

**SURFSIDE COLONY
COMMUNITY SERVICES DISTRICT
BASIC FINANCIAL STATEMENTS
WITH REPORT ON AUDIT BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
JUNE 30, 2019**

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

TABLE OF CONTENTS

June 30, 2019

	<u>Page Number</u>
Independent Auditors' Report	1 - 2
Basic Financial Statements:	
Governmental Fund Balance Sheet and Statement of Net Position	3
Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities	4
Notes to Basic Financial Statements	5 - 12
Required Supplementary Information:	
Budgetary Comparison Schedule - Budgetary Basis: General Fund	13
Notes to Required Supplementary Information	14

INDEPENDENT AUDITORS' REPORT

Board of Directors
Surfside Colony Community
Services District
Surfside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activity and general fund of the Surfside Colony Community Services District (the District) as of June 30, 2019, and the related notes to the financial statements, which collectively comprise the District'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors' 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 auditors consider internal control relevant to the District'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 District'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activity and general fund of the District as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule - budgetary basis, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

White Nelson Dick Evans LLP

Irvine, California
May 18, 2020

BASIC FINANCIAL STATEMENTS

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

GOVERNMENTAL FUND BALANCE SHEET
AND STATEMENT OF NET POSITION

June 30, 2019

	General Fund	Adjustments (Note 1D)	Statement of Net Position
CURRENT ASSETS			
Cash and investments	\$1,065,320	\$ -	\$1,065,320
Property tax receivable	7,758	-	7,758
Interest receivable	3,607	-	3,607
TOTAL CURRENT ASSETS	\$1,076,685	-	1,076,685
CURRENT LIABILITIES			
Accounts payable	\$ 3,150	-	3,150
FUND BALANCE/NET POSITION			
FUND BALANCE			
Committed for street repairs and maintenance	100,000		
Committed for general stabilization	243,393		
Committed for project repairs and improvements stabilization	653,554		
Unassigned	76,588		
TOTAL FUND BALANCE	1,073,535	(1,073,535)	
TOTAL LIABILITIES AND FUND BALANCE	\$1,076,685		
NET POSITION			
Unrestricted		\$1,073,535	\$1,073,535

See accompanying notes to the basic financial statements.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
AND STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	General Fund	Adjustments (Note 1D)	Statement of Activities
EXPENDITURES/EXPENSES			
Accounting and legal	\$ 18,084	\$ -	\$ 18,084
County administration and collection charges	5,143	-	5,143
Guard services	227,448	-	227,448
Insurance	1,422	-	1,422
Miscellaneous	4,867	-	4,867
Rent - facilities	13,200	-	13,200
Repairs and maintenance:			
Grounds	60,335	-	60,335
Recreation area maintenance	44,976	-	44,976
Street and streetlight maintenance	32,723	-	32,723
Security and management fees	47,856	-	47,856
Trash pickup	31,595	-	31,595
Project outlays	162,128	-	162,128
TOTAL EXPENDITURES/EXPENSES	649,777	-	649,777
PROGRAM REVENUES			
User fees	40,569	-	40,569
NET PROGRAM EXPENDITURES/EXPENSES	609,208	-	609,208
GENERAL REVENUES			
Property taxes	792,941	-	792,941
Investment earnings	12,046	-	12,046
State homeowners' subvention	4,116	-	4,116
TOTAL GENERAL REVENUES	809,103	-	809,103
EXCESS OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION			
	199,895	-	199,895
FUND BALANCE/NET POSITION			
BEGINNING OF YEAR	873,640	-	873,640
END OF YEAR	\$1,073,535	\$ -	\$1,073,535

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The Surfside Colony Community Services District (the District) is located in the Surfside Colony community within the City of Seal Beach. The District was formed on July 11, 1960, under the provisions of the Community Services District Law, Section 61000-61934 of the California Government Code, for the purpose of providing municipal services to its inhabitants. The District provides services and capital improvements related to security and safety, maintenance and repairs of parks and recreation areas, street maintenance and repairs (including streetlighting), trash pick-up and landscaping of common areas and beaches. It is primarily funded from property tax revenue allocated and distributed from the Orange County Auditor-Controller.

B. Financial Statement Presentation

Local governmental units are required to report information on a government-wide basis and on a fund basis (with emphasis placed on major funds of the entity). The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the activities of the primary government and its component units. The governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balance) report information on individual funds of the government. A fund is considered to be separate accounting entity with a self-balancing set of accounts.

Since the District utilizes a single governmental fund, and it has no component units, the government-wide and governmental fund financial statements have been combined on the same statement with a reconciliation of the individual line items in a separate column titled "Adjustments." The government-wide financial statements are reported in the "Statement of Net Position" and "Statement of Activities" columns. The governmental fund financial statements are reported in the "General Fund" column.

C. Basis of Accounting and Measurement Focus

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. The District has no fiduciary activities. Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities (current and long term), and deferred inflows of resources are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Program revenues are user fees charged for certain services being provided.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the governmental fund balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means that the amounts can be estimated or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the current reporting period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The District's levied property taxes, user fees, and investment earnings associated with the current period are considered to be susceptible to accrual. Expenditures generally are recorded when a liability is incurred.

D. Reconciliation of Fund Financial Statements to Government-wide Financial Statements

In order to adjust the fund balance on the governmental (general) fund balance sheet to arrive at net position on the statement of net position, certain adjustments are required as a result of the differences in accounting basis and measurement focus between the government-wide and fund financial statements. For the year ended June 30, 2019, the District did not have any adjustments to make.

E. New Accounting Pronouncements

Governmental Accounting Standards Board (GASB) Current Year Standards

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This statement did not impact the District.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This statement did not impact the District.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. New Accounting Pronouncements (Continued)

GASB Pending Accounting Standards

GASB has issued the following statements, which may impact the District's financial reporting requirements in the future.

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.
- GASB 92 - *Omnibus 2020*, effective for periods beginning after June 15, 2020.

F. Investments

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings and changes in fair value.

G. Receivables

The District carries receivables net of any allowance for doubtful accounts. Management evaluates the ability to collect the receivables based upon a combination of factors. At June 30, 2019, management determined that an allowance for doubtful accounts was not necessary.

H. Property Taxes

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on November 1 and February 1 and become delinquent December 11 and April 11. The County of Orange (County) bills and collects the property taxes and remits them to the District in installments during the year. District property tax revenues are recognized when levied to the extent that they result in current receivables.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Lease

The District accounts for its leased office space under the operating method of accounting; thus, rental payments are expensed as incurred. The lease amount is negotiated annually with the lessor (Surfside Colony Ltd.). Annual rent expense for the fiscal year totaled \$13,200.

J. Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Cash and Investments

Cash and investments of \$1,065,320 reported in the accompanying statement of net position and governmental fund balance sheet consist of \$595,422 in demand accounts and \$469,898 invested in the California Local Agency Investment Fund (LAIF). See the custodial credit risk section of this note for information on the balance in excess of the Federal Deposit Insurance Corporation (FDIC) insurance.

Investments Authorized by the District's Investment Policy

All investments and deposits of the District are made in accordance with the California Government Code. The District has further limited investments to those identified in the table below. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Time Certificate of Deposits	5 years	25%	None
LAIF	N/A	None	None

N/A - Not Applicable

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Disclosures Relating to 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. One of the ways that the District manages its exposure to interest rate risk is by investing in LAIF, which is readily available upon demand.

Disclosures Relating to 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. The District's investment in LAIF is not rated.

Concentration of Credit Risk

The District has no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. 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.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2019, the District has \$383,600 of deposits with financial institutions over the amount covered by FDIC insurance that is not collateralized according to California law.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices in active markets for similar assets, and Level 3 inputs are significant unobservable inputs.

The District's investment consists of LAIF, which is not subject to the fair value hierarchy.

3. CLASSIFICATION OF GOVERNMENTAL FUND BALANCES

The fund balances reported on the fund statements consist of the following categories:

Committed Fund Balance - This classification 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, the Board of Directors. These commitments may be changed or lifted but only by the same formal action, a resolution, that was used to impose the constraint originally.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

3. CLASSIFICATION OF GOVERNMENTAL FUND BALANCES (CONTINUED)

Included in the committed fund balance category are the following reserves established by the Board of Directors:

- A street repairs and maintenance reserve has been established to fund future emergency street construction deemed necessary as a result of a natural disaster. This stabilization reserve is funded at the minimum balance of \$100,000 as of June 30, 2019.
- A general stabilization reserve has been established to offset unexpected revenue shortfalls and unanticipated expenditures. This reserve is calculated as six months of the total budgeted services and supplies. The reserve may be used when a loss of revenue occurs, such as if the State of California ceases allocations of property taxes for special districts, funding for the adopted budget during cash flow deficits due to timing of revenue receipt, or a natural disaster. This general stabilization reserve is fully funded and has a balance of \$243,363 as of June 30, 2019.
- A general project repairs and improvements stabilization reserve has been established to fund upcoming community projects that repair, rehabilitate, or replace community assets. This reserve is funded with excess funds available at the end of each preceding fiscal year to the extent that the committed street repairs and maintenance and general reserves have been adequately funded. The reserve may be used for planned projects approved by the District's Board of Directors at the beginning of each fiscal year. As of June 30, 2019, the balance is \$653,554.

Unassigned Fund Balance - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other fund balance classifications.

It is the District's policy to consider restricted resources to have been depleted before unrestricted (committed, assigned, and unassigned) resources are applied.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the District's policy is to apply the committed fund balance first, then the assigned fund balance, and finally the unassigned fund balance.

4. ECONOMIC DEPENDENCY

The District contracts out a substantial portion of its services to Surfside Colony, Ltd. (a nonprofit corporation). Such services include, but are not limited to, guard services, maintenance, and rent of facility and equipment. Amounts paid to Surfside Colony, Ltd. for these costs for the year ended June 30, 2019, totaled \$620,265.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Basic Financial Statements

June 30, 2019

5. OTHER REQUIRED GENERAL FUND DISCLOSURES

Expenditures for the year ended June 30, 2019, exceeded appropriations in the general fund on a budgetary basis as follows:

	Final Budget	Actual	Variance with Final Budget
Accounting and legal	\$ 18,150	\$ 19,934	\$ (1,784)
Guard services	\$ 227,442	\$ 227,448	\$ (6)

6. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition. Management is actively monitoring the impact of the global situation on its financial condition. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its condition for fiscal year 2019/2020.

In preparing these financial statements, the District has evaluated all other events and transactions for potential recognition or disclosure through May 18, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual - Budgetary Basis (Note B)	Variance
	Original	Final		
REVENUES:				
Property taxes:				
Current year's secured tax assessment	\$ 732,000	\$ 732,000	\$ 738,621	\$ 6,621
Current year's unsecured tax assessment	19,500	19,500	22,882	3,382
Prior year's taxes	5,000	5,000	5,486	486
Public utility	2,000	2,000	3,945	1,945
Other	-	-	5	5
Supplemental tax roll	15,000	15,000	22,169	7,169
Total property taxes	<u>773,500</u>	<u>773,500</u>	<u>793,108</u>	<u>19,608</u>
User fees	40,960	40,960	40,569	(391)
Investment earnings	2,500	2,500	10,619	8,119
State homeowners' subvention	3,800	3,800	4,116	316
TOTAL REVENUES	<u><u>820,760</u></u>	<u><u>820,760</u></u>	<u><u>848,412</u></u>	<u><u>27,652</u></u>
EXPENDITURES:				
Accounting and legal	18,150	18,150	19,934	(1,784)
County administration and collection charges	7,500	7,500	5,143	2,357
Guard services	227,442	227,442	227,448	(6)
Insurance	2,000	2,000	1,422	578
Miscellaneous	8,500	8,500	4,867	3,633
Rent - facilities	13,200	13,200	13,200	-
Repairs and maintenance:				
Grounds	60,335	60,335	60,335	-
Recreation area maintenance	44,981	44,981	44,976	5
Street and streetlight maintenance	32,723	32,723	32,723	-
Security and management fees	47,860	47,860	47,856	4
Trash pickup	31,595	31,595	31,595	-
Project outlays	208,144	208,144	162,128	46,016
TOTAL EXPENDITURES	<u><u>702,430</u></u>	<u><u>702,430</u></u>	<u><u>651,627</u></u>	<u><u>50,803</u></u>
NET CHANGE IN FUND BALANCE	118,330	118,330	196,785	78,455
FUND BALANCE - BEGINNING OF YEAR	<u>868,535</u>	<u>868,535</u>	<u>868,535</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 986,865</u></u>	<u><u>\$ 986,865</u></u>	<u><u>\$1,065,320</u></u>	<u><u>\$ 78,455</u></u>

See accompanying notes to required supplementary information.

SURFSIDE COLONY COMMUNITY SERVICES DISTRICT

Notes to Required Supplementary Information

June 30, 2019

A. GENERAL BUDGET POLICIES

The Board of Directors adopts an annual budget that begins on July 1. Annual appropriations are approved by the Board of Directors prior to the beginning of each year. All appropriations lapse at year-end. The Board of Directors has the legal authority to amend the budget at any time during the fiscal year.

B. BUDGETARY BASIS OF ACCOUNTING

The District's budget is administered on a cash basis that differs from accounting principles generally accepted in the United States of America (GAAP). The budgetary comparison schedule - budgetary basis for the District's general fund presents comparisons of the legally adopted budget with actual data on the cash basis. Reconciliations of actual amounts on a cash basis to amounts on a GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
Total actual - budgetary basis	\$ 848,412	\$ 651,627
Add: Current year accrual	11,365	3,150
Less: Prior year accrual	<u>(10,105)</u>	<u>(5,000)</u>
Total actual GAAP basis	<u>\$ 849,672</u>	<u>\$ 649,777</u>
Program revenues - user fees	\$ 40,569	
General revenues - total	<u>809,103</u>	
	<u>\$ 849,672</u>	
Fund balance - budgetary basis	\$ 1,065,320	
Add: Accrued revenues	11,365	
Less: Accrued expenditures	<u>(3,150)</u>	
Fund balance - GAAP basis	<u>\$ 1,073,535</u>	