

**TOWN OF TEXHOMA
TEXAS COUNTY, OKLAHOMA**

**AGREED UPON PROCEDURE REPORT
AND
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED
JUNE 30, 2013**

WILLIAM K GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF TEXHOMA
TEXAS COUNTY, OKLAHOMA**

TOWN COUNCIL

July 2012 – March 2013:

Robert D. Berry
Loyal D. Rhoden
James Hager
Diana Moore

Mayor
Vice-Mayor
Member
Member

April 2013 - June 2013:

Ralph Hyde (Resigned September 2013)
Jamey Mitchell
David Thrasher (Mayor September 2013)
Diana Moore

Mayor
Vice-Mayor
Member
Member

Officers

Elizabeth Romero
Trent Bolin
Douglas Dale

Secretary/Treasurer
Public Works Manager
Attorney

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WILLIAM K. GAUER

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Texhoma
Texhoma, Oklahoma

Trustees of the Texhoma Public Works Authority
Texhoma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Texhoma and Public Trusts, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Texhoma and Public Trust

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

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Texhoma is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Texhoma** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Texhoma and Public Trust

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4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Texhoma Public Works Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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(Continued)

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4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Texhoma and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: Grant schedule of activity needs to include CFDA and other identifying contract numbers or information.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


December 31, 2013

Exhibit A
Town of Texhoma
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	Beginning of	Current		End of
	Year	Year Change		Year
	Fund Balances	Receipts	Disbursements	Fund Balances
TOWN:				
Governmental Fund Types:				
General Fund	\$ 317,516	\$ 467,305	\$ 431,135	\$ 353,686
Ambulance Fund	4,556	154	1,639	3,071
DA Police Fund	31,497	136	-	31,633
Clinic Fund	10,940	55	620	10,375
Grant Fund (OEEDA-REAP)	5	-	-	5
Grant Fund (CDBG)	-	-	-	-
Police Fund	5,020	1,734	5,100	1,653
Department of Ag Fire Fund	6,540	4,495	-	11,035
Capital Projects Fund Types:				
Airport Fund	400	8,400	-	8,800
Fire Equipment Fund	9,641	3,209	1,950	10,900
Proprietary Fund Type:				
Pool Fund	25	-	-	25
Town Subtotal	386,139	485,487	440,445	431,182
PUBLIC WORKS AUTHORITY:				
PWA Operating Fund:				
Operating Checking Account	135,169	445,993	476,655	104,507
Certificates of deposit - Retired Bonds	98,141	866	-	99,007
Certificates of Deposit	80,000	51,402	-	131,402
Total Operating Fund	313,310	498,261	476,655	334,917
Sewer Improvement Fund:				
Certificates of Deposit	105,169	287	582	104,874
Total Sewer Improvement Fund	105,169	287	582	104,874
PWA Capital Assets	1,101,979	38,000	27,549	1,112,430
PWA Note Payable	(12,628)	(7,521)	407	(5,107)
Meter Fund	2,163	5,441	5,806	1,798
PWA Subtotal	1,509,993	534,468	510,998	1,548,911
Overall Totals	\$ 1,896,133	\$ 1,019,955	\$ 951,443	\$ 1,980,093

Exhibit B
Town of Texhoma
Budgetary Comparison Schedule General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 317,516	\$ 317,516	\$ 317,516	\$ -
Resources (Inflows):				
Charges for Services:				
Garbage Collection	134,397	134,397	160,506	26,109
Fees & Permits:				
Permits	-	-	87	87
Dog Pound	495	495	531	36
Police	36,242	36,242	36,632	389
Ambulance	15,498	15,498	15,526	27
Pool	-	-	3,281	3,281
Taxes:				
Sales Taxes	145,935	145,935	168,515	22,580
Franchise Tax	50,972	50,972	49,877	(1,095)
Tobacco Tax	2,108	2,108	2,231	123
Total Taxes	199,015	199,015	220,623	21,608
Intergovernmental:				
Motor Vehicle Tax	6,066	6,066	7,290	1,224
Alcoholic Beverage Tax	10,595	10,595	12,336	1,740
Gas Tax	3,201	3,201	1,750	(1,451)
Investment Income	315	315	365	51
Miscellaneous Income				
Rental	2,566	2,566	2,095	(471)
Royalty	-	-	473	473
Other	2,581	2,581	5,810	3,229
Other Financing Sources:				
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	<u>728,489</u>	<u>728,489</u>	<u>784,821</u>	<u>77,940</u>
General Government:				
Personal Services	250,000	250,000	116,070	(133,930)
Maintenance and Operations	325,000	325,000	315,066	(9,934)
Capital Outlay	153,489	153,489	-	(153,489)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>728,489</u>	<u>728,489</u>	<u>431,135</u>	<u>(297,353)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,686</u>	<u>\$ 375,294</u>

Texhoma Public Works Authority
Texas County, Oklahoma
Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Fiscal Year Ended June 30, 2013

OPERATING REVENUE	
Charges for services	\$ 201,219
Water	50,799
Sewer	158,046
Trash	7,146
Late Fees & Service Charges	
Miscellaneous:	
Insurance Reimbursement	24,147
Water Crane	1,061
Rent & Other	3,575
Total revenues	445,993
OPERATING EXPENSES	
Salaries and wages	73,386
Employee benefits	37,769
Contractual services-Trash	159,907
Maintenance and supplies	58,244
Utilities	42,783
Administrative and general	2,673
Miscellaneous	6,946
Depreciation	27,549
Total operating expenses	409,257
Operating income	36,736
Nonoperating revenues	
Investment income	2,589
Interest expense	(407)
Total nonoperating expenses	2,182
Changes in net assets	38,918
Net assets - beginning of the year	1,509,993
Net assets - end of the year	\$ 1,548,911

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditors' report.

