

August 12, 2021 (Agenda)

Local Agency Formation Commission
105 East Anapamu Street
Santa Barbara CA 93101

Review of Financial Statements for Fiscal Year Ending June 30, 2020 and 2019

Dear Members of the Commission

RECOMMENDATION

It is recommended that the Commission receive and file the Financial Statements for the Fiscal Year ending June 30, 2020 and 2019 that are included in this report.

DISCUSSION

The firm of Bartlett, Pringle and Wolf, LLP has completed a review of the Commission's financial records and prepared the attached (**Attachment A**).

The firm concludes that the financial statements "present fairly, all material respects, the financial position of the Commission as of June 30, 2020 and 2019, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America."

The attached report summarizes certain matters required by professional standards to be communicated to the Commission in your oversight responsibility for Santa Barbara LAFCO's financial reporting process. The full report has been transmitted under separate cover, is posted in the Commission's website (www.sblafco.org), and is available for review at the office of the Clerk to the Board, 105 East Anapamu Street, Rm 407, Santa Barbara, CA 93101.

Ms. Tracey Solomon, Partner, Bartlett, Pringle and Wolf, LLP, will be present at the meeting to review the document and answer any questions.

Attachments

Attachment A – Independent Audit's Report for Fiscal Years ending in 2020 and 2019

Please contact the LAFCO office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater
Executive Officer

SANTA BARBARA LOCAL AGENCY
FORMATION COMMISSION
JUNE 30, 2020 AND 2019
FINANCIAL STATEMENTS



BARTLETT, PRINGLE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	1 - 2
Management’s Discussion and Analysis	3 - 6
Basic Financial Statements:	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position.....	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 13
Supplementary Information:	
Supplemental Schedules of Revenues, Expenses and Changes in Net Position – Actual vs. Budget	14 - 15

INDEPENDENT AUDITOR'S REPORT

**To the Members of the
Santa Barbara Local Agency Formation Commission:**

Report on the Financial Statements

We have audited the accompanying financial statements of the Santa Barbara Local Agency Formation Commission (the Commission) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Commission'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 Commission'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2020 and 2019, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Supplemental Schedules of Revenues, Expenses and Changes in Net Position - Actual vs. Budget on pages 14 and 15 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Schedules of Revenues, Expenses and Changes in Net Position - Actual vs. Budget are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedules of Revenues, Expenses and Changes in Net Position - Actual vs. Budget are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Santa Barbara, California
June 17, 2021

DRAFT

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Santa Barbara Local Agency Formation Commission’s (the Commission) annual financial report presents our analysis of the Commission’s financial performance during the year ended June 30, 2020, and other significant conditions and events. This section should be read in conjunction with the financial statements, which follow.

Financial Highlights

- The Commission’s assets exceeded its liabilities at the end of fiscal year 2019-2020 by \$220,056.
- For the year ended June 30, 2020, the Commission’s revenues exceeded its expenses by \$18,038.

Overview of Financial Statements

The financial statements provide information about the Commission, whose records are maintained by the County of Santa Barbara accounting system. The County provides treasury and investment services to the Commission.

- The Statement of Net Position provides an overview of the Commission’s assets (or resources) and liabilities (or obligations).
- The Statement of Revenues, Expenses and Changes in Net Position provides information regarding the Commission’s operating revenues, operating expenses, income from operations, non-operating revenue and change in net position from the beginning of the year to the end of the year.
- The Statement of Cash Flows provides information regarding the Commission’s cash receipts and cash disbursements during the year. This statement differs from the statement of revenues, expenses and changes in net position because this statement accounts only for transactions that result in cash receipts or cash disbursements.
- The Supplemental Schedules of Revenues, Expenses and Changes in Net Position-Actual vs. Budget provide detailed information regarding budgeted revenues and expenses compared to actual revenues and expenses.
- The Notes to Financial Statements provide explanations of the Commission’s significant accounting policies and procedures which support the financial statements.

DRAFT

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Position
June 30, 2020, 2019 and 2018

	2020	2019	2018	FY 2020 to 2019 Change	FY 2019 to 2018 Change
<u>ASSETS</u>					
Current Assets:					
Cash	\$ 235,692	\$ 219,086	\$ 90,070	\$ 16,606	\$ 129,016
Accounts receivable	283	283	5,435	-	(5,152)
Interest receivable	844	1,302	473	(458)	829
Total current assets	236,819	220,671	95,978	16,148	124,693
Total assets	236,819	220,671	95,978	16,148	124,693
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	16,763	18,653	20,606	(1,890)	(1,953)
Total current liabilities	16,763	18,653	20,606	(1,890)	(1,953)
<u>NET POSITION</u>					
Net Position:					
Unrestricted	220,056	202,018	75,372	18,038	126,646
Total net position	\$ 220,056	\$ 202,018	\$ 75,372	\$ 18,038	\$ 126,646

The increase in cash and unrestricted net position is primarily due to income from operations in the amount of \$11,061 for the year ended June 30, 2020.

DRAFT

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS

Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>FY 2020 to 2019 Change</u>	<u>FY 2019 to 2018 Change</u>
Total operating revenues	\$ 331,115	\$ 529,507	\$ 502,929	\$ (198,392)	\$ 26,578
Total operating expenses	<u>320,054</u>	<u>410,693</u>	<u>439,930</u>	<u>(90,639)</u>	<u>(29,237)</u>
Income (loss) from operations	11,061	118,814	62,999	(107,753)	55,815
Non-operating revenue	<u>6,977</u>	<u>7,832</u>	<u>1,897</u>	<u>(855)</u>	<u>5,935</u>
Changes in net position	<u>\$ 18,038</u>	<u>\$ 126,646</u>	<u>\$ 64,896</u>	<u>\$ (108,608)</u>	<u>\$ 61,750</u>

The 2020 change in net position decreased from 2019 primarily due to a decrease in operating revenues, specifically in revenue from planning study services and income from other governmental agencies.

Current Assets

The Commission’s assets consist of cash, accounts receivable and interest receivable.

Other than office furnishings, i.e., file cabinets, conference table and chairs, the Commission has no capital assets. Office furnishings are fully depreciated and have a net book value of zero.

The Commission’s file materials consist of records of current and past boundary changes and extensions of public services, local agency spheres of influence and municipal service reviews and budgetary, administrative and procedural files.

Long-Term Debt

The Commission has no long term debt.

Conditions Affecting Current Financial Position

Expenditures are predicated upon the Commission’s staffing costs, cost allocation fees for use of County facilities and services and operating expenses related to payment of Commissioner per diems for participating in Commission meetings and copy and mailing expenses for Commission notices of hearing, agendas and staff reports.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Request for Information

This financial report is designed to provide the County and local agencies that financially support the Commission, residents, property owners and taxpayers in Santa Barbara County with a general overview of the Commission's finances and the Commission's accountability for the money it receives.

If you have any questions about this report or need additional financial information you may reach Mike Prater, Executive Officer at (805) 568-3391.

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2020 and 2019

DRAFT

	2020	2019
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 235,692	\$ 219,086
Accounts receivable	283	283
Interest receivable	844	1,302
Total current assets	236,819	220,671
Total assets	236,819	220,671
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	16,763	18,653
Total current liabilities	16,763	18,653
<u>NET POSITION</u>		
Net Position:		
Unrestricted	220,056	202,018
Total net position	\$ 220,056	\$ 202,018

See accompanying notes

DRAFT

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues:		
Other governmental agencies	\$ 304,590	\$ 476,156
Planning study services	26,525	53,351
	<u>331,115</u>	<u>529,507</u>
Operating Expenses:		
Contractual services	190,390	224,872
Cost allocations	(6,507)	48,028
Legal fees	48,023	40,551
Memberships	5,971	5,344
Office expense	1,474	1,108
Payroll taxes	1,534	1,492
Payroll fees	939	1,282
Professional and special services	39,974	48,825
Professional fees	6,000	6,970
Publications and notices	1,434	560
Salaries and wages	12,268	12,510
Training and travel	17,403	17,927
Telephone services	352	360
Utilities	799	864
	<u>320,054</u>	<u>410,693</u>
Income from operations	<u>11,061</u>	<u>118,814</u>
Non-Operating Revenue:		
Interest income	<u>6,977</u>	<u>7,832</u>
	<u>6,977</u>	<u>7,832</u>
Change in net position	18,038	126,646
Net position, beginning of year	<u>202,018</u>	<u>75,372</u>
Net position, end of year	<u>\$ 220,056</u>	<u>\$ 202,018</u>

See accompanying notes

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

DRAFT

	2020	2019
Cash Flows from Operating Activities:		
Receipts from customers	\$ 331,115	\$ 534,659
Payments to vendors and employees	(321,944)	(412,646)
Net cash provided by operating activities	9,171	122,013
Cash Flows from Investing Activities:		
Interest received	7,435	7,003
Net cash provided by investing activities	7,435	7,003
Net increase in cash	16,606	129,016
Cash, beginning of year	219,086	90,070
Cash, end of year	\$ 235,692	\$ 219,086
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 11,061	\$ 118,814
Changes in assets and liabilities:		
Accounts receivable	-	5,152
Accounts payable	(1,890)	(1,953)
Net cash provided by operating activities	\$ 9,171	\$ 122,013

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

Note 1 – Nature of Organization

The Santa Barbara Local Agency Formation Commission (the Commission) is an independent agency created in 1963, by the legislature in Santa Barbara County. The Commission works closely with citizens, the county, cities and special districts on a variety of issues concerning the organization of local governments, jurisdiction changes, and public services. The Commission's statutory purpose includes discouraging urban sprawl, preserving agricultural land, and encouraging orderly boundaries based upon local circumstances and conditions, and promoting adequate public services. From its creation in 1963 to June 30, 2001, the County of Santa Barbara funded the Commission. Beginning July 1, 2001, the *Cortese/Knox/Hertzberg Local Reorganization Act* redefined the Commission's responsibilities and established a new funding method and process. The Commission, after accounting for charges and services is now funded in equal thirds by (1) the County of Santa Barbara, (2) the cities and (3) the independent special districts in Santa Barbara. The Commission adopts its annual budget by June 15 of each year and transmits it to each of the member organizations.

Note 2 – Summary of Significant Accounting Policies**A) Basis for Accounting and Measurement Focus**

The Commission reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Commission is that the costs of operating on a continuing basis be financed or recovered primarily through revenues generated by the Commission.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

An enterprise fund is accounted for on the "flow of economic resources" measurement focus. This means that all assets and liabilities, whether current or long term, are included on the balance sheet. Revenues and expenses are recognized on the accrual basis, as such revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of related cash flows.

B) Cash

For purposes of reporting in the statement of cash flows, the Commission considers all cash accounts with original maturity of three months or less to be cash equivalents.

C) Member Allocations

All member organizations are required to pay an allocation of costs of the annual Commission's budget.

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of Significant Accounting Policies (Continued)

D) Use of 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 the amounts reported in the financial statements and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

E) Net Position

Net position represents the difference between assets and liabilities and is classified into three components as follows:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds.

Restricted – This component of net position consists of assets which are legally restricted by outside parties for use for a specific purpose.

Unrestricted – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”. Dedicated net position represents unrestricted assets which are segregated by the Board of Directors for specific future uses.

All of the Commission’s net position is unrestricted. Board designated funds for contingency fund reserves are included in unrestricted net position as of June 30, 2020 and 2019 in the amount of \$200,000 and \$130,000, respectively.

Note 3 – Cash

The Commission maintains all of its cash in the Santa Barbara County Treasury. The County Treasurer pools and invests the Commission’s cash with other funds under its control. Interest earned on pooled investments is apportioned quarterly into participating funds based upon each fund's average daily balance.

A summary of cash as reported on the statement of net position and statement of cash flows, respectively, at June 30, 2020 and 2019 is as follows:

	2020	2019
Cash with the County Treasurer	\$ 235,692	\$ 219,086
Total cash	\$ 235,692	\$ 219,086

NOTES TO FINANCIAL STATEMENTS

Note 3 – Cash (Continued)

Investment Authorized by the California Government Code and the Entity’s Investment Policy

The Commission’s investment policy only authorizes investment in the local government investment pool administered by the County of Santa Barbara. The Commission’s investment policy does not contain any specific provisions intended to limit the Commission’s exposure to interest rate risk, credit risk, and concentration of credit risk.

Interest Rate Risk

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

Credit Risk

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

<u>2020</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
<u>Investment Type</u>	<u>Amount</u>			<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Santa Barbara County						
Investment Pool	\$ 235,692	N/A	\$ 235,692	\$ -	\$ -	\$ -
Total	<u>\$ 235,692</u>		<u>\$ 235,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>2019</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
<u>Investment Type</u>	<u>Amount</u>			<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Santa Barbara County						
Investment Pool	\$ 219,086	N/A	\$ 219,086	\$ -	\$ -	\$ -
Total	<u>\$ 219,086</u>		<u>\$ 219,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. All of the Commission’s cash is held in the Santa Barbara County Investment Pool.

NOTES TO FINANCIAL STATEMENTS

Note 3 – Cash (Continued)**Custodial Credit Risk**

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as Santa Barbara County Investment Pool).

Investment in Santa Barbara County Investment Pool

The Commission is a participant in the Santa Barbara County Investment Pool that is regulated by the California Government Code. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at the amounts based upon the Commission's pro-rata share of the fair value provided by the Santa Barbara County Investment Pool for the entire Santa Barbara County Investment Pool portfolio. The balance available for withdrawal is based on the accounting records maintained by the Santa Barbara Investment Pool.

Note 4 – Business Risk

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Commission operates.

Note 5 – Subsequent Events

Subsequent events have been evaluated through June 17, 2021, the date that the financial statements were available for issuance.

SUPPLEMENTARY INFORMATION

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL VS. BUDGET
For the Year Ended June 30, 2020

DRAFT

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Other governmental agencies	\$ 340,440	\$ 304,590	\$ (35,850)
Planning study services	40,000	26,525	(13,475)
Miscellaneous revenue	1,000	-	(1,000)
Total operating revenues	<u>381,440</u>	<u>331,115</u>	<u>(50,325)</u>
Operating Expenses:			
Contractual services	235,000	190,390	44,610
Cost allocations	(6,800)	(6,507)	(293)
Legal fees	50,000	48,023	1,977
Liability insurance	200	-	200
Memberships	6,500	5,971	529
Office expense	1,500	1,474	26
Payroll taxes	1,800	1,534	266
Payroll fees	1,750	939	811
Professional and special services	45,000	39,974	5,026
Professional fees	7,200	6,000	1,200
Publications and notices	1,200	1,434	(234)
Salaries and wages	15,000	12,268	2,732
Training and travel	26,000	17,403	8,597
Telephone services	400	352	48
Utilities	1,000	799	201
Total operating expenses	<u>385,750</u>	<u>320,054</u>	<u>65,696</u>
Income from operations	<u>(4,310)</u>	<u>11,061</u>	<u>15,371</u>
Non-Operating Revenue:			
Interest income	4,310	6,977	2,667
Total non-operating revenue	<u>4,310</u>	<u>6,977</u>	<u>2,667</u>
Change in net position	<u>\$ -</u>	<u>\$ 18,038</u>	<u>\$ 18,038</u>

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ACTUAL VS. BUDGET
For the Year Ended June 30, 2019

DRAFT

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues:			
Other governmental agencies	\$ 475,403	\$ 476,156	\$ 753
Planning study services	25,000	53,351	28,351
Miscellaneous revenue	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total operating revenues	<u>503,403</u>	<u>529,507</u>	<u>26,104</u>
Operating Expenses:			
Contractual services	235,000	224,872	10,128
Cost allocations	47,847	48,028	(181)
Legal fees	35,000	40,551	(5,551)
Liability insurance	181	-	181
Memberships	6,000	5,344	656
Office expense	1,500	1,108	392
Payroll taxes	2,225	1,492	733
Payroll fees	1,750	1,282	468
Professional and special services	45,000	48,825	(3,825)
Professional fees	6,000	6,970	(970)
Publications and notices	2,500	560	1,940
Salaries and wages	15,000	12,510	2,490
Training and travel	26,000	17,927	8,073
Telephone services	360	360	-
Utilities	<u>1,100</u>	<u>864</u>	<u>236</u>
Total operating expenses	<u>425,463</u>	<u>410,693</u>	<u>14,770</u>
Income from operations	<u>77,940</u>	<u>118,814</u>	<u>40,874</u>
Non-Operating Revenue:			
Interest income	<u>2,060</u>	<u>7,832</u>	<u>5,772</u>
Total non-operating revenue	<u>2,060</u>	<u>7,832</u>	<u>5,772</u>
Change in net position	<u>\$ 80,000</u>	<u>\$ 126,646</u>	<u>\$ 46,646</u>