

SOMERSET UNION SOIL CONSERVATION DISTRICT

Bridgewater, New Jersey

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REPORT OF AUDIT

FOR THE YEAR  
ENDED JUNE 30, 2017

SOMERSET UNION SOIL CONSERVATION DISTRICT

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SOMERSET UNION SOIL CONSERVATION DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2017

DISTRICT GOVERNING BODY

<u>Name</u>	<u>Title</u>	<u>Term Expires (d)</u>
Mark W. Kirby	District Chairman	June 30, 2019
Robert J. Amberg	Supervisor	June 30, 2020
Steven L. Needle	Supervisor	June 30, 2018
James Laine	Supervisor	June 30, 2019
Matthew D. Loper	Supervisor	June 30, 2018

Administrative Officials

Frank Calo	District Manager
Jennifer Saunders	Business Manager



INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Somerset Union Soil Conservation District  
308 Milltown Road  
Bridgewater, NJ 08807

We have audited the accompanying statement of financial position of the Somerset Union Soil Conservation District as of June 30, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**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.

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the New Jersey Department of Agriculture's Financial Accounting Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 opinion.

## **Opinion**

In our opinion, the accompanying financial statements referred to above, present fairly, in all material respects, the financial position of Somerset Union Soil Conservation District as of June 30, 2017 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of Budget vs. Actual Revenue and Expenditures is presented for the purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2017 on our consideration of Somerset Union Soil Conservation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Somerset Union Soil Conservation District's internal control over financial reporting and compliance.

*Vernoa, Enterline & Brewer, CPA, LLC*

VERNOIA, ENTERLINE & BREWER, CPA, LLC  
Somerville, New Jersey  
November 21, 2017



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors  
Somerset Union Soil Conservation District  
308 Milltown Road  
Bridgewater, NJ 08807

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Somerset Union Soil Conservation District, which comprise the statement of financial position as of June 30, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Somerset Union Soil Conservation District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Somerset Union Soil Conservation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Somerset Union Soil Conservation District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Somerset Union Soil Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that are being reported in accordance with the New Jersey Soil Conservation Districts Accounting Manual in the accompanying schedule of findings and noncompliance.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vernonia Enterline & Brewer CPA LLC*

VERNOIA, ENTERLINE & BREWER, CPA, LLC  
Somerville, New Jersey  
November 21, 2017

SOMERSET UNION SOIL CONSERVATION DISTRICT  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,480,651
Certificates of Deposit	96,762
Accounts receivable	14,450
Prepaid Insurance	4,606
Total current assets	1,596,469

TOTAL ASSETS	\$ 1,596,469
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable & accrued expenses	\$ 8,921
Performance deposits payable	59,976
Total current liabilities	68,897

NET ASSETS

Unrestricted	23,460
Temporarily restricted	1,504,112
Total net assets	1,527,572

TOTAL LIABILITIES AND NET ASSETS	\$ 1,596,469
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See independent auditor's report and accompanying notes to financial statements



SOMERSET UNION SOIL CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Chapter 251 Fees	\$ -	\$ 564,842	\$ 564,842
Governmental Grants		101,839	101,839
Stormwater Permitting		37,450	37,450
Investment Income	1,690		1,690
Standards, Soil Surveys & Other Income	385		385
<b>TOTAL REVENUE &amp; SUPPORT</b>	2,075	704,131	706,206
<b>EXPENSES</b>			
Program services	1,066	283,306	284,372
Management and general		37,127	37,127
<b>TOTAL EXPENSES</b>	1,066	320,433	321,499
<b>CHANGES IN NET ASSETS</b>	1,009	383,698	384,707
<b>NET ASSETS - BEGINNING OF PERIOD</b>	22,451	1,120,414	1,142,865
<b>NET ASSETS - END OF PERIOD</b>	\$ 23,460	\$ 1,504,112	\$ 1,527,572

See independent auditor's report and accompanying notes to financial statements

SOMERSET UNION SOIL CONSERVATION DISTRICT  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted Funds	Restricted Funds		Total
	Program Services	Program Services	Management & General	
Salaries and benefits	\$ -	\$ 246,133	\$ 27,348	\$ 273,481
Automobile Expenses		3,163	170	3,333
Educational Expenses	300			300
Legal & Professional Fees		-	5,600	5,600
Meetings & Conferences		-	90	90
Utilities		1,438	160	1,598
Insurance		8,008	420	8,428
Dues, Licenses & Fees		-	1,365	1,365
Office, Postage & Miscellaneous		3,343	1,430	4,773
Charitable Contributions	766			766
Rent & Leasing		21,206	544	21,750
Other expenses		15		15
Totals	<u>\$ 1,066</u>	<u>\$ 283,306</u>	<u>\$ 37,127</u>	<u>\$ 321,499</u>

See independent auditor's report and accompanying notes to financial statements

SOMERSET UNION SOIL CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 384,707
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) decrease in receivables	31,624
Increase (decrease) in accounts payable	432
Increase (decrease) in performance deposits payable	(6,081)
Increase (decrease) in prepaid expenses	<u>(7)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>410,675</u>
 NET INCREASE IN CASH	 410,675
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 <u>1,069,976</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u><u>\$ 1,480,651</u></u>

See independent auditor's report and accompanying notes to financial statements

SOMERSET UNION SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – BACKGROUND INFORMATION

Somerset Union Soil Conservation District (the “Organization”) provides for the conservation of the soil and soil resources of Somerset County and Union County, New Jersey. The Somerset-Union Soil Conservation District is one of fifteen Districts in the State of New Jersey under the auspices of the New Jersey Department of Agriculture. Each District is governed by a Board of Supervisors, which sets policies and performance guidelines. The Districts work closely with the U.S. Soil Conservation Service to promote the wise use of soil and water resources. In 1976 the districts in New Jersey were mandated to administer Chapter 251, The Soil Erosion and Sediment Control Act of 1975, the objective of which was to prevent erosion and sedimentation from development sites, mitigate impacts of soil resources, and enhance soil quality.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Somerset Union Soil Conservation District have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The Organization classifies resources for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. These categories are unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Organization records unconditional promises to give as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. For the year ended June 30, 2017, the Organization had accounting transactions in only two of the net asset categories as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.
- Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met by the passage of time.

Basis of Accounting

All district funds are accounted for using the accrual basis of accounting. Support and revenue are recognized when they become both measurable and available as net current assets. Expenditures are recognized when the related liability is incurred. Chapter 251 revenue is recognized when received and Chapter 251 expenses are recognized when incurred. The Chapter 251 revenue recognized in a current accounting period that is available for use in a future period is recorded as temporarily restricted net assets.

SOMERSET UNION SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Accounting System

In accordance with the accounting policies prescribed by the State Soil Conservation Committee, Department of Agriculture, State of New Jersey, the accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The accounting on the basis of funds is for internal recordkeeping purposes only. The financial statements are presented as prescribed in the "Basis of Presentation" noted previously in Note 2.

The funds are organized by various activities or program expenditures of the District. The District currently uses four fund accounts. The largest and most active fund of the District is the Soil Erosion and Sediment Control Act (Ch. 251) Expenditures Fund. The other three funds are the Stormwater Permitting Program Fund, An Education Program Fund and a Technical Assistance Fund.

The Education Program Fund is the only of the four fund groups that would normally contain net assets that would be classified as unrestricted in the statement of financial position. Interest income derived from fee reserve balances (Ch. 251) may be utilized by the District for implementing district education programs for applicants, contractors, municipal officials and the public.

Income Taxes

The organization is a special sub-division of the NJ Department of Agriculture; therefore it is exempt from both federal and state income tax.

Use of 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.

Statement of Cash Flows and Cash Equivalents

The statement of cash flows was prepared under the indirect method, which includes adjustments to net income for noncash items and changes during the period in operating current assets and liabilities. The Organization considers all short-term debt securities purchased with an initial maturity of three months or less as cash equivalents.

Concentration of Credit Risk

At various times throughout the year, the Organization had cash deposits in excess of federally insured limits.

SOMERSET UNION SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts. As of June 30, 2017 there is no allowance for doubtful accounts related to accounts receivable.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization, but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization, or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amounts of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they arise from guarantees, in which case the guarantees would be disclosed.

Property and Equipment

Property and equipment are carried at cost and depreciated using the straight-line and accelerated methods based on the estimated useful lives listed below. Additions and betterments, which extend the useful lives of the respective assets are charged to the asset accounts and are depreciated accordingly, while general repairs and maintenance are expensed as incurred.

	<u>Year(s)</u>
Transportation Equipment	3-5
Office Furniture and Equipment	5-7

SOMERSET UNION SOIL CONSERVATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Investments and Financial Instruments

Investments and financial instruments are stated at fair value. For further information regarding the fair value of the Organization's financial instruments see Note 11.

Compensated Absences

Compensated absences have not been accrued because management believes that the amount cannot be reasonably estimated.

Subsequent Events

Management has evaluated all subsequent events through November 21, 2017. The date the financial statements were available to be issued.

NOTE 3 - NON-CASH SUPPORT

Non-Cash Support consists of payroll and fringe benefits provided by Somerset County, NJ. The details of this support is as follows:

Paid by Somerset County:	
Salaries and Wages	\$ 57,632
Fringe Benefits	<u>11,527</u>
Total Non-Cash Support	<u>\$ 69,159</u>

NOTE 4 - FURNITURE AND EQUIPMENT

Fixed assets are carried at the lower of cost or fair market value. Furniture and equipment consists of the following as of June 30, 2017:

Transportation equipment	\$ 44,225
Office furniture and equipment	<u>56,867</u>
	101,092
Less: accumulated depreciation	<u>101,092</u>
	<u>\$ 0</u>

Depreciation charged to expense for the year ended June 30, 2017 was \$-0-.

SOMERSET UNION SOIL CONSERVATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - SALARY AND PENSION PLAN

A. Salary

Employees of the Somerset Union Soil Conservation District are paid through Somerset County's (New Jersey) payroll system. The District reimburses the County for salaries plus 20% for fringe benefits less the non-cash support (\$69,159) as explained in Note 3.

B. Pension Plan

District employees are covered under Somerset County's PERS (Pension Plan) - contributions by employees are based on a percentage of salary determined by age. Contribution by the County is based on employee population.

NOTE 6- SURETY BOND COVERAGE

The following district personnel have surety bond coverage:

<u>Personnel</u>	<u>Title</u>	<u>Amount of Coverage</u>
Frank Calo	District Manager	\$75,000
Jennifer Saunders	Business Manager	\$50,000

NOTE 7 - STORMWATER PERMITTING PROGRAM

Effective October 1, 2009 the Department of Environmental Protection implemented an E-permit program. This procedure replaced the paper permit system previously implemented by the District. RFA applications are no longer accepted or processed by local Soil Conservation Districts as the Department of Environmental Protection now reimburses the Districts directly.

NOTE 8 - GRANTS RECEIVED

For the year ended June 30, 2017, Somerset Union Soil Conservation District received grants from the following sources:

Somerset County	\$ 69,159
Union County	<u>32,680</u>
	<u>\$101,839</u>

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS & RESERVE FOR FUTURE SOIL EROSION AND SEDIMENT CONTROL ACT (CH. 251) EXPENDITURES

The balance included in temporarily restricted net assets equals the Soil Erosion and Sediment Control Act (Ch. 251) Expenditures Fund balance which also equals the Reserve for Future Soil Erosion and Sediment Control Act Expenditures.



SOMERSET UNION SOIL CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 10 – LEASES

The organization leases its office space under a 3 year lease. The current lease term expires on December 31, 2019. The annual lease payments required for the next 5 years are listed below.

June 30, 2018	\$ 21,750
June 30, 2019	\$ 21,750
June 30, 2020	\$ 10,875
June 30, 2021	0
June 30, 2022	0

NOTE 11 - FAIR VALUE MEASUREMENTS

Current accounting guidance defines fair value as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Guidance requires disclosure of the extent to which fair value is used to measure financial assets and liabilities, the inputs utilized in calculating valuation measurements, and the effect of the measurement of significant unobservable inputs on earnings, or changes in net assets, as of the measurement date. Guidance establishes a three-level valuation hierarchy based upon the transparency of inputs utilized in the measurement and valuation of financial assets or liabilities as of the measurement date. Level 1 inputs include quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates and yield curves. Level 3 inputs are not observable in the market and include management's own judgments about the assumptions market participants would use in pricing the asset or liability. The Company uses the market approach to determine fair value for Level 2 and Level 3 fair value measurements.

As of June 30, 2017 the Organization has investments in short term certificates of deposit. These are valued using Level 2 inputs. The value of these assets is equivalent to the cost due to the short term nature of the certificates. Any penalties for early withdrawal would not have a material effect on the financial statements.

SCHEDULE OF FINDINGS AND NONCOMPLIANCE

SOMERSET UNION SOIL CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND NONCOMPLIANCE  
FOR THE YEAR ENDED JUNE 30, 2017

1. New Jersey Soil Conservation Districts Accounting Manual adopted August 2015

The accounting manual applicable to NJ Soil Conservation Districts mandates various reporting and accounting procedures to be used by the NJ Soil Conservation Districts. In addition, this manual outlines certain internal controls and other procedures to be implemented by the Districts. Item a. listed below are procedures or requirements contained in the accounting manual that are not being complied with by Somerset Union Soil Conservation District.

- a. The accounting manual includes various segregation of duty requirements that are not being met due to the small size of the organization and limited staff.

Prior year findings and noncompliance:

Item a. listed above was included on the Schedule of Findings and Noncompliance for the year ended June 30, 2016.

- a. The District has not implemented a corrective action plan to with regards to the segregation of duties indicated in 1. a. above.

SOMERSET UNION SOIL CONSERVATION DISTRICT  
Supplemental Schedule of Budget vs. Actual Revenue and Expenditures  
All Funds Combined  
FOR THE YEAR ENDED JUNE 30, 2017

	Actual	Budget	Variance
Chapter 251 Fees	\$ 564,842	\$ 400,030	\$ 164,812
Governmental Appropriations	101,839	100,283	1,556
Stormwater Permitting	37,450	17,000	20,450
Other Income	<u>2,075</u>	<u>1,100</u>	<u>975</u>
Income	\$ 706,206	\$ 518,413	\$ 187,793
Salaries and benefits	273,481	274,503	(1,022)
Program Expenses	2,431	4,500	(2,069)
Automobile & Travel Expenses	3,333	8,200	(4,867)
Consultant & Contract	5,600	13,000	(7,400)
Meetings & Conferences	90	1,250	(1,160)
Insurance	8,428	9,650	(1,222)
Office, Postage & Miscellaneous	4,773	6,000	(1,227)
Rent & Occupancy	23,348	25,750	(2,402)
Repairs & Maintenance		500	(500)
Other expenses	15		15
Cost of Equipment Acquisition	<u>-</u>	<u>31,250</u>	<u>(31,250)</u>
Disbursements	<u>321,499</u>	<u>374,603</u>	<u>(53,104)</u>
Surplus (Deficit)	<u>\$ 384,707</u>	<u>\$ 143,810</u>	<u>\$ 240,897</u>

See independent auditor's report