

AUDIT REPORT

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA

DECEMBER 31, 2011



KERSHAW CPA & ASSOCIATES, PC

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VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
DECEMBER 31, 2011

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VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
DECEMBER 31, 2011

BOARD OF DIRECTORS

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRATION</u>
DENNIS HENSON HC 63, BOX 142H EUFAULA, OK 74432	CHAIRMAN	FEB 2012
DARRELL BLACKMAN HC 63, BOX 120 EUFAULA, OK 74432	VICE-CHAIRMAN	FEB 2014
BILL GLICK HC 63, BOX 285 EUFAULA, OK 74432	SECRETARY	FEB 2013
LARRY NEWPORT HC 64, BOX 5383 EUFAULA, OK 74432	MEMBER	FEB 2013
STEVE DAWSON HC 63, BOX 125 EUFAULA, OK 74432	MEMBER	FEB 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vivian Rural Water District #6,
McIntosh County, Oklahoma

I have audited the accompanying financial statements of the Vivian Rural Water District #6, McIntosh County, as of and for the fiscal year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Vivian Rural Water District #6, McIntosh County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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, and in accordance with Oklahoma Statutes. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vivian Rural Water District #6, McIntosh County, Oklahoma, as of December 31, 2011, and the changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated February 6, 2012, on my consideration of the Vivian Rural Water District #6, McIntosh County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with Government Auditing Standards and should be considered in assessing the results of my audit.

Vivian Rural Water District #6, McIntosh County has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34. However the District has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) that the GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The introductory and the other supplementary information sections listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. Such additional information has not

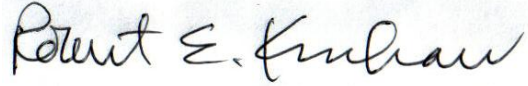
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been subjected to the auditing procedures applied in my audit of the basic financial statements, and accordingly, I do not express an opinion thereon.



Robert E. Kershaw
Certified Public Accountant

February 6, 2012

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
 MCINTOSH COUNTY, OKLAHOMA
 STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

	2011	Memorandum Only 2010
<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	\$ 352,315	\$ 331,932
Accounts Receivable, Net of Allowance for Doubtful Accounts	20,341	19,113
Accrued Interest Receivable	27	329
Notes Receivable (Note 1)	2,624	1,784
Prepaid Insurance	6,318	6,066
Total Current Assets	381,625	359,224
<u>CAPITAL ASSETS:</u>		
Net of accumulated depreciation in the amount of \$810,876 and \$779,788, respectively	214,167	224,455
TOTAL ASSETS	595,792	583,678
<u>LIABILITIES & NET ASSETS</u>		
<u>CURRENT LIABILITIES:</u>		
Accounts Payable	15,392	9,084
Payroll & Taxes Payable	2,971	2,969
Construction Deposits	-	-
Total Current Liabilities	18,363	12,052
LONG-TERM LIABILITIES	-	-
TOTAL LIABILITIES	18,363	12,052
<u>NET ASSETS:</u>		
Invested in capital assets, net of related debt	214,167	224,455
Restricted for debt service	-	-
Unrestricted	363,261	347,171
TOTAL NET ASSETS	\$ 577,428	\$ 571,626

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>Memorandum Only 2010</u>
<u>OPERATING REVENUES:</u>		
Water Sales, Net of Adjustments	\$ 297,308	\$ 289,727
Benefit Units	7,000	5,500
Other User Charges	9,245	9,726
Gain on Conversion/Sale of Assets	-	-
Insurance Proceeds	-	-
Transfer Fees	625	550
Returned Checks	-	-
Miscellaneous Operating Income	<u>1,076</u>	<u>571</u>
TOTAL OPERATING REVENUES	<u>315,254</u>	<u>306,074</u>
<u>OPERATING EXPENSES:</u>		
Water Purchased	12,299	11,730
Salaries and Payroll Taxes	51,127	69,137
Vehicle and Travel Expense	15,867	12,338
Accounting	44,040	35,629
Utilities	19,466	18,965
Operating Supplies	48,460	40,476
Repairs & Maintenance	53,679	24,521
Professional Fees	-	-
Insurance and Bonds	11,741	10,891
Administrative Expense	12,526	17,841
Rents	5,375	5,375
Miscellaneous Expenses	33	33
Bad Debts	4,867	1,743
Depreciation	<u>31,088</u>	<u>27,979</u>
TOTAL OPERATING EXPENSES	<u>310,567</u>	<u>276,658</u>
INCOME FROM OPERATIONS	4,687	29,416
<u>NON-OPERATING INCOME:</u>		
Interest Income	<u>1,115</u>	<u>2,191</u>
NET INCOME (LOSS)	5,802	31,607
TOTAL NET ASSETS, Beginning of Year	571,626	540,019
TOTAL NET ASSETS, Prior Year Adjustment	<u>-</u>	<u>-</u>
TOTAL NET ASSETS, End of Year	<u>\$ 577,428</u>	<u>\$ 571,626</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>	<u>Memorandum Only 2010</u>
<u>Net Cash Flows from Operating Activities:</u>		
Cash Receipts from Customers	\$ 313,186	\$ 307,955
Payments to Suppliers for Goods & Services	(222,294)	(189,647)
Payments to Employees & Laborers	(51,127)	(69,137)
Receipts of Customer Utility Deposits, Net of Refunds	-	-
Net Cash Provided (Used) by Operating Activities	<u>39,766</u>	<u>49,172</u>
<u>Net Cash Flows from Capital & Related Financing Activities:</u>		
Additions to Capital Assets	(20,800)	(28,835)
Conversion or Sale of Fixed Assets	-	-
Gain on Conversion/Sale of Fixed Assets	-	-
Principal paid on Debt	-	-
Interest paid on Debt	-	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(20,800)</u>	<u>(28,835)</u>
<u>Net Cash Flows from Investing Activities:</u>		
Interest Income	1,417	2,353
Net Cash Provided (Used) by Investing Activities	<u>1,417</u>	<u>2,353</u>
Net Increase (Decrease) in Cash and Cash Equivalents	20,383	22,690
Cash & Cash Equivalents, Beginning of Year	331,932	309,243
Cash & Cash Equivalents, Prior Year Adjustment	-	-
Cash & Cash Equivalents, End of Year	<u>\$ 352,315</u>	<u>\$ 331,932</u>
<u>Reconciliation of operating income (loss) to net cash provided</u>		
<u>operating activities:</u>		
Operating Income (Loss)	\$ 4,687	\$ 29,416
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	31,088	27,979
(Increase)Decrease in Accounts Receivable	(1,228)	2,839
(Increase)Decrease in Note Receivable	(840)	(957)
(Increase)Decrease in Prepaid Insurance	(253)	(901)
Increase(Decrease) in Accounts Payable	6,309	(7,470)
Increase(Decrease) in Payroll Taxes Payable	2	(1,734)
Increase(Decrease) in Customer Construction Deposits	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 39,766</u>	<u>\$ 49,172</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Vivian Rural Water District #6 (McIntosh County) was organized under the laws of the State of Oklahoma, in accordance with Title 82 of the Oklahoma Statutes. The District operates and maintains water treatment and distribution systems within McIntosh County, for the use and benefit of members of the District.

Enterprise Fund Accounting

The accompanying financial statements reflect the District's financial condition, results of operations and cash flows within the framework of "enterprise fund" accounting. As defined, enterprise funds are established to account for the financing of self supporting activities of governmental units which render services on a user charge basis to the general public.

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 in accordance with generally accepted accounting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Data

The District does not prepare an annual budget.

Assets, Liabilities, & Equity

Cash and Cash Equivalents

Cash is comprised of deposits in demand accounts and certificate of deposit accounts. At December 31, 2011, all deposits were fully insured by FDIC.

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Capital Assets

Capital assets are valued at cost, and depreciation is computed using the straight-line method. The estimated useful life of these assets is detailed as follows:

	<u>Life</u>
Building	40 Years
Water System	10-20 Years
Equipment	3-5 Years
Office Equipment	5 Years
Storage Trailer	5 Years

Capitalization Policy

Purchases of capital items in excess of \$350.00 that increase the capacity or operation efficiency or extend the useful life of any asset are capitalized. Repairs and maintenance are expensed as incurred.

Inventory

The District does not maintain inventory records of parts or supplies, but charges these purchases to maintenance or supplies as they are received.

Notes Receivable

For the year ended December 31, 2011, the District has a few note receivables from miscellaneous customers. These receivables are for miscellaneous charges including large bills due to water leaks and payments for membership fees. The District agreed to transfer the balance due to a note receivable so that the customers would not incur late charges.

Long-Term Debt

Long-term debt is reported at face value, net of applicable discounts and deferred loss on refunding. Costs related to the issuance of debt are deferred and amortized over the lives of various debt issues.

Equity Classification

Equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds,

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

- mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net assets—Consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
 3. Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Revenues, expenditures & expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

Governmental Accounting Standards Board Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

1. For the first time the financial statement should include:
 - a. A Management Discussion and Analysis (MD&A) section providing analysis of the District’s overall financial position and results of operations. However, the District has chosen not to present the required MD&A for the current year.
 - b. Financial statements prepared using full accrual accounting for all of the District’s activities, except for including the General capital assets or infrastructure (lines, pump stations, etc.).
2. A change in the fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements). The District has elected to implement the general provisions of the Statement and report infrastructure acquired after December 31, 2003 as provided by GASB standards.

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Income Tax

As a political subdivision of the State of Oklahoma, the District is exempt from income taxes.

Memorandum Totals

The "memorandum only" captions above the total columns mean that totals are presented for overview information purposes only.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

As a local government unit, the District is subject to various federal, state, and local laws and contractual regulations. In accordance with Government Auditing Standards, the auditor has issued a report on his consideration of the District's internal control over financial reporting and tested its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in compliance with Government Auditing Standards and should be read in conjunction with this report in considering the results of the audit.

Finance-related Legal & Contractual Provisions

The District does not have any loans which would require reserve accounts or budget preparation.

Deficit Fund Balance or Retained Earnings

As indicated in the financial statements, there are no fund balance or retained earnings deficits for the District for this fiscal year.

NOTE 3 - CASH AND INVESTMENTS

Custodial Credit Risk

At December 31, 2011, the District held deposits of approximately \$352,315 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the District or by its agent in the District's name.

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
 MCINTOSH COUNTY, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011

Investment Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The District has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

NOTE 4 - CAPITAL ASSETS

Capital asset activity, for the fiscal year ended December 31, 2011, was as follows:

	Balance at Dec. 31, 2010	Additions	Deductions	Balance at Dec. 31, 2011
Land	\$ 11,563	\$ -	\$ -	\$ 11,563
Water System	778,175	20,800	-	798,975
Office Equipment	1,488	-	-	1,488
Storage Trailer	1,527	-	-	1,527
Buildings	55,276	-	-	55,276
Operating Equipment	156,213	-	-	156,213
Subtotal	1,004,243	20,800	-	1,025,043
Less: Accum. Depr.	(779,788)	(31,088)	-	(810,876)
Total Capital Assets (Net of Depreciation)	\$ 224,455	\$ (10,288)	\$ -	\$ 214,167

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
 MCINTOSH COUNTY, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2011

The District installed 6,150 feet of 4-inch water line on Mill Creek Road.

NOTE 5 - LONG-TERM DEBT

As of December 31, 2011, the District has no long-term debt.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2011:

	Balance at December 31, 2010	Additions	Deductions	Balance at December 31, 2011
Long-Term Liabilities	\$ -	\$ -	\$ -	\$ -
Total Long-Term Debt	\$ -	\$ -	\$ -	\$ -

NOTE 6 - FUND EQUITY

As described in Note 1 above, equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt
2. Restricted net assets
3. Unrestricted net assets

The District currently has no restricted net assets.

NOTE 7 - CONTINGENCIES

Litigation

According to management there were no known contingent liabilities at December 31, 2010, which would have a material effect on the financial statements.

Federally Assisted Programs

In the normal course of operations, the District participates in various federal or state/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 8 - GROUNDWATER RIGHTS

The District has three groundwater lease and dedication agreements with Ross and Wanda Neal. The first is for an 80-acre tract of land for a term of 99 years from the 7th day of April 1982. The second is for an 80-acre tract of land for a term of 83 years from the 7th day of November 1998. The third is for a 30-acre tract of land for a term of 82 years from the 7th day of November 2000. The price of these leases is \$500 per 40 acres per year due November 7th of each year. The District agreed to pay 20 cents for every 1,000 gallons of water pumped. The beginning date of the metering and purchase by the District at 20 cents per thousand gallons is March 6, 2001.

The District has a groundwater lease and dedication agreement with Bessie Lara, (now her successor, Donna Lane). The lease is for a 40-acre tract of land for a term of 87 years from the 7th day of November 1994. The price of the lease is \$500 per year due November 7th of each year.

The District has three groundwater lease and dedication agreements with The Eugene Chandler Trust. The leases are for 3 separate tracts of land for a term of 100 years from the 16th day of February 2007 for the first two leases and from the 16th day of February 2009 for the third lease. The price of each of the leases is \$250 per year all due the 16th of February each year. The District agreed to pay 20 cents for every 1,000 gallons of water pumps. The beginning date of the metering and purchase by the District at 20 cents per thousand gallons is to be determined between the parties.

The District has a groundwater lease and dedication agreement with E.H. George and Deborah Kay George. The lease is for a 274-acre tract of land for a term of 100 years from the 2nd day of November 2010. The price of the lease is \$1,750 per year due November 2nd of each year. The District agreed to pay 20 cents for every 1,000 gallons of water pumps. The beginning date of the metering and purchase by the District at 20 cents per thousand gallons is to be determined between the parties.

NOTE 9 - ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Accumulated unpaid vacation and sick leave benefits have not been shown as a liability in the financial statements. The District's position is that any accrued benefits are not significant and would not materially affect the financial statements.

NOTE 10 - SUBSEQUENT EVENTS

The District did not have any subsequent events through February 6, 2012, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending December 31, 2011.

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

To the Board of Directors
Vivian Rural Water District #6,
McIntosh County, Oklahoma

I have audited the financial statements of the Vivian Rural Water District #6, McIntosh County, as of December 31, 2011, and have issued my report thereon dated February 6, 2012. The Vivian Rural Water District #6, McIntosh County, has implemented the general provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, except that the District did not present the required MD&A. I conducted my audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and in accordance with Oklahoma Statutes.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Vivian Rural Water District #6 internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vivian Rural Water District #6's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Vivian Rural Water District #6's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness, as defined above.

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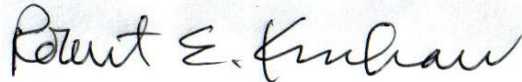
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vivian Rural Water District #6, McIntosh County's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors and management of the Vivian Rural Water District #6, McIntosh County, Oklahoma and is not intended to be and should not be used by anyone other than these specified parties.



Robert E. Kershaw, CPA

February 6, 2012

VIVIAN RURAL WATER DISTRICT #6 (MCINTOSH CO.)
MCINTOSH COUNTY, OKLAHOMA
SCHEDULE OF WATER RATES AND CUSTOMERS
DECEMBER 31, 2011

Water Rates

0 - 1,000 gallons	=	\$17.00 Minimum Bill
1,001-5,000 gallons	=	\$4.00 per 1,000 gallons
Over 5,000 gallons	=	\$4.25 per 1,000 gallons

Total Gallons Purchased 61,747,900

Total Gallons Sold 41,917,750

Percentage of Loss 32.11%

Customers

The Vivian Rural Water District #6 had 775 customers at the close of this fiscal year.

Current membership/tap fee \$500 per membership sign-up.

Membership Transfer fee \$25