

**Pushmataha County Rural Water District No. 1
Clayton, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended December 31, 2015

Audited by

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

BROKEN ARROW, OK

Pushmataha County Rural Water District No. 1
Clayton, Oklahoma
Board of Directors
December 31, 2015

BOARD OF DIRECTORS

Chairman

Phillip Prince

Vice Chairman

Paul Lewis

Secretary/Treasurer

Jeannie Little

Members

Vaughn Pugh

Betty Scott

**MANAGER/
BOOKKEEPER**

Jerry Buchanan

Pushmataha County Rural Water District No. 1
Clayton, Oklahoma
December 31, 2015

TABLE OF CONTENTS

	<u>Page</u>
Board of Directors	1
Table of Contents	2
Independent Auditor's Report	3
Management Discussion and Analysis	5
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	7
Disposition of Prior Year's Reportable Conditions	9
Schedule of Audit Results	10
<u>COMBINED FINANCIAL STATEMENTS:</u>	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	14
<u>OTHER SUPPLEMENTARY INFORMATION:</u>	
Balance Sheet (comparative)	18
Statement of Revenue, Expenses and Changes in Retained Earnings (comparative)	19



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pushmataha County Rural Water District No. 1
Clayton, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Pushmataha County Rural Water District No. 1 (the District), Clayton, 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

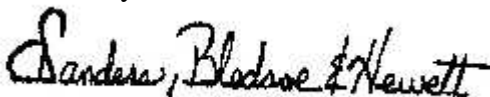
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of December 31, 2015, and the respective changes in financial position and cash flows thereof for the year then ended 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 February 16, 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

February 16, 2016

Pushmataha County Rural Water District No. 1
Management's Discussion and Analysis
December 31, 2015

Our discussion and analysis of the Rural Water District No. 1, Pushmataha 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 expenses exceeded total operating revenues by \$31,352. Overall, the District had a net loss of \$30,051, and its cash and cash equivalents increased by \$4,050 in the current fiscal year. These amounts include \$46,204 in annual depreciation costs.
- Interest earnings increased from \$993 in 2014 to \$1,301 in 2015. The District was able to retain all certificates of deposit in 2015.
- The District paid off the Rural Development note in 2014, and has no outstanding debt at December 31, 2015.
- The District has been approved for a \$3,000,000 grant/loan program through USDA/Rural Development and the Choctaw Nation 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 Assets, Liabilities and Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, 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 assets and the changes in them. You can think of the District's net assets – 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 \$913,174 invested in fixed assets, net of depreciation, including land, the water system, vehicles and equipment. The District made system improvements to the water system of \$13,348 in 2015, which was mainly engineering fees as part of the upcoming large water improvement project.

Long-Term Debt

The District was indebted to the Oklahoma Office of Rural Development on one note obtained for previously extensive extensions and the current water system, but was paid off in 2014. A new loan from USDA/Rural Development for \$1,442,000 has been approved, but no proceeds had been received at December 31, 2015.

Economic Factors and Next Year's Budget and Rates

The District attempts to absorb Sardis Lake Water Authority rate increases, but may be forced to increase our customer rates if additional increases are made by the Authority.

The District's budget for fiscal year 2016 will remain much like previous years budgets. Your Board of Directors does anticipate small budget changes made primarily to better allow for office and field personnel operations, without the necessity of hiring additional part-time or permanent employees.

Contacting the District's Management

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 160, Clayton, OK 74536 or call (918) 569-4326.



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
Pushmataha County Rural Water District No. 1
Clayton, 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 Pushmataha County Rural Water District No. 1 (the District), Clayton, 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 February 16, 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. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in the internal controls that we considered to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 15-1, to be a material weakness.

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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

February 16, 2016

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

Lack of Segregation of Duties

The exception that there were inherent limitations resulting from a small number of employees performing functions that would normally be divided among employees were a larger number available which prevented a proper segregation of accounting functions which is necessary to assure adequate internal accounting controls continued in the current fiscal year.

PUSHMATAHA 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 a reportable condition in the internal controls which was not considered a material weakness.
3. The audit disclosed no instances of noncompliance.

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

15-1 – Lack of Segregation of Duties

Condition-

The inherent limitations resulting from a small number of employees performing functions that would normally be divided among employees were a larger number available prevent a proper segregation of accounting functions, which is necessary in order to assure adequate internal accounting controls.

Criteria-

An organization should ensure that there is a proper segregation of duties regarding cash collections and the payment of expenses.

Cause-

The District is not large enough to justify the hiring of additional personnel.

Effect-

There is always the possibility that not all collections are actually receipted or deposited, and the possibility that funds expended are not used for actual District obligations.

Recommendation-

The current procedures should not be changed. However, there should be additional personnel instilled into the collection, receipt, deposit, reconciliation and payment procedures when this becomes economically possible.

Response-

Additional personnel will be hired when the actual funds are available.

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS:

Current assets:

Cash	\$ 72,557
Investments	376,086
Accounts Receivable	24,041
Total current assets	<u>472,684</u>

Noncurrent assets:

Capital assets:

Water distribution system	1,985,910
Less: accumulated depreciation	<u>(1,072,736)</u>
Total noncurrent assets	<u>913,174</u>

Total Assets	<u>1,385,858</u>
--------------	------------------

LIABILITIES:

Current liabilities:

Accounts payable	11,737
------------------	--------

Noncurrent liabilities:

Refundable deposits	<u>2,435</u>
---------------------	--------------

Total Liabilities	<u>14,172</u>
-------------------	---------------

NET POSITION:

Invested in capital assets, net of related debt	913,174
Restricted for debt service	0
Unrestricted	<u>458,512</u>
Total Net Position	<u>\$ 1,371,686</u>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

Operating Revenues:	
Water revenue	\$ 259,171
Other sales and services	4,291
Total operating revenues	<u>263,462</u>
Operating Expenses:	
Salaries and taxes	81,316
Health insurance	6,089
Utilities and telephone	4,247
Depreciation	46,204
Water purchases	92,032
Office	756
Insurance	8,210
Repairs and maintenance	28,410
Postage	2,447
Vehicles	15,194
Dues and fees	6,807
Fuel	183
Professional fees	2,600
Miscellaneous	319
Total expenses from operations	<u>294,814</u>
Operating Income (Loss)	(31,352)
Non-Operating Revenues (Expenses):	
Interest income	<u>1,301</u>
Change in Net Assets	(30,051)
Total Net Position, beginning of period	<u>1,401,737</u>
Total Net Position, end of period	<u><u>\$ 1,371,686</u></u>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities:

Receipts from customers	\$ 263,668
Payments to employees	(81,316)
Payments to vendors	(165,039)
	<hr/>
Net Cash Provided by (used in) Operating Activities	17,313
	<hr/>

Cash Flows from Financing Activities:

Capital assets purchased	(13,348)
	<hr/>

Cash Flows from Investing Activities:

(Purchase) liquidation of investments	(1,216)
Interest income	1,301
	<hr/>
Net Cash Provided by (used in) Investing Activities	85
	<hr/>

Net increase (decrease) in cash and cash equivalents 4,050

Cash and cash equivalents, beginning of period 129,504

Cash and cash equivalents, end of period \$ 133,554

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

Operating Income (loss)	\$ (31,352)
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation Expense	46,204
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	206
Increase (decrease) in accounts payable	2,255
Increase (decrease) in meter deposit reserves	0
	<hr/>
Net cash provided by operating activities	\$ 17,313
	<hr/>

The accompanying notes are an integral part of the financial statements

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note A – Significant Accounting Policies

Business Activity

Pushmataha County Rural Water District No. 1 (the District) was formed under the provisions of Title 82, O.S. 1981, Sections 1324.1-1324.26 inclusive. The District operates as a nontaxable government agency to service residents of the Pushmataha County Rural Water District No. 1. The District's primary income is from the sale of water to its members in an area around Clayton, Oklahoma.

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

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net position. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Depreciation expense is provided for capital assets based upon estimated useful lives. Financial activity is accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Reporting Entity

The District 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 (expenses, including depreciation) of providing water services is financed through user charges. The District purchases its water from the Sardis Lake Water Authority.

Cash

The District's cash accounts are with the Shamrock Bank N.A., Clayton, Oklahoma, and are detailed as follows:

	December 31,	
	2015	2014
Operating Account	\$ 53,315	32,643
Less: Outstanding checks	1,039	(134)
Balance	<u>\$ 54,354</u>	<u>32,509</u>

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note A – Significant Accounting Policies – cont'd

Investments

The District's investment accounts are with the Shamrock Bank N.A., Clayton, Oklahoma, and are detailed as follows:

	December 31,	
	2015	2014
Capital Account (savings)	\$ 28,703	39,547
Deposit Account (savings)	11,770	11,758
Depreciation Account (savings)	20,724	27,705
Reserve Account (savings)	18,003	17,985
Certificate of Deposit no. 4041092 dated 6-15-15, due 6-15-16, @.30%	20,486	20,394
Certificate of Deposit no. 4041126 dated 10-13-15, due 10-13-16, @.30%	20,325	20,252
Certificate of Deposit no. 4900901, dated 2-21-15, due 2-21-16, @.30%	13,476	13,402
Certificate of Deposit no. 4040131 dated 8-13-15, due 8-13-16, @.35%	25,348	25,242
Certificate of Deposit no. 4040051 dated 7-9-15, due 1-9-16, @.20%	12,443	12,405
Certificate of Deposit no. 4040242 dated 9-11-15, due 3-11-16, @.20%	23,974	23,915
Certificate of Deposit no. 4040429 dated 5-12-15, due 5-12-16, @.30%	23,839	23,726
Certificate of Deposit no. 4040492 dated 12-7-15, due 12-7-16, @.35%	23,753	23,683
Certificate of Deposit no. 4040575 dated 8-21-15, due 8-21-16, @.35%	23,241	23,145
Certificate of Deposit no. 4040612 dated 11-6-15, due 11-6-16, @.35%	23,121	23,046
Certificate of Deposit no. 4040710 dated 8-10-15, due 8-10-16, @.35%	22,281	22,188
Certificate of Deposit no. 4040790 dated 11-6-15, due 5-6-16, @.20%	21,101	21,055
Certificate of Deposit no. 4040964 dated 9-24-15, due 9-24-16, @.35%	31,236	31,115
Certificate of Deposit no. 4041184 dated 3-7-15, due 3-7-16, @.30%	30,264	30,105
Total Investments	<u>\$ 394,088</u>	<u>410,668</u>

Custodial Credit Risk - At December 31, 2015, the District held deposits of approximately \$447,403 at financial institutions. The District's cash deposits, including interest-bearing certificates of deposit, are entirely 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.

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note A – Significant Accounting Policies – cont'd

Prior Year Information

Prior year financial statement information is included in the other supplementary information section for comparative purposes only. No opinions are issued on these amounts, and are included as memorandum.

Fixed Assets

Fixed assets obtained prior to December 31, 1984, are carried at estimated cost, which is equivalent to the loan proceeds and grants obtained to finance the purchase of property, plant, and equipment. Subsequent additions are recorded at cost. Depreciation of the waterworks system and improvements is provided using the straight-line method based on a forty-year life. Equipment is depreciated over a five-year life. Depreciation expense for the year is presented as an operating expense and closed, along with other operating expenses, directly to retained earnings.

The fixed asset information for the District is shown below:

	12/31/2014 Amount	Additions	Deletions	12/31/2015 Amount
Land	\$ 2,000	-	-	2,000
Office equipment	49,025	-	-	49,025
Plant and water sys.	1,897,087	13,348	-	1,910,435
Vehicles	24,450	-	-	24,450
Total Fixed Assets	1,972,562	13,348	-	1,985,910
Less: Accumulated Depreciation	(1,026,532)	(46,204)	-	(1,072,736)
Total	<u>\$ 946,030</u>	<u>(32,856)</u>	<u>-</u>	<u>913,174</u>

Note B – Accounts Receivable

Billings for accounts receivable at December 31, 2015 were \$26,131. Allowance for doubtful accounts at December 31, 2015 was computed at \$2,090, or 8.00%.

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note C – Long-Term Debt

The District has no outstanding debt at December 31, 2015.

Note D- Contributed Capital

Contributed capital was provided by grants from the Rural Economic and Community Development and other sources to assist in building and improving the water system totaling \$568,172. In 1999, water system equipment, valued at \$500,000, was donated to the District by the Choctaw Nation of Oklahoma. In 2000, a REAP grant was received from Oklahoma Water Resources Board in the amount of \$99,900. These funds were used to construct additional water system equipment. Also in 2000, a REAP grant was received from the Kiamichi Economic Development District of Oklahoma (KEDDO) in the amount of \$11,994, to assist in the purchase of a dump truck and backhoe trailer. In 2002, KEDDO contributed \$13,100 for the erection of a steel building for storage and maintenance of District equipment. In 2005, a REAP grant was received from the Oklahoma Water Resources board in the amount of \$99,999. These funds were used to construct additional water system equipment. Also in 2005, an Emergency grant was received from the USDA, Rural Development in the amount of \$130,800, to assist in building and improving the water system.

Note E- Water Usage

Water purchased, sold, and lost by the District is detailed as follows:

	<u>2015</u>	<u>2014</u>
Gallons purchased	27,174,500	27,114,900
Gallons sold	<u>24,614,100</u>	<u>23,875,700</u>
Total loss	<u><u>2,560,400</u></u>	<u><u>3,239,200</u></u>
Gallons lost (percentage)	<u><u>9.42%</u></u>	<u><u>11.95%</u></u>

Note F – Subsequent Events

Management has evaluated subsequent events through February 16, 2016 which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
BALANCE SHEET
DECEMBER 31, 2015

	DECEMBER 31,	
	2015	(memo only) 2014
<u>ASSETS</u>		
Current Assets:		
Cash on hand	\$ 200	200
Cash in bank	72,357	50,494
Investments	376,086	392,683
Accounts receivable	24,041	24,247
Total Current Assets	<u>472,684</u>	<u>467,624</u>
Fixed Assets:		
Water distribution system	1,985,910	1,972,562
Less: accumulated depreciation	<u>(1,072,736)</u>	<u>(1,026,532)</u>
Total Fixed Assets (net of depreciation)	<u>913,174</u>	<u>946,030</u>
Total Assets	<u><u>\$ 1,385,858</u></u>	<u><u>1,413,654</u></u>
<u>LIABILITIES AND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 11,737	9,482
Meter deposits	2,435	2,435
Total Current Liabilities	<u>14,172</u>	<u>11,917</u>
Equity:		
Contributed capital	1,423,965	1,423,965
Retained earnings	<u>(52,279)</u>	<u>(22,228)</u>
Total Equity	<u>1,371,686</u>	<u>1,401,737</u>
Total Liabilities and Equity	<u><u>\$ 1,385,858</u></u>	<u><u>1,413,654</u></u>

PUSHMATAHA COUNTY RURAL WATER DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR YEAR ENDED DECEMBER 31, 2015

	2015	(memo only) 2014
Revenue from operations:		
Water revenue	\$ 259,171	260,881
Installations and connections	2,235	3,006
Benefit units	1,800	2,250
Parts reimbursements	116	10,636
Miscellaneous	140	0
Total revenue from operations	<u>263,462</u>	<u>276,773</u>
Expenses from operations:		
Salaries and taxes	81,316	78,726
Health insurance	6,089	5,914
Utilities and telephone	4,247	4,382
Depreciation	46,204	46,204
Water purchases	92,032	93,293
Office	756	2,174
Insurance	8,210	7,919
Repairs and maintenance	28,410	38,427
Postage	2,447	2,176
Vehicles	15,194	14,868
Dues and fees	6,807	4,472
Fuel	183	394
Professional fees	2,600	2,600
Miscellaneous	319	559
Total expenses from operations	<u>294,814</u>	<u>302,108</u>
Net Income (Loss) From Operations	(31,352)	(25,335)
Non-operating revenue:		
Interest earnings	<u>1,301</u>	<u>993</u>
Non-operating expenses:		
Interest paid on long-term debt	<u>0</u>	<u>(20)</u>
Net Income (Loss)	(30,051)	(24,362)
Retained earnings, beginning of period	<u>(22,228)</u>	<u>2,134</u>
Retained earnings, end of period	<u><u>\$ (52,279)</u></u>	<u><u>(22,228)</u></u>