

**EAST ALAMOSA  
WATER AND SANITATION DISTRICT**

**FINANCIAL STATEMENTS**

**December 31, 2022**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**TABLE OF CONTENTS**  
**December 31, 2022**

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Governmental Fund Financial Statements:	
Balance Sheet	6
Statement of Revenues, Expenditures, and Changes in Fund Balances	7
Proprietary Fund Financial Statements:	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to the Basic Financial Statements	11
<b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	21
<b>Supplementary Information:</b>	
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual:	
Water and Sewer Fund - Non-GAAP	22

# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Board of Directors  
East Alamosa Water and Sanitation District  
Alamosa, Colorado

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of East Alamosa Water and Sanitation District (the District), as of and for the year ended of December 31, 2022, 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 activities, business-type activities, and each major fund of East Alamosa Water and Sanitation District as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the 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.

**Certified Public Accountants**

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### ***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 GAAS 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 GAAS, 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***

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 opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 enterprise fund budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The 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 enterprise fund budgetary comparison 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

May 22, 2023

**EAST ALAMOSA  
WATER AND SANITATION DISTRICT  
BASIC FINANCIAL STATEMENTS**

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	<b>Primary Government</b>		<b>TOTAL</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ -	\$ 510,753	\$ 510,753
Water and Sewer Accounts Receivable	-	39,285	39,285
Property Tax Receivable	73,686	-	73,686
Grant Receivable	-	44,384	44,384
Other Accounts Receivable	-	2,691	2,691
Prepaid Expenses	-	10,870	10,870
<b>Total Current Assets</b>	<b>73,686</b>	<b>607,983</b>	<b>681,669</b>
<b>Noncurrent Assets</b>			
Capital Assets			
Land	-	202,282	202,282
Construction in Progress	-	34,586	34,586
Water Treatment Plant	-	3,792,500	3,792,500
Water Delivery System	-	3,122,134	3,122,134
Bulk Water Station	-	60,733	60,733
Sewer Collection and Treatment System	-	3,111,175	3,111,175
Building and Improvements	-	126,020	126,020
Office Equipment	-	44,483	44,483
Less: Accumulated Depreciation	-	(4,159,713)	(4,159,713)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>6,334,200</b>	<b>6,334,200</b>
<b>TOTAL ASSETS</b>	<b>73,686</b>	<b>6,942,183</b>	<b>7,015,869</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	-	108,112	108,112
Note Payable	-	71,155	71,155
<b>Total Current Liabilities</b>	<b>-</b>	<b>179,267</b>	<b>179,267</b>
<b>Noncurrent Liabilities</b>			
Note Payable	-	1,235,536	1,235,536
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>1,235,536</b>	<b>1,235,536</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1,414,803</b>	<b>1,414,803</b>
<b>DEFERRED INFLOWS OF RESOURCES - CURRENT</b>			
Unavailable Revenue - Property Tax	73,686	-	73,686
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	5,027,509	5,027,509
Restricted for TABOR	3,000	-	3,000
Unrestricted	(3,000)	499,871	496,871
<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ 5,527,380</b>	<b>\$ 5,527,380</b>

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		TOTAL
					Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 63,223	\$ -	\$ -	\$ -	\$ (63,223)	\$ -	\$ (63,223)
<b>Total Governmental Activities</b>	<b>63,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,223)</b>	<b>-</b>	<b>(63,223)</b>
<b>Business-Type Activities:</b>							
Water	313,237	270,260	-	331,180	-	288,203	288,203
Sewer	280,268	258,138	-	7,681	-	(14,449)	(14,449)
<b>Total Business-Type Activities</b>	<b>593,505</b>	<b>528,398</b>	<b>-</b>	<b>338,861</b>	<b>-</b>	<b>273,754</b>	<b>273,754</b>
<b>Total Primary Government</b>	<b>\$ 656,728</b>	<b>\$ 528,398</b>	<b>\$ -</b>	<b>\$ 338,861</b>	<b>(63,223)</b>	<b>273,754</b>	<b>210,531</b>
<b>General Revenues</b>							
Taxes:							
General Property Taxes - Net					75,581	-	75,581
Specific Ownership Taxes					8,991	-	8,991
Interest Income					-	2,873	2,873
Miscellaneous					1,657	-	1,657
<b>Total General Revenues</b>					<b>86,229</b>	<b>2,873</b>	<b>89,102</b>
<b>Transfers</b>					<b>(23,006)</b>	<b>23,006</b>	<b>-</b>
<b>Change in Net Position</b>					<b>-</b>	<b>299,633</b>	<b>299,633</b>
<b>Net Position, Beginning of Year</b>					<b>-</b>	<b>5,227,747</b>	<b>5,227,747</b>
<b>Net Position, End of Year</b>					<b>\$ -</b>	<b>\$ 5,527,380</b>	<b>\$ 5,527,380</b>

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**GOVERNMENTAL FUND**  
**BALANCE SHEET**  
**December 31, 2022**

	<u><b>GENERAL FUND</b></u>
<b>ASSETS</b>	
Property Tax Receivable	\$ 73,686
<b>TOTAL ASSETS</b>	<u>73,686</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>TOTAL LIABILITIES</b>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Tax	<u>73,686</u>
<b>FUND BALANCE</b>	
Restricted for TABOR	3,000
Unrestricted	<u>(3,000)</u>
<b>TOTAL FUND BALANCE</b>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u>\$ 73,686</u>

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Year Ended December 31, 2022**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Taxes	\$ 84,572
Miscellaneous Income	1,657
	86,229
<b>TOTAL REVENUES</b>	<b>86,229</b>
 <b>EXPENDITURES</b>	
Salaries and Benefits	18,178
Payroll Taxes	1,427
Professional Services	22,100
Utilities	336
Supplies	2,454
Telephone	2,031
Board Member Stipend	6,300
Conference Expense	3,957
Contract Labor	325
Other Expenditures	6,115
	63,223
<b>TOTAL EXPENDITURES</b>	<b>63,223</b>
Excess (Deficiency) of Revenues Over Expenditures	23,006
 <b>OTHER FINANCING SOURCES (USES)</b>	
Transfers to Other Funds	(23,006)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(23,006)</b>
Net Change in Fund Balance	-
 <b>Fund Balance, Beginning of Year</b>	-
 <b>Fund Balance, End of Year</b>	\$ -

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**PROPRIETARY FUND**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	<b>WATER AND SEWER FUND</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 510,753
Water and Sewer Accounts Receivable	39,285
Grant Receivable	44,384
Other Accounts Receivable	2,691
Prepaid Expense	10,870
	<b>607,983</b>
<b>Total Current Assets</b>	
<b>Capital Assets</b>	
Land	202,282
Construction in Progress	34,586
Water Treatment Plant	3,792,500
Water Delivery System	3,122,134
Bulk Water System	60,733
Sewer Collection and Treatment System	3,111,175
Building and Improvements	126,020
Office Equipment	44,483
Less: Accumulated Depreciation	(4,159,713)
	<b>6,334,200</b>
<b>Total Capital Assets</b>	
	<b>6,942,183</b>
<b>TOTAL ASSETS</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	108,112
Note Payable	71,155
	<b>179,267</b>
<b>Total Current Liabilities</b>	
<b>Noncurrent Liabilities</b>	
Notes Payable	1,235,536
	<b>1,235,536</b>
<b>Total Noncurrent Liabilities</b>	
	<b>1,414,803</b>
<b>TOTAL LIABILITIES</b>	
<b>NET POSITION</b>	
Net Investment in Capital Assets	5,027,509
Unrestricted	499,871
	<b>5,527,380</b>
<b>TOTAL NET POSITION</b>	
	<b>\$ 5,527,380</b>

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2022**

	<b>WATER AND SEWER FUND</b>
<b>OPERATING REVENUES</b>	
Water and Sewer Service Charges	\$ 528,062
Miscellaneous Income	336
<b>Total Operating Revenues</b>	528,398
<b>OPERATING EXPENSES</b>	
Salaries	65,364
Payroll Taxes	9,241
Sewer Maintenance	79,333
Water Maintenance	4,677
Water Treatment	47,545
Professional Services	8,417
Repairs and Maintenance	15,323
Utilities	30,325
Contract Labor	57,426
Supplies	11,088
Insurance Expense	10,713
Other Expenses	4,381
Depreciation	237,622
<b>Total Operating Expenses</b>	581,455
Operating Income (Loss)	(53,057)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Grant Income	317,856
Interest Income	2,873
Interest Expense	(12,050)
<b>Total nonoperating revenues (expenses)</b>	308,679
Income (Loss) Before Contributions and Operating Transfers	255,622
Capital Contributions	21,005
Transfers from Other Fund	23,006
Change in Net Position	299,633
<b>Net Position, Beginning of Year</b>	5,227,747
<b>Net Position, End of Year</b>	\$ 5,527,380

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2022**

	<b>WATER AND SEWER FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 528,126
Cash Paid to Employees	(74,605)
Cash Paid for Maintenance of System	(97,906)
Cash Paid for Utilities and Other	(81,058)
	274,557
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash Received from Other Funds	23,006
	23,006
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	(819,194)
Grant Proceeds	339,349
Loan Proceeds	115,918
Principal Paid on Loan	(88,363)
Interest Expense	(12,050)
Capital Contributions	21,005
	(443,335)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Expense	2,873
	2,873
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(142,899)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	653,652
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 510,753
<b>OPERATING INCOME (LOSS)</b>	\$ (53,057)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Depreciation Expense	237,622
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	64
(Increase) Decrease in Prepaid Expenditures	(811)
Increase (Decrease) in Accounts Payable	90,739
	274,557
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 274,557

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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of East Alamosa Water and 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*. The District's significant accounting policies are described below.

**REPORTING ENTITY**

***Primary Government***

The District was formed June 23, 1961, pursuant to Chapter 89, Article 5 C.R.S. to provide water and sanitation services to residents of East Alamosa.

***Component Units***

The District's 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 East Alamosa Water and Sanitation District has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. Government-wide statements report information on all of the activities of the District. The effect of interfund transfers have been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental fund:

- The **General Fund** is the general operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary fund financial statements are used to account for activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows.

The District reports the following major enterprise fund:

- The **Water and Sewer Fund** accounts for user fees and expenses for operating, financing, and maintaining the District's water and sewer systems.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash and Investments***

The District's cash and cash equivalents are considered to be cash in the bank, certificates of deposit and liquid investments with original maturities of three months or less from the date of acquisition. All investments, if any, are recorded at fair market value.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

***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 District's property taxes are collected by the County Treasurer who remits monthly receipts to the District. Property tax revenue is recognized by the District to the extent it results in a current receivable.

The 2022 property tax levy due January 1, 2023, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include land, water and sewer systems, sewer pumps and equipment, buildings and improvements, office equipment, and construction in progress, are reported in the business-type activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and life of more than one year. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Water and Sewer Systems	10-55
Sewer Pumps and Equipment	5-9
Buildings and Improvements	5-40
Office Equipment	5

***Long-Term Obligations***

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as other financing source and debt payments are reported as debt service expenditures.

***Compensated Absences***

The District employees may earn and accumulate paid time off benefits. These benefits are accrued when incurred in the government-wide financial statements. A liability is reported in the governmental funds only if they have matured, for example as a result of employee resignations or retirements.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and governmental fund balance sheet report 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.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

***Encumbrances***

The District does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as restricted fund balance.

***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.

***Fund Balance***

Fund balances are reported based on the extent to which the District is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance*- amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid expenditures.
- *Restricted Fund Balance*- amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance*- amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Directors, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board of Directors removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Directors or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance*- amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

***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.

***New Accounting Pronouncements***

During fiscal year 2022, the District adopted the provisions of GASB Statement No. 87, *Leases*, that establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This standard does not have a material effect on the financial statements of the District.

***Interfund Transfers***

Excess revenue from the General Fund is transferred to the Enterprise Fund at the end of each period to support enterprise activities. The General Fund transferred \$23,006 to the Enterprise Fund in 2022.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

East Alamosa Water and Sanitation District follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the District. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP), except for the Enterprise Fund.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The District did not adopt supplemental appropriations during 2022. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget, if applicable.

**NOTE 3 CASH, DEPOSITS, AND INVESTMENTS**

A summary of cash, deposits, and investments for the District are as follows:

Cash on Hand and in Banks	\$ 443,951
Cash and Investments in Custody of Others	66,802
Total Cash, Deposits, and Investments on the Statement of Net Position	\$ 510,753

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

**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 102% of the aggregate uninsured deposits. All deposits in 2022 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

***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. At December 31, 2022, \$46,862 of the District's bank balance of \$510,753 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

**INVESTMENTS**

The District's investments are subject to interest rate risk, credit risk, and concentration of credit risk. The types of investments which are authorized to be made with District funds are controlled by state statute and the investment policies of the District. Colorado statutes and the District's investment policies specify investment instruments meeting defined rating and risk criteria in which the District may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

***Custodial Credit Risk***

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. The District's investment policy allows for the District to invest in local government investment pools. As of December 31, 2022, the Colorado Surplus Asset Fund Trust (CSAFE), the local government investment pool in which the District had invested, was rated AAAM by Standard & Poor's.

***Interest Rate Risk***

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The District has no investments with maturities past five years.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

CSAFE is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00. The investments do not have any unfunded commitments, redemption restrictions, redemption notice periods or withdrawal restrictions. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements and A1 rated Colorado Depositories collateralized at 102% of market value with Treasury & Agency Securities. Asset allocation is in full conformance with S&P guidelines. CSAFE measures all of its investments at amortized cost.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 202,282	\$ -	\$ -	\$ 202,282
Construction in Progress	1,292,693	673,510	1,931,617	34,586
Total capital assets not being depreciated	<u>1,494,975</u>	<u>673,510</u>	<u>1,931,617</u>	<u>236,868</u>
Capital assets being depreciated				
Water Treatment Plant	3,792,500	-	-	3,792,500
Water Delivery System	1,190,515	1,931,619	-	3,122,134
Bulk Water Station	47,400	13,333	-	60,733
Sewer Collection and Treatment System	3,111,175	-	-	3,111,175
Building and Improvements	126,020	-	-	126,020
Office Equipment	44,483	-	-	44,483
Total capital assets being depreciated	<u>8,312,093</u>	<u>1,944,952</u>	<u>-</u>	<u>10,257,045</u>
Less accumulated depreciation for:				
Water Treatment Plant	962,477	75,850	-	1,038,327
Water Delivery System	1,081,325	54,091	-	1,135,416
Bulk Water Station	4,740	6,073	-	10,813
Sewer Collection and Treatment System	1,795,812	94,925	-	1,890,737
Buildings and Improvements	59,936	4,041	-	63,977
Office Equipment	17,801	2,642	-	20,443
Total accumulated depreciation	<u>3,922,091</u>	<u>237,622</u>	<u>-</u>	<u>4,159,713</u>
Total Capital Assets being depreciated, net	<u>4,390,002</u>	<u>1,707,330</u>	<u>-</u>	<u>6,097,332</u>
Business-type Activities Capital Assets, Net	<u>\$ 5,884,977</u>	<u>\$ 2,380,840</u>	<u>\$ 1,931,617</u>	<u>\$ 6,334,200</u>

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

Depreciation expense was charged to functions/programs of the primary government as follows:

*Business-type Activities*

Water and Sewer	<u>\$ 237,622</u>
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**NOTE 5 LONG-TERM DEBT**

***Changes in Long-term Debt***

<i>Business-type Activities</i>	Beginning Balance 12/31/2021	Additions	Deletions	Ending Balance 12/31/2022	Due Within One Year
Note Payable:					
2008 CWRPDA	\$ 1,100,000	\$ -	\$ 66,677	\$ 1,033,323	\$ 66,667
2021 CWRPDA	179,136	115,918	21,686	273,368	4,488
	<u>\$ 1,279,136</u>	<u>\$ 115,918</u>	<u>\$ 88,363</u>	<u>\$ 1,306,691</u>	<u>\$ 71,155</u>

*2008 CWRPDA Note Payable*

Note payable to the Colorado Water Resources and Power Development Authority (CWRPDA) in the amount of \$2,000,000, with an interest rate of 0% to purchase capacity of the City of Alamosa's new treatment plant and other associated appurtenances. The loan is payable in 30 annual payments of \$66,667. Final payment is due May 1, 2038. As of December 31, 2022 the balance was \$1,033,323.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total Annual Requirements
2023	\$ 66,667	\$ -	\$ 66,667
2024	66,667	-	66,667
2025	66,667	-	66,667
2026	66,667	-	66,667
2027	66,667	-	66,667
2028-2032	333,333	-	333,333
2033-2037	333,332	-	333,332
2038	33,323	-	33,323
Totals	<u>\$ 1,033,323</u>	<u>\$ -</u>	<u>\$ 1,033,323</u>

*2021 CWRPDA Note Payable*

In May 2021, the District entered into a loan agreement with CWRPDA for a maximum principal amount of \$1,379,742, with an interest rate of 1.5% for the waterline improvement project. During 2022, the project was not completed, and the District had not drawn down the full balance of the loan. In 2023 principal payments of \$4,488 not including interest is due, and the final payment is due November 1, 2051. The loan is secured with "net revenue" from the water and sanitation fund pledged to repay the loan. As of December 31, 2022 the District had drawn down \$273,368. The amortization schedule will be determined upon finalization of the loan over 30 years.

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 6 SEGMENT INFORMATION**

Because water and sewer services are accounted for in one fund, several items cannot be allocated between each segment. Therefore, a condensed statement of net position and statement of cash flows, as well as some line items have been omitted in the segment information.

The following is a summary of income and expense information on the various segments of the Proprietary Fund.

	Water	Sewer	Total
<b>Operating Revenues</b>			
Service Charges	\$ 270,088	\$ 257,974	\$ 528,062
Miscellaneous Income	171	165	336
<b>Total Operating Revenues</b>	<u>270,259</u>	<u>258,139</u>	<u>528,398</u>
<b>Operating Expenses</b>			
Operating Expenses	161,755	182,078	343,833
Depreciation Expense	139,432	98,190	237,622
<b>Total Operating Expenses</b>	<u>301,187</u>	<u>280,268</u>	<u>581,455</u>
OPERATING INCOME (LOSS)	(30,928)	(22,129)	(53,057)
<b>Non-Operating Revenues (Expenses)</b>			
Grant Income	317,856	-	317,856
Interest Income	1,469	1,404	2,873
Interest Expense	(12,050)	-	(12,050)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>307,275</u>	<u>1,404</u>	<u>308,679</u>
Income (Loss) Before Contributions and Operating Transfers	276,348	(20,726)	255,622
Capital Contributions	13,324	7,681	21,005
Transfers from Other Fund	11,767	11,239	23,006
Change in Net Position			299,633
<b>Net Position, Beginning of Year</b>			<u>5,227,747</u>
<b>Net Position, End of Year</b>			<u><u>\$ 5,527,380</u></u>
	Water	Sewer	Total
Total Capital Assets	\$ 7,158,900	\$ 3,335,013	\$ 10,493,913
Less: Accumulated Depreciation	(2,127,569)	(2,032,144)	(4,159,713)
Net Capital Assets	<u><u>\$ 5,031,331</u></u>	<u><u>\$ 1,302,869</u></u>	<u><u>\$ 6,334,200</u></u>

**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

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2022**

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 1995 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 three percent of fiscal year spending in 1995 and thereafter. This emergency reserve has been presented as a restricted fund balance in the General Fund and restricted net position in the government-wide Statement of Net Position. The District 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 DEFINED CONTRIBUTION PLAN**

All eligible District employees participate in a Simplified Employee Pension Plan (the Plan), a defined contribution plan. The Plan is a tax qualified plan under Section 408(p) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal. The Plan is administered by Raymond James. Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Benefit terms, including contribution requirements, for the Plan are established and may be amended by resolution of the Board of Directors.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees are eligible immediately upon their employment with the District, and participation is mandatory. Employee and employer contributions are always 100% vested.

The District contribution rate was 3% of the compensation of each employee. Each participant contributes a minimum amount equal to the District's contribution, and are permitted to make additional contributions up to applicable Internal Revenue Code Limits. For the year ended December 31, 2022, employee contributions totaled \$1,546 and the District recognized pension expense of \$1,546. The District had no liability to the Plan at December 31, 2022. The District recognized \$0 of forfeitures in pension expense during 2022.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

*Construction Project*

During 2022, the District began the design and engineering work for the construction of two new lift stations. The construction plans to be funded by a Colorado Department of Local Affairs Energy Impact Assistance Grant in the amount of \$150,000, a grant from Alamosa County in the amount of \$150,000 and a Colorado Water Resources and Power Development Authority loan & bipartisan infrastructure grant in the amount of \$300,000. Design and engineering costs incurred through December 31, 2022 were \$34,586. Construction is estimated to be completed in 2024 with estimated costs to complete of \$600,000.

**EAST ALAMOSA  
WATER AND SANITATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION**

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2022**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
<b>REVENUES</b>				
Taxes	\$ 82,250	\$ 82,250	\$ 84,572	\$ 2,322
Miscellaneous Income	500	500	1,657	1,157
<b>TOTAL REVENUES</b>	<u>82,750</u>	<u>82,750</u>	<u>86,229</u>	<u>3,479</u>
<b>EXPENDITURES</b>				
Salaries and Benefits	17,000	17,000	18,178	(1,178)
Payroll Taxes	1,350	1,350	1,427	(77)
Contract Labor	500	500	325	175
Professional Services	22,150	22,150	22,100	50
Utilities	360	360	336	24
Supplies	2,500	2,500	2,454	46
Telephone	2,000	2,000	2,031	(31)
Board Member Stipend	12,000	12,000	6,300	5,700
Conference Expense	6,500	6,500	3,957	2,543
General Maintenance	4,000	4,000	1,609	2,391
Other Expenditures	12,300	12,300	4,506	7,794
<b>TOTAL EXPENDITURES</b>	<u>80,660</u>	<u>80,660</u>	<u>63,223</u>	<u>17,437</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,090</u>	<u>2,090</u>	<u>23,006</u>	<u>20,916</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Fund	-	-	(23,006)	(23,006)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(23,006)</u>	<u>(23,006)</u>
Net Change in Fund Balance	2,090	2,090	-	(2,090)
<b>Fund Balance, Beginning of Year</b>	<u>27,913</u>	<u>27,913</u>	<u>-</u>	<u>(27,913)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 30,003</u>	<u>\$ 30,003</u>	<u>\$ -</u>	<u>\$ (30,003)</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.

This schedule is presented on the GAAP basis.

**EAST ALAMOSA  
WATER AND SANITATION DISTRICT  
SUPPLEMENTARY INFORMATION**

**EAST ALAMOSA WATER AND SANITATION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL - NON-GAAP**  
**WATER AND SEWER FUND**  
**For the Year Ended December 31, 2022**

	<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>
<b>OPERATING REVENUES</b>				
Water and Sewer Service Charges	\$ 534,850	\$ 534,850	\$ 528,062	\$ (6,788)
Miscellaneous Income	282,499	282,499	336	(282,163)
<b>Total Operating Revenues</b>	<u>817,349</u>	<u>817,349</u>	<u>528,398</u>	<u>(288,951)</u>
<b>OPERATING EXPENSES</b>				
Salaries	60,000	60,000	65,364	(5,364)
Payroll Taxes	10,000	10,000	9,241	759
Sewer Maintenance	58,927	58,927	79,333	(20,406)
Water Maintenance	5,700	5,700	4,677	1,023
Water Treatment	56,500	56,500	47,545	8,955
Professional Services	8,200	8,200	8,417	(217)
Repairs and Maintenance	30,500	30,500	15,323	15,177
Utilities	35,000	35,000	30,325	4,675
Contract Labor	58,650	58,650	57,426	1,224
Supplies	12,000	12,000	11,088	912
Insurance Expense	10,000	10,000	10,713	(713)
Other Expenses	1,050	1,050	4,381	(3,331)
Depreciation	205,000	205,000	237,622	(32,622)
<b>Total Operating Expenses</b>	<u>551,527</u>	<u>551,527</u>	<u>581,455</u>	<u>(29,928)</u>
Operating Income (Loss)	<u>265,822</u>	<u>265,822</u>	<u>(53,057)</u>	<u>(318,879)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant Income	375,000	375,000	317,856	(57,144)
Interest Income	4,000	4,000	2,873	(1,127)
Loan Proceeds	200,000	200,000	115,918	(84,082)
Capital Improvements	(915,000)	(915,000)	(686,843)	228,157
Interest Expense	-	-	(12,050)	(12,050)
Principal Payment	(124,590)	(124,590)	(66,677)	57,913
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(460,590)</u>	<u>(460,590)</u>	<u>(328,923)</u>	<u>131,667</u>
Income (Loss) Before Contributions and Operating Transfers	<u>(194,768)</u>	<u>(194,768)</u>	<u>(381,980)</u>	<u>(187,212)</u>
Capital Contributions	-	-	21,005	21,005
Transfers from Other Fund	-	-	23,006	23,006
<b>Net Income (Loss) - Budget Basis</b>	<u>(194,768)</u>	<u>(194,768)</u>	<u>(337,969)</u>	<u>\$ (143,201)</u>
Add: Capital Improvements			686,843	
Add: Loan Principal Payment			66,677	
Less: Loan Proceeds			<u>(115,918)</u>	
<b>Net Income (Loss)</b>			299,633	
<b>Net Position, Beginning of Year</b>	<u>2,698,682</u>	<u>2,698,682</u>	<u>5,227,747</u>	
<b>Net Position, End of Year</b>	<u>\$ 2,503,914</u>	<u>\$ 2,503,914</u>	<u>\$ 5,527,380</u>	