

CHERRY HILLS SANITATION DISTRICT

**Management's Discussion and Analysis,
Basic Financial Statements,
and Supplementary Information**

as of

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cherry Hills Sanitation District
Fort Collins, Colorado

We have audited the accompanying basic financial statements of Cherry Hills Sanitation District as of December 31, 2021 and 2020, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

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 audits 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 basic 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 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.

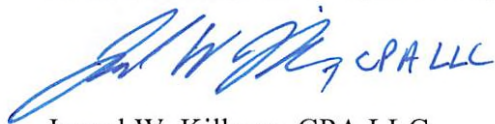
Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cherry Hills Sanitation District as of December 31, 2021 and 2020, 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.

Other Matters

As discussed in Note 2 to the basic financial statements, the District incorporated deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of net position due to the adoption of Governmental Accounting Standards Board Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The adoption of this standard also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Our opinion is not modified with respect to this matter.

Management's Discussion and Analysis on pages four through six and the Schedules of Operating Expense and of Revenues and Expenditures-Actual and Budget (Non-GAAP Budgetary Basis) on pages 18 and 19 of the report are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the other supplemental information. 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



Jarrod W. Kilburn, CPA LLC
Fort Collins, Colorado
May 12, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Cherry Hills Sanitation District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial statements for the year ended December 31, 2021. In addition to this overview and analysis based upon currently known facts, decisions and conditions, the District would encourage readers to consider the information presented in the District's comparative financial statements and supplementary information which begin on page seven.

Financial Recap

- The net position of the District amounts to \$1,017,933 which is an increase of \$81,618 from a year earlier.
- Capital investments in equipment was \$18,745 and maintenance charges were \$202,765. In the prior year, the combined total was \$168,946 or an increase of \$33,819.
- The District has neither any long-term debt nor any property tax levy.
- Expenditures increased to \$817,097 in 2021 from \$803,806 in 2020.

Condensed Financial Information

The District reports its financial information as a special-purpose entity operating a sewer utility using enterprise fund accounting.

- Total assets increased by \$124,569, total liabilities increased by \$42,951, and net position increased by \$81,618.
- Operating revenues grew by \$17,892 and operating expenses increased by \$11,040. Revenue increased due to scheduled increase in tap charges.
- Net cash flows for the year increased by \$137,026 from the prior year, capital expenditures decreased by \$12,745, operating activities increased by \$149,531, and investing activities increased by \$240.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District operates as a special district under the laws of the State of Colorado. Accordingly, the financial statements are prepared to account for operations similar to a business-type enterprise. The basic financial statements include statements of net position, revenues, expenses, and changes in net position, and cash flows shown on a comparative basis with the prior year. The notes to the financial statements are considered to be an integral part of the basic financial statements since they provide additional information needed to gain a full understanding of the data provided. The accrual method is used which reports revenues when earned and expenses when incurred.

A budget or a plan for spending is adopted which comprises not only operating transactions except for depreciation but also provides for capital outlays. Supplemental reports are included to provide budgetary comparisons with actual operations.

Overall Financial Position and Results of Operations

Residential construction within the District's boundaries has nearly stopped over the past three years. Five new taps have been sold during this two-year period and the District's active taps total 1,684. During 2021, there were 4 taps sold and no stand-by taps were activated.

Active tap revenues increased \$16,586 in 2021 due to scheduled increase in tap charges.

The largest component of expense comprising 50 percent of budgeted 2021 expenditures is the amount charged by the City of Fort Collins as processing charges. In 2021 the District saw a decrease of 2% with expected 2022 costs to increase by 0%.

Budgetary Commentary

Expenditures were under budget by \$73,003.

Capital Asset Costs and Long-Term Debt

In past years, new lines were the result of capital contributions by developers. 2021 and 2020 saw the District spend minimal capital resources on reconstruction of existing lines. With lines in the District dating to original installations beginning in 1965, reconstruction of lines will have more emphasis in future years. The District also maintains six lift-stations. Costs for repairs or upgrades of the pumps contained in each lift-station may become greater as these facilities continue to age.

The District has no revenue or general long-term debt outstanding. Accordingly, the District does not assess any current property taxes.

Conditions Impacting Future Operations

The District has not added significant active taps during its recent history. So, revenue growth appears to be entirely dependent upon the existing tap holders paying higher charges for their services. Active tap charges were last increased by \$3/tap/quarter for non-lift station taps and \$4/tap/quarter for lift station taps in 2021. Beginning April 2022, the following increases will take effect: \$3/tap/qtr. increase for non-lift station taps and \$4/tap/qtr. for lift taps.

If the landowners within the District approve a property tax, the District could, in the future, use this revenue source to offset quarterly tap charge increases.

The challenge facing the District is to restrain its increases in the areas of maintenance and capital costs.

Questions concerning any of the information presented in this report or requesting additional information should be sent to the District's manager at the following address:

Chuck Vessey, Manager
512 North Link Lane
P. O. Box 43
Fort Collins, Colorado 80522

CHERRY HILLS SANITATION DISTRICT

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash	\$ 758,393	\$ 621,367
Certificates of deposit	155,024	154,912
Accrued interest receivable	32	32
Receivables	26,092	27,206
Prepaid items	<u>4,319</u>	<u>12,094</u>
Total Current Assets	<u>943,860</u>	<u>815,611</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Sanitation system	1,990,724	1,990,724
Machinery and equipment	155,858	137,113
Less: Accumulated depreciation	<u>(1,988,911)</u>	<u>(1,966,486)</u>
Net Property, Plant, and Equipment	<u>157,671</u>	<u>161,351</u>
OTHER ASSETS:		
Deposit on utilities	<u>185</u>	<u>185</u>
TOTAL ASSETS	<u>\$ 1,101,716</u>	<u>\$ 977,147</u>

(Continued on next page)

The Notes to Financial Statements are an integral part of this exhibit.

CHERRY HILLS SANITATION DISTRICT

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

LIABILITIES AND NET POSITION

	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES:		
Trade accounts payable	\$ 73,158	\$ 36,763
Accrued liabilities	<u>10,625</u>	<u>4,069</u>
Total Current Liabilities	<u>83,783</u>	<u>40,832</u>
NET POSITION:		
Invested in capital assets	275,121	275,121
Unrestricted	<u>742,812</u>	<u>661,194</u>
Total Net Position	<u>1,017,933</u>	<u>936,315</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,101,716</u>	<u>\$977,147</u>

The Notes to Financial Statements are an integral part of this exhibit.

CHERRY HILLS SANITATION DISTRICT**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION****For Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES:		
Sewage charges:		
Active tap charges	\$908,092	\$891,506
Readiness-to-serve charges	1,359	1,359
Penalties	4,956	3,670
Reimbursements (net of expenses)	<u>380</u>	<u>360</u>
Total Operating Revenues	<u>914,787</u>	<u>896,895</u>
OPERATING EXPENSES (Schedule 1):		
Sanitation administration	147,864	160,013
Sewage collection and disposal	669,233	643,793
Depreciation	<u>22,425</u>	<u>24,676</u>
Total Operating Expenses	<u>839,522</u>	<u>828,482</u>
OPERATING INCOME (LOSS)	75,265	68,413
OTHER REVENUE:		
Interest	<u>353</u>	<u>852</u>
NET INCOME (LOSS)	75,618	69,265
CAPITAL CONTRIBUTIONS	6,000	3,000
NET POSITION-BEGINNING	<u>936,315</u>	<u>864,050</u>
NET POSITION-ENDING	<u>\$1,017,933</u>	<u>\$936,315</u>

The Notes to Financial Statements are an integral part of this exhibit.

CHERRY HILLS SANITATION DISTRICT**STATEMENTS OF CASH FLOWS****For Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$915,901	\$ 884,329
Payments for wages and operating expenses	<u>(766,370)</u>	<u>(798,782)</u>
Net Cash Provided By Operating Activities	<u>149,531</u>	<u>85,547</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	353	852
Interest reinvested certificates of deposit	<u>(113)</u>	<u>(333)</u>
Net Cash Provided By Investing Activities	<u>240</u>	<u>519</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisitions and construction of capital assets	(18,745)	-
Tap sales	<u>6,000</u>	<u>3,000</u>
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(12,745)</u>	<u>3,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	137,026	89,066
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>621,367</u>	<u>532,301</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$758,393</u>	<u>\$621,367</u>

(Continued on next page)

The Notes to Financial Statements are an integral part of this exhibit.

EXHIBIT C
(Continued)

CHERRY HILLS SANITATION DISTRICT

STATEMENTS OF CASH FLOWS

For Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES:		
OPERATING INCOME (LOSS) (EXHIBIT B):	\$ 75,618	\$69,265
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	22,425	24,676
Interest Income	(353)	(852)
Decrease (increase) in receivables	1,113	(12,566)
Decrease (increase) in prepaid items	7,775	2,864
(Decrease) increase in accounts payable	36,395	1,184
(Decrease) increase in accrued expenses	<u>6,558</u>	<u>976</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>\$ 149,531</u>	<u>\$ 85,547</u>

The Notes to Financial Statements are an integral part of this exhibit.

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (A) Reporting Entity - In conformance with Governmental Accounting and Financial Reporting Standards of the United States of America, the Cherry Hills Sanitation District (the District), Larimer County, Colorado, is the reporting entity for financial reporting purposes. The District is a primary government entity having financial accountability to provide a sanitary sewer system within the political subdivision organized as the Cherry Hills Sanitation District. The District is not included in any other governmental reporting entity nor does it include any other reporting entity because the District officials are publicly elected. They are empowered to adopt a budget expending District revenue, select management, significantly influence operations and are primarily accountable for fiscal matters.

The financial statements of the District include all resources and obligations that are controlled by or dependent upon the elected officials. Control by or dependence on the elected officials is determined on the basis of budget adoption, taxing authority, outstanding debt which may be secured by revenue of the District, and the responsibility of the District to finance debt.

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and debt issuance that applies to local governments. On May 7, 1996 the District's voters passed a ballot issue allowing the District to retain excess revenues over Article X, Section 20 limits. Further, the amendment requires the creation of emergency reserves to use for declared emergencies only. As of the May 7, 1996 election, the District had no retained excess revenues. Therefore, the District has no reserves to separately segregate as emergency reserves.

- (B) Basis of Accounting – The District is a single-enterprise proprietary fund and uses the accrual basis of accounting. Proprietary funds are used to account for operations that are financed in a manner similar to a business-type enterprise and that a periodic determination of revenues earned, expenses incurred and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Under this method, revenues are recorded when earned and expenses are recognized as soon as they result in liabilities for the benefits provided

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements are prepared on the basis of Governmental Accounting Standards Board (GASB), Statement Number 34, Basic Financial Statements, Management Discussion and Analysis for State and Local Governments and the subsequently issued and applicable statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's ongoing operations. The principle operating revenues of the District are charges for sewage services. Operating expenses include processing charges, administrative expenses, and depreciation on capital assets. Interest from investments is reported as non-operating revenues.

- (C) Receivables - The District maintains an accounting of receivables owed to it. This amount is principally for services to its users. No allowance for uncollectible amounts is deemed necessary as the District may file liens for amounts due. While all the receivables are concentrated in the same geographic area of Larimer County, the lien remedy is considered to be of sufficient recourse to prevent any accounting losses.
- (D) Property, Plant, and Equipment - Properties and equipment are recorded at cost for items purchased and at estimated fair market value on the date of contribution for items contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from seven to 50 years. Depreciation recognized on contributed assets is allocated against the contributed capital account. Expenditures for maintenance and repairs are charged to expense as incurred whereas major property replacements and betterments that extend the lives of the assets are capitalized and subsequently depreciated.
- (E) Budget - The District annually prepares and legally adopts an accrual basis budget to serve as a basis for control and evaluation of its operations. This budget is also adopted to fulfill statutory and constitutional requirements. It includes an allocation between governmental and proprietary functions and items such as tap sales, tap repurchases, and capital expenditures that are not a part of a statement of revenues and expenses prepared under United States of America generally accepted accounting principles (GAAP).

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Therefore, a schedule of budgetary amounts is included which compares the non-GAAP budgetary numbers with actual numbers. The District adopts its budget and approves its expenditures as a whole rather than for individual line items. Line item expenditures are presented for comparative purposes only.

- (F) Statements of Cash Flows - For the purposes of the Statements of Cash Flows, the District has adopted the policy that all Certificates of Deposit, even those with maturities of three months or less when purchased, are not cash equivalents.
- (G) 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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

During 2013, the District implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements”. This statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 this is included in the Financial Accounting Standards Board (“FASB”) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure, which do not conflict with or contradict GASB Pronouncements. This statement had no impact to the District’s financial statements.

During 2013, the District implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, “Elements of Financial Statements” into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 3 - DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is 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 one hundred percent of the uninsured deposits.

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits and investments might not be returned. Due to the federal deposit insurance and the collateral no deposits or investments for the District were exposed to custodial credit risk.

At December 31, 2021, the District's deposits and investments are categorized as follows:

	Carrying Balance	Per Bank Balance
Deposits and investments covered by Federal Insurance	\$913,417	\$913,304

At December 31, 2020, the District's deposits and investments are categorized as follows:

	Carrying Balance	Per Bank Balance
Deposits and investments covered by Federal Insurance	\$776,279	\$775,946

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

The changes in property, plant and equipment for the year ended December 31, 2021 are as follows:

	Balance Jan. 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, <u>2021</u>
Utility plant	\$1,990,724	\$ --	\$ --	\$1,990,724
Office equipment	7,471	--	--	7,471
Machinery and equipment	<u>129,642</u>	<u>18,745</u>	<u>--</u>	<u>148,387</u>
	2,127,837	18,745	--	2,146,582
Less accumulated depreciation	<u>(1,966,486)</u>	<u>(22,425)</u>	<u>--</u>	<u>(1,988,911)</u>
	<u>\$ 161,351</u>	<u>\$(22,425)</u>	<u>\$ --</u>	<u>\$ 157,671</u>

The changes in property, plant and equipment for the year ended December 31, 2020 are as follows:

	Balance Jan. 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, <u>2020</u>
Utility plant	\$1,990,724	\$ --	\$ --	\$1,990,724
Office equipment	7,471	--	--	7,471
Machinery and equipment	<u>129,642</u>	<u>--</u>	<u>--</u>	<u>129,642</u>
	2,127,837	--	--	2,127,837
Less accumulated depreciation	<u>(1,941,810)</u>	<u>(24,676)</u>	<u>--</u>	<u>(1,966,486)</u>
	<u>\$ 186,027</u>	<u>\$(24,676)</u>	<u>\$ --</u>	<u>\$ 161,351</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$22,425 and \$24,676 respectively.

CHERRY HILLS SANITATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For Years Ended December 31, 2021 and 2020

NOTE 5 - INSURANCE

The District participates in a public entity risk retention pool through the Special District Association of Colorado. The annual premium covers public officials and general liability insurance. The District is at risk for public officials to the extent of their \$1,000 deductible and is fully covered for general liability. Because of the Colorado Governmental Immunity Act, the reserves presently available to the pool appear adequate to meet its obligations. The District is self-insured with respect to damages to its sanitation system consisting of lines and pump stations.

NOTE 6 – SUBSEQUENT EVENTS

These financial statements considered subsequent events through May 12, 2022, the date the financial statements were available to be issued. No matters came to management's attention that required further disclosure in these financial statements.

SUPPLEMENTARY INFORMATION

For Years Ended December 31, 2021 and 2020

CHERRY HILLS SANITATION DISTRICT

SCHEDULES OF OPERATING EXPENSES

For Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
SANITATION ADMINISTRATION:		
Salaries	\$ 93,200	\$ 92,004
Directors' fees	<u>2,450</u>	<u>2,050</u>
Total Salaries	<u>95,650</u>	<u>94,054</u>
Other Expenses:		
Office expense	15,738	13,797
Meeting expense	2,507	898
Legal and accounting	10,321	10,660
Insurance	<u>23,648</u>	<u>40,604</u>
Total Other Expenses	<u>52,214</u>	<u>65,959</u>
Total Sanitation Administration	<u>147,864</u>	<u>160,013</u>
SEWAGE COLLECTION AND DISPOSAL:		
Sewer lift stations	11,057	9,915
Wages, taxes, and benefits (net of capitalized portion)	173,274	151,214
Supplies and expenses:		
Auto	13,096	3,040
Processing	432,211	441,132
Maintenance	25,195	24,092
Equipment lease	<u>14,400</u>	<u>14,400</u>
Total Sewage Collection and Disposal	<u>669,233</u>	<u>643,793</u>
DEPRECIATION	<u>22,425</u>	<u>24,676</u>
TOTAL OPERATING EXPENSES	<u>\$839,522</u>	<u>\$828,482</u>

CHERRY HILLS SANITATION DISTRICT

SCHEDULES OF REVENUES AND EXPENDITURES
ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS)

For Years Ended December 31, 2021 and 2020

	2021			2020		
	Actual	Budget	Variance - Favorable (Unfavorable)	Actual	Budget	Variance - Favorable (Unfavorable)
PROPRIETARY FUNCTION:						
REVENUE:						
Sewage charges	\$908,092	\$916,000	\$(7,908)	\$891,506	\$896,000	\$(4,494)
Readiness-to-serve charges	1,359	1,600	(241)	1,359	1,600	(241)
Penalties & misc.	4,956	3,800	1,156	3,670	3,800	(130)
Interest earned	353	600	(247)	852	600	252
Tap sales, net	6,000	--	6,000	3,000	--	3,000
Reimbursements	380	300	80	360	300	60
Total Revenue	<u>\$921,140</u>	<u>\$922,300</u>	<u>\$(1,160)</u>	<u>\$900,747</u>	<u>\$902,300</u>	<u>\$(1,553)</u>
EXPENDITURES:						
Administration:						
Salaries	\$ 73,050	\$ 71,400	\$ (1,650)	\$ 71,454	\$ 69,400	\$ (2,054)
Supplies & expenses	38,266	31,900	(6,366)	35,055	32,900	(2,155)
Sewage Collection & Disposal						
Sewer lift stations	11,057	10,500	(557)	9,915	10,500	585
Capital outlay	--	16,200	16,200	--	7,700	7,700
Processing	432,211	445,000	12,789	441,132	437,000	(4,132)
Maintenance	202,765	210,500	7,735	168,946	185,000	16,054
Contingency	--	15,000	15,000	--	15,000	15,000
Insurance	23,048	52,900	29,852	40,604	44,400	3,796
Transfer to Governmental Function	36,700	36,700	--	36,700	36,700	--
	<u>\$817,097</u>	<u>\$890,100</u>	<u>\$73,003</u>	<u>\$803,806</u>	<u>\$838,600</u>	<u>\$34,794</u>
GOVERNMENTAL FUNCTION						
REVENUE:						
Transfer From Proprietary Function	<u>\$ 36,700</u>	<u>\$ 36,700</u>	<u>\$ --</u>	<u>\$ 36,700</u>	<u>\$ 36,700</u>	<u>\$ --</u>
EXPENDITURES:						
Salaries	\$ 22,600	\$ 22,600	\$ --	\$ 22,600	\$ 22,600	\$ --
Supplies and expenses	13,500	13,500	--	13,500	13,500	--
Insurance	600	600	--	600	600	--
Total Expenditures	<u>\$ 36,700</u>	<u>\$ 36,700</u>	<u>\$ --</u>	<u>\$ 36,700</u>	<u>\$ 36,700</u>	<u>\$ --</u>