

Nebraska State Fair Board

Independent Auditor's Report and Financial Statements

December 31, 2015 and 2014



Nebraska State Fair Board
December 31, 2015 and 2014

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Independent Auditor's Report

Board of Directors
Nebraska State Fair Board
Grand Island, Nebraska

We have audited the accompanying basic financial statements, which are comprised of the balance sheets as of December 31, 2015 and 2014, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended and the related notes to the basic financial statements of the Nebraska State Fair Board.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska State Fair Board as of December 31, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nebraska State Fair Board's basic financial statements. The schedules of fair operations listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Lincoln, Nebraska
June 14, 2016

Nebraska State Fair Board

Balance Sheets

December 31, 2015 and 2014

Assets

	2015	2014
Current Assets		
Cash	\$ 888,449	\$ 710,122
Accounts receivable	436,194	113,684
Accounts receivable - intergovernmental	988,608	949,062
Certificate of deposit	9,864	9,864
Prepaid expenses	33,431	18,500
Total current assets	2,356,546	1,801,232
Capital Assets, Net	13,941,549	14,313,232
Total assets	\$ 16,298,095	\$ 16,114,464

Liabilities and Net Position

Current Liabilities		
Accounts payable	\$ 161,600	\$ 326,286
Accrued liabilities	544,018	343,313
Unearned revenue	416,545	496,124
Current portion - long-term debt	323,756	311,088
Total current liabilities	1,445,919	1,476,811
Noncurrent Liabilities		
Compensated absences	30,058	26,015
Contributions payable	-	100,000
Long-term debt, net of current portion	6,436,761	6,760,499
Total noncurrent liabilities	6,466,819	6,886,514
Total liabilities	7,912,738	8,363,325
Net Position		
Net investment in capital assets	7,175,937	6,979,146
Unrestricted	1,209,420	771,993
Total net position	8,385,357	7,751,139
Total liabilities and net position	\$ 16,298,095	\$ 16,114,464

Nebraska State Fair Board

Statements of Revenues, Expenses and Changes in Net Position

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues		
Admissions/fair	\$ 1,295,620	\$ 1,263,723
Carnival	360,602	311,193
Entertainment	1,091,530	305,183
Food/beverage service	357,352	244,990
Campgrounds	51,203	48,266
Livestock show	-	4,184
Departmental receipts	258,753	233,617
Departmental sponsorships	11,420	10,350
Space rental and storage	674,392	618,994
Other commissions	29,563	25,870
Sponsorships (nondepartmental)	667,199	650,150
Non-cash sponsorships	167,300	155,000
Miscellaneous	26,310	6,348
Total operating revenues	<u>4,991,244</u>	<u>3,877,868</u>
Operating Expenses		
Department premiums/awards	332,170	309,212
Taxes	302,057	230,718
Insurance	233,098	232,923
Wages	1,180,902	1,145,333
Professional services	954,955	955,772
Equipment rental	396,607	349,351
Material/supplies	212,553	214,264
Administrative	413,772	399,828
Entertainment	1,742,996	1,042,378
Food/beverage service	105,633	67,029
Livestock show	1,540	995
Advertising/promotion	493,998	517,343
Fair department expenses	514,538	457,162
Utilities	198,410	182,786
Depreciation expense	917,848	831,885
In-kind sponsorship expenses (non-cash)	167,300	155,000
Miscellaneous	13,315	3,236
Total operating expenses	<u>8,181,692</u>	<u>7,095,215</u>
Operating Loss	<u>(3,190,448)</u>	<u>(3,217,347)</u>
Nonoperating Revenues (Expenses)		
Intergovernmental revenues	4,076,824	3,859,964
Contributions	(25,000)	28,556
Capital contributions	43,000	60,020
Interest income	5,856	5,087
Interest expense	(276,503)	(210,412)
Gain (loss) on sale of capital assets	489	(71,213)
Net nonoperating revenues	<u>3,824,666</u>	<u>3,672,002</u>
Increase in Net Position	634,218	454,655
Net Position, Beginning of Year	<u>7,751,139</u>	<u>7,296,484</u>
Net Position, End of Year	<u><u>\$ 8,385,357</u></u>	<u><u>\$ 7,751,139</u></u>

Nebraska State Fair Board
Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Activities		
Receipts from customers	\$ 4,646,855	\$ 3,668,690
Payments to employees	(1,176,007)	(1,138,588)
Payments to suppliers	(5,973,101)	(5,120,127)
Net cash used in operating activities	<u>(2,502,253)</u>	<u>(2,590,025)</u>
Noncapital Financing Activities		
Intergovernmental revenue	4,037,278	3,946,066
Contributions	(25,000)	28,556
Net cash provided by noncapital financing activities	<u>4,012,278</u>	<u>3,974,622</u>
Capital and Related Financing Activities		
Purchase of capital assets	(758,470)	(3,842,735)
Contributions for capital assets	8,000	-
Proceeds from issuance of long-term debt	-	2,412,010
Proceeds from sale of capital assets	489	20,120
Principal payments on capital leases and long-term debt	(311,070)	(825,986)
Interest payments	(276,503)	(210,412)
Net cash used in capital and related financing activities	<u>(1,337,554)</u>	<u>(2,447,003)</u>
Investing Activities		
Interest receipts	5,856	5,087
Net cash provided by investing activities	<u>5,856</u>	<u>5,087</u>
Increase (Decrease) in Cash	<u>178,327</u>	<u>(1,057,319)</u>
Cash, Beginning of Year	<u>710,122</u>	<u>1,767,441</u>
Cash, End of Year	<u>\$ 888,449</u>	<u>\$ 710,122</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (3,190,448)	\$ (3,217,347)
Depreciation	917,848	831,885
Changes in operating assets and liabilities		
Accounts receivable	(122,510)	(25,972)
Prepaid expenses	(14,931)	8,722
Accounts payable	57,619	(170,392)
Accrued liabilities and compensated absences	(95,252)	11,285
Unearned revenue	(54,579)	(28,206)
Net Cash Used in Operating Activities	<u>\$ (2,502,253)</u>	<u>\$ (2,590,025)</u>
Supplemental Cash Flows Information		
Accounts payable incurred for purchase of capital assets	\$ 5,095	\$ 227,400
Gain on sale of capital assets	\$ 489	\$ (71,213)
In-kind contribution of capital assets	\$ 35,000	\$ 60,020
Insurance recovery receivable for accrued liability	\$ 200,000	\$ -

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Nebraska State Fair Board (the Board) is a not-for-profit corporation created by the State of Nebraska for the purpose of deliberating and consulting as to the needs and conditions of agricultural interests throughout the State of Nebraska. The Board supervises the state fair located in Grand Island, Nebraska.

Basis of Accounting and Presentation

The financial statements of the Board have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally intergovernmental revenues) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Government-mandated nonexchange transactions that are not program specific (such as intergovernmental revenues), investment income and contributions are included in nonoperating revenues and expenses. The Board first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

Use of 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 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, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable consist primarily of amounts due from operations and reimbursements from the Nebraska State Fair Park Foundation for wages and benefits paid on the Foundation's behalf. Accounts receivable – intergovernmental represents quarterly lottery proceeds due to the Board from the Nebraska State Lottery. No allowance is recorded as management believes all amounts are collectible.

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Capital Assets

Capital assets are reported at original cost. Leasehold improvements consist of amounts paid by the Board for construction of the fair facilities in Grand Island. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings and leasehold improvements	3 – 50 years
Equipment	3 – 10 years

The Board capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowing. There were no amounts capitalized during 2015. Total interest incurred during 2014 was:

	<u>2014</u>
Interest costs capitalized	\$ 56,426
Interest costs charged to expense	<u>210,412</u>
Total interest incurred	<u><u>\$ 266,838</u></u>

Unearned Revenue

Unearned revenue consists of prepaid ticket sales, in-kind revenue being recognized over the term of the agreement and sponsorship revenue being recognized over the term of the agreement. There was \$416,138 and \$457,188 of sponsorship revenue remaining at December 31, 2015 and 2014, respectively, which is to be recognized between 2015 and 2022. At December 31, 2015, there was no in-kind revenue remaining to be recognized in future years. There was \$38,599 of in-kind revenue remaining at December 31, 2014, which was recognized during 2015.

In-kind Revenues and Expenses

The Board receives in-kind contributions of services and assets from various donors. It is the policy of the Board to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue by a like amount for exchange and exchange-like transactions. For the years ended December 31, 2015 and 2014, \$202,300 and \$215,020, respectively, was received in in-kind contributions and recognized as noncash sponsorships and capital contributions. For the years ended December 31, 2015 and 2014, \$167,300 and \$155,000, respectively, was recognized as expenses.

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Compensated Absences

Board policies permit most employees to accumulate managed time off (MTO) that may be realized as paid time off. Expense and the related liability are recognized as MTO benefits are earned. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date.

Revenue Recognition

Revenues are derived primarily from admissions to the State Fair, rental of facilities and related activities and intergovernmental sources. Revenues from the State Fair are recognized when earned. Revenues from intergovernmental sources are recognized when all eligibility requirements have been met.

Classification of Revenues

The Board has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) fair admissions and (2) facilities rental.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues, such as contributions, intergovernmental revenues and investment income.

Income Taxes

The Board is a not-for-profit corporation and is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(5). However, the Board is subject to federal income tax on any unrelated business taxable income.

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2015 and 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying statement of revenues, expenses and changes in net position on a gross basis. The amount of taxes presented on a gross basis in the accompanying financial statements was \$199,853 and \$132,970 for the years ended December 31, 2015 and 2014, respectively.

Note 2: Deposits

Deposits

Custodial credit risk is the risk that in the event of a bank failure, an entity's deposits may not be returned to it. The Board's deposit policy for custodial credit risk requires compliance with the provisions of state law.

At December 31, 2015, the Board's cash accounts exceeded federally insured limits by approximately \$712,000.

Nebraska state law does not allow for collateralization of deposits in excess of FDIC limits for entities other than political subdivisions.

Summary of Carrying Values

The carrying values of deposits are included in the balance sheets as follows:

	2015	2014
Carrying value Deposits	<u>\$ 898,313</u>	<u>\$ 719,986</u>
	2015	2014
Included in the following balance sheet captions		
Cash	\$ 888,449	\$ 710,122
Certificate of deposit	9,864	9,864
	<u>\$ 898,313</u>	<u>\$ 719,986</u>

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2015 and 2014

Note 3: Capital Assets

Capital asset activity for the years ended December 31, was as follows:

2015					
	Beginning Balance	Additions	Less Retirements	Transfers	Ending Balance
Land	\$ 40,233	\$ -	\$ -	\$ -	\$ 40,233
Buildings and leasehold improvements	13,485,793	397,204	-	-	13,882,997
Equipment and vehicles	4,384,962	119,768	-	-	4,504,730
Construction in progress	65,127	29,193	-	-	94,320
	<u>17,976,115</u>	<u>546,165</u>	<u>-</u>	<u>-</u>	<u>18,522,280</u>
Accumulated depreciation					
Buildings and leasehold improvements	959,012	381,375	-	-	1,340,387
Equipment and vehicles	2,703,871	536,473	-	-	3,240,344
	<u>3,662,883</u>	<u>917,848</u>	<u>-</u>	<u>-</u>	<u>4,580,731</u>
Net capital assets	<u>\$ 14,313,232</u>	<u>\$ (371,683)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,941,549</u>

2014					
	Beginning Balance	Additions	Less Retirements	Transfers	Ending Balance
Land	\$ 40,233	\$ -	\$ -	\$ -	\$ 40,233
Buildings and leasehold improvements	7,137,033	2,640,264	100,000	3,808,496	13,485,793
Equipment and vehicles	3,928,565	456,397	-	-	4,384,962
Construction in progress	3,855,022	18,601	-	(3,808,496)	65,127
	<u>14,960,853</u>	<u>3,115,262</u>	<u>100,000</u>	<u>-</u>	<u>17,976,115</u>
Accumulated depreciation					
Buildings and leasehold improvements	656,762	310,917	8,667	-	959,012
Equipment and vehicles	2,182,903	520,968	-	-	2,703,871
	<u>2,839,665</u>	<u>831,885</u>	<u>8,667</u>	<u>-</u>	<u>3,662,883</u>
Net capital assets	<u>\$ 12,121,188</u>	<u>\$ 2,283,377</u>	<u>\$ 91,333</u>	<u>\$ -</u>	<u>\$ 14,313,232</u>

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2015 and 2014

Note 4: Long-term Liabilities

Long-term Debt

Long-term debt included the following at December 31, 2015 and 2014:

	2015	2014
Note payable, bank (A)	\$ 6,760,517	\$ 7,071,587
Less current maturities	323,756	311,088
	<u>\$ 6,436,761</u>	<u>\$ 6,760,499</u>

- (A) Provides for borrowings up to \$8,000,000 and is secured by property, equipment and rights to the lottery proceeds. Interest is payable monthly beginning June 10, 2013. Principal and interest are payable in monthly installments of \$49,024 beginning October 10, 2013. Interest is payable at a fixed rate of 4% through June 10, 2018. Beginning June 10, 2018, interest is payable monthly at the New York prime rate plus a margin of .75% with a floor of 4% and a ceiling of 6%. Beginning June 10, 2023, interest is payable monthly at the weekly average yield on 10 year United States treasury securities plus a margin of 2% with a floor of 4%. The rate will reset every five years thereafter until maturity on May 10, 2033.

Aggregate annual maturities of long-term debt at December 31, 2015, are:

	Long-term Debt		
	Total to be Paid	Principal	Interest
2016	\$ 588,283	\$ 323,756	\$ 264,527
2017	588,289	336,952	251,337
2018	588,290	350,681	237,609
2019	588,288	364,967	223,321
2020	588,289	379,837	208,452
2021-2025	2,941,444	2,144,312	797,132
2026-2030	2,941,444	2,618,198	323,246
2031	244,231	241,814	2,417
	<u>\$ 9,068,558</u>	<u>\$ 6,760,517</u>	<u>\$ 2,308,041</u>

Nebraska State Fair Board

Notes to Financial Statements

December 31, 2015 and 2014

Note 4: Long-term Liabilities - Continued

The following is a summary of long-term liability transactions of the Board for the years ended December 31, 2015 and 2014:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2015					
Notes payable	<u>\$ 7,071,587</u>	<u>\$ -</u>	<u>\$ 311,070</u>	<u>\$ 6,760,517</u>	<u>\$ 323,756</u>
2014					
Note payable	<u>\$ 5,485,563</u>	<u>\$ 2,412,010</u>	<u>\$ 825,986</u>	<u>\$ 7,071,587</u>	<u>\$ 311,088</u>

Other Long-term Liabilities

Other changes in long-term liabilities include the payments and accrual of compensated absences, and contributions to the City of Grand Island to be paid through 2016.

Note 5: Intergovernmental Revenues

Effective January 1, 2005, the Nebraska State Constitution was amended to authorize an appropriation of 10% of the net State Lottery proceeds to the Nebraska State Fair Board, as long as the City of Grand Island matches 10% of those funds. The Board recognized revenues of \$4,076,824 and \$3,859,964 classified as intergovernmental revenue during the years ended December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, approximately \$989,000 and \$949,000, respectively, was recorded as a receivable for fourth quarter lottery activity.

Note 6: Related Party Transactions

As of December 31, 2015 and 2014, accounts receivable includes \$4,364 and \$15,020, respectively, due from Nebraska State Fair Park Foundation (the Foundation) for payroll and other benefits for an employee of the Foundation or other operating expenses paid by the Board.

The Board's note payable at December 31, 2015 and 2014, is held by a bank owned by member of the Board.

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2015 and 2014

Note 7: Pension Plan

The Board has a defined contribution pension plan for substantially all full-time employees that meets the requirements of Section 401(a) of the Internal Revenue Code and is administered by Union Bank & Trust. Employees may contribute up to 20% of their compensation each pay period. The Board may elect to make discretionary contributions. Forfeitures are distributed to participants in proportion of their compensation to total compensation. For each of the years ended December 31, 2015 and 2014, the Board made contributions of 3% of qualifying wages. In addition, the Board has a deferred compensation plan that meets the requirements of Section 457(b) of the Internal Revenue Code administered by Union Bank & Trust. Employees may contribute up to 20% of their compensation each pay period. The Board may elect to make discretionary contributions. For each of the years ended December 31, 2015 and 2014, the Board made contributions of 3% of qualifying wages. Total employer contributions to both plans were \$15,146 and \$14,596 for the years ended December 31, 2015 and 2014, respectively, and were fully funded at the end of each year.

Note 8: Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Note 9: Commitments and Contingencies

Litigation

The Board is subject to various claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net position and cash flows of the Board. Events could occur that would change this estimate materially in the near term.

Unemployment Taxes

The Board pays unemployment taxes on a reimbursement basis. The Board has estimated accruals as of December 31, 2015 and 2014; however, events could occur that would change these estimates materially in the near term.

Nebraska State Fair Board
Notes to Financial Statements
December 31, 2015 and 2014

Note 10: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statement were available to be issued.

Supplementary Information

Nebraska State Fair Board
Schedules of Fair Operations
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues		
Admissions/fair	\$ 1,295,620	\$ 1,263,723
Carnival	360,602	311,193
Entertainment	1,091,530	305,183
Food/beverage service	357,352	244,990
Campgrounds	51,203	48,266
Livestock show	-	4,184
Departmental receipts	258,753	233,617
Departmental sponsorships	11,420	10,350
Space rental and storage	674,392	618,994
Other commissions	29,563	25,870
Sponsorships (nondepartmental)	667,199	650,150
Non-cash sponsorships	167,300	155,000
Miscellaneous	26,310	6,348
Intergovernmental revenues	4,076,824	3,859,964
Total revenues	<u>9,068,068</u>	<u>7,737,832</u>
Expenses		
Department premiums/awards	332,170	309,212
Taxes	302,057	230,718
Insurance	233,098	232,923
Wages	1,180,902	1,145,333
Professional services	954,955	955,772
Equipment rental	396,607	349,351
Material/supplies	212,553	214,264
Administrative	413,772	399,828
Entertainment	1,742,996	1,042,378
Food/beverage service	105,633	67,029
Livestock show	1,540	995
Advertising/promotion	493,998	517,343
Fair department expenses	514,538	457,162
Utilities	198,410	182,786
In-kind sponsorship expenses (non-cash)	167,300	155,000
Miscellaneous	13,315	3,236
Total expenses	<u>7,263,844</u>	<u>6,263,330</u>
Net Income Before Depreciation, Interest Expense and Other Income (Expenses)	<u>1,804,224</u>	<u>1,474,502</u>
Depreciation, Interest Expense and Other Income (Expenses)		
Depreciation expense	(917,848)	(831,885)
Interest expense	(276,503)	(210,412)
Gain (loss) on sale of capital assets	489	(71,213)
Other income	5,856	5,087
Contributions	(25,000)	28,556
Capital contributions	43,000	60,020
Net depreciation, interest expense and other income	<u>(1,170,006)</u>	<u>(1,019,847)</u>
Change in Net Position	<u>\$ 634,218</u>	<u>\$ 454,655</u>