

FINANCIAL STATEMENTS

OF

***RURAL WATER DISTRICT NO. 9
WAGONER COUNTY, OKLAHOMA***

December 31, 2013 and 2012



Clothier & Company CPA's P.C.

P.O. Box 1495 * Muskogee, Ok 74402
(918) 687-0189 FAX (918) 687-3594
cccpa@yahoo.com

Wagoner County Rural Water District #9
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cccpa@yahoo.com

P.O. Box 1495
Muskogee, Oklahoma 74402
918-687-0189 FAX 918-687-3594

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rural Water District No. 9
Wagoner County, Oklahoma

We have audited the accompanying financial statements of Rural Water District No. 9, Wagoner County, Oklahoma, as of December 31, 2013 and 2012, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rural Water District No. 9, as of December 31, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages I and 18-19 be presented to supplement the basic financial statements. Such 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. 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Clothier & Company, CPA's, P.C.
Muskogee, Oklahoma
March 31, 2014

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Rural Water District No. 9

69760 South 321 Road
Wagoner, Oklahoma 74467
Phone: 918/462-3232
Fax: 918/462-7920

Management Discussion and Analysis
For Year Ended December 31, 2013

For Wagoner County Rural Water District No. 9, this is our presentation of Management's Discussion and Analysis (MD&A). This analysis serves as an introduction to the financial statements for users to facilitate whether overall financial health has improved or deteriorated as a result of the past year's operation. A required component of the MD&A is to briefly describe the reasons for change in our revenue, liability, asset, and expenditure balances compared to the previous (2012) year.

Business Activities:

In this review, total revenue account increased by \$32,881 due, in part, to the amount of rainfall and the increased cost of testing and chemicals. We have seen some improvement: we lost only 1 account the previous year. We renewed two Certificates of Deposit (\$111,860) each. With the terms of our revenue bond loan, we have a C.D. in the amount of (\$217,524) to offset against future rate increase.

The District's expenses increased \$4,807 from 2012. This increase is attributed to replacing 6,050 feet of poly lines, 44 new water meters, 14 new hydrants, and the increase cost of water testing and chemicals.

For the year ended December 31, 2013, total assets exceeded liabilities by \$1,214,671. The District has a note payable to Bank of Oklahoma in the amount of \$3,795,000. The balance sheet has a net decrease of \$135,596.

Future Activities of Wagoner County Rural Water District No. 9:

The 2014 year will see the District focusing on updating the water plant and system. We plan to install two miles of new water lines, and more hydrants.

Overall Outlook:

The quality of the water continues to be superb and we will continue working to improve the distribution system. The District remains financially strong as we continue to make improvements throughout the system, meeting the EPA standards, and paying our bills. The economy continues to affect our efforts. The cost for chemicals, pipe, fuel, etc. continues to fluctuate. All of that is out of our control however; it will not stop our progress.

Wagoner County Rural Water District #9
Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash & Equivalents	\$ 791,510	\$ 773,039
Accounts Rec. (Net of Allow)	83,854	73,823
Prepaid Expenses	21,088	68,155
Total Current Assets	<u>896,452</u>	<u>915,017</u>
Fixed Assets		
Water Systems	5,604,620	5,540,983
Office Equipment	54,564	53,664
Trucks and Equipment	464,629	453,698
Buildings & Improvements	217,944	214,744
Land	25,408	25,408
Less: Accum. Depreciation	<u>(2,879,109)</u>	<u>(2,702,330)</u>
Total Fixed Assets	<u>3,488,056</u>	<u>3,586,167</u>
Other Assets		
Loan Fees	318,033	318,033
Less: Accumulated Amortization	(126,211)	(106,972)
Cash - Restricted	<u>523,076</u>	<u>522,757</u>
Total Other Assets	<u>714,898</u>	<u>733,818</u>
 Total Assets	 <u>\$ 5,099,406</u>	 <u>\$ 5,235,002</u>

Wagoner County Rural Water District #9
Balance Sheet
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Current Liabilities		
Customer Deposits	\$ 24,841	\$ 23,957
Emergency Siren Payable	1,705	1,705
Accrued Expenses	63,189	66,092
Current Maturities (Note 2)	<u>75,000</u>	<u>70,000</u>
 Total Current Liabilities	 <u>164,735</u>	 <u>161,754</u>
 Long Term Liabilities		
Notes Payable (Note 2)	3,795,000	3,865,000
Less: Current Maturities	<u>(75,000)</u>	<u>(70,000)</u>
 Total Long Term Liabilities	 <u>3,720,000</u>	 <u>3,795,000</u>
 Fund Balance		
Invested in Capital Assets	(306,944)	(278,833)
Unrestricted	998,539	1,034,324
Restricted for Debt Service	<u>523,076</u>	<u>522,757</u>
 Total Fund Balance	 <u>1,214,671</u>	 <u>1,278,248</u>
 Total Liabilities & Fund Balance	 <u>\$ 5,099,406</u>	 <u>\$ 5,235,002</u>

Wagoner County Rural Water District #9
Statement of Revenues, Expenses, and Changes in Fund Balance
December 31, 2013 and 2012

	2013	2012
Revenue		
Water Sales	\$ 1,011,710	\$ 1,044,876
Benefit Unit Sales	3,000	4,000
Transfer Fees	5,500	5,400
Ambulance-Pass Through	11,740	11,890
New Services, Collected Bad Debt	19,800	17,518
Total Revenue	<u>1,051,750</u>	<u>1,083,684</u>
Cost of Sales		
Water Purchases	3,943	7,743
Merchant Bank Card Fees	3,998	3,034
Chemicals	62,419	52,865
Heavy Equipment Agreement	17,445	11,358
Maint. Agreement-Office Equip	4,642	1,382
Water Testing	6,722	5,654
Repairs and Supplies	37,962	30,240
Truck	17,824	23,103
Lab Supplies	1,205	11,463
Plant Repairs	36,284	28,820
Ambulance-Pass Through	11,730	11,970
Total Cost of Sales	<u>204,174</u>	<u>187,632</u>
Gross Profit	<u>847,576</u>	<u>896,052</u>
Operating Expenses		
Salaries	277,693	272,633
Payroll Taxes	22,848	26,357
Retirement Expense	8,314	6,633
Insurance	58,852	53,418
Workman's Compensation Ins.	10,116	9,024
Accounting/Legal	8,824	6,855
Maintenance - Mowing	320	495
DEQ Fees	5,908	5,405
Membership Fees	1,144	1,229
Miscellaneous	512	501
Bank Charges	56	104
Advertising	0	500
Office Supplies	5,866	7,713
Postage	8,269	6,795

	2013	2012
Schools & Training	800	776
Bad Debts	3,471	6,328
Telephone/Cell	7,984	8,143
Security System	875	288
Utilities	46,287	47,509
Depreciation	193,760	197,204
Amortization	19,239	19,239
Bonus	2,400	2,000
Drug Testing	663	245
Loan Service Fees	1,000	1,000
Board Training	2,913	2,505
Manager Expense	57	129
Line Projects	16,748	23,704
Consulting Fees	0	1,950
Total Operating Expenses	704,919	708,682
Operating Income	142,657	187,370
Other Revenue (Expenses)		
Interest Income	3,835	4,782
Grant Income	0	0
Interest Expense	(210,069)	(215,375)
Total Other Income	(206,234)	(210,593)
Net Change in Fund Balance	\$ (63,577)	\$ (23,223)

Wagoner County Rural Water District #9
Statement of Cash Flows
December 31, 2013 and 2012

	2012	2012
Cash Flows From Operating Activities:		
Cash received from customers	\$ 1,029,979	\$ 1,077,212
Cash received from other sources	11,740	12,483
Cash paid to employees	(277,693)	(272,633)
Cash paid to suppliers	(203,290)	(186,935)
Other operating payments	(170,063)	(266,666)
Net Cash Flows from Operating Activities	<u>390,673</u>	<u>363,461</u>
Cash Flows From Noncapital Financing Activities:		
Grant	<u>0</u>	<u>0</u>
Net Cash Flows from Noncap. Finan. Activities	<u>0</u>	<u>0</u>
Cash Flows From Capital and Related Financing Activities:		
Proceeds from issuance of debt	0	0
Payment of debt	(70,000)	(70,000)
Acquisition and construction of capital assets	(95,649)	(104,592)
Payment of Interest	(210,069)	(215,374)
Net Cash (Used) By Capital and Related Financing Activities	<u>(375,718)</u>	<u>(389,966)</u>
Cash Flows From Investing Activities:		
Decrease (Increase) in restricted cash	(319)	100,335
Receipt of interest and dividends	3,835	4,782
Net Cash Provided (Used) By Investing Activities	<u>3,516</u>	<u>105,117</u>
Net Increase (Decrease) In Cash	18,471	78,612
Cash Beginning of Year	773,039	694,427
Cash End of Year	<u>\$ 791,510</u>	<u>\$ 773,039</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:		
Operating income (loss)	\$ 142,657	\$ 187,370
Add depreciation/amortization expense	212,999	216,443
(Increase)/Decrease in Current Assets:		
Accounts receivables, net	(10,031)	6,011
Prepaid expenses	47,067	(47,067)
Increase/(Decrease) in Current Liabilities:		
Accounts payable	0	0
Accrued expenses	(2,903)	7
Customer deposits	884	697
Net Cash Flows from Operating Activities	<u>\$ 390,673</u>	<u>\$ 363,461</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rural Water District No. 9 is a political subdivision of the State of Oklahoma organized in August of 1978, with its office located in Wagoner County, Oklahoma. The District was formed to furnish water service to the residents of the district by constructing and maintaining a water system.

Method of Accounting

The accrual method of accounting is utilized in reporting financial information in accordance with U. S. generally accepted accounting principles (GAAP). The accrual basis of accounting records revenue in the period in which earned rather than when received and records expenses in the period incurred rather than when paid. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District had the option to apply FASB pronouncements issued after that date to its business-type activities, it has chosen not to do so.

Cash and Cash Equivalents

For the purposes of preparing the statement of cash flows, cash on hand, cash in savings and checking, and certificates of deposit with an original maturity of three months or less, are considered cash equivalents.

Funds on Deposits

The district maintains the following accounts for funds deposited with a fully insured bank:

Operations and Maintenance – The gross revenues of the District are deposited to this account and the bills of the District are generally paid. Excess revenues are transferred to savings as needed.

Savings Account - A cash reserve is set aside in this account for unforeseen catastrophes, extensions and improvements to the water system.

Reserve Account – A reserve is set aside in this account for unforeseen catastrophes, extensions or improvements to the water system, and payments on the loan.

Debt Service – The District transfers money into this account monthly to satisfy loan requirements. The Trust company then makes semi-annual payments to the bondholders.

Construction Fund – The loan proceeds were placed in this account to pay for line projects and the new tower project. The District submits invoices to the Trust company for payment.

Property and Equipment

Property and equipment are recorded at cost, with depreciation provided on a straight-line method over the estimated useful lives of the assets.

Wagoner County Rural Water District No. 9

Income Tax

As a political subdivision of the State of Oklahoma, the District is exempt from income taxes.

Benefit Units

Residents wishing water service are required to purchase a benefit unit at \$1,000. In accordance with Article 6, Section 3 of the By Laws, consideration paid for benefit units is considered a donation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - LONG TERM DEBT

Notes payable to Well Nelson & Associates, LLC., with payments made to Bank of Oklahoma in monthly installments. BOK makes the yearly principal and semi-annual interest payments. The interest is variable and increases every five years. The interest rate on the note was 4.25% for 2013 and increases to 4.75% in 2014. District revenues are pledged as collateral as well as assets. The balance as of December 31, 2013 was \$3,795,000. The note matures August 1, 2038. Funds not used to pay off loans were and are being used to replace deteriorated water lines and build a new water tower.

The following are the current maturity and debt service requirements:

	<u>Maturities</u>	<u>Debt Service</u>
2014	\$75,000	\$282,400
2015	75,000	284,425
2016	80,000	280,863
2017	85,000	282,300
2018	90,000	284,463
2019-2023	525,000	1,423,438
2024-2028	670,000	1,413,550
2029-2033	875,000	1,409,825
2037-2038	1,320,000	1,572,000
	<u>\$3,795,000</u>	<u>\$7,233,264</u>

NOTE 3 – RENTERS DEPOSITS

The District adopted a policy that requires renters to pay a deposit of \$100. When they leave the property, they are refunded the deposit or it may be applied to water bills they owe. These deposits are deposited in a separate checking account and the refunds are paid out of this account. If the deposit is used to pay a water bill, the District writes a check from this account to the operations and maintenance account.

Wagoner County Rural Water District No. 9

NOTE 4 – ACCOUNTS RECEIVABLE

Due for Water Services	\$88,114
Due for Ambulance Pass Through	940
Allowance For Doubtful Accounts	(5,200)
Total Accounts Receivable	<u>\$83,854</u>

NOTE 5 - CONCENTRATION OF CREDIT RISK

The District maintains deposits at First Bank & Trust located in Wagoner, Oklahoma. The Federal Deposit Insurance Corporation insures deposits up to \$500,000 at each institution for all interest-bearing accounts. The District has a letters of credit with FHL Bank of Topeka for \$850,000 through First Bank & Trust of Wagoner. As of December 31, 2013 cash balances totaled \$991,510 (\$300 cash on hand and \$200,000 Rate Stabilization Fund included). Deposits are categorized into three levels of custodial risk as follows:

1. Uncollateralized.
2. Collateralized with securities held by the pledging financial institution, or,
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's name.

The District's deposits were categorized as follows at December 31, 2013:

	<u>Balance</u>	<u>Insured</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
First Bank checking	\$239,332	\$239,332	\$0	\$0	\$0
First Bank CD's	440,911	250,000	0	190,911	0
First Bank Renters	24,823	10,668	0	14,155	0
First Bank Savings	286,144	0	0	286,144	0
	<u>\$991,210</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$491,210</u>	<u>\$0</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment activity for the year ended December 31, 2013 was as follows:

	<u>Cost</u>	<u>Additions/ Deletions</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Water Plan & System	\$5,540,983	\$63,637	(\$2,368,641)	\$3,235,979
Office Furniture/Fixtures	53,664	900	(53,637)	927
Trucks & Equipment	453,698	10,931	(339,486)	125,143
Land	25,408	0	0	25,408
Building & Improvements	214,744	3,200	(117,345)	100,599
	<u>\$6,288,497</u>	<u>\$78,668</u>	<u>(\$2,879,109)</u>	<u>\$3,488,056</u>

Wagoner County Rural Water District No. 9

NOTE 7 – OTHER INFORMATION

At December 31, 2013 the water rates in effect were as follows:

0 - 1,000 gallons	\$35.00	Minimum
1,000 - 9,999 gallons	\$3.50	per 1,000 gallons
10,000 gallons & above	\$4.00	per 1,000 gallons
Multi-User rates:		
0 - 10,000 gallons	\$100.00	Minimum
10,000+	\$10.00	per 1,000 gallons

The Board of Directors are as follows:

Term Expires:

Jim Stevens - Chairman	2015
Bob Biting - Vice Chairman	2015
Chuck Bradley - Secretary	2016
Pat Seck - Director	2014
Mike Cucchiara - Director	2014

NOTE 8 – SUBSEQUENT EVENT

Rural Water District No. 9 has evaluated subsequent events through the date which the financial statements were available to be issued with none found.

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Clothier & Company CPA's P.C.
cccpa@yahoo.com

P.O. Box 1495
Muskogee, Oklahoma 74402
918-687-0189 FAX 918-687-3594

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Board of Directors
Rural Water District No. 9
Wagoner County, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Rural Water District No. 9 Wagoner County, Oklahoma, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collective comprise Rural Water District No. 9's basic financial statements, and have issued our report thereon dated March 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rural Water District No. 9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rural Water District No. 9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Rural Water District No. 9 in a separate letter dated March 31, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Clothier & Company CPA's".

Clothier & Company, CPA's, P.C.

March 31, 2014

Supplemental Information

Wagoner County Rural Water District #9
Budget to Actual (Unaudited)
December 31, 2013

	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES:				
Water Sales & Penalties	1,066,800	1,066,800	1,011,710	(55,090)
Benefit Unit/New Serv/Trans	11,800	11,800	28,300	16,500
Interest	4,500	4,500	3,835	(665)
Ambulance-Pass Through	10,500	10,500	11,740	1,240
Miscellaneous Income	1,000	1,000	0	(1,000)
Total Revenue	1,094,600	1,094,600	1,055,585	(39,015)
EXPENDITURES:				
Water Purchased - GRDA	6,000	6,000	3,943	(2,057)
Merchant Bank Card Fee	3,500	3,500	3,998	498
Chemicals	60,000	60,000	62,419	2,419
Maintenance Agreements/Repairs	14,400	14,400	22,087	7,687
Water Testing	9,800	9,800	6,722	(3,078)
Field Repairs/Supplies	40,000	40,000	37,962	(2,038)
Truck Expenses	55,000	55,000	17,824	(37,176)
Lab Supplies	1,000	1,000	1,205	205
Plant Repairs	45,000	45,000	36,284	(8,716)
Ambulance - City of Wagoner	14,500	14,500	11,730	(2,770)
Salary Expense	285,000	285,000	277,693	(7,307)
Payroll Taxes	25,000	25,000	22,848	(2,152)
Retirement Expense	7,800	7,800	8,314	514
Medical Insurance-Employee	34,000	34,000	31,547	(2,453)
Workers Comp	9,750	9,750	10,116	366
Plant System/Truck Insurance	35,500	35,500	27,305	(8,195)
CPA/Audit Fees	9,600	9,600	8,824	(776)
Supplies/Lawn Mower/Cleanup	500	500	320	(180)
ORWA/Association Fees	1,000	1,000	1,144	144
DEQ Fees	5,900	5,900	5,908	8
Miscellaneous	1,000	1,000	512	(488)
NSF/Bank Charges	740	740	1,056	316
Office Supplies	8,500	8,500	5,866	(2,634)
Postage	7,000	7,000	8,269	1,269
Training Session/Exams/Travel	750	750	800	50
Telephone/Cell Phone	8,300	8,300	7,984	(316)
Security	350	350	875	525
Bad Debts	6,000	6,000	3,471	(2,529)
Utilities	59,580	59,580	46,287	(13,293)
Advertising	1,500	1,500	0	(1,500)
Employee Bonuses	2,400	2,400	2,400	0

Medical/Drug Screening	600	600	663	63
Board Training/Conferences	3,500	3,500	2,913	(587)
Manager Expense	350	350	57	(293)
Plant Expense	200	200	0	(200)
Line Projects/Water Towers	28,000	28,000	16,748	(11,252)
Principal Payments	283,244	283,244	280,069	(3,175)
Total Expenditures	1,075,264	1,075,264	976,163	(99,101)
Net Income (Loss)	19,336	19,336	79,422	
Less: Depreciation/Amortization			(212,999)	
Add: Principal payment			70,000	
Change in Fund Balance			(63,577)	