

Town of Wanette, Oklahoma  
Independent Accountants' Compilation Report and  
Report on Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2015

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**TOWN OF WANETTE, OKLAHOMA**  
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**Independent Accountants' Compilation Report and  
Report on Applying Agreed-Upon Procedures**

*To the Specified Users of the Report:*

Town Council, Town of Wanette  
Wanette, Oklahoma 74878

Trustees of the Wanette Public Works Authority  
Wanette, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

USDA Rural Development  
Oklahoma City, Oklahoma

COEDD  
Shawnee, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Modified Cash Basis of the Town of Wanette, Oklahoma and Wanette Public Works Authority, as of June 30, 2015, and the Budgetary Comparison Schedule of General Fund and Cemetery Operating Fund - Modified Cash Basis as of and the year ended June 30, 2015, and the accompanying supplementary information contained in Exhibits C and D which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis accounting, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

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Our 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 any assurance that there are no material modifications that should be made to the financial statements.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the Town of Wanette’s assets and liabilities.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's Summary of Changes in Fund Balances – Modified Cash Basis, Budgetary Comparison Schedule of General Fund and Cemetery Operating Fund – Modified Cash Basis, and the accompanying supplementary information contained in Exhibits C, and D which are presented only for supplementary analysis purposes . Accordingly, the financial statement is not designed for those who are not informed of such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council of the Town of Wanette and Trustees of the Wanette Public Works Authority, as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2015. Management of the Town of Wanette 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, we 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 Wanette** as of and for the fiscal year ended June 30, 2015:

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 determined compliance with the statutory prohibition of creating fund balance deficits and noted instances of noncompliance.

***Finding: The Cemetery Operating Fund had a deficit fund balance of \$5,072 at June 30 , 2015.***

2. ***Procedures Performed:*** From the Town’s trial balances, we prepared a budget and actual financial schedule for the General Fund (see accompanying Exhibits B) and the Cemetery

Fund (see accompanying Exhibit B-1) and determined compliance with the legal level of appropriations by comparing expenditures and encumbrances to authorized appropriations.

***The Cemetery Operating Fund expenditures exceeded budget by \$4,048.***

3. ***Procedures Performed:*** We agreed the Town's bank account balances to bank statements, and traced the timely clearance of reconciling items that exceeded \$500 to report any significant or unusual instances of reconciling items that have not cleared.

***No exceptions were found as a result of applying the procedure.***

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.

***No exceptions were found as a result of applying the procedure.***

5. ***Procedures Performed:*** We compared the Town's use of restricted revenues and resources that exceeded \$500 to their restrictions to report any noted instances of noncompliance.

***Finding: The Cemetery Care Fund is combined with the Cemetery Operating Fund. The Cemetery Operating Fund did not have enough cash carryover and did not collect enough revenue to cover its expenditures, resulting in a deficit of \$5,072. The deficit cash balance of the Cemetery Operating Fund was covered/paid by the Cemetery Care Fund. The Cemetery Care Fund can only be spent as capital outlay not operations. The Cemetery Care Fund should be repaid \$5,072 and the bank accounts should be separated to prevent this from occurring in the future.***

6. ***Procedures Performed:*** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to determine compliance with requirements for separate funds.

***Finding: Federal grants should have their own fund. A separate bank account was created however, it was operated inside the General Fund.***

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 determine compliance with reserve account and debt service coverage requirements of bond indentures.

***This procedure was not performed. The Town of Wanette has no debt service or reserve account requirements.***

As to the **Public Works Authority** as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances for each fund (see accompanying Exhibit C) and determined compliance with the statutory prohibition of creating fund balance deficits and noted instances of noncompliance.

*No exceptions were found as a result of applying the procedure.*

2. **Procedures Performed:** We agreed the Authority's bank account balances to bank statements, and traced the timely clearance of reconciling items that exceeded \$500 to report any significant or unusual instances of reconciling items that have not cleared.

*No exceptions were found as a result of applying the procedure.*

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.

*No exceptions were found as a result of applying the procedure.*

4. **Procedures Performed:** We compared use of restricted revenues and resources that exceeded \$500 to their restrictions to report any noted instances of noncompliance.

*No exceptions were found as a result of applying the procedure.*

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to determine compliance with requirements for separate funds.

***Finding: Federal grants should have their own fund. Separate bank accounts were created however, they were operated inside the PWA Fund.***

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 determine compliance with reserve account and debt service coverage requirements of bond indentures.

*No exceptions were found as a result of applying the procedure.*

As to the **Town of Wanette and Wanette Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town's 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.

*No exceptions were found as a result of applying the procedure.*

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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 those specified parties.

*Rahel Henderson Johnson, PLLC*

September 12, 2016  
Ardmore, Oklahoma

TOWN OF WANETTE, OKLAHOMA  
 Summary of Changes in Fund Balances – Modified Cash Basis  
 For the Year Ended June 30, 2015

	Fund Balances			Fund Balances
	<u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Ending</u>
<b>CITY:</b>				
General Fund	\$ 95,068	\$ 69,731	63,771	\$ 101,028
Cemetery Operations Fund	5,521	10,605	21,198	(5,072)
Cemetery Care Fund	90,889	1,513	-	92,402
Fire Department Fund	<u>1</u>	<u>4,484</u>	<u>4,485</u>	<u>-</u>
 City Subtotal	 <u>191,479</u>	 <u>86,333</u>	 <u>89,454</u>	 <u>188,358</u>
 <b>PUBLIC WORKS AUTHORITY:</b>				
GROSS REVENUE FUND	98,118	157,710	146,499	109,329
DEBT SERVICE RESERVE	-	2,426	-	2,426
SHORT LIVED ASSET RESERVE	-	7,085	-	7,085
SEWER LAGOON PROJECT	21	413,111	413,132	-
METER DEPOSIT	13,190	1,842	2,033	12,999
ORWA REAP GRANT	<u>-</u>	<u>65,500</u>	<u>60,519</u>	<u>4,981</u>
 Public Works Authority Subtotal	 <u>111,329</u>	 <u>647,674</u>	 <u>622,183</u>	 <u>136,820</u>
 Overall Totals	 <u>\$ 302,808</u>	 <u>\$ 734,007</u>	 <u>\$ 711,637</u>	 <u>\$ 325,178</u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 20,000	\$ 20,000	\$ 95,068	\$ 75,068
<b>Resources (Inflows):</b>				
Sales Tax	37,710	37,710	28,746	(8,964)
Use Tax	-	-	4,494	4,494
Tobacco Tax	-	-	323	323
Alcoholic Beverage Tax	-	-	1,381	1,381
Franchise Tax	9,570	9,570	9,686	116
Gasoline Excise Tax	-	-	659	659
Motor Vehicle Tax	-	-	2,702	2,702
Grant Revenue	-	-	18,175	18,175
Miscellaneous Income	3,940	3,940	3,565	(375)
<b>Total Inflows</b>	<u>51,220</u>	<u>51,220</u>	<u>69,731</u>	<u>18,511</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	71,220	71,220	63,771	7,449
<b>Total Outflows</b>	<u>71,220</u>	<u>71,220</u>	<u>63,771</u>	<u>7,449</u>
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	<u>(20,000)</u>	<u>(20,000)</u>	<u>5,960</u>	<u>25,960</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,028</u>	<u>\$ 101,028</u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 Cemetery Fund  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 5,521	\$ 5,521
<b>Resources (Inflows):</b>				
Donations and Lot Sales	780	780	1,445	665
Open/Close	16,370	16,370	8,488	(7,882)
Interest	-	-	372	372
Rental	-	-	300	300
Total Inflows	<u>17,150</u>	<u>17,150</u>	<u>10,605</u>	<u>(6,545)</u>
<b>Charges to Appropriations (Outflows):</b>				
Operations	<u>17,150</u>	<u>17,150</u>	<u>21,198</u>	<u>(4,048)</u>
Total Outflows	<u>17,150</u>	<u>17,150</u>	<u>21,198</u>	<u>(4,048)</u>
<b>Excess of Inflows over Outflows before other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(10,593)</u>	<u>(10,593)</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Budgetary Fund Balance:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,072)</u>	<u>\$ (5,072)</u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
Statement of Revenues, Expenses and Changes in Fund Balances  
Modified Cash Basis  
Wanette Public Works Authority Operating Fund  
For the Year Ended June 30, 2015

**Operating Revenues**

Water	\$ 76,118
Sewer	51,825
Trash	25,149
Penalties	3,100
Miscellaneous	1,276
Total Operating Revenues	<u>157,468</u>

**Operating Expenses**

Salaries	39,179
Payroll Tax	13,984
Contract Labor	138
Office Expense	4,289
Postage	1,103
Miscellaneous	913
Repair and Maintenance	646
Fuel	974
Utilities	1,977
Insurance	4,991
Rural Development Debt Service	17,124
Waste Disposal Service	20,511
Water Purchase	27,200
Lab Fees & Chemicals	1,120
Supplies	2,839
Total Operating Expenses	<u>136,988</u>
Operating Income	<u>20,480</u>

**Non-operating Revenues (Expenses)**

Interest Revenue	242
Transfers Out	(9,511)
Total Non-operating Revenues (Expenses)	<u>(9,269)</u>

Change in Fund Balance	11,211
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Fund Balance - Beginning, Reduced by Meter Deposit of \$13,190, Sewer Lagoon of \$21	<u>98,118</u>
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Fund Balance - Ending	<u>\$ 109,329</u>
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See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
 Schedule of Grant Activity  
 Modified Cash Basis  
 For the Year Ended June 30, 2015

EXHIBIT D

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	PASS- THROUGH GRANTOR'S PROJECT NUMBER	PRIOR YEAR UNSPENT BALANCE	AWARD AMOUNT	RECEIVED 2014-2015	EXPENDED AMOUNT	ALLOWABLE EXPENDITURES	BALANCE
<b><u>STATE GRANTS</u></b>							
OKLAHOMA DEPARTMENT OF AGRICULTURE, FOOD & FORESTRY	FIRE GRANT	\$ -	\$ 4,484	\$ 4,484	\$ 4,484	\$ 4,484	\$ -
OKLAHOMA WATER RESOURCE BOARD	REAP GRANT FAP-05-0048-R		\$ 65,500	\$ 65,384	\$ 60,519	\$ 60,519	\$ 4,865
TOTAL STATE GRANTS			\$ 69,984	\$ 69,868	\$ 65,003	\$ 65,003	\$ 4,865
<b><u>FEDERAL GRANTS</u></b>							
OKLAHOMA DEPARTMENT OF COMMERCE	CDBG 14596		\$ 262,175	\$ 259,700	\$ 259,700	\$ 259,700	\$ 2,475
OKLAHOMA DEPARTMENT OF COMMERCE	CDBG 16061		\$ 36,350	\$ 18,175	\$ 18,175	\$ 18,175	\$ -
TOTAL FEDERAL GRANTS			\$ 298,525	\$ 277,875	\$ 277,875	\$ 277,875	\$ 2,475
<b><u>FEDERAL LOANS</u></b>							
RURAL DEVELOPMENT	92-03	\$ 21	\$ 325,275	\$ 68,925	\$ 68,946	\$ 68,946	\$ -
RURAL DEVELOPMENT	92-04		\$ 121,225	\$ 84,486	\$ 84,486	\$ 84,486	\$ -
TOTAL FEDERAL LOANS			\$ 446,500	\$ 153,411	\$ 153,432	\$ 153,432	\$ -
TOTAL GRANT & LOAN REVENUE			\$ 815,009	\$ 501,154	\$ 496,310	\$ 496,310	\$ 7,340

See Accompanying Accountants' Compilation Report