financial statements, the fund balance for governmental funds is reported in the classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

*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 may vary from those estimates.

*Inventory*

Supplies inventory are carried in an inventory account at the lower of cost, determined by the first-in first-out method, or market.

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*Budgetary Information*

The District, organized under Oregon Revised Statutes Chapter 190, is subject to budget provisions of Oregon Revised Statutes Sections 294.900 to 294.930. The governing board of the District adopts appropriations on a budgetary basis at the agency-wide level in the following level of detail:

- Personnel services
- Materials and services
- Capital outlay
- Operating contingency

Expenditures may not legally exceed appropriations at this level of detail. Unspent or unaccrued appropriations lapse at year end. Under the provisions of Oregon Revised Statutes 294.900 to 294.930, only the governing body, not management, has the legal authority to amend the budget after it is adopted by the governing body.

Additionally, budgets are approved by the grantor agencies for many federal and state funded programs operated by the District. These budgets vary considerably in the categories of expenditures used and the degree of compliance required.

**NOTE 3 – CASH AND INVESTMENTS**

The District maintains a common cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed in the Statement of Net Assets as "Cash and investments". The types of investments in which the District may invest are restricted by Oregon Revised Statutes. Authorized investments include bank demand deposits, general obligations of the United States Government and its agencies, and certain states, certain guaranteed investments issued by banks, and the State of Oregon Local Government Investment Pool.

Cash and investments are comprised of the following at June 30, 2019:

	<u>Security</u>	
Demand account	FDIC & Collateral	\$ 60,080
Local government investment pool	N/A	<u>37,385</u>
<i>Total cash and investments</i>		<u>\$ 97,465</u>

*Deposits with Financial Institutions*

The District's deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The District's policy, in compliance with State Statutes, requires that deposits be covered by the Federal Deposit Insurance Corporation (FDIC) and deposited in a qualified depository for public funds. Certain financial institutions have pledged they will cover deposits of public funds in any one of the group's bank. The banks that have joined this group have been identified by the State Treasurer. The District only deposits funds in banks that have been approved by the Office of the State Treasurer. At June 30, 2019, the carrying amount of the District's deposits in a financial institution was \$60,080 and the balance per the bank statements was \$61,743.

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk*

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk*

Oregon Revised Statutes limit investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. The District has no investment policy that would further limit its investment choices. At June 30, 2019, the District was in compliance with the above state limitations. The State of Oregon Local Government Investment Pool is unrated.

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	<i>Balance</i> <u>July 1, 2018</u>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <u>June 30, 2019</u>
Capital assets not being depreciated				
Land	\$ 15,500	\$	\$	\$ 15,500
Capital assets being depreciated				
Improvements	66,325			66,325
Equipment	<u>266,715</u>	<u>5,610</u>		<u>272,325</u>
	348,540			354,150
Accumulated depreciation	<u>(300,116)</u>	<u>(5,855)</u>		<u>(305,971)</u>
<i>Total capital assets, net</i>	<u>\$ 48,424</u>	<u>\$ (245)</u>	<u>\$ -</u>	<u>\$ 48,179</u>

For the year ended June 30, 2019, depreciation expense of \$5,855 was directly charged to mosquito eradication.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

Reimbursement claims under federal and state program grants are subject to audit and adjustment by grantor agencies. Any disallowed claims might become a liability of the District. The District is aware of no communications from granting agencies regarding the lack of compliance with grant conditions that could result in a liability. There are no asserted or known unasserted claims against the District that require disclosure or a loss accrual under Financial Accounting Standards.

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 6 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 5, 2020, which is the date the financial statements were issued.

**NOTE 8 – FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The investment in the Local Government Investment Pool is not required to be classified.

**FOUR RIVERS VECTOR CONTROL DISTRICT**

**REQUIRED SUPPLEMENTAL INFORMATION**

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET (BUDGETARY BASIS) AND ACTUAL**

**PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance with Final Budget Over(Under)</u>	<u>Actual</u>
<b>REVENUES</b>				
Property taxes - current levy	\$ 410,000	\$ 410,000	\$ (203,193)	\$ 206,807
Property taxes - prior levy	11,000	11,000	(5,809)	5,191
Interest on investments	2,000	2,000	221	2,221
Grants	17,000	17,000	(9,430)	7,570
Miscellaneous	10,000	10,000	(7,511)	2,489
Contract services	<u>140,000</u>	<u>140,000</u>	<u>(74,000)</u>	<u>66,000</u>
<i>Total revenues</i>	<u>590,000</u>	<u>590,000</u>	<u>(299,722)</u>	<u>290,278</u>
<b>EXPENDITURES</b>				
<b><i>Personal services</i></b>				
Salaried employees	108,000	108,000	53,375	54,625
Part-time employees	110,000	110,000	62,258	47,742
Personnel overhead cost	<u>140,000</u>	<u>140,000</u>	<u>82,531</u>	<u>57,469</u>
<i>Total personal services</i>	<u>358,000</u>	<u>358,000</u>	<u>198,164</u>	<u>159,836</u>
<b><i>Materials and services</i></b>				
Aerial application	60,000	60,000	26,332	33,668
Supplies, equipment, repairs	10,000	10,000	7,381	2,619
Office expense	16,000	16,000	5,975	10,025
Pesticides	80,000	80,000	43,911	36,089
Transportation - auto / truck	25,000	25,000	13,818	11,182
Training	7,000	7,000	5,211	1,789
Professional services	7,000	7,000	75	6,925
Insurance and bond	35,000	35,000	22,339	12,661
Advertising, dues, licenses	5,000	5,000	976	4,024
Interest expense	1,000	1,000	1,000	
Rent and leasing	1,000	1,000	1,000	
WNV expenses	<u>5,000</u>	<u>5,000</u>	<u>3,383</u>	<u>1,617</u>
<i>Total materials and services</i>	<u>252,000</u>	<u>252,000</u>	<u>131,401</u>	<u>120,599</u>
<b><i>Capital outlay</i></b>				
Property and equipment	<u>47,000</u>	<u>47,000</u>	<u>41,390</u>	<u>5,610</u>
<b><i>Contingency</i></b>	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	
<i>Total expenditures</i>	<u>675,000</u>	<u>675,000</u>	<u>388,955</u>	<u>286,045</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(85,000)	(85,000)	89,233	4,233
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>90,000</u>	<u>90,000</u>	<u>32,323</u>	<u>122,323</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 121,556</u>	<u>\$ 126,556</u>

See accountants' review report

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES AND APPROPRIATIONS**

**PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance with Final Budget Over(Under)</i>	<i>Actual</i>
Personal services	\$ 358,000	\$ 358,000	\$ 198,164	\$ 159,836
Materials and services	252,000	252,000	131,391	120,609
Capital outlay	47,000	47,000	41,390	5,610
Operating contingency	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>          </u>
	<u>\$ 675,000</u>	<u>\$ 675,000</u>	<u>\$ 388,945</u>	<u>\$ 286,055</u>

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**GENERAL RESERVE FUND**

**SCHEDULE OF REVENUES AND CHANGES IN FUND BALANCE**  
**BUDGET (BUDGETARY BASIS) AND ACTUAL**

**PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance with Final Budget Over(Under)</i>	<i>Actual</i>
<b>REVENUES</b>				
Interest on investments	\$ _____	\$ _____	\$           322	\$           322
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	_____	_____	322	322
<b>FUND BALANCE - BEGINNING OF YEAR</b>	_____	_____	15,511	15,511
<b>FUND BALANCE - END OF YEAR</b>	<u>\$           -</u>	<u>\$           -</u>	<u>\$           15,833</u>	<u>\$           15,833</u>

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**GENERAL RESERVE FUND**

**SCHEDULE OF EXPENDITURES AND APPROPRIATIONS**

**PERIOD FROM JULY 1, 2018 THROUGH JUNE 30, 2019**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Variance with Final Budget Over(Under)</i>	<i>Actual</i>
Expenditures	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

**FOUR RIVERS VECTOR CONTROL DISTRICT**  
**BEND, OREGON**

**GENERAL FUND**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS**

**YEAR ENDED JUNE 30, 2019**

<i>Tax Year</i>	<i>2018-19 Levy and Taxes Receivable July 1, 2018</i>	<i>Adjustments</i>	<i>Net Interest (Discount)</i>	<i>Collections</i>	<i>Taxes Receivable June 30, 2019</i>
2018-19	\$ 218,259	\$ (1,655)	\$ (4,565)	\$ 206,807	\$ 5,232
2017-18	5,870	(28)	326	1,505	4,663
2016-17	3,528	(18)	115	515	3,110
2015-16	677	(17)	103	340	423
2014-15	281	(15)	100	214	152
2013-14	82	(15)	87	16	138
2012-13	146	(17)	95	8	216
2011-12	113	(21)	66	7	151
2010-11	3	(9)	12	3	3
2009-10	5	(9)	9	3	2
2008-09	12	(4)	5	1	12
2007-08	1	(2)	3	1	1
2006-07		(1)		2	1
2005-06	3		1	2	2
2004-05	2		1	2	1
Prior	15			1	14
	<u>\$ 10,738</u>	<u>\$ (156)</u>	<u>\$ 923</u>	209,427	<u>\$ 14,121</u>
Land sales revenue and other adjustments				<u>2,571</u>	
				<u>\$ 211,998</u>	

**FOUR RIVERS VECTOR CONTROL DISTRICT**

**STATE COMPLIANCE SECTION**

**MANAGEMENT REPRESENTATION OF FISCAL AFFAIRS**  
**REQUIRED BY OREGON REGULATIONS**

The Four Rivers Vector Control District is subject to, and is responsible for, compliance with various laws, rules and regulations relating to its operations and finances for the year ended June 30, 2019. Among such laws, rules and regulations are the requirements prescribed in Municipal Audit Law (ORS Chapter 297) and the Minimum Standards for Review of Oregon Municipal Corporations (OAR 162, Division 40) including, but not limited to:

**Deposit of public funds with financial institutions (ORS 295).**

**Indebtedness limitations, restrictions and repayment.**

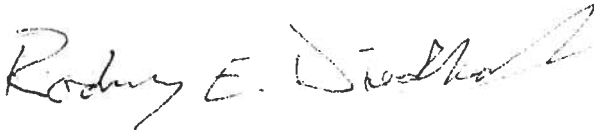
**Budgets legally required (ORS Chapter 294).**

**Insurance and fidelity bonds in force or required by law.**

**Programs funded from outside sources.**

**Authorized investment of surplus funds.**

**Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**



March 5, 2020

