



**ROGERS COUNTY  
RURAL WATER  
DISTRICT NO. 3**

ANNUAL FINANCIAL STATEMENTS  
AND REPORTS OF INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT

FOR THE FISCAL YEAR ENDED  
OCTOBER 31, 2023

**ROGERS COUNTY  
RURAL WATER DISTRICT NO. 3  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Rogers County Rural Water District No. 3  
Rogers County, Oklahoma

### OPINION

We have audited the financial statements of the business-type activities for Rogers County Rural Water District No. 3, as of and for the year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise Rogers County Rural Water District No. 3's basic financial statement as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities for Rogers County Rural Water District No. 3, as of October 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

### BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rogers County Rural Water District No. 3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation, and fair presentation, of these financial statements, in accordance with accounting principles generally accepted in the United States of America and the design, implementation, and maintenance of internal control, relevant to the preparation, and fair presentation, of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregated, that raise substantial doubt about Rogers County Rural Water District No. 3's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rogers County Rural Water District No. 3's internal control. Accordingly, no such opinion is expressed. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregated, that raise substantial doubt about Rogers County Rural Water District No. 3's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 9, 2024, on our consideration of the Rogers County Rural Water District No. 3's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of Rogers County Rural Water District No. 3's internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Rogers County Rural Water District No. 3's internal control over financial reporting and compliance.

Sincerely,



**OBER & LITTLEFIELD, CPAS, PLLC**  
**MIAMI, OKLAHOMA**

**FEBRUARY 9, 2024**

**ROGERS COUNTY  
RURAL WATER DISTRICT NO. 3  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDING OCTOBER 31, 2023**

Assets

Current assets	
Cash and cash equivalents	\$ 24,566,651
Accounts receivable	882,404
Prepaid insurance	47,577
Inventory	129,434
Grant receivable	<u>75,000</u>
Total current assets	<u>25,701,066</u>
Non-current assets	
Cash restricted	136,500
Capital assets (net)	<u>26,232,717</u>
Total non-current assets	<u>26,369,217</u>
Total assets	<u>\$ 52,070,283</u>

Liabilities and Net Position

Current liabilities	
Accounts payable	\$ 443,636
Accrued payroll and liabilities	32,637
Accrued interest	82,360
Notes payable	<u>620,724</u>
Total current liabilities	<u>1,179,357</u>
Long-term liabilities	
Bond Premiums	467,874
Long-term notes payable	<u>22,735,975</u>
Total Long-term liabilities	<u>23,203,849</u>
Total liabilities	<u>24,383,206</u>
Net position	
Investment in capital assets, net of debt	2,876,018
Restricted net position	136,500
Unrestricted net position	<u>24,674,559</u>
Total net position	<u>27,687,077</u>
Total liabilities and net position	<u>\$ 52,070,283</u>

**ROGERS COUNTY  
RURAL WATER DISTRICT NO. 3  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDING OCTOBER 31, 2023**

Support and Revenue	
Water income	\$ 7,409,935
Miscellaneous income	124,746
Late fees and penalties	44,526
Sewer income	93,457
Grant/reimbursement	<u>164,398</u>
Total support and revenue	<u>7,837,062</u>
Expenses	
Water purchases	2,552,464
Salaries and benefits	1,479,271
Chemicals	221,203
Operating supplies	37,249
Utilities	196,443
Repairs and maintenance	74,498
Equipment rental	6,439
Office expense	84,901
Vehicle and travel expense	76,805
Insurance	90,527
Professional fees	244,704
Postage	40,677
Bank and trustee fees	469,507
Miscellaneous	23,078
Depreciation/amortization	<u>946,514</u>
Total expenses	<u>6,544,380</u>
Total operating income	<u>1,292,682</u>
Non-operating revenue (expense)	
Interest expense	(200,508)
Interest income	242,040
Gain on sale of assets	<u>44,721</u>
Total non-operating revenue (expense)	<u>86,253</u>
Increase (decrease) in net position before capital contribution	1,378,935
Capital contributions	
Membership (tap) sales	<u>469,787</u>
Increase (decrease) in net position	1,848,722
Net position, beginning of year	<u>25,838,355</u>
Net position, end of year	<u>\$ 27,687,077</u>

**ROGERS COUNTY  
RURAL WATER DISTRICT NO. 3  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING OCTOBER 31, 2023**

Cash flows from operating activities	
Receipts from customers and users	\$ 9,052,439
Receipts from grantors	119,238
Receipts from interest	242,040
Payments to suppliers	(4,915,337)
Payments to employees and related payroll items	<u>(1,470,929)</u>
Net cash provided by (used in) operating activities	<u>3,027,451</u>
Cash flows from capital and related financing activities	
Purchase of property and equipment, net	(2,977,015)
Cash paid for interest	( 126,260)
Net proceeds from debt issuance/payments	<u>19,321,909</u>
Net cash used in investing activities	<u>16,218,634</u>
Net increase in cash	19,246,085
Cash and cash equivalents, beginning of year	<u>5,457,066</u>
Cash and cash equivalents, end of year	<u>\$ 24,703,151</u>
Reconciliation of operating income (loss) to net cash provided (used in) operating activities:	
Change in Net Position	\$ 1,848,722
Adjustments to reconcile change in Net Position to net cash used In operating activities:	
Depreciation and amortization expense	946,514
Change in operating assets/liabilities	
(Increase) decrease in receivables	73,027
(Increase) decrease in grant reimbursement receivable	--
(Increase) decrease in inventory	( 91,974)
(Increase) decrease in prepaid expenses	( 4,480)
Increase (decrease) in accounts payable and accrued expenses	129,382
Interest paid for financing	<u>126,260</u>
Net cash provided by (used in) operating activities	<u>\$ 3,027,451</u>

**ROGERS COUNTY RURAL WATER DISTRICT NO. 3**  
**NOTES TO FINANCIAL STATEMENT**  
**OCTOBER 31, 2023**

***Note 1 – Nature of Organization***

The Rogers County Rural Water District No. 3 (the District) is a non-profit governmental organization. Its purpose is to process and provide for the use and benefit of its members, water processing and distribution system, including physical facilities necessary for its operations and maintenance. The District was organized by the Board of County Commissioners of Rogers County, Oklahoma. District members fall within territorial boundaries within Rogers, Tulsa and Mayes Counties as assigned by the Board of County Commissioners of Rogers County, Oklahoma.

***Note 2 – Summary of Significant Accounting Policies***

***Basis of Accounting***

The District's fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. The activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts and certain claims and judgment liabilities among other amounts. Actual results may differ from those estimates.

The District adopts annual operations and capital budgets. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The current operating budget details the District's plans to earn and expend funds for charges incurred for operation, maintenance, certain interest and general functions, and other charges for the fiscal year. The capital budget details the plan to receive and expend cash basis capital contribution fees, special assessments, grants, borrowings and certain revenues for capital projects.

All unexpended and unencumbered appropriations in the operating budget lapse at the end of the fiscal year. No appropriation for a capital project in the capital budget lapses until the purpose for which the appropriation was made has been accomplished or abandoned.

The Board of Directors adopts a budget at the meeting prior to the beginning of the new fiscal year. Actual revenues and expenditures are monitored and compared with the budget during the year. Significant variations from budgeted amounts are researched and the board is informed of the results.



## ***Note 2 – Summary of Significant Accounting Policies (Continued)***

### *Cash and Cash Equivalents*

Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit, interest in State Treasurer's Pool, certificates of deposit, repurchase agreements and investments with a maturity of three months or less.

Investments are reported at their fair market value. The District is permitted to invest in certificates of deposit and United States general obligations. Banks must guarantee all District funds they hold with specified securities the bank owns for cumulative amounts exceeding the \$250,000 FDIC guarantee.

### *Restricted Assets*

Restricted assets represent cash, investments and receivables maintained in accordance with bond resolutions, loan agreements, grant awards, and other resolutions and formal actions of the District or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities and improvements and extensions to the water system.

### *Receivables and Payables*

Customer receivables represent service fees earned, but not yet collected. Service billings at the end of the year are made and the revenues recorded through year end.

### *Inventories*

Inventories consist of construction materials, repair parts, and chemicals. Materials and supplies are stated at cost.

### *Capital Assets*

Property, plant, and equipment in service and construction in progress are recorded at cost, if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value, if applicable, or at engineers' fair market value or cost to construct at the date of contribution. Internal engineering costs are capitalized to the extent of direct support and contribution to construct and expansion projects. Costs of studies that directly result in specific construction projects are capitalized.

Maintenance and repairs, which do not significantly extend the value or life of property, plant, and equipment, are expensed as incurred.

Interest costs are capitalized on the construction of qualified assets, whether or not borrowings exist for such projects, to the extent of amounts funded by debt or operating results. Interest is not capitalized on project costs funded by contributed capital, such as grants and gifts. Interest costs of tax-exempt borrowings are capitalized net of related investment earnings or the proceeds.

*Note 2 – Summary of Significant Accounting Policies (Continued)*

Assets are depreciated on the straight-line method. Depreciation is calculated using the following estimated useful lives:

	<u>Years</u>
Automatic meters	20
Office equipment	5 – 10
Vehicles and automotive equipment	5
Buildings and equipment	10 – 30
Water System prior to 1995	50
Water system 1995 – present	40
Land	Not depreciated

*Long-Term Obligations*

Long-term obligations are reported at face value, net of applicable premiums and discounts.

*Revenues and Rate Structure*

Revenues from water services are recognized on the accrual basis and as earned. Services are supplied to customers under a rate structure designed to produce revenues sufficient to provide for operating and maintenance costs, capital outlay, debt service, reserves and debt service coverage.

*Capital Contributions*

Contributions are recognized in the Statement of Revenues, Expenses and changes in Net Position when earned. Contributions include tap fees, capital grants and other supplemental support by federal, state and local grants in support of system improvements.

*Net Position*

Net Position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net Position is classified in the following three components: Invested in capital assets, net of related liabilities; restricted for capital activity and debt service; and unrestricted net position. Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to acquisition, construction and improvements of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from determination. Restricted for capital activity and debt service consists of net position for which constraints are placed by external parties, such as lenders, grantors, contributors, laws, regulations, legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other assets not included in the above categories.

**Note 3- Deposits and Investments**

Deposits include demand deposits and certificates of deposit in financial institutions. All bank balances are covered by federal depository insurance or by collateral held by the bank and pledged to the District.

	<i>Total</i>	<i>Category 1</i>	<i>Credit Risk Category 2</i>	<i>Category 3</i>
Bank accounts	\$24,604,674	\$24,604,674	--	--
Certificates of deposit	<u>98,277</u>	<u>98,277</u>	--	--
	<u>\$24,702,951</u>	<u>\$24,702,951</u>		

Category 1 – Investments that are insured by FDIC or collateralized with securities held by the District or its agent in the District’s name.

Category 2 – Uninsured and unregistered investments for which securities are held by the pledging financial institution’s trust department or agent but not in the District’s name.

**Note 4 – Accounts Receivable**

Accounts receivable are composed of unpaid billings for services rendered as of the end of the fiscal year. After six months of non-payments the right to service is forfeited, the meter is pulled and the balance is written off. For service to be reconnected to the related property a new membership is required. This minimizes the loss the District may incur due to nonpayment of service billings.

**Note 5 – Restricted Assets**

The components of the restricted assets at year-end were as follows:

RDA Required Equipment Reserve	\$ 78,179
RDA Debt Service	<u>58,321</u>
	<u>\$136,500</u>

**Note 6 – Capital Assets**

Capital asset activity during the year was as follows:

	<u>2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>2023</u>
Water Distribution System	\$34,771,211	\$ 1,590,598	\$ 8,255	\$ 36,370,064
Automatic Read Meters	2,509,099	163,011	--	2,672,110
Office Equipment	55,706	7,748	--	63,454
Office Building and Equipment	265,531	7,240	--	272,771
Land	208,000	107,500	--	315,500
Vehicles and Equipment	460,128	427,586	( 112,756)	774,958
Construction in Process	<u>90,409</u>	<u>673,332</u>	<u>( 8,255)</u>	<u>755,486</u>
 Total Property Plant and Equipment	 38,360,084	 2,977,015	 ( 112,756)	 41,224,343
 Accumulated Depreciation	 <u>(14,157,868)</u>	 <u>( 946,514)</u>	 <u>112,756</u>	 <u>(14,991,626)</u>
 Total Capital Assets (Net of Accumulated depreciation)	 <u>\$24,202,216</u>	 <u>\$ 2,030,501</u>	 <u>\$ -----</u>	 <u>\$ 26,232,717</u>

**Note 7 – Long Term Debt**

The Oklahoma Water Resources Board approved the District’s Series 2008 note in the amount of \$4,500,000. This note requires principal and interest payments on March 15 and September 15 at an interest rate of 2.17%. Semi-annual payments are wired to the Oklahoma Water Resources Board account at BancFirst. As of October 31, 2023, the balance on this note is \$1,540,486.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year 1	\$ 271,646	\$ 30,398	\$ 302,044
Year 2	280,792	22,573	303,365
Year 3	290,098	14,612	304,710
Year 4	299,734	6,368	306,102
Year 5	307,536	--	307,536
Thereafter	<u>90,680</u>	<u>-----</u>	<u>90,680</u>
 Total	 <u>\$1,540,486</u>	 <u>\$ 73,951</u>	 <u>\$1,614,437</u>

**Note 7 – Long Term Debt (Continued)**

On June 1, 2023, BancFirst assumed a note previously held by the Rural Water Development Authority. The original approved note was in the amount of \$1,000,000. BancFirst has assumed the balance of \$765,000. This note requires principal and interest payments on a monthly basis and an interest rate of 4.15%. As of October 31, 2023, the balance on this note is \$759,169.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year 1	\$ 17,985	\$ 31,252	\$ 49,237
Year 2	18,834	30,403	49,237
Year 3	19,630	29,607	49,237
Year 4	20,461	28,776	49,237
Year 5	21,247	27,990	49,237
Thereafter	<u>661,012</u>	<u>307,312</u>	<u>968,324</u>
Total	<u>\$759,169</u>	<u>\$455,340</u>	<u>\$1,214,509</u>

A loan with First Bank of Owasso, up to \$4,000,000, drawn as needed for construction. Note will require monthly principal and interest payments beginning in 2016 at 2.98% of \$31,245. As of October 31, 2023, the balance on this note is \$1,602,044.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year 1	\$ 331,093	\$ 43,847	\$ 374,940
Year 2	341,236	33,704	374,940
Year 3	351,690	23,250	374,940
Year 4	362,463	12,477	374,940
Year 5	<u>215,562</u>	<u>2,176</u>	<u>217,738</u>
Total	<u>\$1,602,044</u>	<u>\$115,454</u>	<u>\$1,717,498</u>

The Oklahoma Water Resources Board approved the District's Series 2023 note in the amount of \$19,455,000. This note requires principal and interest payments on April 1<sup>st</sup> and October 1<sup>st</sup> at an interest rate of 4.24%. Monthly payments are wired to the Oklahoma Water Resources Board account at BancFirst. As of October 31, 2023, the balance on this note is \$19,455,000.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year 1	\$ --	\$ 883,504	\$ 883,504
Year 2	--	883,504	883,504
Year 3	--	883,504	883,504
Year 4	10,000	883,504	893,504
Year 5	10,000	882,984	892,984
Thereafter	<u>19,435,000</u>	<u>13,085,099</u>	<u>32,520,099</u>
Total	<u>\$19,455,000</u>	<u>\$17,502,099</u>	<u>\$36,957,099</u>

***Note 8 – Board of Directors and Officers***

Dr. Dirk Thomas	Chairman
Nick Sokolosky	Vice Chairman
Jason Rhoten	Secretary
Johnathon Cates	Treasurer
Larry Mallory	
Dr. David Derby	
Sam Ransey	
Brent Snap	
Scott Glattfelder	

***Note 9 – Other Information – Risk Management***

The District is exposed to various risks of loss related to torts; theft of, damage and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage and public officials' liability. There were no significant reductions in insurance coverage from the prior year.

***Note 10 – Commitments and Contingencies***

As of the date of this report, the District was involved in pending litigation. At this time, the case is unsettled, and management disputes and denies the allegations. No amounts are probable or quantifiable, at this time.

***Note 11 – Subsequent Events Disclosure***

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.



**INDEPENDENT AUDITOR’S 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  
Rogers County Rural Water District No. 3  
Rogers County, Oklahoma

We have audited, in accordance with the 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, the financial statements of the business-type activities of Rogers County Rural Water District No. 3, as of and for the year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon, dated February 9, 2024.

**Internal Control Over Financial Reporting**

In planning, and performing, our audit of the financial statements, we considered Rogers County Rural Water District No. 3’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate, in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rogers County Rural Water District No. 3’s internal control. Accordingly, we do not express an opinion on the effectiveness of Rogers County Rural Water District No. 3’s internal control.

*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 a 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. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors  
Rogers County Rural Water District No. 3  
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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Rogers County Rural Water District No. 3's financial statements are free from material misstatement, we performed tests of its 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 our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters, that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control, or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



**OBER & LITTLEFIELD, CPAS, PLLC**  
**MIAMI, OKLAHOMA**

**FEBRUARY 9, 2024**