

CENTER SANITATION DISTRICT
FINANCIAL STATEMENTS
December 31, 2020



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CENTER SANITATION DISTRICT
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December 31, 2020

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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Directors
Center Sanitation District
Center, Colorado

We have audited the accompanying financial statements of the business-type activities and the major fund of Center Sanitation District (the District), as of and for the year ended December 31, 2020, 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Center Sanitation District, as of December 31, 2020, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The proprietary fund budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The proprietary fund budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 16, 2021

CENTER SANITATION DISTRICT

BASIC FINANCIAL STATEMENTS

CENTER SANITATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2020

ASSETS	2020
Current Assets	
Cash and Cash Equivalents	\$ 408,733
Accounts Receivable	86,155
Property Tax Receivable	22,450
Total Current Assets	517,338
Capital Assets	
Construction in Progress	447,067
Land	35,766
Buildings	5,100,720
Machinery and Equipment	102,791
Sewer System	611,820
Less: Accumulated Depreciation	(2,697,753)
Total Capital Assets	3,600,411
TOTAL ASSETS	4,117,749
LIABILITIES	
Current Liabilities	
Accounts Payable	226
Accrued Payroll Liabilities	6,005
Accrued Interest	4,648
Bonds and Loans Payable - Current Portion	146,477
Total Current Liabilities	157,356
Noncurrent Liabilities	
Bonds and Loans Payable	1,654,922
Total Noncurrent Liabilities	1,654,922
TOTAL LIABILITIES	1,812,278
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	22,450
TOTAL DEFERRED INFLOWS OF RESOURCES	22,450
NET POSITION	
Net Investment in Capital Assets	1,799,012
Restricted for:	
TABOR	9,000
Bond Reserves	16,202
Unrestricted	458,807
TOTAL NET POSITION	\$ 2,283,021

The accompanying notes are an integral part of this financial statement.

CENTER SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
For the Year Ended December 31, 2020

OPERATING REVENUES	
User Fees	\$ 345,204
Lease Income	193,790
Miscellaneous	155
Total Operating Revenues	<u>539,149</u>
OPERATING EXPENSES	
Administration	67,754
System Maintenance	151,428
Plant Maintenance	87,483
Depreciation Expense	151,678
Total Operating Expenses	<u>458,343</u>
OPERATING INCOME (LOSS)	<u>80,806</u>
NON-OPERATING REVENUES (EXPENSES)	
Property Taxes	27,535
Specific Ownership Taxes	4,600
Interest Revenue	57
Interest Expense	(74,800)
Total Non-Operating Revenues (Expenses)	<u>(42,608)</u>
CHANGE IN NET POSITION	38,198
NET POSITION, Beginning of Year	<u>2,244,823</u>
NET POSITION, End of Year	<u><u>\$ 2,283,021</u></u>

The accompanying notes are an integral part of this financial statement.

CENTER SANITATION DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 355,653
Cash received from others	193,945
Cash paid to employees	(19,380)
Cash paid to suppliers	<u>(283,214)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>247,004</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from taxes	<u>32,135</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(52,730)
Principal payments on loans	(140,126)
Interest payments on loans	<u>(74,800)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(267,656)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest revenue	<u>57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,540
Cash and Cash Equivalents, Beginning of Year	<u>397,193</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 408,733</u></u>
 OPERATING INCOME (LOSS)	
	\$ 80,806
 Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	151,678
Change in Assets and Liabilities	
(Increase) decrease in accounts receivable	10,449
Increase (decrease) in accounts payable	226
Increase (decrease) in accrued payroll liabilities	<u>3,845</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 247,004</u></u>

The accompanying notes are an integral part of this financial statement.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Center Sanitation District (the District) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The District was formed December 7, 1948 and is governed by a five-member elected Board of Directors. The District provides sanitation services for portions of both Saguache and Rio Grande Counties.

Component Units

The District's combined financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own 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
- The organization is financially accountable to the District
- The organization receives or holds funds that are for the benefit of the District; and the District has access to a majority of the funds held; and the funds that are accessible are also significant to the District.

Based on the aforementioned criteria, the Center Sanitation District has no component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are from user charges. Operating expenses for proprietary funds include the cost of operating, financing, and maintaining the District's sanitation systems and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

ASSETS, LIABILITIES AND NET POSITION

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15, or in full on April 30. The County Treasurer bills and collects all property taxes for the District. Property taxes revenue is recognized by the District to the extent they result in a current receivable.

The 2020 property tax levy due January 1, 2021 has been recorded in the financial statements as a receivable and in a corresponding deferred inflow of resources account.

Capital Assets

Capital assets include land, buildings, machinery and equipment and sewer system. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and a useful life of more than 1 year. Depreciation is computed on a straight-line basis over the estimated useful life of the assets. Estimated useful lives range from five to seventy five years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. GASB No. 34 requires the District to report and depreciate new infrastructure assets.

Compensated Absences

The District's policy is to require employees to use vacation time within twelve months of earning the benefit. Sick leave is available for use during the following year; however, no sick leave benefits are payable upon termination. Therefore, no liability is reported for unpaid accumulated sick leave.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted funds to have been spent first.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District follows the procedures outlined in the Financial Management Manual – A Guide for Colorado Local Governments – when preparing annual budgets for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 1 of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoption of the budget in a public meeting by appropriate resolution.
- 5) Ordinance to adopt supplemental appropriations

Formal budgetary integration is employed as a management control device for all funds of the District. The District prepares their budget following Colorado Statutes. The proprietary fund budget is adopted using the same accounting methods as governmental fund types; this procedure follows Colorado State Statute, but is not in accordance with GAAP.

The total expenditures cannot exceed the budgeted amount unless a supplemental appropriation is adopted. There were no supplemental appropriations during 2020.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

NOTE 3 CASH AND DEPOSITS

CASH AND DEPOSITS

Colorado State Statutes govern the District's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2020, \$59,717 of the District's bank balance of \$406,714 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
<i>Business-Type Activities</i>				
Capital assets not being depreciated				
Construction in Progress	\$ 394,337	\$ 52,730	\$ -	\$ 447,067
Land	35,766	-	-	35,766
Total capital assets not being depreciated	<u>430,103</u>	<u>52,730</u>	<u>-</u>	<u>482,833</u>
Capital assets being depreciated				
Buildings	5,100,720		-	5,100,720
Machinery and Equipment	102,791	-	-	102,791
Sewer System	611,820	-	-	611,820
Total capital assets being depreciated	<u>5,815,331</u>	<u>-</u>	<u>-</u>	<u>5,815,331</u>
Less accumulated depreciation for:				
Buildings	(2,034,123)	(118,329)	-	(2,152,452)
Machinery and Equipment	(95,482)	(1,952)	-	(97,434)
Sewer System	(416,470)	(31,397)	-	(447,867)
Total accumulated depreciation	<u>(2,546,075)</u>	<u>(151,678)</u>	<u>-</u>	<u>(2,697,753)</u>
Total Capital Assets being depreciated, net	<u>3,269,256</u>	<u>(151,678)</u>	<u>-</u>	<u>3,117,578</u>
<i>Business-Type Activities</i>				
<i>Capital Assets, Net</i>	<u>\$ 3,699,359</u>	<u>\$ (98,948)</u>	<u>\$ -</u>	<u>\$ 3,600,411</u>

NOTE 5 OPERATING LEASE

The District entered into an operating lease with Idaho-Pacific Colorado Corporation (the Corporation) on June 13, 2005, whereby the Corporation will lease an agricultural wastewater treatment plant and associated equipment and influent and effluent piping systems from the District for a term of five years beginning September 15, 2005. The tenant is responsible for the payment of utilities. On September 20, 2017, the District and the Corporation signed a lease amendment to extend the lease until September 1, 2027. Lease income for the year ended December 31, 2020 totaled \$193,790. The carrying amount of the property under lease as of December 31, 2020 was \$1,122,688. The SLVDRG Loan from 1998 discussed in Note 6 is related to this property. At December 31, 2020, the outstanding balance of this note was \$391,763. The SLVDRG Loan from 2017 is also related to this property. At December 31, 2020, the outstanding balance of this note is \$1,349,538.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

During 2005, the District ceased operating the agricultural wastewater treatment facility. The operation of the plant was transferred to the Idaho-Pacific Colorado Corporation. The Corporation pays the District a monthly lease fee that covers the monthly principal and interest payments on the loans from the San Luis Valley Development Resources Group, see also Note 6 Long-Term Debt. The District continues to operate the domestic wastewater plant.

NOTE 6 LONG-TERM DEBT

Changes in Long-term Debt

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020	Due Within One Year
<i>Business-Type Activities</i>					
RECD	\$ 39,908	\$ -	\$ 12,800	\$ 27,108	\$ 13,400
SLV DRG Loan (1998)	440,363	-	48,600	391,763	48,600
SLV DRG Loan (2017)	1,423,645	-	74,107	1,349,538	79,627
DOLA Loan - EIAF #5050	37,609	-	4,619	32,990	4,850
Total	\$ 1,941,525	\$ -	\$ 140,126	\$ 1,801,399	\$ 146,477

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT – BONDS

On October 29, 1992, the Office of Rural Economic and Community Development (RECD) (formerly FmHA, Farmers Home Administration) agreed to purchase all of Center Sanitation Sewer Revenue Bonds, Series 1992 in the aggregate principal amount of \$226,600. The Center Sanitation District issued the revenue bonds in order to fund a plant expansion project. Interest is calculated at the rate of 5% per annum. Payments are made semiannually in February and August of each year.

SAN LUIS VALLEY DEVELOPMENT RESOURCES GROUP – LOAN

In 1998, the District received a \$1,458,000 loan from the San Luis Valley Development Resources Group (SLVDRG). This loan assisted with the construction of an agricultural wastewater facility and the construction of collection lines. The face of the loan carries a 0% interest rate, and the loan is for a term of 30 years. Payments of \$4,050 are made monthly.

In 2017, the District received an additional \$1,530,000 loan which includes a \$30,000 origination fee from SLVDRG. This loan assisted with the Idaho Pacific Corporation expansion. The loan carries a 5% interest rate, and the loan is for a term of 10 years. Interest only payments of \$6,375 are made monthly beginning January 2018 for the first six months. Beginning July 2018, monthly payments of principal and interest are \$12,099.

COLORADO DEPARTMENT OF LOCAL AFFAIRS – LOAN

On December 2, 2005, the District received a loan in the amount of \$80,000 from the Colorado Department of Local Affairs. The interest rate is 5% and the loan is for a term of 20 years with the first payment due September 1, 2007. The loan has funded improvements at the District's domestic wastewater plant.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

Annual debt service payments to maturity are as follows:

	Principal	Interest	Total
2021	\$ 146,477	\$ 68,433	\$ 214,910
2022	151,102	63,436	214,538
2023	141,931	58,361	200,292
2024	146,700	53,592	200,292
2025	151,712	48,580	200,292
2026-2028	1,063,477	81,086	1,144,563
Total	\$ 1,801,399	\$ 373,488	\$ 2,174,887

NOTE 7 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. During 2005 the voters of the District approved a measure, which allows the District to retain and spend revenue in excess of the limit.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending. This Emergency Reserve has been presented as a restricted net position in the Statement of Net Position. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

NOTE 9 COMMITMENTS AND CONTINGENCIES

COVID-19

In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity throughout the District could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. No adjustments have been made to these financial statements as the potential impact is unknown at this time.

CENTER SANITATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2020

Construction Projects

On September 23, 2019 the District entered into a grant agreement with the State of Colorado Department of Local Affairs for \$1,000,000, a USDA loan of \$1,855,000, and USDA Grant for \$6,663,000. On February 16, 2021 the District entered into an additional USDA loan of \$2,161,000. The funding is for the purpose of improving the District's wastewater collection system for an expected total cost of \$12,791,000. The loans will close at the time the project is substantially completed. Construction has begun in 2020 and estimated to complete in 2022.

CENTER SANITATION DISTRICT
SUPPLEMENTARY INFORMATION

CENTER SANITATION DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL - PROPRIETARY FUND - NON GAAP
For the Year Ended December 31, 2020

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
OPERATING REVENUE				
User Fees	\$ 355,033	\$ 355,033	\$ 345,204	\$ (9,829)
Lease Income	193,793	193,793	193,790	(3)
Miscellaneous	-	-	155	155
Total Operating Revenues	<u>548,826</u>	<u>548,826</u>	<u>539,149</u>	<u>(9,677)</u>
OPERATING EXPENSES				
Administration	71,744	71,744	67,754	3,990
System Maintenance	145,000	145,000	151,428	(6,428)
Plant Maintenance	85,300	85,300	87,483	(2,183)
Sludge Removal Reserve	141,400	141,400	-	141,400
Total Operating Expenses	<u>443,444</u>	<u>443,444</u>	<u>306,665</u>	<u>136,779</u>
OPERATING INCOME (LOSS)	<u>105,382</u>	<u>105,382</u>	<u>232,484</u>	<u>127,102</u>
NON-OPERATING REVENUES (EXPENSES)				
Property Taxes	-	-	27,535	27,535
Specific Ownership Taxes	28,602	28,602	4,600	(24,002)
Loan Proceeds and Grant Revenue	10,000,000	-	-	-
Loan Proceeds and Grant Expense	(10,000,000)	-	-	-
Loan Principal	(139,007)	(139,007)	(140,126)	(1,119)
Interest Revenue	-	-	57	57
Interest Expense	(76,340)	(76,340)	(74,800)	1,540
Total Non-Operating Revenues (Expenses)	<u>(186,745)</u>	<u>(186,745)</u>	<u>(182,734)</u>	<u>4,011</u>
Net Income (Loss) - Budget Basis	<u>(81,363)</u>	<u>(81,363)</u>	<u>49,750</u>	<u>131,113</u>
Add: Loan Principal			140,126	
Less: Depreciation Expense			<u>(151,678)</u>	
CHANGE IN NET POSITION			38,198	
NET POSITION, Beginning of Year	<u>177,312</u>	<u>177,312</u>	<u>2,244,823</u>	<u>2,067,511</u>
NET POSITION, End of Year	<u>\$ 95,949</u>	<u>\$ 95,949</u>	<u>\$ 2,283,021</u>	<u>\$ 2,187,072</u>