

Bradley Lake Project Management Committee Operating and Revenue Funds

Financial Statements with Supplemental Information

Years Ended June 30, 2019 and 2018
(With Independent Auditor's Report)



**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Financial Statements with Supplemental Information

Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Bradley Lake Project Management Committee
Anchorage, Alaska

We have audited the accompanying special-purpose financial statements of the Bradley Lake Project Management Committee (a project management committee) Operating and Revenue Funds, which are comprised of the special-purpose statements of assets and liabilities as of June 30, 2019 and 2018, the related special-purpose statements of revenues and expenses, the special-purpose statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Bradley Lake Project Management Committee is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond Resolution as described in Note 1. 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 special-purpose 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 each 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of the Bradley Lake Project Management Committee Operating and Revenue Funds, as of June 30, 2019 and 2018, its revenues and expenses, and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The supplemental special-purpose Statements of Expenses is presented for purposes of additional analysis and is not a required part of the special-purpose 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 special-purpose financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Basis of Accounting

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared on the basis of the accounting requirements of the Operating and Revenue Funds established under the Alaska Energy Authority Power Revenue Bond resolution, as discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with accounting requirements of the bond resolution referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the Bradley Lake Project Management Committee and is not intended to be and should not be used by anyone other than that specified party.

Aldrich CPAs + Advisors LLP

Anchorage, Alaska
January 15, 2020

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Statements of Assets and Liabilities

June 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and cash equivalents (Note 2)	\$ 3,741,545	\$ 3,363,177
Due from R & C fund (Note 5)	88,384	440,987
Accounts receivable	2,500	21,000
Prepaid expenses	<u>-</u>	<u>51,269</u>
 Total Assets	 \$ <u><u>3,832,429</u></u>	 \$ <u><u>3,876,433</u></u>

LIABILITIES

Current Liabilities:		
Due to AEA (Note 4)	\$ 574,995	\$ 87,286
Accounts payable	995,595	1,308,769
Payable to utilities - O&M refund (Note 5)	785,931	1,004,466
Payable to utilities - R&C refund (Note 5)	88,384	440,987
Payable to utilities - Battle Creek refund (Note 5)	964,826	635,702
Unearned revenue (Note 1)	<u>422,698</u>	<u>399,223</u>
 Total Liabilities	 \$ <u><u>3,832,429</u></u>	 \$ <u><u>3,876,433</u></u>

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Statements of Revenues and Expenses

Years Ended June 30, 2019 and 2018

	2019		Variance Favorable (Unfavorable)	2018 Actual
	Budget	Actual		
Revenues:				
Utility contributions, net of surplus refund	\$ 21,291,779	\$ 19,452,639	\$ (1,839,140)	\$ 18,871,545
Capital reserve contributions	-	-	-	2,796,378
Interest receipts	1,911,754	2,013,515	101,761	2,079,212
Other revenue	-	2,501	2,501	17,251
Total Revenues	23,203,533	21,468,655	(1,734,878)	23,764,386
Expenses, Fixed Asset Replacements, Transfers and Debt Service:				
Operations and maintenance	7,987,524	7,322,530	664,994	6,702,278
Debt service, net of IRS subsidy	14,527,122	13,406,112	1,121,010	13,102,048
Capital reserve contributions	-	-	-	2,796,378
Cost of issuance	-	-	-	25,730
Arbitrage transfer	295,533	431,480	(135,947)	270,777
Fixed asset replacements	272,500	187,679	84,821	970,560
Interfund transfer	120,854	120,854	-	(103,385)
Total Expenses, Fixed Asset Replacements, Transfers and Debt Service	23,203,533	21,468,655	1,734,878	23,764,386
Excess of Revenues Over Expenses, Fixed Asset Replacements, Transfers and Debt Service	\$ -	\$ -	\$ -	\$ -

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Statements of Cash Flows

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Excess of revenues over expenses, fixed asset replacements, transfers and debt service	\$ -	\$ -
Adjustments to reconcile excess of revenues over expenses fixed asset replacements, transfers and debt service to net cash provided by (used in) operating activities:		
Changes in assets and liabilities:		
Due from R & C fund	352,603	706,676
Accounts receivable	18,500	(21,000)
Prepaid expenses	51,269	(51,269)
Due to AEA	487,709	(534,721)
Accounts payable	(313,174)	272,974
Payable to utilities - O&M refund	(218,535)	(218,943)
Payable to utilities - R&C refund	(352,603)	(706,676)
Payable to utilities - Battle Creek refund	329,124	635,702
Unearned revenue	<u>23,475</u>	<u>(489,344)</u>
Net Cash Provided by (Used in) Operating Activities	<u>378,368</u>	<u>(406,601)</u>
Cash and Cash Equivalents, beginning of year	<u>3,363,177</u>	<u>3,769,778</u>
Cash and Cash Equivalents, end of year	\$ <u><u>3,741,545</u></u>	\$ <u><u>3,363,177</u></u>
Supplemental Disclosure of Cash Flows Information:		
Interest paid	\$ <u><u>3,808,120</u></u>	\$ <u><u>2,589,650</u></u>

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 - Significant Accounting Policies

Description of Business

The Bradley Lake Project Management Committee (the Committee) was established pursuant to Section 13 of the Agreement for the Sale and Purchase of Electric Power (Power Sales Agreement) dated December 8, 1987. The purpose of the Committee is to arrange for the operation and maintenance of the Bradley Lake Hydroelectric Project (the Project), which became operational in September 1991, and the scheduling, production and dispatch of power. The members of the Committee include the Alaska Energy Authority (AEA) and the five purchasers under the Power Sales Agreement - Chugach Electric Association, Inc. (CEA); Golden Valley Electric Association, Inc.; the Municipality of Anchorage (Municipal Light & Power); the City of Seward (Seward Electric System); and the Alaska Electric Generation & Transmission Cooperative, Inc. (AEG&T). AEG&T assigned its rights pertaining to Homer Electric Association, Inc. (HEA) under the Power Sales Agreement to Alaska Electric and Energy Cooperative, Inc. (AE&EC) in 2003. HEA and the Matanuska Electric Association, Inc. (MEA) are additional parties to the Power Sales Agreement but are included as power purchasers for purposes of representation while AEG&T and AE&EC have no direct vote as a consequence of the individual representation of HEA and MEA.

Section 13 of the Power Sales Agreement delineates other Committee responsibilities, including: establishing procedures for each party's water allocation, budgeting for annual Project costs and calculating each party's required contribution to fund annual Project costs. Committee approval of operations and maintenance arrangements for the Project, sufficiency of the annual budgets and wholesale power rates and the undertaking of optional Project work requires a majority affirmative vote and the affirmative vote of AEA.

The Power Sales Agreement extends until the later of: 1) 50 years after commencement of commercial operation or 2) the complete retirement of bonds outstanding under the AEA Power Revenue Bond Resolution along with the satisfaction of all other payment obligations under the Power Sales Agreement. Renewal options for additional terms exist.

The Committee is developing a project which will divert the water flows of Battle Creek into Bradley Lake to increase the water for use by the Project. All purchasers are supportive of the expansion of the capabilities of the Project through the development of the Battle Creek Diversion Project (BCD Project). The activities of the Committee regarding the BCD Project are authorized as Optional Project Work under the Power Sales Agreement. Not all purchasers are participating in the BCD Project. The participating purchasers, who make up the Battle Creek Participating Utilities (BCPU), are; CEA, HEA, MEA, and City of Seward.

During the years ended June 30, 2019 and 2018, approximately \$15.9 million and \$6.9 million, respectively, of capital additions occurred relating to the Battle Creek Diversion project to enhance the Bradley Lake Hydroelectric Project. This project will divert the upper part of Battle Creek into Bradley Lake and the increase in water will enable the Project to produce an additional annual average of 37,000 Megawatt hours (nearly a 10% increase in Bradley Lake's annual energy). An amendment to the Bradley Lake Hydroelectric Project Federal Energy Regulatory Commission license was received in September 2016. Construction began in 2018 and is anticipated to be complete in the fall of 2020. The construction cost estimate for this project is \$47.2 million.

To date funding for the BCD Project has come from debt proceeds, State appropriations, the Bradley Lake R & C Fund, and direct contributions from the BCPU. Debt was issued in December 2017 to fund the construction of the project. Capital additions paid for with debt proceeds was \$15.3 million and \$6.6 million during the years ended June 30, 2019 and June 30, 2018, respectively. No state funds were used in the years ended June 30, 2019 and June 30, 2018, respectively. The BCPU began direct funding the project in October 2017 and funded approximately \$150,000 and \$335,000 in the years ended June 30, 2019 and 2018, respectively.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE

OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 - Significant Accounting Policies, continued

Establishment of Trust Funds

Article V, Section 502 of the Alaska Energy Authority's Power Revenue Bond Resolution established a Revenue Fund and an Operating Fund, including an Operating Reserve account, to be held by AEA. In actuality these funds, along with the Debt Service, Excess Investment Earnings (arbitrage), and various construction funds related to the Bradley Lake Hydroelectric Project are all held by the Corporate Trust Department of US Bank in Seattle, Washington.

In December 2017, AEA issued debt for the construction of the Battle Creek Diversion project. This debt is parity debt under the current Power Revenue Bond Resolution. A separate Revenue Fund, Operating Fund, Operating Reserve account, Construction Fund, Capital Reserve Fund, and Debt Service Fund were established related to the Battle Creek Diversion project.

All deposits, including utility contributions and interest transferred from other funds, are made into the Revenue Funds. Monthly, transfers approximately equal to one-twelfth of the annual operating and maintenance budget are transferred from the Revenue Funds into the Operating Funds. Additional transfers are made from the Revenue Funds to the Debt Service Funds in order to satisfy semiannual interest payments and annual principal payments on the Project's outstanding bonds payable.

Interest earnings available for operations and maintenance are derived from the following funds: Debt Service Funds; Operating Reserve Funds; Operating Funds; Revenue Funds; Capital Reserve Funds; and the Renewal & Contingency Fund when the fund balance is \$5,000,000 or greater.

Revenue and Expense Recognition

Utility contributions are recognized as revenue when due to be received under the terms of the Power Sales Agreement. Utility contributions of \$422,698 and \$399,223 for the years ended June 30, 2020 and 2019, respectively, were received prior to June 30, 2019 and 2018, respectively, and are included in liabilities as unearned revenue. Transfers from other funds are recognized when the transfer is made and interest earnings are recognized when received. Operating and maintenance expenses are recognized when incurred, while transfers to Debt Service Fund and Excess Earnings Funds are recognized when the transfer is made. Purchases of fixed asset replacements are expensed when purchased. The Renewal and Contingency Reserve Fund (R & C Fund) is reimbursed for capital costs over a four year period. Transfers to the R & C Fund for repayment of funds withdrawn for capital costs occur monthly based on the budgeted R & C expenditures. At year end, the actual Operating Fund expenses and R & C Fund repayments are compared to the actual revenue and a refund is given to the utilities when a surplus of revenues occurs or invoices are issued to the utilities if expenses exceed revenues.

Estimates

The preparation of the special-purpose financial statements of the Operating and Revenue Funds 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.

Income Taxes

The Committee is exempt from income taxation under Section 501(a) of the Internal Revenue Code. Therefore, the Committee had no deferred tax liabilities or assets or tax carryforwards as of June 30, 2019 and 2018 and no current or deferred tax expense for the years then ended.

Subsequent Events

The Committee has evaluated subsequent events through January 15, 2020, the date on which the special-purpose financial statements were available to be issued.

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 2 - Cash and Cash Equivalents

At June 30, 2019, \$39,758 of the balance in the Operating Funds was invested in First American Treasury Obligations money market fund and \$1,117,332 of the balance in the Operating Funds was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank through the trust department of US Bank. At June 30, 2018, \$2,610 of the balance in the Operating Fund was invested in First American Treasury Obligations money market fund and \$855,664 of the balance was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank through the trust department of US Bank.

At June 30, 2019, \$1,704,933 of the balance in the Revenue Fund is invested in First American Treasury Obligations money market fund, and \$879,522 of the balance is invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank. At June 30, 2018, \$399,223 of the balance in the Revenue Fund is in deposits, \$733,871 of the balance in the Revenue fund is invested in First American Treasury Obligations money market fund and \$1,371,809 of the balance was invested in collateralized guaranteed investment contracts with JP Morgan Chase Bank. The specified interest rate for monies from the Operating and Revenue Funds invested in the contracts with JP Morgan Chase is 7.38% per annum. Balances at June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Operating Fund	\$ 1,157,090	\$ 858,274
Revenue Fund	<u>2,584,455</u>	<u>2,504,903</u>
Total cash and cash equivalents	<u>\$ 3,741,545</u>	<u>\$ 3,363,177</u>

Investments are sold as needed to cover operating requisitions submitted to the trustee and are therefore considered to be short-term and available for sale. Investments are presented at aggregate cost, which is equal to fair value.

Management considers the full amount of the cash and cash equivalents balance to be cash available for operations.

BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE OPERATING AND REVENUE FUNDS

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 3 - Major Contracts and Agreements

During May 1994, the Alaska Energy Authority (AEA) entered into the Master Maintenance and Operating agreement with the Committee. The purpose of the agreement is to establish contract administration and budgeting procedures for maintenance and operation contracts of the Bradley Lake Hydroelectric Project and to provide for the lease or other use of facilities and equipment in a manner consistent with the requirements of the Power Sales Agreement. The term of the Master Agreement is indefinite, remaining in effect until termination of the Power Sales Agreement or until AEA no longer legally exists. This agreement authorizes AEA to enter into any contracts necessary to perform operating or maintenance-type services to the Project, subject to the approval of the Committee.

On behalf of the Committee, the AEA entered into an agreement with Chugach Electric Association, Inc. (CEA) in August 1996, for the provision of all services necessary to dispatch the Project's electric power output. The dispatch agreement runs concurrently with the wheeling and related services contract entered into by and among the parties to the Power Sales Agreement in December 1987 and remains in effect for the term of the wheeling agreement unless CEA ceases to be the output dispatcher.

In August 1996, AEA entered into an agreement with CEA on behalf of the Committee for the provision of operations and maintenance services for the Daves Creek and Soldotna Static VAR Compensation System (SVS). This agreement terminated as to the Soldotna SVS upon the termination of the lease related to the Soldotna SVS. In January 2018, the Alaska Energy Authority entered into the Soldotna Static VAR Compensation System Operation and Maintenance Agreement with Alaska Electric and Energy Cooperative, Inc. (AE&EC). This agreement continues from year to year, except upon written notice to terminate by either party. Notice of termination must be given two years in advance of date of termination.

In March 2019, AEA entered into an agreement with Homer Electric Association, Inc. (HEA) for the operations and maintenance of the Bradley Lake Hydroelectric Project with an effective date of January 1, 2019. HEA is to be reimbursed for costs associated with the operation, maintenance and repair of the Project as authorized by the annual project operations and maintenance budget. The term of this agreement is five and one-half years from the effective date and shall automatically be renewed for successive three-year terms thereafter until terminated. Notice of termination shall be given no less than two years in advance of the end of the term.

Prior to March 2019, HEA operated and maintained the Bradley Lake Hydroelectric project under an operation and maintenance agreement dated February 11, 1994, between HEA and AEA. HEA was reimbursed for costs associated with the operation, maintenance and repair of the Project as determined in advance through the submission of an annual budget based upon prudent estimates and anticipated operation and maintenance costs. The Second Amended and Restated Operations and Maintenance Agreement effective as of July 1, 2008 automatically continued in successive five year terms thereafter unless terminated by either party as set forth in the amended agreement. AEA gave notice of termination to the Second Amended and Restated Operation and Maintenance Agreement for the Bradley Lake Project on December 27, 2016. The agreement, as amended effective June 15, 2016, was extended to January 1, 2019. In January 2019, the Committee authorized AEA to enter into a Second Amendment to the Second Amended and Restated Operation and Maintenance agreement which extended the agreement for three months to March 31, 2019.

In August 1996, the agreement was amended to separate the maintenance of the transmission facilities from the hydroelectric project. The transmission agreement continues from year-to-year, except upon written notice to terminate by either party. Notice of termination must be given six months in advance of termination dates. In June 1999, the transmission agreement was again amended to require HEA to provide communication services in addition to the other services.

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 4 - Related Party Transactions

During the years ended June 30, 2019 and 2018, costs incurred under the various contracts with related parties described in Note 3 were as follows:

	<u>2019</u>	<u>2018</u>
Homer Electric Association, Inc. - operation, maintenance, substation service maintenance, communications, and fixed asset replacements	\$ 4,627,389	\$ 3,223,101
Chugach Electric Association, Inc. - substation service maintenance and fixed asset replacements	\$ 49,878	\$ 1,389,802
Alaska Energy Authority - administrative fees	\$ 368,000	\$ 222,000

For the years ended June 30, 2019 and 2018, Chugach Electric Association, Inc. provided dispatch services to the Committee at the agreed upon amount which is zero.

Amounts payable to related parties at June 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Included in accounts payable:		
Homer Electric Association, Inc.	\$ 1,001,495	\$ 1,038,874
Chugach Electric Association, Inc.	\$ 8,966	\$ 8,151
Due to others:		
Alaska Energy Authority - short-term borrowing for vendor payments	\$ 574,995	\$ 87,286

Note 5 - Surplus Refunds

The \$785,931 operations and maintenance and \$88,384 renewal and contingency surpluses at June 30, 2019 will be refunded to member utilities in fiscal year 2020 pursuant to the Power Sales Agreement and direction of the Committee. The \$964,826 Battle Creek Participating Utilities surplus at June 30, 2019 will be refunded to member utilities in fiscal year 2020 pursuant to the Power Sales Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the Committee.

The \$1,004,466 operations and maintenance and \$440,987 renewal and contingency surpluses at June 30, 2018 were refunded to member utilities in fiscal year 2019 pursuant to the Power Sales Agreement and direction of the Committee. The \$635,702 Battle Creek Participating Utilities surplus at June 30, 2018 was refunded to member utilities in fiscal year 2019 pursuant to the Power Sale Agreement, the Battle Creek Diversion Project Share Allocation, and direction of the committee.

SUPPLEMENTAL INFORMATION

**BRADLEY LAKE PROJECT MANAGEMENT COMMITTEE
OPERATING AND REVENUE FUNDS**

Statements of Expenses

Years Ended June 30, 2019 and 2018

	2019		Variance Favorable (Unfavorable)	2018 Actual
	Budget	Actual		
Expenses:				
Generation expense:				
Operation supervision and engineering	\$ 291,674	\$ 277,305	\$ 14,369	\$ 271,485
Hydraulic operation	134,230	128,469	5,761	70,008
Electric plant operation	370,765	341,989	28,776	216,990
Hydraulic power generation operation	595,452	407,892	187,560	479,587
FERC land use fees	-	(35,289)	35,289	202,079
Structure maintenance Reservoir, dam, and waterway maintenance	631,883	415,792	216,091	402,310
Electric plant maintenance	101,984	12,410	89,574	9,314
Hydraulic plant maintenance	615,554	573,517	42,037	364,198
System control and load dispatching	161,404	143,995	17,409	139,689
Substation operation and maintenance	401,147	366,183	34,964	371,550
Overhead line maintenance	153,718	138,869	14,849	134,770
Total Generation Expense:	96,120	38,165	57,955	64,301
Total Generation Expense:	<u>3,553,931</u>	<u>2,809,297</u>	<u>744,634</u>	<u>2,726,281</u>
Administrative, general and regulatory expense:				
Insurance	656,834	617,640	39,194	624,705
Administrative fees	376,193	375,421	772	225,525
Committee costs	344,498	539,004	(194,506)	269,145
Regulatory commission:				
FERC administrative fees	185,000	101,775	83,225	176,523
FERC licensing and study	125,000	104,560	20,440	100,999
Total Administrative, General and Regulatory Expense	<u>1,687,525</u>	<u>1,738,400</u>	<u>(50,875)</u>	<u>1,396,897</u>
Total Operations and Maintenance Expenses, before Capital Project Reimbursement	5,241,456	4,547,697	693,759	4,123,178
R & C Fund Repayment	<u>2,746,068</u>	<u>2,774,833</u>	<u>(28,765)</u>	<u>2,579,100</u>
Total Operations and Maintenance Expenses	<u>\$ 7,987,524</u>	<u>\$ 7,322,530</u>	<u>\$ 664,994</u>	<u>\$ 6,702,278</u>