

FINANCIAL STATEMENTS
FOR THE 12 MONTH PERIODS ENDED
December 31, 2022 and 2021

Prepared for:

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.

P.O. Box 1398

Freeland, WA 98249

Prepared by:

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Treasurer

P.O. Box 1398

Freeland, WA 98249

March 12, 2023

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.

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**Sun Vista/Sunlight Beach Homeowners Association
Audit Committee**

Date: May 25, 2023

To: The Board of Directors
Sun Vista/Sunlight Beach Property Owners Association
PO Box 1398
Freeland, WA 98249

Re: Audit Report for the twelve months ending December 31, 2022

Members of the Board,

We have examined the accompanying balance sheet of Sun Vista/Sunlight Beach Property Owners Association and the related statements of revenues, expenses and changes in fund balances and cash flows for the period ending December 31, 2022.

We have examined such records and performed such analytical procedures to the financial data as we deemed necessary to be able to express an opinion thereon. Our examination pertains to the accounting records of both the operating and capital accounts. We did not physically examine the fixed assets such as the water system mains, reservoirs, or other equipment.

Based on our examination, we are not aware of any material modifications that should be made to the accompanying financial statements.

The Committee members are volunteers and none of us are accountants by profession. We do not consider our work to be performed to the level of generally accepted auditing standards. We are not independent with regard to Sun Vista/Sunlight Beach Homeowners Association.

Yours truly,


Paul Marshal, Member Audit Committee


Shannon Ware, Member Audit Committee


Norman Ledbetter, Finance Director/Chair Audit Committee

Sun Vista Sunlightbeach Home Owners Ass'n
Statements of Financial Position
As of December 31, 2022 and 2021

	2022	2021
	Total	For Comparative Purposes Only
<u>ASSETS</u>		
Cash		
Checking account	\$ 254,757	\$ 267,608
Money market savings	80,004	78,305
Business savings	51,681	51,644
Accounts Receivable	2,685	888
Accrued Q4 Usage Fees	3,956	2,472
	<u> </u>	<u> </u>
Total Current Assets	\$ 393,083	\$ 400,917
Water system Property and Equipment	-	
Original system purchase	\$ 45,350	\$ 45,350
Capital Improvements 1991-2020	845,142	845,142
Capital Improvement 2022	14,310	
Office Equipment and Website	2,647	1,647
	<u> </u>	<u> </u>
Total Improvements/Equipment	907,449	892,139
Less: Accumulated amortization	(37,353)	(35,833)
Accumulated depreciation	<u>(549,826)</u>	<u>(530,018)</u>
	<u> </u>	<u> </u>
Net Book Value Property and Equipment	\$ 320,270	\$ 326,288
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ 713,354	\$ 727,205
	<u> </u>	<u> </u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	3,515	\$ 4,211
Accrued expenses	-	-
Security Deposits	250	250
	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ 3,765	\$ 4,460
	<u> </u>	<u> </u>
<u>NET ASSETS</u>		
Unrestricted		
Water Operations	\$ 237,323	\$ 229,254
Purchase and Replacement	394,725	416,016
Temporarily Restricted	77,542	77,476
	<u> </u>	<u> </u>
TOTAL NET ASSETS	\$ 709,589	\$ 722,745
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND NET ASSETS	\$ 713,354	\$ 727,205
	<u> </u>	<u> </u>

Sun Vista/Sunlight Beach Water System

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2022

(With Comparative Totals for the Year Ended December 31, 2021)

				TOTAL	TOTAL
	Unrestricted	Temporarily Restricted	Board Designated Purchase & Replacement	For the 12 months ended 12/31/22	For the 12 months ended 12/31/21
INCOME					
Water Fees - Quarterly connection charge	\$ 50,025			\$ 50,025	\$ 49,800
Water Fees - Usage				32,111	25,456
Water Usage Fees 0 to 2,499 CF	6,139				
Water Usage Fees 2,500 - 3,499 CF	2,242				
Water Usage Fees 3,500 CF and up	25,547				
4150 Credit for Water Usage Fees	(1,818)				
Quarterly assessment - filtration system				-	-
Sales of new connections			-	-	14,040
Interest - on bank savings account	5	66	38	108	137
Other income	1,544			1,544	-
Discounts/credits/delinquency fees	1,260			1,260	275
	<u>1,260</u>			<u>1,260</u>	<u>275</u>
TOTAL INCOME	\$ 84,944	\$ 66	\$ 38	\$ 85,047	\$ 89,708
EXPENSES					
Operating					
Amortization			\$ 1,520	\$ 1,520	\$ 1,520
Depreciation			19,809	19,809	17,430
Taxes - Public Utility	\$ 4,183			4,183	3,827
Purchased power	3,886			3,886	3,723
Contract services - Operator					
Certified water system operator	9,352			9,352	8,904
Meter reading	1,876			1,876	1,726
Water testing	1,483			1,483	961
System Supplies	1,605			1,605	2,186
System emergency repair/replacement	1,379			1,379	-
System repair - scheduled	24,277			24,277	6,285
Filtration system upgrade project				-	-
Professional Services	3,148			3,148	-
Landscaping	2,724			2,724	2,568
Bank charges	60			60	60
Accounting service	6,120			6,120	6,120
President fee	600			600	2,400
Treasurer fee	-			-	2,400
Directors fees	6,400			6,400	3,800
Communications	2,475			2,475	250
Insurance	3,915			3,915	3,042
Miscellaneous				-	-
Regulatory fees	434			434	432
Dues and subscriptions	236			236	328
Education and training	-			-	-
Copying, printing, office supplies	109			109	1,152
Postage	26			26	-
Record storage	900			900	965
Special/Annual meeting	1,689			1,689	583
	<u>1,689</u>			<u>1,689</u>	<u>583</u>
TOTAL EXPENSES	\$ 76,875	\$ -	\$ 21,329	\$ 98,204	\$ 70,660
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	\$ 8,069	\$ 66	\$ (21,291)	\$ (13,156)	\$ 19,048
NET ASSETS, BEGINNING OF YEAR	\$ 229,254	\$ 77,476	\$ 416,015	\$ 722,745	\$ 703,697
Interfund transfers					
NET ASSETS, END OF YEAR	\$ 237,323	\$ 77,542	\$ 394,725	\$ 709,589	\$ 722,745

Sun Vista/Sunlight Beach Water System

STATEMENTS OF CASH FLOWS

For the Twelve Month Periods ended December 31, 2022 and 2021

	Water System			TOTAL	TOTAL
	Water Operating Unrestricted Fund	Purchase & Replacement Fund (CD)	Temporarily Restricted Filtration Upgrade Fund	As of Dec 31, 2022	As of Dec 31, 2021
Cash flows from operating activities					
Net income (loss)	\$ 8,069	\$ (21,291)	\$ 66	\$ (13,156)	\$ 19,048
Add back non-cash expenses					
Amortization		1,520		\$ 1,520	\$ 1,520
Depreciation		19,809		\$ 19,809	\$ 17,430
(Increase) Decrease in:					
A/R water fees/charges	(3,281)			\$ (3,281)	\$ 559
Increase (Decrease) in:					
Accounts payable	(697)			\$ (697)	\$ 4,144
Accrued expenses	-			\$ -	\$ (5,192)
Security Deposits	-			\$ -	\$ -
Net cash provided (used) by operations	\$ 4,091	\$ 38	\$ 66	\$ 4,195	\$ 37,509
Cash flows from investing activities					
Asset acquisitions	15,310	-		\$ 15,310	\$ -
Net cash used in investing activities	\$ 15,310	\$ -	\$ -	\$ 15,310	\$ -
Net change in cash	\$ (11,219)	\$ 38	\$ 66	\$ (11,115)	\$ 37,509
Cash, beginning of year	267,608	51,644	78,305	\$ 397,557	\$ 360,047
Transfers made between funds for					
Hookup connection fee				\$ -	0
Cash, end of year	\$ 256,390	\$ 51,682	\$ 78,371	\$ 386,442	\$ 397,557

NOTE A - NATURE OF ORGANIZATION-

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC. was incorporated on October 4, 1990, in the State of Washington. The Association is responsible for the operation and maintenance of the SUN VISTA/SUNLIGHT BEACH WATER SYSTEM, a community water system currently serving member water users as follows:

	Billable for Water Fees

Original water connections authorized 9/90	123
Additional connections authorized 7/94	34
Additional connections authorized 1/96	<u>37</u>
Total connections now authorized	194
Less connections sold as of 12/31/18	-167
Less connections reserved for Kohlwes Trust easement	-10
Less Hanify lot connection reserved per deed	<u>- 1</u>
Total unsold water connections	<u>16</u>
Water connections sold as of 12/31/10	163
New water connections sold in 2017	3
New water connection sold in 2018	1
New water connection sold in 2020	1
New water connection sold in 2021	1
Less water credits per original system easement:	-2
H. Kohlwes, R. Kohlwes, (M. Sanders – sold)	
Less other adjustments - Hanify	<u>0</u>
NET CASH PAYING CONNECTIONS	<u>167</u>

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING The Association prepares its financial statements on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred. Transactions are classified according to the existence or absence of restrictions.

BASIS OF PRESENTATION The accompanying financial statements have been prepared to present the financial position and activities of the Association according to two classes of net assets – unrestricted and temporarily restricted as follows:

Unrestricted Net Assets

Water Operations Fund - This fund is used to account for financial resources available for the general operation and maintenance of the water system.

Water System Capital Purchase & Replacement Fund - This fund is used to accumulate financial resources designated for the original system purchase, for emergencies, major repairs, and upgrades and improvements to the water system. In 2018 the Board designated a portion of these funds (\$50,000) to be placed in a Certificate of Deposit with Heritage Bank (CD). Annual interest earnings on this CD are deposited into this account and credited to this Fund.

Temporarily Restricted Net Assets – Represents net assets from the quarterly assessment approved by the Members in June 2015 for the purpose of upgrading the filtration system. This assessment was discontinued by vote of the members, effective June 30, 2018. Funds spent for these purposes will be reported as net assets released from restrictions, itemized on the Statement of Activities. The upgrade project remains unfinished as delivery of necessary materials is not yet complete.

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS --- for the period ended 12/31/2022

MEMBER WATER FEES During the twelve months of 2022 and 2021, pursuant to a rate increase approved by the Membership at the July 2016 annual meeting, the rates charged were as follows:

Quarterly connection charge continued at \$75
Water usage fees charged for cubic feet of water used as follows:
\$1.00 per 100 CF for up to 2,499 CF;
\$5.00 per 100 CF 2,500 CF to 3,499 CF; and
\$15.00 per 100 CF for usage of 3,500 CF and above.

MEMBER ASSESSMENT At the June 2015 annual meeting, pursuant to resolution, discussion and vote, the Members voted to assess all property owners \$45.00 quarterly, beginning July 1, 2015 through December 31, 2020 for the purpose of upgrading the filtration system to meet Federal and State water purity requirements for all wells, whether pumped together or individually, to provide water to the Association. Funds raised through June 30, 2018 were estimated as sufficient to complete this project. Consequently, at the 2018 annual meeting, pursuant to resolution, discussion and vote, the membership voted to discontinue the assessment effective June 30, 2018. Temporarily restricted funds represent unspent finds at each year-end for this project.

INTEREST INCOME Interest income is allocated to the appropriate fund based on interest-bearing deposits.

TAXES

Federal Income Tax: Homeowners' associations can be taxed as regular corporations or as homeowners' association. The Association has elected to be taxed as a homeowners' association for the year ended December 31, 2022, as in prior years.

Under that election, the Association is taxed only on its nonexempt function income (such as investment interest earnings less certain deductions) at a flat rate of 30%. Exempt function income (such as membership (water) fees, dues, and assessments) is excluded from taxation.

For the years 2003 and 2004, \$5,000.00 was transferred each year from the Water Operating Fund to the Capital Fund to avoid federal income tax on the excess of revenue over expenses for the respective years as shown in the Operating Fund statements for those periods. For the year 2005, \$4,000.00 was transferred. For the years 2006 through 2017, there were no transfers of funds. In 2018, \$5,073 was transferred in order to establish a Certificate of Deposit in the amount of \$50,000.

For the year 2022, Form 1120-H was filed timely in April 2023. There was no federal income tax due for 2022.

State of WA Business & Occupation Tax and State Public Utility Tax: Public Utility Tax (PUT) is assessed on the quarterly cash receipts derived from the sale of water to customers at the rate of 5.029%, if that income exceeds \$24,000.00. PUT of \$4,183 and \$3,827 were incurred for the years 2022 and 2021 respectively.

WATER RIGHTS, EASEMENTS, WATER SYSTEM CONSTRUCTION AND DEPRECIATION

The Association capitalizes all water rights, easements and water system construction to which it holds title or other evidence of ownership.

Water rights, easements and water system construction are recorded at cost. Depreciation and amortization are computed over the estimated useful lives (5 years to 50 years) using the straight-line method. See Depreciation Schedule by Category, pages 12 through 15, attached.

The original water system purchase easement agreement stipulates that free water and water-hookup charges will be provided to two members of the Kohlwes family (Maxine Sanders sold her home in June 2009 and so the property no longer qualifies for free water). These hookups are billed for water fees and

improvement charges. A credit for the water fees is issued against the fee incurred for water consumed, to easement expense, with a net effect of no amount due for water consumed. These revenues and expenses for water consumed offset one another in the financial statements. These accounts are billed for assessments to the water system.

The Grant of Easement and Agreement dated November 23, 1992 (“Agreement”) with the Kohlwes Trust (“Trust”) provides that the Association will grant 10 hookups to the Trust. These hookups are now reserved. The Trust is not required to pay any present or future hook up fees, special assessments, or other costs, occurring prior to the connection of these granted hook-ups to the water system. Once a property is designated by the Trustee to be physically connected to the water system of the Association, and that hook up commences to use water, then that property shall be subject to pay the ordinary and normal charges for water as are paid by all users of the water system including any assessments, connections fee and other charges accruing there-after.

Further, in accordance with the Agreement and upon written notice dated and effective September 30, 1994, the Trust is required to pay to the Association the minimum charge which is charged by the Association to those properties which are served by a water hook up right. In return, the Trust shall receive additional payments from the Association, as “additional compensation,” the amount of \$10 per month for each of the ten (10) water hook-up rights.

The Association’s contractual agreement with the Kohlwes Trust requires the above payments between the Kohlwes Trust and the Association for which the amount due the Association is in excess of the amount owed to the Kohlwes Trust. Once the amount due and collectable from the Kohlwes Trust has been calculated, the Association will include that amount as income and retained earnings in its financial statements.

ESTIMATES

Preparation of financial statements in conformity with generally accepted accounting principals requires management to make certain 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.

NOTE C - FUTURE MAJOR REPAIRS, REPLACEMENTS AND LONG TERM FUNDING

The Association may designate funds for future major repairs and replacements. A major emergency repair fund of approximately \$50,000 is earmarked and held in a business savings account or certificate of deposit savings account along with other accumulated Replacement funds. Additional replacement funds are held in the checking account and may be transferred from time to time to the savings account.

REPAIRS & REPLACEMENTS:

The Association intends to fund major repairs and replacements over a number of years. Actual expenditures have varied from estimated amounts. Such variations may continue and may prove to be significant. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs.

If additional funds are needed, the Association has the right to increase regular assessments, to levy special assessments (subject to member approval), to borrow money, or to delay major repairs and replacements until funds are available.

Schedule of system purchase and improvement costs to date:

1990 actual cost \$ 45,350 System purchase

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS --- for the period ended 12/31/2022

1991 actual cost	51,527	Replace transport lines well to storage, short main down hill, upgrade storage tanks, etc.
1992 actual cost	60,835	New well, upgrade old well, etc. Well house, well plumbing and controls, Sunlight Beach - replace eastern 1000' of water main with new 6" main.
1993 actual cost	7,059	Replace pump, pump controls, standpipes & system drain, install meters.
1994 actual cost	9,491	Magnetic switches & starters, two 7.5 HP well pumps, two check valves, 24 hour pump test.
1995 actual cost	50,979	Water meters, Ozonator filter, Sun Vista blow-off.
1996 actual cost	214,600	Sunlight, Dassel, and Lincoln street 8" replacement mains and 8" Sun Vista pressure line to Ireton Lane.
1997 actual cost	71,543	Sun Vista generator/engineering/bid prep/electrical/et al Sun Vista pressure tanks/electric/plumbing/roof/et al, meters
1998 actual cost	6,892	Meters, boxes & setters/hypo chlorinator & engineering/reservoir fill line check valve/landscape generator.
1999 actual cost	1,937	Meters, Hypo-Chlorinator & engineering, Oz filter improvements engineering estimate for SV main replacement and hydrants.
2000 actual cost	3,099	Booster pump station upgrade
2001 actual cost	103,807	Contractor, engineer and other costs for SV main replacement, hydrants and meters.
2002 actual cost	1,862	Other engineering, generator shed and generator cover.
2003 actual cost	1,399	Pressure system booster pump upgrade bid
2004 actual cost	27,427	Four 5.5hp booster pumps & mag starters/piping/controls/motor protectors & reservoir water level controls/piping/electrical.
2005 actual cost	15,329	Booster tanks-air charger, well #1 7.5 HP pump & controller, Oz filter generator/J tube/check valve, well #1 jet cleaning
2006 actual cost	623	Upgrade well piping for combined pumping
2007 actual cost	8,503	Auto dialer, reservoir material test, submersible tank pump.
2008 actual cost	121,918	New reservoir, well generator, air charger, 7.5hp pump, auto dialer
2009 actual cost	22,305	Reservoir construction & interconnect, Oz filter improvements
2010 actual cost	10,362	New pump well #1, Oz: filter power head #2, Oz tank release valves
2011 actual cost	20,240	Clean and reline Tank #2; Well house fencing
2012 actual cost	15,902	Pump house fence; water level monitoring equipment; reroof wellhouse and generator; landscaping around reservoirs.
2013 actual cost	5,000	Engineering study for Wellhead Protection Area
2014 actual cost	1,141	4 risers for retention tanks
2015 actual cost	1,658	Pump house fencing
2017 actual cost	5,084	Engineering studies for filtration system upgrade
2018 actual cost	4,619	Equipment and engineering studies for filtration system upgrade
<u>2022 actual cost</u>	<u>14,310</u>	<u>Pump for well 2</u>
Total	<u>\$ 905,801</u>	System undepreciated cost

For future improvements – see the Six Year Budget.

NOTE D – PRIOR NOTES PAYABLE AND ACCRUED INTEREST

'93 Notes payable and accrued interest: To pay for the purchase of the water system and improvements the Association borrowed \$116,000.00 by issuing unsecured promissory notes and an additional \$3,916.64 by securing permission from some note holders to defer payment of the 12/31/91 interest due on those notes. All '93 notes have been called and the notes along with the associated deferred and current interest payments have been canceled by cash payment or by off-set against the \$1,300.00 special assessment.

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS --- for the period ended 12/31/2022

'94 Notes payable and accrued interest: To pay for the engineering and other costs associated with the unsuccessful RDA loan application, ten thousand dollars (of the \$50,000 authorized) worth of promissory notes were issued June 1, 1994 at an annual interest rate of 8.0%. All '94 notes were paid off on May 31, 1995.

'97 Notes payable and accrued interest: To pay for the Sun Vista pressure system generator and replace the old pressure tanks, promissory notes were issued as of April 1, 1997 in the amount of \$17,000.00 and September 1, 1997 in the amount of \$6,000.00 for a total of \$23,000.00 at an annual interest rate of 8.0%. \$15,000 of the '97 notes was paid off on December 31, 1998; the balance of the notes was paid off December 31, 1999.

'08 Notes payable and accrued interest: As of September 1, 2008, \$30,000 of 8% Notes were issued to subscribing members of the water system to assure completion of the reservoir construction. These notes were paid off in April 2009.

NOTE E - SPECIAL ASSESSMENTS

1992 Assessment: A \$1,300 Special Assessment was passed at the June 1992 annual membership meeting and became due and payable on September 30, 1992 by payment of cash or offset against Association notes and interest payable. All \$1,300 assessments have been paid.

1995 Assessment: A special assessment of \$1,500.00 for capital improvements was passed at the annual meeting on June 24 1995. Payment was due by September 30, 1995. For those members unable to pay cash, the assessment was paid by increasing the quarterly improvement charge to \$90.00 (which included interest at 10%) for the next five and one-half years, or upon sale of the property if that occurred first. All \$1,500 assessments have been paid.

2001 Assessment: A special assessment of \$300.00 for capital improvements was passed at the annual meeting on June 23, 2001. Payment was due by July 30, 2001. For those members unable to pay cash, the assessment was paid by increasing the quarterly billing charge by \$90.00 (which will included interest at 10%) until the assessment was paid off, or upon sale of the property if that occurred first. All \$300 assessments have been paid.

2008 Assessment: A special assessment of \$1,000.00 for the reservoir construction was passed at the annual meeting on June 14, 2008. Payment was due September 1, 2008. The usual \$90.00 per quarter payment plan plus interest at 10% was offered to those unable to pay cash. All such assessments have been paid as of 12/31/12.

2015 Assessment A special assessment was passed at the June 2015 annual membership meeting. The assessment is for improvement to the filtration system to meet Federal and State water purity requirements for all wells, whether pumped together or individually, to provide water to the Association. This assessment was billed to each member in the amount of \$45 per quarter from July 2015 through June 30, 2018. A total of \$89,910 was billed for this assessment, each member's portion was \$540. At December 31, 2022, \$720 remains uncollected.

NOTE F - HISTORY OF WATER FEES, IMPROVEMENT CHARGES, AND HOOKUP FEES

Through the second quarter of 1993 the combined water charge was (water fee \$10 + improvement charge \$0) for a total of ten dollars (\$10) per month.

Starting in the third quarter of 1993, the combined water charge was (water fee \$10 + improvement charge \$10) for a total of twenty dollars (\$20) per month.

Starting July 1, 1995, for customers unable to pay their \$1,500.00 assessment by that date, the Association voted to increase the combined water charge to an amount not in excess of forty dollars (\$40) per month

SUN VISTA/SUNLIGHT BEACH HOME OWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS --- for the period ended 12/31/2022

(water fee \$10 + assessment charge \$30) for a total of \$120.00 per quarter. When the \$1,500.00 assessment was paid in full, the monthly assessment charge was eliminated.

Increasing water system operating costs required an increase in the flat rate water fee from \$30.00 to \$40.00 per quarter starting with the first quarter of 1997.

Starting with the first quarter of 2006, a Capital improvement charge of \$10.00 per quarter was added to the flat rate Water fee of \$40.00 bringing the total billing charge to \$50.00 per quarter.

The Capital improvement charge was increased to \$20.00 per quarter starting October 1, 2007 and was discontinued completely on October 1, 2008..

Starting with the 1st quarter of 2008, the flat rate water fee was raised to \$55.00 per quarter.

Beginning with the 2nd quarter of 2010, the flat rate water fee was raised to \$65.00 per quarter.

Beginning January 2012, the basic quarterly fee was \$75.00.

Beginning January 2013, the basic quarterly fee was \$65 and water usage fees were charged for cubic feet of metered water use. See Note B above for further detail.

As of July 2015, the basic quarterly connection fee became \$75.00. The water usage rate structure was changed by the Membership to encourage conservation of water resources. See Note B above for further detail. The Hook Up fee of \$13,500 is adjusted quarterly to reflect the accrual of the July 2015 approved quarterly assessment for the improvement of the Filtration System which is \$45.00 per quarter to a final amount of \$540 per member. At December 31, 2022 the Hook Up fee plus accrued assessment remains \$14,040.

HOOKUP FEES

When the increase to 157 connections was authorized in July of 1994, a bargain hookup fee of \$3,100.00 was made available until September 30, 1994.

Nineteen connections were sold in 1994 at \$3,100	-	total \$58,900.00.
Five connections were sold in 1995 at \$3,500.00	-	total \$17,500.00.

An increase to 194 connections was authorized in January 1996.

Three connections were sold in 1996 at \$5,200.00	-	total \$15,600.00.
Two connections were sold in 1997 at \$5,400	-	total \$10,800.00.
One connection was sold in 1998 at \$6,000.00	-	total \$ 6,000.00.
One connection was sold in 1999 at \$6,200.00	-	total \$ 6,200.00.
Two connections were sold in 2000 at \$6,400.00	-	total \$12,800.00.
One connection was sold in 2002 at \$7,200.00	-	total \$ 7,200.00.
One connection was sold in 2003 at \$7,500.00	-	total \$ 7,500.00.
One connection was sold in 2004 at \$7,700.00	-	total \$ 7,700.00.
One connection was sold in 2005 at \$7,900.00	-	total \$ 7,900.00.
One connection was sold in 2006 at \$7,900.00	-	total \$ 7,900.00.
One connection was sold in 2007 at \$7,900.00	-	total \$ 7,900.00.
One connection was sold in 2008 at \$7,900.00	-	total \$ 7,900.00.
Three connections were sold in 2017 at \$13,500	-	total \$ 40,500.00.
One connection was sold in 2018 at \$13,500	-	total \$ 13,500.00.
One connection was sold in 2020 at \$14,040	-	total \$ 14,040.00.
One connection was sold in 2021 at \$14,040	-	total \$ 14,040.00.

The connection cost has increased to \$14,040.00 including adjustment for assessments as referenced above in Note F.

NOTE G - REGULATORY CLIMATE - COUNTY, STATE AND FEDERAL

Water regulation has become an issue of great concern in the last few years at all levels of government. The trend is irreversible in the direction of more stringent regulations with regard to water quality and quantity, and water system design and construction.

Our water system is tested monthly for fecal/coliform and bromate contamination. Periodically, as mandated by the WA State Dept. of Health, tests are required for other contaminants, such as arsenic, iron, manganese, nitrate and chloride and soon the group of chemicals called PFAS.

The Annual Drinking Water Report for the year 2022 will be posted on the website sv-slb.com when complete and available upon request.

Tests for lead/copper contamination must be performed every three years on a prescribed number of the residences constructed before 1970. If those residences fail to pass the test, the water system will be required to install equipment in order to adjust the pH level of the water – to bring those residences into compliance. Fortunately all the tested residences passed the tests in 2021.

NOTE H. – WASHINGTON DEPARTMENT OF HEALTH GRANT

In 2022, the Association was awarded a grant in the amount of \$50,000 from the Washington State Department of Health for the purpose of conducting a study assessing existing water system infrastructure, identification of improvements, and cost of improvements for the purpose of assessing consolidation of two systems.

The Association operates its water system near a similar, though smaller system, operated by Sunlight Beach Water Association (SBWA). The two systems currently serve a population of over 400 people in overlapping service areas and have an intertie agreement for emergencies. The wells for both systems are about 100 feet apart at low elevation near the shoreline.

The study will assess options in three phases. Each phase assesses the feasibility, benefits, and costs, including contamination and service risks from the following: contamination issues with arsenic, sea water intrusion, and nitrates and microbials from upgrade septic systems within the Wellhead Protection Area, and aging infrastructure. The study includes funding and rate structure options and required legal processes including water rights and permits.

This feasibility study will provide the two water systems with the information they need to consider consolidation. Planning committees from each of the two systems will work together to analyze the results of the study and make recommendations to their respective Associations for consideration and ultimately decision by membership vote.

This is a no cost, and no obligation grant program. It is expected that the study will be completed by the end of 2024.

END OF NOTES

SUN VISTA/SUNLIGHT BEACH WATER SYSTEM

Depreciation Schedule by Category

For the 12 Months Ended

12/31/2022

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 12/31/21	Current Depreciation	Accum Depr 12/31/22
GROUP 1 - Pump houses									
1001	Pump house #1	10/31/90	St line	5 /00	N	1.00	0.00	0.00	0.00
1002	Pump house #2 construct	11/30/92	St line	10 /00	N	26,298.00	26,298.00	0.00	26,298.00
1003	Pump house #1 raise roof, insulate	09/30/97	SL water	25 /00	N	2,975.00	2,916.00	59.00	2,975.00
1004	Shelving - SV pump house	08/20/97	SL water	25 /00	N	200.00	196.00	8.00	204.00
1005	Electrical - after roof lift	09/27/97	SL water	25 /00	N	300.00	294.00	6.00	300.00
1006	Fence	05/27/11	SL water	10	N	783.00	783.00	0.00	783.00
1007	Roof/cover for generator	11/20/11	SL water	25	N	1,847.72	739.09	73.91	813.00
1008	Fence	03/26/12	SL water	10	N	2,656.63	2,523.80	132.83	2,656.63
1009	Reroof wellhouse and generator	10/04/12	SL water	25	N	1,793.55	681.55	71.74	753.29
1010	Risers	02/06/14	SL water	10	N	1,141.35	894.06	114.14	1,008.19
1011	Fence - allow for truck entry	06/12/15	SL water	10	N	1,657.68	303.91	13.81	317.72
Total for GROUP 1						39,653.93	35,629.40	479.43	36,108.83
GROUP 2 - Wells									
2001	Well #1	10/31/90	St line	25 /00	N	1.00	0.00	0.00	0.00
2002	Well #2	02/28/92	St line	25 /00	N	14,165.00	14,165.00	0.00	14,165.00
2003	Wells 1 & 2 certification: 24 hr pump test	07/15/94	St line	25 /00	N	1,691.00	1,691.00	0.00	1,691.00
2004	Well #1 jet cleaning	09/30/05	St line	5 /00	N	1,679.00	1,679.00	0.00	1,679.00
2005									
Total for GROUP 2						17,536.00	17,535.00	0.00	17,535.00
GROUP 3 - Pumps									
3001	Pump #1	10/31/90	St line	5 /00	N	1.00	0.00	0.00	0.00
3002	Pump #2	06/30/92	St line	5 /00	N	0.00	0.00	0.00	0.00
3003	Pump #3: 5hp, 3phase	08/11/93	St line	5 /00	N	1,173.00	1,173.00	0.00	1,173.00
3004	Pump #3: mag starter & alternator	09/14/93	St line	5 /00	N	652.00	650.20	0.00	650.20
3005	Pump #2: controls	11/28/93	St line	5 /00	N	0.00	0.00	0.00	0.00
3006	Pumps 1&2; mag switches/starters	05/21/94	St line	5 /00	N	0.00	0.00	0.00	0.00
3007	Pumps: replace check valves	06/12/94	St line	5 /00	N	183.00	183.00	0.00	183.00
3008	2 pumps: wells 1&2: 7.5 hp Gould	06/12/94	St line	5 /00	N	0.00	0.00	0.00	0.00
3009	Pump well #1: 7.5 hp & controller	11/30/05	St line	5 /00	N	3,832.00	3,832.00	0.00	3,832.00
3010	Well piping for combined pumping	06/30/06	SL water	25 /00	N	623.00	386.26	24.92	411.18
3011	Submersable pump: 5hp 230V 85	06/30/07	St line	5 /00	N	2,739.00	2,739.00	0.00	2,739.00
3012	Submersable pump: piping/engineering	06/30/07	SL water	25 /00	N	4,610.00	2,673.80	184.40	2,858.20
3013	Generator for well pumps	11/20/08	SL water	50 /00	N	21,680.00	5,853.60	433.60	6,287.20
3014	Propane tank & piping well generator	11/24/08	SL water	25 /00	N	1,133.00	611.82	45.32	657.14
3015	7.5hp motor controller	05/28/08	SL water	25 /00	N	1,400.00	756.00	56.00	812.00
3016	submersable pump: operating inst	02/27/08	SL water	25 /00	N	700.00	378.00	28.00	406.00
3017	Pump well #1 - replacement	06/30/10	SL water	5 /00	N	6,461.00	6,461.00	0.00	6,461.00
3018	Pump Well #2 Replacement	08/01/22	SL water	5	N	14,309.56	0.00	2,861.91	2,861.91
Total for GROUP 3						59,496.56	25,697.68	3,634.15	29,331.83
GROUP 4 - Reservoirs									
4001	Reservoir: 53,600 gal, concrete	10/31/90	St line	25 /00	N	10,086.00	10,086.00	0.00	10,086.00
4002	Reservoir: 8,500 gal, concrete	10/31/90	St line	25 /00	N	1,600.00	1,600.00	0.00	1,600.00
4003	Reservoir: upgrade plumbing for ?	03/31/92	St line	25 /00	N	52,143.00	51,101.68	0.00	51,101.68
4004	Reservoir water level controls	10/31/04	SL water	25 /00	N	3,045.00	2,131.50	121.80	2,253.30
4005	Low water alarm - auto dialer	04/30/07	St line	5 /00	N	441.00	441.00	0.00	441.00

SUN VISTA/SUNLIGHT BEACH WATER SYSTEM

Depreciation Schedule by Category

For the 12 Months Ended

12/31/2022

Asset No.	Asset Description	Date		Life	Sold?	Cost	Accum Depr	Current	Accum Depr
		Acquired	Method				12/31/21	Depreciation	12/31/22
4006	New Reservoir - engineering	09/13/07	SL water	50 /00	N	713.00	206.77	14.26	221.03
4007	New Res: 55M gal concrete	12/31/08	SL water	50 /00	N	62,829.00	16,965.83	1,256.58	18,222.41
4008	New Res: gate valves & install	12/31/08	SL water	50 /00	N	3,087.00	833.49	61.74	895.23
4009	Low water alarm - auto dialer upgrade	05/31/08	SL water	25 /00	N	727.00	392.58	29.08	421.66
4010	New Res prep: excavate, survey,	12/31/08	SL water	50 /00	N	19,521.00	5,270.67	390.42	5,661.09
4011	New Res: engineering, plans, rep	12/31/08	SL water	50 /00	N	9,036.00	2,439.72	180.72	2,620.44
4012	New Res: finish/cleanup/inspect	03/31/09	SL water	25 /00	N	14,164.00	7,082.00	566.56	7,648.56
4013	New Res: interconnections	01/31/09	SL water	50 /00	N	2,799.00	699.75	55.98	755.73
4014	Clean and reline reservoir	12/22/11	SL water	25 /00	N	17,609.00	7,395.78	704.36	8,100.14
4015	Tank #2 repair work	03/26/12	St line	10	N	3,090.85	2,936.31	154.54	3,090.85
4016	Landscaping per Kohlwes agreemt	09/30/12	ST LINE	15 /00	N	6,782.29	4,295.45	452.15	4,747.60
Total for GROUP 4						207,673.14	113,878.53	3,988.20	117,866.72
GROUP 5 - Water mains									
5001	All distribution mains	10/31/90	200% DB	5 /00	N	1.00	0.00	0.00	0.00
5002	Emerg hookup to SL Beach Water System	07/31/91	St line	25 /00	N	281.00	281.00	0.00	281.00
5003	Transport mains: wells to reservoirs	05/31/92	St line	25 /00	N	1,967.00	1,967.00	0.00	1,967.00
5004	Main under road @ 2400 SL Bch	01/27/93	St line	25 /00	N	210.00	210.00	0.00	210.00
5005	Main drill under road @ 2400 SLB	02/28/93	St line	25 /00	N	297.00	297.00	0.00	297.00
5006	Standpipe near Hanify's	02/08/93	St line	25 /00	N	457.00	457.00	0.00	457.00
5007	Main engineering @ 2400 SLB	03/06/93	St line	25 /00	N	339.00	339.00	0.00	339.00
5008	Standpipe & drain end of SLB	06/10/93	St line	25 /00	N	1,951.00	1,951.00	0.00	1,951.00
5009	Replace SLB main - 8" plastic	21/01/95	St line	50 /00	N	134,824.00	55,276.64	2,696.48	57,973.12
5010	Replace mains - engineering	12/31/95	St line	50 /00	N	47,389.00	25,116.72	947.78	26,064.50
5011	Standpipe: Sun Vista	06/30/95	St line	25 /00	N	373.00	373.00	0.00	373.00
5012	Replace mains - Dassel/Lincoln	06/30/96	SL water	50 /00	N	26,429.00	13,478.92	528.58	14,007.50
5013	Replace mains - Dassel/Lincoln	08/31/96	SL water	50 /00	N	5,959.00	3,039.32	119.18	3,158.50
5014	Reservoir fill line: add check valve	07/31/98	ADS water	50 /00	N	1,674.00	786.78	33.48	820.26
5015	Replace SV main - engineering	12/31/00	SL water	50 /00	N	292.00	125.56	5.84	131.40
5016	Upgrade service line - Hanify, et al	12/31/00	SL water	50 /00	N	1,456.00	626.08	29.12	655.20
5017	Transport mains - 4", 6", 8" coupli?	12/31/00	SL water	50 /00	N	507.00	218.01	10.14	228.15
5018	6" main/hydrants SV	10/31/01	SL water	50 /00	N	98,997.00	40,588.77	1,979.94	42,568.71
5019	6" main - engineering SV	10/31/01	SL water	50 /00	N	2,833.00	1,161.53	56.66	1,218.19
5020	6" main - other costs SV	10/31/01	SL water	50 /00	N	1,657.00	679.37	33.14	712.51
5021	6" main - engineering SV	03/31/02	SL water	50 /00	N	210.00	81.90	4.20	86.10
Total for GROUP 5						328,103.00	147,054.60	6,444.54	153,499.14
GROUP 6 - Pressure system									
6001	Pressure tanks & contr0ller/timer/	08/20/97	SL water	25 /00	N	19,768.00	18,581.56	790.72	19,372.28
6002	Generator: 45kw/pad/fence/prop?	03/30/97	SL water	25 /00	N	47,167.00	44,336.64	1,886.68	46,223.32
6003	Landscape generator area	10/31/98	ST LINE	15 /00	N	1,072.00	1,072.00	0.00	1,072.00
6004	Generator cover - built by Andy	08/31/02	ST LINE	10 /00	N	964.00	964.00	0.00	964.00
6005	Engineering - replace pumps	12/31/02	SL water	25 /00	N	638.00	472.12	25.52	497.64
6006	Prepare bids - replace pumps	12/31/02	SL water	25 /00	N	50.00	37.00	2.00	39.00
6007	Prepare bids-pumps/pressure system	03/31/03	SL water	25 /00	N	1,399.00	979.30	55.96	1,035.26
6008	4 booster pumps & mag starters	04/30/04	SL water	25 /00	N	10,548.00	6,961.68	421.92	7,383.60
6009	Booster pumps piping & controls	06/30/04	SL water	25 /00	N	9,766.00	6,445.56	390.64	6,836.20
6010	Booster pumps wiring & 7.5hp pro?	11/20/04	SL water	25 /00	N	3,962.00	2,614.92	158.48	2,773.40

SUN VISTA/SUNLIGHT BEACH WATER SYSTEM
Depreciation Schedule by Category
For the 12 Months Ended
12/31/2022

Asset No.	Asset Description	Date		Life	Sold?	Cost	Accum Depr	Current	Accum Depr
		Acquired	Method				12/31/21	Depreciation	12/31/22
6011	Generatir thermostat	09/30/04	SL water	25 /00	N	79.00	52.14	3.16	55.30
6012	Booster pumps air charger	01/31/05	SL water	25 /00	N	297.00	184.14	11.88	196.02
6013	Compressor & installation	07/31/08	SL water	25 /00	N	1,805.00	902.50	72.20	974.70
Total for GROUP 6						97,515.00	83,603.56	3,819.16	87,422.72
GROUP 7 - Meters									
7001	Meters purchased with system	10/31/90	ST LINE	5 /00	N	1.00	1.00	0.00	1.00
7002	Meters installed	09/30/92	ST LINE	10 /00	N	7,331.00	7,331.00	0.00	7,331.00
7003	Meters installed	06/10/93	ST LINE	25 /00	N	1,124.00	1,124.00	0.00	1,124.00
7004	Meter setter	08/11/93	ST LINE	25 /00	N	49.00	49.00	0.00	49.00
7005	Meters parts & installation	12/31/95	SI water	25 /00	N	1,823.00	1,823.00	0.00	1,823.00
7006	Meters: 12 installed	07/31/97	SI water	25 /00	N	571.00	536.32	22.84	559.16
7007	Meters: 20 replaced	01/01/98	SI water	25 /00	N	2,029.00	1,826.10	81.16	1,907.26
7008	Meters: 10 purchased	07/31/99	SI water	25 /00	N	365.00	313.90	14.60	328.50
7009	10 meters, 5 boxes, 5 resetters	12/31/00	SI water	25 /00	N	844.00	692.08	33.76	725.84
7010	Meters: 5 VH42-15W resetters	02/28/01	SI water	25 /00	N	320.00	249.60	12.80	262.40
7011	Meters: 1 installed	08/16/04	SI water	25 /00	N	27.00	17.82	1.08	18.90
Total for GROUP 7						14,484.00	13,963.82	166.24	14,130.06
GROUP 8 - Other Water System Equipment									
8001	Heater: for pump house #1	01/31/91	ST LINE	5 /00	N	143.00	143.00	0.00	143.00
8002	Compressor: pump house #1	01/27/93	ST LINE	5 /00	N	194.00	194.00	0.00	194.00
8003	Pipe plug: hi pressure 4.23" ID	01/20/97	SI water	25 /00	N	442.00	415.64	17.68	433.32
8004	Water level monitoring equipment	10/04/12	ST LINE	5	N	1,578.05	1,578.05	0.00	1,578.05
Total for GROUP 8						2,357.05	2,330.69	17.68	2,348.37
GROUP 9 - Office equipment									
9001	Sign - Sunlight Beach	12/10/90	ST LINE	10 /00	N	30.00	28.50	0.00	28.50
9002	Tape recorder	10/04/90	ST LINE	5 /00	N	44.00	44.00	0.00	44.00
9003	Copier: Cannon	10/31/91	ST LINE	5 /00	N	753.00	753.00	0.00	753.00
9004	Epson Projector	07/31/19	ST LINE	3 /00	N	387.00	311.75	75.25	387.00
9005	Website Design	01/31/23	ST LINE	3 /00	N	2,000.00			
Total for GROUP 9						3,214.00	1,137.25	75.25	1,212.50
GROUP 10 - Water treatment									
10001	Ozone filter system	11/30/95	ST LINE	20 /00	N	48,783.00	48,783.00	0.00	48,783.00
10002	Oz filter adjustment: engineer to kil	09/30/97	SI water	25 /00	N	120.00	112.40	4.80	117.20
10003	Hypo Chlorinator: LMI pump/50 gal	07/31/98	SI water	25 /00	N	2,117.00	1,905.30	84.68	1,989.98
10004	Hypo Chlorinator: engineering	07/31/99	SI water	25 /00	N	633.00	544.38	25.32	569.70
10005	Hypo Chlorinator: complete & certify	07/31/99	SI water	25 /00	N	326.00	280.36	13.04	293.40
10006	Oz filter: reaction chamber 2" RC	05/31/99	SI water	25 /00	N	613.00	527.18	24.52	551.70
10007	Oz generator, J tube & check valve	10/31/05	SI water	25 /00	N	9,521.00	5,903.02	380.84	6,283.86
10008	Oz bkwash/filtration chambers	06/30/09	SI water	50 /00	N	5,342.00	1,228.66	106.84	1,335.50
10009	Oz bkwash/filtration chambers	10/31/10	SI water	25 /00	N	2,139.00	941.16	85.56	1,026.72
10010	Oz bkwash/filtration chambers	10/31/10	SI water	25 /00	N	1,762.00	775.28	70.48	845.76
10011	Engineering - filtration system upgrade, var	11/30/17	ST LINE	25 /00	N	5,084.00	830.39	203.36	1,033.75

SUN VISTA/SUNLIGHT BEACH WATER SYSTEM
Depreciation Schedule by Category
For the 12 Months Ended
12/31/2022

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 12/31/21	Current Depreciation	Accum Depr 12/31/22
10012	Engineering - filtration system upgrade, var	07/31/18	ST LINE	25 /00	N	1,057.00	169.12	42.28	211.40
10013	Upgrade chlorination system on wells 1&2	04/30/18	ST LINE	25 /00	N	3,562.00	569.92	142.48	712.40
Total for GROUP 10						81,059.00	62,570.17	1,184.20	63,754.37
GROUP 11 - Water rights & easements - Amortized									
11001	Easement & wtr rights from Kohlwes	10/31/90	ST LINE	33 /00	N	33,659.00	30,781.31	1,019.97	31,801.28
11002	Permit Isl Cnty to cross road	02/11/93	ST LINE	3 /00	N	30.00	30.00	0.00	30.00
11003	Golder Report - Wellhead Protection Area	12/15/13	ST LINE	10 /00	N	5,000.00	4,000.00	500.00	4,500.00
Total for GROUP 11						38,689.00	34,811.31	1,519.97	36,331.28
GROUP 12 - Rounding adjustment									
12001	Adj to agree with Balance Sheet	02/11/93	LAND	0 /00	N	440.00	0.00	0.00	0.00
Total for GROUP 12						440.00	0.00	0.00	0.00
Subtotals before Additions/Dispositions - accum dep'n of tangible assets						907,448.68	530,017.70	19,808.85	549,825.54
Plus Additions Less Dispositions						0.00			0.00
Subtotal - Depreciation							530,017.70	19,808.85	549,825.54
Subtotal - Amortization							35,833.00	1,519.97	37,352.97
Total all GROUPS						907,448.68	565,850.70	21,328.82	587,178.51

SUN VISTA/SUNLIGHT BEACH WATER SYSTEM
COMPARATIVE WATER OPERATING EXPENSES

(Excluding depreciation and amortization)

For twelve month period ending December 31 - except where noted

EXPENSES	Water System Operations											
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013		
Regulatory costs - Tax and DOH												
Taxes: State Pub Util	4,616	4,259	4,215	4,506	5,585	4,339	4,333	3,996	3,380	3,736	8.4%	
Regulatory fees	4,183	3,827	3,783	4,054	4,219	3,912	3,895	3,513	2,953	2,827	9.3%	
	434	432	432	452	1,365	428	438	483	428	909	0.4%	
Costs of running the system												
Purchased power	5,491	5,909	4,825	4,498	6,327	5,152	4,560	3,677	3,063	3,114	-7.1%	
Propane	3,886	3,723	3,913	3,472	4,151	4,435	3,780	2,936	3,063	3,114	4.4%	
Supplies-chlorine/test kits	404	1,265	798	0	495	229	0	582	0	0	-68.0%	
	1,200	921	114	1026	1,681	488	781	159	0	0	30.3%	
Contract services												
Certified operator	41,090	20,444	17,293	24,280	19,034	20,389	22,554	25,489	23,376	26,214	101.0%	
Meter reading	9,352	8,904	8,746	8,484	8,132	7,956	7,956	7,956	7,793	7,824	5.0%	
Water testing	1,876	1,726	1,726	1,593	1,665	1,565	1,565	1,565	1,565	1,565	8.7%	
Repairs - planned	1,483	961	1,162	813	1,154	3,672	1,834	1,291	1,543	1,402	54.3%	
Repairs - emergency	24,277	6,285	2,821	10,722	3,092	2,365	5,391	7,718	1,458	5,374	286.3%	
Landscaping	1,379	0	225	340	2,250	2,613	4,149	5,574	9,888	8,962	#DIV/0!	
Insurance	2,724	2,568	2,613	2,328	2,741	2,218	1,659	1,385	1,130	944	6.1%	
	3,915	3,042	2,942	2,866	2,822	3,771	3,746	3,694	3,889	3,971	28.7%	
Administrative costs												
President	16,504	15,048	12,974	14,798	15,271	15,026	14,205	11,362	23,128	11,777	9.7%	
Treasurer	600	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	-75.0%	
Accounting services	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	-100.0%	
Directors	6,120	6,120	7,872	8,398	8,271	7,576	5,855	3,912	4,406	1,960	0.9%	
Dues and Subscriptions	6,400	3,800	0	1,400	2,000	2,400	3,300	2,400	4,700	3,900	68.4%	
Professional services	236	328	302	200	200	250	250	250	617	617	-28.0%	
	3,148	0	0	0	0	0	0	0	8,692	0	#DIV/0!	
Office expenses												
Communications	5,259	3,010	4,662	2,958	2,084	2,414	2,177	1,707	2,652	1,942	74.7%	
Copier/Printing/office supplies	2,475	784	2,409	849	849	603	642	498	498	592	215.6%	
Postage-billing/office	109	618	290	231	57	377	281	247	732	167	-82.4%	
Annual/other meetings	26	0	932	567	629	416	401	530	779	473	#DIV/0!	
Records storage	1,689	583	-	622	165	577	546	-42	343	335	-189.8%	
Bank charges	900	965	900	300	300	300	300	300	300	375	-6.7%	
	60	60	131	309	84	87	46	30	0	-	0.0%	
Total Operating Expenses	76,875	51,710	46,911	53,906	51,123	51,092	51,576	24,436	36,112	24,540	48.7%	
Filtration System Upgrade expenses												
Expenses less unusual items	0	0	0	2,636	189	382	0	0	0	0	N/A	
Hookups at end of period	169	169	168	167	167	166	163	163	163	163	48.7%	
Billable hookups at YE	167	167	166	165	165	164	161	161	161	161		
Cash Cost per hookup/mo	\$37.91	\$25.50	\$23.27	\$28.21	\$25.60	\$25.84	\$26.37	\$12.49	\$18.46	12.55	48.7%	
Cash Cost per hookup/Qty	\$113.72	\$76.49	\$69.81	\$84.64	\$76.81	\$77.52	\$79.10	\$37.48	\$55.39	37.64	48.7%	