

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

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

**FOR THE YEAR ENDED
JUNE 30, 2015**



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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 (Budgetary 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 – 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, 2015, 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.

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, 2015. 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
August 28, 2015

**Town of Okarche, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2015**

As to the Town of Okarche as of and for the fiscal year ended June 30, 2015:

- 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: See Exhibit IV.

**TOWN OF OKARCHE, OKLAHOMA
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF OKARCHE			
General Fund	\$ 1,430,911	\$ 702,463	\$ 2,133,374
Street & Alley Fund	60,291	17,389	77,680
Firemans Fund	39,147	2,318	41,465
Grant Fund	-	1,856	1,856
Street Improvement Fund	705	-	705
TOWN TOTAL	1,531,054	724,026	2,255,080
 Okarche Public Works Authority	 \$ 352,826	 \$ 126,957	 \$ 479,783
 Okarche Economic Development Authority	 \$ 90,000	 \$ 4,100	 \$ 94,100

See accountant's report.

**TOWN OF OKARCHE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 1,430,911	\$ 1,430,911	\$ 1
Resources (Inflows):			
Taxes:			
Sales tax	500,000	1,034,557	534,557
Use tax	37,433	207,410	169,977
Cigarette tax	9,970	12,037	2,067
Franchise tax	46,321	53,496	7,175
Total Taxes	<u>593,724</u>	<u>1,307,500</u>	<u>713,776</u>
Intergovernmental:			
Alcoholic beverage tax	12,402	14,211	1,809
Total Intergovernmental	<u>12,402</u>	<u>14,211</u>	<u>1,809</u>
Licenses and Permits	1,676	2,438	762
Swimming Pool	3,551	8,884	5,333
Fire Runs	274	102	(172)
Fines and Forfeitures	34,690	44,416	9,726
Rents and Royalties	5,530	8,012	2,482
Interest	1,592	2,282	690
Miscellaneous	17,687	13,689	(3,998)
Total current year resources	<u>671,126</u>	<u>1,401,534</u>	<u>730,408</u>
Amounts available for appropriation	<u>\$ 2,102,037</u>	<u>\$ 2,832,445</u>	<u>\$ 730,408</u>
Charges to Appropriations (Outflows):			
General government:			
Clerk:			
Personal services	85,000	74,570	10,430
Total Clerk:	<u>85,000</u>	<u>74,570</u>	<u>10,430</u>
Fire Department:			
Personal services	-	-	-
Materials and supplies	45,000	23,828	21,172
Capital outlay	40,000	3,924	36,076
Total Fire Department:	<u>85,000</u>	<u>27,752</u>	<u>57,248</u>
General Government:			
Personal services	10,000	8,671	1,329
Materials and supplies	110,000	104,144	5,856
Capital outlay	300,000	5,027	294,973
Total General Government:	<u>420,000</u>	<u>117,842</u>	<u>302,158</u>
Managerial:			
Personal services	30,000	15,502	14,498
Materials and supplies	5,000	2,069	2,931
Total Managerial:	<u>35,000</u>	<u>17,570</u>	<u>17,430</u>

**TOWN OF OKARCHE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<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:	6,000	4,800	1,200
Park:			
Personal services	25,000	15,567	9,433
Materials and supplies	50,000	23,482	26,518
Capital outlay	50,000	425	49,575
Total Park:	125,000	39,474	85,526
Police:			
Personal services	260,000	214,413	45,587
Materials and supplies	75,000	51,992	23,008
Capital outlay	50,000	42,344	7,656
Total Park:	385,000	308,749	76,251
Street:			
Materials and supplies	50,000	28,227	21,773
Capital outlay	840,037	33,224	806,813
Total Street:	890,037	61,450	828,587
Treasurer:			
Personal services	25,000	10,334	14,666
Materials and supplies	1,000	736	264
Total Treasurer:	26,000	11,071	14,929
Attorney:			
Personal services	45,000	35,795	9,205
Total Attorney:	45,000	35,795	9,205
Total General government	<u>2,102,037</u>	<u>699,072</u>	<u>1,402,965</u>
Total Charges to Appropriations	<u>2,102,037</u>	<u>699,072</u>	<u>1,402,965</u>
Change in Fund Balance	(1,430,911)	702,462	2,133,373
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 2,133,374</u>	<u>\$ 2,133,374</u>

**TOWN OF OKARCHE, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures	Remaining Award Balance
Grant received from:							
CDBG 12 #15477	2013-present	Street repairs & improvements and Fire Station Addition	\$ 123,700	\$ 1,856	\$ 1,856	\$ -	\$ 121,845
REAP #KG13-1	2013-present	Street repairs & improvements and Fire Station Addition	123,700	15,321	15,321	-	108,379
		Total	<u>\$ 247,400</u>	<u>\$ 17,177</u>	<u>\$ 17,177</u>	<u>\$ -</u>	<u>\$ 230,223</u>

**Okarche, Oklahoma Public Works Authority and
Okarche Economic Development Authority
Procedures and Findings
For the Year Ended June 30, 2015**

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

- 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, 2015**

	<u>Okarche Public Works Authority</u>	<u>Okarche Economic Development Authority</u>
Operating Revenues:		
Charges for services:		
Water & Sewer	\$ 407,175	\$ -
Sanitation	109,980	-
Other	21	-
Bond Proceeds	-	4,900
Total Operating Revenues	<u>517,175</u>	<u>4,900</u>
Operating Expenses:		
Administration	-	800
Water & Sewer	283,834	-
Sanitation	106,384	-
Total Operating Expenses	<u>390,218</u>	<u>800</u>
Operating Income	126,957	4,100
Change in fund balance	<u>126,957</u>	<u>4,100</u>
Fund Balance - beginning	<u>352,826</u>	<u>90,000</u>
Fund Balance - ending	<u><u>479,783</u></u>	<u><u>94,100</u></u>