

**Creek County Rural Water District No. 1
Kellyville, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2015

Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

Creek County Rural Water District No. 1
Kellyville, Oklahoma
Board of Directors
December 31, 2015

BOARD OF DIRECTORS

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PLANT MANAGER

Randall Taylor

OFFICE MANAGER

Martha Bussett

Creek County Rural Water District No. 1
Kellyville, Oklahoma
December 31, 2015

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Creek County Rural Water District No. 1
Kellyville, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2015, which collectively comprise the District's basic 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. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 accounting 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 opinions.

Opinions

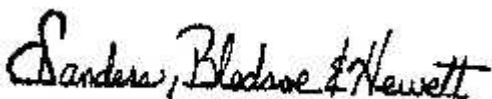
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2016 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 Authority's internal control over financial reporting and compliance.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

March 21, 2016

RURAL WATER DISTRICT NO. 1, CREEK COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015

Our discussion and analysis of the Rural Water District No. 1, Creek County's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the District's financial statements that begin on page 11.

FINANCIAL HIGHLIGHTS:

- The District's total operating expenditures exceeded total operating revenues by \$301,059. Overall, the District's total net assets decreased by \$254,667 in the current fiscal year.
- The District earned over \$15,000 in interest earnings during 2015.
- The Water Plant supplied a total of 459,000,000 gallons of water in 2015.
- The District sold 2 new taps in 2015, making a total of 2,372 total benefit units in the District.
- Improvements to the water system and engineering costs increased during 2015 as the District prepares for more water system improvements when funds become available.
- The District applied for a \$4,433,000 grant/loan program through USDA/Rural Development to improve and expand the water system.

Using This Report

This report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's basis of accounting.

Basis of Accounting

The District has elected to present its financial statements in the accrual basis of accounting. According to the accrual basis, revenues are recorded when earned and expenses are recognized when incurred. This policy is in accordance with generally accepted accounting principles.

The Financial Statements

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net position, and the

Statement of Cash Flows report information about the District and about its activities in a way that helps answer this question.

These three statements report the District's net position and the changes in them. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in water rates paid or charged and the condition of the District's water system, to assess the overall health of the District.

The District has only one type of fund or activity, which is defined as *Business-type activities*. This is considered a proprietary fund. This means the District charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Fixed Assets

At December 31, 2015 the District had \$3,432,473 invested in fixed assets, net of depreciation, including land, the water system, vehicles, equipment and lines. Additional fixed assets of \$154,781 were added during the 2015 fiscal year, including some water system improvements and a new truck.

Long-Term Debt

The District had no outstanding long-term debt in 2015. A new loan from USDA/Rural Development for \$4,433,000 is in the final stages of approval, but no proceeds had been received at December 31, 2015.

Economic Factors and Next Year's Budget and Rates

For the upcoming fiscal year ending December 31, 2016 the District's projected budget is fairly consistent with the 2015 fiscal year.

For the fiscal year 2016, the District may have to again increase rates to users to meet demands if the cost of water purchased and everyday expenses are substantially increased. If demand is increased on existing lines and equipment, or additional memberships are substantially increased, it may be necessary for the District to incur some long-term debt to meet these demands. As of the date of this report, none of these situations are probable for the 2016 year.

Contacting the District

This report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the District Office at P.O. Box 406, Kellyville, OK 74039, or call (918) 247-6465.



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

**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**

Board of Directors
Creek County Rural Water District No. 1
Kellyville, Oklahoma

We have audited, 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, the accompanying financial statements of the Creek County Rural Water District No. 1 (the District), Kellyville, Oklahoma, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 21, 2016.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective 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 in order to determine our auditing procedures that are appropriate for the purpose of expressing our opinion 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 over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph 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. We identified no deficiencies in the internal controls that we considered to be material weaknesses.

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 District'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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Sanders, Bledsoe & Hewett". The script is cursive and somewhat stylized.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

March 21, 2016

CREEK COUNTY RURAL DISTRICT NO. 1
Disposition of Prior Year's Reportable Conditions
December 31, 2015

There were no prior year instances of noncompliance.

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Schedule of Audit Results
December 31, 2015

Section 1 – Summary of Auditor's Results

1. An unqualified opinion report was issued on the financial statements.
2. The audit disclosed no reportable conditions in the internal controls.
3. The audit disclosed no instances of noncompliance.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Statement of Net Assets
December 31, 2015

ASSETS

Current assets:

| | |
|-----------------------------|------------------|
| Cash | \$ 86,995 |
| Investments | 1,097,877 |
| Accounts receivable | 94,628 |
| Accrued interest receivable | 3,191 |
| Inventory | 122,830 |
| Prepaid expenses | 32,822 |
| Total current assets | <u>1,438,343</u> |

Noncurrent assets:

Fixed assets-

| | |
|---|------------------|
| Land | 8,249 |
| Plant and distribution system, net of depreciation | 3,324,278 |
| Trucks and equipment, net of depreciation | 51,457 |
| Office building, net of depreciation | 17,154 |
| Office furniture and equipment, net of depreciation | 6,497 |
| Other equipment, net of depreciation | 24,838 |
| Total noncurrent assets | <u>3,432,473</u> |

| | |
|--------------|------------------|
| Total Assets | <u>4,870,816</u> |
|--------------|------------------|

LIABILITIES

Current liabilities:

| | |
|------------------|--------|
| Accounts payable | 43,158 |
|------------------|--------|

Noncurrent liabilities:

| | |
|---------------------|---------------|
| Refundable deposits | <u>10,022</u> |
|---------------------|---------------|

| | |
|-------------------|---------------|
| Total Liabilities | <u>53,180</u> |
|-------------------|---------------|

NET ASSETS

| | |
|---|---------------------|
| Invested in capital assets, net of related debt | 3,432,473 |
| Unrestricted assets | <u>1,385,163</u> |
| Total Net Assets | <u>\$ 4,817,636</u> |

The accompanying notes to the financial statements are an integral part of this statement

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Statement of Activities
For The Year Ended December 31, 2015

| | |
|---|----------------------------|
| Operating Revenues: | |
| Water sales | \$ 1,630,115 |
| Late charges | 27,214 |
| Installations and connections | 8,270 |
| Other income and fees | 34,872 |
| Total revenues from operations | <u>1,700,471</u> |
| Operating Expenses: | |
| Backhoe and hauling | 69,106 |
| Chemicals | 402,079 |
| Professional fees | 260,312 |
| Fittings, meters and connections | 142,378 |
| Franchise and storage | 24,213 |
| Insurance, general | 48,634 |
| Insurance, group | 113,433 |
| Office | 19,064 |
| Maintenance and repairs | 73,790 |
| Retirement | 166,616 |
| Salaries | 376,841 |
| Taxes | 27,759 |
| Automobile | 20,934 |
| Utilities | 106,323 |
| Depreciation | 150,048 |
| Total expenses from operations | <u>2,001,530</u> |
| Operating Income (Loss) | (301,059) |
| Non-Operating Revenues (Expenses): | |
| Interest income | 15,192 |
| Benefit units | 31,200 |
| Total non-operating revenues (expenses) | <u>46,392</u> |
| Change in Net Assets | (254,667) |
| Total Net Assets, beginning of period | <u>5,072,303</u> |
| Total Net Assets, end of period | <u><u>\$ 4,817,636</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Statement of Cash Flows
For Year Ended December 31, 2015

Cash Flows from Operating Activities:

| | |
|---|-----------------|
| Receipts from customers | \$ 1,723,319 |
| Payments to employees | (403,240) |
| Payments to vendors | (1,400,450) |
| Net Cash Provided by Operating Activities | <u>(80,371)</u> |

Cash Flows from Non-Capital Financing Activities:

| | |
|---|------------------|
| Refundable deposits | 325 |
| Additions to fixed assets | (154,781) |
| Net cash provided by (used in) non-capital financing activities | <u>(154,456)</u> |

Cash Flows from Investing Activities:

| | |
|---|---------------|
| Benefit units | 31,200 |
| Interest revenue | 15,990 |
| Net cash provided by (used in) investing activities | <u>47,190</u> |

Net Increase (Decrease) in Cash and Equivalents (187,637)

Cash and cash equivalents, beginning of period 1,372,509

Cash and cash equivalents, end of period \$ 1,184,872

Reconciliation of operating income (loss) to net cash provided
by operating activities:

| | |
|---|--------------|
| Operating Income (loss) | \$ (301,059) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation Expense | 150,048 |
| (Increase) decrease in accounts receivable | 22,849 |
| (Increase) decrease in inventory | 9,451 |
| (Increase) decrease in prepaid expenses | 4,781 |
| Increase (decrease) in accounts payable | 33,559 |

Net Cash Provided by Operating Activities \$ (80,371)

The accompanying notes to the financial statements are an integral part of this statement

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Notes to Financial Statements
December 31, 2015

Note A – Significant Accounting Policies

Organization

Creek County Rural Water District No. 1 (the District) is an Oklahoma non-profit water district organized under Title 82 of Oklahoma Statutes to provide water service to rural residents of Creek County, Oklahoma. The District is considered a political subdivision of the State of Oklahoma.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and liabilities are recognized when incurred. This policy is in accordance with generally accepted accounting principles. The District has also complied with GASB Statement No. 34 financial reporting requirements.

Cash

The District's accounts are with the American Heritage Bank, Sapulpa, Oklahoma, and are detailed as follows:

| | December 31, | |
|------------------------------|------------------|----------------|
| | 2015 | 2014 |
| Cash on hand | \$ 300 | 300 |
| Petty cash | 300 | 300 |
| Operation and Maint. Account | 105,944 | 204,253 |
| Pension Plan Account | 3,121 | 3,121 |
| Add: Deposits in transit | - | - |
| Less: Outstanding checks | (22,670) | (17,686) |
| Total | <u>\$ 86,995</u> | <u>190,288</u> |

Cash and Cash Equivalents

For the purposes of preparing the statement of cash flows, cash on hand, reconciled cash in savings and checking, and certificates of deposit that can be converted into cash (if necessary) are considered cash equivalents.

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Notes to Financial Statements
December 31, 2015

Note A – Significant Accounting Policies – cont’d

Investments

The District had the following outstanding investments at December 31, 2015:

| | |
|--------------------------------------|---------------------|
| Spirit Bank- | |
| Certificate of Deposit no. 300110162 | \$ 30,121 |
| Certificate of Deposit no. 300099099 | 58,944 |
| Certificate of Deposit no. 300111332 | 28,682 |
| Certificate of Deposit no. 300135785 | 60,309 |
| Certificate of Deposit no. 300022204 | 85,928 |
| Community Bank- | |
| Certificate of Deposit no. 23341 | 203,895 |
| Certificate of Deposit no. 23351 | 66,007 |
| BancFirst- | |
| Certificate of Deposit no. 331000112 | 232,695 |
| American Heritage Bank- | |
| Savings Account no. 100212117 | 42,749 |
| Certificate of Deposit no. 100002979 | 124,376 |
| Certificate of Deposit no. 100003141 | <u>164,171</u> |
| Total Investments | <u>\$ 1,097,877</u> |

Accounts Receivable

Billings for accounts receivable at December 31, 2015 were \$94,628. Allowance for doubtful accounts was not computed on this balance because uncollectibles do not have a material effect on the balance sheet.

Collateral Pledged

All District funds were adequately insured by \$250,000 FDIC or other secured collateral as of December 31, 2015.

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Notes to Financial Statements
December 31, 2015

Note A – Significant Accounting Policies – cont’d

Fixed Assets

The fixed asset information for the District is shown below:

| | 12/31/2014 Amount | Additions | Deletions | 12/31/2015 Amount |
|-----------------------------------|----------------------|-----------|-----------|----------------------|
| Land | \$ 8,249 | - | - | 8,249 |
| Plant and dist. system | 6,038,006 | 128,514 | - | 6,166,520 |
| Trucks and equipment | 197,928 | 26,267 | - | 224,195 |
| Office building | 95,789 | - | - | 95,789 |
| Office furn. & equip. | 35,704 | - | - | 35,704 |
| Other equipment | 95,743 | - | - | 95,743 |
| Total Fixed Assets | 6,471,419 | 154,781 | - | 6,626,200 |
| Less: Accumulated Depreciation | (3,043,679) | (150,048) | - | (3,193,727) |
| Total | \$ 3,427,740 | 4,733 | - | 3,432,473 |

Federal Income Tax

The District is exempt from Federal and State income taxes.

Accumulated Unpaid Vacation and Sick Pay

At December 31, 2015, no determination of the aggregate dollar value of vacation or sick pay had been made.

Prior Year Information

Prior year information is shown on the financial statements for comparative purposes only. No assurance is given on prior year amounts.

Note B – Long-Term Debt

The District had no outstanding long-term debt in 2015.

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Notes to Financial Statements
December 31, 2015

Note C – Insurance and Surety Bond Coverage

The District appears to have had adequate insurance to cover all major perils at December 31, 2015.

Note D – Retirement Plan

The District has a noncontributory defined benefit pension plan covering all employees 20.5 years old after six months of employment. Plan benefits are 2% of compensation times years of service. Minimum retirement age is 65, minimum years of participation is five years. The plan pays a pre-retirement death benefit that is the greater of the insurance or the present value of the accrued benefit. Vesting is; 2 years – 20%, 3 years – 40%, 4 years – 60%, 5 years – 80%, 6 years – 100%. Funding of the pension plan is through individual insurance and annuity contracts. The actuarial assumptions used to compute contributions are the same as used to compute pension obligations. For the plan year ended February 28, 2015 the total payroll was \$309,484, the total payroll for participants was \$269,928. Contributions to the plan were \$181,832, or 67.4% of payroll.

Accumulated plan benefits and net assets available for plan benefits for the plan year ended February 28, 2015, the most recent benefit information date, was as follows:

| | |
|---|------------------|
| Net assets available for plan benefits | \$ 581,262 |
| Less: Vested accumulated benefits | <u>555,234</u> |
| Pension assets in excess of benefit obligations | <u>\$ 26,028</u> |

Note E – Subsequent Events

The District has applied for a grant/loan program through USDA/Rural Development to improve and expand the water system. If approved, the District will receive a grant not to exceed \$1,484,000 and a loan not to exceed \$2,949,000. The loan will be repaid over a 40 year period.

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Balance Sheet
December 31, 2015

| | DECEMBER 31, | |
|------------------------------------|---------------------|---------------------|
| | 2015 | (memo only) 2014 |
| <u>ASSETS</u> | | |
| Current Assets: | | |
| Cash | \$ 86,995 | 190,288 |
| Investments | 1,097,877 | 1,182,221 |
| Accounts receivable | 94,628 | 117,477 |
| Accrued interest receivable | 3,191 | 3,990 |
| Inventory | 122,830 | 132,281 |
| Prepaid expenses | 32,822 | 37,603 |
| Total current assets | <u>1,438,343</u> | <u>1,663,860</u> |
| Fixed Assets: | | |
| Land | 8,249 | 8,249 |
| Plant and distribution system | 6,166,520 | 6,038,005 |
| Trucks and equipment | 224,195 | 197,928 |
| Office building | 95,789 | 95,789 |
| Office furniture and equipment | 35,704 | 35,704 |
| Other equipment | 95,743 | 95,743 |
| Total fixed assets | <u>6,626,200</u> | <u>6,471,418</u> |
| Less: accumulated depreciation | <u>(3,193,727)</u> | <u>(3,043,679)</u> |
| Total fixed assets (net) | <u>3,432,473</u> | <u>3,427,739</u> |
| Total Assets | <u>\$ 4,870,816</u> | <u>5,091,599</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 43,158 | 9,599 |
| Refundable deposits | 10,022 | 9,697 |
| Total current liabilities | <u>53,180</u> | <u>19,296</u> |
| Fund Equity: | | |
| Benefit units | 1,172,505 | 1,141,305 |
| Retained earnings | 3,645,131 | 3,930,998 |
| Total Fund Equity | <u>4,817,636</u> | <u>5,072,303</u> |
| Total Liabilities and Fund Equity | <u>\$ 4,870,816</u> | <u>5,091,599</u> |

CREEK COUNTY RURAL WATER DISTRICT NO. 1
Statement of Revenue, Expenses and Changes in Retained Earnings
For Year Ended December 31, 2015

| | 2015 | (memo only) 2014 |
|--|----------------------------|-------------------------|
| Revenue from Operations: | | |
| Water sales | \$ 1,630,115 | 1,579,264 |
| Late charges | 27,214 | 24,437 |
| Installations and connections | 8,270 | 10,580 |
| Other income and fees | 34,872 | 28,255 |
| Total revenue from operations | <u>1,700,471</u> | <u>1,642,536</u> |
| Expenses from Operations: | | |
| Backhoe and hauling | 69,106 | 2,680 |
| Chemicals | 402,079 | 373,386 |
| Professional fees | 260,312 | 67,530 |
| Fittings, meters and connections | 142,378 | 56,993 |
| Franchise and storage | 24,213 | 29,418 |
| Insurance, general | 48,634 | 45,827 |
| Insurance, group | 113,433 | 91,735 |
| Office | 19,064 | 21,153 |
| Maintenance and repairs | 73,790 | 108,050 |
| Retirement | 166,616 | 199,453 |
| Salaries | 376,841 | 329,005 |
| Taxes | 27,759 | 24,556 |
| Automobile | 20,934 | 20,376 |
| Utilities | 106,323 | 113,949 |
| Depreciation | 150,048 | 146,336 |
| Total expenses from operations | <u>2,001,530</u> | <u>1,630,447</u> |
| Net Income (Loss) from Operations | (301,059) | 12,089 |
| Other Income: | | |
| Interest earnings | <u>15,192</u> | <u>13,572</u> |
| Net Income (Loss) | (285,867) | 25,661 |
| Retained earnings, beginning of period | <u>3,930,998</u> | <u>3,905,337</u> |
| Retained earnings, end of period | <u><u>\$ 3,645,131</u></u> | <u><u>3,930,998</u></u> |