

AUDIT REPORT

RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT,
DISTRICT NO. 4, ATOKA COUNTY, OKLAHOMA

OCTOBER 31, 2024



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ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
OCTOBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Atoka County Rural Water, Sewer and
Solid Waste Management, District No.4
Atoka, Oklahoma

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4, Oklahoma, as of and for the year ended October 31, 2024, and the related notes to the financial statements, as listed in the table of contents.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4 as of October 31, 2024, 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 Qualified Opinion

I conducted my 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*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4 and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the

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audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Matter Giving Rise to Qualified Opinion

During the fiscal year ending October 31, 2024, accounting principles generally accepted in the United States of America, with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, began requiring Net Pension Liability information to be included in the financial statements, note disclosures and Required Supplementary Information. The requirements of Statement No. 68 have not been implemented by the District. The amount by which this departure would affect the assets, net position, and expenses of the District has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 aggregate, that raise substantial doubt about the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4'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 Responsibilities for the Audit of the Financial Statements

My 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

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auditor's report that includes my opinion. 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, I

- Exercise professional judgment 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 the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of

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the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other supplementary information section listed in the accompanying table of contents but does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated April 2, 2025, on my consideration of the Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4's internal control over financial reporting and my

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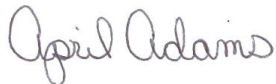
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tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4'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 Atoka County Rural Water, Sewer, and Solid Waste Management District No. 4's internal control over financial reporting and compliance.



April Adams CPA PLLC

Ponca City, Oklahoma

April 2, 2025

**ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO. 4
STATEMENT OF NET POSITION
OCTOBER 31, 2024**

| <u>ASSETS</u> | <u>2024</u> |
|--|-----------------------------------|
| <u>Current Assets:</u> | |
| Cash and Cash Equivalents | \$ 1,274,322 |
| Investments | - |
| Accounts Receivable-Trade | 290,611 |
| Account Receivable - ODOT | 3,673 |
| ORWAAG Reserve Certificate | 5,000 |
| Total Current Assets | <u>1,573,606</u> |
| <u>Restricted Assets:</u> | |
| Rental Deposits | 20,392 |
| USDA RD Reserve | 83,204 |
| SLA Reserve | 350,694 |
| SLA - Certificate of Deposit | 121,251 |
| Construction | - |
| Prepaid State Tax | - |
| CDBG Reserve | 8,942 |
| Total Restricted Assets | <u>584,483</u> |
| <u>Capital Assets:</u> | |
| Water Distribution Facilities | 14,148,416 |
| Water Dist Facility Construction in Progress | 105,676 |
| Buildings | 94,651 |
| Office Furniture & Equipment | 75,321 |
| Land | 38,601 |
| Less: Accumulated Depreciation | <u>(8,996,568)</u> |
| Total Net Capital Assets | <u>5,466,097</u> |
| TOTAL ASSETS | <u>7,624,186</u> |
| <u>LIABILITIES</u> | |
| <u>Current Liabilities:</u> | |
| Accounts Payable - Trade | 132,086 |
| Payroll Taxes Payable | 4,529 |
| Accrued Interest Payable | 7,859 |
| Deferred Revenue - RD Grant | - |
| Rental Deposits | 20,392 |
| Current Maturities of Notes Payable | 156,341 |
| Total Current Liabilities | <u>321,207</u> |
| <u>Long-Term Liabilities:</u> | |
| Notes Payable - USDA Rural Development | 3,409,596 |
| Notes Payable - Oklahoma DOC (CDBG) | 10,413 |
| Less: Current Maturities | <u>(156,341)</u> |
| Total Long-Term Liabilities | <u>3,263,668</u> |
| TOTAL LIABILITIES | <u>3,584,875</u> |
| <u>NET POSITION</u> | |
| Net investment in capital assets | 2,046,088 |
| Restricted for debt service | 564,091 |
| Unrestricted | 1,429,132 |
| TOTAL NET POSITION | <u><u>\$ 4,039,311</u></u> |

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

**ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2024**

| | <u>2024</u> |
|--|---------------------|
| <u>Operating Revenues:</u> | |
| Water Sales | \$ 2,641,108 |
| Membership Dues and Connection Fees | 52,208 |
| Materials and Line Extensions | 18,128 |
| Miscellaneous Fees | 3,509 |
| Total Operating Revenues | <u>2,714,953</u> |
| <u>Operating Expenses:</u> | |
| Salaries | 173,799 |
| Contract Labor/Operator Fees | 467,197 |
| Employee Expense Allowance | 42,847 |
| Retirement Plan Expense | 20,638 |
| Water Purchases | 539,618 |
| Utilities | 77,581 |
| Repairs and Maintenance | 447,530 |
| Payroll Taxes | 14,549 |
| Office Supplies and Printing | 50,693 |
| Insurance | 40,213 |
| Accounting and Legal | 6,840 |
| Depreciation Expense | 346,157 |
| Permits and Fees | 20,074 |
| Small Tools | 1,992 |
| Administrative Expense | 5,733 |
| Chemicals | 229,021 |
| Lab Supplies | 13,236 |
| Janitorial Supplies | 5,976 |
| Returned Checks | 695 |
| Testing Fees | 9,510 |
| Credit Card Charges | 20,867 |
| Legal Fees | 275 |
| Dues and Memberships | 2,553 |
| Advertising | 882 |
| Miscellaneous | 21 |
| Line Extension Expense | 7,700 |
| Engineering Fees | 5,120 |
| Total Operating Expenses | <u>2,551,317</u> |
| Operating Income (Loss) | 163,636 |
| <u>Non-Operating Revenues (Expenses):</u> | |
| Interest Income | 9,458 |
| Miscellaneous Income | 5,339 |
| Interest Expense | 85,714 |
| Grants | (91,252) |
| Total Non-operating Revenues (Expenses) | <u>9,259</u> |
| Net Income (Loss) Before Contributions | 172,895 |
| Capital Contributions - Grant Income | - |
| Change in Net Position | <u>172,895</u> |
| Total Net Position - Beginning | 3,866,416 |
| Total Net Position - Ending | <u>\$ 4,039,311</u> |

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

**ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2024**

| | <u>2024</u> |
|---|---------------------|
| <u>Cash Flows from Operating Activities:</u> | |
| Cash Receipts from Customers | \$ 1,774,064 |
| Payments to Suppliers for Goods & Services | (700,922) |
| Payments to Employees & Laborers | (640,996) |
| Net Cash Provided (Used) by Operating Activities | <u>432,146</u> |
| <u>Cash Flows from Non-Capital Financing Activities:</u> | |
| ODOT & Choctaw Grant | - |
| Transfers to restricted funds | - |
| Transfer from restricted funds | 19,423 |
| Net Cash Provided (Used) by Non-Capital Financing Activities | <u>19,423</u> |
| <u>Cash Flows from Capital & Related Financing Activities:</u> | |
| Capital Grant received for construction/purchase of capital assets | - |
| Additions to Capital Assets | (181,216) |
| Additions to Construction in Progress | (82,841) |
| Loan Proceeds Transferred to Water Plant | 12,750 |
| Principal paid on Debt | (149,683) |
| Interest paid on Debt | (149,848) |
| Net Cash Provided (Used) by Capital & Related Financing Activities | <u>(550,838)</u> |
| <u>Cash Flows from Investing Activities:</u> | |
| Interest Income | 9,458 |
| Change in Restricted Assets | (4,501) |
| Grants - Reimbursable Income | 144,052 |
| Miscellaneous Income | 5,339 |
| Net Cash Provided (Used) by Investing Activities | <u>154,348</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 55,079 |
| Cash & Cash Equivalents, Beginning of Year | 1,219,243 |
| Cash & Cash Equivalents, Prior Year Adjustment | - |
| Cash & Cash Equivalents, End of Year | <u>\$ 1,274,322</u> |
| <u>Reconciliation of operating income (loss) to net cash provided</u> | |
| <u>operating activities:</u> | |
| Operating Income (Loss) | \$ 163,636 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | |
| Depreciation | 346,157 |
| Allowance for Uncollectable Accounts | (1,917) |
| (Increase)Decrease in Accounts Receivable-Trade | (939,493) |
| (Increase)Decrease in Other Assets | 846 |
| Increase(Decrease) in Customer Deposits | (325) |
| Increase(Decrease) in Accounts Payable | 862,034 |
| Increase(Decrease) in Other Payable | 1,208 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 432,146</u> |

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

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Atoka County Rural Water, Sewer and Solid Waste Management, District No.4 of Atoka County, Oklahoma was formed in 1979, pursuant to the Oklahoma Rural Water, Sewer, and Solid Waste Management District Act. The District operates as a nontaxable government entity to serve residents of a portion of rural Atoka County.

Accounting

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 July 1, 2003 as provided by GASB standards.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

Basis of Presentation

The accounts of the District are organized on the basis of proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net assets, revenues and expenses. Enterprise Funds account for activities (1) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (2) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (3) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Basis of Accounting

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity consists of contributed capital and retained earnings. Proprietary fund type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets. The accrual basis of accounting is utilized by the proprietary fund type. Under this basis of accounting revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Cash and Cash Equivalents

GASB Statement No. 9, paragraph 9, defines cash equivalents as "short-term, highly liquid investments that are both readily convertible to known amounts of cash" and "so near their maturity that they present insignificant risk of changes in value because of changes in interest rates." Investments with a remaining maturity of three months or less at the date of purchase by the entity holding the investment meet this definition of a cash equivalent.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

Accounts Receivable

Accounts receivable consist of the utilities billed that had not been collected at October 31, 2024.

Inventory

Inventory of supplies is not reported on the financial statements of the District. The amount of inventory on hand is not material to the financial statements.

Property and Equipment

Water distribution facilities, office furniture and equipment purchased or constructed by the District are stated at cost. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets ranging from five to forty years.

Construction in progress is recorded at cost. No depreciation is recognized until contracts are complete and the applicable facilities become operational.

Capitalization Policy:

Purchases of capital items in excess of \$1,000.00 that increase the capacity or operation efficiency or extend the useful life of any asset are capitalized. Repairs and maintenance are expensed as incurred

Equity Classification

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

1. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

2. Restricted—Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction 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 amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

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.

Memorandum Totals

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

NOTE 2 - AGED ACCOUNTS RECEIVABLE

Accounts receivable of the Atoka County Rural Water, Sewer and Solid Waste Management, District No.4, and the Treatment Water Plant are aged as follows at October 31, 2024:

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

| | Water District | Water Plant | Total |
|---------------------------------------|-------------------|------------------|-------------------|
| CURRENT | \$ 182,852 | \$ 48,265 | \$ 231,116 |
| 01-30 DAYS | 29,223 | - | 29,223 |
| 31-60 DAYS | 15,153 | - | 15,153 |
| 61+ DAYS | 74,450 | - | 74,450 |
| Overpayments/Prepayments | (34,956) | - | (34,956) |
| Total Accounts Receivable | 266,721 | 48,265 | 314,986 |
| Less: Allowance for Doubtful Accounts | (24,375) | - | (24,375) |
| Total Accounts Receivable | <u>\$ 242,346</u> | <u>\$ 48,265</u> | <u>\$ 290,611</u> |

NOTE 3 - ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Accumulated unpaid vacation 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 4 - CUSTODIAL CREDIT RISK RELATED TO DEPOSITS

Custodial Credit Risk

At October 31, 2024, the District held deposits of approximately \$1,858,804 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.

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.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

- 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.).

Concentration of Investment Credit Risk

The District places no limit on the amount it may invest in any one issuer. The District has the following of credit risk: 100% in CDs (\$444,014).

NOTE 5 - RESTRICTED ASSETS

The District maintains a reserve account at First Bank, Atoka, Oklahoma that funds the reserve contributions as required by the USDA Rural Development Loan Resolution Security Agreements. During the fiscal year 1999, the District received a loan from the Stringtown Public Facilities Authority through the Oklahoma Department of Commerce which requires a reserve fund. The District designated a savings account to fully fund the required reserve.

Restrictions on restricted assets are as follows:

| | |
|-------------------|--|
| Reserve Funds | -Use is Restricted for Debt Service per USDA & DOC loan agreements |
| Security Deposits | -Use is Restricted to deposit and refund water meter security deposits |

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

| | |
|--------------|--|
| Construction | -Use is Restricted to unforeseen repairs |
| SLA Accounts | -Use is Restricted for replacement of Short Lived Assets |

NOTE 6 - CAPITAL ASSETS

Capital asset activity, for the fiscal year ended October 31, 2024, was as follows:

| | 10/31/23 Balance | Additions | Deductions | 10/31/24 Balance |
|---|---------------------|-------------|------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 38,601 | \$ - | \$ - | \$ 38,601 |
| Construction in Progress | 22,835 | 82,841 | - | 105,676 |
| Total capital assets not being depreciated | 61,436 | 82,841 | - | 144,277 |
| Other capital assets: | | | | |
| Water Distribution Facilities | 13,979,524 | 168,893 | - | 14,148,417 |
| Buildings | 94,651 | - | - | 94,651 |
| Office Furniture & Equipment | 62,998 | 12,323 | - | 75,321 |
| Total other capital assets at historical cost | 14,137,173 | 181,216 | - | 14,318,389 |
| Less accumulated depreciation for: | | | | |
| Water Distribution Facilities | (8,550,739) | (339,329) | - | (8,890,068) |
| Buildings | (48,395) | (2,490) | - | (50,884) |
| Office Furniture & Equipment | (51,278) | (4,339) | - | (55,616) |
| Total accumulated depreciation | (8,650,411) | (346,157) | - | (8,996,568) |
| Other capital assets, net | 5,486,762 | (164,941) | - | 5,321,821 |
| Total Capital Assets, net | \$ 5,548,197 | \$ (82,100) | \$ - | \$ 5,466,097 |

The capital assets addition included phone systems, pump, skyview extension, major repairs and construction in progress.

NOTE 7 - LONG-TERM DEBT

USDA RURAL DEVELOPMENT (RD)

The District is indebted to USDA Rural Development under the terms of five forty-year installment note which are collateralized by the District's plant and distribution facilities. One note is payable in monthly installments of \$3,229.00 at an interest rate of 5.0% for forty years. The second is payable in monthly installments of \$2,295.00 at an interest rate of 4.5% for forty years. The third is payable in monthly installments of \$7,901.00 with an interest rate at 4.5% for forty years. The fourth note is payable in monthly installments of \$825.00 with an interest rate of 2.5% for forty years. The fifth note is payable in monthly installments of \$10,516.00 with

ATOKA COUNTY RURAL WATER, SEWER
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NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

an interest rate of 4.25% for forty years. The notes will mature in 2031, 2035, 2037, 2049 and 2047, respectively. The principal balances at October 31, 2024 are \$227,498.24, \$231,090.57, \$921,208.17, \$183,653.53 & \$1,846,145.22.

GRAYBAR FINANCIAL SERVICES

During the fiscal year 2024, the plant entered into a lease purchase agreement with Graybar Financial Services for the lease purchase of 5 telephones in the amount of \$12,750.00. The payment is \$212.50 per month with 0% interest. The balance of the lease purchase at October 31, 2024 was \$10,412.50.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended October 31, 2024:

| | Balance at October 31, 2023 | Additions | Deductions | Balance at October 31, 2024 |
|----------------------------------|--------------------------------|---------------------|------------------------|--------------------------------|
| Note Payable - USDA RD 91-11 | \$ 254,144.37 | \$ - | \$ (26,646.13) | \$ 227,498.24 |
| Note Payable - USDA RD 91-13 | \$ 247,821.04 | \$ - | \$ (16,730.47) | \$ 231,090.57 |
| Note Payable - USDA RD 91-15 | \$ 973,288.16 | \$ - | \$ (52,079.99) | \$ 921,208.17 |
| Note Payable - USDA RD 91-18 | \$ 188,891.02 | \$ - | \$ (5,237.49) | \$ 183,653.53 |
| Note Payable - USDA RD 91-20 | \$ 1,892,795.84 | \$ - | \$ (46,650.62) | \$ 1,846,145.22 |
| Note Payable - Graybar Financial | \$ - | \$ 12,750.00 | \$ (2,337.50) | \$ 10,412.50 |
| Total Long-Term Debt | <u>\$ 3,556,940.43</u> | <u>\$ 12,750.00</u> | <u>\$ (149,682.20)</u> | <u>\$ 3,420,008.23</u> |

A summary of future maturities of principal and interest are as follows:

| Year Ending October 31, | Notes Payable - RD #91-11 | | Total |
|----------------------------|---------------------------|------------------|-------------------|
| | Principal | Interest | |
| 2025 | \$ 28,009 | \$ 10,739 | \$ 38,748 |
| 2026 | 29,442 | 9,306 | 38,748 |
| 2027 | 30,948 | 7,800 | 38,748 |
| 2028 | 32,532 | 6,216 | 38,748 |
| 2029 | 34,196 | 4,552 | 38,748 |
| 2030-2031 | 72,370 | 3,758 | 76,128 |
| Total | <u>\$ 227,498</u> | <u>\$ 42,370</u> | <u>\$ 269,868</u> |

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

| Year Ending October 31, | Notes Payable - RD #91-13 | | |
|----------------------------|---------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2025 | \$ 17,469 | \$ 10,071 | \$ 27,540 |
| 2026 | 18,301 | 9,239 | 27,540 |
| 2027 | 19,142 | 8,398 | 27,540 |
| 2028 | 20,022 | 7,518 | 27,540 |
| 2029 | 20,941 | 6,599 | 27,540 |
| 2030-2034 | 120,052 | 17,648 | 137,700 |
| 2035 | 15,162 | 215 | 15,377 |
| Total | <u>\$ 231,091</u> | <u>\$ 59,686</u> | <u>\$ 290,777</u> |

| Year Ending October 31, | Notes Payable - RD #91-15 | | |
|----------------------------|---------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2025 | \$ 54,472 | \$ 40,340 | \$ 94,812 |
| 2026 | 56,974 | 37,838 | 94,812 |
| 2027 | 59,592 | 35,220 | 94,812 |
| 2028 | 62,329 | 32,483 | 94,812 |
| 2029 | 65,193 | 29,619 | 94,812 |
| 2030-2034 | 373,737 | 100,323 | 474,060 |
| 2035-2037 | 248,911 | 16,457 | 265,367 |
| Total | <u>\$ 921,208</u> | <u>\$ 292,279</u> | <u>\$ 1,213,487</u> |

| Year Ending October 31, | Notes Payable - RD #91-18 | | |
|----------------------------|---------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2025 | \$ 5,375 | \$ 4,525 | \$ 9,900 |
| 2026 | 5,506 | 4,394 | 9,900 |
| 2027 | 5,645 | 4,255 | 9,900 |
| 2028 | 5,788 | 4,112 | 9,900 |
| 2029 | 5,934 | 3,966 | 9,900 |
| 2030-2034 | 31,999 | 17,501 | 49,500 |
| 2035-2039 | 36,255 | 13,245 | 49,500 |
| 2040-2044 | 41,077 | 8,423 | 49,500 |
| 2045-2049 | 46,073 | 2,959 | 49,032 |
| Total | <u>\$ 183,654</u> | <u>\$ 63,378</u> | <u>\$ 247,032</u> |

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

| Year Ending October 31, | Notes Payable - RD #91-20 | | |
|----------------------------|---------------------------|---------------------|---------------------|
| | Principal | Interest | Total |
| 2025 | \$ 48,765 | \$ 77,427 | \$ 126,192 |
| 2026 | 50,785 | 75,407 | 126,192 |
| 2027 | 52,986 | 73,206 | 126,192 |
| 2028 | 55,282 | 70,910 | 126,192 |
| 2029 | 57,678 | 68,514 | 126,192 |
| 2030-2034 | 328,123 | 302,837 | 630,960 |
| 2035-2039 | 405,659 | 225,301 | 630,960 |
| 2040-2044 | 501,517 | 129,443 | 630,960 |
| 2045-2047 | 345,351 | 22,405 | 367,756 |
| Total | <u>\$ 1,846,145</u> | <u>\$ 1,045,451</u> | <u>\$ 2,891,596</u> |

| Year Ending October 31, | Notes Payable - Graybar Financial Services | | |
|----------------------------|--|-------------|------------------|
| | Principal | Interest | Total |
| 2025 | \$ 2,550 | \$ - | \$ 2,550 |
| 2026 | 2,550 | - | 2,550 |
| 2027 | 2,550 | - | 2,550 |
| 2028 | 2,550 | - | 2,550 |
| 2029 | 213 | - | 213 |
| Total | <u>\$ 10,413</u> | <u>\$ -</u> | <u>\$ 10,413</u> |

NOTE 8 - RELATED PARTY TRANSACTIONS

The construction of a treatment water plant was completed and became operational by the District in fiscal year 1993. The Board of Directors for the District is the governing body for the treatment plant. The treatment plant buys water from the McGee Creek Authority and in turn sells water to Rural Water, Sewer, and Solid Waste Management, District No 4 at a rate of \$4.70 per 1,000 gallons of water. The sales to Atoka County Rural Water, Sewer and Solid Waste Management, District No.4 have been eliminated by interfund blending. The treatment plant sells water to other water districts at a negotiated rate of \$4.70 to \$4.76 per 1,000 gallons of water.

NOTE 9 - INTERFUND ACTIVITY

In the process of aggregating the financial information for the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows, some amounts reported as related activity and balances in the combining financial statements have been eliminated or reclassified.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

Interfund activity between Atoka County Rural Water, Sewer and Solid Waste Management, District No.4 and the water treatment plant have been eliminated in the basic financial statements. The interfund activities consist of sales or purchases of water between the funds and are reported as revenues and expenditures and/or accounts receivable and accounts payable in the supplemental schedules.

NOTE 10 - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 11 - RISK MANAGEMENT

The District's risk management of loss consists of commercial insurance for property and liability losses, an employee's bond for employee dishonesty, and worker's compensation. There have been no significant reductions in insurance coverage during the year ended October 31, 2024.

NOTE 12 - CONTINGENCIES

Litigation

The management of the Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4 is not aware of any contingent liabilities at October 31, 2024 which would materially affect the District's 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.

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2024

NOTE 13 - RETIREMENT PLAN

During the fiscal year, the District participated in the Oklahoma Public Employees Retirement System. The minimum contribution is 18% with the District contributing 11.5% of the minimum. Five out of five employees are in the Step-Up Program.

The total contributions for the fiscal year ending October 31, 2024, for employer and employee were \$19,986.82 and \$17,644.19, respectively, on total wages of \$173,798.29.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* took effect for governments in fiscal years beginning after June 30, 2014 (that is, for years ended June 30, 2015 or later). Management has determined that it would not be cost effective to compile the required information for implementing Statement No. 68 and the amounts are not expected to be material to the financial statements and therefore, the required information has not been included in the financial statements.

NOTE 14 - SUBSEQUENT EVENTS

The District did not have any subsequent events through April 2, 2025, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending October 31, 2024.

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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
Atoka County Rural Water, Sewer and
Solid Waste Management, District No. 4
Atoka, Oklahoma

I 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 Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4, as of and for the year ended October 31, 2024, and the related notes to the financial statements, and have issued my report thereon dated April 2, 2025, which was qualified because the District has not implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Management has omitted the MD&A and Net Pension Liability Information required by accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4'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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4's internal control. Accordingly, I do not express an opinion on the effectiveness of Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4'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

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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. A *significant deficiency* is a deficiency, or a 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.

My consideration of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control described in the accompanying Schedule of Findings that I consider to be material weaknesses as Item 2024-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4'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 financial statements. 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*.

Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4's Response to Findings

Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4's response to the findings identified in my audit is described in the accompanying Schedule of Findings. Atoka County Rural Water, Sewer and Solid Waste Management, District No. 4's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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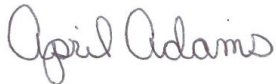
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Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



April Adams CPA PLLC
Ponca City, Oklahoma

April 2, 2025

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
SCHEDULE OF FINDINGS
OCTOBER 31, 2024

INTERNAL CONTROL FINDINGS:

Item 2024-01: Segregation of Duties

Criteria: A good system of internal control requires a proper segregation of duties to prevent one person from being in a position to authorize, execute, and record the same transaction.

Condition: Due to the size of the District's major areas of internal control, that would be prevalent in a larger District, such segregation of duties is not available for this size operation. Duties are concentrated in the hands of a few individuals, who are responsible for all phases of the accounting functions. Because of this lack of division of responsibility, internal control is determined to be weak.

Cause/Effect: Due to the limited number of personnel, a breach of internal controls could occur and not be detected in the normal course of operations.

Recommendation: Some compensating controls have been implemented by requiring the Board's approval and signature for all expenditures. The Board should continue to be actively involved in the operations of the organization.

Response: The Board continues to be actively involved in the operations of the District.

COMPLIANCE FINDINGS:

None

ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO. 4
COMBINING STATEMENT OF NET POSITION
OCTOBER 31, 2024

| | Enterprise Funds | | | |
|--|---------------------|---------------------|--------------------|---------------------|
| | Water District | Water Plant | Consolidation | Total |
| <u>ASSETS</u> | | | | |
| <u>Current Assets:</u> | | | | |
| Cash in Bank: Operating | \$ 467,768 | \$ 806,554 | \$ - | \$ 1,274,322 |
| Accounts Receivable - Choctaw Nation | - | - | - | - |
| Accounts Receivable - Trade | 242,346 | 106,622 | (58,357) | 290,611 |
| Accounts Receivable - Plant | 1,015,775 | - | (1,015,775) | - |
| Accounts Receivable - Employee Leasing | 3,673 | - | - | 3,673 |
| ORWAAG Reserve Certificate | 5,000 | - | - | 5,000 |
| Total Current Assets | 1,734,562 | 913,176 | (1,074,132) | 1,573,606 |
| <u>Restricted Assets:</u> | | | | |
| Rental Deposits | 20,392 | - | - | 20,392 |
| USDA RD Reserve | 83,204 | - | - | 83,204 |
| SLA Reserve | 350,694 | - | - | 350,694 |
| SLA - Certificate of Deposit | 121,251 | - | - | 121,251 |
| Construction | - | - | - | - |
| Prepaid State Tax | - | - | - | - |
| CDBG Reserve | 8,942 | - | - | 8,942 |
| Total Restricted Assets | 584,483 | - | - | 584,483 |
| <u>Capital Assets:</u> | | | | |
| Water Distribution Facilities | 7,464,517 | 6,683,899 | - | 14,148,416 |
| Water Dist Facility Construction in Progress | - | 105,676 | - | 105,676 |
| Buildings | 94,651 | - | - | 94,651 |
| Office Furniture & Equipment | 75,321 | - | - | 75,321 |
| Land | 38,601 | - | - | 38,601 |
| Less: Accumulated Depreciation | (5,578,199) | (3,418,369) | - | (8,996,568) |
| Total Net Capital Assets | 2,094,891 | 3,371,206 | - | 5,466,097 |
| TOTAL ASSETS | 4,413,936 | 4,284,382 | (1,074,132) | 7,624,186 |
| <u>LIABILITIES</u> | | | | |
| <u>Current Liabilities:</u> | | | | |
| Accounts Payable - Trade | 106,905 | 83,538 | (58,357) | 132,086 |
| Accounts Payable - District | - | 1,015,775 | (1,015,775) | - |
| Payroll Taxes Payable | 4,529 | - | - | 4,529 |
| Accrued Interest Payable | 2,698 | 5,161 | - | 7,859 |
| Deferred Revenue - RD Grant | - | - | - | - |
| Current Maturities of Notes Payable | 73,829 | 82,512 | - | 156,341 |
| Total Current Liabilities | 187,961 | 1,186,986 | (1,074,132) | 300,815 |
| <u>Other Liabilities:</u> | | | | |
| Rental Deposits | 20,392 | - | - | 20,392 |
| <u>Long-Term Liabilities:</u> | | | | |
| Notes Payable - USDA Rural Development | 1,268,301 | 2,141,295 | - | 3,409,596 |
| Notes Payable - Graybar Financial Services | 8,330 | 2,083 | - | 10,413 |
| Less: Current Maturities | (73,829) | (82,512) | - | (156,341) |
| Total Long-Term Liabilities | 1,202,802 | 2,060,866 | - | 3,263,668 |
| TOTAL LIABILITIES | 1,411,155 | 3,247,852 | (1,074,132) | 3,584,875 |
| <u>NET POSITION</u> | | | | |
| Net investment in capital assets | 818,260 | 1,227,828 | - | 2,046,088 |
| Restricted for debt service | 564,091 | - | - | 564,091 |
| Unrestricted | 1,620,430 | (191,298) | - | 1,429,132 |
| TOTAL NET POSITION | \$ 3,002,781 | \$ 1,036,530 | \$ - | \$ 4,039,311 |

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

**ATOKA COUNTY RURAL WATER, SEWER
AND SOLID WASTE MANAGEMENT, DISTRICT NO.4
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2024**

| | Enterprise Funds | | | |
|--|-------------------|----------------|---------------|--------------|
| | Water District | Water Plant | Consolidation | Total |
| <u>Operating Revenues:</u> | | | | |
| Water Sales | \$ 2,064,610 | \$ 1,232,858 | \$ (656,360) | \$ 2,641,108 |
| Membership Dues and Connection Fees | 52,208 | - | - | 52,208 |
| Materials and Line Extensions | 18,128 | - | - | 18,128 |
| Miscellaneous Fees | 3,509 | - | - | 3,509 |
| Employee Leasing | 27,629 | - | (27,629) | - |
| Total Operating Revenues | 2,166,084 | 1,232,858 | (683,989) | 2,714,953 |
| <u>Operating Expenses:</u> | | | | |
| Salaries | 155,259 | 18,540 | - | 173,799 |
| Employee Leasing | - | 27,629 | (27,629) | - |
| Contract Labor/Operator Fees | 247,030 | 220,167 | - | 467,197 |
| Employee Expense Allowance | 42,847 | - | - | 42,847 |
| Retirement Plan Expense | 17,855 | 2,783 | - | 20,638 |
| Water Purchases | 656,360 | 539,618 | (656,360) | 539,618 |
| Utilities | 16,570 | 61,011 | - | 77,581 |
| Repairs and Maintenance | 417,718 | 29,812 | - | 447,530 |
| Payroll Taxes | 13,011 | 1,538 | - | 14,549 |
| Office Supplies and Printing | 50,693 | - | - | 50,693 |
| Insurance | 34,717 | 5,496 | - | 40,213 |
| Accounting and Legal | 6,840 | - | - | 6,840 |
| Depreciation Expense | 133,291 | 212,866 | - | 346,157 |
| Permits and Fees | 8,862 | 11,212 | - | 20,074 |
| Small Tools | - | 1,992 | - | 1,992 |
| Administrative Expense | - | 5,733 | - | 5,733 |
| Chemicals | - | 229,021 | - | 229,021 |
| Lab Supplies | - | 13,236 | - | 13,236 |
| Janitorial Supplies | 5,809 | 167 | - | 5,976 |
| Returned Checks | 695 | - | - | 695 |
| Testing Fees | 5,140 | 4,370 | - | 9,510 |
| Credit Card Charges | 20,867 | - | - | 20,867 |
| Legal Fees | 275 | - | - | 275 |
| Dues and Memberships | 2,553 | - | - | 2,553 |
| Advertising | 882 | - | - | 882 |
| Miscellaneous | 21 | - | - | 21 |
| Line Extension Expense | 7,700 | - | - | 7,700 |
| Engineering Fees | 5,120 | - | - | 5,120 |
| Total Operating Expenses | 1,850,115 | 1,385,191 | (683,989) | 2,551,317 |
| Operating Income (Loss) | 315,969 | (152,333) | - | 163,636 |
| <u>Non-Operating Revenues (Expenses):</u> | | | | |
| Interest Income | 9,458 | - | - | 9,458 |
| Miscellaneous Income | 4,264 | 1,075 | - | 5,339 |
| Interest Expense | (58,338) | 144,052 | - | 85,714 |
| Grants | - | (91,252) | - | (91,252) |
| Total Non-operating Revenues (Expenses) | (44,616) | 53,875 | - | 9,259 |
| Net Income (Loss) Before Contributions | 271,353 | (98,458) | - | 172,895 |
| Capital Contributions - Grant Income | - | - | - | - |
| Change in Net Position | 271,353 | (98,458) | - | 172,895 |
| Total Net Position - Beginning | 2,731,428 | 1,134,988 | - | 3,866,416 |
| Total Net Position - Ending | \$ 3,002,781 | \$ 1,036,530 | \$ - | \$ 4,039,311 |

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