

**Wagoner County Rural Water District No. 4
Broken Arrow, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended June 30, 2016

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

Wagoner County Rural Water District No. 4
Broken Arrow, Oklahoma
Board of Directors
June 30, 2016

BOARD OF DIRECTORS

Chairman

Arnold Kunze

Vice-Chairman

Jerry Knapp

Secretary/Treasurer

Gary Rogers

Members

Jim Self

Max Brissey

BUSINESS MANAGER

Bill Giles

OPERATIONS MANAGER

Rick Lang

BOOKKEEPER

Peggy Pridmore

Wagoner County Rural Water District No. 4
Broken Arrow, Oklahoma
June 30, 2016

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wagoner County Rural Water District No. 4
Broken Arrow, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Wagoner County Rural Water District No. 4 (the District), Broken Arrow, Oklahoma, as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

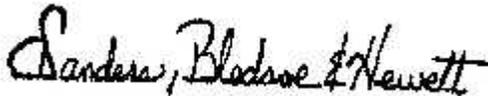
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-6 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting generally accepted in the United States.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

August 30, 2016

RURAL WATER DISTRICT NO. 4, WAGONER COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Our discussion and analysis of the Rural Water District No. 4, Wagoner County's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the District's financial statements that begin on page 11.

FINANCIAL HIGHLIGHTS

- The District's total operating revenues exceeded total operating expenses by \$2,565,142.
- The District had total investments of \$718,130 and earned a total of \$1,618 in interest in 2015-16. Interest rates continue to be minimal due to economic conditions.
- Membership numbers continued to be strong in 2015-16, with total users exceeding 10,600 at fiscal year-end. Substantial growth of the District is projected to continue.
- A rate increase of 2% was approved in 2015, effective 10-1-15. Another rate increase of 1% was approved in 2016, effective 10-1-16. These increases are necessary to keep up with the rising costs of water, chemicals, materials and supplies.

Using This Report

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

Basis of Accounting

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

The Financial Statements

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net assets and the changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Fixed Assets

At June 30, 2016 the District had \$23,286,489 invested in fixed assets, net of depreciation, including land, buildings, the water system, vehicles and equipment. The District purchased some fixed assets in 2015-16, including water and sewer system improvements and vehicles, increasing total fixed assets by \$1,062,384.

Long-Term Debt

The District is indebted to Oklahoma Water Resources Board on three notes obtained for extensive water and sewer systems and extensions, one note from Branch Bank & Trust, one note from Rural Development, and one other CDBG note. The outstanding principal balance owed on the notes decreased from \$11,769,001 to \$10,515,896 during the 2015-16 fiscal year.

Economic Factors and Next Year's Budget and Rates

The District will continue to accelerate payments on their long-term debt when possible.

The District's operating budget for fiscal year 2016-17 will remain much like previous years budgets.

A 1% rate increase, effective 10-1-16, will be used to keep up with the rising costs of water, chemicals, materials and supplies.

Contacting the District's Management

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at 9816 S. 239th East Ave., Broken Arrow, OK 74014 or call (918) 258-2331.



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**INDEPENDENT AUDITOR'S 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**

Board of Directors
Wagoner County Rural Water District No. 4
Broken Arrow, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Wagoner County Rural Water District No. 4 (the District), Broken Arrow, Oklahoma, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 30, 2016.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting in order to determine our auditing procedures that are appropriate 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 control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no deficiencies in the internal controls that we considered to be material weaknesses.

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 District'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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

August 30, 2016

WAGONER COUNTY RURAL DISTRICT NO. 4
Disposition of Prior Year Audit Findings
June 30, 2016

There were no prior year audit findings.

WAGONER COUNTY RURAL DISTRICT NO. 4
Schedule of Findings and Responses
June 30, 2016

Section 1 – Summary of Auditor’s Results:

1. An unqualified opinion was issued on the financial statements.
2. The audit disclosed no reportable conditions in the internal controls.
3. The audit disclosed no instances of noncompliance.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Statement of Net Position
June 30, 2016

ASSETS:

Current Assets:	
Cash and cash equivalents	\$ 981,298
Investments	718,130
Current portion of receivables	555,417
Prepaid assets	106,975
Total current assets	<u>2,361,820</u>
Noncurrent Assets:	
Restricted cash-	
Sinking funds for debt service	164,480
Capital Assets-	
Land	301,890
Buildings	111,012
Plant, water and sewer systems, net	22,666,945
Automobiles and equipment, net	206,642
Total noncurrent assets	<u>23,450,969</u>
Other Assets:	
Loan costs, net of depreciation	<u>57,809</u>
Total Assets	<u>25,870,598</u>

LIABILITIES:

Current Liabilities:	
Accounts payable	394,171
Accrued liabilities	18,511
Current portion of long-term debt	1,220,180
Total current liabilities	<u>1,632,862</u>
Noncurrent Liabilities:	
Long-term debt	<u>9,295,716</u>
Total Liabilities	<u>10,928,578</u>

NET POSITION:

Invested in capital assets, net of related debt	12,770,593
Unrestricted assets	<u>2,171,427</u>
Total Net Position	<u>\$ 14,942,020</u>

The accompanying notes to the financial statements are an integral part of this statement

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Statement of Revenues, Expenses and Changes in Net Position
For The Year Ended June 30, 2016

Operating Revenues:	
Water and sewer sales	\$ 5,280,366
Other income from operations	661,440
Total revenue from operations	<u>5,941,806</u>
Operating Expenses:	
Water costs and chemicals	417,266
Advertising	13,483
Professional fees	25,992
Repairs and maintenance	621,022
Office	39,009
Postage	58,898
Salaries and payroll taxes	1,102,934
Contracted services	52,316
Director fees	6,556
Dues and licenses	34,598
Equipment rental	20,804
Insurance	123,201
Employee insurance	437,518
Travel	6,628
Utilities	326,262
Retirement	32,420
Leak detection	9,188
Automotive	48,310
Uniforms	259
Total expenses from operations	<u>3,376,664</u>
Operating Income (Loss)	2,565,142
Non-Operating Revenues (Expenses):	
Interest income	1,618
Interest paid on long-term debt	(336,951)
Depreciation expense	(960,947)
Amortization expense	(31,063)
Total Non-Operating Revenues (Expenses)	<u>(1,327,343)</u>
Change in Net Position	1,237,799
Total Net Position, beginning of period	<u>13,704,221</u>
Total Net Position, end of period	<u><u>\$ 14,942,020</u></u>

The accompanying notes to the financial statements are an integral part of this statement

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Statement of Cash Flows
For the Year Ended June 30, 2016

Cash Flows from Operating Activities:

Receipts from customers	\$ 6,009,857
Payments to employees	(1,102,934)
Payments to vendors	(2,437,343)
	2,469,580
Net Cash Provided by Operating Activities	2,469,580

Cash Flows from Financing Activities:

Sale (purchase) of fixed assets	(1,062,384)
Principal paid on long-term debt	(1,253,105)
Interest paid on long-term debt	(393,535)
	(2,709,024)
Net Cash Provided by (used in) Financing Activities	(2,709,024)

Cash Flows from Investing Activities:

Purchase of investments	28,292
Decrease in sinking fund	79,856
Interest earned on investments	1,618
	109,766
Net Cash Provided by (used in) Investing Activities	109,766

Net Increase (Decrease) in Cash	(129,678)
Cash and cash equivalents, beginning of period	1,110,976
Cash and cash equivalents, end of period	\$ 981,298

Reconciliation of operating income (loss) to net cash provided by operating activities:

Net Operating Income (Loss)	\$ 2,565,142
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation and Amortization	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(66,058)
(Increase) decrease in prepaid insurance	(7,856)
Increase (decrease) in accounts payable	(18,778)
Increase (decrease) in accruals	(2,870)
	2,469,580
Net cash provided by operating activities	\$ 2,469,580

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

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Broken Arrow, Oklahoma
Notes to the Financial Statements
June 30, 2016

Note A – Significant Accounting Policies

Nature of Organization

The Wagoner County Rural Water District No. 4 (the District) was created under the provisions of Title 82 of Oklahoma Statutes, Section 1324.1 – 1324.35 and the Laws of the State of Oklahoma. The purpose of this District is to provide water services to users.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and liabilities are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

The District follows GASB issued Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Government.” This statement established financial reporting requirements for state and local governments throughout the United States.

Cash and equivalents

The District’s cash accounts at June 30, 2016 are detailed as follows:

Cash on hand	\$ 100
Arvest Bank, Coweta, Ok-	
Operations account	308,065
Reserve account	535,580
Credit Card account	1,136
OWRB debt service account	35,309
E-check account	3
Payroll account	-
Water plant account	-
Rural Development account	259,111
Sewer account	-
Sewer debt service account	131,046
Plus: Outstanding deposits	5,300
Less: Outstanding checks	(294,352)
Total Cash	<u><u>\$ 981,298</u></u>
OWRB Debt Service:	
Bank of Oklahoma-	
Debt service accounts	<u><u>\$ 164,480</u></u>

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Broken Arrow, Oklahoma
Notes to the Financial Statements
June 30, 2016

Note A – Significant Accounting Policies – cont’d

Investments

The District’s investments are detailed as follows:

Edward Jones, Tulsa, Ok- Money Market	\$	2,122
Government Bonds		380,930
Certificates of Deposit		285,078
First Bank & Trust, Wagoner, Ok- Certificate of deposit no. 17106		50,000
Total Investments	<u>\$</u>	<u>718,130</u>

Collateral Pledged

Deposit Categories of Credit Risk

- (A) Insured by Federal Deposit Insurance
- (B) Collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name
- (C) Uncollateralized

	Category			Bank Balance	Carrying Amount
	(A)	(B)	(C)		
Cash	\$ 917,494	352,756		1,270,250	981,198
Investments	300,000	418,130		718,130	718,130
Total	\$ 1,217,494	770,886	0	1,988,380	1,699,328

Accounts Receivable

Billings for accounts receivable at June 30, 2016 were \$555,417. No allowance for doubtful accounts was computed because the effect of bad debts on the financial statements is not considered material.

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Broken Arrow, Oklahoma
Notes to the Financial Statements
June 30, 2016

Note A – Significant Accounting Policies – cont’d

Prior Year Information

Prior year financial statement information is included in the other supplementary information section for comparative purposes only. No opinions are issued on these amounts, and are included as memorandum.

Retirement and Deferred Compensation Plans

The District has no formal retirement plan, but does offer employees a qualified Section 457 Deferred Compensation Plan. The District matches employee’s contributions up to \$300 per month. There are no post-employment benefits provided.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance, including workers compensation, for risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Fixed Assets

Fixed assets are valued at cost, depreciation is computed by use of the straight-line method. The estimated useful lives of these assets are as follows:

Land	n/a
Office furniture & fixtures	5 years
Equipment & tools	5 years
Transportation equipment	5 years
Water & sewer system	40 years
Buildings	25 years
Computer equipment	3 years

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Broken Arrow, Oklahoma
Notes to the Financial Statements
June 30, 2016

Note A – Significant Accounting Policies – cont'd

The fixed asset information for the District is shown below:

	6/30/2015 Amount	Additions	Deletions	6/30/2016 Amount
Land	\$ 301,890	-	-	301,890
Buildings	276,916		-	276,916
Water & sewer sys.	34,833,482	1,012,677	-	35,846,159
Office equipment	225,496	4,072	-	229,568
Vehicles and equip.	803,912	45,635	-	849,547
Const. in progress	-	-	-	-
Total Fixed Assets	36,441,696	1,062,384	-	37,504,080
Less: Accumulated Depreciation	(13,256,644)	(960,947)	-	(14,217,591)
Total	<u>\$ 23,185,052</u>	<u>101,437</u>	<u>-</u>	<u>23,286,489</u>

Subsequent Events

Management has evaluated subsequent events through August 30, 2016, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

Note B – Long-Term Debt

Long-Term Debt consists of six long-term notes; three to the Oklahoma Water Resources Board, one to Branch Bank & Trust, one to Rural Development and one to Wagoner County Economic Development Authority (CDBG).

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Broken Arrow, Oklahoma
Notes to the Financial Statements
June 30, 2016

Note B – Long-Term Debt – cont'd

	June 30,	
	2016	2015
Oklahoma Water Resources Board note payable, issued for \$6,752,000, dated 1999, variable interest, semi-annual payments of \$225,019, until paid;	\$ 1,546,756	1,975,130
Branch Bank & Trust note payable, issued for \$1,585,000, dated 2014, variable interest, semi-annual payments, until paid;	480,000	940,000
Oklahoma Water Resources Board note payable, issued for \$390,000, dated 2000, variable interest, paid in monthly payments of \$1,325, until paid;	115,200	192,100
Rural Development note payable, issued for \$5,000,000, dated 2006, 4.125% interest, paid in monthly payments of \$21,550, until paid;	4,291,694	4,371,459
Oklahoma Water Resources Board note payable, issued for \$6,200,000, dated 2010, variable interest, paid in monthly payments of \$33,921, until paid;	4,075,995	4,281,561
CDBG Note with Wagoner County Economic Development Authority, 0% interest, payable in \$208 per month;	6,251	8,751
Less: Current maturities of long-term debt	(1,220,180)	(1,189,895)
Total Long-Term Debt	\$ 9,295,716	10,579,106

WAGONER COUNTY RURAL WATER DISTRICT NO. 4

Balance Sheet

June 30, 2016

<u>ASSETS</u>	JUNE 30,	
	2016	(memo only) 2015
Current Assets:		
Cash and cash equivalents	\$ 981,298	1,110,976
Investments	718,130	689,838
Accounts receivable	555,417	489,359
Prepaid insurance	106,975	99,119
Total current assets	2,361,820	2,389,292
Restricted Assets:		
Sinking funds for debt service	164,480	244,336
Fixed Assets:		
Land	301,890	301,890
Buildings	276,916	276,916
Water distribution system	18,648,247	17,950,485
Water plant	8,448,795	8,448,795
Sewer system	8,749,117	8,434,204
Office equipment	229,567	225,494
Vehicles and equipment	849,548	803,912
Total fixed assets	37,504,080	36,441,696
Less: accumulated depreciation	(14,217,591)	(13,256,644)
Total fixed assets (net)	23,286,489	23,185,052
Other Assets:		
Loan costs (net of amortization)	57,809	88,872
Total Assets	\$ 25,870,598	25,907,552
<u>LIABILITIES AND FUND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 391,514	410,292
Accrued payroll tax	2,657	1,701
Accrued interest on long-term debt	18,511	22,337
Current maturities of long-term debt	1,220,180	1,189,895
Total current liabilities	1,632,862	1,624,225
Long-Term Debt, less current maturities:		
Notes payable	9,295,716	10,579,106
Total Liabilities	10,928,578	12,203,331
Fund Equity:		
Investments in capital assets, net of related debt	12,770,593	11,416,051
Retained earnings	2,171,427	2,288,170
Total fund equity	14,942,020	13,704,221
Total Liabilities and Fund Equity	\$ 25,870,598	25,907,552

WAGONER COUNTY RURAL WATER DISTRICT NO. 4
Statement of Revenue, Expenses and Changes in Retained Earnings
For The Year Ended June 30, 2016

	2015-16	(memo only) 2014-15
Revenue from Operations:		
Water services	\$ 3,938,178	3,939,189
Sewer services	1,342,188	1,219,898
Benefit units	371,253	260,284
Installation fees	146,244	122,895
Other income	143,943	158,634
Total revenue from operations	<u>5,941,806</u>	<u>5,700,900</u>
Expenses from Operations:		
Water costs and chemicals	417,266	353,857
Advertising	13,483	13,272
Professional fees	25,992	36,249
Repairs and maintenance	621,022	652,780
Office	39,009	66,823
Postage	58,898	55,610
Salaries and payroll taxes	1,102,934	1,053,993
Contracted services	52,316	34,268
Director fees	6,556	7,917
Dues and licenses	34,598	29,829
Equipment rental	20,804	4,701
Insurance	123,201	117,342
Employee insurance	437,518	409,358
Travel	6,628	4,723
Utilities	326,262	343,038
Retirement	32,420	31,960
Leak detection	9,188	11,786
Automotive	48,310	66,774
Uniforms	259	720
Total expenses from operations	<u>3,376,664</u>	<u>3,295,000</u>
Net Income (Loss) from Operations	2,565,142	2,405,900
Non-operating revenues (expenses):		
Interest earnings	1,618	1,732
Interest paid on long-term debt	(336,951)	(377,009)
Depreciation expense	(960,947)	(924,175)
Amortization expense	(31,063)	(31,063)
Total non-operating revenues (expenses)	<u>(1,327,343)</u>	<u>(1,330,515)</u>
Net Income (Loss)	1,237,799	1,075,385
Fund equity, beginning of period	<u>13,704,221</u>	<u>12,628,836</u>
Fund equity, end of period	<u>\$ 14,942,020</u>	<u>13,704,221</u>