

TOWN OF WILTON
WATER AND SEWER AUTHORITY

FINANCIAL STATEMENTS
DECEMBER 31, 2008

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, 2008 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 14 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, 2008 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 8, 2009

TOWN OF WILTON WATER AND SEWER AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

DECEMBER 31, 2008

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's customer base has tripled since the purchase of the water system in 1992.

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. The water and sewer rents, with the exception of users being provided water from the City of Saratoga, were reduced by 5 percent in 2008.

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 1000 gallons. This contract will commence when the County Authority's water plant is operational.

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, 2008 was \$18,618,375; this was an increase of \$1,188,743 over 2007. Net Assets at December 31, 2008 includes Contributed Capital (net of Accumulated Depreciation on those assets) of \$7,921,263. Net Assets also includes Infrastructure Replacement and Capital Improvement Reserves totaling \$2,122,356 as well as Bond Reserve of \$278,658.

TOWN OF WILTON WATER AND SEWER AUTHORITY
 MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2008

Analysis of Authority's Financial Position (Continued)

Total Assets at December 31, 2008 was \$20,788,867 this is an increase of \$934,256 over 2007. Total assets include capital assets as follows:

	<u>2008</u>	<u>2007</u>	<u>Increase</u>
Capital Assets at cost	\$ 18,448,614	\$ 17,729,524	\$ 719,090
Accumulated Depreciation	(3,855,901)	3,457,223	(398,678)
Net Capital Assets	<u>\$ 14,592,713</u>	<u>\$ 14,272,301</u>	<u>\$ 320,412</u>

The increase in Capital Assets for 2008 includes water and sewer lines contributed by developers valued at \$619,327.

Liabilities at December 31, 2008 totaled \$2,170,942; this is a decrease of \$254,037 from 2007. Included in Total Liabilities is bonds payable of \$2,070,000; this is the debt issued for construction of the Jones Road Water Plant.

On the Statement of Revenues and Expenses, Operating Revenue totaled \$2,566,287 for the year ended December 31, 2008; an increase of \$75,979 from the same period in 2007. Included in Operating Revenue:

	<u>2008</u>	<u>2007</u>
Water Revenues:		
Metered Water Rents	\$ 1,096,346	\$ 1,043,071
Unmetered Water Rents	4,790	5,042
Buy in Fees	187,500	191,600
Interest and Penalties	9,421	7,161
Use of Money	141,082	169,332
Use of Property	45,427	42,282
Developer Fee Revenue	33,644	25,750
Contributed Capital	254,375	342,750
Sale of Meters	38,350	28,700
Miscellaneous	730	8,567
Total Water Revenue	<u>1,811,665</u>	<u>1,864,255</u>
Sewer Revenues:		
Sewer Rent Revenue	230,095	217,003
Use of Money	31,204	37,468
Developer Fee Revenue	128,371	227,314
Contributed Capital	364,952	144,150
Miscellaneous	-	118
Total Sewer Revenue	<u>754,622</u>	<u>626,053</u>
Total Operating Revenue	<u>\$ 2,566,287</u>	<u>\$ 2,490,308</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
 MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
 DECEMBER 31, 2008

Analysis of Authority's Financial Position (Continued)

Operating Expenses increased \$295,551 from 2007 to a total of \$1,377,544 for the year ended December 31, 2008. Of this increase, \$262,556 represented contractual services to paint the water tank. Included in this category are:

	<u>2008</u>	<u>2007</u>
Salaries	\$ 166,240	\$ 159,015
Employee Benefits	54,827	52,286
Contractual Services	682,244	447,894
Depreciation and Amortization	398,678	339,213
Interest	75,555	83,585
	<u>\$ 1,377,544</u>	<u>\$ 1,081,993</u>

Analysis of Capital Projects

At the end of 2008, there was one active Capital Project. This project is to be funded by transfers from the Water fund. Expenditures of \$305,176 incurred in 2008 and construction in progress as of December 31, 2008 on these projects is as follows:

	<u>2008</u> <u>Expenditures</u>	<u>Construction</u> <u>in Progress</u>
1. Water line connection	\$ 42,620	\$ 42,620
2. Paint the water tank	262,556	-
	<u>\$ 305,176</u>	<u>\$ 42,620</u>

Future Prospects for the Authority's Finances

Based on a report from the engineers for WWSA, metered consumption figures for 2008 demonstrate that 2,598 equivalent single family homes served during 2008 averaged 321 gallons per day. Based upon these consumption figures, it appears that the existing source capacity of the WWSA can sustain a total of 5,313 equivalent single family connections. Currently there are 2,598 equivalent single family units connected and there are approximately 770 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 (85 in 2008) 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.

In addition, the location of the Jones Road Water Plant allows the Authority to provide water to the Exit 15 commercial area at a cost that is significantly less than is currently charged by the City of Saratoga Springs.

Future Prospects for the Authority's Finances (Continued)

The Saratoga County Sewer District expanded its service area to include all of the Town of Wilton. The Authority continues to negotiate with the County Sewer District to transfer all of its lines and pumping stations to the County. When this occurs, all maintenance, revenues and expenses will be the responsibility of the County Sewer District and the authority will be effectively "out of the sewer business."

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF NET ASSETS

DECEMBER 31, 2008

Assets

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,461,463	\$ -	\$ 1,065	\$ -	\$ 3,462,528
Restricted Cash	1,194,166	1,206,848	-	-	2,401,014
Accounts Receivable	242,117	58,099	-	-	300,216
Inventory	24,358	565	-	-	24,923
Prepaid Expenses	7,473	-	-	-	7,473
Due from Other Funds	65	563,945	5,522	(569,532)	-
Restricted Assets	-	-	-	-	-
Utility Plant in Service, Net	<u>8,907,341</u>	<u>5,642,752</u>	<u>42,620</u>	<u>-</u>	<u>14,592,713</u>
 Total Assets	 <u>\$ 13,836,983</u>	 <u>\$ 7,472,209</u>	 <u>\$ 49,207</u>	 <u>\$ (569,532)</u>	 <u>\$ 20,788,867</u>

Liabilities and Net Assets

Accounts Payable and Accrued Expenses	79,325	15,645	5,522	-	100,492
Bonds Payable	2,070,000	-	-	-	2,070,000
Due to Other Funds	<u>568,467</u>	<u>-</u>	<u>1,065</u>	<u>(569,532)</u>	<u>-</u>
 Total Liabilities	 <u>2,717,792</u>	 <u>15,645</u>	 <u>6,587</u>	 <u>(569,532)</u>	 <u>2,170,492</u>
 Net Assets					
Contributed Capital	2,642,154	5,279,109	-	-	7,921,263
Replacement Reserve	915,508	421,522	-	-	1,337,030
Capital Reserve	-	785,326	-	-	785,326
Bond Reserve	278,658	-	-	-	278,658
Unrestricted	<u>7,282,871</u>	<u>970,607</u>	<u>42,620</u>	<u>-</u>	<u>8,296,098</u>
 Total Net Assets	 <u>11,119,191</u>	 <u>7,456,564</u>	 <u>42,620</u>	 <u>-</u>	 <u>18,618,375</u>
 Total Liabilities and Net Assets	 <u>\$ 13,836,983</u>	 <u>\$ 7,472,209</u>	 <u>\$ 49,207</u>	 <u>\$ (569,532)</u>	 <u>\$ 20,788,867</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Operating Revenue				
Water Rent Revenue	\$ 1,110,557	\$ -	\$ -	\$ 1,110,557
Sewer Rent Revenue	-	230,095	-	230,095
Use of Money	141,082	31,204	-	172,286
Use of Property	45,427	-	-	45,427
Developer Fee Revenue	221,144	128,371	-	349,515
Contributed Capital	254,375	364,952	-	619,327
Sale of Meters	38,350	-	-	38,350
Miscellaneous Revenue	<u>730</u>	<u>-</u>	<u>-</u>	<u>730</u>
Total Operating Revenue	<u>1,811,665</u>	<u>754,622</u>	<u>-</u>	<u>2,566,287</u>
Operating Expense				
Salaries	148,874	17,366	-	166,240
Employee Benefits	48,545	6,282	-	54,827
Contractual Services	334,586	85,102	262,556	682,244
Depreciation and Amortization	262,615	136,063	-	398,678
Interest Expense	<u>75,555</u>	<u>-</u>	<u>-</u>	<u>75,555</u>
Total Operating Expenses	<u>870,175</u>	<u>244,813</u>	<u>262,556</u>	<u>1,377,544</u>
Operating Transfers In/Out	<u>2,385,013</u>	<u>277,659</u>	<u>(2,662,672)</u>	<u>-</u>
Increase (Decrease) in Net Assets	3,326,503	787,468	(2,925,228)	1,188,743
Net Assets, Beginning of Year	<u>7,792,688</u>	<u>6,669,096</u>	<u>2,967,848</u>	<u>17,429,632</u>
Net Assets, Ending of Year	<u>\$11,119,191</u>	<u>\$ 7,456,564</u>	<u>\$ 42,620</u>	<u>\$ 18,618,375</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

Cash Flows from Operating Activities:	
Increase in Net Assets	\$ 1,188,743
Adjustments to Reconcile Change in Net Assets	
Used In Operating Activities:	
Depreciation and Amortization, Utility Plant in Service	398,678
Contributed Capital	(619,327)
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Assets	
Accounts Receivable	21,501
Inventory	(3,113)
Prepaid Expenses	808
Restricted Assets	22,388
Decrease in Liabilities:	
Accounts Payable and Accrued Expenses	<u>(34,487)</u>
Net Cash Provided By Operating Activities	<u>975,191</u>
Cash Flows Used In Investing Activities:	
Purchase of Property and Equipment	<u>(99,763)</u>
Net Cash Used In Investing Activities	<u>(99,763)</u>
Cash Flows from Financing Activities:	
Repayment of Bonds Payable	<u>(220,000)</u>
Net Cash Flows Used In Financing Activities	<u>(220,000)</u>
Net Increase in Cash	655,428
Cash at Beginning of Year	<u>5,208,114</u>
Cash at End of Year	<u>\$ 5,863,542</u>
Supplementary Disclosure of Cash Flow Information:	
Interest Expense Paid	<u>\$ 79,570</u>

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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 as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins.

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, 2008

**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.

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, 2008 totaled \$5,863,542, with corresponding bank balances of \$5,872,503 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, 2008

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	\$ 915,508
Replacement Reserve - Sewer Fund	421,522
Capital Reserve - Sewer Fund	785,326
Bond Reserve - Water Fund	278,658
	<u>\$ 2,401,014</u>
Restricted Cash	<u>\$ 2,401,014</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	\$ 8,058,187	\$ 373,928	\$ -	\$ 8,432,115
Donated infrastructure	3,033,443	6,499,723	-	9,533,166
Equipment, furniture and fixtures	419,964	20,749	-	440,713
Construction in progress	-	-	42,620	42,620
	<u>11,511,594</u>	<u>6,894,400</u>	<u>42,620</u>	<u>18,448,614</u>
Less: accumulated depreciation	<u>(2,604,253)</u>	<u>(1,251,648)</u>	<u>-</u>	<u>(3,855,901)</u>
	<u>\$ 8,907,341</u>	<u>\$ 5,642,752</u>	<u>\$ 42,620</u>	<u>\$ 14,592,713</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 \$398,678 for the year ended December 31, 2008.

5. BONDS PAYABLE

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

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008

5. BOND PAYABLE (CONTINUED)

The bonds are due as follows:

<u>Year</u>	<u>Principal Payable</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 230,000	\$ 71,358	\$ 301,358
2010	235,000	62,871	297,871
2011	245,000	54,111	299,111
2012	255,000	44,986	299,986
2013	265,000	35,496	300,496
Thereafter	<u>840,000</u>	<u>46,720</u>	<u>886,720</u>
	<u>\$ 2,070,000</u>	<u>\$ 315,542</u>	<u>\$ 2,385,542</u>

Interest expense was \$75,555 for the year ended December 31, 2008.

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 membership. 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: 2008 - \$14,046, 2007 - \$12,763 and 2006 - \$13,057. The Authority's contribution made to the System was equal to 100% of the contribution required for the year.

TOWN OF WILTON WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2008

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, 2008 arising from these transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Water Fund	\$ 65	\$ 568,467
Sewer Fund	563,945	-
Capital Projects	<u>5,522</u>	<u>1,065</u>
	<u>\$ 569,532</u>	<u>\$ 539,532</u>

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, 2008 that was carried over to 2009 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, 2008.

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. During 2008, and 2009, the Authority approved a capital project to construct the needed connections to the SCWA's water line at an estimated cost of approximately \$327,750. In April 2009, the Saratoga County approved a resolution to provide grants to participating entities to offset one third of connect costs to a maximum of \$100,000.

11. SUBSEQUENT EVENT

The Authority is in negotiations with a private water system owner to take over this private system's assets and water plant along with approximately 125 customers. In consideration for this purchase, the Authority has agreed to waive buy-in fees for all existing customers of this system.

TOWN OF WILTON WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
DECEMBER 31, 2008

	<u>Actual</u>	<u>Modified Budget</u>	<u>Variance</u>
Operating Revenue			
Water Rent Revenue	\$ 1,110,557	\$ 961,354	\$ 149,203
Sewer Rent Revenue	230,095	211,709	18,386
Use of Money	172,286	198,500	(26,214)
Use of Property	45,427	44,364	1,063
Developer Fee Revenue	349,515	217,400	132,115
Contributed Capital	619,327	-	619,327
Sale of Meters	38,350	47,000	(8,650)
Miscellaneous Revenue	<u>730</u>	<u>-</u>	<u>730</u>
Total Operating Revenue	<u>2,566,287</u>	<u>1,680,327</u>	<u>885,960</u>
Operating Expense			
Salaries	166,240	170,663	4,423
Employee Benefits	54,827	60,874	6,047
Contractual Services *	419,688	630,327	210,639
Depreciation and Amortization	398,678	-	(398,678)
Interest Expense	<u>75,555</u>	<u>75,555</u>	<u>-</u>
Total Operating Expenses	<u>1,114,988</u>	<u>937,419</u>	<u>(177,569)</u>
Increase in Net Assets	<u>\$ 1,451,299</u>	742,908	<u>\$ 708,391</u>
Principal Payment		220,000	
Capital Asset Acquisition		<u>476,806</u>	
Change in Net Assets		<u>\$ 46,102</u>	

* Actual contractual services have been reduced by \$262,556 which represents water tower painting which was budgeted as a capital asset acquisition.