

**CRYSTAL LAKES
WATER AND SEWER ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED MAY 31, 2010 AND 2009**

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	2
Statements of Revenues and Expenses	3
Statements of Changes in Members' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-11
SUPPLEMENTARY INFORMATION	
Supplementary Information on Future Repairs and Replacements (unaudited)	12
Supplementary Schedule of Activity in Members' Equity	13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crystal Lakes Water and Sewer Association
Red Feather Lakes, Colorado

We have audited the accompanying balance sheets of Crystal Lakes Water and Sewer Association as of May 31, 2010 and 2009, and the related statements of revenues and expenses, changes in members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial position of Crystal Lakes Water and Sewer Association as of May 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information on future repairs and replacements on pages 12 and 13 is not a required part of the basic financial statements of Crystal Lakes Water and Sewer Association but is 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of designated funds on page 14 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rickards Long & Rulon, LLP
Fort Collins, Colorado
November 15, 2010

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

BALANCE SHEETS

As of May 31, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 202,192	\$ 282,045
Certificate of deposit	144,531	-
Interest receivable	-	1,602
Due from affiliated entity	2,039	5,713
Prepaid expenses	2,229	1,956
Inventory	379	2,210
Total current assets	351,370	293,526
Non-Current Assets		
Cash and cash equivalents, designated	-	148,886
Certificate of deposit, designated	717,113	611,839
Cash, restricted	25,000	25,000
Certificate of deposit, restricted	88,356	88,161
Dues and accounts receivable, net of allowance for doubtful accounts of \$10,939 and \$11,559 for May 31, 2010 and 2009.	19,933	18,721
Lots held for sale	3,556	3,556
Property and equipment, net	673,800	556,169
Total non-current assets	1,527,758	1,452,332
Total assets	\$ 1,879,128	\$ 1,745,858
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 10,163	\$ 36,735
Accrued expenses	11,979	11,462
Prepaid assessments	1,190	1,289
Total current liabilities	23,332	49,486
MEMBERS' EQUITY		
Undesignated	1,025,327	822,486
Designated for future repairs and replacements	717,113	760,725
Temporarily restricted	113,356	113,161
Total members' equity	1,855,796	1,696,372
Total liabilities and members' equity	\$ 1,879,128	\$ 1,745,858

See accompanying notes to financial statements.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES

Years Ended May 31, 2010 and 2009

	2010	2009
REVENUES		
Membership dues and assessments	\$ 394,642	\$ 393,042
Ownership transfer fees	2,650	3,700
Fines	825	3,800
Sewer hauls	25,385	23,905
Water hauls	11,705	13,155
Boat storage fees	9,180	8,999
Gasoline sales	294	5,055
Water meter sales	3,840	4,455
Finance charge income	6,984	6,871
Interest income	2,785	19,018
Gain on sale of assets	-	6,540
Other	9,122	14,558
Total revenues	467,412	503,098
EXPENSES		
Salaries	126,646	133,599
Payroll taxes	10,763	11,372
Depreciation	28,158	29,314
Office expense	33,700	40,999
Employee benefits	30,716	33,612
Insurance	17,403	16,775
System operations	19,484	26,442
Professional services	8,146	16,250
Vehicle maintenance	6,210	6,402
System maintenance	11,440	18,008
Utilities	6,958	5,924
Repairs and maintenance	4,239	10,109
Bad debts	-	2,000
Miscellaneous	125	618
Income tax expense	4,000	16,182
Loss on sale of lots	-	2,858
Total expenses	307,988	370,464
Excess of revenue over expenses	\$ 159,424	\$ 132,634

See accompanying notes to financial statements.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

STATEMENTS OF CHANGES IN MEMBER'S EQUITY

Years Ended May 31, 2010 and 2009

	Total	Undesignated	Designated for Repairs and Replacement	Temporarily Restricted
MEMBERS' EQUITY - May 31, 2008	\$ 1,563,738	\$ 730,825	\$ 721,273	\$ 111,640
Excess revenues over expenses	132,634	132,634		-
Allocated to future repairs and replacements:				
Collection for special assessments	-	(115,846)	115,846	-
Interest income	-	(15,214)	13,693	1,521
Expenditures for major repairs and replacements	-	90,087	(90,087)	-
Transfers	-	-	-	-
MEMBERS' EQUITY - May 31, 2009	\$ 1,696,372	\$ 822,486	\$ 760,725	\$ 113,161
Excess revenues over expenses	159,424	159,424	-	-
Allocated to future repairs and replacements:				
Collection for special assessments	-	(115,648)	115,648	-
Interest income	-	(2,562)	2,367	195
Expenditures for major repairs and replacements	-	161,627	(161,627)	-
Transfers	-	-	-	-
MEMBERS' EQUITY - May 31, 2010	\$ 1,855,796	\$ 1,025,327	\$ 717,113	\$ 113,356

See accompanying notes to financial statements.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended May 31, 2010 and 2009

	2010	2009
Cash Flows From Operating Activities		
Excess of revenues over expenses	\$ 159,424	\$ 132,634
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Depreciation expense	28,158	29,314
(Gain) loss on sale of property and equipment	-	(6,540)
Loss on sale of lots	-	2,858
Provision for bad debts	-	2,000
(Increase) decrease in operation assets		
Dues and accounts receivable	(1,212)	3,252
Interest receivable	1,602	7,640
Prepaid expenses	(273)	2,060
Inventory	1,831	6,825
Due from affiliated entity	3,674	(5,713)
(Increase) decrease in operation liabilities		
Accounts payable	(26,572)	(73,774)
Accrued expenses	517	1,801
Prepaid assessments	(99)	(224)
Due to affiliated entity	-	(1,134)
Net cash provided by operating activities	167,050	100,999
Cash Flows From Investing Activities		
Purchase of certificate of deposit	(250,000)	(700,000)
Proceeds from maturities of certificates of deposits	-	769,000
Acquisitions of property and equipment	(145,789)	(99,119)
Proceeds from sales of property and equipment	-	10,000
Acquisitions of lots	-	(6,457)
Proceeds from sale of lots	-	15,896
Net cash (used) by investing activities	(395,789)	(10,680)
Net Increase (Decrease) in Cash and Cash Equivalents	(228,739)	90,319
Cash and Cash Equivalents, Beginning of Year	430,931	340,612
Cash and Cash Equivalents, End of Year	\$ 202,192	\$ 430,931
Supplemental Information		
Cash payments for income taxes	\$ 4,000	\$ 1,732
Settlement of accounts receivable in exchange for lots held for sale	\$ -	\$ 4,222

See accompanying notes to financial statements.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 1. Nature of Organization

Crystal Lakes Water and Sewer Association (the Association) is organized as a not for profit corporation in the State of Colorado for the purpose of promoting the general well-being of property owners in the Crystal Lakes Development and within the boundaries established in the plan for augmentation in Colorado Water Court decrees 7631-74 and 8540-77, located in Red Feather Lakes, Colorado. The Association's membership consists of property owners with diverse backgrounds from various regions across the United States. The significant activities of the Association include the acquisition of water rights and the operation and maintenance of water and sewer facilities for approximately 1,675 lots in the development. Financing for the Association's activities is derived through membership assessments and fees from member services.

Note 2. Summary of Significant Accounting Policies

Accounting Standards

In June 2009, the Financial Accounting Standards Board issued FASB Statement No. 168, *The FASB Accounting Standards Codification* and the Hierarchy of Generally Accepted Accounting Principles. This Statement establishes the *FASB Accounting Standards Codification* (ASC) as the source of authoritative U.S. generally accepted accounting principles recognized by the FASB to be applied by all nongovernmental entities. This Statement is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Association has adopted ASC for the annual period ended May 31, 2010.

Common Property

The Association owns various common properties, including a water and sewer maintenance building, water and wastewater central plants, the lakes, and sites for future utility construction. The properties originally contributed by the developer are not reported on the accompanying financial statements. The assets contributed by the developer are primarily lakes and future utility sites.

Any properties subsequently acquired are carried at the Association's cost, net of depreciation. The Association subsequently purchased, and is carrying on the books, one-half of Catawba Lake, the upper Lone Pine Lake site, and the water and sewer maintenance building.

The Association is responsible for the repair and maintenance of dams, maintenance building and central water and wastewater facilities. The maintenance of these properties is funded by member assessments.

Member Assessments

Association members are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions and replacements. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Allowance for Doubtful Dues and Accounts Receivable and Revenue Recognition

The Association has adopted the reserve method of accounting for uncollectible dues and accounts receivable. When membership dues become delinquent for a substantial period of time, it has been the Association's policy to file liens on the property owner's real estate located in the development. Effective January 1, 1994, Colorado statutes have made homeowner's association dues an automatic lien against the property with no formal filing required by the Association.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 2. Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Dues and Accounts Receivable and Revenue Recognition (continued)

Even so, collection efforts may be hindered by bankruptcy laws, security interests subordinated to those of other creditors, and the relative expense of collection procedures. As billings for services are done annually, any amounts due at year-end have been outstanding for one year. Due to the time the receivables have been outstanding and uncertain nature of when the balance will be collected, management has elected to exclude accounts receivable from current assets. Allowances for doubtful accounts are based on a review of the status of existing accounts coupled with past collection experience. Billings for annual assessments cover the period from June 1 through May 31. Such billings are recorded as dues and accounts receivable and revenue on June 1 of each operating year. Amounts collected prior to the assessment date are recorded as a liability in the account titled "prepaid assessments" on the balance sheet of the Association.

Property and Equipment

Depreciation is computed on a straight-line basis over the estimated useful lives of the individual assets. In general, class lives are presented below:

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	20
Machinery and equipment	5-15
Autos and trucks	5-10
Office furniture and equipment	3-5

Cash Equivalents

For purpose of the statement of cash flows, the Association considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The Association maintains its cash in bank accounts which on occasion may exceed federally insured limits of \$250,000 as guaranteed by the Federal Deposit Insurance Corporation. The Association has not experienced any losses in such accounts.

Lots held for sale

On occasion, the Association will acquire lots from sheriff's sales and hold them until they can be resold. Lots are recorded at the cost of unpaid assessments, legal fees and property taxes at date of acquisition. Since the sum of these costs are generally less than the fair market value, the Association has not incurred any material impairment losses related to lots held for sale.

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.

Advertising

Advertising is expensed as incurred. The Association did not have advertising expenses in either of the years ended May 31, 2010 and 2009.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Association may elect to be taxed as a homeowners association, or as a regular corporation, under the provisions of the Internal Revenue Code. Under current regulations, the Association is taxed as a regular corporation unless this annual election is made. As a regular corporation, membership income is exempt from taxation if certain elections are made and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate rates.

Differences in income reported for financial statement purposes and income for income tax purposes may result from the following:

The Association uses the straight-line method of depreciation for financial statements while depreciation is calculated using a combination of straight-line and accelerated methods for income tax reporting. The depreciable lives of assets may be different for book and tax purposes.

The Association uses the reserve method of accounting for bad debts for financial statements, while the direct write-off method is utilized for income tax purposes.

Accrued compensated absences are not deductible for income tax purposes until paid.

In any year that the election is made to be taxed as a Homeowners Association, membership dues and general operating expenses are not taxable or deductible. Only income for special services received from members and nonmembers, and the expenses related to providing these services, are considered in computing taxable income.

On June 1, 2009, The Association adopted the recognition requirements for uncertain income tax positions as required by ASC 740-10. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertain tax positions the organization has taken or expects to take on a tax return. The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit tax return periods are 2006 through 2008. In evaluating the Association's tax provisions and accruals, interpretations and tax planning strategies are considered. The Association believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at May 31, 2010.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 15, 2010, the date that the financial statements were available to be issued.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 3. Transactions with Crystal lakes Road and Recreation Association

Crystal Lakes Water and Sewer Association and Crystal Lakes Road and Recreation Association are organizations that consist primarily, but not exclusively, for the benefit of the Crystal Lake property owners. The Associations share certain administrative expenses.

	<u>2010</u>	<u>2009</u>
Balance due (to) from affiliate at May 31	\$ 2,039	\$ 5,713

Note 4. Income Taxes

The Association may elect in any year to be taxed as a Homeowners' Association. This election was made for the fiscal years ending in 2010 and 2009. The Association makes the homeowners election only in these years in which it would create tax savings. The Association has incurred income tax expense of \$4,000 and \$16,182 for the years ending May 31, 2010 and 2009, respectively.

The Association has temporary timing differences between its books and tax methods of accounting. These items may create deferred tax liabilities or deferred tax assets. There may be no tax benefit received from the reversal of a timing difference, if the timing difference is eliminated in whole or in part in any year that the Association elects to be taxed as a Homeowners Association or is operating at a loss. It is the intent of the Association to make the Homeowners election in those years where it would minimize taxes.

Furthermore, the Association has historically operated at a level where it pays little or no income tax. Considering the relevant factors, it is highly unlikely that the Association will derive any significant future loss or benefit related to deferred taxes. Accordingly, any deferred tax assets are fully offset with a value allowance.

Note 5. Employee Benefit Plans

The Crystal Lakes Water and Sewer Association jointly employs certain personnel with the Crystal Lakes Road and Recreation Association. The following is a summary of employee benefit plans currently in effect:

Compensated Absences

Vacation leave - The Association presently has a policy that allows full-time employees ten working days annual vacation after one full year of service. After five years of service, employees earn fifteen working vacation days annually. After ten years of service, employees earn twenty working vacation days annually. Vacation pay is a vested benefit.

Sick leave - Full-time employees may accumulate one day of compensated sick leave for each month of service to the Association. Employees may accumulate a maximum of thirty days of unused sick leave. Sick leave is not a vested benefit.

Paid holidays - Full-time employees, other than exempt employees, who are required to work on holidays may elect to take one day off or to be paid for the holiday at one and one-half times their hourly rate, in addition to being paid for the holiday worked.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 5. Employee Benefit Plans (continued)

Medical Benefits

The Association provides health, life and dental coverage for all full-time employees; dependent coverage for full-time employees is available at the employee's expense. The cost of providing benefits is shared equally with the Crystal Lakes Road and Recreation Association.

Pension Plan

The Association has a defined contribution pension plan (the plan) covering all full-time employees who have completed three full years of service to the Association. The Association makes a contribution to the plan each year equal to 6% of all eligible employees' annual compensation. Employer contributions are fully vested for employees that earn more than \$500 per year and have reached three years of service. The Association contributed \$4,135 and \$4,389 to the plan for the years ending May 31, 2010 and 2009, respectively.

Note 6. Restricted Member's Equity

Subdivision Improvement Agreement (S.I.A.)

On March 7, 1982, Crystal Lakes Development Company (the Developer) entered into an agreement with Larimer County. Under this agreement, the Developer pledged certain lots in the Crystal Lakes subdivision filings to secure obligations for subdivision improvements. The Developer defaulted on this agreement.

Crystal Lakes Road and Recreation Association and Crystal Lakes Water and Sewer Association entered into an agreement dated December 18, 1985, with Larimer County and the Developer. This agreement transferred title to most of the properties, pledged under the earlier agreement, to the County, and left the Associations responsible for the performance of the improvements after the sale of the properties, to the extent funds are available from the sales.

In September 1992, the Associations negotiated a settlement agreement with Larimer County that modified the terms of the 1985 agreement. Under the terms of the agreement, the remaining proceeds to be used for the construction or improvement of certain roads, and water and sewer facilities required under the original agreement. The balance of funds to be expended under this agreement are \$88,356 and \$88,161 as of May 31, 2010 and 2009, respectively.

Mine Permit

The Association maintains a certificate of deposit in the amount of \$25,000 as a bond for a mine permit. The purpose of the bond is to ensure reclamation of the land by the Association. Since the funds are restricted by the state, they have been separately presented as a non-current asset.

The Association has an obligation to reclaim certain property currently used as a gravel pit. The Association has not recognized an obligation for the reclamation as the Association cannot reasonably estimate the fair value of reclamation due to the uncertain remaining useful life of the property.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

May 31, 2010 and 2009

Note 7. Property and Equipment

Property and equipment are summarized as follows:

	<u>2010</u>	<u>2009</u>
Land and improvements	\$ 326,018	\$ 326,556
Buildings and improvements	134,729	133,276
Machinery and equipment	89,362	89,362
Autos and trucks	111,311	115,811
Office furniture and equipment	26,294	26,294
Water rights	15,054	15,054
Construction in progress	418,946	274,610
Subtotal	1,121,714	980,963
Accumulated depreciation and amortization	(447,914)	(424,794)
Property and Equipment, net	<u>\$ 673,800</u>	<u>\$ 556,169</u>

Note 8. Designated Member's Equity and Future Major Repairs and Replacements

The Association's governing documents do not require the accumulation of funds to finance future major repairs and replacements. The Board of Directors, however, has established a fund (the replacement fund) to accumulate funds for the estimated costs of future major repairs and replacements, required projects and for the expansion of existing common property. There was \$28,371 and \$36,104 in the replacement fund as of May 31, 2010 and 2009, respectively.

The Association is obligated by the augmentation plan to construct a water storage reservoir. The feasibility study completed in April 1993, estimated the Association's cost for the reservoir at \$2.0 million. Management expects to fund this project through a \$1.5 million loan from the Colorado Water Conservation Board for a 30 year term with a projected interest rate of 5% or less. Repayment of the loan will be funded by future membership assessments and fees. Beginning in the fiscal year ended May 31, 2002, the Association approved a capital projects special assessment for the construction of Upper Lone Pine Lake. The assessment is \$70 per year, per lot and resulted in assessments of 115,648 and \$115,846 during the years ended May 31, 2010 and 2009, respectively. With transfers from the operating bank account, the balance in the special assessment fund was \$688,742 and \$724,621 as of May 31, 2010 and 2009, respectively. As a result of feasibility studies performed, the Association has determined a need to pursue alternative options to meet the requirements of the augmentation plan. An impairment loss has not been incurred due with this change as the alternative option selected will be as a result of work already performed.

The Association's management conducts an ongoing study to estimate the remaining useful lives and the replacement costs of the components of common property. The Association will fund for such major repairs and replacements over the estimated useful lives of the components based on the study's estimate of future replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs.

SUPPLEMENTARY INFORMATION

CRYSTAL LAKES WATER AND SEWER ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE REPAIRS
AND REPLACEMENTS (UNAUDITED)
Years Ended May 31, 2010

The Association's management conducts an ongoing study to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair to replace the common property at May 31, 2010. Estimated current replacement costs do not take into account the effects of inflation between the time of the study and the date the components will require repair or replacement. Not included in this schedule are the costs of the Upper Lone Pine/Lower Lone Pine Lake project explained in Note 8.

The following information is based on the study and presents significant information about the components of common property:

FY 2009-2010	Estimated Remaining Useful Life (Years)	Estimated Current Repair or Replacement Cost
Boat house - replace	0	\$ 40,000
Water lines - replace (part)	0	5,000
Wood surfaces - repair/reseal	0	5,000
Ponds - repair/dredge 50%	2	7,000
Motors and pumps - replace (part)	3	5,000
Truck - replace 50%	3	15,250
Vehicle - replace 50%	3	17,500
Miscellaneous contingency	4	25,000
Septic system - refurbish	5	87,500
Water/sewer trucks - replace	12	160,000
Backhoe - replace	15	60,000
Boat racks - replace	20	35,000
Total		<u>\$ 462,250</u>

See independent auditor's report and accompanying notes to financial statements.

CRYSTAL LAKES WATER AND SEWER ASSOCIATION
SUPPLEMENTARY SCHEDULE OF ACTIVITY IN MEMBERS' EQUITY
Year Ended as of May 31, 2010

	Designated			Restricted			Undesignated	Total Equity
	Upper Lone Pine Lake	Major Reserve	Total	Mine Reclamation	Subdivision Improvement Agreement	Total		
Beginning balance	\$ 724,621	\$ 36,104	\$ 760,725	\$ 25,000	\$ 88,161	\$ 113,161	\$ 822,486	\$ 1,696,372
Net Income	-	-	-	-	-	-	159,424	159,424
Revenues	115,648	-	115,648	-	-	-	(115,648)	-
Interest Income	2,061	306	2,367	-	195	195	(2,562)	-
Transfers	-	-	-	-	-	-	-	-
Expenditures	(153,588)	(8,039)	(161,627)	-	-	-	161,627	-
Ending balance	\$ 688,742	\$ 28,371	\$ 717,113	\$ 25,000	\$ 88,356	\$ 113,356	\$ 1,025,327	\$ 1,855,796

See independent auditor's report and accompanying notes to financial statements.