

Fund Balance Report

| | <u>Sept. 30, 2012</u> | <u>Dec. 31, 2011</u> |
|--|-----------------------|----------------------|
| Reserves required by Bond Ordinance | | |
| Operation and Maintenance Fund | | |
| * Reserve Account (Minimum \$150,000) | \$150,000 | \$150,000 |
| Special Redemption Fund | | |
| * Principal and Interest Account | \$3,951,680 | \$4,869,877 |
| * Reserve Account (Minimum \$8,343,538) | \$8,452,242 | \$8,383,387 |
| Depreciation Fund(*) | \$750,000 | \$750,000 |
| Construction Fund | (\$1,462,103) | \$11,199,678 |
| Assessment Revolving Fund | \$0 | \$0 |
| Unrestricted Funds | | |
| PILOT Fund | \$3,690,000 | \$4,519,770 |
| Cash Flow Fund | \$347,885 | (\$349,449) |
| Unrestricted Reserve Fund | \$0 | \$0 |
| Checking Account | \$266,118 | \$251,532 |
| Debt to City of Madison | | |
| Short Term Construction Fund Loan | \$0.00 | \$0.00 |
| Short Term Loan from City | \$5,546,250 | \$6,120,000 |

(*)Transfer of funds to Construction Fund approved as needed.
Reporting special fund balances as specified in 1978 Waterworks Bond Ordinance