

INTERSTATE PEST CONTROL  
COMPACT INSURANCE FUND

FINANCIAL REPORT  
(Reviewed)

December 31, 1996 and 1997

## CONTENTS

INDEPENDENT ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities-December 31, 1997	3
Statement of Activities-December 31, 1996	4
Notes to financial statements	5-6
SUPPLEMENTARY INFORMATION	
Management and general expenses-Year ended December 31, 1997	7
Management and general expenses-Year ended December 31, 1996	8

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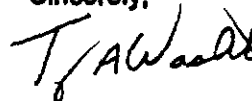
**Board of Trustees  
Interstate Pest Control Compact Insurance Fund  
Springfield, IL**

I have reviewed the accompanying Statements of Financial Position of Pest Control Compact Insurance Fund as of December 31 1996 and 1997, and the related statements of activities for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Pest Control Compact Insurance Fund.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principals.

Sincerely,



Troy A. Washko, CPA, PC

February 23, 1998

**PEST CONTROL COMPACT INSURANCE FUND**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 1996 and 1997

	<u>1996</u>	<u>1997</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 185,239	\$ 22,406
Accounts receivable	25,851	12,603
Certificate of Deposit investment	10,000	0
Securities at market value	857,238	986,789
Accounts receivable long-term	44,350	31,747
Total assets	\$ <u>1,122,678</u>	\$ <u>1,053,545</u>
<b>Liabilities and net assets</b>		
Accounts Payable	\$ 35,231	\$ 397
<b>Net assets</b>		
Unrestricted	\$ <u>1,087,447</u>	\$ <u>1,053,148</u>
Total net assets	<u>1,087,447</u>	<u>1,053,148</u>
Total liabilities and net assets	\$ <u>1,122,678</u>	\$ <u>1,053,545</u>

**PEST CONTROL COMPACT INSURANCE FUND  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 1997**

<b>Revenues and gains:</b>	
Investment income	66,001
Gift income	3,000
Net unrealized gain on investments	12,360
Total revenue	\$ <u>81,361</u>
 <b>Expenses:</b>	
Management and general	15,237
Claims	<u>100,000</u>
Change in net assets	(33,876)
Net assets at beginning of year	<u>1,087,024</u>
Net assets at end of year	\$ <u><u>1,053,148</u></u>

See notes to reviewed financial statements.

**PEST CONTROL COMPACT INSURANCE FUND  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 1996**

<b>Revenues:</b>	
Investment income	\$ 74,680
Total revenue	74,680
 <b>Expenses and losses:</b>	
Management and general	16,994
Claims	70,000
net unrealized loss on investments	25,003
Change in net assets	(37,317)
Net assets at beginning of year	1,124,764
Net assets at end of year	\$ 1,087,447

See notes to reviewed financial statements.

**INTERSTATE PEST CONTROL COMPACT INSURANCE FUND  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1996 and 1997**

**NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Interstate Pest Control Compact Insurance Fund is a nonprofit organization instituted in 1968 under the Council of State Governments to bridge economic and jurisdictional gaps among state and federal governments, to enable agencies to respond to plant pest infestations. The Compact, through the Insurance Fund it administers, provides financial assistance to address:

- \*new and economically significant destructive plant pest outbreaks;
- \*plant pest infestations outside the control or means of a single jurisdiction; or
- \*destructive single-state outbreaks which could affect other states if allowed to spread.

Funding

A one time contribution is due once a state joins. This contribution is paid in a lump-sum or can be extended over a six year period and is determined based on 1/10th of the total budget of \$1 million in equal shares, and the remainder in proportion to the value of agricultural and forest crops, and products, excluding animals and animal products produced in each party state.

Estimates

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

Cash

At various times during the years ended December 31, 1996 and 1997, the Compact's cash in bank balances exceeded the Federally insured limits. At December 31, 1996, the Compact's uninsured cash balances totalled \$84,205.

**NOTE B—INVESTMENT SECURITIES**

Investments are stated at fair value and consist primarily of mutual funds as follows as of December 31, 1996:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation)</u>
Parkstone U.S. Government Income Fund	\$915,846	\$857,238	\$(58,609)

Investments are stated at fair value and consist primarily of mutual funds as follows as of December 31, 1997:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized (Depreciation)</u>
Parkstone U.S. Government Income Fund	\$1,033,038	\$986,789	\$(46,249)

**NOTE C—ACCOUNTS RECEIVABLE**

Accounts receivable as of December 31, 1996 and 1997 consisted of membership fees which were due but had not yet been received. No new members joined during 1996 or 1997; therefore, no membership fee income was recognized during 1996 or 1997.

**PEST CONTROL COMPACT INSURANCE FUND  
SUPPLEMENTAL STATEMENT  
Year Ended December 31, 1997  
See Accountant's Report**

**Management and general expenses**

Administrator costs	\$	9,657
Usage fee		1,000
Insurance		100
Printing costs		1,128
Miscellaneous		340
Bank fees		88
Fiduciary Fees and expenses		<u>2,924</u>
	\$	<u>15,237</u>

**PEST CONTROL COMPACT INSURANCE FUND  
SUPPLEMENTAL STATEMENT  
Year Ended December 31, 1996  
See Accountant's Report**

**Management and general expenses**

Administrator costs	\$	11,140
Usage fee		2,000
Insurance		100
Bank fees		86
Miscellaneous		248
Fiduciary Fees and expenses		<u>3,420</u>
	\$	<u><u>16,994</u></u>