

SOUTHWESTERN ILLINOIS FLOOD  
PREVENTION DISTRICT COUNCIL

REPORT AND FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
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## INDEPENDENT AUDITOR'S REPORT

January 24, 2011

To the Southwestern Illinois Flood  
Prevention District Council

We have audited the accompanying financial statements of the governmental activities and major fund of the Southwestern Illinois Flood Prevention District Council (the Council) as of and for the year ended September 30, 2010 which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit 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 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Southwestern Illinois Flood Prevention District Council as of September 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 17 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Scheffel & Company P.C.*

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2010

This section of the Southwestern Illinois Flood Prevention District Council's (the Council) annual financial report offers a narrative overview and analysis of the financial activities during the fiscal year ended September 30, 2010. It should be read in conjunction with the Southwestern Illinois Flood Prevention District Council's financial statements, which follow this section.

**Southwestern Illinois Flood Prevention District Council's Overview**

The formation of the Southwestern Illinois Flood Prevention District Council was authorized by the Illinois Flood Prevention District Act (70 ILCS 750). The Council was formed in June of 2009 by intergovernmental agreement between county flood prevention districts in Madison, St. Clair and Monroe counties and is governed by a nine member Board of Directors, three from each county. The Council's fiscal year end is September 30. The purpose of the Council is to finance, design and manage the reconstruction of the flood protection systems along the Mississippi River in the Illinois counties of Madison, St. Clair and Monroe. The Council's activities are funded by a ¼ cent sales tax collected in the three counties. Certain actions by the Council, including the adoption of an annual budget and entering into large construction contracts, require approval by the county boards of the three constituent counties. The Council also provides an annual progress report to each county board.

**Required Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The government-wide financial statements report information of the Southwestern Illinois Flood Prevention District Council and its component activities using accounting methods similar to those used by private sector companies and offer short and long-term financial information about the fiscal year 2010.

The statement of net assets presents information on all of the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Southwestern Illinois Flood Prevention District Council is improving or deteriorating.

The current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid. All of the operations and programs are included here.

In addition, the notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Council currently uses only one fund type – governmental – and is presented based the on the sources and uses of liquid resources. The financial plan (budget) is developed in accordance with the use of the governmental fund.

## Financial Highlights

As shown below, the assets of Southwestern Illinois Flood Prevention District Council exceeded its liabilities at the close of 2010 and 2009 by \$5,444 and \$6,554 respectively which represented the amount invested in capital assets. The Council's current assets represented 99.4 percent of the total assets and capital assets represented .6%. The 47.3% decrease in current assets is the result of a decrease in cash and outstanding receivables at the end of the year. The total net assets (the Council's bottom line) decreased by 16.9 percent compared to 2009, which was the result of normal governmental type activities.

### Statement of Net Assets for 2010 Compared to 2009

Condensed Statement of Net Assets	2010	2009	Difference	% Change
Current Assets	\$833,746	1,582,359	(748,613)	(47.3)
Capital Assets – Net	<u>5,444</u>	<u>6,554</u>	<u>(1,110)</u>	(16.9)
Total Assets	<u>\$839,190</u>	<u>1,588,913</u>	<u>(749,723)</u>	(47.2)
Total Current Liabilities	\$833,746	1,582,359	(748,613)	(47.3)
Invested in Net Capital Assets	<u>5,444</u>	<u>6,554</u>	<u>(1,110)</u>	(16.9)
Total Liabilities and Net Assets	<u>\$839,190</u>	<u>1,588,913</u>	<u>(749,723)</u>	(47.2)

### Statement of Revenues, Expenditures, and Changes in Net Assets for 2010 and 2009 -- Budget and Actual

Revenues:	2010 Budget	2010	2009
Sales Tax Proceeds from Districts	\$ 37,007,652	7,809,955	3,431,723
County Contributions	55,000	75,921	66,950
Other Contributions	25,000	-	-
Interest Income	<u>1,200,000</u>	<u>2,162</u>	<u>221</u>
<b>Total Revenues</b>	<b>\$ 38,287,652</b>	<b>7,888,038</b>	<b>3,498,894</b>
<b>Expenditures:</b>			
General and Administration	\$ 200,145	197,823	39,312
Design and Construction	26,935,000	6,206,512	3,378,282
Professional Services	231,000	1,482,626	72,677
Reimbursement of County Advances	1,750,890	-	-
Contingency	1,368,417	-	-
Capital Outlay	2,200	1,077	8,623
Debt Service	<u>6,600,000</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<b>\$ 37,087,652</b>	<b>7,888,038</b>	<b>3,498,894</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,200,000</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>	<u>110,000,000</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	<b>\$ 111,200,000</b>	<b>-</b>	<b>-</b>
<b>Net Assets – Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets – End of Year</b>	<b><u>\$ 111,200,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

The 2010 activity compared to 2009 is shown in the condensed statement of revenue, expenditures, and changes in net assets. Although 2010 and 2009 are shown for comparative purposes it should be noted that 2009 was a short year and only consisted of approximately three months of activity and it should not be construed as representative of annual financial transactions.

The budgetary highlights for 2010 are as follows:

- The actual revenues were less than the budget by \$30,399,614. The sales tax proceeds and county contributions are based on the expenditures incurred for the period per the counties funding arrangement for Council activities. Since expenditures were less than anticipated the resulting revenue was also impacted.
- The actual expenditures were \$29,198,504 less than the budget which resulted primarily from under spending in the design and construction estimates and the debt service due to the delay in the issuance of bonds which had originally been estimated to take place in early summer of 2010.

### **Long-Term Debt**

Southwestern Illinois Flood Prevention District Council did not have any long-term financing obligations at the end of the fiscal year. See the accompanying financial statement notes for additional information related to outstanding debt.

### **Economic Conditions**

Southwestern Illinois Flood Prevention District Council continues to rely on the ¼ cent sales tax collected in the three Illinois counties of Madison, Monroe and St. Clair. Retail sales have been affected by the difficult economic conditions but returned to modest levels of growth as the economy recovers. Growth in sales tax receipts averaged about 7.8% in the first nine months of calendar year 2010 compared to the same period in 2009, the first year that the sales tax was collected. The design and repair of the levee system along the Mississippi river in the three counties is underway and we remain confident that the Council's financial position is strong.

### **Contacting the Council's Financial Management**

This financial report is designed to provide a general overview of the Southwestern Illinois Flood Prevention District Council's finances for all those with an interest in the Council. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Supervisor of Construction and the Works, Southwestern Illinois Flood Prevention District Council, 104 United Drive, Collinsville, IL 62234.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2010

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Current Assets:	
Cash	\$ 114,715
Accounts Receivable	719,031
Total Current Assets	<u>833,746</u>
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation Equipment and Software	5,444
Total Assets	<u><u>839,190</u></u>
<u>LIABILITIES AND NET ASSETS:</u>	
Current Liabilities:	
Accounts Payable	833,746
Net Assets:	
Invested in Capital Assets, Net of Related Debt	5,444
Total Liabilities and Net Assets	<u><u>\$ 839,190</u></u>

See accompanying notes to the basic financial statements.



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2010

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
				<u>Total</u>	<u>Primary Governmental Activities</u>
Primary Governmental Activities:					
General and Administrative	\$ 200,010	-	-	-	(200,010)
Design and Construction	6,206,512	-	-	-	(6,206,512)
Professional Services	1,482,626	-	-	-	(1,482,626)
Total Governmental Activities	<u>7,889,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,889,148)</u>
General Revenues:					
Sales Tax Proceeds From Districts		7,809,955			
County Contributions		75,921			
Interest Income		2,162			
Total General Revenues		<u>7,888,038</u>			
Changes in Net Assets					
Net Assets - Beginning					(1,110)
Net Assets - Ending					<u>6,554</u>
					<u>\$ 5,444</u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

ASSETS	
Cash	\$ 114,715
Accounts Receivable	719,031
Total Assets	<u>833,746</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	833,746
Fund Balances:	
Unreserved	-
Total Liabilities and Fund Balances	<u>\$ 833,746</u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
SEPTEMBER 30, 2010

Total governmental fund balances	\$ -
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in the governmental activities are not financial resources and, therefore are not reported in the funds.	<u>5,444</u>
Net assets of governmental activities	<u><u>\$ 5,444</u></u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2010

## REVENUES:

Sales Tax Proceeds From Districts	\$ 7,809,955
County Contributions	75,921
Interest Income	2,162
Total Revenues	<u>7,888,038</u>

## EXPENDITURES:

## Current:

General and Administrative	197,823
Design and Construction	6,206,512
Professional Services	1,482,626

## Capital Outlay:

Equipment/Software	1,077
Total Expenditures	<u>7,888,038</u>

Net Change in Fund Balances -

## FUND BALANCES:

Beginning of Year	-
End of Year	<u>\$ -</u>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2010

Net change in fund balances - total governmental funds	\$	-
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>	<p style="border-top: 1px solid black;">(1,110)</p>	
Change in net assets of governmental activities	\$	<p style="border-top: 1px solid black; border-bottom: 3px double black;">(1,110)</p>

See accompanying notes to the basic financial statements.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Southwestern Illinois Flood Prevention District (the Council) was formed in June 2009 as authorized by the Illinois Flood Prevention District Act (70 ILCS 750). The Council is responsible for the reconstruction of flood protection systems along the Mississippi River in parts of three Illinois counties – Madison, St. Clair, and Monroe; and four levee districts – Fish Lake, Prairie DuPont, Metro East Sanitary District, and Wood River.

The accounting policies and financial reporting practices of the Council conform to generally accepted accounting principles (GAAP) applicable to governmental entities.

A. Reporting Entity

The Council defines its reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). GASB requirements for inclusion of component units are based upon whether the Council's governing body has a significant amount of financial accountability for another entity.

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria include, but are not limited to, whether the Council exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The Council has determined that no other outside agency meets any of the above criteria (except scope of public service) and therefore, no other agency has been included as a component unit in the Council's financial statements. The Council is not a component unit of any other government.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Currently, the Council does not have any business-type activities.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
SEPTEMBER 30, 2010

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements report detailed information about the Council. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The Council consists of one major fund.

General Fund – The General Fund is the operating fund of the Council. It accounts for all financial resources that are not required to be accounted for in another fund. It is currently the only fund of the Council.

C. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

The Council follows these procedures in establishing the budgetary data reflected in the financial statements:

The Council adopts its annual budget prior to the commencement of the fiscal year to allow time for the budget to be reviewed and approved by each flood prevention district prior to August 31. The budget is prepared on the accrual basis of accounting.

The budget for the Council was approved August 13, 2009.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
SEPTEMBER 30, 2010

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual presents a comparison of budgetary data to actual results. The fund utilizes the same basis of accounting for both budgetary purposes and actual results.

E. Assets, Liabilities, and Net Assets or Equity

Cash

The Council has defined cash to include cash on hand and demand deposits.

Receivables

All receivables are reported net of estimated uncollectible amounts.

Capital Assets

Capital assets, which include equipment and software, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are defined by the Council as assets with an initial, individual cost of more than \$200. Fixed assets are valued at cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Assets capitalized are depreciated using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Software	3
Equipment	3-5
Furniture	10

NOTE 2. CASH

Cash as of September 30, 2010 totaled \$114,715.

The Council invests with financial institutions where cash is held. All deposits are carried at cost plus interest.



SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
SEPTEMBER 30, 2010

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, a government will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of September 30, 2010, the Council's deposits are covered by depository insurance.

NOTE 3. CAPITAL ASSETS

A summary of capital assets follows:

	<u>Balance</u> <u>September 30,</u> <u>2009</u>	<u>Current</u> <u>Year</u> <u>Additions</u>	<u>Current</u> <u>Year</u> <u>Deletions</u>	<u>Balance</u> <u>September 30,</u> <u>2010</u>
Capital Assets:				
Equipment	\$5,471	\$ 218	\$ -	\$5,689
Furniture	279	-	-	279
Software	<u>1,028</u>	<u>556</u>	<u>-</u>	<u>1,584</u>
Subtotal	<u>\$6,778</u>	<u>\$ 774</u>	<u>\$ -</u>	<u>\$7,552</u>
Accumulated Depreciation:				
Equipment	\$ 171	\$ 1,437	\$ -	\$1,608
Furniture	5	28	-	33
Software	<u>48</u>	<u>419</u>	<u>-</u>	<u>467</u>
Subtotal	<u>\$ 224</u>	<u>\$ 1,884</u>	<u>\$ -</u>	<u>\$2,108</u>
Net Capital Assets	<u>\$6,554</u>	<u>\$(1,110)</u>	<u>\$ -</u>	<u>\$5,444</u>

Depreciation expense of \$1,884 was charged to the General and Administrative function of the primary government.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
SEPTEMBER 30, 2010

NOTE 4. SUBSEQUENT EVENTS

The effect of subsequent events on the financial statements has been evaluated through the report date, which is the date the financial statements were available to be issued.

**Bond Issuance**

On November 23, 2010, the Council issued \$94.195 million of special revenue bonds to pay the costs of design and construction of improvements to levees and related facilities that protect large areas in Madison, St. Clair and Monroe counties from flooding from the Mississippi River and certain tributaries. These bonds are secured by the flood prevention district retailers occupation sales tax revenues collected from the Illinois counties of Madison, Monroe and St. Clair. The flood prevention district sales tax collections from the three counties will be held in trust for the purpose of meeting the bond obligations and the Council's ongoing administrative costs. The serial bonds totaling \$35.05 million carry interest rates of 2.00% to 5.00% and mature between April 15, 2012 and April 15, 2024. The term bonds were divided into lots with \$7.345 million paying 4.00% due April 15, 2025, \$21.620 million paying from 4.25% to 5.00% due April 15, 2030, \$9.05 million paying 7.03% due April 15, 2032, and \$21.130 million paying 7.23% due October 15, 2035. All term bonds are subject to mandatory redemption in prescribed amounts before the maturity dates.

**Payment of Advance Funding to Counties**

The Council has committed to reimburse a total of \$3,501,778 to the Illinois counties of Madison, Monroe and St. Clair. Each county advanced funding out of general revenue to their respective county flood prevention district (FPD) with the understanding that it would be reimbursed when sufficient flood prevention district sales tax balances were available. The FPD expenditures were for activities permitted under law and were incurred prior to the formation of the Council. The funds for this payment will be provided by the flood prevention districts in accordance with the cost-share policy adopted by the Council.

SOUTHWESTERN ILLINOIS FLOOD PREVENTION DISTRICT COUNCIL  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS -  
SEPTEMBER 30, 2010

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>ACTUAL OVER (UNDER) BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
Sales Tax Proceeds From Districts	\$ 37,007,652	37,007,652	7,809,955	(29,197,697)
County Contributions	55,000	55,000	75,921	20,921
Other Contributions	25,000	25,000	-	(25,000)
Interest Income	1,200,000	1,200,000	2,162	(1,197,838)
Total Revenues	<u>38,287,652</u>	<u>38,287,652</u>	<u>7,888,038</u>	<u>(30,399,614)</u>
<b>EXPENDITURES:</b>				
Current:				
General and Administrative	200,145	200,145	197,823	(2,322)
Design and Construction	26,935,000	26,935,000	6,206,512	(20,728,488)
Professional Services	231,000	231,000	1,482,626	1,251,626
Reimbursement of County Advances	1,750,890	1,750,890	-	(1,750,890)
Contingency	1,368,417	1,368,417	-	(1,368,417)
Capital Outlay:				
Equipment and Software	2,200	2,200	1,077	(1,123)
Debt Service:				
Principal	6,600,000	6,600,000	-	(6,600,000)
Total Expenditures	<u>37,087,652</u>	<u>37,087,652</u>	<u>7,888,038</u>	<u>(29,199,614)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,200,000	1,200,000	-	(1,200,000)
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from borrowing	110,000,000	110,000,000	-	(110,000,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 111,200,000</u>	<u>111,200,000</u>	-	<u>(111,200,000)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			-	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

See accompanying notes to the basic financial statements.