



**INTERSTATE PEST CONTROL COMPACT
INSURANCE FUND**

FINANCIAL REPORT

For the Year Ended June 30, 2007

Interstate Pest Control Compact Discussion Points for Treasurer's Report

Highlights from Fiscal Year 2007:

- ▶ Total assets available on June 30, 2007 were \$1,098,550.48. A decrease of \$32,080.85 from the June 30, 2006 balance of \$1,130,631.33.
- ▶ \$60,000 was paid to Michigan for a Hemlock woolly adelgid insurance claim; Wyoming returned \$3,525.95 in unused money from their 2005 *Echium vulgare* insurance claim.
- ▶ No membership dues were received; no donations were received.
- ▶ Income on investments totaled \$52,469.82. There were no investment fees or expenses. Investment income covered all of the administrative and operating costs (\$19,517.52) for the year.
- ▶ Funds were invested in the Local Government Investment Pool (LGIP) through the Commonwealth of Virginia's Treasurer's Office until March 21, 2007; the average yield for the 12 month period ending June 30, 2007 was 5.28%. On March 21, all IPCC funds were transferred to Smith Barney securities earning varying rates of yield.
- ▶ Investment Risk (1): The Virginia Local Government Investment Pool, in which IPCC funds were invested for the first 9 months of the fiscal year, follows guidelines that permit only high quality corporate investments. The LGIP was diversified in the following way as of June 30, 2006:

U.S. Treasury / Agency Bonds	13%
Repurchase Agreements	26%
Negotiable CDs & BAs	24%
Non-Negotiable CDs	0%
Commercial Paper*	26%
Corporate & Bank Notes*	11%
Total:	100%
* Commercial Paper was restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimized the risk to the IPCC while attempting to maximize gains.	

- ▶ Investment Risk (2): The Smith Barney Financial Management Account, in which IPCC funds were invested for the last 3 months of the fiscal year, followed the investment strategy approved by the IPCC Executive Committee effective April 27, 2007. The Smith Barney FMA was diversified in the following way as of June 30, 2006:

Money Market and Auction Instruments	9%
Corporate Bonds	18%
Government Bonds	27%
Certificates of Deposit	43%
Accrued Interest on Bonds / CDs	1%
Total:	98%

**INTERSTATE PEST CONTROL COMPACT
BALANCE SHEET
June 30, 2007**

Assets

Cash Balance	0	
Money Fund	\$18,696.44	
Investments ¹		
Accrued Interest	9,940.64	
Money Market		
Instruments (ARPS)	100,000.00	
Corporate Bonds	194,242.00	
Government Bonds	297,313.00	
CDs	478,358.40	
Total investments	1,079,854.04	
TOTAL ASSETS		\$1,098,550.48

Liabilities & Equity

Liabilities	\$15,000.00 ²	
Equity	<u>1,083,550.48</u>	
TOTAL LIABILITIES & EQUITY		\$1,098,550.48

1 Funds were invested in the Local Government Investment Pool (LGIP) through the Commonwealth of Virginia's Treasurer's Office until March 21, 2007; the average yield for the 12 month period ended June 30, 2007 was 5.28%. On March 21, all IPCC funds were transferred to Smith Barney securities earning varying rates of yield.

2 Balance due to Michigan Department of Agriculture for completion of Hemlock Woolly Adelgid Survey and Eradication claim.

**INTERSTATE PEST CONTROL COMPACT
STATEMENT OF CASH FLOWS
For the 12 Month Period Ended June 30, 2007**

<i>Balance on July 1, 2006</i>		<u>\$ 1,130,631.33</u>
<u>Add - Inflows</u>		
Dividends and Interest Received		52,469.82
Commonwealth of Virginia Local Government Investment Pool (LGIP)	40,326.41	
Sun Trust Bank (Money Market Fund)	390.49	
Smith Barney interest earned	2,825.00	
Smith Barney dividends earned	689.29	
Smith Barney money fund earnings	8,238.63	
Membership Fees:		0.00
Donations:		0.00
Unrealized Gains/Losses		-8,559.10
TOTAL INFLOWS		<u>43,910.72</u>
<u>Deduct-Outflows</u>		
Operating Expenses:		19,517.52
Executive Director	13,956.27	
General Administration Fee	1,520.00	
Travel	2,776.15	
Conference Registrations	1,050.00	
Postage	0.00	
Printing	0.00	
IPCC Website	215.10	
Bank Service Charges	0.00	
Insurance Claims		56,474.05
Wyoming ¹	-3,525.95	
Michigan	60,000.00	
TOTAL OUTFLOWS		<u>75,991.57</u>
<i>Balance on June 30, 2007</i>		<u><u>\$ 1,098,550.48</u></u>

¹ State of Wyoming returned to Compact \$3,525.95 as unused insurance fund money from \$15,000 claim for blueweed eradication project funded in FY 2006.

**INTERSTATE PEST CONTROL COMPACT
STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN
FUND BALANCES/EQUITY**

For the 12 Month Period Ended June 30, 2007

Revenues

Dividends and Interest	\$52,469.82	
Membership Fees	0.00	
Donations	0.00	
Unrealized Gains/Losses	(8,559.10)	
Total revenues		\$43,910.72

Expenditures

Operating Expenses	\$19,517.52	
Insurance Claims	56,474.05	
Total expenses	<u>75,991.57</u>	

Excess of revenue over expenditures **(\$32,080.85)**

Fund balances/equity July 1, 2006 **1,130,631.33**

Fund balances/equity June 30, 2007 **\$1,098,550.48**

Interstate Pest Control Compact and Pest Control Insurance Fund
Budget VS Actual Report
July 1, 2006 to June 30, 2007

<u>Description</u>	<u>2006-2007</u>		<u>2005-2006</u>		<u>2004-2005</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Management Services						
Executive Director Services	\$ 15,000.00	\$ 13,956.27	\$ 15,000.00	\$ 11,440.65	\$ 15,000.00	\$ 8,906.00
Travel and Registration	\$ 3,800.00	\$ 3,826.15	\$ 3,800.00	\$ 3,415.69	\$ 3,800.00	\$ 3,223.00
Bond	\$ 100.00		\$ 100.00	\$ -	\$ 100.00	\$ -
Facilities and Administrative Costs						
Overhead	\$ 2,500.00	\$ 1,520.00	\$ 2,000.00	\$ 2,232.00	\$ 2,000.00	\$ 1,470.00
IPCC Website **	\$ 200.00	\$ 215.10	\$ 200.00	\$ 188.25	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Postage	\$ 300.00	\$ -	\$ 300.00	\$ 199.90	\$ 300.00	\$ 193.00
Printing	\$ 500.00	\$ -	\$ 500.00	\$ 453.42	\$ 500.00	\$ 335.00
Bank Charges	\$ -	\$ -	\$ -	\$ 8.50	\$ 200.00	\$ 94.00
Equipment	\$ -	\$ -	\$ -			
Charitable Solicitation						
Registration	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services						
Audit	\$ 100.00	\$ -	\$ 100.00	\$ -	\$ 100.00	\$ -
Special Purpose						
Technical Advisory Committee	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ -	\$ -
Special Committee	\$ -	\$ -	\$ -	\$ -	\$ 500.00	\$ -
TOTAL	\$ 24,000.00	\$ 19,517.52	\$ 22,500.00	\$ 17,938.41	\$ 22,500.00	\$ 14,221.00

**includes website hosting and domain name registration.