

**SOLID WASTE AGENCY OF  
LAKE COUNTY, ILLINOIS**  
Gurnee, Illinois

**FINANCIAL STATEMENTS**

November 30, 2007 and 2006

**SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**  
Gurnee, Illinois

**TABLE OF CONTENTS**  
November 30, 2007 and 2006

---

Independent Auditors' Report	1
Financial Statements	
Statements of Net Assets	2
Statements of Revenues, Expenses and Changes in Net Assets	3
Statements of Cash Flows	4
Notes to Financial Statements	5 – 11
Required Supplementary Information	
Statement of Revenues, Expenses and Changes in Net Assets, Budget and Actual Year Ended November 30, 2007	12
Statement of Revenues, Expenses and Changes in Net Assets, Budget and Actual Year Ended November 30, 2006	13



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Solid Waste Agency of Lake County, Illinois  
Gurnee, Illinois

We have audited the accompanying financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO), as of and for the years ended November 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of SWALCO's management. 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. Those standards require that we plan and perform the audits 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 audits provide 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 Solid Waste Agency of Lake County, Illinois, as of November 30, 2007 and 2006, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

SWALCO has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the financial statements.

The budgetary comparison information (pages 12 – 13) are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Virchow Krause &amp; Company LLP". The signature is fluid and cursive, with "Virchow Krause &amp;" on the first line and "&amp; Company LLP" on the second line.

Madison, Wisconsin  
August 26, 2008

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENTS OF NET ASSETS

November 30, 2007 and 2006

	<b>ASSETS</b>	
	2007	2006
<b>CURRENT ASSETS</b>		
Cash	\$ 362,275	\$ 215,198
Affected area compensation fees receivable	277,335	291,293
Other receivables	193,262	885,671
Prepaid insurance	25,798	14,942
Total Current Assets	<u>858,670</u>	<u>1,407,104</u>
<b>NON-CURRENT ASSETS</b>		
Capital Assets		
Plant in Service	2,154,946	1,891,173
Construction work in progress	-	51,092
Accumulated Depreciation	<u>(468,242)</u>	<u>(378,833)</u>
Total Non-Current Assets	<u>1,686,704</u>	<u>1,563,432</u>
<b>TOTAL ASSETS</b>	<u>2,545,374</u>	<u>2,970,536</u>
	<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>		
Accounts payable	14,928	69,416
Affected area compensation expense payable	476,557	603,858
Accrued payroll	569	13,375
Compensated absences	3,294	7,413
Total Current Liabilities	<u>495,348</u>	<u>694,062</u>
Total Liabilities	<u>495,348</u>	<u>694,062</u>
	<b>NET ASSETS</b>	
Invested in capital assets	1,686,704	1,563,432
Unrestricted (Deficit)	<u>363,322</u>	<u>713,042</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,050,026</u>	<u>\$ 2,276,474</u>

See accompanying notes to financial statements.

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Years Ended November 30, 2007 and 2006

---

	2007	Restated 2006
<b>OPERATING REVENUES</b>		
County surcharge	\$ 841,681	\$ 1,537,926
Affected area compensation fees	1,905,362	1,697,803
Other miscellaneous	6,558	7,375
Total Operating Revenues	<u>2,753,601</u>	<u>3,243,104</u>
<b>OPERATING EXPENSES</b>		
Personnel services	361,655	379,359
Operational services	22,774	33,392
Contractual services	2,512,550	2,303,906
Capital outlay	2,244	5,324
Depreciation	89,409	81,252
Total Operating Expenses	<u>2,988,632</u>	<u>2,803,233</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(235,031)</u>	<u>439,871</u>
<b>NON-OPERATING INCOME</b>		
Investment income	<u>8,583</u>	<u>7,371</u>
<b>CHANGE IN NET ASSETS</b>		
	(226,448)	447,242
NET ASSETS - Beginning of Year	<u>2,276,474</u>	<u>1,829,232</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,050,026</u>	<u>\$ 2,276,474</u>

See accompanying notes to financial statements.

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENTS OF CASH FLOWS

Years Ended November 30, 2007 and 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 3,459,968	\$ 2,619,069
Paid to suppliers for goods and services	(2,747,757)	(2,044,389)
Paid to employees for services	<u>(348,944)</u>	<u>(368,343)</u>
Net Cash Flows From Operating Activities	<u>363,267</u>	<u>206,337</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	<u>(224,773)</u>	<u>(39,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>8,583</u>	<u>7,371</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>147,077</b>	<b>174,708</b>
CASH AND CASH EQUIVALENTS – Beginning of Year	<u>215,198</u>	<u>40,490</u>
<b>CASH AND CASH EQUIVALENTS – END OF YEAR</b>	<b><u>\$ 362,275</u></b>	<b><u>\$ 215,198</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (235,031)	\$ 439,871
Non-cash items included in operating income (loss)		
Depreciation	89,409	81,252
Changes in assets and liabilities		
Affected area compensation fees receivable	13,958	3,924
Other receivables	692,409	(873,921)
Prepaid insurance	(10,856)	11,954
Accounts payable	(42,396)	28,438
Affected area compensation expense payable	(127,301)	512,203
Accrued payroll and compensated absences	<u>(16,925)</u>	<u>2,616</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 363,267</u></b>	<b><u>\$ 206,337</u></b>

See accompanying notes to financial statements.

# **SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

November 30, 2007 and 2006

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

#### ***REPORTING ENTITY***

SWALCO is a municipal corporation formed by Lake County and 42 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (three at large and six elected members), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991. Following criteria established by GASB, SWALCO is not considered a component unit of the county.

#### ***MISSION STATEMENT AND OBJECTIVES***

SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County, and by meeting the following objectives:

- Implement and update the Lake County Solid Waste Management Plan.
- Facilitate an efficient, reliable and environmentally sound waste disposal system.
- Advise and assist SWALCO members regarding solid waste management issues.
- Educate the public regarding the implications of solid waste management options.
- Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

#### ***FUNDING***

The agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Health Department's enforcement program. In addition, the agency receives host fees from the landfills and transfers those fees to Lake County.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS November 30, 2007 and 2006

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION***

SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in SWALCO's financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Entities also have the option of following subsequent private-sector guidance subject to this same limitation. SWALCO has elected not to follow subsequent private-sector guidance.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***ASSETS, LIABILITIES AND NET ASSETS***

##### ***Deposits and Investments***

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits and investments are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

##### ***Receivables/Payables***

Other receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO. Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

##### ***Affected Area Compensation Fees Receivable / Expense Payable***

Affected area compensation fees receivable consists of a per ton solid waste fee due to SWALCO from waste haulers. Affected area compensation expense payable consists of amounts due to Lake County from the per ton solid waste fee.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS November 30, 2007 and 2006

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***ASSETS, LIABILITIES AND NET ASSETS (cont.)***

##### ***Prepaid Insurance***

Prepaid insurance represents insurance premiums which benefit subsequent periods.

##### ***Capital Assets***

Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the fair market value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5 – 10
Buildings	30
Office furniture and equipment	2 – 10

##### ***Compensated Absences***

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from SWALCO's general operating revenues.

##### ***REVENUES AND EXPENSES***

SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***COMPARATIVE DATA***

Certain amounts represented in the prior year data have been reclassified in order to be consistent with the current year presentation.

# SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS November 30, 2007 and 2006

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *COMPARATIVE DATA* (cont.)

In 2007, SWALCO changed the way it presents the per ton payments to the members to more accurately reflect the transaction. The per ton payments are a pass through reimbursement from Waste Management to their member communities. The payments were \$372,430 and \$245,962 in 2007 and 2006, respectively. In 2006, these receipts and payments were recorded as revenues from Waste Management and expenses to the member communities. In 2007, the transactions were netted through accounts payable as it is not a true revenue or expense of SWALCO. The 2006 statement of revenues, expenses and changes in net assets was adjusted to reflect the current treatment. There is no effect on operating income or net assets for the change.

---

### NOTE 2 – DEPOSITS AND INVESTMENTS

---

Generally accepted accounting principles require the disclosure of SWALCO's cash and investment balances and their applicable risks. SWALCO's cash and investments are commingled with the Treasurer of Lake County, Illinois; therefore, individual fund bank balances cannot be determined. Please refer to Lake County's statements for further information.

---

### NOTE 3 – CHANGES IN CAPITAL ASSETS

---

A summary of changes in capital assets for 2007 follows:

	Balance 12/1/06	Increases	Decreases	Balance 11/30/07
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Construction work in progress	51,092	-	51,092	-
Total Capital Assets Not Being Depreciated	217,309	-	51,092	166,217
Capital assets being depreciated				
Land improvements	72,515	23,837	-	96,352
Buildings	1,495,413	182,927	-	1,678,340
Office furniture and equipment	157,028	57,009	-	214,037
Total Capital Assets Being Depreciated	1,724,956	263,773	-	1,988,729
Total Capital Assets	1,942,265	263,773	51,092	2,154,946
Less: Accumulated depreciation	(378,833)	(89,409)	-	(468,242)
Net Capital Assets	<u>\$ 1,563,432</u>			<u>\$ 1,686,704</u>

## SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS November 30, 2007 and 2006

---

#### **NOTE 3 – CHANGES IN CAPITAL ASSETS (cont.)**

---

A summary of changes in capital assets for 2006 follows:

	Balance 12/1/05	Increases	Decreases	Balance 11/30/06
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Construction work in progress	<u>-</u>	51,092	<u>-</u>	<u>51,092</u>
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>51,092</u>	<u>-</u>	<u>217,309</u>
Capital assets being depreciated				
Land improvements	72,515	-	-	72,515
Buildings	1,495,413	-	-	1,495,413
Office furniture and equipment	<u>157,028</u>	<u>-</u>	<u>-</u>	<u>157,028</u>
Total Capital Assets Being Depreciated	<u>1,724,956</u>	<u>-</u>	<u>-</u>	<u>1,724,956</u>
Total Capital Assets	<u>1,891,173</u>	<u>51,092</u>	<u>-</u>	<u>1,942,265</u>
Less: Accumulated depreciation	<u>(297,581)</u>	<u>(81,252)</u>	<u>-</u>	<u>(378,833)</u>
Net Capital Assets	<u><u>\$ 1,593,592</u></u>			<u><u>\$ 1,563,432</u></u>

---

#### **NOTE 4 – NET ASSETS**

---

GASB No. 34 requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. SWALCO has no restricted assets.

Unrestricted net assets - The component of net asset consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

## SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

### NOTES TO FINANCIAL STATEMENTS November 30, 2007 and 2006

---

#### **NOTE 4 – NET ASSETS (cont.)**

---

The following calculation supports the net assets invested in capital assets, net of related debt as of November 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Plant in service	\$ 2,154,946	\$ 1,891,173
Construction work in progress	-	51,092
Accumulated depreciation	<u>(468,242)</u>	<u>(378,833)</u>
Sub-Totals	1,686,704	1,563,432
Less: Capital related debt	-	-
Total Net Assets Invested in Capital Assets	<u>\$ 1,686,704</u>	<u>\$ 1,563,432</u>

---

---

#### **NOTE 5 – CONTINGENCIES AND COMMITMENTS**

---

##### ***CONTINGENT LIABILITIES***

Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

##### ***LANDFILL CONTRACTS***

SWALCO has executed waste disposal capacity agreements with three landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their 20 year term. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreement are available from SWALCO offices.

---

#### **NOTE 6 – RISK MANAGEMENT**

---

SWALCO is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

## **SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS**

### **NOTES TO FINANCIAL STATEMENTS** November 30, 2007 and 2006

---

#### **NOTE 7 – EMPLOYEES RETIREMENT SYSTEM**

All full-time employees participate in the Illinois Municipal Retirement Fund (IMRF) through Lake County. The IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. All permanent employees expected to work over 600 hours a year are eligible to participate in the IMRF. Employees participating in the IMRF were required by statute to contribute 4.5% of their annual covered salary in calendar years 2007, 2006, and 2005. The employer rate for calendar years 2007, 2006, and 2005 were 9.02%, 10.30%, and 9.54%, respectively. All employer contributions are made by the county with a portion of the cost being allocated to SWALCO. The actuarial valuation of the plan is computed for the county as a whole and; therefore, it is impractical to determine SWALCO's proportionate share.

IMRF is established under statutes adopted by the Illinois General Assembly, and is governed by a Board of eight Trustees who must also be participating members and one Trustee who must be receiving an IMRF annuity. The IMRF issues an annual financial report which may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, IL 60523-2337, or by visiting the IMRF website at <http://www.imrf.org>.

Further details regarding the county's entire commitment to the fund can be found in the Lake County, Illinois financial statements.

---

#### **NOTE 8 – RELATED PARTIES**

SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

R E Q U I R E D   S U P P L E M E N T A R Y   I N F O R M A T I O N

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2007

	Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
County surcharge	\$ 1,204,880	\$ 841,681	\$ (363,199)
Affected area compensation fees	1,717,825	1,905,362	187,537
Per ton fee	230,000	-	(230,000)
Other miscellaneous	9,400	6,558	(2,842)
<b>Total Operating Revenues</b>	<b>3,162,105</b>	<b>2,753,601</b>	<b>(408,504)</b>
<b>OPERATING EXPENSES</b>			
Personnel services	378,485	361,655	16,830
Operational services	27,400	22,774	4,626
Contractual services	2,706,620	2,512,550	194,070
Capital outlay	49,600	2,244	47,356
Depreciation	-	89,409	(89,409)
<b>Total Operating Expenses</b>	<b>3,162,105</b>	<b>2,988,632</b>	<b>173,473</b>
<b>OPERATING LOSS</b>	<b>-</b>	<b>(235,031)</b>	<b>(235,031)</b>
<b>NON-OPERATING INCOME</b>			
Investment income	-	8,583	8,583
<b>CHANGE IN NET ASSETS</b>			
NET ASSETS - Beginning of Year	<u>2,276,474</u>	<u>2,276,474</u>	
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 2,276,474</u></b>	<b><u>\$ 2,050,026</u></b>	

## SOLID WASTE AGENCY OF LAKE COUNTY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL Year Ended November 30, 2006

	Budget	Actual	Variance
<b>OPERATING REVENUES</b>			
County surcharge	\$ 1,544,212	\$ 1,537,926	\$ (6,286)
Affected area compensation fees	1,666,228	1,697,803	31,575
Per ton fee	187,500	-	58,462
Other miscellaneous	2,000	7,375	5,375
<b>Total Operating Revenues</b>	<b>3,399,940</b>	<b>3,243,104</b>	<b>89,126</b>
<b>OPERATING EXPENSES</b>			
Personnel services	430,560	379,359	51,201
Operational services	45,600	33,392	12,208
Contractual services	2,767,905	2,303,906	218,037
Capital outlay	155,875	5,324	150,551
Depreciation	-	81,252	(81,252)
<b>Total Operating Expenses</b>	<b>3,399,940</b>	<b>2,803,233</b>	<b>350,745</b>
<b>OPERATING INCOME</b>	<b>-</b>	<b>439,871</b>	<b>439,871</b>
<b>NON-OPERATING INCOME</b>			
Investment income	-	7,371	7,371
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>447,242</b>	<b>\$ 447,242</b>
NET ASSETS - Beginning of Year	<u>1,829,232</u>	<u>1,829,232</u>	
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,829,232</b>	<b>\$ 2,276,474</b>	