

COMPILATION REPORT
PITTSBURG COUNTY RWD NO. 4
CANADIAN, OKLAHOMA
FOR YEARS ENDED DECEMBER 31, 2010 & 2009

Audited by

JACK H. JENKINS
CERTIFIED PUBLIC ACCOUNTANT
A PROFESSIONAL CORPORATION
TULSA, OK

**PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
CANADIAN, OKLAHOMA
DECEMBER 31, 2010 & 2009**

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**PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
BOARD OF DIRECTORS
DECEMBER 31, 2010 & 2009**

BOARD OF DIRECTORS

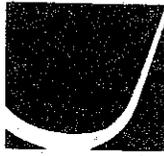
Chairman	James Bench
Vice-Chairman	Al Tankersley
Secretary/Treasurer	Joe Vaughan
Member	Don Hicks
Member	Barbara Traylor

OPERATOR

Ermon Russell, Jr.

MANAGER

Vivian Moody



Jack H. Jenkins, CPA *A Professional Corporation*

COMPILATION REPORT

Board of Directors
Pittsburg County Rural Water District No. 4
Canadian, Oklahoma 74425

I have compiled the accompanying statements of net assets – cash basis, of Pittsburg County Rural Water District No. 4 as of December 31, 2010 and 2009, and the related statement of revenues, expenses and changes in net assets – cash basis and the statement of cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented the Management's Discussion and Analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Jack H. Jenkins
Certified Public Accountant, P.C.

July 6, 2011

PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
STATEMENT OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and equivalents	\$ 27,192	46,259
Total current assets	<u>27,192</u>	<u>46,259</u>
Noncurrent assets:		
Capital assets:		
Water system	220,814	52,659
Building	2,951	2,951
Total noncurrent assets	<u>223,765</u>	<u>55,610</u>
Total Assets	<u>250,957</u>	<u>101,869</u>
 <u>NET ASSETS</u>		
Invested in capital assets, net of related debt	223,765	55,610
Unrestricted	<u>27,192</u>	<u>46,259</u>
Total Net Assets	<u>\$ 250,957</u>	<u>101,869</u>

The accompanying notes are an integral part of the financial statements

PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

	2010	2009
Operating Revenues:		
Water revenue	\$ 46,041	37,969
Membership fees	1,000	1,000
Total operating revenues	47,041	38,969
Operating Expenses:		
Insurance & bonds	1,654	1,489
Dues & fees	3,414	2,879
Repairs & maintenance	6,003	7,886
Supplies	2,192	1,277
Utilities	4,012	3,905
Labor	14,330	15,915
Chemicals	1,498	1,346
Office expense	218	
Professional services	3,600	2,330
Water storage expense	205	193
Miscellaneous	984	1,044
Total operating expenses	38,110	38,264
Operating Income (Loss)	8,931	705
Non-Operating Revenues (Expenses):		
Grant revenue	140,000	
Interest income	157	817
Total non-operating revenues (expenses)	140,157	817
Changes in Net Assets	149,088	1,522
Total Net Assets, beginning of period	101,869	100,347
Total Net Assets, end of period	\$ 250,957	101,869

The accompanying notes are an integral part of the financial statement

PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

	2010	2009
Cash Flows from Operating Activities:		
Cash received from customers	\$ 47,041	\$ 38,969
Cash paid to suppliers	(38,110)	(38,264)
Net cash flows from operating activities	8,931	705
Cash Flows from Investing Activities:		
Grant income	140,000	
Capital assets purchased	(168,155)	
Receipt of interest	157	817
Net cash flows from investing activities	(27,998)	817
Cash Flows from Financing Activities:		
Net cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(19,067)	1,522
Cash and cash equivalents, beginning of period	46,259	44,737
Cash and cash equivalents, end of period	\$ 27,192	\$ 46,259
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 8,931	\$ 705
Net cash flows from operating activities	\$ 8,931	\$ 705

The accompanying notes are an integral part of the financial statements

PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009

Note 1 – Organization

Pittsburg County Rural Water District No. 4, Canadian, Oklahoma, is recognized as a public not for profit rural water district under Oklahoma Statutes, Title 82. The purpose of the organization is to provide water and sewer to residential and commercial customers who are members of the District.

Note 2 – Summary of significant accounting policies

Reporting Entity

Pittsburg County Rural Water District No. 4 is an independent, self-contained reporting entity with no associated component units. It is operated in a manner similar to a private business enterprise where the cost of providing water services is financed through user charges.

Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting

The accompanying financial statements have been prepared on the cash basis of accounting in accordance with Generally Accepted Accounting Principles promulgated in the United States of America. Financial activity is accounted for on the flow of economic resources measurement focus using the cash basis of accounting. Under this method, revenues are recorded when received and expenses are recorded when paid.

Inventory

Inventory is expensed when purchased and capitalized when used for improvements to the water or sewer system. Inventory on hand is not recorded as the amount is deemed to be immaterial to the financial statements.

Property and Equipment

Property and equipment is recorded at cost when purchased. When historical costs are not available, estimates are used. Assets acquired by gift or bequest are recorded at their fair market value on the date of transfer. No depreciation has been taken.

**PITTSBURG COUNTY RURAL WATER DISTRICT NO. 4
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2010 & 2009**

Cash and Cash Equivalents

For purposes of these financial statements, the District considers cash and cash equivalents to be currency on hand and demand deposits with banks. Cash and equivalents at December 31, 2010 and 2009 consisted of the following:

	<u>Maturity Date</u>	2010 <u>Amount</u>	2009 <u>Amount</u>
Operating Account	N/A	\$ 4,611	\$ 12,892
Grant Fund	N/A	50	45
BOK CD #0909	9/3/2010	15,695	10,229
BOK CD #3146	9/2/2010	21,893	-
BOK CD #0704	11/6/2010	4,010	4,026
		<u>\$ 46,259</u>	<u>\$ 27,192</u>

Custodial Credit Risk

At December 31, 2010 and 2009, the District held deposits of approximately \$27,192 and \$46,259 respectively, at financial institutions. The District's cash deposits are entirely covered by Federal Depository Insurance.

Note 3 – Risk Management

Pittsburg County Rural Water District No. 4 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District continues to carry commercial insurance for these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Note 4 – Income Tax Status

The District is not subject to state or federal income taxes as a non-profit organization.