

Kiowa Water and Wastewater Authority
Financial Statements
December 31, 2022

rfarmer, llc
a certified public accounting and consulting firm

**Kiowa Water and Wastewater Authority
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December 31, 2022**

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Independent Auditor's Report

Board of Directors
Kiowa Water and Wastewater Authority
Kiowa CO

Opinions

We have audited the financial statements of the business-type activities of Kiowa Water and Wastewater Authority (the "Authority"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2022, 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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

The Authority's 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 Authority'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.

Auditor's 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 auditor's 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 Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

Management has elected to omit the management's discussion and analysis. The omission of this information does not affect our opinion on the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information on page 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

July 31, 2023

**Kiowa Water and Wastewater Authority
Statement of Net Position
Proprietary Fund
December 31, 2022**

ASSETS

Current assets:

| | |
|---------------------------|----------------|
| Cash and cash equivalents | \$ 357,735 |
| Restricted Cash | 38,939 |
| Accounts Receivable, net | 77,414 |
| Total current assets | <u>474,088</u> |

Non-current assets:

Capital Assets:

| | |
|-------------------------------|--------------------|
| Land and improvements | 9,290 |
| Enterprise System Assets | 5,648,935 |
| Buildings | 13,169 |
| Equipment and Furniture | 26,666 |
| Less Accumulated depreciation | <u>(1,639,558)</u> |
| Total non-current assets | <u>4,058,502</u> |
| Total assets | <u>4,532,590</u> |

LIABILITIES

Current Liabilities:

| | |
|--------------------------------|----------------|
| Accounts payable | 11,519 |
| Customer deposits | 28,029 |
| Bonds payable, current portion | 89,675 |
| Total current liabilities | <u>129,223</u> |

Non-current liabilities:

| | |
|---------------------------------------|------------------|
| Bonds payable, net of current portion | <u>4,962,896</u> |
| Total non-current liabilities | <u>4,962,896</u> |
| Total liabilities | <u>5,092,119</u> |

NET POSITION

| | |
|----------------------------------|---------------------|
| Net investment in capital assets | (994,069) |
| Unrestricted | 434,540 |
| Total net position | <u>\$ (559,529)</u> |

The accompanying notes to financial statements
are an integral part of these statements.

Kiowa Water and Wastewater Authority
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2022

| | Water Fund | Total |
|--|-------------------|--------------|
| REVENUES | | |
| Charges for services | \$ 629,319 | \$ 629,319 |
| Miscellaneous | 19,261 | 19,261 |
| Total operating revenues | 648,580 | 648,580 |
| OPERATING EXPENSES | | |
| Contractual services | 157,016 | 157,016 |
| Miscellaneous expenses | 53,311 | 53,311 |
| Utilities | 41,458 | 41,458 |
| Repairs and maintenance | 134,077 | 134,077 |
| Other supplies and expenses | 6,670 | 6,670 |
| Insurance claims and expenses | 11,291 | 11,291 |
| Depreciation | 157,660 | 157,660 |
| Total Operating Expenses | 561,483 | 561,483 |
| Operating income (loss) | 87,097 | 87,097 |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest expense | (178,794) | (178,794) |
| Total non-operating revenue (expenses) | (178,794) | (178,794) |
| Income (loss) before contributions and transfers | (91,697) | (91,697) |
| Total net position - beginning | (467,832) | (467,832) |
| Total net position - ending | \$ (559,529) | \$ (559,529) |

The accompanying notes to financial statements
are an integral part of these statements.

Kiowa Water and Wastewater Authority
Statement of Cash Flows
Proprietary Fund
For the year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|------------------|
| Cash Received from Charges for Services | \$ 639,678 |
| Cash Payments to Suppliers for Goods & Services | <u>(400,923)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>238,755</u> |

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:

| | |
|--|------------------|
| Principle Payment on Bonds | (86,603) |
| Interest Paid on Long-Term Debt | <u>(178,794)</u> |
| NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(265,397)</u> |

| | |
|--|----------|
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS | (26,642) |
|--|----------|

CASH & CASH EQUIVALENTS:

| | |
|-------------------|-----------------------|
| Beginning of Year | 423,316 |
| End of Year | <u><u>396,674</u></u> |

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

| | |
|---|--------------------------|
| Operating Income (Loss) | 87,097 |
| Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities: | |
| Depreciation & Amortization | 157,660 |
| Change in Assets and Liabilities: | |
| (Increase) Decrease in Receivables | (8,902) |
| Increase (Decrease) in Accounts Payable | <u>2,900</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ 238,755</u></u> |

The accompanying notes to financial statements
are an integral part of these statements.

Kiowa Water and Wastewater Authority
Notes to Financial Statements
December 31, 2022

Note 1 **Summary of Significant Accounting Policies**

The Kiowa Water and Wastewater Authority (the Authority) provides water and wastewater services to the residents of the Town of Kiowa. The Authority is governed by a five-member Board. The five-member board was appointed by the Town of Kiowa Board of Trustees. The Town of Kiowa Board of Trustees will also appoint future board members. The appointment does not create any legal or financial responsibility on behalf of the Town of Kiowa.

On March 10, 2014, the Kiowa Water and Wastewater Authority of Elbert County, Colorado Board of Directors established, under provision of Title 37, Article 45.1, Colorado Revised Statutes (the Water Activity Law), the Water Enterprise and Wastewater Enterprise of the Kiowa Water and Wastewater Authority which is authorized: (i) to establish or continue to maintain water activity enterprises for the purpose of pursuing or continuing water activities, including water acquisition or water projects or facility activities including the construction, operation, repair and replacement of water or wastewater facilities; and (ii) to issue or reissue bonds, notes or other obligations payable from the revenues derived or to be derived from the function, service, benefits or facility or from any other available funds of the enterprise, the terms and conditions of such bonds or other obligations to be set forth in the resolution authorizing the same.

The Authority has the power to set water and wastewater rates, to sue and be sued and to conduct all required business activity as needed to continue to provide water and wastewater services to the residents of the Town of Kiowa.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Authority are discussed below.

Reporting Entity

The Authority has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected officials' financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing and the primary recipient services.

Fund Financial Statements

The Authority's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

All activities are accounted for in two proprietary (enterprise) funds. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Authority reports the following major proprietary fund:

- The *Water and Wastewater Fund* provides production, treatment, and distribution of water and for the collection and treatment of wastewater.

The fund is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The intent of the Authority is that the costs of providing goods and services to the Town of Kiowa residents on a continuing basis be financed or recovered primarily through user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, and Net Position or Equity

Cash and Investments

Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Authority does not have an allowance account as all receivables are deemed to be collectible.

Restricted Cash and Investments

The use of certain cash and investments of the Authority is restricted. These cash and investment items are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets

Capital assets, which include land, buildings, vehicles, water and wastewater systems and equipment, are reported in the applicable enterprise fund financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed. The Authority adopted a \$3,500 capitalization policy.

If proprietary fund assets are constructed, interest is capitalized on the assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements, vehicles, and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|----------------|
| Buildings and Improvements | 20 to 25 years |
| Water System | 20 to 50 years |
| Wastewater System | 30 years |

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement, and the related costs including accumulated depreciation are removed from the accounts, with any gain or loss reflected in the statement of revenue, expenses, and changes in fund net position.

The Authority does not have any infrastructure.

Long-term Liabilities

In the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 those estimates and those differences could be material.

Budget Information

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In October, Management submits to the Board a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Authority to obtain public comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Authorization to transfer budgeted amounts between funds and revisions that alter the total expenditures of any fund must be approved by the Board.
5. Formal budgetary integration is employed as a management control device during the year for the Funds.
6. The budgets for the Proprietary Funds are adopted on a comprehensive basis of accounting other than GAAP. The main differences between the budget and the statement of operations is that depreciation is included in the statement of operations but is not included as a budgeted item and debt service, principal payments, are budgeted but are not an expense of the proprietary funds.

All annual appropriations lapse at the end of the year. Supplemental budgets were not adopted during the year.

Note 2 Cash and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits.

At December 31, 2022, the carrying amount of the Authority's deposits was \$396,674, including restricted cash of \$38,939. The total amount was covered by FDIC insurance and, if applicable, under the provision of the PDPA, which is collateralized in single institution pools.

Note 3 Capital Assets

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

| | 12/31/2021 | Additions | Deletions | 12/31/2022 |
|----------------------------------|--------------|--------------|-----------|--------------|
| Business type activities: | | | | |
| Land | \$ 9,290 | \$ - | \$ - | \$ 9,290 |
| Total | 9,290 | - | - | 9,290 |
| Buildings | 13,169 | - | - | 13,169 |
| Wastewater System | 2,153,845 | - | - | 2,153,845 |
| Water System | 3,495,090 | - | - | 3,495,090 |
| Equipment | 26,666 | - | - | 26,666 |
| Total | 5,688,770 | - | - | 5,688,770 |
| Less: accumulated depreciation | (1,481,898) | (157,659) | - | (1,639,557) |
| Total being depreciation | 4,206,872 | (157,659) | - | 4,049,213 |
| Total business type activities | \$ 4,216,162 | \$ (157,659) | \$ - | \$ 4,058,503 |

Note 4 Long-term Liabilities

Revenue Bonds

The Authority issued Water Revenue Bond Series 2014 in the amount of \$3,522,085 and Wastewater Revenue Bond Series 2014 in the amount of \$2,177,915 in 2014. The Authority has pledged the net revenues of the Water and Wastewater Funds to retire the debt.

The principal and interest payments are due quarterly with an annual interest rate of approximately 3.5%. The Water Revenue Bond and the Wastewater Revenue Bond and the interest thereon constitute a lien (but not necessarily an exclusive such lien) on the new revenue of each fund, and the net revenue is hereby pledged to the payment of the bonds. The bonds do not constitute a debt or other obligation of the Town of Kiowa.

The debt service requirements for the Water Revenue Bond are:

| Year Ending | Business-Type Activities | | |
|-------------|--------------------------|--------------|--------------|
| | Principal | Interest | Total |
| 31-Dec | | | |
| 2023 | \$ 55,413 | \$ 108,579 | \$ 163,992 |
| 2024 | 57,379 | 106,613 | 163,992 |
| 2025 | 59,415 | 104,577 | 163,992 |
| 2026 | 61,522 | 102,470 | 163,992 |
| 2027 | 63,705 | 100,287 | 163,992 |
| 2028-2032 | 354,077 | 465,883 | 819,960 |
| 2033-2037 | 421,501 | 398,459 | 819,960 |
| 2038-2042 | 501,768 | 318,192 | 819,960 |
| 2043-2047 | 597,322 | 222,638 | 819,960 |
| 2048-2052 | 711,068 | 108,892 | 819,960 |
| 2053-2054 | 238,850 | 7,355 | 246,205 |
| Total | \$ 3,122,020 | \$ 2,043,945 | \$ 5,165,965 |

The debt service requirements for the Wastewater Revenue Bond are:

| <u>Business-Type Activities</u> | | | |
|-------------------------------------|----------------------------|----------------------------|----------------------------|
| <u>Year Ending</u> <u>31-Dec</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | 34,262 | 67,142 | 101,404 |
| 2024 | 35,478 | 65,926 | 101,404 |
| 2025 | 36,737 | 64,667 | 101,404 |
| 2026 | 38,040 | 63,364 | 101,404 |
| 2027 | 39,389 | 62,015 | 101,404 |
| 2028-2032 | 218,927 | 288,093 | 507,020 |
| 2033-2037 | 260,618 | 246,402 | 507,020 |
| 2038-2042 | 310,248 | 196,772 | 507,020 |
| 2043-2047 | 369,328 | 137,692 | 507,020 |
| 2048-2052 | 439,660 | 67,360 | 507,020 |
| 2053-2054 | 147,864 | 4,554 | 152,418 |
| Total | <u>\$ 1,930,551</u> | <u>\$ 1,263,987</u> | <u>\$ 3,194,538</u> |

Changes in Long-Term Liabilities

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Due Within</u> <u>One Year</u> |
|----------------------------------|------------------------------------|--------------------|---------------------------|---------------------------------|--------------------------------------|
| Business-Type Activities: | | | | | |
| Water Revenue Bond | \$ 3,175,535 | \$ - | \$ (53,514) | \$ 3,122,021 | \$ 55,413 |
| Wastewater Revenue Bond | 1,963,639 | - | (33,088) | 1,930,551 | 34,262 |
| Total Business-Type | <u>\$ 5,139,174</u> | <u>\$ -</u> | <u>\$ (86,602)</u> | <u>\$ 5,052,572</u> | <u>\$ 89,675</u> |

Note 5 Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority carries commercial insurance for these risks of loss, including worker's compensation insurance.

All losses, if any, in the past three years have been covered by commercial insurance.

Note 6 Amendment to Colorado Constitution

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 excludes from its provision Enterprises. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the Amendment. The Authority is of the opinion that the operations of the Water and Wastewater Funds qualify for this exclusion.

The Amendment is complex and subject to judicial interpretation. The Authority believes it is in compliance with the requirements of the Amendment. However, the Authority has made certain interpretations in the Amendment's language in order to determine its compliance.

Note 7 Contingencies

The bond covenants require the Authority to charge fees at a high enough amount to pay all costs of operations and maintenance and have net revenues at least equal to 120% of the annual debt service amount. During 2022 the Authority did not meet the 120% requirement, which may be a violation of the covenant.

Note 8 Colorado Revised Statutes

The fund overspent its 2022 budget, which may be a violation of Colorado Revised Statutes.

**Kiowa Water and Wastewater Authority
Budget and Actual
Proprietary Fund
For the year ended December 31, 2022**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts, Budgetary Basis</u> |
|------------------------------------|-------------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | |
| REVENUES | | | |
| Charges for Services | \$ 600,000 | \$ 600,000 | \$ 629,319 |
| Miscellaneous | - | - | 19,261 |
| Total revenues | <u>600,000</u> | <u>600,000</u> | <u>648,580</u> |
| EXPENSES | | | |
| Contractual services | 155,950 | 155,950 | 157,016 |
| Contingency | 5,000 | 5,000 | - |
| Utilities | 37,500 | 37,500 | 41,458 |
| Repairs and maintenance | 55,500 | 55,500 | 134,077 |
| Other supplies and expenses | 3,500 | 3,500 | 6,670 |
| Administration | 19,000 | 19,000 | 11,291 |
| Debt Service-principal | 265,396 | 265,396 | 86,603 |
| Interest | - | - | 178,794 |
| Miscellaneous | 9,275 | 9,275 | 53,311 |
| Total Expenditures | <u>551,121</u> | <u>551,121</u> | <u>669,220</u> |
| Revenues over (under) expenditures | <u>48,879</u> | <u>48,879</u> | <u>(20,640)</u> |
| Change in net position | 48,879 | 48,879 | (20,640) |
| Net Position - beginning | 331,260 | 331,260 | (467,832) |
| ADJUSTMENTS: | | | |
| Depreciation | - | - | (157,363) |
| Debt Service-principal | - | - | 86,603 |
| Net Position - ending | <u>\$ 380,139</u> | <u>\$ 380,139</u> | <u>\$ (559,232)</u> |