

**TOWN OF OKARCHE, OKLAHOMA
OKARCHE, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2014**



801 Frisco, Clinton, OK 73601
580.323.1766 | 580.323.1768 fax

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

We have compiled the accompanying Summary of Changes in Budgetary Fund Balances of the Town of Okarche, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of the General Fund, and the Statement of Revenues, Expenses and Changes in Fund Balance of the Okarche Public Works Authority and Okarche Economic Development Authority- Cash Basis for the fiscal year ended June 30, 2014. 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. We 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.

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

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.

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) and the Okarche Public Works Authority (the Authority) in meeting its financial accountability requirements as prescribed 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, 2014. 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. 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 compliance. 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
September 25, 2014

**Town of Okarche, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2014**

As to the Town of Okarche as of and for the fiscal year ended June 30, 2014:

- 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.

**TOWN OF OKARCHE, OKLAHOMA
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF OKARCHE			
General Fund	\$ 995,967	\$ 434,944	\$ 1,430,911
Street & Alley Fund	50,802	9,489	60,291
Firemans Fund	36,002	3,145 #	39,147
Street Improvement Fund	705	-	705
TOWN TOTAL	<u>1,083,476</u>	<u>447,578</u>	<u>1,531,054</u>
 Okarche Public Works Authority	 \$ 329,751	 \$ 23,075	 \$ 352,826
 Okarche Economic Development Authority	 \$ 134,510	 \$ (44,510)	 \$ 90,000

See accountant's report.

**TOWN OF OKARCHÉ, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 981,173	\$ 995,967	\$ 14,794
Resources (Inflows):			
Taxes:			
Sales tax	600,000	932,600	332,600
Use tax	49,271	41,592	(7,679)
Cigarette tax	14,210	11,078	(3,132)
Franchise tax	45,511	51,467	5,956
Total Taxes	<u>708,992</u>	<u>1,036,737</u>	<u>327,745</u>
Intergovernmental:			
Alcoholic beverage tax	11,923	13,780	1,857
Total Intergovernmental	<u>11,923</u>	<u>13,780</u>	<u>1,857</u>
Licenses and Permits	5,322	1,862	(3,460)
Swimming Pool	-	3,946	3,946
Fire Runs	-	304	304
Fines and Forfeitures	27,062	38,544	11,482
Rents and Royalties	4,333	6,144	1,811
Interest	2,314	1,769	(545)
Miscellaneous	-	19,652	19,652
Total current year resources	<u>759,946</u>	<u>1,122,739</u>	<u>362,793</u>
Amounts available for appropriation	<u>\$ 1,741,119</u>	<u>\$ 2,118,705</u>	<u>\$ 377,586</u>
Charges to Appropriations (Outflows):			
General government:			
Clerk:			
Personal services	75,000	66,929	8,071
Total Clerk:	<u>75,000</u>	<u>66,929</u>	<u>8,071</u>
Fire Department:			
Personal services	2,500	1,480	1,020
Materials and supplies	45,000	25,731	19,269
Capital outlay	40,000	25,186	14,814
Total Fire Department:	<u>87,500</u>	<u>52,397</u>	<u>35,103</u>
General Government:			
Personal services	7,500	8,612	(1,112)
Materials and supplies	110,000	100,108	9,892
Capital outlay	50,000	552	49,448
Total General Government:	<u>167,500</u>	<u>109,273</u>	<u>58,227</u>
Managerial:			
Personal services	25,000	15,502	9,498
Materials and supplies	4,000	911	3,089
Total Managerial:	<u>29,000</u>	<u>16,413</u>	<u>12,587</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	25,000	14,791	10,209
Materials and supplies	50,000	19,789	30,211
Capital outlay	50,000	51,513	(1,513)
Total Park:	<u>125,000</u>	<u>86,093</u>	<u>38,907</u>
Police:			
Personal services	225,000	226,167	(1,167)
Materials and supplies	75,000	51,699	23,301
Capital outlay	40,000	-	40,000
Total Park:	<u>340,000</u>	<u>277,866</u>	<u>62,134</u>
Street:			
Materials and supplies	50,000	29,379	20,621
Capital outlay	810,119	15,923	794,196
Total Street:	<u>860,119</u>	<u>45,302</u>	<u>814,817</u>
Treasurer:			
Personal services	15,000	10,334	4,666
Materials and supplies	1,000	32	968
Total Treasurer:	<u>16,000</u>	<u>10,366</u>	<u>5,634</u>
Attorney:			
Personal services	35,000	18,356	16,644
Total Attorney:	<u>35,000</u>	<u>18,356</u>	<u>16,644</u>
Total General government	<u>1,741,119</u>	<u>687,795</u>	<u>1,053,324</u>
Total Charges to Appropriations	<u>1,741,119</u>	<u>687,795</u>	<u>1,053,324</u>
Change in Fund Balance	(981,173)	434,944	1,416,117
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 1,430,910</u>	<u>\$ 1,430,910</u>

**Okarche, Oklahoma Public Works Authority and
Okarche Economic Development Authority
Procedures and Findings
For the Year Ended June 30, 2014**

As to the Okarche Public Works Authority, as of and for the year ended June 30, 2014:

- 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 III. 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.

**OKARCHE PUBLIC WORKS AUTHORITY OKARCHE, OKLAHOMA
AND OKARCHE ECONOMIC DEVELOPMENT AUTHORITY OKARCHE, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Okarche Public Works Authority	Okarche Economic Development Authority
Operating Revenues:		
Charges for services:		
Water	\$ 438,063	\$ -
Sanitation	108,046	-
Other	1,130	-
Bond Proceeds		5,356
Total Operating Revenues	<u>547,239</u>	<u>5,356</u>
Operating Expenses:		
Administration		50,000
Water	414,634	-
Sanitation	109,530	-
Total Operating Expenses	<u>524,164</u>	<u>50,000</u>
Operating Income	\$ 23,075	\$ (44,644)
Non-Operating Revenues:		
Interest		134
Total Non-Operating Revenues	<u>-</u>	<u>134</u>
Change in fund balance	\$ 23,075	\$ (44,510)
Fund Balance - beginning	<u>329,751</u>	<u>134,510</u>
Fund Balance - ending	<u>\$ 352,826</u>	<u>\$ 90,000</u>