

439 Water Supply Corporation

September 30, 2021 and 2020

Financial Statements



439 WATER SUPPLY CORPORATION

FINANCIAL STATEMENTS

For The Years Ended September 30, 2021 and 2020

**TOGETHER WITH INDEPENDENT AUDITOR'S REPORT THEREON
AND SUPPLEMENTARY INFORMATION**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
439 Water Supply Corporation
Belton, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of 439 Water Supply Corporation, (the Corporation) (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 from 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 auditor's 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 on 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS'S REPORT
(CONTINUED)**

Opinion

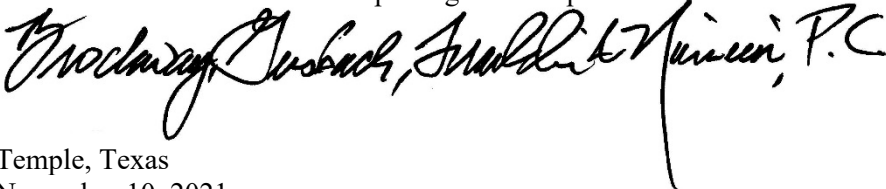
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 439 Water Supply Corporation as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 16 - 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021, on our consideration of 439 Water Supply Corporation internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of 439 Water Supply Corporation's 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 439 Water Supply Corporation's internal control over financial reporting and compliance.


Temple, Texas
November 10, 2021

FINANCIAL STATEMENTS

439 WATER SUPPLY CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2021 and 2020

ASSETS			
		<u>2021</u>	<u>2020</u>
Current Assets			
Cash and cash equivalents		\$ 1,678,594	\$ 1,544,249
Accounts receivable, net of allowance for bad debts of \$ 747 and \$ 747, respectively		233,861	172,309
Prepaid expenses		<u>26,756</u>	<u>22,577</u>
Total Current Assets		1,939,211	1,739,135
Property and Equipment			
Land		90,341	90,341
Buildings and fixtures		602,501	602,501
Office equipment		50,746	48,071
Vehicles and trailers		366,321	267,094
Water distribution system		9,070,218	9,001,772
Construction in progress		<u>53,636</u>	<u>29,304</u>
		10,233,763	10,039,083
Less accumulated depreciation		<u>(5,177,206)</u>	<u>(4,827,293)</u>
Total Property and Equipment, net		5,056,557	5,211,790
Other Assets			
Restricted cash and cash equivalents - debt reserves		230,000	230,000
Investment in CoBank		20,919	17,921
Asset recovery- receivable		32,961	33,751
Corporate bonds		<u>5,943</u>	<u>7,880</u>
Total Other Assets		<u>289,823</u>	<u>289,552</u>
Total Assets		<u><u>\$ 7,285,591</u></u>	<u><u>\$ 7,240,477</u></u>

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

LIABILITIES

	<u>2021</u>	<u>2020</u>
Current Liabilities		
Current portion of long-term debt	\$ 89,304	\$ 85,656
Accounts payable	81,423	67,510
Accrued expenses	7,578	7,499
Deferred revenue	<u>68,751</u>	<u>68,751</u>
Total Current Liabilities	247,056	229,416
 Long-Term Liabilities		
Long-term debt, net of current portion	3,188,795	3,288,850
Asset recovery - payable	<u>32,961</u>	<u>32,521</u>
Total Long-Term Liabilities	<u>3,221,756</u>	<u>3,321,371</u>
Total Liabilities	3,468,812	3,550,787

NET ASSETS

Net Assets		
Without Member Restrictions:		
Undesignated	1,787,402	1,604,485
Net investment in property and equipment	1,778,458	1,837,284
Debt reserves	<u>250,919</u>	<u>247,921</u>
Total Net Assets	3,816,779	3,689,690
 Total Liabilities and Net Assets	<u><u>\$ 7,285,591</u></u>	<u><u>\$ 7,240,477</u></u>

439 WATER SUPPLY CORPORATION
STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2021 and 2020

	2021	2020
Net Operating Revenues		
Operating revenues	\$ 2,397,981	\$ 2,321,535
Less cost of service	951,739	967,093
Net operating revenues	1,446,242	1,354,442
Expenses:		
Program		
Depreciation	375,400	348,340
Personnel and benefits	193,046	213,707
Maintenance	166,944	136,282
Interest expense	119,065	139,425
Repairs	74,938	33,296
Supplies	70,210	44,756
Utilities	67,985	67,140
Professional services	7,450	7,450
Subtotal Program Expenses	1,075,038	990,396
General and Administrative		
Personnel and benefits	128,698	142,471
Office expense	70,475	67,197
Depreciation	22,002	22,392
Insurance	21,333	21,242
Professional services	20,666	15,376
Advertising	8,130	1,304
Other	7,299	6,965
Utilities	3,528	2,959
Rental	2,850	2,460
Travel	1,470	1,201
Education	1,358	957
Meals	1,085	202
Subtotal General and Administrative Expenses	288,894	284,726
Total Expenses	1,363,932	1,275,122
Other Income		
Interest and dividend income	35,410	36,073
Gain on sale of assets	9,100	29,500
Other income	2,700	-
Unrealized loss on investments	(2,431)	-
Total Other Income	44,779	65,573
Changes in net assets	127,089	144,893
Net assets - beginning of year	3,689,690	3,544,797
Net assets - end of year	\$ 3,816,779	\$ 3,689,690

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

439 WATER SUPPLY CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Changes in net assets	\$ 127,089	\$ 144,893
Adjustments to reconcile change in nets assets to net cash provided by operating activities:		
Depreciation	397,402	370,732
(Increase) decrease in:		
Accounts receivable	(60,762)	23,283
Prepaid expenses	(4,179)	(95)
Other assets	(2,998)	(4,516)
Increase (decrease) in:		
Accounts payable	14,353	(14,675)
Accrued expenses	79	373
	<u>343,895</u>	<u>375,102</u>
Total Adjustments		
	<u>343,895</u>	<u>375,102</u>
Net cash provided by operating activities	470,984	519,995
Cash Flows from Investing Activities		
Proceeds from sales of investments	1,937	2,131
Purchase of property and equipment, net of disposals	(242,169)	(175,941)
	<u>(240,232)</u>	<u>(173,810)</u>
Net cash used by investing activities		
	<u>(240,232)</u>	<u>(173,810)</u>
Cash Flows from Financing Activities		
Payments on debt	(96,407)	(80,257)
	<u>(96,407)</u>	<u>(80,257)</u>
Net cash used by financing activities		
	<u>(96,407)</u>	<u>(80,257)</u>
Net increase in cash and cash equivalents	134,345	265,928
Cash and cash equivalents - Beginning of Year	<u>1,544,249</u>	<u>1,278,321</u>
Cash and cash equivalents - End of Year	<u>\$ 1,678,594</u>	<u>\$ 1,544,249</u>

Supplemental Cash Flow Information

Interest paid in the years ended September 30, 2021 and 2020, was \$ 119,065 and \$ 139,425, respectively.

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

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439 WATER SUPPLY CORPORATION NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities

439 Water Supply Corporation (the Corporation) was incorporated in Texas in 1967 as a non-profit corporation for the purpose of furnishing a water supply for general farm use and domestic purposes to individuals residing in the rural community of FM Road 439, Texas, and the surrounding rural areas. Members are billed monthly for water, and due to the quick receipt of payments, accounts receivable generally are not subject to material losses.

2. Summary of Significant Accounting Policies

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements of the Corporation.

Basis of Accounting

The modified accrual basis of accounting has been utilized by the Corporation in preparing its financial statements. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected within sixty days to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred, if measurable.

Estimates

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

Federal Income Tax

The Corporation is exempt from federal income tax under Section 501(c) (12) of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes all short-term liquid investments convertible into cash and includes cash and money market accounts.

Restricted Cash

Restricted cash consists of reserve funds set aside as stipulated by the Corporation's debt agreements.

439 WATER SUPPLY CORPORATION

NOTES TO FINANCIAL STATEMENTS

Investments

Investments consist of various mutual funds and marketable debt securities. The Corporation classifies its marketable debt securities as “held to maturity” and has the positive intent and ability to hold the securities to maturity. These investments are recorded at amortized cost. All other marketable securities are classified as “available-for-sale” which is carried in the financial statements at fair value with the unrealized gain or loss reflected in the current year statement of activities.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method for financial reporting purposes. Asset lives for financial statement purposes are as follows:

<u>Property</u>	<u>Life</u>
Buildings and fixtures	5-30 years
Office equipment	5-10 years
Vehicles and trailers	5 years
Water distribution system	5-40 years

Expenses that materially extend useful lives or increase values of assets are capitalized whereas routine maintenance, repair and replacement costs are charged against current operations. Upon routine sales or retirement of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is included in the statement of activities. Depreciation expense for the years ended September 30, 2021 and 2020 was \$ 397,402 and \$ 370,732, respectively.

Property and equipment acquired with federal funds are considered to be owned by the Corporation while used in the program or in future authorized programs. However, the federal government has a reversionary interest in these assets, as well as the right to determine the use of any proceeds from the sale of assets purchased with the respective funds.

Functional Expenses

The costs of providing programs and supporting services have been presented by natural classification and summarized on a functional basis in the statement of activities. Certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis. General and administrative expense include those supporting services that are not directly identifiable with any other specific function but provide the overall support and direction of the Corporation.

3. Cash and Cash Equivalents

As of September 30, 2021 and 2020, the Corporation maintained cash balances of \$ 1,408,194 and \$ 1,273,849 respectively, in excess of FDIC insured limits.

439 WATER SUPPLY CORPORATION
NOTES TO FINANCIAL STATEMENTS

4. Investments

Cost and fair value of debt securities at September 30, 2021 and 2020, are as follows:

	2021		2020	
	Fair Value	Historical Cost	Fair Value	Historical Cost
Held-to-maturity:				
Corporate bonds	\$ 5,943	\$ 5,058	\$ 7,880	\$ 6,667

Overall changes in investments are due to the maturity of bonds.

5. Asset Recovery – Receivable

The asset recovery receivable and payable accounts represent the amount of money due to Gallagher Bassett Services from Janice Durrett for restitution. The Corporation received \$ 44,685 from Gallagher Bassett Services in insurance claims. The Corporation receives restitution money from Janice Durrett periodically and then pays Gallagher Bassett Services monthly in the amount of money accumulated. As of September 30, 2021 and 2020, the Corporation has received and remitted, to date, a total of \$ 11,974 and \$ 11,184, respectively, leaving a remaining asset recovery receivable and payable in the amount of \$ 32,961 and \$ 32,961, respectively.

6. Changes in Long-Term Debt

Long-term debt activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Notes Payable:				
USDA Loan	\$ 2,239,117	\$ -	\$ (43,540)	\$ 2,195,577
CoBank Loan	1,135,389	-	(52,867)	1,082,522
Total Notes Payable:	\$ 3,374,506	\$ -	\$ (96,407)	\$ 3,278,099

439 WATER SUPPLY CORPORATION
NOTES TO FINANCIAL STATEMENTS

7. Long-Term Debt

Long-term debt at September 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
USDA - RD 4.125% construction note, dated September 14, 2005, is payable in monthly installments of \$ 10,725 through April 2051	\$ 2,195,577	\$ 2,239,117
CoBank - construction note, dated May 19, 2015 is payable in monthly installments through May 2037	<u>1,082,522</u>	<u>1,135,389</u>
	3,278,099	3,374,506
Less Current Portion	<u>(89,304)</u>	<u>(85,656)</u>
Long-Term Debt, net of current portion	<u><u>\$ 3,188,795</u></u>	<u><u>\$ 3,288,850</u></u>

All assets of the Corporation are pledged as security for the above notes. The Corporation has certain debt covenants with both the USDA and CoBank. The Corporation was in compliance with all debt covenants as of September 30, 2021 and 2020.

Repayment of the long-term debt, at September 30, 2021, is scheduled as follows:

<u>Years Ending September 30,</u>	
2022	\$ 89,304
2023	93,108
2024	97,074
2025	101,209
2026	45,835
2027 and after	<u>2,851,569</u>
	<u><u>\$ 3,278,099</u></u>

8. Accrued Vacation and Sick Leave

The Corporation's employees earn vacation at the rate of two weeks a year for one to nine years of service, three weeks for 10-15 years of service, and four weeks after 15 years of service. Vacation days accrued cannot be carried over from one calendar year to the next. Upon termination, accrued vacation hours will be paid provided the employee gives written notice two weeks prior to termination. Management has not accrued vacation in the accompanying financial statements due to its opinion that any such amounts paid in cash upon termination would not be significant.

439 WATER SUPPLY CORPORATION NOTES TO FINANCIAL STATEMENTS

Sick leave accumulates at a rate of 12 days per year. Employees are not eligible to use sick leave until after six months of employment. Sick leave may be carried over from year to year up to a maximum of forty days. No accumulated sick leave will be paid to an employee upon termination of service with the Corporation, and is therefore not accrued in the accompanying financial statements.

9. Deferred Revenue

The Corporation is selling 18 customer accounts to the WCID#3 in the amount of \$ 68,751. The Corporation received the money, however as of September 30, 2021 WCID#3 has not completed the necessary documentation to begin providing services to these customers. The revenue will be recognized when the transaction is complete.

10. Commitments and Contingencies

The Corporation applied for a loan with USDA Rural Development to fund an estimated \$ 4,000,000 in planned upgrades and expansions of systems. The loan is scheduled for repayment over a period of 40 years and a cash reserve is required in an amount equal to one annual installment. The loan application for the first half, in the amount of \$ 2,488,200, was approved by the USDA on September 21, 2005. At September 30, 2020, the Corporation had \$ 130,000 set aside to fund the required reserve. The loan is currently in repayment. The Corporation is not seeking additional USDA Rural Development financing at this time.

CoBank, a banking co-operative for rural infrastructure projects, has approved the Corporation for a loan to further fund planned system upgrades and expansions. A requirement of CoBank lending policies is membership in the co-operative. Membership requires payment of \$ 1,000 and entitles members to participate in patronage dividends as declared by the CoBank board of directors. The loan is scheduled for repayment over a period of 20 years and a cash reserve equal to \$ 100,000 is required to be maintained. As of September 30, 2021 and 2020, the Corporation's investment in CoBank, including patronage dividends was \$ 20,919 and \$ 17,921, respectively.

11. Temporarily Restricted Net Assets without Member Restrictions

Not-for-profit organizations receive funds whose use is limited by stipulations that accompany those funds. Resources (net assets) with stipulations that either expire by passage of time or are to be fulfilled by actions of an organization are reported as temporarily restricted net assets if they are not fulfilled within the current year. As of September 30, 2021 and 2020, temporarily restricted net assets without member restrictions totaled \$ 250,919 and \$ 247,921, respectively, and consist of amounts required to fund reserves for debt covenants.

439 WATER SUPPLY CORPORATION
NOTES TO FINANCIAL STATEMENTS

12. Net Assets with Member Restrictions

The part of the net assets of a not-for-profit organization resulting from contributions whose use by an organization is limited by member-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of an organization are considered net assets with member restrictions. An example of net assets with member restrictions would be the donation of funds (or other assets) to an organization in which the member imposed a restriction that the funds not be expended, but that the organization would be permitted to use or expend part or all of the income (or other economic benefit) derived from the donation. As of September 30, 2021 and 2020, the Corporation had no net assets with member restrictions.

13. Liquidity and Availability of Financial Assets

As of September 30, 2021 and 2020, the financial assets available for general expenditure without member or other restrictions limiting their use, within one year of the state of financial position date are as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,908,594	\$ 1,774,249
Accounts receivable	233,861	172,309
Total financial assets	<u>2,142,455</u>	<u>1,946,558</u>
Less amounts not available within one year:		
Debt Reserves	<u>250,919</u>	<u>247,921</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 1,891,536</u></u>	<u><u>\$ 1,698,637</u></u>

14. Subsequent Events

Management has evaluated subsequent events through November 10, 2021, which is the date of the independent auditor's report.

SUPPLEMENTARY INFORMATION

439 WATER SUPPLY CORPORATION
STATEMENTS OF FINANCIAL POSITION
September 30, 2021, 2020, 2019, 2018, 2017 and 2016

	ASSETS	
	2021	2020
Current Assets		
Cash and cash equivalents	\$ 1,678,594	\$ 1,544,249
Accounts receivable, net	233,861	172,309
Prepaid expenses	26,756	22,577
Total Current Assets	1,939,211	1,739,135
Property and Equipment		
Land	90,341	90,341
Buildings and fixtures	602,501	602,501
Office equipment	50,746	48,071
Vehicles and trailers	366,321	267,094
Water distribution system	9,070,218	9,001,772
Construction in progress	53,636	29,304
	10,233,763	10,039,083
Less accumulated depreciation	(5,177,206)	(4,827,293)
Total Property and Equipment, net	5,056,557	5,211,790
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Restricted cash and cash equivalents - debt reserves	230,000	230,000
Investment in CoBank	20,919	17,921
Asset recovery- receivable	32,961	33,751
Investments - bonds	5,943	7,880
Total Other Assets	289,823	289,552
Total Assets	\$ 7,285,591	\$ 7,240,477
	LIABILITIES	
Current Liabilities		
Current portion of long-term debt	\$ 89,304	\$ 85,656
Accounts payable	81,423	67,510
Accrued expenses	7,578	7,499
Deferred revenue	68,751	68,751
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Long-Term Liabilities		
Long-term debt, net of current portion	3,188,795	3,288,850
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Total Long-Term Liabilities	3,221,756	3,321,371
Total Liabilities	3,468,812	3,550,787
	NET ASSETS	
Net Assets		
Without Member Restrictions:		
Undesignated	1,787,402	1,604,485
Net investment in property and equipment	1,778,458	1,837,284
Debt reserves	250,919	247,921
Total Net Assets	3,816,779	3,689,690
Total Liabilities and Net Assets	\$ 7,285,591	\$ 7,240,477

2019	2018	2017	2016
\$ 1,278,321	\$ 1,063,690	\$ 789,700	\$ 550,893
195,402	167,374	160,550	143,392
22,482	22,232	21,712	20,683
<u>1,496,205</u>	<u>1,253,296</u>	<u>971,962</u>	<u>714,968</u>
90,341	124,422	124,422	124,422
633,074	631,128	630,630	625,987
48,071	46,686	38,035	37,906
170,613	170,613	170,613	158,064
8,994,626	8,852,883	8,839,423	8,744,234
-	-	-	-
<u>9,936,725</u>	<u>9,825,732</u>	<u>9,803,123</u>	<u>9,690,613</u>
<u>(4,530,144)</u>	<u>(4,168,926)</u>	<u>(3,794,523)</u>	<u>(3,467,915)</u>
<u>5,406,581</u>	<u>5,656,806</u>	<u>6,008,600</u>	<u>6,222,698</u>
230,000	230,000	230,000	230,000
13,405	8,920	5,021	1,769
33,941	35,561	15,262	15,467
10,011	10,823	94,281	97,561
<u>287,357</u>	<u>285,304</u>	<u>344,564</u>	<u>344,797</u>
<u>\$ 7,190,143</u>	<u>\$ 7,195,406</u>	<u>\$ 7,325,126</u>	<u>\$ 7,282,463</u>
\$ 82,157	\$ 80,310	\$ 91,158	\$ 52,799
81,745	52,459	-	-
7,126	6,213	6,373	5,948
68,751	68,751	68,751	68,751
<u>239,779</u>	<u>207,733</u>	<u>166,282</u>	<u>127,498</u>
3,372,606	3,458,516	3,781,465	3,621,260
32,961	35,561	-	-
<u>3,405,567</u>	<u>3,494,077</u>	<u>3,781,465</u>	<u>3,621,260</u>
3,645,346	3,701,810	3,947,747	3,748,758
1,349,574	1,136,696	1,006,381	753,297
1,951,818	2,117,980	2,135,977	2,548,639
243,405	238,920	235,021	231,769
<u>3,544,797</u>	<u>3,493,596</u>	<u>3,377,379</u>	<u>3,533,705</u>
<u>\$ 7,190,143</u>	<u>\$ 7,195,406</u>	<u>\$ 7,325,126</u>	<u>\$ 7,282,463</u>

439 WATER SUPPLY CORPORATION
STATEMENTS OF ACTIVITIES
September 30, 2021, 2020, 2019, 2018, 2017 and 2016

	2021	2020
Net Operating Revenues		
Operating revenues	\$ 2,397,981	\$ 2,321,535
Less cost of service	<u>951,739</u>	<u>967,093</u>
Net operating revenues	1,446,242	1,354,442
Expenses:		
Program		
Depreciation	375,400	348,340
Personnel and benefits	193,046	213,707
Maintenance	166,944	136,282
Interest expense	119,065	139,425
Repairs	74,938	33,296
Supplies	70,210	44,756
Utilities	67,985	67,140
Professional services	<u>7,450</u>	<u>7,450</u>
Subtotal Program Expenses	1,075,038	990,396
General and Administrative		
Personnel and benefits	128,698	142,471
Office expense	70,475	67,197
Depreciation	22,002	22,392
Insurance	21,333	21,242
Professional services	20,666	15,376
Advertising	8,130	1,304
Other	7,299	6,965
Utilities	3,528	2,959
Rental	2,850	2,460
Travel	1,470	1,201
Education	1,358	957
Meals	<u>1,085</u>	<u>202</u>
Subtotal General and Administrative Expenses	288,894	284,726
Total Expenses	<u>1,363,932</u>	<u>1,275,122</u>
Other Income		
Interest and dividend income	35,410	36,073
Gain on sale of assets	9,100	29,500
Other income	2,700	-
Unrealized loss on investments	<u>(2,431)</u>	<u>-</u>
Total Other Income	44,779	65,573
Changes in net assets	127,089	144,893
Net assets - beginning of year	<u>3,689,690</u>	<u>3,544,797</u>
Net assets - end of year	<u><u>\$ 3,816,779</u></u>	<u><u>\$ 3,689,690</u></u>

2019	2018	2017	2016
\$ 1,995,222	\$ 2,139,459	\$ 1,876,720	\$ 1,724,409
843,731	817,169	875,544	516,078
1,151,491	1,322,290	1,001,176	1,208,331
338,436	351,939	337,797	259,787
178,739	235,359	228,453	209,008
92,253	93,019	84,206	94,467
148,366	151,751	139,255	125,429
33,024	28,299	53,380	57,103
47,328	24,473	15,657	18,349
52,990	69,433	63,682	62,114
2,638	3,368	4,235	3,581
893,774	957,641	926,665	829,838
119,159	156,906	152,302	139,339
52,228	41,112	41,643	29,531
22,782	22,464	21,562	26,847
22,330	21,893	23,359	20,000
7,913	10,103	12,705	10,742
2,715	1,337	-	-
5,061	4,629	4,607	2,797
2,789	3,654	3,352	3,269
1,630	1,978	2,290	1,958
1,438	1,446	1,329	1,251
1,206	2,803	2,218	411
73	175	101	-
239,324	268,500	265,468	236,145
1,133,097	1,226,141	1,192,133	1,065,983
32,807	38,596	27,091	14,258
-	-	7,540	-
-	(15,447)	-	-
-	(3,081)	-	464
32,807	20,068	34,631	14,722
51,201	116,217	(156,326)	157,070
3,493,596	3,377,379	3,533,705	3,376,635
\$ 3,544,797	\$ 3,493,596	\$ 3,377,379	\$ 3,533,705

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REQUIRED SUPPLEMENTARY INFORMATION

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