

BUFFO & BERKMAN

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May 15, 2003

INDEPENDENT AUDITORS' REPORT

Board of Directors
Delta Lake Irrigation District
Edcouch, Texas

We have audited the accompanying general purpose financial statements of the Delta Lake Irrigation District as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the Delta Lake Irrigation District at December 31, 2002, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Delta Lake Irrigation District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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statements of the Delta Lake Irrigation District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

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statements of the Delta Lake Irrigation District. Such information has been

DELTA LAKE
COMBINED BALANCE SHEET
DECEMBER 31,

Governmental Fund

<u>Assets</u>	<u>General</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 588,223
Receivables:	
Flat rate assessment	98,937
Advalorem tax	509,070
Other receivables	82,135
Due from other funds	
Inventories (at cost)	35,098
Prepaid insurance	16,757
Prepaid expenditures	
Pooled water	1,022
 <u>General fixed assets</u> (at cost) (Note D) (Page 12)	
 <u>Other debits:</u>	
Deposits	<u>487</u>
 Total assets	 <u>\$ 1,331,729</u>
 <u>Liabilities and Fund Equity</u>	
<u>Liabilities:</u>	
<u>Current liabilities</u>	
Accounts payable	\$ 76,730
Refundable deposits	87,893
Advance payments - 2003 flat rate	136,680
Deferred revenue	469,414
Due to other funds	<u>222,719</u>
Total liabilities	<u>\$ 993,436</u>
 <u>Fund equity</u>	
Investment in general fixed assets	
Fund balances	
Reserve for inventory	\$ 35,098
Reserve for prepaid insurance	16,757
Reserve for prepaid expenditures	
Reserve for pooled water purchases	1,022
Reserve for capital outlay	
Unreserved	
Undesignated	<u>285,416</u>
Total fund equity	<u>\$ 338,293</u>
 Total liabilities and fund balances	 <u>\$ 1,331,729</u>

The accompanying notes are an integral part of the financial statements.

IRRIGATION DISTRICT
- ALL FUND TYPES AND ACCOUNT GROUPS
2002

<u>Types</u>	<u>Account Groups</u>		<u>Totals Memorandum</u>	
	<u>General</u>	<u>Fixed</u>	<u>Only</u>	
<u>Capital</u>		<u>Assets</u>	<u>December 31,</u>	<u>December 31,</u>
<u>Projects</u>			<u>2002</u>	<u>2001</u>
\$ 526,962			\$ 1,115,185	\$ 1,006,642
			98,937	102,308
			509,070	484,273
			82,135	55,079
222,719			222,719	82,156
103,225			138,323	167,068
			16,757	27,484
				34,816
			1,022	3,560
	\$	27,932,343	27,932,343	27,898,611
			487	487
<u>\$ 852,906</u>	\$	<u>27,932,343</u>	<u>\$ 30,116,978</u>	<u>\$ 29,862,484</u>
			\$ 76,730	\$ 34,715
			87,893	95,400
			136,680	176,387
			469,414	463,114
			222,719	82,156
<u>\$ -0-</u>	\$	<u>-0-</u>	<u>\$ 993,436</u>	<u>\$ 851,772</u>
	\$	27,932,343	\$ 27,932,343	\$ 27,898,611
\$ 103,225			138,323	167,068
			16,757	27,484
				34,816
			1,022	100,000
749,681			749,681	376,246
			285,416	406,487
<u>\$ 852,906</u>	\$	<u>27,932,343</u>	<u>\$ 29,123,542</u>	<u>\$ 29,010,712</u>
<u>\$ 852,906</u>	\$	<u>27,932,343</u>	<u>\$ 30,116,978</u>	<u>\$ 29,862,484</u>

DELTA LAKE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
ALL GOVERNMENTAL
FOR THE YEAR ENDED

	<u>Governmental</u>
	<u>General</u>
<u>Revenues:</u>	
Water sales	\$ 1,145,163
Lease bonus and royalty income	
Flat rate	694,318
Tax revenue	454,026
Penalty and interest revenue	40,224
Texas water development board	9,083
Miscellaneous revenues	<u>95,952</u>
Total revenues	<u>\$ 2,438,766</u>
 <u>Expenditures:</u>	
Operating expenditures	\$ 2,313,111
Discounts	35,604
Capital outlay	
Total expenditures	<u>\$ 2,348,715</u>
 Excess of revenues over (under) expenditures	 \$ 90,051
 <u>Other sources and (uses):</u>	
Operating transfers in	
Operating transfers out	<u>(351,310)'</u>
 Excess of revenues and other sources over (under) expenditures and other uses	 \$ (261,259)
 Fund balances, January 1	 <u>599,552</u>
 Fund balances, December 31	 <u>\$ 338,293</u>

The accompanying notes are an integral part of the financial statements.

IRRIGATION DISTRICT
AND CHANGES IN FUND BALANCES
FUND TYPES
DECEMBER 31, 2002

	Memorandum Only	
	December 31, 2002	December 31, 2001
Capital Projects		
\$ 8,932	\$ 1,145,163	\$ 1,338,304
	8,932	6,071
	694,318	704,168
13,271	454,026	428,787
	53,495	95,868
	9,083	
<u>576</u>	<u>96,528</u>	<u>89,512</u>
<u>\$ 22,779</u>	<u>\$ 2,461,545</u>	<u>\$ 2,662,710</u>
	\$ 2,313,111	\$ 2,438,480
	35,604	41,319
<u>\$ 33,732</u>	<u>33,732</u>	<u>406,333</u>
<u>\$ 33,732</u>	<u>\$ 2,382,447</u>	<u>\$ 2,886,132</u>
\$(10,953)	\$ 79,098	\$(223,422)
351,310	351,310	311,270
	<u>(351,310)</u>	<u>(311,270)</u>
\$ 340,357	\$ 79,098	\$(223,422)
<u>512,549</u>	<u>1,112,101</u>	<u>1,335,523</u>
<u>\$ 852,906</u>	<u>\$ 1,191,199</u>	<u>\$ 1,112,101</u>

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DELTA LAKE IRRIGATION DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Water sales	\$1,665,033	\$1,145,163	\$(519,870)
Flat rate	700,840	694,318	(6,522)
Tax revenue	427,127	454,026	26,899
Penalty & interest revenue	60,000	40,224	(19,776)
Texas water development board		9,083	9,083
Miscellaneous revenues	<u>70,000</u>	<u>95,952</u>	<u>25,952</u>
Total revenues	<u>\$2,923,000</u>	<u>\$2,438,766</u>	<u>\$(484,234)</u>
<u>Expenditures:</u>			
Operating expenditures	\$2,349,973	\$2,313,111	\$ 36,862
Discounts	36,000	35,604	396
Capital outlay	<u>225,000</u>	<u> </u>	<u>225,000</u>
Total expenditures	<u>\$2,610,973</u>	<u>\$2,348,715</u>	<u>\$ 262,258</u>
Excess of revenues over (under) expenditures	\$ 312,027	\$ 90,051	\$(221,976)
<u>Other sources and (uses):</u>			
Operating transfers out	<u>(312,027)</u>	<u>(351,310)</u>	<u>(39,283)</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ -0-	\$(261,259)	\$(261,259)
Fund balances, January 1	<u>599,552</u>	<u>599,552</u>	<u>-0-</u>
Fund balances, December 31	<u>\$ 599,552</u>	<u>\$ 338,293</u>	<u>\$(261,259)</u>

The accompanying notes are an integral part of the financial statements.

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DELTA LAKE IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002

A. Creation of the District

Willacy County Water Control and Improvement District Number 1 was organized as a water control and improvement district in 1929 under the provisions of Chapter 51, Texas Water Code. One June 19, 1980 the District was converted into an irrigation district under the provisions of Chapter 58, Texas Water Code, and under Article XVI, Section 59 Texas Constitution.

B. Reporting Entity

The Board of Directors (Board), a five member group constituting an on-going entity, in the level of government which has governance responsibilities over all activities related to the Water District. The District receives funding from local sources. The District is not included in any other governmental "reporting entity" as defined in by Governmental Accounting Standards Board ("GASB") Statement No. 14, since the board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

C. Summary of Significant Accounting Policies

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements. The accounting policies conform to generally accepted accounting principles applicable to government.

1. Fund accounting

A. Governmental fund types include the following:

The General Fund. The District accounts for financial resources used for general operations in this fund. This is a budgeted fund, and any fund balances are considered as resources available for current operations.

The Capital Project Fund. The District accounts for advalorem tax revenues collected less cost of collection to be used for authorized capital outlay.

Notes to the Financial Statements
(Continued)

2. The District accounts for property and equipment and long-term liabilities of the government funds through the account groups -- the general fixed assets account group and the general long-term debt account group. Fixed assets are recorded at historical cost or estimated market value, if donated. No depreciation is recorded on general fixed assets. Interest incurred during construction is not capitalized on general fixed assets.
3. The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due. The District does consider ad valorem taxes and flat rate assessments as available if they are collected within 60 days after the year end.
4. The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.
5. Budgets are adopted on a basis consistent with generally accepted governmental accounting policies. An annual appropriated budget is adopted for the General Fund.
6. Total columns on the financial statements are indicated "Memorandum Only", as data in these columns do not present financial positions, results of operations, or changes in financial position in conformity with generally accepted accounting principles.
7. The District records purchases of supplies as expenditures. If any supplies are on hand at the end of the year, their total cost is recorded as inventory and the fund balance is reserved for the same amount.
8. Encumbrance Accounting - Under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized in the governmental funds of Delta Lake Irrigation District. Expenditures are recognized when the goods purchased are received or when services have been performed.

Notes to the Financial Statements
(Continued)

D. Changes in General Fixed Assets

	Balance <u>1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/02</u>
Land, right-of-way & easements	\$ 1,251,278			\$ 1,251,278
Structures, improvements & equipment	<u>26,647,333</u>	\$ <u>33,733</u>	<u> </u>	<u>26,681,066</u>
	<u>\$27,898,611</u>	<u>\$ 33,733</u>	<u>\$ -0-</u>	<u>\$27,932,344</u>

E. Taxes

Flat rate assessments are levied by January 1 and advalorem taxes are levied by October 1. Flat rate assessments are delinquent if not paid by January 31. Advalorem taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. Allowances for uncollectible flat rate and advalorem taxes have not been established by the District.

F. Deposits

The funds of the District must be deposited and invested under the terms of a depository contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At December 31, 2002, the carrying amount of the District's deposits (cash) was \$1,114,749 and the bank balance was \$1,031,360. The District's cash deposits at December 31, 2002, and during the year ended December 31, 2002, were entirely covered by FDIC insurance and by pledge collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a. Depository: Elsa State Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$1,428,330.
- c. The highest combined balances of cash amounted to \$1,484,411 and occurred during the month of May 2002.

Notes to the Financial Statements
(Continued)

F. Deposits (Continued)

- d. Total amount of FDIC coverage at the time of the largest combined balance was \$100,000.

The Public Funds Investment Act

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity dated for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U. S. Treasury, certain U. S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Both cash deposits and investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1 - Cash or investments that are insured, registered or held by the District or by its agent in the District's name.
- Category 2 - Cash or investments that are uninsured and unregistered held by the counterparty's trust department or agent in the District's name.
- Category 3 - Uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the District's name.

Based on these three levels of risk, all of the District's cash deposits and investments are classified as Category 1.

Notes to the Financial Statements
(Continued)

G. Interfund Receivables and Payables

Interfund balances at December 31, 2002, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
<u>General Fund:</u>		
Capital Projects Fund		<u>\$ 222,719</u>
<u>Capital Projects Fund:</u>		
General Fund	<u>\$ 222,719</u>	
	<u>\$ 222,719</u>	<u>\$ 222,719</u>

H. Health Coverage

During the year ended December 31, 2002, employees of the Delta Lake Irrigation District were covered by a health insurance plan (the plan). All premiums were paid to a licensed insurer.

The contract between the Delta Lake Irrigation District and the licensed insurer is renewable September 1, 2003, and terms of coverage and premium costs are included in the contract provisions.

I. Property, Plant and Equipment

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets group of accounts, rather than in governmental funds. Public domain (infrastructure) general fixed assets are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

J. Pension Coverage for District Employees

District employees do not participate in a public retirement system, but are covered by Social Security.

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DELTA LAKE IRRIGATION DISTRICT
 SCHEDULE OF CASH AND CASH EQUIVALENTS
 DECEMBER 31, 2002

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Memorandum Total</u>
<u>Cash:</u>			
Petty cash	\$ 436		\$ 436
Cash on deposit at Elsa State Bank:			
Checking accounts	<u>380,320</u>	<u>\$ 43,967</u>	<u>424,287</u>
Total cash	<u>\$ 380,756</u>	<u>\$ 43,967</u>	<u>\$ 424,723</u>
 <u>Cash Equivalents:</u>			
Money Market Accounts			
Elsa State Bank	<u>\$ 207,467</u>	<u>\$ 482,995</u>	<u>\$ 690,462</u>
Total cash equivalents	<u>\$ 207,467</u>	<u>\$ 482,995</u>	<u>\$ 690,462</u>
 Total cash and cash equivalents	 <u>\$ 588,223</u>	 <u>\$ 526,962</u>	 <u>\$1,115,185</u>

DELTA LAKE IRRIGATION DISTRICT
 SCHEDULE OF FLAT RATE ASSESSMENT RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2002

Flat rate assessment receivable			
January 1, 2002		\$ 102,308	
Adjustments		<u>(5,150)</u>	\$ 97,158
2002 assessment			<u>697,587</u>
Total to be accounted for			\$794,745
Less collections:			
	<u>Cash</u>	<u>Discount</u>	
Current year	\$642,009	\$ 30,042	
Prior years	<u>23,757</u>	<u>30,042</u>	
	<u>\$665,766</u>	<u>\$ 30,042</u>	<u>695,808</u>
Flat rate assessment receivable at end of year			<u>\$ 98,937</u>
Flat rate assessment receivable by years:			
2002			\$ 25,698
2001			15,765
2000			13,318
1999			9,875
1998 and prior			<u>34,281</u>
			<u>\$ 98,937</u>

DELTA LAKE IRRIGATION DISTRICT
 SCHEDULE OF ADVALOREM TAXES RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2002

Tax receivable			
January 1, 2002		\$ 484,273	
Adjustments		<u>(10,436)</u>	\$ 473,837
2002 tax levy			<u>472,644</u>
Total to be accounted for			\$ 946,481
Less collections	<u>Cash</u>	<u>Discount</u>	
Current year	\$252,634	\$ 5,562	
Prior years	<u>179,215</u>		
	<u>\$431,849</u>	<u>5,562</u>	<u>437,411</u>
Tax receivable at end of year			<u>\$ 509,070</u>
Taxes receivable by years			
2002			\$ 214,448
2001			50,065
2000			41,101
1999			30,354
1998 and prior			<u>173,102</u>
			<u>\$ 509,070</u>

DELTA LAKE IRRIGATION DISTRICT
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2002

	Balance
	<u>1-01-02</u>
Land and easements	\$ 1,251,278
Buildings	194,612
Irrigation system	11,450,765
Pumping plants and wells	2,182,621
Drainage system	8,610,265
Equipment and vehicles	1,586,670
Furniture and fixtures	1,347
Construction overhead	<u>2,621,053</u>
 Total	 <u>\$27,898,611</u>

<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>12-31-01</u>
		\$ 1,251,278
		194,612
\$ 33,732		11,484,497
		2,182,621
		8,610,265
		1,586,670
		1,347
		<u>2,621,053</u>
<u>\$ 33,732</u>	<u>\$ -0-</u>	<u>\$ 27,932,343</u>

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DELTA LAKE IRRIGATION DISTRICT
GENERAL FUND
SCHEDULE OF MISCELLANEOUS REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

	December 31 <u>2002</u>	December 31 <u>2001</u>
Miscellaneous revenues		
Delta Resort Inc.	\$ 25,411	\$ 25,411
Miscellaneous	<u>70,541</u>	<u>64,101</u>
	<u>\$ 95,952</u>	<u>\$ 89,512</u>

DELTA LAKE IRRIGATION DISTRICT
GENERAL FUND
SCHEDULE OF OPERATING EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

	December 31, <u>2002</u>	December 31 <u>2001</u>
Administrative expenditures:		
Election supplies		\$ 118
Legal notice publication	\$ 1,038	1,923
Repairs and maintenance	2,160	3,353
Salaries	183,291	177,738
Payroll taxes	84,013	79,959
Workmen compensation insurance	62,415	34,837
Hospitalization insurance	161,970	144,145
Legal fees	27,130	69,269
Insurance expenditures	33,074	32,188
Auditor's fee	5,800	5,800
Water rights assessment	35,315	40,437
Programming services	4,017	5,360
Materials and supplies	12,263	27,851
Telephone	13,144	11,953
Utilities	10,411	14,451
Auto allowance and travel	1,073	629
Dues and subscriptions	19,333	17,437
Appraisal expenditures	24,848	18,522
Engineering	21,658	
Radio	4,598	16,081
Miscellaneous	3,105	2,546
Total administrative expenditures	<u>\$ 710,656</u>	<u>\$ 704,597</u>
River pump expenditures:		
Operating labor	\$ 37,554	\$ 38,171
Materials and supplies	1,155	14,106
Electrical power	212,413	206,122
Total river pump expenditures	<u>\$ 251,122</u>	<u>\$ 258,399</u>
Relift pump expenditures:		
Operating labor	\$ 50,498	\$ 51,761
Diesel	30,607	39,590
Butane	1,186	4,425
Electrical power	227,615	235,562
Total relift pump expenditures	<u>\$ 309,906</u>	<u>\$ 331,338</u>
Water distribution salaries and expenditures	<u>\$ 297,297</u>	<u>\$ 324,815</u>
Water Meters	<u>\$ 23,861</u>	<u>\$ 10,862</u>

Delta Lake Irrigation District
 General Fund
 Schedule of Operating Expenditures
 For the Year Ended December 31, 2002 and December 31, 2001

	December 31, <u>2002</u>	December 31 <u>2001</u>
Repairs and maintenance:		
River pump		
Materials and supplies	\$ 5,245	\$ 1,094
Relift pumps		
Labor	6,176	4,562
Materials and supplies	62,456	75,505
Lakes and mains		
Labor	5,452	5,182
Materials and supplies	679	354
House and grounds		
Labor		249
Materials and supplies	7,732	22,930
Canals		
Labor	195,374	166,420
Materials and supplies	62,453	59,555
Pipelines		
Labor	85,787	104,470
Materials and supplies	47,434	48,683
Drain system		
Labor	40,857	49,762
Materials and supplies	281	
Total repairs and maintenance	<u>\$ 519,926</u>	<u>\$ 538,766</u>
Equipment expenditures:		
Parts and supplies	\$ 66,039	\$ 109,675
Diesel fuel	27,837	34,916
Total equipment expenditures	<u>\$ 93,876</u>	<u>\$ 144,591</u>
Auto and truck expenditures:		
Parts and supplies	\$ 15,696	\$ 21,362
Gasoline	14,759	13,463
Total auto and truck expenditures	<u>\$ 30,455</u>	<u>\$ 34,825</u>
Shop expenditures:		
Labor	\$ 61,396	\$ 69,321
Materials and supplies	5,855	10,006
Utilities	1,322	2,714
Total shop expenditures	<u>\$ 68,573</u>	<u>\$ 82,041</u>
Equipment lease	<u>\$ 1,736</u>	<u>\$ 1,600</u>
Uniforms	<u>\$ 5,703</u>	<u>\$ 6,646</u>
Total operating expenditures	<u>\$ 2,313,111</u>	<u>\$ 2,438,480</u>