

***TOWN OF WILTON
WATER AND SEWER AUTHORITY***

***FINANCIAL STATEMENTS
DECEMBER 31, 2010***

TOWN OF WILTON WATER AND SEWER AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Town Board
Town of Wilton Water and Sewer Authority

We have audited the accompanying statement of net assets of the Town of Wilton Water and Sewer Authority, as of December 31, 2010 and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The management's discussion and analysis on pages two through four and the statement of revenues and expenses - budget to actual on page 13 is 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, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Wilton Water and Sewer Authority as of December 31, 2010 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.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 26, 2011

TOWN OF WILTON WATER AND SEWER AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2010

Organization

The Town of Wilton Water and Sewer Authority (the Authority) provides water supply and distribution as well as sewer services to residents of the Town of Wilton within its service areas. The Authority was created by the State Legislature in 1991. Other than appointing members to the Authority's five member governing board, the Town of Wilton has no oversight responsibility or exerts any control over the Authority.

The Authority has a customer base in excess of 2,900 water and sewer customers.

The Authority currently has three water plants with a total of 23 wells to service its customers. As new housing and commercial developments are approved, the developers are required to construct water distribution lines, sewage collection systems and pumping stations which are then dedicated to the Authority. The Authority also purchases water from the City of Saratoga Springs. This contract allows the Authority the right to purchase up to 250,000 gallons per day at 1 ½ times the City's rate to its users.

In March, 2007, the Authority entered into a contract with the Saratoga County Water Authority to buy 300,000 gallons of water per day at a cost of \$2.05 per 1,000 gallons. This contract commenced when the County Authority's water plant became operational on February 22, 2010.

During 2010, the Authority agreed to accept a private water system that services 111 residential units. During 2010, the Authority expended \$56,276 to bring the system up to the Authority's standards and connect it to the Authority's water lines.

The funding to provide water services comes primarily from charges for water consumption and various developer fees.

The funding to provide sewer services comes primarily from sewer charges to users and Capital Improvement fees paid by developers. Sewage from the Town is treated by the Saratoga County Sewer District. The Authority provides the individual collection systems and pumping stations to transfer the sewage to the Saratoga County Sewer District.

The Authority provides the following basic financial statements:

Statement of Net Assets
Statement of Revenues, Expenses and Changes in Net Assets
Statement of Cash Flows

Analysis of Authority's Financial Position

Total Net Assets at December 31, 2010 was \$20,166,569; this was an increase of \$802,445 over 2009. Net Assets at December 31, 2010 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$7,533,091. Net Assets also includes Infrastructure Replacement and Capital Improvement Reserves totaling \$3,409,177.

TOWN OF WILTON WATER AND SEWER AUTHORITY
 MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2010

Analysis of Authority's Financial Position (Continued)

Total Assets at December 31, 2010 was \$21,915,769 an increase of \$510,931 over 2009. Total assets include capital assets as follows:

	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Capital Assets at cost	\$ 18,939,757	\$ 18,740,438	\$ 199,319
Accumulated Depreciation	<u>(4,663,558)</u>	<u>(4,274,569)</u>	<u>(388,989)</u>
Net Capital Assets	<u>\$ 14,276,199</u>	<u>\$ 14,465,869</u>	<u>\$ (189,670)</u>

There was no increase in Capital Assets for 2010 for water and sewer lines contributed by developers.

Liabilities at December 31, 2010 totaled \$1,749,200; this is a decrease of \$291,514 from 2009. Included in Total Liabilities is bonds payable of \$1,605,000; this is the debt issued for construction of the Jones Road Water Plant.

On the Statement of Revenues and Expenses, Operating Revenue totaled \$2,065,738 for the year ended December 31, 2010; a increase of \$182,535 from the same period in 2009. Included in Operating Revenue:

	<u>2010</u>	<u>2009</u>
Water Revenues:		
Metered Water Rents	\$ 1,153,748	\$ 1,018,929
Unmetered Water Rents	4,790	4,790
Buy in Fees	294,200	172,400
Interest and Penalties	10,452	7,790
Use of Money	101,474	131,409
Use of Property	46,261	44,914
Developer Fee Revenue	18,418	9,480
Sale of Meters	14,894	39,387
Miscellaneous	<u>11,277</u>	<u>1,598</u>
Total Water Revenue	<u>1,655,514</u>	<u>1,430,697</u>
Sewer Revenues:		
Sewer Rent Revenue	242,541	233,941
Use of Money	31,373	29,150
Developer Fee Revenue	<u>136,310</u>	<u>89,415</u>
Total Sewer Revenue	<u>410,224</u>	<u>352,506</u>
Capital Projects:		
County Grant	<u>-</u>	<u>100,000</u>
Total Operating Revenue	<u>\$ 2,065,738</u>	<u>\$ 1,883,203</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
 MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2010

Analysis of Authority's Financial Position (Continued)

Operating Expenses increased \$125,839 from 2009 to a total of \$1,263,393 for the year ended December 31, 2010.

	<u>2010</u>	<u>2009</u>
Salaries	\$ 175,562	\$ 170,750
Employee Benefits	59,678	50,272
Contractual Services	555,015	430,605
Depreciation and Amortization	414,455	418,667
Interest	58,583	67,160
	<u>\$ 1,263,293</u>	<u>\$ 1,137,454</u>

Analysis of Capital Projects

At the end of 2010, there were two active Capital Projects for the construction of connection lines to the Saratoga County Water Authority pipeline and an upgrade for the Featherwood Water System as follows:

	<u>Current Year Expenditures</u>	<u>Project to Date Expenditures</u>
Connection of Saratoga County Water Authority	\$ 139,427	\$ 453,889
Featherwood Water System Upgrade	56,276	56,276
	<u>\$ 195,703</u>	<u>\$ 510,165</u>

Future Prospects for the Authority's Finances

Based on a report from the engineers for the Authority, metered consumption figures for 2010 demonstrate that 2,954 equivalent single family homes served during 2010 averaged 300 gallons per day. Based upon these consumption figures, it appears that the existing source capacity of the WWSA can sustain a total of 5,810 equivalent single family connections. Currently there are 2,954 equivalent single family units connected and there are approximately 559 vacant lots (or equivalent residential connections) for which the WWSA is committed to provide service.

The Authority has been averaging more than 50 new connections per year (129 single family, 46 apartment and 3 commercial connections in 2010) and we expect this trend to continue into the foreseeable future. With the Jones Road Water Plant, the contract with the city of Saratoga Springs and the new contract with the Saratoga County Water Authority, the Authority will have sufficient supply to provide water for all anticipated growth for the foreseeable future.

Contact Information

For additional information, please contact the Authority's Comptroller at Wilton Water and Sewer Authority, 20 Traver Road, Wilton, New York 12831.

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2010

Assets

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,836,738	\$ -	\$ 1,065	\$ -	\$ 3,837,803
Restricted Cash	1,584,932	1,824,245	-	-	3,409,177
Accounts Receivable	297,618	61,147	-	-	358,765
Inventory	11,868	887	-	-	12,755
Prepaid Expenses	21,070	-	-	-	21,070
Due from Other Funds	65	473,392	-	(473,457)	-
Utility Plant in Service, Net	<u>8,413,732</u>	<u>5,352,302</u>	<u>510,165</u>	<u>-</u>	<u>14,276,199</u>
 Total Assets	 <u>\$14,166,023</u>	 <u>\$ 7,711,973</u>	 <u>\$ 511,230</u>	 <u>\$ (473,457)</u>	 <u>\$ 21,915,769</u>

Liabilities and Net Assets

Accounts Payable and Accrued Expenses	\$ 128,035	\$ 16,165	\$ -	\$ -	\$ 144,200
Bonds Payable	1,605,000	-	-	-	1,605,000
Due to Other Funds	<u>472,392</u>	<u>-</u>	<u>1,065</u>	<u>(473,457)</u>	<u>-</u>
 Total Liabilities	 <u>2,205,427</u>	 <u>16,165</u>	 <u>1,065</u>	 <u>(473,457)</u>	 <u>1,749,200</u>
 Net Assets					
Invested in Capital Assets, Net of Related Debt	6,808,732	5,352,302	510,165	-	12,671,199
Replacement Reserve	1,584,932	786,399	-	-	2,371,331
Capital Reserve	-	1,037,846	-	-	1,037,846
Unrestricted	<u>3,566,932</u>	<u>519,261</u>	<u>-</u>	<u>-</u>	<u>4,086,193</u>
 Total Net Assets	 <u>11,960,596</u>	 <u>7,695,808</u>	 <u>510,165</u>	 <u>-</u>	 <u>20,166,569</u>
 Total Liabilities and Net Assets	 <u>\$ 14,166,023</u>	 <u>\$ 7,711,973</u>	 <u>\$ 511,230</u>	 <u>\$ (473,457)</u>	 <u>\$ 21,915,769</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenue				
Water Rent Revenue	\$ 1,168,990	\$ -	\$ -	\$ 1,168,990
Sewer Rent Revenue	-	242,541	-	242,541
Use of Money	101,474	31,373	-	132,847
Use of Property	46,261	-	-	46,261
Developer Fee Revenue	312,618	136,310	-	448,928
Sale of Meters	14,894	-	-	14,894
Miscellaneous Revenue	<u>11,277</u>	<u>-</u>	<u>-</u>	<u>11,277</u>
Total Operating Revenue	<u>1,655,514</u>	<u>410,224</u>	<u>-</u>	<u>2,065,738</u>
Operating Expense				
Salaries	157,278	18,284	-	175,562
Employee Benefits	53,427	6,251	-	59,678
Contractual Services	450,733	104,282	-	555,015
Depreciation and Amortization	269,485	144,970	-	414,455
Interest Expense	<u>58,583</u>	<u>-</u>	<u>-</u>	<u>58,583</u>
Total Operating Expenses	<u>989,506</u>	<u>273,787</u>	<u>-</u>	<u>1,263,293</u>
Operating Transfers In/Out	<u>(195,704)</u>	<u>-</u>	<u>195,704</u>	<u>-</u>
Increase in Net Assets	470,304	136,437	195,704	802,445
Net Assets, Beginning of Year	<u>11,490,292</u>	<u>7,559,371</u>	<u>314,461</u>	<u>19,364,124</u>
Net Assets, Ending of Year	<u>\$ 11,960,596</u>	<u>\$ 7,695,808</u>	<u>\$ 510,165</u>	<u>\$ 20,166,569</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,825,130
Grants	100,000
Cash Paid to Employees, Contractors and Suppliers	<u>(857,979)</u>
Net Cash Provided By Operating Activities	<u>1,067,151</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from Sale of Assets	13,175
Purchase of Capital Assets	(227,695)
Principal Paid on Capital Debt	(235,000)
Interest Paid on Capital Debt	<u>(62,872)</u>
Net Cash Used In Capital and Related Financing Activities	<u>(512,392)</u>
Cash Flows from Investing Activities:	
Use of Money and Property	<u>179,108</u>
Net Cash Used In Investing Activities	<u>179,108</u>
Net Increase in Cash	733,867
Cash at Beginning of Year	<u>6,513,113</u>
Cash at End of Year	<u>\$ 7,246,980</u>
Reconciliation of Operating Income to Net Cash	
Provided By Operating Activities:	
Increase in Net Assets	\$ 802,445
Add: Non-Operating Cash Flows	
Interest Expense	62,872
Less: Non-Operating Cash Flows	
Use of Money and Property	<u>(179,108)</u>
Operating Income	686,209
Adjustments to Reconcile Operating Income to Net Cash	
Provided By Operating Activities:	
Depreciation and Amortization	414,455
Gain on Sale of Assets	(10,265)
Changes in Assets and Liabilities:	
Receivables	(51,237)
Due from Other Governments	100,000
Inventories	(1,733)
Prepaid Expenses	(13,764)
Accounts Payable and Accrued Expenses	<u>(56,514)</u>
Net Cash Provided By Operating Activities	<u>\$ 1,067,151</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Wilton Water and Sewer Authority, (the "Authority") provides water supply and distribution and sewer services to customers in portions of the Town of Wilton (the "Town"). Additionally, the Authority is actively pursuing the acquisition of existing water systems to expand its existing distribution capabilities.

The Authority, a public benefit Corporation, was established in 1991 for the purpose of issuing revenue bonds to pay for the purchase, future improvement, and construction of the water and sewer system in the Town of Wilton, New York. Among its powers, the Authority may borrow money, issue debt, and require that the Board charge and collect sufficient rates to pay the costs of operating and financing the water and sewer system. The Authority consists of five members, who are appointed by the Town Board of Wilton. The Town of Wilton's accountability for the Authority does not extend beyond making the appointments.

Basis of Accounting

The accompanying financial statements of the Authority have been prepared on the accrual basis of accounting wherein revenue is recognized when earned and expense recognized when incurred. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Authority considers certificates of deposit with maturities six months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market.

Utility Plant in Service

Utility plant in service, acquired through either purchase or construction, is stated at cost. Donated water and sewer infrastructure is valued at its estimated fair value at the date donated. Depreciation is computed using the straight-line method based upon estimated depreciable lives as follows:

<u>Classification of Assets</u>	<u>Years</u>
Water supply systems	50
Water and sewer distribution systems	50
Equipment, furniture and fixtures	5-10
Soft costs	5

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Utility Plant in Service (Continued)

Maintenance and repairs are charged to current operations. Major replacements and improvements are capitalized as utility plant.

Income Taxes

The Authority is a municipal entity, which, under federal and state law, is not subject to any income taxes at the federal, state and local levels.

Contributed Capital

Contributed capital is recorded at the estimated fair value of the donated water and sewer infrastructure at the date donated. Depreciation on contributed fixed assets is allocated to contributed capital using the straight-line method over 50 years.

Other Postemployment Benefits

The Authority does not provide postemployment benefits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported could differ from the estimates.

2. CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The Authority's written investment policy was adopted by the Authority's Board and is governed by State statutes. Authority monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Authorized investments include demand accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America, obligations of the State of New York, local municipalities, school districts or district corporations, public authorities and certificates of participation. Collateral is required for demand accounts and certificate of deposits at 100 percent of all deposits not covered by federal deposit insurance.

The carrying amount of checking and time deposits at December 31, 2010 totaled \$7,246,780, with corresponding bank balances of \$7,254,815 which were covered by Federal depository insurance or by collateral held by the Authorities agent in the Authorities name.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

3. RESTRICTED ASSETS AND RESTRICTED NET ASSETS

Restricted assets consist of cash, certificates of deposit and related accrued interest for the following purposes:

Replacement Reserve - Water Fund	\$ 1,584,932
Replacement Reserve - Sewer Fund	786,399
Capital Reserve - Sewer Fund	<u>1,037,846</u>
	<u>\$ 3,409,177</u>
Restricted Cash	<u>\$ 3,409,177</u>

4. UTILITY PLANT IN SERVICE

Utility plant in service is comprised of the following:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Water and sewer supply, distribution and collection systems	\$ 8,067,952	\$ 373,928	\$ -	\$ 8,441,880
Donated infrastructure	3,033,443	6,499,723	-	9,533,166
Equipment, furniture and fixtures	431,379	23,167	-	454,546
Construction in progress	-	-	510,165	510,165
	<u>11,532,774</u>	<u>6,896,818</u>	<u>510,165</u>	<u>18,939,757</u>
Less: accumulated depreciation	<u>(3,119,042)</u>	<u>(1,544,516)</u>	<u>-</u>	<u>(4,663,558)</u>
	<u>\$ 8,413,732</u>	<u>\$ 5,352,302</u>	<u>\$ 510,165</u>	<u>\$ 14,276,199</u>

The purchase price of the original system and all related equipment, furniture and fixtures have been accounted for in the water supply, distribution, and collection systems category. Utility plant additions incurred subsequent to the original purchase of the system are classified by asset category.

Depreciation and amortization was \$414,455 for the year ended December 31, 2010.

5. BONDS PAYABLE

In 2006, the Authority issued \$2,500,000 in revenue bonds for the construction of the Jones Road Water Plant, with interest at 3.65%.

The bonds are due as follows:

<u>Year</u>	<u>Principal Payable</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 245,000	\$ 54,111	\$ 299,111
2012	255,000	44,986	299,986
2013	265,000	35,496	300,496
2014	270,000	25,733	295,733
2015	280,000	15,695	295,695
2016	<u>290,000</u>	<u>5,293</u>	<u>295,293</u>
	<u>\$ 1,605,000</u>	<u>\$ 181,314</u>	<u>\$ 1,786,314</u>

Interest expense was \$58,583 for the year ended December 31, 2010.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

6. PENSION PLAN

Pension Description

The Authority participates in the New York State and Local Employees' Retirement System (ERS), and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The Systems are noncontributory except for employees who joined the New York Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of service credit and employees who joined on or after January 1, 2010 who generally contribute 3% of their salary for their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Authority is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were: 2010- \$18,397, 2009 - \$10,374, 2008 - \$14,046. The Authority's contribution made to the System was equal to 100% of the contribution required for the year.

7. INTERFUND TRANSACTIONS

During the course of normal operations, the Authority has transactions between funds including expenditures and transfers. These transactions are recorded as interfund revenues, interfund transfers and expenditures in the respective funds.

Individual interfund receivable and payable balances at December 31, 2010 arising from these transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water Fund	\$ 65	\$ 472,392
Sewer Fund	473,392	-
Capital Projects	-	1,065
	<u>\$ 473,457</u>	<u>\$ 473,457</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2010

8. VACATION, PERSONAL AND SICK LEAVE

Permanent employees are granted vacation, personal sick leave in varying amounts. A maximum of five days of unused vacation may be carried over to a subsequent year. Sick leave may be accumulated to 1000 hours; however, sick leave is not a vested benefit and is not payable to the employee at termination. No provision has been made in the financial statements for any accumulated leave as of December 31, 2010 that was carried over to 2010 because it is considered by management to be immaterial.

9. LEASE PAYMENTS

The Authority has also entered into a lease agreement with the Town of Wilton for five years whereby the Authority has agreed to pay \$500 per month from January 2003 forward. The agreement is automatically renewable. Rent expense of \$6,000 has been recognized in the year ended December 31, 2010.

10. COMMITMENTS

In February 2007, the Authority entered into a contract with the Saratoga County Water Authority ("SCWA") to purchase at least 300,000 gallons of potable water per day for a ten year period commencing from the date the SCWA possesses the operational capacity and ability to deliver the water. The contract commenced February 22, 2010. For the year ended December 31, 2010, the Authority paid SCWA \$191,265 and received a credit of \$9,723 for water usage under the 300,000 gallons that was not able to be delivered by SCWA.

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
DECEMBER 31, 2010

	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenue				
Water Rent Revenue	\$ 1,023,785	\$ 1,023,785	\$ 1,168,990	\$ 145,205
Sewer Rent Revenue	230,000	230,000	242,541	12,541
Use of Money	174,125	174,125	132,847	(41,278)
Use of Property	46,950	46,950	46,261	(689)
Developer Fee Revenue	135,950	136,590	448,928	312,338
Sale of Meters	5,000	15,000	14,894	(106)
Miscellaneous Revenue	<u>13,000</u>	<u>13,000</u>	<u>11,277</u>	<u>(1,723)</u>
Total Operating Revenue	<u>1,628,810</u>	<u>1,639,450</u>	<u>2,065,738</u>	<u>426,288</u>
Operating Expense				
Salaries	176,691	176,691	175,562	1,129
Employee Benefits	80,325	80,615	59,678	20,937
Contractual Services	562,148	671,738	555,015	116,723
Depreciation and Amortization *	-	-	-	-
Interest Expense	62,872	62,872	58,583	4,289
Contingency	270,930	171,690	-	171,690
Operating Transfer to Capital Projects	<u>-</u>	<u>216,883</u>	<u>195,704</u>	<u>21,179</u>
Total Operating Expenses	<u>1,152,966</u>	<u>1,380,489</u>	<u>1,044,542</u>	<u>335,947</u>
Increase in Net Assets	475,844	258,961	<u>\$ 1,021,196</u>	<u>\$ 762,235</u>
Capital and Replacement				
Reserve Funding	(126,219)	(917,608)		
Bond Principal Payment	(235,000)	(235,000)		
Capital Asset Acquisition	<u>(48,500)</u>	<u>(48,500)</u>		
Change in Net Assets	<u>\$ 66,125</u>	<u>\$ (942,147)</u>		

* Actual depreciation and amortization has been adjusted to zero to agree to the budgetary basis of accounting.