

**Creek County Rural Water District No. 1  
Kellyville, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2013

Audited by

**SANDERS, BLEDSOE & HEWETT  
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

Creek County Rural Water District No. 1  
Kellyville, Oklahoma  
Board of Directors  
December 31, 2013

**BOARD OF DIRECTORS**

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Stanley Storer

**Vice-President**

Randall Cornelius

**Secretary**

Dennis Bradford

**Treasurer**

Phyllis Holcomb

**Members**

Gary Ponder

Herbert Houston, Jr.

Roy Lee Ashton

**DISTRICT MANAGER**

Gary McGuire

**PLANT MANAGER**

Randall Taylor

**OFFICE MANAGER**

Martha Bussett

Creek County Rural Water District No. 1  
Kellyville, Oklahoma  
December 31, 2013

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# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Creek County Rural Water District No. 1  
Kellyville, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements. Management is also responsible 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.

### **Auditor's Responsibility**

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 District'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 District'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### **Opinions**

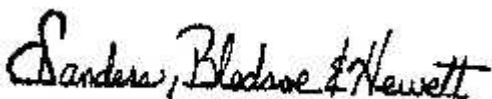
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 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 supplemental 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 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

**RURAL WATER DISTRICT NO. 1, CREEK COUNTY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2013**

Our discussion and analysis of the Rural Water District No. 1, Creek County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the District's financial statements that begin on page one.

**FINANCIAL HIGHLIGHTS:**

- The District's total operating expenses exceeded total operating revenue by \$458,641. Overall, the District's total net assets decreased by \$425,284 in the current fiscal year.
- The District earned over \$14,000 in interest earnings during 2013.
- The Water Plant supplied a total of 472,000,000 gallons of water in 2013.
- The District sold 30 new taps in 2013, making a total of 2,513 total benefit units in the District.

**Using This Report**

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

**Basis of Accounting**

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

**The Financial Statements**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets, the Statement of Activities, and the Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net assets and the changes in them. You can think of the District's net assets – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

### **Fixed Assets**

At December 31, 2013 the District had \$3,567,860 invested in fixed assets, net of depreciation, including land, the water system, vehicles, equipment and lines. Additional fixed assets of \$31,024 were added during the 2013 fiscal year, including some water system minor improvements and a new truck.

### **Long-Term Debt**

The District had no outstanding long-term debt in 2013.

### **Economic Factors and Next Year's Budget and Rates**

For the upcoming fiscal year ending December 31, 2014 the District's projected budget is fairly consistent with the 2013 fiscal year.

For the fiscal year 2014, the District may have to again increase rates to users to meet demands if the cost of water purchased and everyday expenses are substantially increased. If demand is increased on existing lines and equipment, or additional memberships are substantially increased, it may be necessary for the District to incur some long-term debt to meet these demands. As of the date of this report, none of these situations are probable for the 2014 year.

### **Contacting the District**

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at P.O. Box 406, Kellyville, OK 74039, or call (918) 247-6465.



# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Creek County Rural Water District No. 1  
Kellyville, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 10, 2014.

**Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting in order to determine our auditing procedures that are appropriate for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified no deficiencies in the internal controls that we considered to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that

there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

April 10, 2014

**CREEK COUNTY RURAL DISTRICT NO. 1**  
**Disposition of Prior Year's Reportable Conditions**  
**December 31, 2013**

There were no prior year instances of noncompliance.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Schedule of Audit Results**  
**December 31, 2013**

Section 1 – Summary of Auditor’s Results

1. An unqualified opinion report was issued on the financial statements.
2. The audit disclosed no reportable conditions in the internal controls.
3. The audit disclosed no instances of noncompliance.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Statement of Net Assets  
December 31, 2013

ASSETS

Current assets:

Cash	\$ 78,005
Investments	1,168,991
Accounts receivable	106,146
Accrued interest receivable	4,001
Inventory	126,684
Prepaid expenses	43,428
Total current assets	<u>1,527,255</u>

Noncurrent assets:

Fixed assets-

Land	8,249
Plant and distribution system, net of depreciation	3,443,595
Trucks and equipment, net of depreciation	52,312
Office building, net of depreciation	23,225
Office furniture and equipment, net of depreciation	4,985
Other equipment, net of depreciation	35,494
Total noncurrent assets	<u>3,567,860</u>

Total Assets	<u>5,095,115</u>
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LIABILITIES

Current liabilities:

Accounts payable	59,071
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Noncurrent liabilities:

Refundable deposits	<u>8,952</u>
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Total Liabilities	<u>68,023</u>
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NET ASSETS

Invested in capital assets, net of related debt	3,567,860
Unrestricted assets	<u>1,459,232</u>
Total Net Assets	<u>\$ 5,027,092</u>

The accompanying notes to the financial statements are an integral part of this statement

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Statement of Activities  
For The Year Ended December 31, 2013

Operating Revenues:	
Water sales	\$ 1,112,049
Water sales - District No. 2	371,048
Water sales - District No. 3	312,479
Late charges	22,509
Installations and connections	4,390
Other income and fees	10,636
Total revenues from operations	<u>1,833,111</u>
Operating Expenses:	
Water purchases	319,678
Chemicals	514,422
Professional fees	25,841
Fittings, meters and connections	56,778
Franchise and storage	33,074
Insurance, general	39,170
Insurance, group	106,861
Office	25,093
Maintenance and repairs	140,029
Retirement	352,407
Salaries	384,090
Taxes	29,533
Automobile	21,825
Utilities	100,781
Depreciation	142,170
Total expenses from operations	<u>2,291,752</u>
Operating Income (Loss)	(458,641)
Non-Operating Revenues (Expenses):	
Interest income	14,107
Benefit units	19,250
Total non-operating revenues (expenses)	<u>33,357</u>
Change in Net Assets	(425,284)
Total Net Assets, beginning of period	<u>5,452,376</u>
Total Net Assets, end of period	<u><u>\$ 5,027,092</u></u>

The accompanying notes to the financial statements are an integral part of this statement

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Statement of Cash Flows  
For Year Ended December 31, 2013

Cash Flows from Operating Activities:	
Receipts from customers	\$ 1,834,483
Payments to employees	(412,015)
Payments to vendors	(1,719,449)
Net Cash Provided by Operating Activities	<u>(296,981)</u>
Cash Flows from Non-Capital Financing Activities:	
Refundable deposits	(1,320)
Additions to fixed assets	(31,024)
Net cash provided by (used in) non-capital financing activities	<u>(32,344)</u>
Cash Flows from Investing Activities:	
Benefit units	19,250
Interest revenue	14,076
Net cash provided by (used in) investing activities	<u>33,326</u>
Net Increase (Decrease) in Cash and Equivalents	(295,999)
Cash and cash equivalents, beginning of period	<u>1,542,995</u>
Cash and cash equivalents, end of period	<u><u>\$ 1,246,996</u></u>

Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating Income (loss)	\$ (458,641)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation Expense	142,170
(Increase) decrease in accounts receivable	(3,949)
(Increase) decrease in inventory	5,270
(Increase) decrease in prepaid expenses	(3,982)
Increase (decrease) in accounts payable	22,151
Net Cash Provided by Operating Activities	<u><u>\$ (296,981)</u></u>

The accompanying notes to the financial statements are an integral part of this statement

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note A – Significant Accounting Policies**

Organization

Creek County Rural Water District No. 1 (the District) is an Oklahoma non-profit water district organized under Title 82 of Oklahoma Statutes to provide water service to rural residents of Creek County, Oklahoma. The District is considered a political subdivision of the State of Oklahoma.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and liabilities are recognized when incurred. This policy is in accordance with generally accepted accounting principles. The District has also complied with GASB Statement No. 34 financial reporting requirements.

Cash

The District's accounts are with the American Heritage Bank, Sapulpa, Oklahoma, and are detailed as follows:

	December 31,	
	2013	2012
Cash on hand	\$ 300	300
Petty cash	300	300
Operation and Maint. Account	90,874	388,302
Add: Deposits in transit	3,112	3,425
Less: Outstanding checks	(16,581)	(4,958)
Total	<u>\$ 78,005</u>	<u>387,369</u>

Cash and Cash Equivalents

For the purposes of preparing the statement of cash flows, cash on hand, reconciled cash in savings and checking, and certificates of deposit that can be converted into cash (if necessary) are considered cash equivalents.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note A – Significant Accounting Policies – cont’d**

Investments

The District had the following outstanding investments at December 31, 2013:

Spirit Bank-	
Certificate of Deposit no. 300110162	\$ 28,409
Certificate of Deposit no. 300099099	57,379
Certificate of Deposit no. 300111332	28,217
Certificate of Deposit no. 300135785	58,452
Certificate of Deposit no. 300022204	80,656
Community Bank-	
Certificate of Deposit no. 23341	197,486
Certificate of Deposit no. 23351	63,533
BancFirst-	
Certificate of Deposit no. 331000112	229,459
American Heritage Bank-	
Savings Account no. 100212117	25,281
Certificate of Deposit no. 100002979, dated 10/16/12, matures 4/16/14	122,433
Certificate of Deposit no. 100002976, dated 10/16/12, matures 4/16/14	116,039
Certificate of Deposit no. 100003141, dated 11/10/12, matures 5/10/15	161,647
	<hr/>
Total Investments	<u>\$ 1,168,991</u>

Accounts Receivable

Billings for accounts receivable at December 31, 2013 were \$106,146. Allowance for doubtful accounts was not computed on this balance because uncollectibles do not have a material effect on the balance sheet.

Collateral Pledged

All District funds were adequately insured by \$250,000 FDIC or other secured collateral as of December 31, 2013.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note A – Significant Accounting Policies – cont'd**

Fixed Assets

The fixed asset information for the District is shown below:

	12/31/2012 Amount	Additions	Deletions	12/31/2013 Amount
Land	\$ 8,249	-	-	8,249
Plant and dist. system	6,031,491	3,515	-	6,035,006
Trucks and equipment	173,968	23,960	-	197,928
Office building	95,789	-	-	95,789
Office furn. & equip.	28,939	3,550.00	-	32,489
Other equipment	95,743	-	-	95,743
Total Fixed Assets	6,434,179	31,025	-	6,465,204
Less: Accumulated Depreciation	(2,755,173)	(142,170)	-	(2,897,343)
Total	<u>\$ 3,679,006</u>	<u>(111,145)</u>	<u>-</u>	<u>3,567,861</u>

Federal Income Tax

The District is exempt from Federal and State income taxes.

Accumulated Unpaid Vacation and Sick Pay

At December 31, 2013 no determination of the aggregate dollar value of vacation or sick pay had been made.

Prior Year Information

Prior year information is shown on the financial statements for comparative purposes only. No assurance is given on prior year amounts.

Subsequent Events

Management has evaluated subsequent events through April 10, 2014, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**CREEK COUNTY RURAL WATER DISTRICT NO. 1**  
**Notes to Financial Statements**  
**December 31, 2013**

**Note B – Long-Term Debt**

The District had no outstanding long-term debt in 2013.

**Note C – Insurance and Surety Bond Coverage**

The District appears to have had adequate insurance to cover all major perils at December 31, 2013.

**Note D – Retirement Plan**

The District has a noncontributory defined benefit pension plan covering all employees 20.5 years old after six months of employment. Plan benefits are 2% of compensation times years of service. Minimum retirement age is 65, minimum years of participation is five years. The plan pays a pre-retirement death benefit that is the greater of the insurance or the present value of the accrued benefit. Vesting is; 2 years – 20%, 3 years – 40%, 4 years – 60%, 5 years – 80%, 6 years – 100%. Funding of the pension plan is through individual insurance and annuity contracts. The actuarial assumptions used to compute contributions are the same as used to compute pension obligations. For the plan year ended February 28, 2012 the total payroll was \$384,090, the total payroll for participants was \$355,240. Contributions to the plan were \$352,407, or 99.20% of payroll.

Accumulated plan benefits and net assets available for plan benefits for the plan year ended February 28, 2012, the most recent benefit information date, was as follows:

Net assets available for plan benefits	\$ 1,048,254
Less: Vested accumulated benefits	<u>882,129</u>
Pension assets in excess of benefit obligations	<u>\$ 166,125</u>

**Note E – Calculated Water Cost**

The District and Plant's combined operating expenses totaled \$2,291,752 for the year ending December 31, 2013. During this period the total water production reported was 472,029,000 gallons. The calculated water cost per 1,000 gallons is shown below:

	<u>2013</u>	<u>2012</u>
Water production (gallons)	472,029,000	510,245,000
District	37% \$ 0.76	39% \$1.00
Plant	63% <u>1.30</u>	61% <u>1.57</u>
Total cost per 1,000 gallons	<u>\$2.06</u>	<u>\$2.57</u>

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Balance Sheet  
December 31, 2013

	DECEMBER 31,	
	2013	(memo only) 2012
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 78,005	387,369
Investments	1,168,991	1,155,626
Accounts receivable	106,146	102,197
Accrued interest receivable	4,001	3,971
Inventory	126,684	131,954
Prepaid expenses	43,428	39,446
Total current assets	<u>1,527,255</u>	<u>1,820,563</u>
Fixed Assets:		
Land	8,249	8,249
Plant and distribution system	6,035,005	6,031,491
Trucks and equipment	197,928	173,968
Office building	95,789	95,789
Office furniture and equipment	32,489	28,939
Other equipment	95,743	95,743
Total fixed assets	<u>6,465,203</u>	<u>6,434,179</u>
Less: accumulated depreciation	<u>(2,897,343)</u>	<u>(2,755,174)</u>
Total fixed assets (net)	<u>3,567,860</u>	<u>3,679,005</u>
Total Assets	<u>\$ 5,095,115</u>	<u>5,499,568</u>
<u>LIABILITIES AND FUND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 59,071	36,920
Refundable deposits	8,952	10,272
Total current liabilities	<u>68,023</u>	<u>47,192</u>
Fund Equity:		
Benefit units	1,121,755	1,102,505
Retained earnings	3,905,337	4,349,871
Total Fund Equity	<u>5,027,092</u>	<u>5,452,376</u>
Total Liabilities and Fund Equity	<u>\$ 5,095,115</u>	<u>5,499,568</u>

CREEK COUNTY RURAL WATER DISTRICT NO. 1  
Statement of Revenue, Expenses and Changes in Retained Earnings  
For Year Ended December 31, 2013

	2013			(memo only) 2012
	District	Plant	Total	
Revenue from Operations:				
Water sales	\$ 795,148	316,901	1,112,049	1,148,664
Water sales - District No. 2	-	371,048	371,048	386,114
Water sales - District No. 3	-	312,479	312,479	294,826
Sale of materials	-	-	-	2,916
Late charges	22,509	-	22,509	20,764
Installations and connections	4,390	-	4,390	16,561
Other income and fees	10,636	-	10,636	17,131
Total revenue from operations	<u>832,683</u>	<u>1,000,428</u>	<u>1,833,111</u>	<u>1,886,976</u>
Expenses from Operations:				
Water purchases	319,678	-	319,678	347,535
Backhoe and hauling	-	-	-	285
Chemicals	-	514,422	514,422	499,085
Professional fees	7,984	17,857	25,841	25,965
Fittings, meters and connections	50,856	5,922	56,778	56,715
Franchise and storage	6,952	26,122	33,074	7,170
Insurance, general	29,427	9,743	39,170	39,225
Insurance, group	32,058	74,803	106,861	100,280
Office	14,891	10,202	25,093	20,756
Maintenance and repairs	7,269	132,760	140,029	133,990
Retirement	105,722	246,685	352,407	62,721
Salaries	90,515	293,575	384,090	374,696
Taxes	7,037	22,496	29,533	27,395
Automobile	6,591	15,234	21,825	30,950
Utilities	16,713	84,068	100,781	126,278
Depreciation	142,170	-	142,170	130,526
Total expenses from operations	<u>837,863</u>	<u>1,453,889</u>	<u>2,291,752</u>	<u>1,983,572</u>
Net Income (Loss) from Operations	<u>\$ (5,180)</u>	<u>(453,461)</u>	(458,641)	(96,596)
Other Income:				
Interest earnings			<u>14,107</u>	<u>24,819</u>
Net Income (Loss)			(444,534)	(71,777)
Retained earnings, beginning of period			<u>4,349,871</u>	<u>4,421,648</u>
Retained earnings, end of period			<u>\$ 3,905,337</u>	<u>4,349,871</u>