

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

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

**FOR THE YEAR ENDED
JUNE 30, 2016**



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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, 2016, 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, 2016. 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.

A handwritten signature in black ink, appearing to be 'RSM', is located above the typed name of the firm.

RSMeacham CPAs & Advisors
August 24, 2016

**Town of Okarche, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Town of Okarche as of and for the fiscal year ended June 30, 2016:

- 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 BUDGETARY FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF OKARCHE			
General Fund	\$ 2,133,374	\$ 608,313	\$ 2,741,687
Street & Alley Fund	77,680	11,930	89,611
Firemans Fund	41,465	1,585	43,050
Grant Fund	1,856	-	1,856
Street Improvement Fund	705	-	705
TOWN TOTAL	2,255,080	621,828	2,876,907
 Okarche Public Works Authority	 \$ 479,783	 \$ 134,949	 \$ 614,732
 Okarche Economic Development Authority	 \$ 94,100	 \$ 4,323	 \$ 98,423

**TOWN OF OKARCHE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 2,133,374	\$ 2,133,374	\$ -
Resources (Inflows):			
Taxes:			
Sales tax	600,000	1,033,469	433,469
Use tax	50,000	431,070	381,070
Cigarette tax	10,833	12,389	1,556
Franchise tax	48,146	49,415	1,269
Total Taxes	<u>708,979</u>	<u>1,526,343</u>	<u>817,364</u>
Intergovernmental:			
Alcoholic beverage tax	12,790	14,012	1,222
Total Intergovernmental	<u>12,790</u>	<u>14,012</u>	<u>1,222</u>
Licenses and Permits	2,194	4,559	2,365
Swimming Pool	7,996	7,637	(359)
Fire Runs	92	-	(92)
Fines and Forfeitures	39,974	32,619	(7,355)
Rents and Royalties	7,211	6,015	(1,196)
Interest	2,054	3,328	1,274
Miscellaneous	-	12,978	12,978
Total current year resources	<u>781,290</u>	<u>1,607,491</u>	<u>826,201</u>
Amounts available for appropriation	<u>\$ 2,914,664</u>	<u>\$ 3,740,864</u>	<u>\$ 826,201</u>
Charges to Appropriations (Outflows):			
General government:			
Clerk:			
Personal services	90,000	85,388	4,612
Total Clerk:	<u>90,000</u>	<u>85,388</u>	<u>4,612</u>
Fire Department:			
Materials and supplies	45,000	23,904	21,096
Capital outlay	40,000	13,296	26,704
Total Fire Department:	<u>85,000</u>	<u>37,200</u>	<u>47,800</u>
General Government:			
Personal services	15,000	18,037	(3,037)
Materials and supplies	110,000	81,831	28,169
Capital outlay	300,000	293,540	6,460
Total General Government:	<u>425,000</u>	<u>393,409</u>	<u>31,591</u>
Managerial:			
Personal services	30,000	15,179	14,821
Materials and supplies	5,000	871	4,129
Total Managerial:	<u>35,000</u>	<u>16,050</u>	<u>18,950</u>

**TOWN OF OKARCHE, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<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	25,000	21,168	3,832
Materials and supplies	50,000	22,389	27,611
Capital outlay	50,000	1,950	48,050
Total Park:	<u>125,000</u>	<u>45,506</u>	<u>79,494</u>
Police:			
Personal services	260,000	234,046	25,954
Materials and supplies	75,000	49,356	25,644
Capital outlay	50,000	-	50,000
Total Park:	<u>385,000</u>	<u>283,402</u>	<u>101,598</u>
Street:			
Materials and supplies	100,000	33,012	66,988
Capital outlay	1,535,939	65,313	1,470,627
Total Street:	<u>1,635,939</u>	<u>98,325</u>	<u>1,537,614</u>
Treasurer:			
Personal services	25,000	10,334	14,666
Materials and supplies	1,000	51	949
Total Treasurer:	<u>26,000</u>	<u>10,386</u>	<u>15,614</u>
Attorney:			
Personal services	75,000	24,712	50,288
Total Attorney:	<u>75,000</u>	<u>24,712</u>	<u>50,288</u>
Total General government	<u>2,887,939</u>	<u>999,177</u>	<u>1,888,762</u>
Total Charges to Appropriations	<u>2,887,939</u>	<u>999,177</u>	<u>1,888,762</u>
Change in Fund Balance	(2,106,649)	608,313	2,714,962
Ending Budgetary Fund Balance	<u>\$ 26,725</u>	<u>\$ 2,741,687</u>	<u>\$ 2,714,962</u>

**TOWN OF OKARCHE, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Grant revenue</u>	<u>Funding period</u>	<u>Project description</u>	<u>Total Award</u>	<u>Current Year Amount received</u>	<u>Current Year Amount expended</u>	<u>Receipts less expenditures</u>	<u>Remaining Award Balance</u>
<i>Grant received from:</i>							
CDBG 12 #15477	2013-present	Street repairs & improvements and Fire Station Addition	\$ 123,700	\$ 121,845	\$ 121,845	\$ -	\$ -
2013 REAP FUND KG13-1 #15477	2013-present	Street repairs & improvements and Fire Station Addition	123,700	108,379	108,379	-	-
OK Department of Agriculture, Food & Forestry	2015-2016	Fire department operations	4,290	4,290	4,290	-	-
Total			<u>\$ 251,690</u>	<u>\$ 234,514</u>	<u>\$ 234,514</u>	<u>\$ -</u>	<u>\$ -</u>

**Okarche, Oklahoma Public Works Authority and
Okarche Economic Development Authority
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Okarche Public Works Authority, as of and for the year ended June 30, 2016:

- 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.

**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, 2016**

	Okarche Public Works Authority	Okarche Economic Development Authority
Operating Revenues:		
Charges for services:		
Water & Sewer	\$ 442,652	\$ -
Sanitation	111,030	-
Other	340	-
Bond Proceeds	-	4,323
Total Operating Revenues	<u>554,022</u>	<u>4,323</u>
Operating Expenses:		
Water & Sewer	317,375	-
Sanitation	101,698	-
Total Operating Expenses	<u>419,073</u>	<u>-</u>
Operating Income	134,949	4,323
Change in fund balance	<u>134,949</u>	<u>4,323</u>
Fund Balance - beginning	<u>479,783</u>	<u>94,100</u>
Fund Balance - ending	<u><u>614,732</u></u>	<u><u>98,423</u></u>