

**TOWN OF TEXHOMA, OKLAHOMA
TEXHOMA, 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 Texhoma
Texhoma, Oklahoma

Trustees of the Texhoma Public Works Authority
Texhoma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Texhoma and the Texhoma Public Works Authority, which comprise the Summary of Changes in Fund Balances (Budgetary Basis) for the Town of Texhoma, the Budgetary Comparison Schedule for the General Fund, the Statement of Revenues, Expenses, and Changes in Fund Balance – Cash Basis for the Texhoma Public Works Authority, the Schedule of Grants for the Town of Texhoma, and the Balance Sheet – Cash Basis for the Town of Texhoma and the Texhoma Public Works Authority, 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 Texhoma (the Town) and the Texhoma Public Works Authority, (TPWA) 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 Texhoma 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 4, 2016

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

As to the Town of Texhoma 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: Instances of noncompliance noted. State statutes require that motor vehicle and gas excise taxes be spent only on street and alley expenses. The Town does not currently account for these expenses in a separate fund or separate general ledger accounts. Therefore, it is undeterminable whether these revenues were only spent on street and alley expenses. The Town needs to account for all street and alley expenses in a separate fund or separate general ledger accounts to provide evidence of compliance with state statutes.

- 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: Instances of noncompliance noted. Street and alley revenues and expenses are required to be accounted for in a separate fund or separate general ledger accounts. While revenues have been accounted for in separate general ledger accounts, expenses have not. The Town needs to account for all street and alley expenses in a separate fund or separate general ledger accounts.

- 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.

Appendix A

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

Findings: See Exhibit III.

IX. Prepare a balance sheet.

Findings: See Exhibit IV.

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

		<u>Restated Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF TEXHOMA				
General Fund		\$ 542,138	\$ 36,469	\$ 578,606
	TOWN TOTAL	<u>542,138</u>	<u>36,469</u>	<u>578,606</u>

See accountant's report.

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

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ 542,138	\$ 542,138
Resources (Inflows):			
Taxes:			
Sales tax	-	168,675	168,675
Franchise tax	-	52,985	52,985
City use tax	-	14,854	14,854
Cigarette tax	-	1,937	1,937
Gasoline tax	-	1,753	1,753
Motor vehicle tax	-	7,574	7,574
Total Taxes	<u>-</u>	<u>247,778</u>	<u>247,778</u>
Intergovernmental:			
Alcoholic beverage tax	-	12,332	12,332
Total Intergovernmental	<u>-</u>	<u>12,332</u>	<u>12,332</u>
Rent & Licenses	-	1,480	1,480
Ambulance	-	5,151	5,151
Pool	-	3,017	3,017
Other Income	-	275	275
Gain on Sale of Assets	-	-	-
Fines	-	90,171	90,171
Total current year resources	<u>-</u>	<u>360,202</u>	<u>360,202</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ 902,340</u>	<u>\$ 902,340</u>
Charges to Appropriations (Outflows):			
General government:			
Economic development	20,000	19,467	533
Court: salary	5,000	3,584	1,416
Police department: salary	60,000	44,709	15,291
Police department: maintenance	30,000	31,498	(1,498)
Fire department: Salary	3,500	2,009	1,491
Fire department: maintenance	10,000	10,576	(576)
Ambulance: salary	3,000	1,008	1,992
Ambulance: maintenance	12,500	9,197	3,303
Library: salary	6,500	7,506	(1,006)
Library: maintenance	15,000	12,710	2,290
Community center: maintenance	5,000	4,447	553
Parks: maintenance	2,500	721	1,779
Dog pound: maintenance	800	315	485
Pool: salary	10,000	6,390	3,610
Pool: maintenance	15,000	16,947	(1,947)
General government: salary	42,500	42,082	418
General government: maintenance	105,000	121,085	(16,085)
General government: er mngt	2,000	2,279	(279)
City: Salary	35,000	30,482	4,518
City: maintenance	7,000	11,613	(4,613)
Debt Service payments	-	-	-
Total General government	<u>390,300</u>	<u>378,625</u>	<u>11,675</u>
Total Charges to Appropriations	<u>390,300</u>	<u>378,625</u>	<u>11,675</u>
Other Financing Sources (Uses)			
Net Transfers In (Out)	-	54,891	54,891
Total Other Financing Sources (Uses)	<u>-</u>	<u>54,891</u>	<u>54,891</u>
Change in Fund Balance	(390,300)	36,469	403,418
Ending Budgetary Fund Balance	<u>\$ (390,300)</u>	<u>\$ 578,606</u>	<u>\$ 945,556</u>

See accountant's report.

**TOWN OF TEXHOMA, 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
<i>Grant received from:</i>						
OEDA REAP#15-27	1/13/15 - 6/30/16	Water/Sewer Lines	\$ 50,000	\$ 50,000	\$ 50,000	-
Department of Forestry	2014-2015	Fire Grant	\$ 4,484	\$ 4,484	\$ 4,484	-
		Total	<u>\$ 54,484</u>	<u>\$ 54,484</u>	<u>\$ 54,484</u>	<u>\$ -</u>

Exhibit IV

**TOWN OF TEXHOMA, OKLAHOMA
BALANCE SHEET - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS

Unrestricted Assets:

Cash and cash equivalents \$ 492,439

Restricted Assets:

Cash and cash equivalents 62,837

Investments 23,330

Total assets \$ 578,606

LIABILITIES

Due to other funds \$ -

Total liabilities -

FUND BALANCES

Restricted \$ 86,167

Unassigned 492,439

Total fund balances 578,606

Total liabilities and fund balances \$ 578,606

See accountant's report.

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

As to the Texhoma 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 V. 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.

- IX. Prepare a balance sheet.

Findings: See Exhibit VI.

TEXHOMA PUBLIC WORKS AUTHORITY TEXHOMA, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Operating Revenues:	
Charges for services:	
Water	\$ 158,579
Sewer	50,746
Sanitation	161,456
Insurance reimbursement	19,760
Rent/other	1,661
Reconnect S/C fees	2,110
Water crane	2,229
Late charges	5,043
Total Operating Revenues	<u>\$ 401,583</u>
Operating Expenses:	
Salaries	\$ 73,235
Repairs & maintenance	1,499
Parts & supplies	12,310
Other fees	6,018
Contract labor	9,970
Utilities	38,764
Postage	2,961
Telephone	2,894
Trash	106,133
Insurance	45,039
Retirement 401K	17,290
Taxes	15,738
Total Operating Expenses	<u>\$ 331,850</u>
Operating Income	<u>\$ 69,733</u>
Net Income Before Contributions and Transfers	\$ 69,733
Net Transfers In (Out)	<u>(54,891)</u>
Change in fund balance	\$ 14,841
Fund Balance - beginning - Restated	<u>1,513,295</u>
Fund Balance - ending	<u><u>\$ 1,528,137</u></u>

Exhibit VI

**TEXHOMA PUBLIC WORKS AUTHORITY TEXHOMA, OKLAHOMA
BALANCE SHEET - CASH BASIS
PUBLIC WORKS AUTHORITY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

ASSETS

Unrestricted Assets:

Cash and cash equivalents	\$ 219,285
Investments	118,467

Restricted Assets:

Cash and cash equivalents	5,320
Investments	105,766

Capital Assets:

Depreciable Capital Assets, net	1,084,619
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Due from other funds

-

Total assets

\$ 1,533,457**LIABILITIES**

Meter deposits payable

\$ 5,320

Total liabilities

\$ 5,320**FUND BALANCES**

Nonspendable

\$ 1,084,619

Restricted

111,086

Unassigned

332,432

Total fund balances

1,528,137

Total liabilities and fund balances

\$ 1,533,457

See accountant's report