

Lancaster Downtown Investment District Authority

Years Ended April 30, 2022 and 2021



Lancaster Downtown Investment District Authority

Financial Statements with Supplementary Information

Years Ended April 30, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lancaster Downtown Investment District Authority
Lancaster, Pennsylvania

Opinion

We have audited the accompanying financial statements of the **Lancaster Downtown Investment District Authority** (the Authority), a component unit of the City of Lancaster, Pennsylvania, as of and for the years ended April 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Lancaster Downtown Investment District Authority** as of April 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The concise statements for publication 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 concise statements for publication are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Trout CPA".

August 9, 2022
Lancaster, Pennsylvania

Lancaster Downtown Investment District Authority

MANAGEMENT'S DISCUSSION and ANALYSIS Years Ended April 30, 2022 and 2021

The **Lancaster Downtown Investment District Authority** (the Authority) was created in 1991 with its mission to ensure economic vitality and the highest quality of life in the Downtown Investment District.

As management of the Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended April 30, 2022. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director at 115 E King St, Lancaster, PA 17602.

Financial Highlights

- The assets of the Authority were greater than its liabilities as of April 30, 2022 and 2021, by \$388,652 and \$305,255 (net position), respectively.
- The Authority's cash balance as of April 30, 2022 and 2021, was \$399,965, and \$263,385, respectively, representing an increase of \$136,580 from 2021 to 2022.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statements of Net Position - reports the Authority's current financial resources (short-term spendable resources) with capital assets.
- Statements of Revenues, Expenses, and Changes in Net Position - reports the Authority's operating and nonoperating revenues by major source along with operating and nonoperating expenses.
- Statements of Cash Flows - reports cash flows from operating, financing, and investing activities.

The most important question asked about the Authority's finances is, "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of net position, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned and incurred regardless of when cash is received or paid.

Our analysis also presents the Authority's net position and changes in it. The Authority's net position represents the difference between what the Authority owns (assets) and what the Authority owes (liabilities). An analysis of the changes in net position will assist the reader with measuring the health or financial position of the Authority over time.

Significant changes in the Authority's net position are an indicator of whether its financial health is improving or deteriorating.

Lancaster Downtown Investment District Authority

MANAGEMENT'S DISCUSSION and ANALYSIS

(Continued)

Years Ended April 30, 2022 and 2021

Economic Factors and Next Year's Budget

The following factors were considered in preparing the Authority's budget for the fiscal years ending April 30, 2022 and 2021:

1. Reflecting the management agreement between the Authority and the Lancaster City Alliance.
2. A continued conservative outlook on receipt of assessments and contributions in lieu of assessments, given an ongoing tight economic climate and an equally conservative expectation of expenses.
3. Contractual obligations to vendors, specifically Streetplus LLC, which manages our Bike Ambassadors and Clean Team.

Analysis of Net Position

Net position at April 30, 2022 and 2021, was \$388,652 and \$305,255, respectively. This represents an increase of \$83,397 from 2021 to 2022.

- Cash increased by \$136,580 from 2021 to 2022 and increased by \$34,442 from 2020 to 2021.
- Other current assets decreased by \$28,184 from 2021 to 2022 and increased by \$13,007 from 2020 to 2021 due to the timing of receipt of assessments.
- Capital assets, net of depreciation, remained unchanged from 2021 to 2022, and remained unchanged from 2020 to 2021.
- Current liabilities increased by \$24,999 from 2021 to 2022 and increased by \$42,064 from 2020 to 2021 due to the timing of payments to vendors, and changes in the estimate for unredeemed Downtown Dollars.

The following table illustrates our analysis.

	2022	2021	2020
Cash and Cash Equivalents	399,965	263,385	228,943
Other Current Assets	67,050	95,234	82,227
Capital Assets, net of Accumulated Depreciation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	467,015	358,619	311,170
Current Liabilities	78,363	53,364	11,300
Noncurrent Liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Liabilities	78,363	53,364	11,300
Net Investment in Capital Assets	-0-	-0-	-0-
Unrestricted Net Position	<u>388,652</u>	<u>305,255</u>	<u>299,870</u>
Total Net Position	388,652	305,255	299,870
Total Liabilities and Net Position	467,015	358,619	311,170

Lancaster Downtown Investment District Authority

MANAGEMENT'S DISCUSSION and ANALYSIS

(Continued)

Years Ended April 30, 2022 and 2021

Analysis of Revenues

Total revenues for the years ended April 30, 2022 and 2021, were \$556,354 and \$487,139, respectively. The change from 2021 to 2022 is primarily attributable to an increase in taxable properties.

Analysis of Expenses

Total expenses decreased by \$8,797 for the year ended April 30, 2022, as compared to the year ended April 30, 2021, primarily as a result of an increase in marketing costs and a decrease in clean and safe costs. Total expenses decreased by \$552 for the year ended April 30, 2021, as compared to the year ended April 30, 2020. The Authority staff have approached any non-contractually obligated expenses prudently in an effort to continue managing costs.

	2022	2021	2020
Revenues:			
Assessments	429,123	392,409	377,142
Contributions	74,831	62,227	77,151
Contracted Services	8,855	7,731	4,867
Marketing Income	<u>43,545</u>	<u>24,772</u>	<u>27,790</u>
Total Revenues	556,354	487,139	486,950
Expenses:			
Clean and Safe	318,802	336,734	319,009
Marketing	31,287	22,627	47,794
General and Administrative	<u>122,868</u>	<u>122,393</u>	<u>115,503</u>
Total Expenses	472,957	481,754	482,306
Changes in Net Position	83,397	5,385	4,644

Lancaster Downtown Investment District Authority

STATEMENTS of NET POSITION

April 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 399,965	\$ 263,385
Accounts Receivable	738	853
Assessments Receivable	64,763	92,836
Prepaid Expenses	<u>1,549</u>	<u>1,545</u>
Total Current Assets	467,015	358,619
CAPITAL ASSETS		
Equipment - Appearance	21,000	21,000
Accumulated Depreciation	<u>(21,000)</u>	<u>(21,000)</u>
Net Capital Assets	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	<u>467,015</u>	<u>358,619</u>

LIABILITIES and NET POSITION

CURRENT LIABILITIES		
Accounts Payable	28,263	26,564
Unearned Revenues	<u>50,100</u>	<u>26,800</u>
TOTAL LIABILITIES	<u>78,363</u>	<u>53,364</u>
NET POSITION		
Unrestricted	<u>388,652</u>	<u>305,255</u>
TOTAL NET POSITION	<u>\$ 388,652</u>	<u>\$ 305,255</u>

See notes to financial statements.

Lancaster Downtown Investment District Authority
 STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION
 Years Ended April 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Assessments	\$ 429,123	\$ 392,409
Contributions	74,831	62,227
Contracted Services	8,855	7,731
Marketing Income	<u>43,545</u>	<u>24,772</u>
Total Operating Revenues	556,354	487,139
OPERATING EXPENSES		
Clean and Safe	318,802	336,734
Marketing	31,287	22,627
General and Administrative	<u>122,868</u>	<u>122,393</u>
Total Operating Expenses	<u>472,957</u>	<u>481,754</u>
Operating Income	83,397	5,385
NET POSITION		
Beginning of Year	<u>305,255</u>	<u>299,870</u>
End of Year	<u><u>\$ 388,652</u></u>	<u><u>\$ 305,255</u></u>

See notes to financial statements.

Lancaster Downtown Investment District Authority

STATEMENTS of CASH FLOWS
Years Ended April 30, 2022 and 2021

	2022	2021
CASH FLOWS from OPERATING ACTIVITIES		
Receipts from Assessments	\$ 457,196	\$ 358,271
Receipts from Customers and Users	75,815	48,051
Contributions	67,055	54,468
Payments to Suppliers for Goods and Services	<u>(463,486)</u>	<u>(426,348)</u>
INCREASE in CASH and CASH EQUIVALENTS	136,580	34,442
CASH and CASH EQUIVALENTS		
Beginning of Year	<u>263,385</u>	<u>228,943</u>
End of Year	<u>399,965</u>	<u>263,385</u>
RECONCILIATION of OPERATING INCOME to NET CASH PROVIDED by OPERATING ACTIVITIES		
Operating Income	83,397	5,385
ADJUSTMENTS to RECONCILE OPERATING INCOME to NET CASH PROVIDED by OPERATING ACTIVITIES		
(Increase) Decrease in:		
Accounts Receivable	115	48
Assessments Receivable	28,073	(34,138)
Prepaid Expenses	(4)	21,083
Increase (Decrease) in:		
Accounts Payable	1,699	26,564
Unearned Revenues	<u>23,300</u>	<u>15,500</u>
Total Adjustments	<u>53,183</u>	<u>29,057</u>
Net Cash Provided by Operating Activities	<u>\$ 136,580</u>	<u>\$ 34,442</u>
SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION		
Noncash Donations of Professional Services	7,776	7,759

See notes to financial statements.

Lancaster Downtown Investment District Authority

NOTES to FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The **Lancaster Downtown Investment District Authority** (the Authority) was organized on August 13, 1991, by the City of Lancaster under the Municipality Authorities Act of 1945 and the Central Business District Authority Act of 1980. The Authority was organized for the purpose of providing and funding administrative services and business improvements to benefit the City of Lancaster's Downtown Investment District.

Reporting Entity

As required by accounting principles generally accepted in the United States of America (US GAAP), the financial statements of the reporting entity include those of the **Lancaster Downtown Investment District Authority** and any component units. Component units are separate legal entities that (1) elected officials of a primary government are financially accountable for or (2) the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the financial statements misleading or incomplete.

This report includes the enterprise fund of the **Lancaster Downtown Investment District Authority** based on the above criteria. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. The Authority is a component unit of the City of Lancaster on the basis of such criteria.

Basic Financial Statements

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements consist of:

Enterprise Fund Financial Statements:

Statements of Net Position

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Basis of Accounting

The Authority operates as an enterprise activity and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing and funding administrative services and business improvements to benefit the City of Lancaster's Downtown Investment District. The principal operating revenues of the Authority are assessments to property owners. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Lancaster Downtown Investment District Authority

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments Receivable

The assessments receivable balance of \$64,763 and \$92,836 as of April 30, 2022 and 2021, respectively, have been reviewed by management and, except for some possible immaterial amounts, the accounts due appear collectible. See Note 3 for collection periods and lien procedures. All outstanding assessments are accompanied by liens on real estate and collected upon sale of the property, if not prior to sale. Therefore, there is no allowance for uncollectible accounts.

Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at cost.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	10

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

Net Position

Net position is the difference between assets and liabilities. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets.

Grant Revenue

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

Use of Estimates

The process of preparing financial statements in conformity with US GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts. The most significant estimate used in preparation of these financial statements is unearned revenue, representing an estimate of gift certificates sold to be redeemed in future periods.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the April 30, 2022 presentation. Such reclassifications had no effect on net income.

Lancaster Downtown Investment District Authority

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 2 - CASH and CASH EQUIVALENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term United States and Pennsylvania government obligations, certain high-quality bank and corporate instruments, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The deposit and investment policy of the Authority adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the years ended April 30, 2022 and 2021, that were in violation of either the state statutes or the policy of the Authority.

Cash and Cash Equivalents - Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk.

As of April 30, 2022, \$150,465 of the Authority's bank balance of \$400,465 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging Financial Institution's Trust Department not in the Authority's Name	150,465
Reconciliation of Cash and Cash Equivalents to the Financial Statements	
Uninsured Amount Above	150,465
Insured Amount	<u>250,000</u>
Bank Balance	400,465
Outstanding Checks	(575)
Deposit in Transit	-0-
Petty Cash	<u>75</u>
Total Cash and Cash Equivalents per Financial Statements	399,965

As of April 30, 2021, \$13,380 of the Authority's bank balance of \$263,380 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging Financial Institution's Trust Department not in the Authority's Name	13,380
Reconciliation of Cash and Cash Equivalents to the Financial Statements	
Uninsured Amount Above	13,380
Insured Amount	<u>250,000</u>
Bank Balance	263,380
Outstanding Checks	(70)
Deposit in Transit	-0-
Petty Cash	<u>75</u>
Total Cash and Cash Equivalents per Financial Statements	263,385

Lancaster Downtown Investment District Authority

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 3 - ASSESSMENTS RECEIVABLE

The Authority issues assessments to property owners within the district. The bills are mailed at the beginning of the fiscal year with the following terms:

2% Discount Period	May 1 to June 30
Face Amount Period	July 1 to August 31
10% Penalty Period	September 1 and Thereafter

For the year ended April 30, 2021, in response to the COVID-19 pandemic, the Board of the Authority approved extending the discount period to September 30, 2021, extending the face period to April 30, 2021, and waiving penalties.

As of May 15th of the subsequent year, all unpaid delinquent assessments have liens filed against their property.

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets for the years ended April 30, 2022 and 2021, follows:

	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
Equipment	21,000	-0-	-0-	21,000
Accumulated Depreciation	<u>(21,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>(21,000)</u>
Net Capital Assets	-0-	-0-	-0-	-0-
	Balance			Balance
	May 1, 2020	Increases	Decreases	April 30, 2021
Equipment	22,958	-0-	1,958	21,000
Accumulated Depreciation	<u>(22,958)</u>	<u>-0-</u>	<u>(1,958)</u>	<u>(21,000)</u>
Net Capital Assets	-0-	-0-	-0-	-0-

NOTE 5 - UNEARNED REVENUES

Unearned revenues of \$50,100 and \$26,800 represents the estimate of future obligations for gift certificates sold but not yet redeemed as of April 30, 2022 and 2021, respectively.

NOTE 6 - DONATED SERVICES and RELATED PARTY TRANSACTIONS

The Authority has recognized \$7,776 and \$7,759 in contributed professional services for the years ended April 30, 2022 and 2021, respectively. The Authority receives police patrol services and billing and collection services from the City of Lancaster, a related party, at no cost to the Authority. The Authority receives contributed management and marketing services from the Lancaster City Alliance at a reduced cost to the Authority. The value of these services has not been determined and is not reflected in the accompanying financial statements.

Lancaster Downtown Investment District Authority

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 6 - DONATED SERVICES and RELATED PARTY TRANSACTIONS (Continued)

The Authority received contributions of \$5,000 and \$5,846 during the years ended April 30, 2022 and 2021, respectively, from an entity in which a member of management is an officer of the Authority. The Authority earned contracted services revenue of \$3,397 and \$2,966 during the years ended April 30, 2022 and 2021, respectively, from an entity in which an officer is an officer of the Authority.

NOTE 7 - RISK MANAGEMENT

The Authority maintains insurance contracts to deal with the risk of loss arising from theft of, damage to, or destruction of assets, and errors and omissions. During the year ended April 30, 2022, and the previous two years, no settlements exceeded insurance coverage.

Lancaster Downtown Investment District Authority

CONCISE STATEMENTS for PUBLICATION

STATEMENTS of NET POSITION

April 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 399,965	\$ 263,385
Accounts Receivable	738	853
Assessments Receivable	64,763	92,836
Prepaid Expenses	<u>1,549</u>	<u>1,545</u>
TOTAL ASSETS	<u>467,015</u>	<u>358,619</u>
LIABILITIES		
Accounts Payable	28,263	26,564
Unearned Revenues	<u>50,100</u>	<u>26,800</u>
TOTAL LIABILITIES	<u>78,363</u>	<u>53,364</u>
NET POSITION - UNRESTRICTED	<u>\$ 388,652</u>	<u>\$ 305,255</u>

STATEMENTS of REVENUES, EXPENSES, and CHANGES in NET POSITION

Years Ended April 30, 2022 and 2021

OPERATING REVENUES	\$ 556,354	\$ 487,139
OPERATING EXPENSES	<u>472,957</u>	<u>481,754</u>
Operating Income	83,397	5,385
NET POSITION		
Beginning	<u>305,255</u>	<u>299,870</u>
Ending	<u>\$ 388,652</u>	<u>\$ 305,255</u>

See independent auditors' report.