

**Rogers County Rural Water District No. 5
Claremore, Oklahoma**

Financial Statements and Auditor's Reports

Year Ended May 31, 2016

Audited by

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

BROKEN ARROW, OK

Rogers County Rural Water District No. 5
Claremore, Oklahoma
Board of Directors
May 31, 2016

BOARD OF DIRECTORS

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Martin B. Howard

Vice-Chairman

Robert D. Cox

Secretary/Treasurer

Mike L. Miller

Assistant Secretary/Treasurer

Raymond R. Tomasko

Members

David Sykes

MANAGER

Steve Dunavant

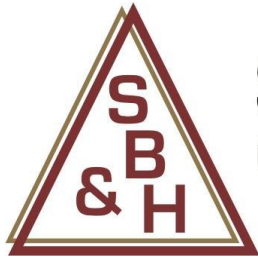
BOOKKEEPER

Lois Jarvis

Rogers County Rural Water District No. 5
Claremore, Oklahoma
May 31, 2016

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rogers County Rural Water District No. 5
Claremore, Oklahoma

We have audited the accompanying financial statements of the business-type activities of the Rogers County Rural Water District No. 5 (the District), Claremore, Oklahoma, as of and for the year ended May 31, 2016, 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

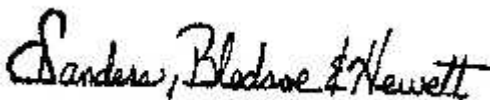
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of May 31, 2016, and the respective changes in financial position and cash flows thereof for the year then ended in 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 July 20, 2016 on our consideration of the Authority'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

July 20, 2016

RURAL WATER DISTRICT NO. 5, ROGERS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

MAY 31, 2016

Our discussion and analysis of the Rural Water District No. 5, Rogers County's financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2016. Please read it in conjunction with the District's financial statements that begin on page 11.

FINANCIAL HIGHLIGHTS

- The District's total operating revenues exceeded total operating expenses by \$696,225. Overall, the District's cash and cash equivalents decreased by \$571,057 in the current fiscal year.
- The District earned a total of \$17,572 in interest in 2015-16.
- Membership numbers increased in 2015-16, with total users reaching around 4,723 at year-end.
- The District obtained two new loans in order to refinance and pay off existing debt. The District also paid about \$675,000 against outstanding debt from its revenue account in order to pay debt off early.

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 assets 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 May 31, 2016, the District had \$10,412,687 invested in fixed assets, net of depreciation, including land, buildings, the water system, vehicles and equipment. The District made some water system improvements and replacements in 2015-16 increasing total fixed assets by \$163,022.

Long-Term Debt

The District is indebted to Oklahoma Water Resources Board on one note obtained for extensive water system extensions, and two notes from CoBank and RCB/BancFirst obtained to refinance and pay off existing debt. The outstanding principal balance owed on the notes decreased from \$5,525,432 to \$4,356,451 during the 2015-16 fiscal year.

Economic Factors and Next Year's Budget and Rates

DEQ/EPA has new regulations for all Rural Water Districts. There will be continuing substantial costs associated with these test requirements, along with an increase in chemical costs.

The District's operating budget for fiscal year 2016-17 will remain much like previous years budgets.

The District will continue to consider rate increases to allow for needed improvements to existing infrastructure and the replacement of fixed assets in the future.

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 1980, Claremore, OK 74018 or call (918) 266-4634.



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
Rogers County Rural Water District No. 5
Claremore, 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 Rogers County Rural Water District No. 5 (the District), Claremore, Oklahoma, as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 20, 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.

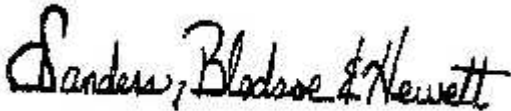
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination 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 signature is written in a cursive, flowing style.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

July 20, 2016

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
DISPOSITION OF PRIOR YEAR AUDIT FINDINGS
MAY 31, 2016

There were no prior year findings.

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
SCHEDULE OF AUDIT RESULTS
MAY 31, 2016

Section 1 – Summary of Auditor’s Results:

1. An unqualified opinion report was issued on the financial statements.
2. The audit disclosed no instances of noncompliance which were material to the financial statements.
3. The audit disclosed no reportable conditions in the internal controls over financial reporting which were considered to be material weaknesses.

Section 2 – Findings relating to the financial statements required to be reported in accordance with Generally Accepted Government Auditing Standards:

None

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
Statement of Net Position
May 31, 2016

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 2,545,664
Investments	1,235,523
Current portion of receivables	187,072
Prepaid assets	43,297
Total current assets	<u>4,011,556</u>

Noncurrent Assets:

Restricted cash-	
Debt service - CoBank	6,500
Debt service - BancFirst	30,167
Capital Assets-	
Land	170,611
Plant and water systems, net	10,176,355
Office equipment, net	9,999
Automobiles and equipment, net	55,722
Total noncurrent assets	<u>10,449,354</u>

Other Assets:

Loan costs, net of depreciation	19,973
Utility deposits	200
Total other assets	<u>20,173</u>

Total Assets	<u>14,481,083</u>
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LIABILITIES:

Current Liabilities:

Accounts payable	129,083
Accrued liabilities	5,324
Current portion of long-term debt	339,980
Total current liabilities	<u>474,387</u>

Noncurrent Liabilities:

Long-term debt	<u>4,016,472</u>
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Total Liabilities	<u>4,490,859</u>
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NET POSITION:

Invested in capital assets, net of related debt	6,056,235
Restricted for debt service	36,667
Unrestricted assets	3,897,322
Total Net Position	<u><u>\$ 9,990,224</u></u>

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

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
Statement of Revenue, Expenses and Changes in Net Position
For The Year Ended May 31, 2016

Operating Revenues:

Water sales	\$ 2,134,513
Other income from operations	118,918
Total revenue from operations	<u>2,253,431</u>

Operating Expenses:

Salaries and taxes	328,101
Chemicals	297,069
Utilities	124,525
Contract labor	75,491
Repairs and maintenance	270,298
Water purchases	100,709
Office	7,689
Vehicle expense	13,656
Insurance	148,470
Professional fees	54,330
Equipment lease	13,664
Permits and licenses	7,874
Dues and suscriptions	3,151
Director fees	2,360
Bank and trustee fees	78,607
Refunds	3,117
Miscellaneous	28,095
Total expenses from operations	<u>1,557,206</u>

Operating Income (Loss)	696,225
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Non-Operating Revenues (Expenses):

Interest income	17,572
Reimbursements for impact fees	(21,276)
Benefit units	103,080
Interest paid on long-term debt	(124,432)
Depreciation expense	(393,393)
Amortization expense	(2,321)
Total Non-Operating Revenues (Expenses)	<u>(420,770)</u>

Change in Net Position	275,455
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Total Net Position, beginning of period	<u>9,714,769</u>
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Total Net Position, end of period	<u><u>\$ 9,990,224</u></u>
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The accompanying notes to the financial statements are an integral part of this statement

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
Statement of Cash Flows
For the Year Ended May 31, 2016

Cash Flows from Operating Activities:

Receipts from customers	\$ 2,297,464
Payments to employees	(326,301)
Payments to vendors	(789,446)
Net Cash Provided by Operating Activities	<u>1,181,717</u>

Cash Flows from Financing Activities:

Sale (purchase) of fixed assets	(163,023)
Benefit units	105,062
Additional long-term debt proceeds	1,130,000
Principal paid on long-term debt	(2,298,981)
Interest paid on long-term debt	(124,428)
Net Cash Provided by (used in) Financing Activities	<u>(1,351,370)</u>

Cash Flows from Investing Activities:

Interest earned on investments	<u>17,572</u>
Net Increase (Decrease) in Cash	(152,081)
Cash and cash equivalents, beginning of period	<u>3,933,268</u>
Cash and cash equivalents, end of period	<u><u>\$ 3,781,187</u></u>

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

Net Income (Loss)	\$ 696,225
Adjustments to reconcile net income to net cash provided (used) by operating activities:	
Depreciation and Amortization	395,714
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,468)
(Increase) decrease in prepaid insurance	385
Increase (decrease) in accounts payable	93,390
Increase (decrease) in accruals	(1,529)
Net cash provided by operating activities	<u><u>\$ 1,181,717</u></u>

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

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Claremore, Oklahoma

Notes to the Financial Statements

May 31, 2016

Note A – Significant Accounting Policies

Rogers County Rural Water District No. 5 (the “District”) was created under the provisions of Title 82, Oklahoma Statutes, Sections 1324.1-1324.26 inclusive, for the purpose of providing water to the members of the District it serves. Membership in the water district consists of water users who have paid the required membership and connection fees. The District is exempt from federal and state income taxes.

Basis of Accounting

The accrual basis of accounting is followed for all accounts. Revenues are recorded when earned and accrued liabilities are recognized when incurred. This basis of accounting is in accordance with generally accepted accounting principles.

Cash and equivalents

The District’s cash accounts at May 31, 2016, are detailed as follows:

Cash on hand	\$ 100
1st Bank, Claremore, Ok-	
Revenue account	716,158
Development account	1,562,841
Payroll account	266,918
Petty Cash account	2,097
Plus: Deposits in transit	2,926
Less: Outstanding checks	(5,377)
Total Cash	<u>\$ 2,545,663</u>
RCB Debt Service:	
BancFirst-	
Trustee account	<u>\$ 30,167</u>
CoBank Debt Service:	
BancFirst-	
Reserve account	<u>\$ 6,500</u>

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Claremore, Oklahoma

Notes to the Financial Statements

May 31, 2016

Note A – Significant Accounting Policies – cont'd

Investments

The District's investments are detailed as follows:

1st Bank, Claremore, Ok-		
Certificate of deposit, matures 10/4/16	\$	270,762
Certificate of deposit, matures 11/10/16		217,627
RCB Bank, Claremore, OK-		
Certificate of deposit, matures 6/18/16		252,151
Certificate of deposit, matures 6/18/16		252,151
Valley Nat'l Bank, Claremore, Ok-		
Certificate of deposit, matures 2/13/17		<u>242,832</u>
Total Investments	\$	<u><u>1,235,523</u></u>

Collateral Pledged

Deposit Categories of Credit Risk

(A) Insured by Federal Deposit Insurance

(B) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name

(C) Uncollateralized

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>Balance</u>	<u>Amount</u>
Cash	\$ 788,690	1,843,699		2,584,681	2,582,330
Investments	<u>742,832</u>	<u>492,691</u>		<u>1,235,523</u>	<u>1,235,523</u>
Total	<u><u>\$ 1,531,522</u></u>	<u><u>2,336,390</u></u>	<u><u>0</u></u>	<u><u>3,820,204</u></u>	<u><u>3,817,853</u></u>

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Claremore, Oklahoma

Notes to the Financial Statements

May 31, 2016

Note A – Significant Accounting Policies – cont'd

Accounts Receivable

Billings for accounts receivable at May 31, 2016 were \$187,072. No allowance for doubtful accounts was computed because the effect of bad debts on the financial statements is not considered material.

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.

Risk Management

The District 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 carries commercial insurance, including workers compensation, for risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Fixed Assets

Fixed assets are valued at cost, depreciation is computed by use of the straight-line method. The estimated useful lives of these assets are as follows:

Land	n/a
Office furniture & fixtures	5 years
Equipment & tools	5 years
Transportation equipment	5 years
Water & sewer system	40 years
Buildings	25 years
Computer equipment	3 years

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Claremore, Oklahoma

Notes to the Financial Statements

May 31, 2016

Note A – Significant Accounting Policies – cont'd

The fixed asset information for the District is shown below:

	5/31/2015 Amount	Additions	Deletions	5/31/2016 Amount
Plant and water sys.	\$ 16,513,709	162,552	-	16,676,261
Land	170,611	-	-	170,611
Vehicles and equip.	599,543	-	-	599,543
Furniture	147,150	470	-	147,620
Total Fixed Assets	17,431,013	163,022	-	17,594,035
Less: Accumulated Depreciation	(6,787,955)	(393,393)	-	(7,181,348)
Total	<u>\$ 10,643,058</u>	<u>(230,371)</u>	<u>-</u>	<u>10,412,687</u>

Note B – Long-Term Debt

Long-Term Debt consists of two notes to the Oklahoma Water Resources Board (OWRB), one note to Rural Development, and two private bank notes.

The District has a promissory note in the amount of \$2,100,000 with the Oklahoma Water Resources Board (OWRB), dated 1996, for a period of 28 years. The District makes monthly deposits into the trust account at the Bank of New York. The trust account then makes the quarterly payments of principal and interest to the OWRB. The current interest rate on this note is 1.45%. The water system and future water revenues are used as security for this note. This note was paid in full on March 29, 2016.

The District has a promissory note in the amount of \$1,000,000 with the Office of Rural Development, dated 2004, for a period of 40 years, at 4.125%. The monthly amount paid on this note is \$4,310. The water system and future water revenues are used as security for this note. This note was paid in full on March 31, 2016.

The District has a promissory note in the amount of \$4,700,000 with the Oklahoma Water Resources Board (OWRB), dated 2007, for a period of 20 years. The current interest rate on this note is 3.19%. The water system and future water revenues are used as security for this note.

ROGERS COUNTY RURAL WATER DISTRICT NO. 5**Claremore, Oklahoma**

Notes to the Financial Statements

May 31, 2016

Note B – Notes Payable – cont'd

The District has a promissory note in the amount of \$205,000 with CoBank, ACB, dated March 29, 2016, for a period of 30 years. The current interest rate on this note is 5.00%. The proceeds were used to refinance the existing Rural Development loan, which was paid in full on March 31, 2016. This note with CoBank is federally guaranteed by the USDA for up to 90% of the loan amount. The water system and future water revenues are used as security for this note.

The District has a promissory note in the amount of \$925,000 with RCB Bank and BancFirst, dated March 29, 2016, for a period of 7 years. The current interest rate on this note is 2.14%. The proceeds were used to refinance and pay off existing notes. The water system and future water revenues are used as security for this note.

The District has a debt service account of \$30,167 on deposit with BancFirst in a trustee account for use in retiring the RCB note. For the CoBank note, the District has a reserve account at BancFirst in Claremore, Oklahoma in the amount of \$6,500.

	May 31,	
	2016	2015
CoBank Promissory Note 2016, issued for \$205,000, dated 3-29-16, at 5.00% interest, due in monthly installments, until paid;	\$ 204,517	0
RCB Bank Promissory Note 2016, issued for \$925,000, dated 3-29-16, at 2.14% interest, due in semi-annual installments, until paid;	925,000	0
Oklahoma Water Resources Board note payable, issued for \$2,100,000, dated 2-29-96, at 1.45% interest, due in quarterly installments, until paid;	0	1,165,200
Oklahoma Water Resources Board note payable, issued for \$4,700,000, dated 9-27-07, at 3.19% interest, due in quarterly installments, until paid;	3,226,935	3,469,255
Rural Development note payable, issued for \$1,000,000, dated May 21, 2004, at 4.125%, due in monthly payments of \$4,310	0	890,977
Less: Current maturities of long-term debt	(339,980)	(310,976)
Total Long-Term Debt	<u>\$ 4,016,472</u>	<u>5,214,456</u>

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Claremore, Oklahoma

Notes to the Financial Statements

May 31, 2016

Note B – Notes Payable – cont'd

The scheduled maturities for the next five (5) years, and in total thereafter, are detailed as follows:

2016-17	\$	339,980
2017-18		351,179
2018-19		361,691
2019-20		373,263
2020-21		385,684
2021-26		1,681,480
2026-31		727,783
2031+		135,391
Total	\$	<u>4,356,451</u>

Note B – Subsequent Events

Subsequent Events

Management has evaluated subsequent events through July 20, 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.

ROGERS COUNTY RURAL WATER DISTRICT NO. 5

Balance Sheet

May 31, 2016

	MAY 31,	
	2016	(memo only) 2015
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,545,664	2,942,307
Investments	1,235,523	990,961
Accounts receivable	187,072	184,604
Prepaid insurance	43,297	43,682
Total current assets	4,011,556	4,161,554
Restricted Assets:		
Debt service - CoBank	6,500	0
Debt service - BancFirst	30,167	0
Debt service - OWRB	0	214,658
Investment - Rural Development	0	240,982
Total restricted assets	36,667	455,640
Fixed Assets:		
Land	170,611	170,611
Water distribution system	16,676,261	16,513,708
Office equipment	147,620	147,150
Vehicles and equipment	599,543	599,543
Total fixed assets	17,594,035	17,431,012
Less: accumulated depreciation	(7,181,348)	(6,787,954)
Total fixed assets (net)	10,412,687	10,643,058
Other Assets:		
Utility deposits	200	200
Loan costs (net of amortization)	19,973	22,295
Total other assets	20,173	22,495
Total Assets	\$ 14,481,083	15,282,747
<u>LIABILITIES AND FUND EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 129,083	35,693
Accrued interest on long-term debt	5,324	6,853
Current maturities of long-term debt	339,980	310,976
Total current liabilities	474,387	353,522
Long-Term Debt, less current maturities:		
Notes payable	4,016,472	5,214,456
Total Liabilities	4,490,859	5,567,978
Fund Equity:		
Member capital	2,873,433	2,770,353
Retained earnings	7,116,791	6,944,416
Total fund equity	9,990,224	9,714,769
Total Liabilities and Fund Equity	\$ 14,481,083	15,282,747

ROGERS COUNTY RURAL WATER DISTRICT NO. 5
Statement of Revenue, Expenses and Changes in Retained Earnings
For The Year Ended May 31, 2016

	2015-16	(memo only) 2014-15
Revenue from Operations:		
Water sales	\$ 2,134,513	2,313,286
Taps and reconnects	46,755	41,545
Other income	72,163	44,436
Total revenue from operations	<u>2,253,431</u>	<u>2,399,267</u>
Expenses from Operations:		
Salaries and taxes	328,101	326,754
Plant supplies/ Chemicals	297,069	286,739
Utilities	124,525	133,937
Contract Labor	75,491	48,309
Repairs and maintenance	270,298	227,960
Water purchases	100,709	3,354
Office	7,689	3,849
Vehicle expense	13,656	18,330
Insurance	148,470	147,929
Professional fees	54,330	3,010
Equipment lease	13,664	12,931
Permits and licenses	7,874	7,696
Dues and subscriptions	3,151	2,886
Annuity	0	7,600
Director fees	2,360	2,400
Bank and trustee fees	78,607	41,746
Refunds	3,117	4,115
Miscellaneous	28,095	11,370
Total expenses from operations	<u>1,557,206</u>	<u>1,290,915</u>
Net Income (Loss) from Operations	696,225	1,108,352
Non-operating revenues (expenses):		
Interest earnings	17,572	11,023
Reimbursements for impact fees	(21,276)	0
Reimbursements from City of Claremore	0	90,000
City of Claremore Line Relocation	0	(90,000)
Interest paid on long-term debt	(124,432)	(138,926)
Depreciation expense	(393,393)	(382,574)
Amortization expense	(2,321)	(2,321)
Total non-operating revenues (expenses)	<u>(523,850)</u>	<u>(512,798)</u>
Net Income (Loss)	172,375	595,554
Retained Earnings, beginning of period	<u>6,944,416</u>	<u>6,348,862</u>
Retained Earnings, end of period	<u>\$ 7,116,791</u>	<u>6,944,416</u>