

**BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE  
MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**



# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

DECEMBER 31, 2020 AND 2019

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## **Independent Auditors' Report**

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To the Board of Directors  
Bryan County Rural Water, Sewer and Solid Waste Management District #6  
Caddo, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Bryan County Rural Water, Sewer and Solid Waste Management District #6 (the District), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bryan County Rural Water, Sewer and Solid Waste Management District #6 as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***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 statement in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the District'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 to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**May 11, 2021**

## ***FINANCIAL STATEMENTS***

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## STATEMENTS OF NET POSITION

AS OF DECEMBER 31,	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 186,514	\$ 156,644
Restricted investments	41,420	104,931
Accounts receivable	29,870	26,828
Inventory	10,000	10,000
Prepaid insurance	4,227	4,063
<b>Total Current Assets</b>	<b>272,031</b>	<b>302,466</b>
<b>Noncurrent Assets</b>		
<b>Capital Assets</b>		
Land	31,430	31,430
Buildings and improvements	71,914	71,914
Water distribution system and improvements	2,977,213	2,910,153
Machinery and equipment	113,923	113,923
<b>Total Capital Assets</b>	<b>3,194,480</b>	<b>3,127,420</b>
Less: accumulated depreciation	1,432,838	1,334,280
<b>Net Capital Assets</b>	<b>1,761,642</b>	<b>1,793,140</b>
<b>Total Assets</b>	<b>\$ 2,033,673</b>	<b>\$ 2,095,606</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	1,681	3,991
Payroll taxes and other withholdings payable	1,747	3,702
Accrued interest	12,630	11,091
Current maturity of long-term debt	47,000	25,000
<b>Total Current Liabilities</b>	<b>63,058</b>	<b>43,784</b>
<b>Long-Term Debt, Net of Unamortized Bond Discounts</b>	<b>786,031</b>	<b>775,316</b>
<b>Total Liabilities</b>	<b>849,089</b>	<b>819,100</b>
<b>Net Position</b>		
Net investment in capital assets	928,611	992,824
Restricted	126,447	188,535
Unrestricted	129,526	95,147
<b>Total Net Position</b>	<b>1,184,584</b>	<b>1,276,506</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 2,033,673</b>	<b>\$ 2,095,606</b>

See accompanying notes.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
<b>Operating Revenue</b>		
Metered water sales, net of bad debts	\$ 316,814	\$ 305,782
Reimbursement for supplies provided	3,635	48
Membership fees	21,250	8,500
Other	7,064	555
<b>Total Operating Revenue</b>	<b>348,763</b>	<b>314,885</b>
<b>Operating Expenses</b>		
Contract labor	7,565	6,570
Dues and memberships	1,788	2,134
Employee benefits	24,856	28,130
Fuel and oil	4,217	8,657
Insurance	13,607	14,439
Miscellaneous	5,560	1,668
Office expense	5,793	5,637
Payroll taxes	9,872	9,292
Permits and fees	2,153	1,317
Postage	2,485	2,333
Professional fees	60,330	15,709
Salaries and wages	109,052	111,804
Supplies	33,181	8,997
Telephone	6,149	6,030
Trustee fees	2,000	2,000
Utilities	10,228	10,235
Vehicle expense	6,795	2,566
Depreciation	98,558	88,685
<b>Total Operating Expenses</b>	<b>404,189</b>	<b>326,203</b>
<b>Operating Loss</b>	<b>(55,426)</b>	<b>(11,318)</b>
<b>Nonoperating Revenue (Expenses)</b>		
CDBG Grant	-	289,546
Interest and dividend income	600	2,009
Gain on sale of asset	-	-
Interest expense	(37,096)	(44,917)
<b>Total Net Nonoperating Revenue (Expenses)</b>	<b>(36,496)</b>	<b>246,638</b>
<b>Change in Net Position</b>	<b>(91,922)</b>	<b>235,320</b>
Net Position at Beginning of Year	1,276,506	1,041,186
<b>End of the Year Net Position</b>	<b>\$ 1,184,584</b>	<b>\$ 1,276,506</b>

See accompanying notes.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	\$ 345,721	\$ 317,085
Cash payments to suppliers for goods and services	(201,008)	(125,515)
Cash payments to employees for services	(109,052)	(111,804)
<b>Net Cash Provided By Operating Activities</b>	<b>35,661</b>	<b>79,766</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of capital assets	(67,060)	(131,402)
Proceeds from issuance of bonds	865,000	-
Principal paid on debt	(833,000)	(25,000)
Interest paid on debt	(34,842)	(44,503)
<b>Net Cash Used In Capital and Related Financing Activities</b>	<b>(69,902)</b>	<b>(200,905)</b>
<b>Cash Flows From Investing Activities</b>		
Net investment activity	63,511	733
Interest and dividend income	600	2,009
<b>Net Cash Provided By Investing Activities</b>	<b>64,111</b>	<b>2,742</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>29,870</b>	<b>(118,397)</b>
Cash and Cash Equivalents at Beginning of Year	156,644	275,041
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 186,514</b>	<b>\$ 156,644</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Net loss from operations	\$ (55,426)	\$ (11,318)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	98,558	88,685
Net change in assets and liabilities		
Accounts receivable	(3,042)	2,200
Prepaid insurance	(164)	(39)
Accounts payable	(2,310)	(710)
Payroll taxes and other withholdings payable	(1,955)	948
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 35,661</b>	<b>\$ 79,766</b>
<b>Supplemental Schedule of Noncash Investing Activities</b>		
Total cost of fixed assets acquired	\$ 67,060	\$ 420,948
Less: portion paid indirectly with CDBG funds administered through the county	-	(289,546)
<b>Total cash paid for fixed asset additions</b>	<b>\$ 67,060</b>	<b>\$ 131,402</b>

See accompanying notes.



# **BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

### **Nature of Business**

Bryan County Rural Water, Sewer and Solid Waste Management District Number 6, Bryan County Oklahoma (the District) was formed on January 28, 1994 for the purpose of supplying water and sewer services to the residents of rural Bryan County, Oklahoma.

### **1. Summary of Significant Accounting Policies**

#### **a. Basis of Presentation**

The District's financial statements are prepared in conformity with principles generally accepted in the United States of America. The Governmental Accounting Standards District (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities.

The District accounts for its operations as an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

#### **b. Financial Reporting**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### **c. Income Taxes**

The District is exempt from income taxes as a governmental agency.

#### **d. Cash Equivalents**

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents including restricted cash.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 1. Summary of Significant Accounting Policies (Continued)

#### e. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued several new accounting pronouncements that took effect during the fiscal year. The District early implemented the pronouncements during the fiscal year ended December 31, 2019. The following is a description of the new pronouncements:

GASB Statement No. 83, *Certain Asset Requirement Obligations*. The purpose of this statement is to address accounting and financial reporting for certain retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government has a legal obligation to perform future asset retirement activities related to its tangible capital assets and should recognize a liability based on the guidance on the statement. The District adopted this statement during the year and it had no impact on the financial statements.

GASB Statement No. 84, *Fiduciary Activities*. The purpose of this statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The District adopted the statement during the year and it had no impact on the financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The purpose of this statement is to improve the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The District adopted this statement during the year and added the appropriate disclosures in the footnotes.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61*. The purpose of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The District adopted this statement during the year and it had no impact on the financial statements.

#### f. Accounts Receivable

Uncollectible accounts receivable are charged directly against earnings when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 1. Summary of Significant Accounting Policies (Continued)

#### g. Investments

Investments are presented at fair value. Restricted investments, consist primarily of U.S. Government securities designated as a debt service reserve fund and a construction fund and an institutional money market fund designated to service semi-annual bond payments.

#### h. Inventories

Inventory consists of supplies and repair parts for the operation and maintenance of plant and equipment. The amount recorded in these financial statements is estimated at cost using the first-in, first-out method or market.

#### i. Prepaid Expenses

Payments made to vendors for services that will benefit future periods are recorded as prepaid expenses using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expense in the year which services are consumed.

#### j. Capital Outlays and Depreciation

Capital outlays of the District are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals of relatively minor items are charged to expense as incurred. The estimated useful lives of the assets are as follows:

	<u>Life</u>
Buildings and improvements	10-40 years
Water distribution system and improvements	20-40 years
Machinery and equipment	5-7 years

It is the District's policy to capitalize assets purchased for \$500 or more and to expense assets purchased for less than \$500.

#### k. Unamortized Bond Premium and Discount

Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as an expense of the current period.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 1. Summary of Significant Accounting Policies (Continued)

#### I. Compensated Absences

Employees of the District do not accrue vacation or sick leave since it is the District's policy not to do so. Therefore, no provision has been made for such.

#### m. Net Position

Net position of the District are classified in three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

*Net investment in capital assets* - This component of net position 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 improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - This component of net position consists of net position that does not meet the definition of "restricted" or "net invested in capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### n. Advertising

It is the District's policy to expense all advertising costs as incurred.

#### o. Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the Board. Operating revenues consist primarily of water sales and fees for miscellaneous services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 1. Summary of Significant Accounting Policies (Continued)

#### p. Estimates

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.

### 2. Cash Deposits

The District maintains its operating bank accounts in one local financial institution. The Federal Deposit Insurance Corporation ("FDIC") insures accounts at this institution. At December 31, 2020 and 2019 the District had no uninsured deposits. The District does not believe that there is any significant risk associated with the concentrations of credit nor has the District experienced any losses in such accounts.

### 3. Restricted Funds And Required Accounts

Certain resources of the District are classified as restricted assets on the statement of net position. These funds are maintained in separate accounts and their use is limited applicable bond covenants.

Restricted investments are comprised of the following:

As of December 31,	2020	2019
2007 Series revenue bond sinking fund	\$ -	\$ 1
2007 Series revenue bond fund	-	30,811
2007 Series revenue bonds debt service reserve	-	74,119
2020 Series revenue bonds revenue fund	2,000	-
2020 Series revenue bonds principal account	23,001	-
2020 Series revenue bonds interest account	12,630	-
2020 Series revenue bonds construction fund	3,789	-
Total	\$ 41,420	\$ 104,931

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 4. Investments

The District's investments in securities are stated at fair market value and consist of the following:

<b>As of December 31, 2020</b>	<b>Cost</b>	<b>Market Value</b>
<u>Revenue Fund</u>		
MSILF Govt #8352	\$ 2,000	\$ 2,000
<u>Bond Fund Principal Account</u>		
MSILF Govt #8352	23,001	23,001
<u>Bond Fund Interest Account</u>		
MSILF Govt #8352	12,630	12,630
<u>Construction Fund</u>		
MSILF Govt #8352	3,789	3,789
<b>Total</b>	<b>\$ 41,420</b>	<b>\$ 41,420</b>

<b>As of December 31, 2019</b>	<b>Cost</b>	<b>Market Value</b>
<u>Sinking Fund</u>		
MSILF Govt #8352	\$ 1	\$ 1
<u>Bond Fund</u>		
MSILF Govt #8352	30,811	30,811
<u>Debt Service Reserve Fund</u>		
MSILF Govt #8352	74,119	74,119
<b>Total</b>	<b>\$ 104,931</b>	<b>\$ 104,931</b>

#### Fair Value Disclosures

The following table represents the District's investments that are measured at fair value on a recurring basis at December 31, 2020:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
MSILF Govt #8352	\$ 41,420	\$ -	\$ -	\$ 41,420
<b>Total</b>	<b>\$ 41,420</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,420</b>

#### Interest Rate Risk

Interest rate risk is the risk the changes in interest of debt investments will adversely affect the fair value of an investment. The Board's investments are not subject to interest rate risk as the investments are short-term in nature.

# **BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

### **4. Investments (Continued)**

#### *Credit Risk*

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Board's investments are unrated, but institutional money market accounts generally invest in U.S. Treasury bills, federal agency notes, certificates of deposit and commercial paper which are all investments permitted by Arkansas statutes.

### **5. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establish a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. When measuring a fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

All investments of the District are valued using Level 1 inputs. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methodologies used at December 31, 2020.

### **6. Bond Discounts**

Bond discount costs of \$9,441 incurred in connection with the issuance of the 2020 Series Revenue Bonds are being amortized over 15 years. Amortization of the bond discounts totaled \$472 and is included in interest and fees on long-term debt in the statement of activities. The unamortized portion is netted with total long-term debt.

# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 7. Capital Assets

Activity of capital assets consists of the following:

	January 1, 2020		Deletions/ Transfers		December 31, 2020	
		Additions				
Land	\$ 31,430	\$ -	\$ -	\$ -	\$ 31,430	
Buildings and improvements	71,914	-	-	-	71,914	
Water distribution system and improveme	2,910,153	67,060	-	-	2,977,213	
Machinery and equipment	113,923	-	-	-	113,923	
<b>Total</b>	<b>\$ 3,127,420</b>	<b>\$ 67,060</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,194,480</b>	

	January 1, 2019		Deletions/ Transfers		December 31, 2019	
		Additions				
Land	\$ 31,430	\$ -	\$ -	\$ -	\$ 31,430	
Buildings and improvements	71,914	-	-	-	71,914	
Water distribution system	2,457,086	453,067	-	-	2,910,153	
Machinery and equipment	113,923	-	-	-	113,923	
Construction in process	32,120	-	32,120	-	-	
<b>Total</b>	<b>\$ 2,706,473</b>	<b>\$ 453,067</b>	<b>\$ 32,120</b>	<b>\$ -</b>	<b>\$ 3,127,420</b>	

### 8. Long-Term Debt

Long-term debt of the District consists of:

As Of December 31,	2020	2019
Bryan County Rural Water, Sewer and Solid Waste Management District #6 Revenue Bonds - Series 2007. Issued in the aggregate amount of \$1,035,000 in April 2007 at interest rates ranging from 4.60% to 5.50%, due annually, on April 1. Interest is payable semi-annually with principal maturity paid from April 2008 through December 2037. Bonds are secured by property, other assets and revenues of the District.	\$ -	\$ 810,000
Bryan County Rural Water, Sewer and Solid Waste Management District #6 Revenue Bonds - Series 2020. Issued in the aggregate amount of \$865,000 in January 2020 with interest of 3.00% due semi-annually. Principal will be paid semi-annually through January 2035. The bonds are secured by property, other assets, and revenues of the District.	842,000	-



# BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 8. Long-Term Debt (continued)

Total	842,000	810,000
Less current maturities	47,000	25,000
Long-term debt	795,000	785,000
Less unamortized bond discounts	8,969	9,684
<b>Long-Term Debt</b>	<b>\$ 786,031</b>	<b>\$ 775,316</b>

Debt is scheduled to mature as follows:

December 31,	Principal	Interest	Total
2021	\$ 47,000	\$ 24,915	\$ 71,915
2022	48,000	23,490	71,490
2023	50,000	22,035	72,035
2024	52,000	22,035	74,035
2025	53,000	20,520	73,520
2026-2030	291,000	69,705	122,705
2031-2035	301,000	23,025	314,025
<b>Total</b>	<b>\$ 842,000</b>	<b>\$ 205,725</b>	<b>\$ 799,725</b>

Activity of the long-term debt consists of the following:

	January 1, 2020	Debt Additions	Debt Retirements	December 31, 2020
2007 Series Revenue Bonds	\$ 810,000	\$ -	\$ 810,000	\$ -
2020 Series Revenue Bonds	-	865,000	23,000	842,000
<b>Total</b>	<b>\$ 810,000</b>	<b>\$ 865,000</b>	<b>\$ 833,000</b>	<b>\$ 842,000</b>

	January 1, 2019	Debt Additions	Debt Retirements	December 31, 2019
2007 Series Revenue Bonds	\$ 835,000	\$ -	\$ 25,000	\$ 810,000
<b>Total</b>	<b>\$ 835,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 810,000</b>

### 9. Concentrations of Credit Risk

Financial instruments that potentially subject the District to credit risk consist primarily of accounts receivable. The receivables are from individuals located within the same geographic region.

# **BRYAN COUNTY RURAL WATER, SEWER AND SOLID WASTE MANAGEMENT DISTRICT #6, BRYAN COUNTY, OKLAHOMA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

### **10. Commitments and Contingencies**

The Series 2020 Bryan County Rural Water, Sewer and Solid Waste Management District #6 Revenue Bonds require the District to maintain user rates sufficient to generate net earnings, as defined by the agreement to 125% of the debt service requirements. The revenue bonds contain specific requirements for annual debt service and various covenants which require the District to maintain various restricted investment accounts and to meet various other general requirements. The District is in compliance with all such financial covenants and restrictions at December 31, 2020.

### **11. Risk Management**

The District is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial blanket coverage and worker's compensation for risk of loss.

There has been no significant reduction in the District's insurance coverage from the previous year. In addition there have been no settlements in excess of the District's coverage in any of the prior three fiscal years.

### **12. Subsequent Events**

The Department has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2020 through May 11, 2021, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

***ADDITIONAL REQUIRED REPORT***



**Independent Auditors' 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***

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To the Board of Directors  
Bryan County Rural Water, Sewer and Solid Waste Management District #6  
Caddo, Arkansas

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 Bryan County Rural Water, Sewer and Solid Waste Management District #6 (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 11, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 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.

Our 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. Given those 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 financial statements. 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 that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

This 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 District's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**May 11, 2021**