

TULARE MEMORIAL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2021

TULARE MEMORIAL DISTRICT

JUNE 30, 2021

BOARD OF DIRECTORS/ADMINISTRATION

James Pidgeon	President
Phil Vandegrift	Vice President
Leonard Smith	Director
Tom Donwen	Director
Genovevo Sustaita	Secretary
Melissa Avila	District Manager

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Independent Auditors' Report

Board of Directors
Tulare Memorial District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activity and general fund of Tulare Memorial District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activity and general fund of Tulare Memorial District, as of June 30, 2021, 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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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 required supplementary information 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis section 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 opinion on the basic financial statements is not affected by this missing information.

M Green and Company LLP

Tulare, California
December 13, 2021

TULARE MEMORIAL DISTRICT
GOVERNMENTAL FUND BALANCE SHEET
AND STATEMENT OF NET POSITION
JUNE 30, 2021

<u>ASSETS:</u>	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and cash investments	\$ 1,164,108	\$ -	\$ 1,164,108
Accounts receivable	5,000		5,000
Prepaid expenses	3,995	-	3,995
Capital assets not being depreciated	-	981,810	981,810
Capital assets, net of accumulated depreciation	-	1,253,353	1,253,353
Total assets	<u>\$ 1,173,103</u>	<u>\$ 2,235,163</u>	<u>\$ 3,408,266</u>
 <u>LIABILITIES:</u>			
Accounts payable	\$ 171,168	\$ -	\$ 171,168
Facility rental deposits	2,439	-	2,439
Total liabilities	<u>173,607</u>	<u>-</u>	<u>173,607</u>
 <u>FUND BALANCE/NET POSITION:</u>			
Fund balance:			
Nonspendable:			
Prepaid expenses	3,995	(3,995)	-
Unassigned	995,501	(995,501)	-
Net position:			
Investment in capital assets	-	2,235,163	2,235,163
Unrestricted	-	999,496	999,496
Total fund balance/net position	<u>999,496</u>	<u>2,235,163</u>	<u>3,234,659</u>
Total liabilities and fund balance/net position	<u>\$ 1,173,103</u>	<u>\$ 2,235,163</u>	<u>\$ 3,408,266</u>

See notes to financial statements.

TULARE MEMORIAL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Amounts reported for governmental activity in the statement of net position are different because:

Total fund balance - governmental fund	<u>\$ 999,496</u>
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When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental fund in the period of expenditure. However, the statement of net position includes those capital assets among the assets of the District as a whole and records depreciation expense over their estimated useful lives.

Cost of land at June 30, 2021		33,600
Cost of construction in progress at June 30, 2021		948,210
Cost of capital assets at June 30, 2021	\$ 3,041,457	
Accumulated depreciation June 30, 2021	<u>(1,788,104)</u>	
Other capital assets, net		<u>1,253,353</u>
Net increase		<u>2,235,163</u>
Total net position - governmental activity		<u><u>\$ 3,234,659</u></u>

See notes to financial statements.

TULARE MEMORIAL DISTRICT

**STATEMENT OF GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE AND STATEMENT OF ACTIVITY
YEAR ENDED JUNE 30, 2021**

<u>GENERAL REVENUES:</u>	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activity</u>
Property taxes	\$ 723,143	\$ -	\$ 723,143
Interest	18,509	-	18,509
Rent	7,880	-	7,880
Other	1,950	-	1,950
	<hr/>	<hr/>	<hr/>
Total general revenues	751,482	\$ -	751,482
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES:</u>			
Current:			
Salaries and employee benefits	172,699	\$ -	172,699
Utilities	49,987	-	49,987
Communications	2,043	-	2,043
Legal and professional	25,468	-	25,468
Insurance	11,802	-	11,802
Repairs and maintenance	26,168	-	26,168
Office	7,468	-	7,468
Household	8,561	-	8,561
Tax administration fees	15,350	-	15,350
Loss on abandoned assets	-	9,365	9,365
Depreciation	-	78,973	78,973
Capital outlay	664,501	(664,501)	-
	<hr/>	<hr/>	<hr/>
Total expenditures	984,047	\$ (576,163)	407,884
	<hr/>	<hr/>	<hr/>
Excess expenditures	(232,565)	\$ 232,565	-
Increase in net position	-	343,598	343,598
<u>FUND BALANCE/NET POSITION:</u>			
July 1, 2020	<hr/>	<hr/>	<hr/>
	1,232,061	1,659,000	2,891,061
	<hr/>	<hr/>	<hr/>
June 30, 2021	\$ 999,496	\$ 2,235,163	\$ 3,234,659
	<hr/>	<hr/>	<hr/>

See notes to financial statements.

TULARE MEMORIAL DISTRICT

RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITY YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activity in the statement of activity are different because:

Excess expenditures - governmental fund	\$ (232,565)
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Governmental funds report capital outlay as expenditures in the period they are incurred. However, in the statement of activity the cost of those assets are not expensed in the period of expenditure but are included with the assets of the District as a whole and depreciated over their estimated useful lives.

Loss on abandoned assets for 2020/2021	(9,365)
Capital outlay for 2020/2021	664,501
Depreciation expense for 2020/2021	<u>(78,973)</u>
Increase in net position - governmental activity	<u>\$ 343,598</u>

See notes to financial statements.

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – Summary of Significant Accounting Policies

Organization

Tulare Memorial District (the District) was formed January 24, 1946, as recorded in the County Recorder's records, Volume 1149, page 451, under code Sections 1170-1250-1260-1263, Military and Veterans Code. The District provides and maintains meeting places for the use of Veterans organizations. In addition to its basic services of providing facilities for use of Veterans, the District, under policies adopted by the Board, makes its facilities available to the community.

Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

Fund Accounting

The accounts of the District are organized on the basis of fund accounting. Under fund accounting, different types of District operations are accounted for in different funds, each with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures as appropriate. Resources are allocated to and accounted for in individual funds, based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Since the District does not have any financial resources that are required to be accounted for in other funds, it utilizes only a "General Fund" for its operations.

Measurement Focus, Basis of Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible soon enough thereafter to be used to pay liabilities of the current period, usually within sixty days of year-end.

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting (continued)

Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Government wide financial statements of net position and activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. General capital asset acquisitions are included with assets of the District as a whole and depreciated over their estimated useful lives.

Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures.

Capital Assets

Capital assets of the District are recorded at cost and are depreciated using the straight-line method over the following estimated useful lives:

Buildings and leasehold improvements	20 – 75 years
Land improvements	20 – 30 years
Equipment, vehicles, furniture and fixtures	4 – 20 years
Wells, pumps and pipeline	25 years

Compensated Absences

It is the District's policy to require all allotted vacation time, paid personal days off and paid sick days be utilized during the year granted. Only in special circumstances and with prior management approval will employees be permitted to carry vacation time not used into the following year. Unused paid personal days off and paid sick days expire at the end of each year. Employees do not vest in any of these benefits and therefore will be forfeited and will not be entitled to be compensated for them upon their resignation, retirement or dismissal.

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

Fund Balances

Governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other government or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. The District did not have any restricted fund balance resources as of June 30, 2021.

Committed fund balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance resources as of June 30, 2021.

Assigned fund balance – includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by (a) the Board of Directors or (b) an appointed body or official to which the Board of Directors has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed. The District did not have any assigned fund balance resources as of June 30, 2021.

Unassigned fund balance – this classification includes the residual fund balance for the General Fund that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, it is the District's policy to use restricted resources first, followed by committed, assigned and unassigned, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – Summary of Significant Accounting Policies (continued)

Equity Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. The District did not have any restricted net position as of June 30, 2021.

Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for the purpose for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The District's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes the decision on a transactional basis at the incurrence of the expenditure.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments on November 1 and February 1 and are collected December 10 and April 10. Unsecured property taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District.

Use of Estimates

The preparation of financial statements in conformity 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 2 – Cash and Cash Investments

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The District is considered to be an involuntary participant in an external investment pool as the District is required by California Military and Veterans Code Section 1200 to deposit all receipts and collections of monies with their County Treasurer.

Cash and cash investments at June 30, 2021, were as follows:

Cash on hand (facility rental deposits and rental income)	\$	1,060
Cash in bank		1,184
Cash in Tulare County Investment Pool		<u>1,161,864</u>
 Total	 \$	 <u><u>1,164,108</u></u>

At June 30, 2021, the entire amount of cash in bank was covered by the Federal Depository Insurance. The District's cash investment in the Tulare County Investment Pool is not subject to credit risk categorization and is carried at cost which approximates fair value. All pooled funds are regulated by the California Government Code.

NOTE 3 – Capital Assets

The following is a summary of changes in capital assets:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Capital assets not being depreciated:</u>				
Land	\$ 33,600	\$ -	\$ -	\$ 33,600
Construction in progress	<u>283,709</u>	<u>664,501</u>	<u>-</u>	<u>948,210</u>
 Total capital assets not being depreciated	 <u>317,309</u>	 <u>664,501</u>	 <u>-</u>	 <u>981,810</u>
<u>Other capital assets:</u>				
Landscaping and outdoor improvements	36,263	-	-	36,263
Wells, pumps and pipeline	28,037	-	-	28,037
Building and improvements	2,793,230	-	(59,122)	2,734,108
Furniture and fixtures	209,577	-	(1,552)	208,025
Office machines	3,663	-	-	3,663
Autos and trucks	<u>31,361</u>	<u>-</u>	<u>-</u>	<u>31,361</u>
 Total other capital assets at historical cost	 3,102,131	 -	 (60,674)	 3,041,457
Accumulated depreciation	<u>(1,760,440)</u>	<u>(78,973)</u>	<u>51,309</u>	<u>(1,788,104)</u>
 Other capital assets, net	 <u>1,341,691</u>	 <u>(78,973)</u>	 <u>(9,365)</u>	 <u>1,253,353</u>
 Capital assets, net	 <u>\$ 1,659,000</u>	 <u>\$ 585,528</u>	 <u>\$ (9,365)</u>	 <u>\$ 2,235,163</u>

TULARE MEMORIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 4 – Deferred Compensation Plan

The District offered its employees a deferred compensation plan (the Plan), effective January 1, 2021. The Plan was created in accordance with the Internal Revenue Code 457. The Plan's assets will be held in trust by the District. There are no minimum service requirements to participate in the Plan and participants are fully vested upon entering. Benefits will be distributed upon reaching the required retirement age or death. No transfers may be made to or from another plan nor can loans be made out of the Plan. The District agreed to match two percent of the employee's base salary. Employees can make elective deferrals based on the maximum allowed by the Internal Revenue Service, with special limitations when approaching normal retirement age. All amounts deferred under the Plan are held for the exclusive benefit of participants and their beneficiaries, and in no event shall these amounts be subject to the rights or claims of any creditors of the District. The District's contributions were \$2,471 for the current year.

NOTE 5 – Commitments and Contingencies

Mark Wilson Construction, Inc.

On April 21, 2021, the District entered into an agreement with Mark Wilson Construction, Inc. to provide preconstruction and construction services for the District's interior remodel. The total contract is for \$1,010,661, of which \$262,254 has been expended on the project as of June 30, 2021.

Paul Halajian Architects, Inc.

On May 19, 2020, the District entered into an agreement with Paul Halajian Architects, Inc. to provide architectural services for \$52,400 and an additional \$47,000 to provide a needs assessment of the entire building. On March 11, 2021, the District entered into another agreement with Paul Halajian Architects, Inc. for \$65,000 to provide architectural services related to the auditorium refresh and single occupant ADA compliant bathrooms. As of June 30, 2021, the District has expended \$101,150 towards architectural services related to these contracts.

Bush Engineering

On May 11, 2020, the District entered into an agreement with Bush Engineering to provide services for the outside remodel project. The original contract was for \$343,123. On June 3, 2020, an amendment was made to the original contract in the amount of \$37,916 to move the waterline and install a backflow preventer. The total contract, after amendment, is for \$381,039, of which \$190,795 has been expended on the project as of June 30, 2021.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen, though the full extent of such potential impacts continue to be unknown at this time.

TULARE MEMORIAL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 – Subsequent Events

Management has evaluated subsequent events through December 13, 2021, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TULARE MEMORIAL DISTRICT

**BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2021**

<u>GENERAL REVENUES:</u>	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Property taxes	\$ 535,000	\$ 723,143	\$ 188,143
Interest	9,000	18,509	9,509
Rent	40,000	7,880	(32,120)
Other	5,000	1,950	(3,050)
	<hr/>	<hr/>	<hr/>
Total general revenues	589,000	751,482	162,482
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES:</u>			
Current:			
Salaries and employee benefits	238,000	172,699	65,301
Utilities	30,000	49,987	(19,987)
Communications	2,200	2,043	157
Legal and professional	70,000	25,468	44,532
Insurance	15,000	11,802	3,198
Repairs and maintenance	467,318	26,168	441,150
Office	6,000	7,468	(1,468)
Household	15,000	8,561	6,439
Tax administration fees	-	15,350	(15,350)
Contingencies	224,121	-	224,121
Capital outlay	664,501	664,501	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,732,140	984,047	748,093
	<hr/>	<hr/>	<hr/>
Excess expenditures	<u>\$ (1,143,140)</u>	<u>\$ (232,565)</u>	<u>\$ 910,575</u>

See independent auditors' report.