

MENDOCINO COMMUNITY NETWORK
UNAUDITED STATEMENT OF FUND NET POSITION WITH GASB 68 ADJUSTMENTS SEPARATED
April 30, 2021 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020

	<u>April 30, 2021</u>	<u>June 30, 2020</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 210,834	\$ 276,960
Accounts Receivable	<u>21,659</u>	<u>29,411</u>
Prepaid Expense	<u>0</u>	<u>0</u>
Total Current Assets	<u>232,493</u>	<u>306,371</u>
Noncurrent Assets:		
Capital assets net of accumulated depreciation	<u>79,762</u>	15,439
Total Assets	\$ 312,255	\$ 321,810
LIABILITIES		
Current Liabilities:		
Accounts Payable	22,462	28,885
Unearned Revenues	15,525	14,635
Capital Leases, current portion	<u>58,665</u>	<u>0</u>
Total Current Liabilities	<u>96,652</u>	<u>43,520</u>
Non Current Liabilities		
Compensated absences	31,223	31,223
Total non-current liabilities	31,223	31,223
Total Liabilities	127,875	74,743
NET POSITION		
Net investment in capital assets	21,098	15,439
Unrestricted	<u>163,282</u>	<u>231,628</u>
Total Net Position	\$ 184,380	\$ 247,067

GASB 68 Information (see notes on page 2)

Total GASB 68 entries at 6/30/18 per auditors	(813,082)
Total Net Position with GASB 68 entries included	(628,702)

GASB 68 Notes

1. In October 2015, MCN's auditors completed the FY 14-15 audit report. In this report, MCN's statement of net position for both FY 13-14 and FY 14-15 were restated in order to reflect required changes under GASB 68 in deferred pension liabilities which are required to be shown in audit financial statements when an enterprise is involved.
2. The changes resulted in a decrease of the fund position of \$537,439 for FY 13-14. Further adjustments by auditor reduced the change in FY 14-15 to a decrease of \$526,362 in the net fund assets.
3. The changes to the net fund position were recorded through a set of journal entries to the general ledger in categories 9490, 9663, 9690, and 9793 which were recorded in January of 2016 based on information provided by auditors. All GASB 68 adjustments are beyond the technical skill of MCN staff and are wholly provided by the auditor.
4. Further adjustments to these categories have been made by the district's new audit team every year since 2016 resulting in an increase of the total of GASB pension adjustments to \$813,082 at 6/30/20.
5. The auditor's recommendation to MCN staff is that GASB 68 liabilities should be separated out when presented in unaudited monthly financial statements. GASB 68 entries do not represent an actual amount owed to anyone; the auditor, separating them out will give a better view for MCN staff, MUSD staff and the MUSD Board to make accurate judgements regarding MCN's fiscal position while at the same time representing the GASB 68 adjustments that will continue to appear on current and future audit reports.

MENDOCINO COMMUNITY NETWORK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION BASED ON AUDIT REPORT
(MINUS GASB ADJUSTMENTS)
FOR THE TEN MONTH PERIOD ENDING April 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Ten Month Period Ended April 30, 2021	Twelve Month Period Ended June 30, 2020
OPERATING REVENUES		
Charges for services	\$ 1,935,451	\$ 2,224,522
Other Revenues	<u>0</u>	<u>0</u>
Total operating revenues	<u>1,935,451</u>	<u>2,224,522</u>
OPERATING EXPENSES:		
Salaries and Benefits	691,827	803,812
Supplies and Materials	68,075	107,186
Professional Services	1,187,155	1,327,318
Depreciation	<u>25,730</u>	<u>7,719</u>
Total Operating Expenses	<u>1,972,787</u>	<u>2,246,035</u>
Operation Income/(loss)	(37,336)	(21,513)
Non Operating Revenues and (Donation)		
Interest Income	445	2,817
Transfers In	7,536	8,365
Donation to District	<u>(33,333)</u>	<u>(40,000)</u>
Total Non Operating Revenues/Expenses	<u>(25,352)</u>	<u>(28,818)</u>
CHANGE IN NET POSITION	<u>(62,687)</u>	<u>(50,331)</u>
Net Position Beginning	247,067	<u>297,398</u>
Net Position Ending	\$ 184,380	\$ 247,067