FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

ENERGY WEST INC

CIK:**43350**| IRS No.: **810141785** | State of Incorp.:**MT** | Fiscal Year End: **0630**
Type: **10-Q** | Act: **34** | File No.: **000-14183** | Film No.: **96663908**
SIC: **4924** Natural gas distribution

Mailing Address
ENERGY WEST INC
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GREAT FALLS MT 59401

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THIS CONFORMING PAPER FORMAT DOCUMENT IS BEING SUBMITTED PURSUANT TO RULE 901(d) OF REGULATION S-T

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Quarterly Report under section 13 or 15(d)
of the Securities Exchange Act of 1934

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission File number 0-14183

ENERGY WEST INCORPORATED
(Exact name of registrant as specified in its charter)

Montana	81-0141785
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 First Avenue South, Great Falls, Mt.	59401
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (406)-791-7500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class Outstanding at September 30, 1996
(Common stock, $.15 par value) 2,346,478

ENERGY WEST INCORPORATED
INDEX TO FORM 10-Q

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
September 30, 1996

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ended June 30, 1997 due to seasonal factors affecting gas utility, construction and other operations. For further information, refer to the consolidated financial statements and footnotes thereto included in the Energy West Incorporated (the Company) annual report on Form 10-K for the year ended June 30, 1996.

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Note 2 - Earnings Per Common and Common Equivalent Share

Earnings per common share are computed based on the weighted average number of common shares issued and outstanding and common stock equivalents, if dilutive.

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Note 3 - Principle Accounting Policies

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (SFAS) No. 121, "Accounting for the Impairment of Long--Lived Assets and for Long-Lived Assets to be Disposed Of, " effective for financial statements for fiscal years beginning after December 15, 1995. SFAS No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and long-lived assets and certain identifiable intangibles to be disposed of be reported at the lower of carrying amount or fair value less cost to sell. SFAS No. 121 also established the procedures for review of recoverability, and measurement of impairment if necessary, of long-lived assets and certain identifiable intangibles to be held and used by an entity. The financial effect of adopting the new standard are not expected to be material to the Company's financial position or operations.

SFAS No. 123, Accounting for Stock-Based Compensation, was issued in October 1995. This standard addresses the timing and measurement of stock-based compensation expense. The Company has elected to retain the approach of Accounting Principles Board Opinion ("APB") No. 25, Accounting for Stock Issued to Employees (the intrinsic value method), for recognizing stock-based expense in the consolidated FINANCIAL STATEMENTS. The Company will adopt SFAS No. 123 in 1997 with respect to the disclosure requirements set forth therein for companies retaining the intrinsic value approach of APB No. 25.

****

Note 4 - Gain on Sale of Assets

On June 28, 1996, one of the Company's nonregulated subsidiaries sold real property, consisting of land and office and warehouse buildings, for $525,000 in cash. Concurrent with the sale, the Company leased the property back for a period of ten years at an annual rental of $51,975. The initial ten-year term of the lease is extended for two successive five-year periods unless the Company provides at least six months notice prior to the end of either the initial term or the first successive five-year term.

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Note 5 - Financial Instruments and Risk Management

During 1996, the Company was a party to gas financial swap agreements for its regulated operations. Under these agreements, the Company is required to pay the counterparty (an entity making a market in gas futures) a cash settlement equal to the excess of the stated index price over an agreed upon fixed price for gas purchases. The Company receives cash from the counterparty when the stated index price falls below the fixed price. These swap agreements are made to minimize exposure to gas price fluctuations. Any cash settlements or receipts are included in gas purchased. At June 30, 1996, the Company had one swap agreement in place to hedge 5,000 MMBTU of its daily gas purchases through October 31, 1996.

Beginning on September 1, 1996, the Company is a party to two gas swap agreements, for its nonregulated operations, to hedge 4,400 MMBTU of its daily gas purchases. This contract represents approximately 92% of the supply required for the Company's customers who have selected fixed price service. The hedges were made to minimize the Company's exposure to price fluctuations and to secure a known margin for the purchase and resale of gas in marketing activities.

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Note 6 - Income Taxes

Under the liability method prescribed by SFAS No. 109, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. At September 30, 1996, components of the Company's deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets:	
Allowance for doubtful accounts......................	$41,657
Unamortized Investment Tax Credit.....................	162,343
Contributions in Aid of Construction..................	116,906
Other nondeductible accruals.........................	189,269
Total deferred tax assets...................	$510,175
Deferred tax liabilities:	
Customer refunds payable.............................	$710,335
Property, Plant and Equipment........................	2,965,217
Unamortized Debt Issue Costs.........................	198,087
Covenant Not to Compete.............	87,980
Total deferred tax liabilities...................	3,961,619

Net deferred tax liability..........................$3,451,444

Income tax expense consists of the following:

Current income taxes (benefits):	
Federal...	($675,476)
State...	(102,583)
Total current income taxes(benefits)..................	(778,059)
Deferred income taxes (benefits):	
Excess tax depreciation...........................	72,057
Excess tax (book) amortization....................	(4,609)
Recoverable cost of gas purchases....................	311,080
Regulated Assets..................................	22,120
Other...	7,281
Total deferred income taxes............................	407,929
Investment tax credit, net.............................	(5,266)
Total income taxes (benefits).........................	($375,396)

Income tax expense from operations differs from the amount computed by applying the federal statutory rate to pre-tax income for the following reasons:

Tax expense (benefit) at statutory rates - 34%...........	($342,748)
State income taxes (benefit), net of federal income taxes..	(34,323)
Amortization of deferred investment tax credits............	(5,266)
Other..	6,941
Total income taxes (benefits)...	($375,396)

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Note 7 - Commitments and Contingencies

Commitments

The Company has entered into long-term, take or pay natural gas supply contracts which expire beginning in 1997 and ending in 2005. The contracts generally require the Company to purchase specified minimum volumes of natural gas at a fixed price which is subject to renegotiating every two years. Current prices per Mcf for these contracts range from $1.17 to $1.85. Based on current prices, the minimum take or pay obligation at September 30, 1996 for each of the next five years and in total is as follows:

Fiscal Year	
1997	$1,931,088
1998	1,320,018
1999	1,099,218
2000	832,018
2001	832,018
Thereafter	1,809,672

Total	$ 7,824,032

Natural gas purchases under these contracts for the years ended June 30, 1996, 1995 and 1994 approximated $5,520,000, $6,203,000, and $6,091,000, respectively.

On July 1, 1996, the Company entered into a take or pay propane contract which expires June 30, 1997. The contract generally requires the Company to purchase all propane quantities produced by a propane producer in Wyoming (approximately 182,500 gallons per month) tied to the Billings, Montana spot price.

Environmental Contingency

The Company owns property on which it operated a manufactured gas plant from 1909 to 1928. The site is currently used as a service center and to store certain equipment and materials and supplies. The coal gasification process utilized in the plant resulted in the production of certain by-products which have been classified by the federal government and the state of Montana as hazardous to the environment. After management became aware of the potential of contamination on this site, it initiated an assessment of the property through the assistance of a qualified consulting firm. That assessment revealed the presence of certain hazardous material in quantities exceeding tolerances established for such material by regulatory authorities. After making required notifications of that condition to federal and state regulatory authorities, a report summarizing the assessment was filed with the State of Montana Department of Health and Environmental Science ("MDHES"). Subsequent to that submittal a meeting was held with a representative of the MDHES wherein a process was agreed upon to arrive at appropriate remediation of the site. The costs incurred by the Company to date approximate $320,000 and have been capitalized as other deferred charges. Until further work is done regarding remediation alternatives, no further estimate of the costs of remediation can be made. However, management believes that regardless of the alternative selected, the costs incurred will not materially affect the Company's financial position.

The Company received formal approval from the Montana Public Service Commission to recover certain costs associated with the cleanup of this site. The Company has begun recovery of costs incurred at June 30, 1995 over two years through a surcharge in billing rates effective July 1, 1995. Management intends to request, that future costs be recovered over a similar time period. The total of recoveries collected through September 30, 1996 is $229,000.

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Note 8 - Operating Revenues and Expenses

Regulated utility and non-regulated non-utility operating revenues and expenses were as follows:

	Three Months Ended September 30	
	1996	1995
Operating Revenues:		
Regulated utilities	$2,877,380	$2,657,744
Non-regulated operations	1,042,755	672,412
Gas Trading	657,346	586,770
	$4,577,481	$3,916,926
Operating Expenses:		
Gas Purchased:		
Regulated	$1,429,943	$1,245,142
Non-regulated	684,020	307,689
Cost of gas trading	588,348	507,110
	$2,702,311	$2,059,941
Distribution, general and administrative:		
Regulated	$1,546,964	$1,455,661
Non-regulated	374,720	317,280
	$1,921,684	$1,772,941
Maintenance:		
Regulated	$77,961	$75,028
Non-regulated	23,490	15,885
	$101,451	$90,913
Depreciation and amortization:		
Regulated	$373,783	$333,322
Non-regulated	91,358	92,878
	$465,141	$426,200
Taxes other than income:		
Regulated	$120,346	$127,506
Non-regulated	25,617	38,064
	$145,963	$165,570
Income taxes (benefit):		
Regulated	($344,122)	($315,171)
Non-regulated	(31,274)	(1,932)
	($375,396)	($317,103)

FORM 10-Q
ENERGY WEST INCORPORATED

Item 2 - Management's Discussion and Analysis of Interim Financial Statements

The following discussion reflects results of operations of the Company and its consolidated subsidiaries for the periods indicated. The Company's utility operations are conducted through its Great Falls division, which includes Great Falls Gas Company, Cascade Gas Company and West Yellowstone Gas Company in Montana, its Cody division in Cody, Wyoming and the Broken Bow division in Payson, Arizona. The Company installed an underground natural gas system in the town of West Yellowstone, Montana, which became operational in the Spring of 1995.

The Company conducts certain non-utility operations through its three wholly-owned subsidiaries: Rocky Mountain Fuels, Inc. (RMF), a distributor of bulk propane in northwestern Wyoming, Cascade, Montana and the Payson, Arizona areas; Energy West Resources, Inc. (formerly Vesta, Inc.), which is engaged in oil and gas development and gas marketing in Montana and Wyoming, and Montana Sun, Inc., which owns one commercial property and one parcel of undeveloped land in Great Falls, Montana.

Liquidity and Capital Resources

The Company's operating capital needs, as well as dividend payments and capital expenditures, are generally funded through cash flow from operating activities, short-term borrowing and liquidation of temporary cash investments. Historically, to the extent cash flow has not been sufficient to fund capital expenditures, the Company has borrowed short-term. To the extend short-term borrowing is used to finance capital projects it is refinanced with long-term debt or equity when economically feasible.

The Company's short-term borrowing requirements vary according to the seasonal nature of its sales and expense activity. The Company has greater need for short-term borrowing during periods when financing of customer accounts receivable and capital expenditures. In general, the Company's short-term borrowing needs for purchases of gas inventory and capital expenditures are greatest during the summer. This past fiscal year and during this first quarter of Fiscal 1997, the Company used short-term borrowing for construction of the natural gas system in West Yellowstone, Montana and expansion of its natural gas systems in Great Falls, Montana, Cody, Wyoming and Payson, Arizona as well as increasing its natural gas and propane inventory. Short-term borrowing utilized for construction or property acquisitions generally are replaced by permanent financing when it becomes economical and practical to do so. At September 30, 1996, the Company had an $11,000,000 bank line of credit, of which $9,360,000 had been borrowed.

The Company used net cash in operating activities for the three months ended September 30, 1996 in the amount of $1,684,651 as compared to $3,122,229 for the three months ended September 30, 1995. This decrease in cash used in operating activities was primarily due to lower working capital requirements of approximately $1,400,000, primarily due to lower incentives paid out this year, lower income tax deposits required this year, lower working capital requirements for West Yellowstone expansion and lower payments to employee benefit plans and materials and supplies, partially offset by an increase in utility unrecovered gas costs due to higher than anticipated gas commodity prices since the last filing and a higher net loss than one year ago. Cash used in investing activities was approximately $928,000 for the three months ended September 30, 1996, as compared to approximately $1,348,000 for the three months ended September 30, 1995, primarily due to lower construction expenditures for capital projects.. Cash provided by financing activities was approximately $1,796,000 for the three months ended September 30, 1996, as compared to approximately $4,174,000 for the three months ended September 30, 1995. The decrease in cash provided by financing activities resulted primarily from a decrease in short-term borrowing of approximately $1,000,000 and an increase in the repayment of short-term debt of approximately $1,300,000.

Capital expenditures of the Company are primarily for expansion and improvement of its gas utility properties. To a lesser extent, funds are also expended to meet the equipment needs of the ompany's operating subsidiaries and to meet the Company's administrative needs. The Company's capital expenditures, excluding RMF's expenditures for the acquisition of propane operations, were approximately $4.6 million in fiscal 1996 and approximately $4.7 million for fiscal 1995. During fiscal 1996, approximately $1.3 million has been expended for the construction of the natural gas system in West Yellowstone, Montana and approximately $1 million had been expended for gas system expansion projects for new subdivisions in the Broken Bow division's service area and approximately $350,000 for additions to the office and the east storage site of Petrogas in Payson, Arizona. Capital expenditures are expected to be approximately $3.6 million in fiscal 1997, including approximately $1.4 million for continued expansion in the Broken Bow division, with the balance for maintenance and other system expansion projects in the Great Falls and Cody divisions. As of September 30, 1996, approximately $820,000 of that amount had been expended.

Results of Consolidated Operations

Comparison of First Quarter of Fiscal 1996 Ended September 30, 1996 and Fiscal 1995 Ended September 30, 1995

The Company's net loss for the first quarter ended September 30, 1996 was ($636,811) compared to ($467,136) for the quarter ended September 30, 1995.

The increase in the 1997 net loss was primarily due to an increase in short-term interest costs and depreciation costs, due to capital additions and an increase in distribution, general, administrative and maintenance expenses, due to inflation and less salaries being capitalized to major projects than was the case one year ago.

Utility Operations -

Utility operating revenues in the first quarter of fiscal 1997 were approximately $2,877,000 compared to $2,658,000 for the first quarter of fiscal 1996. Gross Margin, which is defined as operating revenues less gas purchased, was approximately $1,447,000 for the first quarter of fiscal 1997 compared to gross margin of approximately $1,412,000 for the first quarter of fiscal 1996. Gross margins increased 2% because of higher margins from natural gas sales in the Cody division due to customer growth resulting in increased natural gas sales as well as increased margins in West Yellowstone due to customer growth.

Overall revenues in the first quarter of fiscal 1997 was higher than revenues in the first quarter of fiscal 1996, due to customer growth in Montana, Wyoming and Arizona .

Operating Expenses -

Utility operating expenses, exclusive of the cost of gas purchased and federal and state income taxes, were approximately $1,625,000 for the first quarter of fiscal 1997 as compared to $1,531,000 for the same period in fiscal 1996. The 6% increase in the period is generally due to normal inflationary trends.

Interest Charges -

Interest charges allocable to the Company's utility divisions were approximately $324,000 for the first quarter of fiscal 1997, as compared to $225,000 in the comparable period in fiscal 1996. Long term debt interest decreased , however, short term interest increased primarily due to facility expansion, which has been temporarily financed with short term debt.

Income Taxes -
The state and federal income tax benefit of the Company's utility divisions were approximately($344,000) for the first quarter of fiscal 1997, as compared to approximately ($315,000) for the same period in fiscal 1996. The increase in the income tax benefit was due to a higher pre-tax loss of the utility divisions.

Non-Regulated Operations -

Rocky Mountain Fuels -

For the three months ended September 30, 1996, RMF generated a net loss of approximately ($91,000) compared to a net loss of approximately($63,000) for the three months ended September 30, 1995. Approximately $48,000 of RMF's net loss for the first quarter of fiscal 1997 was attributable to the Wyo L-P Gas division in Wyoming, approximately $26,000 to the Petrogas division in Arizona, with the balance of approximately $16,000 attributable to Missouri River Propane in Montana. RMF's gross margins remained relatively the same for the three months ended September 30, 1996 compared to the same period last year however RMF experienced higher operating expenses, due to normal inflationary trends experienced and increased use of staff, due to customer growth, as well as higher short-term interest costs due to expansion of plant in Montana and Wyoming, financed by short-term debt.

Energy West Resources, Inc. - (formerly Vesta, Inc.) -

For the three months ended September 30, 1996, Energy West Resources, Inc.'s net income was approximately $26,000 compared to $29,000 for the three months ended September 30, 1995, primarily due to lower interest income.

Montana Sun, Inc. -

For the three months ended September 30, 1996, Montana Sun, Inc.'s net income was approximately $10,000 compared to $10,000 for the three months ended September 30, 1995,

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FORM 10-Q

Part II - Other Information

Item 1. Legal Proceedings - Not Applicable

Item 2. Changes in Securities - Not Applicable

Item 3. Defaults upon Senior Securities - Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders - Not Applicable

Item 5. Other Information - Not Applicable

Item 6. Exhibits and Reports on Form 8-K

A. There are no exhibits to this report.

B. No reports on Form 8-K have been filed during the quarter ended September 30, 1996.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

/s/Larry D. Geske

____
(Larry D. Geske, President and
Chief Executive Officer

Dated November 13, 1996

/s/ William J. Quast
____
(William J. Quast, Vice-President, Treasurer,
Controller and Assistant Secretary

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I. FINANCIAL INFORMATION
Item 1. Financial Statements

FORM 10Q
ENERGY WEST INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS

<TABLE>
<CAPTION>

<S>	September 30 1996 <C>	June 30 1996 <C>
Current Assets:		
Cash	$76,783	$893,301
Restricted Deposit with Trustee	-	-
Accounts Receivable (net)	3,290,953	3,486,328
Natural Gas and Propane Inventory	2,890,416	2,200,778
Materials and Supplies	578,872	543,316
Prepayments and other	823,831	602,427
Refundable Income Tax Payments	738,548	412,662
Recoverable Cost of Gas Purchases	1,756,544	953,392
Deferred income taxes - current	189,723	-
Total Current Assets	10,345,668	9,092,204
Investments	-	12,476
Notes Receivable Due After One Year	8,494	9,190
Property, Plant and Equipment-Net	26,558,074	26,089,830
Deferred Charges	2,871,886	2,290,973
Total Assets	$39,784,121	$37,494,673
CAPITALIZATION AND LIABILITIES		
Capitalization and liabilities:		
Current Liabilities:		
Note payable to bank	$9,360,000	$7,175,000
Long-term debt due within one year	360,743	348,044
Accounts Payable - Gas Purchases	1,226,981	1,226,508
Other Current and Accrued Liabilities	2,536,817	2,338,011
Total Current Liabilities	13,484,541	11,087,563

Deferred Credits	5,739,247	4,821,148
Long-term obligations	9,690,714	10,045,714
Stockholders' Equity		
Preferred Stock	$0	$0
Common Stock (2,346,47andNDres were 2,321,314 shares were outstanding at September 30, 1996 and June 30, 1996 respectively)	351,973	348,198
Capital in Excess of Par Value	2,843,250	2,635,540
Retained Earnings	7,674,397	8,556,510
To Stockholder's Equity	10,869,620	11,540,248
Total Capitalization and Liabilities	$39,784,121	$37,494,673

</TABLE>

The accompanying notes are an integral part of these condensed financial statements.

FORM 10Q
ENERGY WEST INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
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	Three Months and Year-To-Date September 30	
	1996	1995
<S>		
Operating revenue:	<C>	<C>
Regulated utilities	$2,877,380	$2,657,744
Nonregulated operations	1,042,755	672,412
Gas trading	657,346	586,770
Total Revenue	4,577,481	3,916,926
Operating Expenses		
Gas Purchased	2,113,963	1,552,831
Cost of gas trading	588,348	507,110
Distribution, general and administrative	1,921,684	1,772,941
Maintenance	101,451	90,913
Depreciation and Amortization	465,141	426,200
Other Taxes	145,963	165,570
Total Operating Expenses	5,336,550	4,515,565

Operating Loss	-759,069	-598,639
Other Income (Loss) - Net	85,495	66,223
Loss before interest charges and income tax benefit	-673,574	-532,416
Interest Charges:		
Long-Term Debt	172,703	175,991
Other	165,930	75,833
Total Interest Charges	338,633	251,824
Loss before income tax benefit	-1,012,207	-784,240
Provisio for Income tax benefit	-375,396	-317,103
Net Loss	-$636,811	-$467,137
Loss Per Share of Common and Common Equivalent Stock:		
Loss per share	-$0.27	-$0.21
Dividends per common share	$0.1050	$0.1000
Weighted Average Common Shares Outstanding	2,335,652	2,265,050

</TABLE>

The accompanying notes are an integral part of these condensed financial statements.

FORM 10Q
ENERGY WEST INCORPORATED
Condensed Consolidated Statements of Cash Flows

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<S>	Three Months Ended September 30 1996 <C>	1995 <C>
Operating Activities:		
Net Loss	-$636,812	-$467,137
Adjustment to Reconcile Net Loss to Cash Flows:		
Depreciation and Amortization	550,340	522,920
(Gain) Loss on Sale of Property, Plant & Equipment	232	0
Investment Tax Credit - Net	-5,266	-5,266
Deferred Income Taxes - Net	401,975	246,159
Change in Operating Assets and Liabilities		
Accounts Receivable	195,375	165,452
Gas Inventory	-689,638	-712,463

Accounts Payable	-24,389	-582,855
Recoverable Cost of Gas Purchases	-803,152	-618,202
Prepaids	-221,404	-365,430
Other Assets and Liabilities	-451,913	-1,305,407
Net Cash Provided by (Used In) Operating Activities	-1,684,652	-3,122,229
Investing Activities:		
Construction Expenditures	-960,718	-1,369,714
Collection of Long-Term Notes Receivable	696	696
Proceeds from Contributions in Aid of Construction	30,160	20,609
Proceeds from Sale of Property, Plant & Equipment	1,811	0
Net Cash Provided by (Used In) Investing Activities	-928,051	-1,348,409
Financing Activities:		
Proceeds from Notes Payable	5,085,000	6,165,000
Repayment of Long-Term Debt	-355,000	-335,641
Repayment of Short-Term Borrowings	-2,900,000	-1,635,000
Proceeds from Sale of Common Stock	124,492	127,117
Dividends on Common Stock	-158,308	-147,786
Net Cash Provided by (Used In) Financing Activities	1,796,184	4,173,690
Net Increase (Decrease) in Cash and Cash Equivalent	-816,519	-296,948
Cash and Cash Equivalents at Beginning of Year	893,301	507,450
Cash and Cash Equivalents at End of Period	$76,782	$210,502

</TABLE>

The accompanying notes are an integral part of these condensed financial statements.

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<EPS-PRIMARY>	(0.27)
<EPS-DILUTED>	0

</TABLE>