

**Town of Okarche**  
**Okarche, Oklahoma**

**Agreed Upon Procedures**  
**And Accompanying**  
**Independent Auditor's Report**

**For The Year Ended**  
**June 30, 2018**



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Members of American  
Institute of Certified  
Public Accountants

Members of Oklahoma  
Society of Certified  
Public Accountants

## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Board, Town of Okarche  
Okarche, Oklahoma

Trustees of the Okarche Public Works Authority  
Okarche, Oklahoma

Trustees of the Okarche Economic Development Authority  
Okarche, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Management is responsible for the accompanying financials statements of The Town of Okarche, The Okarche Economic Development Authority and the Okarche Public Works Authority, which comprise the Summary of Changes in Fund Balances – Modified Cash Basis for the Town of Okarche, the Okarche Economic Development Authority and The Okarche Public Works Authority, the Budgetary Comparison Schedule for the General Fund, and the Statement of Revenues, Expenses, and Changes in Fund Balance – Modified Cash Basis for the Okarche Economic Development Authority and the Okarche Public Works Authority, and the Schedule of Grants for the Town of Okarche, for the fiscal year ended June 30, 2018, 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 accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of 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 required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We have performed the procedures enumerated within Appendix A and Appendix B 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 of Okarche (the Town), the Okarche Economic Development Authority and the Okarche Public Works Authority (the Authorities) in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2018. Management of the Town of Okarche 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 and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3.

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 in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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 these specified parties.



RSMeacham CPAs & Advisors  
Clinton, OK  
November 5, 2018

**Town of Okarche, Oklahoma  
Procedures and Findings  
For the Year Ended June 30, 2018**

As to the Town of Okarche as of and for the fiscal year ended June 30, 2018:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. Agree 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: No instances of noncompliance noted.

- IV. Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare 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: No instances of noncompliance noted.

- VII. Compare 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: No instances of noncompliance noted.

- VIII. For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances.

Findings: No instances of noncompliance notes. See Exhibit III.

**TOWN OF OKARCHE, OKLAHOMA  
SUMMARY OF CHANGES IN FUND BALANCES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
<b>TOWN OF OKARCHE</b>			
General Fund	\$ 3,299,724	\$ 590,660	\$ 3,890,384
Street & Alley Fund	100,869	11,703	112,572
Firemans Fund	44,937	57,026	101,963
Grant Fund	1,856	-	1,856
Street Improvement Fund	705	-	705
<b>TOWN TOTAL</b>	<u>3,448,091</u>	<u>659,390</u>	<u>4,107,481</u>
<b>Okarche Public Works Authority</b>	\$ 550,359	\$ (13,450)	\$ 536,909
<b>Okarche Economic Development Authority</b>	\$ 105,497	\$ 9,687	\$ 115,184

**TOWN OF OKARCHE, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 3,299,724	\$ 3,299,724	\$ -
<b>Resources (Inflows):</b>			
<b>Taxes:</b>			
Sales tax	600,000	1,134,900	534,900
Use tax	50,000	420,006	370,006
Cigarette tax	9,347	12,975	3,628
Franchise tax	46,554	54,471	7,917
<b>Total Taxes</b>	<u>705,902</u>	<u>1,622,353</u>	<u>916,451</u>
<b>Intergovernmental:</b>			
Alcoholic beverage tax	13,383	14,984	1,601
<b>Total Intergovernmental</b>	<u>13,383</u>	<u>14,984</u>	<u>1,601</u>
<b>Licenses and Permits</b>	3,578	2,736	(843)
<b>Swimming Pool</b>	7,718	6,086	(1,632)
<b>Fines and Forfeitures</b>	34,584	111,334	76,750
<b>Rents and Royalties</b>	13,106	10,777	(2,329)
<b>Interest</b>	3,411	6,173	2,762
<b>Miscellaneous</b>	-	20,399	20,399
<b>Total current year resources</b>	<u>781,682</u>	<u>1,794,841</u>	<u>1,013,159</u>
<b>Amounts available for appropriation</b>	<u>\$ 4,081,406</u>	<u>\$ 5,094,565</u>	<u>\$ 1,013,159</u>
<b>Charges to Appropriations (Outflows):</b>			
<b>General government:</b>			
<b>Clerk:</b>			
Personal services	85,000	67,790	17,210
<b>Total Clerk:</b>	<u>85,000</u>	<u>67,790</u>	<u>17,210</u>
<b>Fire Department:</b>			
Materials and supplies	50,000	22,447	27,553
Capital outlay	50,000	4,797	45,203
<b>Total Fire Department:</b>	<u>100,000</u>	<u>27,243</u>	<u>72,757</u>
<b>General Government:</b>			
Personal services	30,000	8,706	21,294
Materials and supplies	130,000	87,646	42,354
Capital outlay	1,800,000	178,558	1,621,442
Transfers out	-	147,271	(147,271)
<b>Total General Government:</b>	<u>1,960,000</u>	<u>422,181</u>	<u>1,537,819</u>
<b>Managerial:</b>			
Personal services	30,000	15,502	14,498
Materials and supplies	10,000	391	9,609
<b>Total Managerial:</b>	<u>40,000</u>	<u>15,892</u>	<u>24,108</u>

**TOWN OF OKARCHE, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Municipal Court:			
Personal services	6,000	4,800	1,200
Total Managerial:	<u>6,000</u>	<u>4,800</u>	<u>1,200</u>
Park:			
Personal services	30,000	15,728	14,272
Materials and supplies	50,000	37,682	12,318
Capital outlay	500,000	67,148	432,852
Total Park:	<u>580,000</u>	<u>120,557</u>	<u>459,443</u>
Police:			
Personal services	280,000	241,035	38,965
Materials and supplies	100,000	87,913	12,087
Capital outlay	100,000	72,977	27,023
Total Park:	<u>480,000</u>	<u>401,924</u>	<u>78,076</u>
Street:			
Materials and supplies	100,000	44,763	55,237
Capital outlay	654,890	48,247	606,643
Total Street:	<u>754,890</u>	<u>93,010</u>	<u>661,880</u>
Treasurer:			
Personal services	25,000	10,334	14,666
Materials and supplies	1,000	114	886
Total Treasurer:	<u>26,000</u>	<u>10,449</u>	<u>15,551</u>
Attorney:			
Personal services	50,000	40,335	9,665
Total Attorney:	<u>50,000</u>	<u>40,335</u>	<u>9,665</u>
<b>Total General government</b>	<u>4,081,890</u>	<u>1,204,181</u>	<u>2,877,709</u>
<b>Total Charges to Appropriations</b>	<u>4,081,890</u>	<u>1,204,181</u>	<u>2,877,709</u>
<b>Change in Fund Balance</b>	(3,300,208)	590,660	3,890,868
<b>Ending Budgetary Fund Balance</b>	<u>\$ (484)</u>	<u>\$ 3,890,384</u>	<u>\$ 3,890,868</u>

**TOWN OF OKARCHÉ, OKLAHOMA  
SCHEDULE OF GRANTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<b>Grant revenue</b>	<b>Funding period</b>	<b>Project description</b>	<b>Total Award</b>	<b>Current Year Amount received</b>	<b>Current Year Amount expended</b>	<b>Receipts less expenditures</b>	<b>Remaining Award Balance</b>
<u>Grant received from:</u> OK Department of Agriculture, Food & Forestry	2017-2018	Fire department operations	3,744	3,744	3,744	-	-
NODA CDBG/REAP Grant	2017-2018	Sewer line replacement	70,000	-	162,813	(162,813)	70,000
		<b>Total</b>	<b>\$ 73,744</b>	<b>\$ 3,744</b>	<b>\$ 166,557</b>	<b>\$ (162,813)</b>	<b>\$ 70,000</b>



**Okarche, Oklahoma Public Works Authority and  
Okarche Economic Development Authority  
Procedures and Findings  
For the Year Ended June 30, 2018**

As to the Okarche Public Works Authority and the Okarche Economic Development Authority, as of and for the year ended June 30, 2018:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IV. No instances of noncompliance noted.

- II. Agree 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: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. Compare 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: No instances of noncompliance noted.

- VI. Compare 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: No instances of noncompliance noted. Noted that the Okarche Economic Development Authority entered into a conduit debt arrangement with the Okarche Public Schools on December 1, 2016. The Economic Development Authority has no contractually required balances and no debt service coverage requirements. The Economic Development Authority received a waiver of the bond audit requirements.

**OKARCHE PUBLIC WORKS AUTHORITY OKARCHE, OKLAHOMA  
AND OKARCHE ECONOMIC DEVELOPMENT AUTHORITY OKARCHE, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Okarche Public Works Authority</u>	<u>Okarche Economic Development Authority</u>
<b>Operating Revenues:</b>		
Charges for services:		
Water & Sewer	\$ 464,785	\$ -
Sanitation	117,853	-
Other revenues	1,500	-
Bond Proceeds	-	63,194
Total Operating Revenues	584,138	63,194
<b>Operating Expenses:</b>		
Administration	-	53,697
Water & Sewer	634,876	-
Sanitation	109,983	-
Total Operating Expenses	744,859	53,697
Operating Income	(160,721)	9,498
<b>Non-Operating Revenues:</b>		
Interest	-	189
Transfers In	147,271	-
Total Non-Operating Revenues	<u>147,271</u>	<u>189</u>
<b>Change in fund balance</b>	<b>\$ (13,450)</b>	<b>\$ 9,687</b>
<b>Fund Balance - beginning</b>	<b>\$ 550,359</b>	<b>\$ 105,496</b>
<b>Fund Balance - ending</b>	<b>\$ 536,909</b>	<b>\$ 115,184</b>