

**SURFSIDE COLONY  
STORM WATER PROTECTION DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**WITH REPORT ON AUDIT BY INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**JUNE 30, 2019**

SURFSIDE COLONY STORM WATER PROTECTION DISTRICT

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Surfside Colony Storm Water  
Protection 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 Storm Water Protection 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 STORM WATER PROTECTION 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	\$ 684,147	\$ -	\$ 684,147
Property tax receivable	5,077	-	5,077
Interest receivable	2,419	-	2,419
TOTAL CURRENT ASSETS	\$ 691,643	-	691,643
CURRENT LIABILITIES			
Accounts payable	\$ 3,150	-	3,150
FUND BALANCE/NET POSITION			
FUND BALANCE			
Committed for sand fill stabilization	129,957		
Committed for revetment stabilization	50,000		
Committed for general stabilization	53,908		
Committed for emergency storm	224,971		
Committed for project repairs and improvements stabilization	200,000		
Unassigned	29,657		
TOTAL FUND BALANCE	688,493	(688,493)	
TOTAL LIABILITIES AND FUND BALANCE	\$ 691,643		
NET POSITION			
Unrestricted		\$ 688,493	\$ 688,493

See accompanying notes to the basic financial statements.

SURFSIDE COLONY STORM WATER PROTECTION 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
<b>EXPENDITURES/EXPENSES</b>			
Accounting and legal	\$ 17,324	\$ -	\$ 17,324
County administration and collection charges	2,067	-	2,067
Drainage charges	37,787	-	37,787
Erosion control	27,363	-	27,363
Equipment - rent	6,600	-	6,600
Insurance	1,394	-	1,394
Miscellaneous	1,844	-	1,844
Project outlays	40,709	-	40,709
 TOTAL EXPENDITURES/EXPENSES	 135,088	 -	 135,088
 <b>GENERAL REVENUES</b>			
Property taxes	326,431	-	326,431
Investment earnings	8,503	-	8,503
State homeowners' subvention	1,694	-	1,694
Other revenue	35,802	-	35,802
 TOTAL GENERAL REVENUES	 372,430	 -	 372,430
 EXCESS OF REVENUES OVER EXPENDITURES/CHANGE IN NET POSITION	 237,342	 -	 237,342
 <b>FUND BALANCE/NET POSITION</b>			
BEGINNING OF YEAR	451,151	-	451,151
END OF YEAR	\$ 688,493	\$ -	\$ 688,493

See accompanying notes to the basic financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**



# **SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

## **Notes to Basic Financial Statements**

**June 30, 2019**

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### ***1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

#### **A. Description of Reporting Entity**

The Surfside Colony Storm Water Protection District (the District) is located in the Surfside Colony community within the City of Seal Beach. The District was formed on May 13, 1941, under the provisions of the Storm Water District Act, codified in Water Code Appendix Chapter 13, for the purpose of protecting land within its boundaries from damage and soil erosion from storm waters or other innavigable waters. The District provides services and capital improvements related to drainage and erosion protection of common areas and beaches, and is the Surfside Colony contracting party to U.S. Army Corps of Engineers sand replenishment projects. 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.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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***1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***

**C. Basis of Accounting and Measurement Focus (Continued)**

**Government-wide Financial Statements (Continued)**

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.

**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 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.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**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 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.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

I. 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/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

**Cash and Investments**

Cash and investments of \$684,147 reported in the accompanying statement of net position and governmental fund balance sheet consist of \$341,744 in a demand account with a bank and \$342,403 invested in the California Local Agency Investment Fund (LAIF).

**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 STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**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. The District manages its exposure to interest rate risk 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 STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**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 \$97,961 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 balance reported on the fund statements consists 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.

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

- A sand fill stabilization reserve has been established to fund periodic sand fills in conjunction with the US Army Corps. As of June 30, 2019, this reserve has a balance of \$129,957.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**3. CLASSIFICATION OF GOVERNMENTAL FUND BALANCES (CONTINUED)**

- A revetment stabilization reserve has been established to accumulate reserves that may be used for future revetment/storm damage repair and construction deemed necessary as a result of a natural disaster. As of June 30, 2019, this reserve has a balance of \$50,000.
- A general stabilization reserve has been established to offset unexpected revenue shortfalls and unanticipated expenditures. This reserve is calculated as approximately 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 or to fund the adopted budget during cash flow deficits due to timing of revenue receipt. This general stabilization reserve is fully funded and has a balance of \$53,908 as of June 30, 2019.
- An emergency storm reserve has been established for future emergency storm damage repair and construction deemed necessary as a result of a storm. As of June 30, 2019, this reserve has a balance of \$224,971.
- 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 sand fill, revetment, and general stabilization 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, this reserve has a balance of \$200,000.

Unassigned Fund Balance - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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, drainage and erosion control, maintenance, rent of facility and equipment. Amounts paid to Surfside Colony, Ltd. for these costs for the year ended June 30, 2019, totaled \$112,459.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to Basic Financial Statements**

**June 30, 2019**

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**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:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Accounting and legal	\$ 17,150	\$ 19,174	\$ (2,024)

**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 STORM WATER PROTECTION DISTRICT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual - Budgetary Basis	Variance
	Original	Final	(Note B)	
<b>REVENUES</b>				
Property taxes:				
Current year's secured tax assessment	\$303,000	\$303,000	\$305,753	\$ 2,753
Current year's unsecured tax assessment	8,000	8,000	9,414	1,414
Public utility	1,100	1,100	1,902	802
Regulated railroads	-	-	33	33
Supplemental tax roll	8,000	8,000	9,121	1,121
Other	-	-	2	2
Total property taxes	<u>320,100</u>	<u>320,100</u>	<u>326,225</u>	<u>6,125</u>
Investment earnings	2,000	2,000	7,673	5,673
State homeowners' subvention	1,500	1,500	1,694	194
Other income	-	-	35,802	35,802
<b>TOTAL REVENUES</b>	<u>323,600</u>	<u>323,600</u>	<u>371,394</u>	<u>47,794</u>
<b>EXPENDITURES</b>				
Accounting and legal	17,150	17,150	19,174	(2,024)
County administration and collection charges	3,000	3,000	2,067	933
Drainage charges	38,992	38,992	37,787	1,205
Erosion control	29,015	29,015	27,363	1,652
Equipment - rent	6,600	6,600	6,600	-
Insurance bond	2,000	2,000	1,394	606
Miscellaneous office	5,500	5,500	1,844	3,656
Drainage project	48,000	48,000	40,709	7,291
<b>TOTAL EXPENDITURES</b>	<u>150,257</u>	<u>150,257</u>	<u>136,938</u>	<u>13,319</u>
<b>NET CHANGE IN FUND BALANCE</b>	173,343	173,343	234,456	61,113
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>449,691</u>	<u>449,691</u>	<u>449,691</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$623,034</u>	<u>\$623,034</u>	<u>\$684,147</u>	<u>\$ 61,113</u>

See accompanying notes to the basic financial statements.

**SURFSIDE COLONY STORM WATER PROTECTION DISTRICT**

**Notes to the Required Supplementary Information**

**June 30, 2019**

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**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 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	\$ 371,394	\$ 136,938
Add: Current year accrual	7,496	3,150
Less: Prior year accrual	<u>(6,460)</u>	<u>(5,000)</u>
Total actual GAAP basis	<u>\$ 372,430</u>	<u>\$ 135,088</u>
Fund balance - budgetary basis	\$ 684,147	
Add: Accrued revenues	7,496	
Add: Accrued expenditures	<u>(3,150)</u>	
Fund balance - GAAP basis	<u>\$ 688,493</u>	