

**Zayante Fire
Protection
District**
Felton, California

*Basic Financial Statements
and Independent Auditors' Report*

For the years ended June 30, 2022 and 2021

Zayante Fire Protection District
Basic Financial Statements
For the years ended June 30, 2022 and 2021
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Zayante Fire Protection District
Felton, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Zayante Fire Protection District, California (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District'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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors
of the Zayante Fire Protection District
Felton, California
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

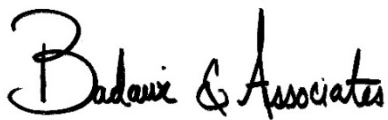
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
of the Zayante Fire Protection District
Felton, California
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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
June 5, 2023

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ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

This section of the District's financial report presents our discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2022 and 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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 basic financial statements.

Government - Wide Financial Statement

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

The *Statement of Net Position* presents information on all the District assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as expenses pertaining to earned but unused vacation and sick leave.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are classified as governmental funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available in the near future to finance the District's programs.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual governmental funds organized according to their type (general and debt service). Information is presented separately in the governmental funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for the general fund and the debt service fund, which are all considered to be major funds.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's general fund budgetary comparison schedule.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position
Governmental Activities

	2022	2021	Variance (%)	2021	2020	Variance (%)
Assets:						
Current assets	\$ 661,571	\$ 650,631	2%	\$ 650,631	\$ 694,544	-6%
Noncurrent assets	681,460	802,888	-15%	802,888	924,316	-13%
Total assets	<u>1,343,031</u>	<u>1,453,519</u>	-8%	<u>1,453,519</u>	<u>1,618,860</u>	-10%
Deferred outflows	-	-	0%	-	-	0%
Liabilities:						
Current liabilities	31,317	49,093	-36%	49,093	23,513	109%
Total liabilities	<u>31,317</u>	<u>49,093</u>	-36%	<u>49,093</u>	<u>23,513</u>	109%
Deferred inflows	-	-	0%	-	-	0%
Net position:						
Net investment in capital assets	681,460	802,888	-15%	802,888	924,316	-13%
Unrestricted	<u>630,254</u>	<u>601,538</u>	5%	<u>601,538</u>	<u>671,031</u>	-10%
Total net position	<u>\$1,311,714</u>	<u>\$1,404,426</u>	-7%	<u>\$ 1,404,426</u>	<u>\$1,595,347</u>	-12%

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$1,311,714, \$1,404,426, and \$1,595,347 for the fiscal years ended June 30, 2022, 2021, and 2020, respectively.

A portion of the District's net position reflects its net investment in capital assets (e.g. structures and improvements, and other equipment), less any related debt to acquire those assets that is still outstanding. The District's net position invested in capital assets was \$681,460, \$802,888, and \$924,316 for the fiscal years ended June 30, 2022, 2021, and 2020 respectively. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

As of June 30, 2022, 2021, and 2020, the District's unrestricted net position was \$630,254, \$601,538, and \$671,031.

Changes in Net Position - Governmental Activities

	<u>2022</u>	<u>2021</u>	<u>Variance</u> <u>%</u>	<u>2021</u>	<u>2020</u>	<u>Variance</u> <u>%</u>
Revenues						
Program revenues:						
Charges for services	\$ 110,240	\$ 156,331	-29%	\$ 156,331	\$ 86,442	81%
Operating grants and contributions	-	-	0%	-	-	0%
General revenues						
Property Tax	465,303	439,761	6%	439,761	425,558	3%
Other taxes - fire protection tax	107,283	110,032	-2%	110,032	110,294	0%
Use of money and property	2,520	4,427	-43%	4,427	11,095	-60%
Homeowners' property tax relief	2,240	2,276	-2%	2,276	2,312	-2%
Miscellaneous Revenue	8,669	15,239	-43%	15,239	706	2058%
Total revenues	<u>696,255</u>	<u>728,066</u>	-4%	<u>728,066</u>	<u>636,407</u>	14%
Expenses						
Governmental activities:	<u>788,967</u>	<u>918,987</u>	-14%	<u>918,987</u>	<u>647,672</u>	42%
Total expenses	<u>788,967</u>	<u>918,987</u>		<u>918,987</u>	<u>647,672</u>	
Change in net position	<u>\$ (92,712)</u>	<u>\$ (190,921)</u>	-51%	<u>\$ (190,921)</u>	<u>\$ (11,265)</u>	1595%

Analysis of Change in Net Position

The District's change in net position decreased by \$92,712, \$190,921 and \$11,265 for the fiscal years ended June 30, 2022, 2021, and 2020 respectively. The decrease in net position is from actual expenses exceeding actual revenue mainly due to depreciation expense in 2022, 2021 and 2020.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The District's governmental fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

At June 30, 2022, the District's governmental funds reported combined ending fund balances of \$630,254. Approximately 78.1% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the Districts current and future needs.

At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$601,538. Approximately 83.8% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the District's current and future needs.

At June 30, 2020, the District's governmental funds reported combined ending fund balances of \$671,031. Approximately 99.4% of the combined ending fund balances constitutes unassigned fund balance, which is available to meet the District's current and future needs.

In the fiscal year 2022, governmental revenues exceeded expenditures by \$28,716, mainly due to reduced payroll expenditures and cost control measures implemented by the new Fire Chief appointed in July of 2021.

In fiscal year 2021, governmental revenues were lower than expenditures by \$69,493, expenditures were higher due to strike team activities, but those costs were offset by reimbursements received from the State of California. Additional, above normal, expenditures were made in apparatus and facilities because of deferred maintenance incurred during the COVID period. In fiscal year 2020, governmental revenues exceeded expenditures by \$110,163, mainly due to lower salaries and benefits due to fewer strike team activities during the year.

Budgetary Highlights

The District's general fund budget to actual results for the fiscal year ended June 30, 2021 and 2020 are reported in the budgetary comparison schedule in the financial statements. The main source of revenue is property taxes which increased over the years. During the fiscal years, the District responded to multiple strike teams resulting in a non-recurring increase in revenues and expenditures.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

In addition to the general fund, the District has a debt service fund. Property taxes collected within the debt service fund were used to make payments of general obligation bonds.

Capital assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, 2021, and 2020, totaled \$681,460, \$802,888, and \$924,316 (net of accumulated depreciation) respectively. This investment in capital assets includes land, structures and improvements, and equipment.

Capital assets for the governmental activities are presented below to illustrate changes from the prior years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2022-2021</u> % of Change	<u>2021-2020</u> % of Change
Land	\$ 76,106	\$ 76,106	\$ 76,106	0%	0%
Structures and improvements	1,125,504	1,125,504	1,125,504	0%	0%
Equipment	2,019,445	2,019,445	2,019,445	0%	0%
Less accumulated depreciation	(2,539,595)	(2,418,167)	(2,296,739)	5%	5%
Total capital assets, net	<u>\$ 681,460</u>	<u>\$ 802,888</u>	<u>\$ 924,316</u>	<u>-15%</u>	<u>-13%</u>

Additional information on the District's capital assets can be found in Note 5 of this report.

Long-Term Liabilities

The District's long-term liabilities that included the general obligation bonds used to construct Station 1 were paid off in August of 2017. Fire Station 3 includes a \$25.00 per year land lease contingent on use. The lease has two twenty-year extensions.

Economic factors and next year's budget

The FY22 cash balance increased due to decreased salary and benefit expenses realized by a vacated 40 hour firefighter position combined with decreased service and supply expenditures, and total assets value increased as Capital Outlay contributions increased. Our net position increased from 2021 to 2022 with depreciation expense the principal contributor reflecting a solid and healthy net position.

During 2021-22, the new fire administration's main goal was the identification of budgeted expenses and the implementation of cost control measures as appropriate. The District absorbed unanticipated 2021-22 increases including inflationary pressure from vehicle fuel expenses, deferred vehicle maintenance, deferred facility maintenance.

ZAYANTE FIRE PROTECTION DISTRICT
Management's Discussion and Analysis
June 30, 2022 and 2021

The COVID-19 Pandemic protective measures continued into the FY21-22 period and also required the purchase of additional medical supplies and decontamination equipment to control the viral spread to firefighter personnel. These were unanticipated expenses to meet regulatory requirements.

Fiscal Year 22-23 budget control measures will continue with the continuation of a vacant firefighter day time position and continued control of service and supplies. The District anticipates growing pressure from Workers Compensation and Liability insurance premiums and is exploring the lease purchase of Fire Apparatus to amortize the fiscal impact of a capital purchase.

The District maintains internal controls, and policies for payroll processing including Supervisory oversight of timecards by position. This was implemented to give the Board of Directors additional oversight.

The District's main source of revenue is property taxes. The District has seen property taxes increase steadily since 2014-15 as property values and housing prices have rebounded. The passing of measure "O" that was implemented on July 1, 2017 has allowed the District to hire additional paid daytime personnel at the expense of capital equipment purchasing. The District is still realizing increased cost and budget pressure from both the County of Santa Cruz and the State of California as fee's increase for services. The District also experienced increased workers compensation program costs and is implementing measures to reduce exposure. The District anticipates increased insurance premiums due to reassessment of property values and related replacement costs for materials.

The District has recommitted to the practice setting aside funds for fire apparatus purchase. The District increased funds in 2021-22 for future purchases due to the projected increase in the market expense and Industry supply chain challenges.

The District will continue to pursue DHS/FEMA grants to help offset cost of equipment where opportunity presents.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Zayante Fire Protection District Fire Chief.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Zayante Fire Protection District
Statements of Net Position
June 30, 2022 and 2021

ASSETS	2022	2021
Current assets:		
Cash in county treasury		
Cash and investment	\$ 661,571	\$ 650,631
Total current assets	<u>661,571</u>	<u>650,631</u>
Noncurrent assets:		
Land	76,106	76,106
Structures and improvements	1,125,504	1,125,504
Equipment	2,019,445	2,019,445
Capital Assets	<u>3,221,055</u>	<u>3,221,055</u>
Less accumulated depreciation	2,539,595	2,418,167
Total noncurrent assets	<u>681,460</u>	<u>802,888</u>
Total assets	<u><u>1,343,031</u></u>	<u><u>1,453,519</u></u>
LIABILITIES		
Current liabilities:		
Accrued payroll	22,379	21,760
Accounts payable	<u>8,938</u>	<u>27,333</u>
Total current liabilities	<u>31,317</u>	<u>49,093</u>
Total liabilities	<u><u>31,317</u></u>	<u><u>49,093</u></u>
NET POSITION		
Net investment in capital assets	681,460	802,888
Unrestricted	<u>630,254</u>	<u>601,538</u>
Net position	<u><u>\$ 1,311,714</u></u>	<u><u>\$ 1,404,426</u></u>

See accompanying Notes to Basic Financial Statements.

Zayante Fire Protection District
Statement of Activities
For the year ended June 30, 2022

	Program Revenues				Net (Expense)
					Revenue
					and Changes
					in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total	Governmental Activities
Governmental activities					
Salaries and employee benefits	\$ 431,353	\$ 107,654	\$ -	\$ 107,654	\$ 323,699
Services and supplies	234,686	2,586	-	2,586	232,100
Other charges	1,500	-	-	-	1,500
Depreciation	121,428	-	-	-	121,428
Total governmental activities	\$ 788,967	\$ 110,240	\$ -	\$ 110,240	678,727
General Revenues:					
					465,303
					107,283
					2,520
					2,240
					8,669
					586,015
					(92,712)
					1,404,426
					\$ 1,311,714

See accompanying Notes to Basic Financial Statements.

Zayante Fire Protection District
Statement of Activities
For the year ended June 30, 2021

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Total	Revenue and Changes in Net Position
Governmental activities					Governmental Activities
Salaries and employee benefits	\$ 536,484	\$ 151,805	\$ -	\$ 151,805	\$ 384,679
Services and supplies	257,120	4,526	-	4,526	252,594
Other charges	3,955	-	-	-	3,955
Depreciation	121,428	-	-	-	121,428
Total governmental activities	\$ 918,987	\$ 156,331	\$ -	\$ 156,331	762,656

General Revenues:

Property Tax	439,761
Other taxes - fire protection tax	110,032
Use of money and property	4,427
Homeowners' property tax relief	2,276
Micellaneous Revenue	15,239
Total general revenues	571,735
Change in net position	(190,921)
Net position - beginning of year	1,595,347
Net position - end of year	\$ 1,404,426

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FUND FINANCIAL STATEMENTS

Zayante Fire Protection District
Balance Sheets - Governmental Funds
June 30, 2022 and 2021

	2022			2021		
	General	Capital	Total	General	Capital	Total
	Fund	Project Fund		Fund	Project Fund	
ASSETS						
Cash	\$ 523,384	\$ 138,187	\$ 661,571	\$ 552,928	\$ 97,703	\$ 650,631
Total assets	\$ 523,384	\$ 138,187	\$ 661,571	\$ 552,928	\$ 97,703	\$ 650,631
LIABILITIES						
Accrued Payroll	\$ 22,379	\$ -	\$ 22,379	\$ 21,760	\$ -	\$ 21,760
Accounts payable	8,938	-	8,938	27,333	-	27,333
Total liabilities	31,317	-	31,317	49,093	-	49,093
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-
FUND BALANCES						
Assigned	-	138,187	138,187	-	97,703	97,703
Unassigned	492,067	-	492,067	503,835	-	503,835
Total fund balances	492,067	138,187	630,254	503,835	97,703	601,538
Total liabilities, deferred inflows of resources, and fund balances	\$ 523,384	\$ 138,187	\$ 661,571	\$ 552,928	\$ 97,703	\$ 650,631

Zayante Fire Protection District

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Fund Balances of Governmental Funds	\$ 630,254	\$ 601,538
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the Government-wide financial statements, the cost of assets are capitalized and depreciated over the estimated useful lives of the assets and reported as depreciation expense. The capital assets, net of depreciation, are:</p>		
	<u>681,460</u>	<u>924,316</u>
Net Position of Governmental Activities	<u>\$ 1,311,714</u>	<u>\$ 1,525,854</u>

Zayante Fire Protection District
Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022			2021		
	General Fund	Capital		General Fund	Capital	
		Project Fund	Total		Project Fund	Total
REVENUES:						
Property taxes	\$ 465,303	\$ -	\$ 465,303	\$ 439,761	\$ -	\$ 439,761
Other taxes	107,283	-	107,283	110,032	-	110,032
Use of money and property	2,036	484	2,520	360	4,067	4,427
Aid from other government agencies	109,894	-	109,894	154,081	-	154,081
Other revenue	8,669	-	8,669	15,239	-	15,239
Charges for current services	2,586	-	2,586	4,526	-	4,526
Total revenues	695,771	484	696,255	723,999	4,067	728,066
EXPENDITURES:						
Salaries and employee benefits	431,353	-	431,353	536,484	-	536,484
Services and supplies	234,109	-	234,109	250,014	-	250,014
Other charges	1,500	-	1,500	3,955	-	3,955
Capital outlay	577	-	577	7,106	-	7,106
Total expenditures	667,539	-	667,539	797,559	-	797,559
REVENUES OVER (UNDER) EXPENDITURES	28,232	484	28,716	(73,560)	4,067	(69,493)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	40,000	40,000	-	89,556	89,556
Transfer out	(40,000)	-	(40,000)	(89,556)	-	(89,556)
Total other financing sources (uses)	(40,000)	40,000	-	(89,556)	89,556	-
Net change in fund balances	(11,768)	40,484	28,716	(163,116)	93,623	(69,493)
FUND BALANCES:						
Beginning of year	503,835	97,703	601,538	666,951	4,080	671,031
End of year	\$ 492,067	\$ 138,187	\$ 630,254	\$ 503,835	\$ 97,703	\$ 601,538

See accompanying Notes to Basic Financial Statements.

Zayante Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net Change in Fund Balances - Total Governmental Funds	\$ 28,716	\$ (69,493)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	<u>(121,428)</u>	<u>(121,428)</u>
Change in Net Position of Governmental Activities	<u>\$ (92,712)</u>	<u>\$ (190,921)</u>

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Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

1. GENERAL INFORMATION

A. Organization

The Zayante Fire Protection District (District) was organized in 1957, and subsequently reorganized under the laws of the State of California. The financial statements of the reporting entity include only those of the Zayante Fire Protection District, there are no component units.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether it exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters). The District has determined that no outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

B. District Officers

The District is governed by an elected board of five directors. The following were in office at June 30, 2022:

	<u>Term Expires</u>
Garry Herceg, Chairperson	November 2024
Lyle Fleming, Director	November 2024
John Schneider, Director	November 2024
Kristi Locatelli, Director	November 2024
Priva Tarbet, Director	November 2026

Dan Walters was the Fire Chief of the Zayante Fire Protection District at June 30, 2022.

C. Accounting Records

The official accounting records of the District are maintained in the office of the Santa Cruz County Auditor-Controller. Supporting documents are maintained by the District.

D. Minutes

Minutes were recorded for meetings and contained approvals for disbursements.

E. Budgetary Procedure

The District prepares a fiscal year budget in accordance with applicable laws and regulations.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The District's financial statements are prepared in conformance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

B. Basis of Accounting and Measurement Focus

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. The District uses a chart of accounts based on the uniform accounting system prescribed by the State Controller.

C. Financial Statement Presentation

Government-wide financial statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities for the District.

The basic Government-Wide Financial Statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period the liability is incurred. The District's governmental-wide net position is classified in the following categories:

Net investment in capital assets – Includes amount of the net position that is invested in capital assets net of accumulated depreciation and any related debt.

Restricted – Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.

Unrestricted – Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Financial Statement Presentation, Continued

Governmental fund financial statements

The District's Government Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all major governmental funds and non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide financial statements.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Reconciliation of the Fund financial statements to the Government-Wide Financial Statements is provided to explain the differences created by the different measurement focus and basis of accounting.

The District reported the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, which are not required to be accounted for in another fund.

Capital Project Fund - The Capital Project Fund accounts for monies assigned, committed, or restricted for capital projects or capital acquisitions.

The District's governmental fund balance is classified in the following categories:

Nonspendable

Includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted

Includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Financial Statement Presentation, Continued

Committed

Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned

Includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Funds held by the Debt Service Fund are assigned for debt service, and funds held by the Capital Project Fund are assigned for capital projects.

Unassigned

Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

D. Property Tax

The County of Santa Cruz assesses properties, bills, and collects property taxes for the District. Assessed values are determined annually by the County Assessor as of March 1, and become a lien on real property as of that date. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The County bills and collects property taxes and remits them to the District under the state authorized method of apportioning taxes, whereby, all local agencies, including special districts, receive from the County their respective shares of the amount of ad valorem taxes collected.

E. Cash in County Treasury

The District's cash is held in the County of Santa Cruz Treasury Pool. See Note 3 to the financial statements for information regarding the interest rate risk, concentration of credit risk and custodial credit risk.

F. Accounts Receivable

All accounts receivable, if any, are shown net of any allowance for uncollectible accounts. All receivables which have been remitted within 60 days subsequent to fiscal year end are considered measurable and available and recognized as income in the government-fund financial statements.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both the government-wide and government fund financial statements, as applicable.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Liability for Compensated Absences

The District does not provide for vacation or sick leave, accordingly, as of June 30, 2022 and 2021, so the District does not have a liability for compensated absences.

I. Long-term Debt

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

J. Capital Assets

Capital assets, which include land, buildings, improvements, and equipment, are reported in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Normal maintenance and repairs are charged to operations as incurred. Major additions, improvements and replacements are capitalized. Gains and losses from sales or retirements of fixed assets are included in operations. The District has set capitalization thresholds for reporting capital assets at the following:

Structures and improvements	\$3,000
Equipment	\$300

Depreciation is recorded on the straight-line method (with no depreciation applied to the first year of acquisition) over the useful lives of the assets as follows:

Buildings	20 - 40 years
Equipment	5 - 10 years
Fire Engines	20 Years

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position (balance sheet) 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 of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position (balance sheet) 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.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Services and Supplies Expense

Because fire hose couplings, nozzles, hydrants, and the like are peculiar to fire districts, the manual of the State Controller provides that purchases of such items be charged to the expense account "Services and Supplies Expense".

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. New Accounting Guidance

In 2022, the District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

GASB Statement No. 87, Leases – The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement did not have an impact on the District's net position for the year ended June 30, 2022.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period – The objective this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest costs incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. There was no impact on net position as a result of implementation of this statement.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

GASB Statement No. 92, Omnibus - The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about leases, intra-entity transfers between primary government and pension or OPEB plans, other pension plan reporting, fiduciary activities relating to postemployment benefit arrangements, asset retirement obligations, reporting for public entity risk pools, fair value measurement, and derivative instruments. The requirements of this statement did not have an impact on the District’s net position for the year ended June 30, 2022.

GASB Statement No. 98, The Annual Comprehensive Financial Report - The objective of this statement is to address references in authoritative literature to the term *comprehensive annual financial report*. There was no impact on net position as a result of implementation of this statement.

3. CASH AND INVESTMENTS

Cash and investments held by the District at June 30, 2022 and 2021 are summarized below:

	2022	2021
County of Santa Cruz Investment Pool	\$ 661,571	\$ 650,631
Total cash and investments	\$ 661,571	\$ 650,631

A. Investment with Santa Cruz County Investment Pool

The District’s investment of \$661,571 and \$650,631 at June 30, 2022 and 2021 respectively is part of the common investment pool of the Santa Cruz County Investment Pool. It is the policy of the Treasurer-Tax Collector of Santa Cruz County to invest public funds in a manner which provides for the safety of the funds on deposit, the cash flow demands, or liquidity needs of the treasury pool participants, and the highest possible yield after first considering the first two objectives of safety and liquidity. In addition, it is the Treasurer-Tax Collectors’ policy to invest all funds in strict conformance with all state statutes governing the investment of public monies.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment in the Santa Cruz County Investment Pool was not subject to the levelling disclosure.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

3. CASH AND INVESTMENTS, Continued

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One of the ways that an agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2022, the District had the following investment maturities.

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	1 - 2 years	2- 3 years	3 - 4 years	5 years or More
Santa Cruz County Investment Pool	\$ 661,571	\$ 661,571	\$ -	\$ -	\$ -	\$ -
Total	\$ 661,571	\$ 661,571	\$ -	\$ -	\$ -	\$ -

At June 30, 2021, the District had the following investment maturities.

Investment Type	Fair Value	Investment Maturities (in years)				
		1 year or Less	1 - 2 years	2- 3 years	3 - 4 years	5 years or More
Santa Cruz County Investment Pool	\$ 650,631	\$ 650,631	\$ -	\$ -	\$ -	\$ -
Total	\$ 650,631	\$ 650,631	\$ -	\$ -	\$ -	\$ -

C. Credit Risk

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. Santa Cruz County Investment Pool is not rated.

D. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investment was not subject to custodial credit risk.

E. GASB 72 Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles (GAAP). The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District’s investment in the Santa Cruz County Investment Pool is exempt from levelling disclosure.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

4. CAPITAL ASSETS

Capital assets at June 30, 2022 consisted of the following:

<u>Governmental Activities</u>	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital Assets not being depreciated:				
Land	\$ 76,106	\$ -	\$ -	\$ 76,106
Total capital assets not being depreciated	76,106	-	-	76,106
Capital Assets being depreciated:				
Structures and improvements	1,125,504	-	-	1,125,504
Equipment	2,019,445	-	-	2,019,445
Total capital assets being depreciated	3,144,949	-	-	3,144,949
Less accumulated depreciation	2,418,167	121,428	-	2,539,595
Total capital assets, being depreciated, net	726,782	(121,428)	-	605,354
Total capital assets, net	\$ 802,888	\$ (121,428)	\$ -	\$ 681,460

Capital assets at June 30, 2021 consisted of the following:

<u>Governmental Activities</u>	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets not being depreciated:				
Land	\$ 76,106	\$ -	\$ -	\$ 76,106
Total capital assets not being depreciated	76,106	-	-	76,106
Capital Assets being depreciated:				
Structures and improvements	1,125,504	-	-	1,125,504
Equipment	2,019,445	-	-	2,019,445
Total capital assets being depreciated	3,144,949	-	-	3,144,949
Less accumulated depreciation	2,296,739	121,428	-	2,418,167
Total capital assets, being depreciated, net	848,210	(121,428)	-	726,782
Total capital assets, net	\$ 924,316	\$ (121,428)	\$ -	\$ 802,888

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

5. LEASE COMMITMENTS

The District currently leases the property located at 15585 East Zayante Road. The term of the lease was entered into on June 1, 1998, with annual rent due of \$25 for a term of 25 years. The District has entered into an agreement for two additional 20 year terms. The lease expires May 31, 2048. Total rent expense for June 30, 2022 and 2021, was \$25 for each respective year.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

A. Workers' Compensation Coverage

The District is a member of the Santa Cruz County Fire Agencies Insurance Group (the "Group"). In a board meeting on June 19, 2002, the Group approved the return of its self-insurance certificates to the State and to accept a proposal from California Public Entity Insurance Authority (CPEIA) a joint powers authority for both primary and excess workers compensation coverage. In a resolution dated September 20, 2007, the Santa Cruz County Fire Agencies Insurance Group's Board of Directors opted to terminate the CPEIA joint power agreement and merge into the CSAC Excess Insurance Authority (CSAC-EIA) Joint Power Agreement. This change was predicated on the decision of CSAC-EIA to restructure their bylaws and JPA agreements discontinuing the operation of CPEIA and allowing its members to become full participants in the CSAC-EIA programs. Being a CPEIA member granted automatic approval of inclusion into both the Primary and Excess EIA workers' compensation programs beginning with the July 1, 2007 policy renewals. The relationship between the Group and CSAC-EIA (the "JPA") is such that CSAC-EIA is not a component unit of the Group for reporting purposes.

CSAC-EIA is a joint powers agency (JPA) formed pursuant to Section 6500 et seq. of the California Government Code. Members are assessed a contribution for each program in which they participate. Members may be subject to additional supplemental assessments if it is determined that the contributions are insufficient. Members may withdraw from the CSACEIA only at the end of a policy period and only if a sixty day written advance notice is given. However, CSAC-EIA may cancel a membership at any time upon a two-thirds vote of the Board of Directors and with sixty days written notice. Upon withdrawal or cancellation, a member shall remain liable for additional assessments for the program periods they have participated. CSAC-EIA is governed by a board of directors. The Board controls the operations of CSAC-EIA including adopting an annual budget.

B. Primary Workers' Compensation

The Primary Workers' Compensation program is a full service program including claims administration. The program blends pooling of workers' compensation claims with a purchased stop loss insurance policy.

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

6. RISK MANAGEMENT, Continued

C. Excess Workers' Compensation

CSAC-EIA retains responsibility for payment of claims in excess of \$125,000 for each member who also participates in the primary workers' compensation program. Claim liabilities are recognized based on actuarial estimate of expected ultimate claim cost discounted at 6%.

D. Liability Insurance

Insurance coverage at June 30, 2022 and 2021 were as follows:

	<u>Deductible</u>	<u>Amount</u>
Property:		
Property (buildings)	\$ 5,000	Guaranteed Repl. Cost
Repl cost subject to scheduled limit		
Business personal property (including theft)	\$ 5,000	Repl. Cost
Earthquake:		
Buildings		Guaranteed Repl. Cost
Business personal property		Repl Cost
Deductible		5% per Building and BPP
Flood:		
Buildings		Guaranteed Repl. Cost
Business personal property		Repl. Cost
Deductible		\$1000 per premises
Portable equipment insurance		
Blanket portable equipment		Guaranteed Repl. Cost
Business personal property		\$50,000
General liability:		
General aggregate		\$10,000,000
Personal injury		\$1,000,000
Each occurrence		\$1,000,000
Automobile:		
Auto - liability		\$1,000,000 (Each Accident)
Auto - uninsured motorist		\$1,000,000 (Each Accident)
Auto - physical damage (comprehensive)		Agreed value, actual cash value, or cost of repairs, whichever is less minus \$1,000 deductible
Auto - physical damage (collision)		Agreed value, actual cash value, or cost of repairs, whichever is less minus \$1,000 deductible
Management practices liability insurance:		
General aggregate		\$10,000,000
Each wrongful act		\$1,000,000

Zayante Fire Protection District
Notes to Basic Financial Statements
June 30, 2022 and 2021

7. FEDERAL INSURANCE CONTRIBUTION ACT (FICA)

The District and the District's employees contribute to FICA at a rate of 7.5% per payroll.

8. CONTINGENCIES

Strike Team Payroll

The District currently pays firefighters for strike team activities after the reimbursement from the State of California Office of Emergency Services (Cal OES) is received, and not within a short time period after services are provided, which may violate certain payroll timing requirements. The District is in the process of reviewing this practice or changing payroll agreement terms for firefighters.

REQUIRED SUPPLEMENTARY INFORMATION

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Zayante Fire Protection District
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
For the years ended June 30, 2022 and 2021

Budgetary Comparison Schedule - General Fund

	2022				2021			
	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES:								
Property taxes	\$ 406,940	\$ 406,940	\$ 465,303	\$ 58,363	\$ 513,319	\$ 513,319	\$ 439,761	\$ (73,558)
Other taxes	108,000	108,000	107,283	(717)	-	-	110,032	110,032
Use of money and property	600	600	2,036	1,436	11,075	11,075	360	(10,715)
Aid from other government agencies	2,000	109,654	109,894	240	2,300	215,219	154,081	(61,138)
Other revenue	14,766	14,766	8,669	(6,097)	22,704	22,704	15,239	(7,465)
Charges for current services	4,526	4,526	2,586	(1,940)	1,446	1,446	4,526	3,080
Total revenues	536,832	644,486	695,771	51,285	550,844	763,763	723,999	(39,764)
EXPENDITURES:								
Salaries and employee benefits	510,000	579,376	431,353	148,023	581,840	730,680	536,484	194,196
Services and supplies	307,800	346,079	234,109	111,970	321,535	373,439	250,014	123,425
Other charges	5,000	5,000	1,500	3,500	5,000	5,000	3,955	1,045
Capital outlay	6,000	60,000	577	59,423	132,534	144,709	7,106	137,603
Total expenditures	828,800	990,455	667,539	322,916	1,040,909	1,253,828	797,559	456,269
REVENUES OVER (UNDER) EXPENDITURES	(291,968)	(345,969)	28,232	374,201	(490,065)	(490,065)	(73,560)	416,505
OTHER FINANCING SOURCES (USES):								
Transfer out	-	-	(40,000)	(40,000)	-	-	(89,556)	(89,556)
Total other financing sources (uses)	-	-	(40,000)	(40,000)	-	-	(89,556)	(89,556)
Net change in fund balance	\$ (291,968)	\$ (345,969)	(11,768)	\$ 334,201	\$ (490,065)	\$ (490,065)	(163,116)	\$ 326,949
FUND BALANCE:								
Beginning of year			503,835				666,951	
End of year			<u>\$ 492,067</u>				<u>\$ 503,835</u>	