



Long
Island
Power
Authority

Shoreham Nuclear Power Station
P.O. Box 628
North Country Road
Wading River, N.Y. 11792

MAR 3 0 1994

LSNRC-2160

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Annual Financial Report
Shoreham Nuclear Power Station - Unit No. 1
Docket No. 50-322

Ladies and Gentlemen:

This letter transmits the financial information required by 10CFR50.71(b). Attached please find a copy of the Long Island Power Authority's 1993 Annual Financial Report.

If there are any questions concerning this information, please contact this office.

Very truly yours,

A. J. Bortz
Resident Manager

DYF/kc
Attachment

cc: L. Bell
C. L. Pittiglio
T. T. Martin
R. Nimitz

310054

max

LONG ISLAND POWER AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 1993

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
Statement of financial position	2
Statement of revenues, expenses, and changes in accumulated deficit	3
Statement of cash flows	4
Notes to financial statements	5-10
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION	11
SUPPLEMENTARY INFORMATION	
Statement of revenues, expenses and changes in accumulated deficit information: Schedule of unrestricted expenses and cost reimbursements	12

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Long Island Power Authority

We have audited the accompanying statement of financial position of Long Island Power Authority as of March 31, 1993, and the related statements of revenues, expenses, and changes in accumulated deficit and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 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 financial position of Long Island Power Authority as of March 31, 1993, and results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As described in Note 1 to the financial statements, the continuing operations of the Long Island Power Authority are dependent upon receiving funded appropriations from the State of New York. Although amounts have been appropriated commencing April 1, 1993 the Authority has not yet received these appropriations.

Urbach Kahn & Werlin PC

New York, New York
May 28, 1993

LONG ISLAND POWER AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 March 31, 1993
 (With Comparative Totals For 1992)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
			<u>1993</u>	<u>1992</u>
ASSETS				
Cash	\$ 129,163	\$ 3,827,947	\$ 3,957,110	\$ 2,395,988
Investments	244,772	11,711,942	11,956,714	18,283,562
Due to/from other funds	122,118	(122,118)	-	-
Office equipment	50,460	-	50,460	56,911
Other assets	<u>1,263</u>	<u>397</u>	<u>1,660</u>	<u>2,172</u>
	\$ <u>547,776</u>	\$ <u>15,418,168</u>	\$ <u>15,965,944</u>	\$ <u>20,738,633</u>
 LIABILITIES AND ACCUMULATED DEFICIT				
Advances from LILCO	\$ -	\$ 6,413,596	\$ 6,413,596	\$ 11,969,268
Due to NYPA and LIPA				
Third-party Suppliers	-	8,830,561	8,830,561	6,886,910
Accrued expenses	548,202	174,011	722,213	671,766
Due to the State of New York, its agencies and authorities	-	-	-	228,620
State of New York allocations payable	<u>14,455,936</u>	<u>-</u>	<u>14,455,936</u>	<u>14,203,300</u>
	15,004,138	15,418,168	30,422,306	33,959,864
ACCUMULATED DEFICIT	<u>(14,456,362)</u>	<u>-</u>	<u>(14,456,362)</u>	<u>(13,221,231)</u>
	\$ <u>547,776</u>	\$ <u>15,418,168</u>	\$ <u>15,965,944</u>	\$ <u>20,738,633</u>

See Notes to Financial Statements.

LONG ISLAND POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN ACCUMULATED DEFICIT
 Year Ended March 31, 1993
 (With Comparative Totals For 1992)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
			<u>1993</u>	<u>1992</u>
Revenues:				
Contractual revenues	\$ -	\$ 157,999,844	\$ 157,999,844	\$ 25,439,388
Cost reimbursements	<u>653,701</u>	<u>-</u>	<u>653,701</u>	<u>370,446</u>
	<u>653,701</u>	<u>157,999,844</u>	<u>158,653,545</u>	<u>25,809,834</u>
Expenses:				
Salaries and benefits	971,848	2,750,629	3,722,477	2,935,576
General and administrative	285,089	1,574,939	1,860,028	1,727,506
Consulting	631,895	15,284,018	15,915,913	8,123,280
Legal	-	536,541	536,541	842,914
LIPA Third-party Suppliers	-	56,070,698	56,070,698	6,696,264
Payments in lieu of taxes	<u>-</u>	<u>81,783,019</u>	<u>81,783,019</u>	<u>6,815,252</u>
	<u>1,888,832</u>	<u>157,999,844</u>	<u>159,888,676</u>	<u>27,140,792</u>
Excess of expenses over revenues	(1,235,131)	-	(1,235,131)	(1,330,958)
Accumulated deficit:				
Beginning	(13,221,231)	-	(13,221,231)	(11,890,273)
Ending	\$ <u>(14,456,362)</u>	\$ <u>-</u>	\$ <u>(14,456,362)</u>	\$ <u>(13,221,231)</u>

See Notes to Financial Statements.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
			<u>1993</u>	<u>1992</u>
RECONCILIATION OF EXCESS OF EXPENSES OVER REVENUES TO NET CASH USED IN OPERATING ACTIVITIES				
Excess of expenses over revenues	\$(1,235,131)	\$ -	\$(1,235,131)	\$ (1,330,958)
Adjustments to reconcile excess of expenses over revenues to net cash used in operating activities:				
Depreciation	19,490	-	19,490	25,603
Reimbursement of office equipment acquisitions	7,581	-	7,581	22,859
Repayment of interest	-	-	-	(16,160)
Changes in:				
Other assets	909	(397)	512	(55,319)
Due to/from other funds	(40,672)	40,672	-	-
Advances from LILCO	-	(6,443,321)	(6,443,321)	9,693,333
Due to NYPA and LIPA Third-party Suppliers	-	1,943,651	1,943,651	6,513,458
Accrued expenses	<u>358,156</u>	<u>(307,709)</u>	<u>50,447</u>	<u>(587,781)</u>
Net cash provided by (used in) operating activities	\$ <u>(889,667)</u>	\$ <u>(4,767,104)</u>	\$ <u>(5,656,771)</u>	\$ <u>(14,265,035)</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES				
Transfer of liability from Due to the State of New York to State of New York Allocations payable	\$ <u>252,636</u>	\$ <u>-</u>	\$ <u>252,636</u>	\$ <u>-</u>

See Notes to Financial Statements.

LONG ISLAND POWER AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Nature of Operations

The Long Island Power Authority ("LIPA") was established on January 15, 1987. LIPA is a corporate municipal instrumentality of the State of New York (the "State"), constituting a body corporate and politic and a political subdivision of the State, created by Chapter 517 of the Laws of 1986 (the "LIPA Act").

Under the LIPA Act, LIPA is authorized to acquire, through negotiated purchase, tender offer, or exercise of the power of eminent domain, all or any part of the securities or assets of the Long Island Lighting Company ("LILCO"), provided LIPA first determines that such acquisition would result in rates that would not be higher than the rates that would be charged by LILCO if such acquisition did not occur.

Under the LIPA Act, LIPA is further authorized to undertake the following activities, among other things, within its service area: to assist in the development and implementation of conservation and load management programs; to facilitate the development of cogeneration and alternate energy production facilities; and to serve as an advocate for utility ratepayers. In addition, LIPA is mandated to close and decommission The Shoreham Nuclear Power Station ("Shoreham Plant") and to investigate and develop alternative uses, if any, for the Shoreham Plant. LIPA's service area is comprised of Nassau and Suffolk Counties and the portion of Queens constituting LILCO's franchise area.

LIPA is dependent upon the State for appropriations to meet its funding requirements. State appropriations are subject to approval each session of the State Legislature and do not constitute a legally enforceable obligation of the State; accordingly, LIPA has no assurance that required appropriations will be made beyond the current State appropriations for LIPA's operating expenses. \$1,140,700 was appropriated by the State to LIPA in the State budget for operating expenses commencing April 1, 1992 in furtherance of its statutory purposes. However, the funds were not allocated to LIPA, and therefore, no remittances were received. For the year commencing April 1, 1993, \$600,000 has been appropriated by the State to LIPA in the State budget for operating expenses in furtherance of its statutory purposes. This amount is considered by LIPA to be sufficient to cover its operating expense, contracts and liabilities through fiscal year ended March 31, 1994. During 1993, the Division of the Budget of the State of New York instructed LIPA to use interest earned and collected as of March 31, 1993 in the same manner, and for the same purpose as appropriated funds of the State. Cumulative interest earned and credited to New York State allocations through March 31, 1993 amounted to \$655,953.

LIPA's operations are funded solely by allocations of LIPA's State appropriations, except that LIPA's Costs Attributable to the transfer of the Shoreham Plant to LIPA and to its ownership, possession, maintenance, decommissioning or dismantling of the Shoreham Plant will be reimbursed by LILCO, under the Amended and Restated Asset Transfer Agreement between LILCO and LIPA, which provides for the transfer of the Shoreham Plant to LIPA (see Note 2). Such allocations of LIPA's State appropriations represent advances from the State paid from the Long Island Power Authority creation and contingency fund in the miscellaneous special revenue fund - 339C5 (the "Fund"). The Fund consists of payments made by LILCO to the State pursuant to LILCO's gross receipts tax obligations.

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Nature of Operations, (Continued)

In accordance with a Repayment Agreement between LIPA and the Director of the Budget of the State of New York ("Repayment Agreement"), LIPA is required to repay to the State the total original principal amount disbursed by the State to LIPA, without interest, pursuant to the LIPA Act. This amount must be repaid by LIPA: a) first, from the proceeds of the first issuance of LIPA Bonds, b) second, from any "excess revenues" (as defined in the Repayment Agreement) derived from LIPA operations and/or investments, and c) third, if sufficient Bond proceeds or excess revenues are not available, then by the delivery to the State of non-interest bearing Bonds which are duly authorized, issued and executed by LIPA ("Repayment Bonds"). LIPA Repayment Bonds are without recourse to the assets of LIPA except to the extent that LIPA has sources of funds available from the proceeds of the first issuance of LIPA Bonds or from any excess revenues derived from LIPA operations and/or investments.

On July 9, 1992, LIPA submitted a Repayment Bond to the Director of the Budget of the State of New York. The Repayment Bond represents the total original principal, in the amount of \$13,799,983 disbursed by the State to LIPA and investment interest in the amount of \$631,937, earned on the amounts advanced to LIPA which are considered funds of the State. The above amounts reflect the principal and interest due as of March 31, 1992.

Note 2. Settlement Between the State of New York and LILCO and Transfer of Shoreham to LIPA

On February 28, 1989, LILCO and the State of New York, entered into a Settlement Agreement to resolve the controversy over the Shoreham Plant and power supply issues affecting LILCO and its customers. The Settlement Agreement contemplated, among other things, the transfer of the Shoreham Plant from LILCO to LIPA for \$1.00; the payment by LILCO of all Costs Attributable to LIPA's ownership, possession, maintenance, decommissioning or dismantling of the Shoreham Plant, including any of LIPA's administrative and general costs directly related to the Shoreham Plant and the determination by the New York State Public Service Commission ("PSC") of just and reasonable rates for LILCO. On February 29, 1992, the United States Nuclear Regulatory Commission ("NRC") approved the transfer of the Shoreham Plant and NRC license for the Shoreham Plant from LILCO to LIPA. Title to the Shoreham Plant and NRC license for the Shoreham Plant was transferred from LILCO to LIPA on that date for \$1.00.

On December 29, 1990, LIPA submitted to the NRC, its plan to decommission the Shoreham Plant. LIPA's decommissioning plan was approved by the NRC on June 11, 1992. The cost to decommission the Shoreham Plant, as estimated by LIPA, will approximate \$186,000,000 (in 1991 dollars).

On April 14, 1989, LILCO and LIPA entered into the Amended and Restated Asset Transfer Agreement ("Asset Transfer Agreement") under which LILCO reiterated its agreement never to operate the Shoreham Plant and to transfer the Plant to LIPA. Both the Settlement Agreement and the Asset Transfer Agreement have been approved by LIPA'S Board of Trustees and LILCO'S Board of Directors. The Agreements became effective on June 28, 1989, when LILCO'S shareholders voted to approve them.

In accordance with the Asset Transfer Agreement, LIPA and LILCO have also entered into a Site Cooperation and Reimbursement Agreement ("Site Agreement") on January 24, 1990. Among other things, the Site Agreement establishes the specific mechanism for LILCO to provide payment for all Costs Attributable to Shoreham (as defined in the Site Agreement), including such costs incurred prior to January 24, 1990. LIPA has also entered into a Management Services Agreement with the New York Power Authority ("NYPA") dated January 24, 1990, which specifies the management and technical services NYPA will provide to LIPA in connection with the license transfer, maintenance and decommissioning of Shoreham. Both the Site Agreement and the Management Services Agreement are in effect.

NOTES TO FINANCIAL STATEMENTS

Note 2. Settlement Between the State of New York and LILCO and Transfer of Shoreham to LIPA, (Continued)

As required by the Site Agreement, LIPA has established two reimbursement funds, one for Costs Attributable to Shoreham incurred or to be incurred by LIPA and one for Costs Attributable to Shoreham incurred or to be incurred by NYPA and by LIPA Third-party Suppliers. LILCO is required to advance to LIPA, for deposit into the reimbursement funds, amounts equal to three months' projected costs. LIPA has sole authority to invest and to make disbursements from the reimbursement funds.

Note 3. Summary of Significant Accounting Policies

Accounting basis:

The financial statements have been prepared on the accrual basis of accounting.

Fund accounting:

In order to ensure observance of reservations or restrictions placed on the use of available resources, LIPA's accounts are reported in accordance with fund accounting principles, whereby separate sets of self-balancing accounts are maintained for resources with similar characteristics as follows:

Unrestricted Fund - Accounts for NYS appropriations and expenditures unrelated to Shoreham.

Restricted Funds - Account for costs related to Shoreham and LILCO reimbursements recorded in the two reimbursement funds required by the Site Agreement as described above.

Investments in U.S. Treasury Bills:

LIPA invests available State appropriations and Shoreham-related funds in U.S. Treasury Bills which are carried at amortized cost which approximates market value. Under an agreement between LIPA and the State, all investment income earned by LIPA on its State appropriated funds, (except as disclosed in Note 1), is payable to the State. As a result, discount earned is recorded as a liability to the State, and no income or expense is recorded in the financial statements. Under the Site Agreement and the Management Services Agreement, all investment income earned on Shoreham-related funds is credited against LILCO's future remittance and deposit obligations, and no income or expense is recorded in the financial statements.

Reimbursement for Costs Attributable to Shoreham and advances from LILCO:

Costs Attributable to Shoreham incurred by LIPA are reimbursed by LILCO. LILCO provides for these costs in advance based upon estimates of expenditures. The related funds received from LILCO are classified as advances from LILCO. Costs Attributable to Shoreham are charged against these advances and are recognized in the statement of revenues, expenses, and changes in accumulated deficit.

NOTES TO FINANCIAL STATEMENTS

Note 3. Summary of Significant Accounting Policies, (Continued)

State of New York Allocations:

Allocations received from the State are recorded as liabilities. These amounts are required to be repaid to the State in accordance with the provisions of the Repeyment Agreement.

Depreciation:

Depreciation of office equipment and furniture is calculated on a straight-line basis over the estimated useful lives of the assets.

Taxes:

LIPA is a political subdivision of the State of New York and, therefore, is exempt from federal and state income taxes.

Retirement plan:

The pension plan for LIPA employees is part of the New York State Employees Retirement System. The plan benefits are provided under the provisions of the New York State Retirement and Social Security law and are guaranteed by the State Constitution. The Authority's election to participate in the plan is irrevocable.

Note 4. Investments and Deposits with Financial Institutions

LIPA is authorized under investment guidelines adopted by its Board of Trustees to invest excess funds in U.S. government securities having maturities not greater than 120 days and in certificates of deposit from banks or trust companies authorized to do business in the State.

LIPA's investments at March 31, 1993, which were held in LIPA's name by its authorized bank, were as follows:

	<u>Maturity Dates</u>	<u>Par Value</u>	<u>Amortized Cost</u>
Unrestricted investments			
(non-Shoreham-related funds):			
U.S. Treasury Bills	April 1, 1993-	\$ 245,000	\$ 244,182
Accrued interest	April 29, 1993	-	590
Restricted investments			
(Shoreham-related funds):			
U.S. Treasury Bills	April 8, 1993-	11,740,000	11,697,575
Accrued interest	May 27, 1993	-	14,367
		<u>\$11,985,000</u>	<u>\$11,956,714</u>

NOTES TO FINANCIAL STATEMENTS

Note 5. Office Equipment and Furniture

Office equipment and furniture consists of the following at March 31, 1993.

Office equipment	\$ 124,800
Office furniture	65,019
Less reimbursements	<u>(74,689)</u>
	115,130
Less accumulated depreciation	<u>(64,670)</u>
	<u>\$ 50,460</u>

Note 6. Commitments

Payments in Lieu of Taxes

On December 31, 1991, LILCO remitted approximately forty one million dollars (\$41,000,000) to the Town of Brookhaven as a property tax payment for the Shoreham Plant and certain surrounding property for the tax period December 1, 1991 through May 31, 1992. On February 29, 1992, the Shoreham Plant was transferred from LILCO to LIPA. The LIPA Act requires the Authority to make payments in lieu of taxes (PILOTS) on the Shoreham Plant to municipalities and school districts in which the Shoreham Plant is located in the first year after LIPA's acquisition of the Shoreham Plant in amounts equal to the taxes and assessments which would have been received by such taxing authorities, if the Shoreham Plant had not been transferred to LIPA. Accordingly, such LILCO payment of approximately twenty million five hundred thousand dollars (\$20,500,000) for the period March 1, 1992 through May 31, 1992 is considered by LIPA to be a PILOT on LIPA's behalf to such taxing jurisdictions. In each succeeding year, such in lieu of tax payments are to be decreased by ten percent until such time as such payments equal taxes and assessments which would have been levied on the Shoreham Plant in a non-operative state. On June 1, 1992, LIPA reached an interim agreement with the taxing jurisdictions pursuant to which LIPA paid approximately forty one million dollars (\$41,000,000) on May 31, 1992, approximately forty one million dollars (\$41,000,000) on January 8, 1993 and will pay approximately thirty seven million dollars (\$37,000,000) on May 28, 1993. All parties reserved their rights in the agreement to maintain their position as to whether these payments constitute PILOTS and/or taxes, the correct amount of the payments and any and all other issues regarding the parties' rights and obligations under the Act.

On June 25, 1992, LIPA commenced a declaratory judgment action in Nassau County Supreme Court seeking a judicial declaration of LIPA's obligations under the LIPA Act to make PILOTS to the Shoreham taxing jurisdictions. The main issues included whether payments to the taxing jurisdictions constitute PILOTS or taxes, the amounts to be paid and the schedule of payments. On March 29, 1993, the Court issued an order generally favorable to LIPA's position on the issues. It is anticipated that this order will be appealed by the Shoreham taxing jurisdictions and possibly by LIPA as well. In the interim, LIPA intends to continue making PILOT payments to the taxing jurisdictions consistent with the court's decision. Ultimately, there will be no financial effect on LIPA because whatever is determined to be due and owing will be borne by LILCO.

NOTES TO FINANCIAL STATEMENTS

Lease

In February 1990, LIPA entered into a lease to rent office space through April 30, 1995. The annual minimum rental per the terms of the lease is as follows:

<u>Year Ending</u>	
March 31, 1994	\$ 166,646
March 31, 1995	171,800
March 31, 1996	<u>14,750</u>
	\$ <u>353,196</u>

Rental expense for LIPA's office space prior to reimbursement amounted to approximately \$151,000 for the year ended March 31, 1993.

LIPA Third-party Suppliers

Ownership of the Shoreham fuel was transferred from LILCO to LIPA on February 29, 1992 as part of the transfer of the Shoreham license from LILCO to LIPA. Although fuel disposal is not considered as a decommissioning activity by the NRC, selection and implementation of a fuel disposal alternative is a major element of the Shoreham decommissioning project. The disposition of the fuel is in itself, a large undertaking complicated by numerous business risks and uncertainties. At this time, all 560 bundles of fuel remain safely stored in the spent fuel storage pool in the Shoreham reactor building.

On December 1, 1992, the LIPA Board of Trustees approved the award of a Shoreham Fuel Transfer Agreement to COGEMA, Inc. for approximately \$75 million. The COGEMA contract called for removal of the Shoreham fuel from the site for reprocessing by COGEMA in France. Major regulatory obstacles forced LIPA to terminate the Fuel Transfer Agreement with COGEMA on March 3, 1993. LIPA is currently negotiating with COGEMA, Inc. to settle amounts due under the terminated Fuel Transfer Agreement. COGEMA has estimated that payments ranging up to \$3 million may be required in order to resolve outstanding matters under this contract. LIPA is currently evaluating COGEMA's proposals.

On March 3, 1993, LIPA entered into a Fuel Disposition Agreement with Philadelphia Electric Company (PECO) and General Electric (GE), for \$65 million. This Agreement called for the removal of the Shoreham fuel from Shoreham to PECO's Limerick plant by rail. LIPA is in the process of seeking to amend this Agreement to reflect anticipated changes in the mode of transporting the Shoreham fuel from Shoreham to Limerick. This change in transportation mode, and the resulting delay in start-up of the fuel shipment campaign, will require modification of contractual terms regarding the services to be performed, schedule for completion and anticipated payments.

As of March 31, 1993, LIPA's commitments for contracts to LIPA Third-party Suppliers totaled approximately seventy-eight million dollars (\$78,000,000).

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Trustees
Long Island Power Authority

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended March 31, 1993 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Urbach Kahn & Werlin PC

New York, New York
May 28, 1993

LONG ISLAND POWER AUTHORITY

SCHEDULE OF UNRESTRICTED EXPENSES AND COST REIMBURSEMENTS

Year Ended March 31, 1993

	<u>Costs</u>	<u>Reimbursement</u>	<u>Net Costs</u>
Salaries and benefits	\$ 971,848	\$ 510,875	\$ 460,973
General and administrative expenses:			
Rent	151,405	79,866	71,539
Telephone	18,255	9,549	8,706
Insurance	10,237	3,028	7,209
Office expenses	24,903	15,645	9,258
Postage and messengers	7,874	4,708	3,166
Equipment rental	12,597	6,607	5,990
Repairs and maintenance	8,128	4,218	3,910
Dues and subscriptions	11,268	4,850	6,418
Travel and entertainment	6,965	4,626	2,339
Vehicle expenses	6,717	2,204	4,513
Advertising and promotion	4,470	2,237	2,233
Board meetings and trustee expenses	4,473	3,047	1,426
Court reporting services	3,187	-	3,187
Interest and bank charges	(4,880)	(6,500)	1,620
Depreciation expense	19,490	-	19,490
	<u>285,089</u>	<u>134,085</u>	<u>151,004</u>
Consulting expense:			
Engineering	501,897	-	501,897
Energy conservation	58,300	-	58,300
Accounting and financial services	71,698	8,741	62,957
	<u>631,895</u>	<u>8,741</u>	<u>623,154</u>
	\$ <u>1,888,832</u>	\$ <u>653,701</u>	\$ <u>1,235,131</u>