

**Pushmataha County Rural Water District No. 1  
Clayton, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2012

Audited by

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

BROKEN ARROW, OK

**Pushmataha County Rural Water District No. 1**  
**Clayton, Oklahoma**  
Board of Directors  
December 31, 2012

**BOARD OF DIRECTORS**

**Chairman**

Gary Davis

**Vice Chairman**

Jeanne Little

**Secretary/Treasurer**

Betty Scott

**Members**

Edward Boykin

Larry Bell

**MANAGER/  
BOOKKEEPER**

Jerry Buchanan

**Pushmataha County Rural Water District No. 1**  
**Clayton, Oklahoma**  
December 31, 2012

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# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

## **Independent Auditor's Report**

Board of Directors  
Pushmataha County Rural Water District No. 1  
Clayton, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Pushmataha County Rural Water District No. 1 (the District), Clayton, Oklahoma, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2012, and the respective changes in financial position thereof for the year then ended in conformity with the basis of accounting generally accepted in the United States of America.

The Management Discussion and Analysis on pages 5-6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 15, 2013 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting generally accepted in the United States of America.

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Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

March 15, 2013

Pushmataha County Rural Water District No. 1  
Management's Discussion and Analysis  
December 31, 2012

Our discussion and analysis of the Rural Water District No. 1, Pushmataha County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the District's financial statements that begin on page 11.

### **FINANCIAL HIGHLIGHTS**

- The District's total operating expenses exceeded total operating revenues by \$11,914. Overall, the District had net income of \$90,963, and its cash and cash equivalents increased by \$21,427 in the current fiscal year. These amounts include \$44,442 in annual depreciation costs.
- Interest earnings decreased from \$2,812 in 2011 to \$1,628 in 2012. The District was able to retain all certificates of deposit in 2012.
- The District is indebted by one note only to the Oklahoma Office of Rural Development.

### **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 Assets, Liabilities and Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, 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, 2012, the District had \$1,029,272 invested in fixed assets, net of depreciation, including land, the water system, vehicles and equipment. The District made \$102,050 of system improvements to the water system during the 2012 fiscal year and was reimbursed by the Oklahoma Department of Transportation for this expense.

### **Long-Term Debt**

The District is indebted to the Oklahoma Office of Rural Development on one note obtained for previously extensive extensions and the current water system. The outstanding principal balance owed on the note decreased from \$27,572 to \$16,055 during the 2012 fiscal year. The \$250,000 note, at 3.75% interest, is scheduled to be paid off in 2014. The District has satisfied the required reserve account balance required by the loan.

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

The District attempts to absorb Sardis Lake Water Authority rate increases, but may be forced to increase our customer rates if additional increases are made by the Authority.

The District's budget for fiscal year 2013 will remain much like previous years budgets. Your Board of Directors does anticipate small budget changes made primarily to better allow for office and field personnel operations, without the necessity of hiring additional part-time or permanent employees.

### **Contacting the District's Management**

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 160, Clayton, OK 74536 or call (918) 569-4326.



# SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Pushmataha County Rural Water District No. 1  
Clayton, Oklahoma

We have audited the financial statements of the Pushmataha County Rural Water District (the District) No. 1, Clayton, Oklahoma, as of and for the year ended December 31, 2012, and have issued our report thereon dated March 15, 2013. 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.

**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 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 generally accepted auditing standards.

**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, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could



adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described in the accompanying schedule of audit results as item 12-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that item 12-1 is not a material weakness.

This report is intended solely for the information of management and the Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and fluid, with the ampersand clearly visible.

Sanders, Bledsoe & Hewett  
Certified Public Accountants, LLP

March 15, 2013

**PUSHMATAHA COUNTY RURAL DISTRICT NO. 1**  
**Disposition of Prior Year's Reportable Conditions**  
**December 31, 2012**

Lack of Segregation of Duties

The exception that there were inherent limitations resulting from a small number of employees performing functions that would normally be divided among employees were a larger number available which prevented a proper segregation of accounting functions which is necessary to assure adequate internal accounting controls continued in the current fiscal year.

**PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1**  
**Schedule of Audit Results**  
**December 31, 2012**

Section 1 – Summary of Auditor’s Results:

1. An unqualified opinion report was issued on the financial statements.
2. The audit disclosed a reportable condition in the internal controls which was not considered a material weakness.
3. The audit disclosed no instances of noncompliance.

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

12-1 – Lack of Segregation of Duties

Condition-

The inherent limitations resulting from a small number of employees performing functions that would normally be divided among employees were a larger number available prevent a proper segregation of accounting functions, which is necessary in order to assure adequate internal accounting controls.

Criteria-

An organization should ensure that there is a proper segregation of duties regarding cash collections and the payment of expenses.

Cause-

The District is not large enough to justify the hiring of additional personnel.

Effect-

There is always the possibility that not all collections are actually receipted or deposited, and the possibility that funds expended are not used for actual District obligations.

Recommendation-

The current procedures should not be changed. However, there should be additional personnel instilled into the collection, receipt, deposit, reconciliation and payment procedures when this becomes economically possible.

Response-

Additional personnel will be hired when the actual funds are available.

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2012

ASSETS:

Current assets:

Cash	\$ 45,851
Investments	361,414
Accounts Receivable	22,592
Total current assets	<u>429,857</u>

Noncurrent assets:

Restricted cash and cash equivalents	17,957
Capital assets:	
Water distribution system-net	1,029,272
Total noncurrent assets	<u>1,047,229</u>

Total Assets	<u>1,477,086</u>
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LIABILITIES:

Current liabilities:

Accounts payable	7,460
Accrued interest on long-term debt	49
Current portion of long-term debt	11,424
Total current liabilities	<u>18,933</u>

Noncurrent liabilities:

Refundable deposits	2,468
Long-term notes payable	4,631
Total noncurrent liabilities	<u>7,099</u>

Total Liabilities	<u>26,032</u>
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NET ASSETS:

Invested in capital assets, net of related debt	1,031,125
Restricted for debt service	17,957
Unrestricted	<u>401,972</u>
Total Net Assets	<u>\$ 1,451,054</u>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Operating Revenues:	
Water revenue	\$ 240,390
Other sales and services	4,329
Total operating revenues	<u>244,719</u>
Operating Expenses:	
Salaries and taxes	70,392
Health insurance	5,490
Utilities and telephone	3,916
Depreciation	44,422
Water purchases	74,025
Office	995
Insurance	7,709
Repairs and maintenance	25,669
Postage	2,070
Vehicles	14,995
Dues and fees	3,571
Fuel	558
Professional fees	2,425
Miscellaneous	396
Total expenses from operations	<u>256,633</u>
Operating Income (Loss)	(11,914)
Non-Operating Revenues (Expenses):	
ODOT Reimbursement	102,050
Interest income	1,628
Interest paid on long-term debt	(801)
Total Non-Operating Revenues (Expenses)	<u>102,877</u>
Change in Net Assets	90,963
Total Net Assets, beginning of period	<u>1,360,091</u>
Total Net Assets, end of period	<u><u>\$ 1,451,054</u></u>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows from Operating Activities:

Receipts from customers	\$ 347,121
Payments to employees	(69,152)
Payments to vendors	<u>(245,816)</u>
Net Cash Provided by (used in) Operating Activities	<u>32,153</u>

Cash Flows from Financing Activities:

Principal paid on long-term debt	(11,517)
Interest paid on long-term debt	<u>(837)</u>
Net Cash Provided by (used in) Financing Activities	<u>(12,354)</u>

Cash Flows from Investing Activities:

Interest earned on investments	<u>1,628</u>
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Net increase (decrease) in cash and cash equivalents	21,427
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Cash and cash equivalents, beginning of period	<u>403,795</u>
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Cash and cash equivalents, end of period	<u><u>\$ 425,222</u></u>
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Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating Income (loss)	\$ (11,914)
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation Expense	44,422
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	277
Increase (decrease) in accounts payable	(707)
Increase (decrease) in meter deposit reserves	<u>75</u>
Net cash provided by operating activities	<u><u>\$ 32,153</u></u>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1  
BALANCE SHEET  
DECEMBER 31, 2012

	DECEMBER 31,	
	2012	(memo only) 2011
<u>ASSETS</u>		
Current Assets:		
Cash on hand	\$ 200	200
Cash in bank	45,651	24,866
Investments	361,414	360,801
Accounts receivable	22,592	22,869
Total Current Assets	<u>429,857</u>	<u>408,736</u>
Fixed Assets:		
Water distribution system	1,963,739	1,861,689
Less: accumulated depreciation	<u>(934,467)</u>	<u>(890,045)</u>
Total Fixed Assets (net of depreciation)	<u>1,029,272</u>	<u>971,644</u>
Restricted Assets:		
Investment reserves	<u>17,957</u>	<u>17,928</u>
Total Assets	<u>\$ 1,477,086</u>	<u>1,398,308</u>
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 7,460	8,167
Meter deposits	2,468	2,393
Accrued interest	49	85
Current maturities of long-term debt	11,424	11,517
Total Current Liabilities	<u>21,401</u>	<u>22,162</u>
Long-Term Debt, less current maturities:		
Notes payable	<u>4,631</u>	<u>16,055</u>
Total Liabilities	<u>26,032</u>	<u>38,217</u>
Equity:		
Contributed capital	1,423,965	1,423,965
Retained earnings	<u>27,089</u>	<u>(63,874)</u>
Total Equity	<u>1,451,054</u>	<u>1,360,091</u>
Total Liabilities and Equity	<u>\$ 1,477,086</u>	<u>1,398,308</u>

**PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note A – Significant Accounting Policies**

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and expenses are recognized when incurred. This policy is accordance with generally accepted accounting principles.

New Reporting Standard

In June 1999, the GASB issued Statement No. 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Government.” This statement establishes new financial reporting requirements for state and local governments throughout the United States. It creates new information and restructures much of the information that governments have presented in the past. Comparability with reports issued in all prior years is affected.

Cash

The District’s cash accounts are with the Shamrock Bank N.A., Clayton, Oklahoma, and are detailed as follows:

	December 31,	
	2012	2011
Operating Account	\$ 46,020	25,010
Less: Outstanding checks	(369)	(144)
Balance	<u>\$ 45,651</u>	<u>24,866</u>

Collateral Pledged

It appears that all funds were adequately insured by the \$250,000 of FDIC coverage and additional collateral pledged by the banking institution as of December 31, 2012.

Restricted Asset – Investment Reserves

In compliance with Rural Economic and Community Development regulations, cash reserves have been established to collect up to one year’s payments on the notes payable, or \$15,726, at which time deposits in the reserve can be suspended. The reserve account funds have been deposited in an interest bearing savings account at Shamrock Bank N.A., Clayton, Oklahoma, which is insured by the federal government. At December 31, 2012 the restricted asset-investment reserve balance was \$17,957.



**PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

Investments

The District's investment accounts are with the Shamrock Bank N.A., Clayton, Oklahoma, and are detailed as follows:

	December 31,	
	2012	2011
Capital Account (savings)	\$ 39,973	40,896
Deposit Account (savings)	11,735	11,716
Depreciation Account (savings)	27,650	27,605
Certificate of Deposit no. 4041092 dated 2-21-12, due 6-15-13, @.45%	20,288	20,121
Certificate of Deposit no. 4041126 dated 10-13-12, due 10-13-13, @.40%	20,124	20,018
Certificate of Deposit no. 4900901, dated 2-21-12, due 2-21-13, @.55%	13,343	13,265
Certificate of Deposit no. 4040131 dated 8-13-12, due 8-13-13, @.40%	25,100	24,966
Certificate of Deposit no. 4040051 dated 7-9-12, due 1-9-13, @.30%	12,365	12,320
Certificate of Deposit no. 4040242 dated 9-11-12, due 3-11-13, @.25%	23,828	23,739
Certificate of Deposit no. 4040429 dated 5-12-12, due 5-12-13, @.45%	23,611	23,480
Certificate of Deposit no. 4040492 dated 12-7-12, due 12-7-13, @.35%	23,529	23,400
Certificate of Deposit no. 4040575 dated 8-21-12, due 8-21-13, @.40%	23,014	22,892
Certificate of Deposit no. 4040612 dated 11-6-12, due 11-6-13, @.40%	22,892	22,769
Certificate of Deposit no. 4040710 dated 8-10-12, due 8-10-13, @.40%	22,063	21,945
Certificate of Deposit no. 4040790 dated 11-6-12, due 5-6-13, @.40%	20,970	20,899
Certificate of Deposit no. 4040964 dated 9-24-10, due 9-24-12, @.55%	30,929	30,770
<b>Total Investments</b>	<b>\$ 361,414</b>	<b>\$ 360,801</b>

Fixed Assets

Fixed assets obtained prior to December 31, 1984, are carried at estimated cost, which is equivalent to the loan proceeds and grants obtained to finance the purchase of property, plant, and equipment. Subsequent additions are recorded at cost. Depreciation of the waterworks system and improvements is provided using the straight-line method based on a forty-year life. Equipment is depreciated over a five-year life. Depreciation expense for the year is presented as an operating expense and closed, along with other operating expenses, directly to retained earnings.

**PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

The fixed asset information for the District is shown below:

	12/31/2011 Amount	Additions	Deletions	12/31/2012 Amount
Land	\$ 2,000	-	-	2,000
Office equipment	47,393	-	-	47,393
Plant and water sys.	1,787,846	102,050	-	1,889,896
Vehicles	24,450	-	-	24,450
Total Fixed Assets	1,861,689	102,050	-	1,963,739
Less: Accumulated Depreciation	(890,045)	(44,422)	-	(934,467)
Total	\$ 971,644	57,628	-	1,029,272

**Note B – Accounts Receivable**

Billings for accounts receivable at December 31, 2012 were \$24,556. Allowance for doubtful accounts at December 31, 2012 was computed at \$1,964, or 8.00%.

**Note C – Long-Term Debt**

The District is indebted to the USDA Rural Development Program on one note obtained to finance system improvements. The notes are secured by system revenues and property, plant and equipment. Long-term debt at December 31 is summarized as follows:

	2012	2011
Note No. 91-06, issued for \$250,911, dated 2-1-75, at 3.75% interest, due in annual installments of \$12,347 (\$1,029.50 monthly), until paid;	\$ 16,055	27,572
Less: Current maturities of long-term debt	(11,424)	(11,517)
Total Long-Term Debt, Less Current Maturities	\$ 4,631	16,055

**PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Note C – Long-Term Debt – cont'd**

The estimated maturities for the next five years, based on the required monthly payments, are detailed as follows:

Rural Development		
2013	\$	11,424
2014		4,631
Total	\$	16,055

**Note D- Contributed Capital**

Contributed capital was provided by grants from the Rural Economic and Community Development and other sources to assist in building and improving the water system totaling \$568,172. In 1999, water system equipment, valued at \$500,000, was donated to the District by the Choctaw Nation of Oklahoma. In 2000, a REAP grant was received from Oklahoma Water Resources Board in the amount of \$99,900. These funds were used to construct additional water system equipment. Also in 2000, a REAP grant was received from the Kiamichi Economic Development District of Oklahoma (KEDDO) in the amount of \$11,994, to assist in the purchase of a dump truck and backhoe trailer. In 2002, KEDDO contributed \$13,100 for the erection of a steel building for storage and maintenance of District equipment. In 2005, a REAP grant was received from the Oklahoma Water Resources board in the amount of \$99,999. These funds were used to construct additional water system equipment. Also in 2005, an Emergency grant was received from the USDA, Rural Development in the amount of \$130,800, to assist in building and improving the water system.

**Note E- Water Usage**

Water purchased, sold, and lost by the District is detailed as follows:

	2012	2011
Gallons purchased	30,593,000	32,837,300
Gallons sold	27,100,800	30,569,000
Total loss	3,492,200	2,268,300
Gallons lost (percentage)	11.42%	6.91%

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
FOR YEAR ENDED DECEMBER 31, 2012

	2012	(memo only) 2011
Revenue from operations:		
Water revenue	\$ 240,390	247,251
Installations and connections	1,145	2,101
Benefit units	1,800	1,350
Parts reimbursements	234	523
Miscellaneous	1,150	1,218
Total revenue from operations	<u>244,719</u>	<u>252,443</u>
Expenses from operations:		
Salaries and taxes	70,392	66,749
Health insurance	5,490	5,503
Utilities and telephone	3,916	4,493
Depreciation	44,422	43,146
Water purchases	74,025	71,517
Office	995	1,251
Insurance	7,709	7,812
Repairs and maintenance	25,669	28,303
Postage	2,070	1,987
Vehicles	14,995	14,241
Dues and fees	3,571	2,509
Fuel	558	862
Professional fees	2,425	2,400
Miscellaneous	396	1,925
Total expenses from operations	<u>256,633</u>	<u>252,698</u>
Net Income (Loss) From Operations	(11,914)	(255)
Non-operating revenue:		
ODOT Reimbursement	102,050	0
Interest earnings	1,628	2,812
Total non-operating revenue	<u>103,678</u>	<u>2,812</u>
Non-operating expenses:		
Interest paid on long-term debt	(801)	(1,226)
Net Income (Loss)	90,963	1,331
Retained earnings, beginning of period	(63,874)	(65,205)
Retained earnings, end of period	<u>\$ 27,089</u>	<u>(63,874)</u>