

Circuit Engineering District 5

Board Meeting Agenda

Date: January 25, 2022

Time: 11:00 am

Place: FSB

5801 Broadway Extension, Suite 500
Oklahoma City, OK 73118

AGENDA

1. Call to Order.
2. Pledge and Prayer.
3. Roll Call.
4. Recognition of Attendees.
5. Approval or Modification of the Minutes of the November 16, 2022, meeting. **(Attachment 1)**
6. Discussion and Acceptance of Treasurer's Report.
 - a) Claims
 - i. CPA: Jayna Vaughn, P.C. (December) - **(Attachment 2)**
 - ii. FSB – for Program Management. (December & January) - **(Attachment 3)**
 - b) CED5 (November & December) Financials. **(Attachment 4)**
 - i. CPA: Jayna Vaughn, P.C. – Engagement Letter 2022 - **(Attachment 5)**
 - ii. OESC – Refund - **(Attachment 6)**
7. Discussion and Possible action regarding
 - a. CED 5 Distribution Fund **(Attachment 7)**
8. Discussion and Possible action regarding resolutions, policies, programs, plans, applications, funds, projects, transfers, and reports...
 - a. CIRB 5-Yr Allocation Plans rebalance for 2022
 - b. ODOT Local Government Report - Project Status
 - c. OCCEDB – Randy Robinson
9. Discuss, Review and Possible action calendar of events for 2022 Meeting Dates. **(Attachment 8)**
10. Presentation by Tom McDonald - Bidadoo
11. New Business.
12. Board member discussion regarding CED5 business.
13. Public Comment.
14. Adjourn.



NAME OF PERSON POSTING THIS NOTICE


Jeffrey Dixon
Circuit Engineering District 5

Date: January 21, 2022, 10:00 A.M.

Circuit Engineering District 5MinutesRegular Board Meeting

Date: **November 16, 2021**

Time: **09:00 a.m.**

Place: **ACCO Building**

429 NE 50th Street

Oklahoma City, Oklahoma

1. CALL TO ORDER BY THE CHAIRMAN

The Circuit Engineering District 5 held a Regular meeting on this day in compliance with the Oklahoma Open Meetings Act. Darry Stacey called the meeting to order at 09:00 a.m.

2. Prayer then Flag Salute

Wilson Lyles led the opening prayer and pledge.

3. ROLL CALL

FSB staff member, Josey Middleton, called roll; Attendance was as follows:

Board Members Present: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County and Marc Hader-Canadian County

Board Members Absent: Carrie Blumert-Oklahoma County

Board Members Late: Zachary Cavett-Payne County arrived at 9:09 am.

4. Recognition of Attendees: Terry Daniel, Buzz McDonald, Randy Chandler, Matthew Blakeslee, Erin Moore, Jonah Vasquez, Troy Travis, Dale, Scott Barrett, and Chris Schroder.

5. Approval or Modification of the Minutes of the October 19, 2021 Meeting

Darry Stacy asked if anyone has any questions or concerns.

A motion to approve meeting minutes for October 19, 2021 was made by Wilson Lyles. The motion was seconded by Marc Hader.

The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County and Marc Hader-Canadian County.

Nay: none.

Abstain: Mike Gollihare-Garvin County

6. Discussion and Acceptance of Treasurer's Report**a) Claims from Jayna Vaughn, P.C. and FSB**

Jeffrey Dixon stated the first item on the claims is from Jayna Johnson our CPA's invoice for September and October. It is for \$252.00 and we will not receive another invoice until January. Attachment 3 is program management invoice from FSB for the standard amount of \$8,750.00 for November.

A motion to accept the claims was made by Marc Hader. The motion was seconded by Wilson Lyles.

The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County, and Marc Hader-Canadian County.

Nay: none.

Abstain: none.

b) CED5 October Financials

Jeffrey Dixon stated the first item on there is our standard statement for every month. Next, is our asset and liabilities and the checking account is now \$374,516.84, along with the money market of \$334,468.91, which gives us a grand total of \$708,985.75 in total assets. We received \$90,164.95 last month from OCCEDB. Darry Stacy stated that for the record we had a chance to review those financial each of the board members have. Jeffrey Dixon stated because we have had an employee in the past and no longer have one, we must file with OESC every quarter. It is a zero-dollar file, but we have to file.

A motion to accept October Financials was made by Wilson Lyles. The motion was seconded by Marc Hader.

The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County and Marc Hader-Canadian County.

Nay: none.

Abstain: none.

7. Discussion and Possible Action Regarding Payne County Resolutions

Jeffrey Dixon stated this was brought up two months ago and put on the table, but it was requested last month to bring it back up this month. This is the resolution that they did to make there project a high priority for Payne County. Darry Stacy asked what's the pleasure of the board on this is. Wilson Lyles stated his feeling are that we get projects moving forward anytime and I would make a motion to move forward on it.

A motion to accept was made by Wilson Lyles. The motion was seconded by Marc Hader.

The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County and Marc Hader-Canadian County.

Nay: none.

Abstain: none.

8. Discussion and Possible Action Regarding Resolution, Policies, Programs, Plans, Applications, Funds, Projects, Transfer and Report...**a) ODOT Local Government Report – Project Status**

Matthew Blakeslee stated the report I have is on the bridge side of things. I was out last Tuesday with FHAWA doing our annual NBI review and we have been found in non-compliance with our temporary bridge structures. What that means is there are some structures that are temporarily on system that have been active for five years. We have found that there are 341 of these structures and by March we are going to be going through and evaluating whether these structures need brand new NBI's or remove them from the system. What this is going to do for you guys is that there are a lot of the systems on the off system that have been classified as structurally deficient, but we have put a temporary structure in for the solution and if it is over five years then that will be removed from the list. So that could start effecting your guy's SD value next year, as we go and clean up the data base. Randy Robinson stated I have a problem with that, and it goes back to the LOFT report, which we have talked about many times, and the data. In 2012 we removed about 60 of these structures due to the five-year situation. It didn't mean we fixed them, it means that the temporary structures were working and taken of the NBI bridge inventory, which is what is submitted to the FHWA each year. The commissioner's different viewpoints were lack of funding, that the cheapest way to get a bridge back into service. In the past it has to be on the bridge management system to get federal funding, that was previous to 2012 commissioners were concerned about taking them off the list because then they were ineligible for federal funding. Well, right around 2011 or 2012 FHAWA said you can always add them back in and make them eligible for federal funding. The problem with, and if I was a commissioner, I would have a strong reservation about taking them off if you have any authority to do so, is that it effects your statutory funding coming from CIRB, so the first five years it's using the structurally division and obsolete bridge replacement cost to figure formula number five, which we will talk about later. That will reduce some of your M&O money if you take them off, and then secondly, is it makes it look like we are fixing things because we don't have any road information unless you are Oklahoma or Tulsa or Rogers

County that can afford to drive the roads and we don't have nothing as far structures under 20 foot. The LOFTS the legislature, when we ask for funding, we have no data, but bridges, so if it passes, we'll have 350 bridges taken off and that will look like we've done a heck of a lot of work with our CIRB funding, when we haven't. We just took them off the data and won't be inspected. Like in 2012, deficient bridges, which is one of the charts I will be handing out, looks like we made this great jump, and we haven't done anything. We haven't have fixed them and so that is my concern. That is one of the matrixes, there are 23 matrixes, that FHWA is looking at, but I would push back against that because that is the only data we have to go by, and we did ten years ago, and it made it look like we fixed over 900 bridges and we didn't. Darry Stacey asked so who do we push back to. Randy Robinson stated it would be ODOT and FHWA, if that's possible. You're the owners of these structures. They are saying ODOT is out of compliance, well ODOT is out of compliance of some other matrixes that they are looking at. That would be the big push back. Remember Cindy Bobbitt, back then she said no but hell no, when that was approached, and they didn't take it off. One of the formulas now is using for these next five years structurally deficient bridge and functionally obsolete replacement costs and are portioning out 25% of the CIRB funding back to the county's highway fund. You take it off in the next month or two or next year then you drop M&O money, I would think that would be a good reason why you don't do it. Marc Hader asked did you say that either it comes off or you have to put a new NBI number on it. Mathew Blakeslee stated if the temporarily structures still meet the requirement of 20 feet, it will be a new NBI. Marc Hader asked so you can't put a new NBI number on the pipes. Randy Robinson stated so if you put in a 9-foot tank and it was a 25-foot bridge and you pulled it out and put a tank in there and when they come around again, that 9-foot tank isn't 20 foot so it will automatically drop NBI and come off your list. Unless you put in another 9-foot tank and put at least 2 feet in between to keep it 20 foot, but who is going to do that. Wilson Lyles stated it would be a cheap fix for these counties that can't afford to do anything else. Randy Robinson stated if it is already functioning at a 9-foot tank, I mean I get FHWA, but again it gives a false narrative, looking like you are fixing these bridge problems. That is just my opinion. Wilson Lyles asked if we could get the information and break it down for this CED, we got some in 4 and some in division 3, to let us know exactly how many we have within our area. How many did you say statewide. Chris Schroder stated 341 were identified as temporary structures over five years. Darry Stacy asked when this is going to happen. Matthew Blakeslee stated we have to be in compliance by our March submittal. Darry Stacy stated so we have a little bit of time to address this. Do you have that information yet Randy? Randy Robinson stated I do not, this is the first time I have heard about it. Matthew Blakeslee stated he just found out last Tuesday. I don't have that information right now, but it is attainable and can get it for you guys. I will send it to Jeffrey as soon as I get it.

b) OCCEDB – Randy Robinson

Randy Robinson stated that the CED auction concluded, and I do not have an amount, but most of that was online. The federal highway bill was signed yesterday, and we get 28 million coming through the department of transportation. You are for fortunate if you are in ACOG or IINCOG area because you will get a bump on funding. Our money statewide comes through the department of transportation and we are already meeting the threshold of 15% and they raised it to 20% and I think we are already meeting that threshold, so the jest of it is, is that ODOT doesn't really have to give us anymore money by the new federal highway bill. We do not get a direct allocation as the counties go. ACOG and INCOG do, so we will be looking to Secretary Gatz to ask for that funding. What that will look like will be strictly up to them. Interim studies in deficient bridges, I have handouts. I'll have a newsletter article talking about that interim study. You can go online and pull that down to audio. Also, I'll be handing out tomorrow at the statewide meeting, that will also be a newsletter article about election year, district 1 and 3 about surplusage and I know that is one of the bills we want to try and address. Right now, we have to comply with the law about purchasing and surplusage and all of that is in the newsletter.

9. Discuss, Review and Possible Action Calendar of Events for Draft 2022 Meeting Dates

Jeffrey Dixon stated I have revised these to make sure they are the day before the OCCEDB meeting, because that was one of our problems last year, so I have revised the dates to reflect that change.

A motion to accept September Financials was made by Wilson Lyles. The motion was seconded by Marc Hader.

The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County, Zachary Cavett-Payne County and Marc Hader-Canadian County.

Nay: none.

Abstain: none.

10. New Business

None

11. Board Member Discussion Regarding CED5 Business

Wilson Lyles stated looking at our bank accounts and going back to our financials, we are not making any money on our money. Is this something that we would even want to consider after November and Decembers deposit of looking to do a distribution coming January and pushing that out to the counties and putting some of that money to use. Darry Stacy stated I don't see any reason why not. It's just sitting there right now. Jeffrey Dixon stated do you want me to put together an amount and go back through and give you a distribution amount. Do you want to do anything with the money market account or leave it alone? Wilson Lyles stated I think our checking will be fine, to cut checks, without disturbing the money market account. Off the top of my head, I was thinking \$60,000 a county and one commissioner can receive it and split it three ways or whatever it may be. Chris Schroder stated you will not get a disbursement this month because the check comes out on the 20th, so in January you should get three months of disbursements from Melinda. So, you will get Novembers, Decembers, and January at the end of the month. Jeffrey Dixon stated you can take the \$300,000 and leave a little bit in there and divide it six ways, it still \$50,000 each and leaves you down to \$74,000 in the bank account. Darry Stacy stated to put that on the agenda and give us some option and we will vote on it and can talk about it. Wilson Lyles asked is that something we need to get out before July 1 end of fiscal year. Jeffrey Dixon stated not that I know of, but we tend to not want to drag that process out for the year, so you kind of want to out a deadline. Zachary Cavett stated we used to put a deadline on those. Jeffrey Dixon stated once the money goes out everyone has been pretty good about collecting it.

12. Public Comment

None

13. Adjourn

Motion to adjourn meeting was called by Marc Hader. The motion was seconded by Zachary Cavett. The motion passed as follows:

Aye: Darry Stacey-Cleveland County, Wilson Lyles-McClain County, Mike Gollihare-Garvin County, Zachary Cavett-Payne County and Marc Hader-Canadian County

Nay: none.

Abstain: none.

JAYNA JOHNSON, PC
819 W. WALNUT
DUNCAN, OK 73533
(580) 252-6190

Invoice submitted to:
 CIRCUIT ENGINEERING DISTRICT #5
 ATTN: EMILY AVERY
 EEVERY@FSB-AE.COM
 5801 BROADWAY EXTENSION, SUITE 500
 OKLAHOMA CITY, OK 73118

December 29, 2021

Invoice #22340

12/7/2021 READ AND SIGN FINANCIAL STATEMENTS
 PROCESS NOVEMBER FINANCIAL STATEMENTS
 12/6/2021 PREPARE NOVEMBER FINANCIAL STATEMENTS

Amount

\$125.00

Additional Charges :

12/28/2021 PREPARE AND PROCESS YEAR-END CLIENT LETTERS
 PREPARE AND PROCESS ENGAGEMENT LETTER FOR COMPILATION SERVICES

Total additional charges

\$45.00

Amount

\$170.00

Total amount of this bill

\$170.00

Balance due

\$170.00

A finance charge of 1.5% per month (18% annum) will be charged on unpaid balances after 30 days from invoice date.

THANK YOU FOR YOUR PROMPT PAYMENT! WE APPRECIATE YOUR BUSINESS!



Circuit Engineering Division #5
429 N.E. 40th Street
3rd Floor
Oklahoma City, OK 73105

December 31, 2021
Invoice No: 16936

Project #20200022 CED5 - Member County BOCC/Monthly Mtgs
Professional Services through December 31, 2021

Fee	8,750.00
Total this Invoice	<u><u>\$8,750.00</u></u>

Billings to Date

	Current	Prior	Total	Received	A/R Balance
Fee	8,750.00	205,750.00	214,500.00		
Expense	0.00	4,049.24	4,049.24		
Totals	8,750.00	209,799.24	218,549.24	209,799.24	8,750.00

PLEASE REMIT PAYMENT TO:
5801 Broadway Extension, Suite 500
Oklahoma City, OK 73118-7436
405.840.2931 | fsb-ae.com



Circuit Engineering Division #5
 429 N.E. 40th Street
 3rd Floor
 Oklahoma City, OK 73105

January 31, 2022

Invoice No: 16986

Project #20200022 CED5 - Member County BOCC/Monthly Mtgs
Professional Services through January 25, 2022

Fee		8,750.00
Reimbursable Expenses		
Reimbursable Meal	1,108.05	
Total Reimbursables	1,108.05	1,108.05
Total this Invoice		<u>\$9,858.05</u>

Billings to Date

	Current	Prior	Total	Received	A/R Balance
Fee	8,750.00	214,500.00	223,250.00		
Expense	1,108.05	4,049.24	5,157.29		
Totals	9,858.05	218,549.24	228,407.29	209,799.24	18,608.05

PLEASE REMIT PAYMENT TO:

5801 Broadway Extension, Suite 500
 Oklahoma City, OK 73118-7436
 405.840.2931 | fsb-ae.com

CIRCUIT ENGINEERING DISTRICT #5

FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION

November 30, 2021

**Jayna Johnson, PC
819 Walnut
Duncan, OK 73533**

To the Board of Directors
Circuit Engineering District #5
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of Circuit Engineering District #5, which comprise the statement of assets, liabilities, and net assets – modified cash basis as of November 30, 2021 and the related statement of revenues and expenses – modified cash basis for the month and the 5 months then ended in accordance with the modified cash basis of accounting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included with financial statements prepared in accordance with the modified cash basis. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, net assets, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying supplementary information contained in the general ledger and transaction register for the period ended November 30, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

We are not independent with respect to Circuit Engineering District #5.



Jayna Johnson, PC
Duncan, Oklahoma
December 6, 2021

CIRCUIT ENGINEERING DISTRICT 5
Statement of Assets, Liabilities and Net Assets
Modified Cash Basis
November 30, 2021

ASSETS

Current Assets			
CHECKING - ARMSTRONG BANK	\$	365,514.84	
MONEY MARKET		<u>334,589.13</u>	
Total Current Assets			\$ <u>700,103.97</u>
Total Assets			\$ <u><u>700,103.97</u></u>

LIABILITIES AND NET ASSETS

Net Assets			
UNRESTRICTED 06/30/21		586,819.31	
Current Revenues less Expenses		<u>113,284.66</u>	
Total Net Assets, Unrestricted			<u>700,103.97</u>
Total Liabilities & Net Assets			\$ <u><u>700,103.97</u></u>

See Accountant's Compilation Report

CIRCUIT ENGINEERING DISTRICT 5
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended November 30, 2021

	1 Month Ended Nov. 30, 2021	Pct	5 Months Ended Nov. 30, 2021	Pct
Revenue				
OKLAHOMA CED BOARD	\$ 0.00	0.00	\$ 166,122.37	99.65
INTEREST INCOME	<u>120.22</u>	<u>100.00</u>	<u>578.19</u>	<u>0.35</u>
Total Revenue	120.22	100.00	166,700.56	100.00
Operating Expenses				
AUDIT & ACCOUNTING	0.00	0.00	8,000.00	4.80
PROGRAM FUNDS	8,750.00	999.00	43,750.00	26.24
OUTSIDE SERVICES	252.00	209.62	922.00	0.55
TRAVEL	<u>0.00</u>	<u>0.00</u>	<u>743.90</u>	<u>0.45</u>
Total Operating Expenses	<u>9,002.00</u>	<u>999.00</u>	<u>53,415.90</u>	<u>32.04</u>
Revenues less Expenses	\$ <u><u>(8,881.78)</u></u>	<u>(999.00)</u>	\$ <u><u>113,284.66</u></u>	<u>67.96</u>

CIRCUIT ENGINEERING DISTRICT 5
Statement of Revenues and Expenses
Modified Cash Basis
For the Period Ended November 30, 2021

	5 Months Ended Nov. 30, 2021	Budget	Variance	Pct
Revenue				
CED AUCTION ALLOCATIONS	\$ 0.00	\$ 2,500.00	\$ (2,500.00)	(100)
OKLAHOMA CED BOARD	166,122.37	375,000.00	(208,877.63)	(56)
INTEREST INCOME	<u>578.19</u>	<u>2,300.00</u>	<u>(1,721.81)</u>	<u>(75)</u>
Total Revenue	166,700.56	379,800.00	(213,099.44)	(56)
Operating Expenses				
AUDIT & ACCOUNTING	8,000.00	15,000.00	(7,000.00)	(47)
BANK & CREDIT CARD FEES	0.00	100.00	(100.00)	(100)
DISTRIBUTION FUNDS	0.00	500,000.00	(500,000.00)	(100)
PROGRAM FUNDS	43,750.00	105,000.00	(61,250.00)	(58)
OUTSIDE SERVICES	922.00	3,000.00	(2,078.00)	(69)
SUPPLIES	0.00	30.00	(30.00)	(100)
TRAVEL	<u>743.90</u>	<u>4,000.00</u>	<u>(3,256.10)</u>	<u>(81)</u>
Total Operating Expen	<u>53,415.90</u>	<u>627,130.00</u>	<u>(573,714.10)</u>	<u>(91)</u>
Revenues less Exp	\$ <u><u>113,284.66</u></u>	\$ <u><u>(247,330.00)</u></u>	\$ <u><u>360,614.66</u></u>	<u><u>(146)</u></u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

12/6/2021
20:22**CIRCUIT ENGINEERING DISTRICT 5**
General Ledger - Period Ending 11/30/21Company: CE5
Page: 1

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Current</u>	<u>Year-to-Date</u>
Beginning Balance			101	CHECKING - ARMSTRONG BANK		374,516.84*
11/30/21	11	CD	101	NOVEMBER CHECKS	-9,002.00	
				Ending Balance =	-9,002.00*	365,514.84**
Beginning Balance			105	MONEY MARKET		334,468.91*
11/30/21	11	JE1	105	MONEY MARKET ACTIVITY	120.22	
				Ending Balance =	120.22*	334,589.13**
Beginning Balance			450	UNRESTRICTED 06/30/21		-586,819.31*
				Ending Balance =	0.00*	-586,819.31**
Beginning Balance			505	OKLAHOMA CED BOARD		-166,122.37*
				Ending Balance =	0.00*	-166,122.37**
Beginning Balance			515	INTEREST INCOME		-457.97*
11/30/21	11	JE1	515	MONEY MARKET ACTIVITY	-120.22	
				Ending Balance =	-120.22*	-578.19**
Beginning Balance			801	AUDIT & ACCOUNTING		8,000.00*
				Ending Balance =	0.00*	8,000.00**
Beginning Balance			846	PROGRAM FUNDS		35,000.00*
11/11/21	11	3038	846	FSB	8,750.00	
				Ending Balance =	8,750.00*	43,750.00**
Beginning Balance			848	OUTSIDE SERVICES		670.00*
11/5/21	11	3037	848	JAYNA JOHNSON, PC	252.00	
				Ending Balance =	252.00*	922.00**
Beginning Balance			880	TRAVEL		743.90*
				Ending Balance =	0.00*	743.90**
				General Ledger is in balance.		0.00**
5 Transactions						
Current Loss		(8,881.78)		Y-T-D Profit	113,284.66	

12/6/2021
20:22

CIRCUIT ENGINEERING DISTRICT 5
Transaction Listing
Period Ending: 11/30/21

Company: CE5
Page: 1

<u>Date</u>	<u>Mt</u>	<u>Reference</u>	<u>Account</u>	<u>Description</u>	<u>Item Amount</u>	<u>Ref. Amount</u>
11/30/21	11	JE1	105	MONEY MARKET ACTIVITY	120.22	
11/30/21	11	JE1	515	MONEY MARKET ACTIVITY	-120.22	
11/5/21	11	3037	848	JAYNA JOHNSON, PC	252.00	252.00
11/11/21	11	3038	846	FSB	8,750.00	8,750.00
11/30/21	11	CD	101	NOVEMBER CHECKS	-9,002.00	-9,002.00

5 Transactions For The Period

Journal Balance 0.00

Account Number Control Total: 2,415



Jayna Johnson, P.C.

Certified Public Accountants

819 W. Walnut Ave.

Duncan, OK 73533

(580) 252-6190

To Management
Circuit Engineering District 5
5801 Broadway Extension, Suite 500
Oklahoma City, OK 73118

We are pleased to confirm our acceptance and understanding of the services we are to provide for Circuit Engineering District 5 for the month and year ended December 31, 2022.

You have requested that we compile the financial statements of Circuit Engineering District 5, which comprise the financial statements indicated below and in the attached schedule, for the month and year ended December 31, 2022, and perform a compilation engagement with respect to those financial statements. These financial statements will not include statements of cash flows or related notes to the financial statement.

In addition, the general ledger, transaction register, and payroll journal as applicable, will be prepared and presented with the financial statements. Such supplementary information is the responsibility of management and will be subject to our compilation.

Please see the attached schedule to review, approve, and/or change the services we expect to provide.

Our Responsibilities

The objective of our engagement is to:

- Compile financial statements in accordance with the modified cash basis of accounting based on information provided by you; and
- Apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be fairly presented in accordance with the modified cash basis of accounting.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of

expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Organization or noncompliance with laws and regulations.

We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is the compilation of the financial statements in accordance with the modified cash basis of accounting and to assist you in the presentation of the financial statements in accordance with the modified cash basis of accounting. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The selection of modified cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
- 2) The preparation and fair presentation of financial statements in accordance with the modified cash basis of accounting and the inclusion of a description of the modified cash basis of accounting.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- 4) The prevention and detection of fraud.
- 5) To ensure that the Organization complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Organization of whom we determine it necessary to make inquiries.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Our report will disclose that the Circuit Engineering District 5's management has elected to omit the statement of cash flows and substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the statement of cash flows and omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

We are not independent with respect to Circuit Engineering District 5. We will disclose that we are not independent in our compilation report.

The supplementary information accompanying the financial statements will be presented for purposes of additional analysis. Our report will not express an opinion, a conclusion, nor provide any assurance on such information.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to ask our permission to do so.

Other Relevant Information

Jayna Johnson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based on the time necessary to complete them and billed at our standard hourly rates, which vary depending upon the level of expertise and assigned tasks. You will also be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc.. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes sixty days or more overdue and will not be resumed until

your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Jayna Johnson, P.C.

Acknowledged:
Circuit Engineering District 5

Date

Circuit Engineering District 5

Bookkeeping Services

- Record journals
- Post general ledger
- Post other ledgers (specify) _____
- Reconcile bank statements
- Post earnings records
- Prepare 1099's

Monthly Quarterly Annually

	Monthly	Quarterly	Annually
Record journals	X		
Post general ledger	X		
Post other ledgers (specify) _____			
Reconcile bank statements	X		
Post earnings records	X		
Prepare 1099's			X

Other

- Prepare depreciation schedules
- Oklahoma sales tax reports/estimates
- Business Personal Property Rendition
- County (ies):

	Monthly	Quarterly	Annually
Prepare depreciation schedules	X		
Oklahoma sales tax reports/estimates			
Business Personal Property Rendition			
County (ies):			

Financial Statements

- Compiled Financial Statements
- Statement of assets, liabilities, and net assets - modified cash basis
- Statement of revenues and expenses - modified cash basis
- Notes
- Supplementary information
- Special statements (specify)
- Statement of revenues and expenses- _____
- Actual vs. budget - cash basis

Other services (specify)

	Monthly	Quarterly	Annually
Compiled Financial Statements			
Statement of assets, liabilities, and net assets - modified cash basis	X		
Statement of revenues and expenses - modified cash basis	X		
Notes			
Supplementary information	X		
Special statements (specify)			
Statement of revenues and expenses- _____			
Actual vs. budget - cash basis	X		
Other services (specify)			

Circuit Engineering District 5

Payroll Tax Services

Monthly Quarterly Annually Other

Prepare Payroll Calculation				
Prepare Federal 941				
Calculate 941 Deposit - Client Pays				
Initiate 941 Deposit Online				
Prepare Oklahoma Withholding Return - Client Files				
Prepare Oklahoma Withholding Return - JJ,PC Files Online				
Calculate Oklahoma Withholding Deposit - Client Pays				
Initiate Oklahoma Withholding Deposit Online				
Prepare State Unemployment Return - Client Files				
Prepare State Unemployment Return - JJ,PC Files Online		X		
Initiate State Unemployment Deposit Online				
Prepare Federal 940				
Calculate 940 Deposit - Client Pays				
Initiate 940 Deposit Online				
Prepare W-2's				
Electronically Submit State W-2's Online				

*Deposits initiated will be given adequate notice prior to drafting.

If the need arises, please advise what agencies we are authorized to communicate with regarding your payroll tax

Authorization

Yes No

Internal Revenue Service		
Oklahoma Tax Commission		
Oklahoma Employment Security Commission		

Please list the individuals within your organization that we are authorized to communicate with regarding payroll

CED #5 Budget 2021/22											
Description	0K	100K	75K	60K	55K	54K	50K	40K	25K		
	Estimate through 6-30-2022										
	FY 2021/22										
AUDIT & ACCOUNTING	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
AUTO EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
BANK & CREDIT CARD FEES	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
DEPRECIATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
DISTRIBUTION FUNDS**	\$0.00	\$600,000.00	\$450,000.00	\$360,000.00	\$330,000.00	\$324,000.00	\$300,000.00	\$240,000.00	\$150,000.00	\$150,000.00	\$150,000.00
INSURANCE-GENERAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INSURANCE - OTHER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MEETINGS & CONFERENCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PROGRAM FUNDS	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00	\$105,000.00
OUTSIDE SERVICES	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
RENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RETIREMENT PLAN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SALARIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUPPLIES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PAYROLL TAXES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PAYROLL SERVICE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TRAVEL	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00
Total	\$126,600.00	\$726,600.00	\$576,600.00	\$486,600.00	\$456,600.00	\$450,600.00	\$426,600.00	\$366,600.00	\$276,600.00	\$276,600.00	\$276,600.00

**Current Cash on hand is \$252,808.37

State Apportionment	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00
CED Auction	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Sell of Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00	\$2,300.00
Money Market	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94	\$334,010.94
Checking	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30	\$252,808.30
Total Revenue/Cash Available	\$966,619.24										

Change financial Position (est. Budgeting Ending)	\$840,019.24	\$240,019.24	\$390,019.24	\$480,019.24	\$510,019.24	\$516,019.24	\$540,019.24	\$600,019.24	\$690,019.24
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CED 5 SIGN-IN

January 25, 2022

Please print

	<u>Name</u>	<u>County/Company</u>
1.	Buzz McDonald	WARREN CAT
2.	Eddie Humes	bidadoo-
3.	Tim McDonald	bidadoo'
4.	Michelle Leverett	ODOT - LG
5.	Shu Murray	McClain County
6.	Amron Friley	CEL
7.	Wally Taylor	Pik
8.	Brian Wight	Cleveland.
9.	Paul Banner	EST
10.	Shelly Williams	ODOT
11.	BRANDON DUDGEM	ODOT
12.	WILL DILLSAVER,	Cox McClain / STANTEC
13.	Melissa Davis	ODOT-LG
14.	MIKE MCFARLAND	BKL TULSA
15.	George Mallett	Guernsey
16.	TREVOR MCDUGALL	GUERNSEY
17.		
18.		
19.		
20.		
21.		