

**RURAL WATER, SEWER & SOLID WASTE
MANAGEMENT DISTRICT #3**

ROGER MILLS COUNTY, OKLAHOMA

ACCOUNTANT'S REPORT

YEAR ENDED

DECEMBER 31, 2018

*WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA*

**RURAL WATER, SEWER & SOLID WASTE MANAGEMENT DISTRICT #3
ROGER MILLS COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Krystal Parkhurst
Audrey Kinnaman
Jennifer Martinez

Chair
Vice-Chair
Member

Kelly Bowles

Clerk

CONTENTS

Exhibit

Board and Officers

Contents

Accountant's report

Town:

Summary of Changes in Fund Balances-Cash Basis

A

Statement of Revenues, Expenses and
Changes in Fund Balance-Cash Basis

B

Schedule of Grant Activity

C

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

121 S. NOBLE AVE. – P. O. BOX 181
PHONE 580-623-5071

WATONGA, OKLAHOMA 73772
FAX 580-623-5072

WGAUER@GAUERCPA.MYGBIZ.COM

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT’S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant’s Report

To the Specified Users of the Report:

Rural Water, Sewer & Solid Waste Management District #3
Roger Mills County
Reydon, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Applying Agreed-Upon Procedures

I have performed the procedures enumerated below which were agreed to by the specified users of the report as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Rural Water, Sewer & Solid Waste Management District #3, Roger Mills County, in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the year ended December 31, 2018. Management of the Rural Water, Sewer & Solid Waste Management District #3 are responsible for the District’s financial accountability and its compliance with those legal and contractual requirements This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Rural Water, Sewer & Solid Waste Management District #3** as of and for the year ended December 31, 2018:

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Rural Water, Sewer & Solid Waste Management District, #3
Page

1. Procedures Performed: From the District's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted

2.Procedures Performed: From the District's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit B) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance were noted

3. Procedures Performed: We agreed the District's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance were noted

4.Procedures Performed: We compared the District's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted

5. Procedures Performed: We compared the District's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted

6. Procedures Performed: We compared the accounting for the District's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted

7. Procedures Performed: We compared the District's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Rural Water, Sewer & Solid Waste Management District, #3
Page


As to the **Rural Water, Sewer & Solid Waste Management District's Grant Programs**, as of and for the year ended December 31, 2018:

1. Procedures Performed: From the District's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit C) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No Activity Noted

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance and an opinion on the related financial statements and schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This Report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



Watonga, OK 73772
July 31, 2019

Exhibit A
Rural Water, Sewwer & Solidic Waste Management District No. 3
Summary of Changes in Fund Balances--Cash Basis
For the Year Ended December 31, 2018

	Beginning of Year <u>Fund Balances</u>	<u>Additions</u>	<u>Deletions</u>	End of Year <u>Fund Balances</u>
District:				
Operating Fund				
Checking	\$ 10,439	58,727	\$ 53,724	15,442
Savings	135	1	-	136
	<u>10,574</u>	<u>58,728</u>	<u>53,724</u>	<u>15,578</u>
Utility Deposits:				
Customer	8,633	913	455	9,091
USDA Reserve Accounts:				
Savings 8746	10,219	34	1,969	8,284
Savings 7477	14,591	41	5,250	9,382
	<u>24,810</u>	<u>76</u>	<u>7,219</u>	<u>17,667</u>
Grant Account:				
OWRB	1	-	-	1
	<u>\$ 44,019</u>	<u>\$ 59,716</u>	<u>\$ 61,398</u>	<u>\$ 42,337</u>
 <i>Informational Purposes Only:</i>				
USDA Loan Activity				
USDA Loan 92-03	\$ 7,191	\$ 99	7,281	-
USDA Loan 93-02	8,503	396	2,013	6,886
	<u>\$ 15,695</u>	<u>\$ 494</u>	<u>\$ 9,294</u>	<u>\$ 6,886</u>
District Capital Assets:				
Plant & Equipment	\$ 852,162	\$ -	\$ -	\$ 852,162
Accumulated Depreciation	(645,189)	-	-	(645,189)
	<u>\$ 206,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,973</u>

Exhibit B
Rural Water, Sewwer & Solidic Waste Management District No. 3
Schedule of revenues, expenses and changes in net position-cash basis
For the Year Ended December 31, 2018

Revenues	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Water Revenue	\$ -	\$ -	\$ 29,464	(29,464)
Sewer Revenue	-	-	18,960	(18,960)
Miscellaneous	-	-	3,085	(3,085)
Total revenues	50,000	50,000	51,509	1,509
Expenditures				
Utility Authority:				
Personnell Service	22,000	22,000	20,840	1,160
Maintenance & Operation:				
Utilities	3,750	3,750	3,651	99
Gasoline, Oil, and Fuel	-	-	-	-
Repairs & Maintenance	3,750	3,750	6,712	(2,962)
Supplies	4,500	4,500	4,352	148
Office Supplies	250	250	258	(8)
OWRB Dues	100	100	100	-
MISCELLANEOUS Expense	-	-	2,050	(2,050)
Contract Services				
Water Easement Payments	250	250	250	-
Other Bonds and Insurance	2,750	2,750	2,618	132
Professional Fees	2,000	2,000	3,600	(1,600)
Total expenditures	39,350	39,350	44,430	(5,080)
Operating Income	10,650	10,650	7,079	6,589
Other Income:				
Interest Income	100	100	121	(21)
Debt Service	(1,572)	(1,572)	(494)	1,078
Transfers In from Other Funds	-	-	-	-
Transfers Out to Other Funds	-	-	-	-
	(1,472)	(1,472)	(373)	1,056
Increase in Net Position	9,178	9,178	6,705	6,705
Beginning net position	230,370	230,370	230,370	230,370
Ending net position	\$ 239,548	\$ 239,548	\$ 237,075	\$ 237,075

Exhibit B
Rural Water, Sewwer & Solidic Waste Management District No. 3
Schedule of revenues, expenses and changes in net position-cash basis
For the Year Ended December 31, 2018

Revenues	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Water Revenue	\$ -	\$ -	\$ 29,464	(29,464)
Sewer Revenue	-	-	18,960	(18,960)
Miscellaneous	-	-	3,085	(3,085)
Total revenues	-	-	<u>51,509</u>	<u>51,509</u>
Expenditures				
Utility Authority:				
Personnell Service	-	-	20,840	(20,840)
Maintenance & Operation:				
Utilities	-	-	3,651	(3,651)
Gasoline, Oil, and Fuel	-	-	-	-
Repairs & Maintenance	-	-	6,712	(6,712)
Supplies	-	-	4,352	(4,352)
Office Supplies	-	-	258	(258)
OWRB Dues	-	-	100	(100)
MISCELLANEOUS Expense	-	-	2,050	(2,050)
Contract Services	-	-	-	-
Water Easement Payments	-	-	250	(250)
Other Bonds and Insurance	-	-	2,618	(2,618)
Professional Fees	-	-	3,600	(3,600)
Total expenditures	-	-	<u>44,430</u>	<u>(44,430)</u>
Operating Income	-	-	7,079	95,939
Other Income:				
Interest Income	-	-	121	(121)
Debt Service	-	-	(494)	(494)
Transfers In from Other Funds	-	-	-	-
Transfers Out to Other Funds	-	-	-	-
	-	-	<u>(373)</u>	<u>(616)</u>
Increase in Net Position	-	-	6,705	6,705
Beginning net position	<u>230,370</u>	<u>230,370</u>	<u>230,370</u>	<u>230,370</u>
Ending net position	<u>\$ 230,370</u>	<u>\$ 230,370</u>	<u>\$ 237,075</u>	<u>\$ 237,075</u>

Exhibit C
Rural Water, Sewwer & Solid Waste Management District No. 3
Schedule of Grant Awards,
Revenues and Expenditures
For Year Ended June 30, 2018

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
No Activity		-	0	0
		\$ -	0	0
		-	-	-

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditors' report.