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SYMSONIA WATER  
DISTRICT

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FINANCIAL REPORT

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For The Year Ended  
December 31, 2019

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Commissioners

Symsonia Water District  
Symsonia, KY

Management is responsible for the accompanying financial statements of the Symsonia Water District, which comprise the statement of net position as of December 31, 2019, and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements in accordance with the accounting principles prescribed or permitted by the Public Service Commission, which practices differ from accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Romaine & Associates, PLLC*

Mayfield, Kentucky  
March 13, 2020

**SYMSONIA WATER DISTRICT**

## STATEMENT OF NET POSITION

December 31, 2019

**CURRENT ASSETS**

Cash and cash equivalents	\$	182,201
Customer accounts receivable		26,697
<b>Total current assets</b>		<u>208,898</u>

**NONCURRENT ASSETS**

Restricted cash		15,672
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**CAPITAL ASSETS**

## Depreciable capital assets:

Utility plant in service, at cost		2,885,774
Less accumulated provision for depreciation computed by the straight-line method		<u>(1,633,437)</u>
<b>Total capital assets</b>		<u>1,252,337</u>

**TOTAL NONCURRENT ASSETS**1,268,009**TOTAL ASSETS**\$ 1,476,907**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$	7,297
Customer deposits		11,755
Note payable		16,756
<b>Total current liabilities</b>		<u>35,808</u>

**NONCURRENT LIABILITIES**

Long-term debt		<u>275,890</u>
<b>Total noncurrent liabilities</b>		<u>275,890</u>

**NET POSITION**

Invested in capital assets, net of related debt		959,691
Restricted		15,672
Unrestricted		189,846
<b>Total net position</b>		<u>1,165,209</u>

**TOTAL LIABILITIES AND NET POSITION**\$ 1,476,907

**SYMSONIA WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended December 31, 2019

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<b>OPERATING REVENUE</b>	<b>\$</b>	<u>273,879</u>
<b>OPERATING EXPENSE</b>		
Bank charges		129
Office supplies		4,074
Payroll and related expenses		110,824
Mileage expense		1,266
Utilities		2,302
Purchased power		18,437
Chemicals		9,182
Materials and supplies		14,895
Contractual services		18,790
Insurance		8,251
Miscellaneous		600
Depreciation and amortization		71,814
Tax & license		1,478
<b>Total operating expenses</b>		<u>262,042</u>
<b>Operating income (loss)</b>		<u>11,837</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income		289
Interest expense		(5,627)
Sale of Assets		2,350
<b>Nonoperating revenues (expenses)</b>		<u>(2,988)</u>
<b>Net Income (Loss)</b>		8,849
<b>NET POSITION</b>		
Beginning of year		<u>1,156,360</u>
End of year	<b>\$</b>	<u><u>1,165,209</u></u>

**SYMSONIA WATER DISTRICT****STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2019

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$	277,726
Cash payments to suppliers for goods and services		(79,498)
Cash payments to employees and related expense		(110,824)
Customer deposits received		3,500
Customer deposits returned		(2,250)
<b>Net cash provided by operating activities</b>		<u>88,654</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Debt reduction:		
Long-term		475
Interest expense		(5,627)
Utility plant additions and improvements		(29,845)
Sale of assets		2,350
Interest income		290
<b>Net cash provided by (used for) capital and related financing activities</b>		<u>(32,357)</u>

**Net increase in cash and cash equivalents** 56,297

**CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR**141,576**CASH AND CASH EQUIVALENTS - END OF THE YEAR**\$ 197,873**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$	11,837
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization		71,814
Changes in assets and liabilities:		
Accounts receivable and other receivables		3,847
Accounts payable and accrued expenses		(94)
Customer deposits		1,250
<b>Net cash provided by operating activities</b>	\$	<u>88,654</u>

**Note 1. Description of Entity & Significant Accounting Policies**

The Symsonia Water District is engaged in providing water and sewer supply to approximately 319 customers who live in the Symsonia community in Graves County, Kentucky area. The water district was created in 1964 and the sewer district in 1980 under Chapter 14 of the Kentucky Revised Statutes.

In evaluating how to define Symsonia Water District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units.

**Basis of Presentation and Accounting:**

As stated in Kentucky Revised Statutes (KRS) 278.012, "any water association formed for the purpose of furnishing water services to the general public pursuant to KRS Chapter 273 is deemed to be and shall be a public utility and shall be subject to the jurisdiction of the Public Service Commission". In KRS 278.220, it is outlined that the Public Service Commission may establish a system of accounts to be kept by the utilities subject to its jurisdiction, and may prescribe the manner in which such accounts shall be kept. This uniform system of accounts is presented on the accrual basis in accordance with practices prescribed by the Public Service Commission. In accordance with the Public Service Commission's regulations, costs associated with hook-up fees are capitalized as meters, installations and services. This practice differs from generally accepted accounting principles under which these costs and the related fees are recorded as operating expenses and revenues. Except for this regulatory difference, the Public Service Commission prescribes the use of Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The system has adopted and now follows GASB 62, which codified certain GASB pronouncements.

The District's financial statements (including the related notes) are presented in accordance with GASB No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments and related standards, except as noted herein.

This standard provided significant required changes in terminology; recognition of contributions in the statement of revenues, expenses and changes in net assets; inclusion of a management's discussion and analysis as supplementary information; and other changes.

The Symsonia Water District is operated as a proprietary and/or enterprise fund. Proprietary Funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Note 1. Description of Entity & Significant Accounting Policies- (Continued)***Basis of Presentation and Accounting: (Continued)*

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position regulatory basis. Net position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted, constraints imposed by creditors/grantors/laws/or contributions; and unrestricted components, all other. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, unrestricted resources are used first.

*Revenues and Expenses:*

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities.

*Property and Equipment:*

Property and equipment purchased or constructed are stated at cost. The cost of meters, including installation, is capitalized. Interest related to costs, and major improvements, renewals and replacements is capitalized as a cost of the project. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Expenses for maintenance and repairs that do not increase the useful life of the asset are charged to operations as they are incurred. The District does not have a particular dollar amount threshold for capitalization purposes.

*Income Taxes:*

The Symsonia Water District is not subject to income taxes.

*Contributed Capital:*

The District has adopted Governmental Accounting Standards Board's (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires governments to recognize capital contributions to proprietary funds as revenues, instead of contributed capital. Prior to implementation GASB No. 33, the fair market value of donated property received by the District, impact fees, tap on fees and grants which were restricted for the acquisition or construction of capital assets, were recorded as contributed capital.

*Statement of Cash Flows:*

For purposes of reporting cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

*Reclassifications:*

For clarification purposes, reclassifications have been made to certain previously reported amounts.

**Note 1. Description of Entity & Significant Accounting Policies- (Continued)***Deferred Outflows and Inflows of Resources:*

Pursuant to GASB Statement Number 63 and GASB Statement Number 65, the water district recognizes deferred outflows and inflows or resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future period.

*Net Position:*

Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

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

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Note 2. Cash and Investments**

KRS 66.480 authorizes the District to invest in obligations of the United States and its agencies and instrumentalities including repurchase agreements, through sources including national and state banks chartered in Kentucky, obligations and contracts for future delivery backed by the full faith of the United States or its Agency, certificates of deposit and interest bearing accounts in institutions insured by the Federal Depository Insurance Corporation and other investments described therein provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. The District may also invest in mutual funds meeting the requirements of the statute.

Symsonia Water District’s policies regarding deposits of cash are discussed above. The table presented below is designed to disclose the level of custody credit risk assumed by the District based upon how its deposits were insured or secured with collateral at December 31, 2018. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the District (public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

**Note 2. Cash and Investments (Continued)**

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the Pledging financial institution, or by its trust department or agent, but not in the District’s name; or collateralized with no written or approved collateral agreement.

**December 31, 2019**

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Custody Credit Risk Category</u>		
		<u>1</u>	<u>2</u>	<u>3</u>
Demand Deposits-CFSB	\$ 129,391	\$ 129,391	\$ -	\$ -
Demand Deposits-CFSB	11,755	11,755	-	-
Demand Deposits-CFSB	717	717	-	-
Demand Deposits-CFSB	3,200	3,200	-	-
Demand Deposits-CFSB	<u>52,810</u>	<u>52,810</u>	<u>-</u>	<u>-</u>
Total Deposits	<u>\$ 197,873</u>	<u>\$ 197,873</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 3. Restricted Assets**

Restricted cash and investments consist of the following:

<u>Type of Account</u>	<u>December 31, 2019</u>
Grant Account	\$ 717
KIA-Reserve Account	3,200
Customer Deposits Account	<u>11,755</u>
<b>Total</b>	<u>\$ 15,672</u>

**Note 4. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 5. Grants/Loans**

In the normal course of operations, the District receives grant/loan funds from various Federal and/or State agencies. The grant/loan programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting/loaning of funds.

**Note 6. Budget**

The budget for the proprietary fund operation is prepared on the cash and expenditures basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable expenditure is expected to be made. Budgeted appropriations lapse at year-end.

**Note 7. Customer Accounts Receivable**

The District provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal billing receivables are due 15 days after billing. Receivables past due are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. No provision for doubtful accounts has been made at December 31, 2019, as management considers all amounts fully collectible.

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The District carries commercial insurance for risk of loss. The District did not settle claims that exceeded the District’s commercial insurance coverage in any of the past two years.

**Note 9. Long-Term Debt**

*Kentucky Infrastructure Authority*

The District entered into a debt agreement for the construction of a new 150,000 gallon storage tank. The agreement with Kentucky Infrastructure Authority was for \$327,102 and bears interest of 1.75%. Principal and interest are payable semi-annually on the note. As of December 31, 2019, the balance was \$277,768. The future principal and interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Payment</u>
2020	\$ 14,658	\$ 5,345	\$ 20,003
2021	14,915	5,058	19,973
2022	15,177	4,766	19,943
2023	15,444	4,469	19,913
2014	15,716	4,166	19,882
2025-2029	82,820	16,105	98,925
2030-2034	90,359	7,705	98,064
2035-2036	28,679	561	29,240
Total	<u>\$ 277,768</u>	<u>\$ 48,175</u>	<u>\$ 325,943</u>

**Note 9. Long-Term Debt (continued)**

***John Deere Financial***

The District entered into a debt agreement for the purchase of a 2018 John Deere 1025R Tractor. The agreement with John Deere Financial was for \$16,022 and bears no interest. Principal are payable monthly on the note. As of December 31, 2019, the balance was \$14,878. The future principal payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Total Payment</u>
2020	\$ 2,098	\$ 2,098
2021	2,289	2,289
2022	2,289	2,289
2023	2,289	2,289
2024	2,289	2,289
2025-2026	3,624	3,624
Total	<u>\$ 14,878</u>	<u>\$ 14,878</u>

**Note 10. Changes in Long-Term Debt**

Changes in Long-Term Debt consist of the following:

<u>Description</u>	<u>Beginning Principal Balance 12/31/2018</u>	<u>Additional Borrowings</u>	<u>Principal Paid</u>	<u>Ending Principal Balance 12/31/2019</u>
KIA Loan #B12-07	\$ 292,171	\$ -	\$ 14,404	\$ 277,767
John Deere Financial	-	16,022	1,144	14,878
Total Liabilities	<u>\$ 292,171</u>	<u>\$ 16,022</u>	<u>\$ 15,548</u>	<u>\$ 292,645</u>

**Note 11. Subsequent Events**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 13, 2020, the date financial statements were available to be issued. No events were noted that required disclosure.

**Note 12. Capital Assets**

A summary of Symsonia Water District’s change in capital assets for the year ended December 31, 2018 is as follows:

<b>Water System</b>				
<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Structures & Improvements	\$ 223,468	\$ 2,306	\$ -	\$ 225,774
Distribution System	526,304	-	-	526,304
Machinery & Equipment	42,725	11,046	-	53,771
Water Treatment Plant	922,103	-	-	922,103
<b>Total at Historical Cost</b>	<b>1,714,600</b>	<b>13,352</b>	<b>-</b>	<b>1,727,952</b>
Less: Accumulated Depreciation				
Structures & Improvements	(169,079)	(3,928)	-	(173,007)
Distribution System	(293,029)	(8,925)	-	(301,954)
Machinery & Equipment	(34,550)	(2,466)	-	(37,016)
Water Treatment Plant	(81,177)	(27,059)	-	(108,236)
<b>Total Accumulated Depreciation</b>	<b>(577,835)</b>	<b>(42,378)</b>	<b>-</b>	<b>(620,213)</b>
<b>Capital Assets, Net</b>	<b>\$ 1,136,765</b>	<b>\$ (29,026)</b>	<b>\$ -</b>	<b>\$ 1,107,739</b>

<b>Sewer System</b>				
<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Land	\$ 6,061	\$ -	\$ -	\$ 6,061
Structures & Improvements	337,530	1,894	-	339,424
Distribution System	754,280	5,524	-	759,804
Machinery & Equipment	43,458	9,075	-	52,533
<b>Total at Historical Cost</b>	<b>1,141,329</b>	<b>16,493</b>	<b>-</b>	<b>1,157,822</b>
Less: Accumulated Depreciation				
Structures & Improvements	(246,619)	(8,461)	-	(255,080)
Distribution System	(702,637)	(18,705)	-	(721,342)
Machinery & Equipment	(34,531)	(2,271)	-	(36,802)
<b>Total Accumulated Depreciation</b>	<b>(983,787)</b>	<b>(29,437)</b>	<b>-</b>	<b>(1,013,224)</b>
<b>Capital Assets, Net</b>	<b>\$ 157,542</b>	<b>\$ (12,944)</b>	<b>\$ -</b>	<b>\$ 144,598</b>

**SYMSONIA WATER DISTRICT**  
**COMBINED STATEMENTS OF NET POSITION**  
DECEMBER 31, 2019

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 100,028	\$ 82,173	\$ 182,201
Customer accounts receivable	13,583	13,114	26,697
Interfund receivable	-	72,637	72,637
<b>Total current assets</b>	<u>113,611</u>	<u>167,924</u>	<u>281,535</u>
<b>NONCURRENT ASSETS</b>			
Restricted cash	<u>15,672</u>	<u>-</u>	<u>15,672</u>
<b>CAPITAL ASSETS</b>			
Depreciable capital assets:			
Utility plant in service, at cost	1,727,952	1,157,822	2,885,774
Less accumulated provision for depreciation computed by the straight-line method	<u>(620,213)</u>	<u>(1,013,224)</u>	<u>(1,633,437)</u>
<b>Total capital assets</b>	<u>1,107,739</u>	<u>144,598</u>	<u>1,252,337</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,123,411</u>	<u>144,598</u>	<u>1,268,009</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,237,022</u>	<u>\$ 312,522</u>	<u>\$ 1,549,544</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,119	\$ 4,178	\$ 7,297
Customer deposits	11,755	-	11,755
Interfund payable	72,637	-	72,637
Current portion of long-term debt	<u>16,756</u>	<u>-</u>	<u>16,756</u>
<b>Total current liabilities</b>	<u>104,267</u>	<u>4,178</u>	<u>108,445</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt	<u>275,890</u>	<u>-</u>	<u>275,890</u>
<b>Total noncurrent liabilities</b>	<u>275,890</u>	<u>-</u>	<u>275,890</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	815,093	144,598	959,691
Restricted	15,672	-	15,672
Unrestricted	<u>26,100</u>	<u>163,746</u>	<u>189,846</u>
<b>Total net position</b>	<u>856,865</u>	<u>308,344</u>	<u>1,165,209</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,237,022</u>	<u>\$ 312,522</u>	<u>\$ 1,549,544</u>

**SYMSONIA WATER DISTRICT**  
**COMBINED STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>OPERATING REVENUE</b>	<u>\$ 140,267</u>	<u>\$ 133,612</u>	<u>\$ 273,879</u>
<b>OPERATING EXPENSE</b>			
Bank charges	71	58	129
Office supplies	2,173	1,901	4,074
Payroll and related expenses	60,844	49,980	110,824
Mileage expense	695	571	1,266
Utilities	1,359	943	2,302
Purchased power	5,089	13,348	18,437
Chemicals	4,700	4,482	9,182
Materials and supplies	7,091	7,804	14,895
Contractual services	4,814	13,976	18,790
Insurance	4,530	3,721	8,251
Miscellaneous	329	271	600
Depreciation and amortization	42,377	29,437	71,814
Tax & license	756	722	1,478
<b>Total operating expenses</b>	<u>134,828</u>	<u>127,214</u>	<u>262,042</u>
<b>Operating income (loss)</b>	<u>5,439</u>	<u>6,398</u>	<u>11,837</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest expense	(5,627)	-	(5,627)
Interest income	72	59	131
Investment income	87	71	158
Proceeds from Sale of Assets	2,350	-	2,350
<b>Non-operating revenues (expenses)</b>	<u>(3,118)</u>	<u>130</u>	<u>(2,988)</u>
<b>Net Income (Loss)</b>	<u>2,321</u>	<u>6,528</u>	<u>8,849</u>
<b>Increase (Decrease) in net position</b>	<u>2,321</u>	<u>6,528</u>	<u>8,849</u>
<b>NET POSITION</b>			
Beginning of year	<u>854,544</u>	<u>301,816</u>	<u>1,156,360</u>
End of year	<u>\$ 856,865</u>	<u>\$ 308,344</u>	<u>\$ 1,165,209</u>

**SYMSONIA WATER DISTRICT**  
**COMBINED STATEMENTS OF CASH FLOWS**  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 140,840	\$ 136,886	\$ 277,726
Cash payments to suppliers for goods and services	(33,421)	(46,077)	(79,498)
Cash payments to employees and related expense	(60,844)	(49,980)	(110,824)
Customer deposits received	3,500		3,500
Customer deposits returned	(2,250)	-	(2,250)
<b>Net cash provided by operating activities</b>	<u>47,825</u>	<u>40,829</u>	<u>88,654</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt reduction:			
Long-term	475	-	475
Interest expense	(5,627)	-	(5,627)
Utility plant additions and improvements	(13,352)	(16,493)	(29,845)
Sale of Assets	2,350	-	2,350
Interest income	160	130	290
<b>Net cash provided by (used for) capital and related financing activities</b>	<u>(15,994)</u>	<u>(16,363)</u>	<u>(32,357)</u>
<b>Net increase in cash and cash equivalents</b>	31,831	24,466	56,297
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR</b>	<u>83,869</u>	<u>57,707</u>	<u>141,576</u>
<b>CASH AND CASH EQUIVALENTS - END OF THE YEAR</b>	<u>\$ 115,700</u>	<u>\$ 82,173</u>	<u>\$ 197,873</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 5,439	\$ 6,398	\$ 11,837
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Depreciation and amortization	42,377	29,437	71,814
Changes in assets and liabilities:			
Accounts receivable and other receivables	573	3,274	3,847
Accounts payable and accrued expenses	(1,814)	1,720	(94)
Customer deposits	1,250	-	1,250
<b>Net cash provided by operating activities</b>	<u>\$ 47,825</u>	<u>\$ 40,829</u>	<u>\$ 88,654</u>