

## MORGAN SQUARE, INC.

2

July 31, 2014

Sonnenberg & Company, CPAs  
5190 Governor Dr. Suite 201  
San Diego, CA 92122

This representation letter is provided in connection with your audit of the financial statements of Morgan Square, Inc., which comprise the statements of net assets as of June 30, 2014, and the related statements of activities-cash basis for the 6 1/2 years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 31, 2014, the following representations made to you during your audit.

### Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 19, 2014 including our responsibility for the preparation and fair presentation of the financial statements.
- The financial statements referred to above are fairly presented in conformity with cash basis of accounting.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of cash basis accounting.
- All events subsequent to the date of the financial statements and for which cash basis accounting requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with cash basis accounting.
- Material concentrations have been appropriately disclosed in accordance with cash basis.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with cash basis accounting.


### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

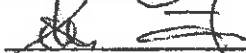
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with the cash basis of accounting, and we have consulted a lawyer concerning such litigation, claims, or assessments.
- We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- Morgan Square, Inc. is an exempt organization under Section 501(c)(6) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- We acknowledge our responsibility for presenting the schedule of functional expenses and the schedule of temporarily restricted net assets in accordance with cash basis and we believe the schedules, including its form and content, is fairly presented in accordance with cash basis. The methods of measurement and presentation of the schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- We understand that as part of the audit, the auditor
  - Analyzed and/or updated the temporarily restricted revenue accounts,
  - Prepared certain adjusting entries based on these analyses and schedules.
  - We have reviewed the schedules and entries provided by the auditor. We understand and approve the entries prepared by the auditor.

No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

Executive Director

  
 DITTAS YAMANE, EXEC. SEC.

Board Officer

  
 Patti Finnegan, President



# Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

## Morgan Square, Inc. Audited Financial Statements June 30, 2014

### TABLE OF CONTENTS

	Page No.
Independent Auditor's Report	1-2
Financial Statements	
Statement of Assets and Net Assets – Cash Basis	3
Statement of Revenue and Expenses – Cash Basis	4
Statement of Functional Expenses – Cash Basis	5
Notes to the Financial Statements	6-8
Supplementary Information	
Schedule of Payments Received from City of National City And Deposited to Morgan Square Bank Accounts	9
Schedule of Cash Transactions	10-14



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Leonard C. Sonnenberg, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**Morgan Square, Inc.**

We have audited the accompanying financial statements of Morgan Square, Inc. (a nonprofit organization), which comprise the statement of assets and net assets—cash basis as of June 30, 2014, and the related statement of revenue and expenses—cash basis for the 6 ½ year period from January 1, 2008 through June 30, 2014, 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 the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### 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 U.S. generally accepted auditing standards. 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 auditor's 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 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 financial statements referred to above present fairly, in all material respects, the assets and net assets – cash basis of Morgan Square, Inc. as of June 30, 2014, and its revenue and expenses – cash basis for the 6½ year period then ended in accordance with the cash basis of accounting as described in Note 2.

**Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of 1) City of National City Payments Received and Deposited to Morgan Square Bank Accounts on page 9 and 2) Cash Transactions on pages 10 to 14 are presented for purposes of additional analysis and are not a required part 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Going Concern**

The District currently has no source of revenues, and the ultimate disposition of funds on hand has not been determined.

July 31, 2014

  
Sonnenberg & Company, CPAs

**Morgan Square, Inc.**  
**STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS**  
**June 30, 2014**  
**With Comparative Totals for January 1, 2008**

	<u>June 30, 2014</u>	<u>Jan. 1, 2008</u>
<b>ASSETS:</b>		
Cash - Union Bank (Operating)	\$ 32,116	21,455
CD - First Future / Cal Coast	-	102,836
MM - Pacific Western Bk	28	
MM - USA Fed CU	3,014	
MM - USA Fed CU	5	105
MM - USA Fed CU	218	50,766
MM - Seacoast Commerce Bk	129,633	
MM - Seacoast Commerce Bk	81,224	
MM - Seacoast Commerce Bk	<u>10,351</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>256,589</u></b>	<b>\$ <u>175,162</u></b>
 <b>NET ASSETS:</b>		
Unrestricted	<u>\$ 256,589</u>	<u>\$ 175,162</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>256,589</u></b>	<b>\$ <u>175,162</u></b>

The Accompanying Notes are an Integral Part of the Financial Statements

**Morgan Square, Inc.**  
STATEMENT OF REVENUE AND EXPENSES - CASH BASIS  
For the 6 and 1/2 Years Ended June 30, 2014

**Revenue:**

City of National City - Assessments	\$ 492,338
Interest Income	16,454
<b>Total revenue</b>	<u>508,792</u>

**Expenses:**

Program Services	339,312
Supporting Services	88,053
<b>Total expenses</b>	<u>427,365</u>

**Change in net assets** \$ 81,427

**Net assets, beginning of period** 175,162

**Net assets, end of period** \$ 256,589

The Accompanying Notes are an Integral Part of the Financial Statements

**Morgan Square, Inc.**  
**STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS**  
For the 6 and 1/2 Years Ended June 30, 2014

	<u>Program Services</u>	<u>Support Services</u>	<u>Total Expenses</u>
<b>Expenses:</b>			
Arbitration - AAA	\$	\$ 2,538	\$ 2,538
Audit - Sonnenberg - 2007		3,600	3,600
Bank charges, fees, etc.		760	760
Consulting - Inzunza		15,200	15,200
Consulting - Marza		6,000	6,000
Insurance - Hartford - D&O		3,500	3,500
Legal - Haskins		25,856	25,856
Maintenance - Rodriguez	251,500		251,500
Maintenance - Plaza Mgmt	17,250		17,250
Maintenance - Urban Corp SD	54,165		54,165
Lighting - Universal	4,060		4,060
Management - Yamane		30,600	30,600
National City Foundation	2,000		2,000
Program - Miscellaneous	2,337		2,337
Sculpture - Becker	5,000		5,000
Stone/Tile - Valencia	3,000		3,000
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<b>\$ 339,312</b>	<b>\$ 88,053</b>	<b>\$ 427,365</b>

The Accompanying Notes are an Integral part of the Financial Statements



**Morgan Square, Inc.**  
Notes to Financial Statements  
For Years Ended June 30, 2014

**Note 1.        Organization and Nature of Activities**

The Morgan Square, Inc. (the District, also known as “Morgan Square District” or National City Downtown Property Business Improvement District”) was incorporated on December 13, 2004 as a non-profit public benefit corporation. The District operated under an agreement with the Community Development Commission of the City of National City, CA. The District includes 153 parcels representing 96 property owners. Operations began, essentially, in May 2005 with the initial receipt of assessment revenues (See Note 4).

The primary objectives and purposes of this corporation are to bring about the revitalization of the District and its surrounds in the City of National City and to bring about the increased economic well-being of residents, employees, and businesses within the District. In addition, the District strives to promote business improvements and economic development within the District through activities which contribute to the neighborhood and well-being of the Morgan Square Community.

Morgan Square, Inc. is led by a group of significant, small and long-time business and property owners, who pay special assessments in the District. The members of the Board of Directors are composed of four officers and up to nine members who are all business-owners and/or property owners within the District.

Morgan Square’s activities ensure maintenance including litter control, illegal dump removal, graffiti control, sidewalk safety hazard monitoring, lighting service, tree maintenance, and security. Most of these services were provided under contracts with Ezekiel Rodriguez Maintenance and with Urban Corps of San Diego County.

**Income Taxes**

Morgan Square, Inc. is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code and section 23701(e) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the accompanying financial statements. Management is not aware of any uncertain income tax positions that might jeopardize its tax status.

**Note 2.        Summary of Significant Accounting Policies**

**Basis of Presentation**

Morgan Square’s financial statements have been prepared on the cash basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the dates and for the periods presented.

**Morgan Square, Inc.**  
Notes to Financial Statements  
For the 6 ½ Years Ended June 30, 2014

**Note 2.        Summary of Significant Accounting Policies (continued)**

**Cash and cash equivalents**

Morgan Square considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are receivables from governmental agencies. Morgan Square has no accounts receivable as of June 30, 2014.

**Concentration of Credit Risk**

The primary revenue consists of assessments received from the City of National City. Concentration of credit risks with respect to revenue are limited, as the majority of Morgan Square's revenues consist of fees from contracts granted by the City of National City.

**Date of Management Review**

Morgan Square's management has evaluated subsequent events through July 31, 2014, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require adjustment to, or disclosures in, the financial statements.

**Note 3.        Assessment Revenue**

The District's income is derived from property tax assessed on properties within the District. The assessment year is July 1 through June 30 of each year. Morgan Square received \$492,338.46 during the period from January 1, 2008 through April 10, 2010. Thereafter, all assessment payments ceased.

**Note 4.        Commitments and Contingencies**

Morgan Square's contract with the former Community Development Commission is subject to inspection and audit by the appropriate agencies. No provisions for the possible disallowance of program costs have been reflected on its financial statements.

**Morgan Square, Inc.**  
Notes to Financial Statements  
For the 6 ½ Years Ended June 30, 2014

**Note 5.      Litigation**

Nature of the Litigation: San Diego Superior Court Case No. 37-2013-00054606-CU-OR-CTL was filed by the City of National City against Morgan Square, Inc. on June 25, 2013. The case seeks to obtain all funds held by Morgan Square to be distributed according to the City's interpretation of the State law concerning leftover funds under the control of such Districts upon the end of the their authorized term of operation.

Progress of the Matter: The matter is pending. A status conference is scheduled for August 8, 2014, before Judge Prager of the Central Division of the San Diego Superior Court.

Evaluation of the Outcome: An evaluation of an unfavorable outcome and an estimate of potential loss cannot be made as of the date of this report.

**Note 6.      Unpaid Liabilities**

Morgan Square has certain unrecorded liabilities, which have not been included in the accompanying cash-basis financial statements, as follows.

Attorney Fees and expenses – Haskins & Associates	\$ 16,764.95
Audit Fees - Sonnenberg & Company, CPAs, APC	10,000.00
Directors & Officers Insurance – The Hartford	530.00
 Total Unpaid Liabilities	 \$ 27,294.95
 Total Cash and Equivalents as of June 30, 2014	 \$256,589.27
 Remaining Balance	 \$229,294.32

**Morgan Square, Inc.**  
**Schedule of Payments Received from City of National City**  
**and Deposited to Morgan Square Bank Accounts**  
**January 1, 2008 through April 10, 2010**

<u>Year</u>	<u>Payments</u>	<u>USA CU</u>	<u>Union Bk</u>	<u>Pac West</u>
2008	38,676.51	38,676.51		
	66,697.28	66,697.28		
	5,187.46		5,187.46	
	4,220.12		4,220.12	
	6,951.35		6,951.35	
	69,822.87		69,822.87	
	404.80		404.80	
	23,182.73		23,182.73	
2009	126,701.85		126,701.85	
	5,722.28			5,722.28
	5,617.52			5,617.52
	2,116.93			2,116.93
	91,021.34			91,021.34
	43,015.04			43,015.04
	2,642.48			2,642.48
2010	<u>357.90</u>		<u>357.90</u>	<u>                    </u>
Totals	492,338.46	105,373.79	236,829.08	150,135.59

See Auditor's Report

CASH TRANSACTIONS

	Beg Bal	Deposit	#	Trans-In	Interest	#	Trans-Out	Expense	End Bal
Union Bk	21,455.03	236,829.08		180,109.17	-		-	406,277.68	32,115.60
FirstFut/Cal Coast	102,835.59	-		-	4,521.82		107,357.41	-	-
PacWest 2052	-	7,734.45		107,357.41	74.92		115,164.78	2.00	-
PacWest 2458	-	5,722.28		414,336.15	142.04		420,000.00	172.00	28.47
PacWest CD's	-	-		150,000.00	1,211.83		151,211.83	-	-
PacWest CD's	-	136,678.86		51,408.88	1,371.80		189,459.54	-	0.00
Neighb 0980	-	-		338,396.12	326.03		335,707.82	-	3,014.33
Neighb 5080	-	-		251,050.66	2,306.40		253,357.06	-	-
Neighb CD's	-	-		50,000.00	1,414.27		51,408.88	-	5.39
USA Sav / Navy	105.00	105,373.79		-	200.04		105,678.83	-	0.00
USA S35 / Navy	-	-		83,642.14	75.51		83,500.00	-	217.65
USA CD 6689	43,633.84	-		-	1,859.85		45,493.69	-	-
USA CD 6690	7,132.42	-		-	337.20		7,469.62	-	0.00
Sec Bk 2652	-	-		250,000.00	1,151.09		251,151.09	-	-
Sec Bk 5435	-	-		120,000.00	75.05		120,047.80	27.25	-
Seacoast 2509	-	-		129,144.00	489.37		-	-	129,633.37
Seacoast 2312	-	-		230,357.06	896.64		150,000.00	30.00	81,223.70
Seacoast 9715	-	-		10,350.76	-		-	-	10,350.76
Atty Trust a/c	-	-		150,000.00	-		129,144.00	20,856.00	-
<b>Totals</b>	<b>175,161.88</b>	<b>492,338.46</b>		<b>2,516,152.35</b>	<b>16,453.86</b>		<b>2,516,152.35</b>	<b>427,364.93</b>	<b>256,589.27</b>
	Total NC ->	492,338.46							TB

Union Bk	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal	
	2007	21,455.03						21,455.03	
	508	21,455.03		18	25,000.00			46,455.03	
NC	308	46,455.03	5,187.46					51,642.49	
NC	508	51,642.49	6,951.35					58,593.84	
NC	608	58,593.84	69,822.87					128,416.71	
NC	708	128,416.71	404.80					128,821.51	
NC	708	128,821.51	4,220.12					133,041.63	
NC	708	133,041.63	23,182.73				150,618.10	5,606.26	
		5,606.26						5,606.26	
fr USA S 35	109	5,606.26		16	25,000.00			30,606.26	
NC	109	30,606.26	126,701.85					157,308.11	
	209	157,308.11					103,738.13	53,569.98	
NC	410	53,569.98	357.90					53,927.88	
misc	410	53,927.88	10.50					53,938.38	
	1210	53,938.38						53,938.38	
fr Sec Pac Bk	911	53,938.38		10	15,000.00			68,938.38	
	911	68,938.38					67,675.68	1,262.70	
	2012	1,262.70						1,262.70	
fr Sec Pac Bk	112	1,262.70		19	109.17			1,371.87	
fr Neigh Bk	212	1,371.87		34	20,000.00			21,371.87	
fr Neigh Bk	812	21,371.87		17	9,000.00			30,371.87	
fr Neigh Bk	1212	30,371.87		17	6,000.00			36,371.87	
	1212	36,371.87					33,930.00	2,441.87	
	1212	2,441.87	10.00					2,451.87	
misc	2013	2,451.87	50.00					2,501.87	
	113	2,501.87		11	36,000.00			38,501.87	
	413	38,501.87		11	44,000.00			82,501.87	
		82,501.87					50,386.27	32,115.60	
	1213	32,115.60						32,115.60	
	314	32,115.60						32,115.60	
	614	32,115.60						32,115.60	
Subtotal		21,455.03	236,899.58		180,109.17		-	406,348.18	32,115.60
reclass refunds			(70.50)				(70.50)		
<b>Totals</b>		<b>21,455.03</b>	<b>236,829.08</b>		<b>180,109.17</b>		<b>-</b>	<b>406,277.68</b>	<b>32,115.60</b>

# Note: Numbers indicate transfers in and transfers out  
See Auditor's Report

## CASH TRANSACTIONS

FirstFut/Cal Coas	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	1207	102,835.59						102,835.59
	307	102,835.59			1,222.34			104,057.93
	607	104,057.93			1,016.93			105,074.86
	907	105,074.86			655.54			105,730.40
	1207	105,730.40			644.52			106,374.92
	308	106,374.92			611.02			106,985.94
to PW 2052	508	106,985.94			371.47	1	107,357.41	(0.00)
		(0.00)						(0.00)
Totals		102,835.59	-	-	4,521.82		107,357.41	-

PacWest 2052	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	508	-						-
	509	-	7,734.45					7,734.45
Fr FF-CalCoast	509	7,734.45		107,357.41				115,091.86
	609	115,091.86			41.55			115,133.41
to CD 2305	609	115,133.41				2	100,000.00	15,133.41
	1209	15,133.41			17.91			15,151.32
	610	15,151.32			15.46		2.00	15,164.78
to PW 2458	610	15,164.78				4	15,164.78	0.00
		0.00						0.00
Totals		-	7,734.45	107,357.41	74.92		115,164.78	2.00

PacWest 2458	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	509	-						-
NC	509	-	5,722.28	31	58,500.00		5.00	64,217.28
to CD 2306	509	64,217.28				3	50,000.00	14,217.28
	1209	14,217.28						14,217.28
fr 2305	710	14,217.28		5	100,840.96			115,058.24
fr 2306	710	115,058.24		6	50,370.87			165,429.11
fr 2052	710	165,429.11		4	15,164.78			180,601.19
		180,601.19			7.30			180,617.74
		180,617.74			18.55		2.00	180,617.74
CD 2485	710	180,617.74		7	50,364.67			230,982.41
CD 2486	710	230,982.41		8	50,364.67			281,347.08
CD 2487	710	281,347.08		9	88,730.20			370,077.28
		370,077.28			57.88			370,135.16
To Sec	810	370,135.16			58.31	32	120,000.00	250,187.47
To Sec	810	250,187.47				33	250,000.00	112.47
	1210	112.47					84.00	28.47
	614	28.47						28.47
Totals		-	5,722.28	414,336.15	142.04		420,000.00	172.00

PacWest CD's	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
CD 2305	609	-		2	100,000.00			481.39
to Pac West	710				359.57	5	100,840.96	-
CD 2306	609	-		3	50,000.00			215.98
to Pac West	710				154.89	6	50,370.87	-
Totals		-	-	150,000.00	1,211.83		151,211.83	-

PacWest CD's	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
CD 2485	709	-	50,000.00		123.29			-
to Pac West	710				241.38	7	50,364.67	-
CD 2486	709	-	50,000.00		123.29			-
to Pac West	710				241.38	8	50,364.67	-
CD 2487	709	-	36,678.86	31	51,408.88			217.20
to Pac West	710				425.26	9	88,730.20	-
Totals		-	136,678.86	51,408.88	1,371.80		189,459.54	-

# Note: Numbers indicate transfers in and transfers out

## CASH TRANSACTIONS

Neighb 0980	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal		
fr Sec Pac 5435	1211	-		16	105,039.06			105,039.06		
	1211	105,039.06			15.83			105,054.89		
to Union Bk	812	105,054.89				17	9,000.00	96,054.89		
to Union Bk	1212	96,054.89				17	6,000.00	90,054.89		
	1212	90,054.89			255.98			90,310.87		
to Union Bk	113	90,310.87				11	36,000.00	54,310.87		
to Union Bk	413	54,310.87				11	44,000.00	10,310.87		
fr Neigh 5080	413	10,310.87		12	233,357.06			243,716.69		
to Seacoast	413	243,716.69			0.46	23	230,357.06	13,360.09		
to Seacoast	413	13,360.09			0.46	23	10,350.76	3,009.79		
	1213	3,009.79			0.80			3,010.59		
	314	3,010.59			1.86			3,012.45		
	614	3,012.45			1.88			3,014.33		
Totals		-	-		338,396.12		326.03	335,707.82	-	3,014.33
Neighb 5080	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal		
fr Sec Pac 2652	1211	-		22	251,050.66			251,164.17		
to Union Bk	212	251,164.17				34	20,000.00	231,164.17		
	1212	231,164.17			1,771.32			232,935.49		
		232,935.49						232,935.49		
		232,935.49			421.57			233,357.06		
to Neigh 0980	413	233,357.06				12	233,357.06	0.00		
Totals		-	-		251,050.66		2,306.40	253,357.06	-	0.00
Neighb CDs	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal		
	708	-		30	50,000.00			50,000.00		
		50,000.00			685.79			50,685.79		
	709	50,685.79			723.09	31	51,408.88			
	1210	-			5.39			5.39		
	1211	5.39						5.39		
	614	5.39						5.39		
Totals		-	-		50,000.00		1,414.27	51,408.88	-	5.39
USA Sav / Navy	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal		
	1207	105.00						105.00		
NC	108	105.00	38,676.51		3.84			38,785.35		
NC	208	38,785.35	66,697.28		28.59			105,511.22		
	308	105,511.22			40.22			105,551.44		
	408	105,551.44			38.93			105,590.37		
to USA S35	708	105,590.37				21	30,678.83	74,911.54		
to Union Bk	708	74,911.54			88.46	18	25,000.00	50,000.00		
To Neigh CD	708	50,000.00				30	50,000.00	-		
Totals		105.00	105,373.79	-	200.04		105,678.83	-	0.00	
USA S35 / Navy	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal		
fr USA Sav	708	-		21	30,678.83			30,678.83		
	208	30,678.83			57.90			30,736.73		
to Union Bk	109	30,736.73				16	25,000.00	5,736.73		
fr USA Sav	309	5,736.73		15	11.65			5,748.38		
fr USA Sav	309	5,748.38		15	7,457.97			13,206.35		
fr USA Sav	309	13,206.35		14	81.56			13,287.91		
fr USA Sav	309	13,287.91		14	45,412.13			58,700.04		
	309	58,700.04			14.38			58,714.42		
to Pac West CD	409	58,714.42				31	58,500.00	214.42		
	1209	214.42			0.76			215.18		
	1210	215.18			2.20			217.38		
	614	217.38			0.27			217.65		
Totals		-	-		83,642.14		75.51	83,500.00	-	217.65

# Note: Numbers indicate transfers in and transfers out

CASH TRANSACTIONS

USA CD 6689	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	2007	43,633.84						43,633.84
	808	43,633.84			993.17			44,627.01
	708	44,627.01			253.45			44,880.46
	309	44,880.46			323.18			45,203.64
to USA S35	309	45,203.64			290.05	14	81.56	45,412.13
to USA S35	309	45,412.13				14	45,412.13	-
<b>Totals</b>		<b>43,633.84</b>	<b>-</b>	<b>-</b>	<b>1,859.85</b>	<b>45,493.69</b>	<b>-</b>	<b>-</b>

USA CD 6690	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	1207	7,132.42						7,132.42
	608	7,132.42			196.93			7,329.35
	908	7,329.35			41.30			7,370.65
	1208	7,370.65			53.08			7,423.73
	309	7,423.73			45.89			7,469.62
to USA S35	309	7,469.62				15	11.65	7,457.97
to USA S35	309	7,457.97				15	7,457.97	0.00
		0.00						0.00
<b>Totals</b>		<b>7,132.42</b>	<b>-</b>	<b>-</b>	<b>337.20</b>	<b>7,469.62</b>	<b>-</b>	<b>0.00</b>

Sec Bk 2652	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
								-
Fr PacWest 2458	810		33	250,000.00				250,000.00
	810	250,000.00			406.07			250,406.07
	1210	250,406.07			745.02			251,151.09
to Neigh	1211	251,151.09				22	251,050.66	100.43
to Union bk	1211	100.43				19	100.43	(0.00)
		(0.00)						(0.00)
<b>Totals</b>		<b>-</b>	<b>-</b>	<b>250,000.00</b>	<b>1,151.09</b>	<b>251,151.09</b>	<b>-</b>	<b>-</b>

Sec Bk 5435	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	1207	-						-
	808	-						-
Fr PacWest 2458	810	-	32	120,000.00				120,000.00
	810	120,000.00					27.25	119,972.75
	1210	119,972.75			21.53			119,994.28
to Union bk	911	119,994.28				10	15,000.00	104,994.28
	1211	104,994.28			53.52			105,047.80
to Neigh 0980	1211	105,047.80				16	105,039.06	8.74
to Union bk	112	8.74				19	8.74	0.00
		0.00						0.00
		0.00						0.00
<b>Totals</b>		<b>-</b>	<b>-</b>	<b>120,000.00</b>	<b>75.05</b>	<b>120,047.80</b>	<b>27.25</b>	<b>-</b>

# Note: Numbers indicate transfers in and transfers out



## CASH TRANSACTIONS

Seacoast 2509	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
	1207	-						-
fr Haskins Tr	1013	-		21	129,144.00			129,144.00
	1213	129,144.00			144.97			129,288.97
	314	129,288.97			182.90			129,471.87
	414	129,471.87			53.22			129,525.09
	614	129,525.09			108.28			129,633.37
Totals		-	-	129,144.00	489.37	-	-	129,633.37

Seacoast 2312	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
		-						-
fr Neigh 0980	413			23	230,357.06			230,426.81
	513	230,426.81			166.41			230,593.22
	613	230,593.22			161.15			230,754.37
	713	230,754.37			166.64			230,921.01
	813	230,921.01			63.43		30.00	230,954.44
to Haskins Trust	813	230,954.44				20	150,000.00	80,954.44
	913	80,954.44			26.20			80,980.64
	1213	80,980.64			82.11			81,062.75
	314	81,062.75			79.99			81,142.74
	414	81,142.74			26.68			81,169.42
	614	81,169.42			54.28			81,223.70
Totals		-	-	230,357.06	896.64	150,000.00	30.00	81,223.70

Seacoast 9715	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
		-						-
fr Neigh 0980	413			23	10,350.76			10,350.76
	1213	10,350.76						10,350.76
		10,350.76						10,350.76
	614	10,350.76						10,350.76
Totals		-	-	10,350.76	-	-	-	10,350.76

Atty Trust a/c	Date	Beg Bal	Deposit	Trans-In	Interest	Trans-Out	Expense	End Bal
		-						-
to Haskins Trust	813			20	150,000.00	21	129,144.00	20,856.00
Legal Expense	1013	20,856.00					20,856.00	-
Totals		-	-	150,000.00	-	129,144.00	20,856.00	-

# Note: Numbers indicate transfers in and transfers out

See Auditor's Report