

Town of Arapaho
Agreed Upon Procedures
June 30, 2014



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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 Arapaho
Arapaho, Oklahoma

Trustees of the Arapaho Public Works Authority
Arapaho, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Statement of Changes in Unrestricted Fund Balances (GAAP Basis), the Budgetary Comparison Schedule-Cash Basis for the General Fund, the Budgetary Comparison Schedule-Cash Basis for the REAP Fund, the Public Works Balance Sheet, and the Statement of Revenues, Expenses, and Changes in Fund Balance for the Arapaho Fire Department, and the Schedule of Grants for the Town of Arapaho, and the Statement of Revenues, Expenses, and Changes in Fund Balance for the Arapaho Public Works Authority for the fiscal year ended June 30, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. 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 Arapaho (the Town) and the Arapaho Public Works Authority (the Authority) 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, 2014 for the Town and for the Authority. Management of the Town of Arapaho 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
September 27, 2014

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

As to the Town of Arapaho 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 & III, 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. Prepare a schedule of Revenue, Expenditures, and changes in fund balance for the fire department.

Findings: See Exhibit VII, no instances of noncompliance noted.

- VIII. Prepare a schedule of grant receipts and expenditures for the general fund.

Findings: See Exhibit VIII, no instances of noncompliance noted.

**TOWN OF ARAPAHO, OKLAHOMA
SUMMARY OF CHANGES IN UNRESTRICTED FUND BALANCES (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 826,799	\$ (33,560)	\$ 793,239
Street & Alley Fund	27,421	(11,895)	15,526
Expendable Trust Fire	5,438	4,487	9,925
Arapaho Fire Department	36,326	(4,503)	31,823
REAP	-	-	-
CITY TOTAL	<u>895,984</u>	<u>(45,471)</u>	<u>850,513</u>
ARAPAHO PUBLIC WORKS AUTHORITY :			
APWA (unrestricted)	660,959	(405)	660,555
Water Fund	42	-	42
APWA TOTAL	<u>\$ 661,001</u>	<u>\$ (405)</u>	<u>\$ 660,597</u>

See accountant's report.

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 826,799	\$ 826,799	\$ 826,799	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	179,293	64,293	66,990	2,697
Use tax	10,728	10,728	8,463	(2,265)
Tobacco tax	2,554	2,554	762	(1,792)
Total Taxes	<u>192,575</u>	<u>77,575</u>	<u>76,215</u>	<u>(1,360)</u>
Intergovernmental:				
Alcoholic beverage tax	4,078	4,878	4,774	(104)
Franchise tax	12,018	15,018	15,112	94
Total Intergovernmental	<u>16,096</u>	<u>19,896</u>	<u>19,886</u>	<u>(10)</u>
Fines and Forfeitures	6,000	6,000	2,538	(3,462)
Investment Income	1,200	1,200	1,164	(36)
Miscellaneous Income	5,727	5,727	15,503	9,776
Grants-CEM	-	7,500	10,000	2,500
Total current year resources	<u>221,598</u>	<u>117,898</u>	<u>125,306</u>	<u>7,408</u>
Amounts available for appropriation	<u>\$ 1,048,397</u>	<u>\$ 944,697</u>	<u>\$ 952,105</u>	<u>\$ 7,408</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	32,427	32,427	32,248	179
Materials and supplies	9,200	9,200	4,243	4,957
Other services and charges	44,200	44,200	39,433	4,767
Capital outlay	30,000	30,000	16,681	13,319
Total General Government	<u>115,827</u>	<u>115,827</u>	<u>92,605</u>	<u>23,222</u>
Administration:				
Personal services	1,900	1,900	1,850	50
Total Administration	<u>1,900</u>	<u>1,900</u>	<u>1,850</u>	<u>50</u>
Legislative/Judicial:				
Personal services	1,000	3,500	3,337	163
Total Legislative/Judicial	<u>1,000</u>	<u>3,500</u>	<u>3,337</u>	<u>163</u>
Public Works-Street Dept:				
Other services and charges	2,000	2,000	-	2,000
Total Public Works-Street Dept	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Police:				
Personal services	46,335	46,335	7,708	38,627
Materials and supplies	7,900	7,900	7,493	407
Other services and charges	6,500	6,500	1,198	5,302
Capital outlay	5,000	5,000	4,525	475
Total Police	<u>65,735</u>	<u>65,735</u>	<u>20,924</u>	<u>44,811</u>
Fire:				
Personal services	1,200	1,200	-	1,200
Materials and supplies	6,000	6,000	3,774	2,226
Other services and charges	4,000	5,200	3,781	1,419
Capital outlay	6,000	6,000	3,295	2,705
Total Fire	<u>17,200</u>	<u>18,400</u>	<u>10,850</u>	<u>7,550</u>
Civil Emergency Management:				
Personal services	8,100	10,600	9,923	677
Materials and supplies	6,850	7,250	5,126	2,124
Other services and charges	4,050	5,250	1,848	3,402
Capital outlay	47,500	47,500	-	47,500
Total Civil Emergency Management	<u>66,500</u>	<u>70,600</u>	<u>16,897</u>	<u>53,703</u>
Animal Control:				
Materials and supplies	1,000	1,000	1,000	-
Other services and charges	300	300	258	42
Total Animal Control	<u>1,300</u>	<u>1,300</u>	<u>1,258</u>	<u>42</u>
Park:				
Materials and supplies	500	500	-	500
Other services and charges	1,700	1,700	-	1,700
Total Park	<u>2,200</u>	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Other Financing Uses:				
Grant expense CEM	-	-	10,000	(10,000)
Total Charges to Appropriations	<u>273,662</u>	<u>281,462</u>	<u>157,721</u>	<u>123,741</u>
Change in Fund Balance	(52,064)	(163,564)	(32,415)	131,149
Ending Budgetary Fund Balance	<u>774,735</u>	<u>663,235</u>	<u>794,384</u>	<u>131,149</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			(1,145)	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>793,239</u>	

TOWN OF ARAPAHO, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 REAP FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Grants-CEM	-	16,145	16,145	-
Grants-Other	-	-	-	-
Total current year resources	<u>-</u>	<u>16,145</u>	<u>16,145</u>	<u>-</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ 16,145</u>	<u>\$ 16,145</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):				
Other Financing Uses:				
Grant expense	-	16,145	16,145	-
Total Charges to Appropriations	<u>-</u>	<u>16,145</u>	<u>16,145</u>	<u>-</u>
Change in Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-	
 UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>-</u>	

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
FIRE DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ 36,326	\$ 36,326	\$ -
Resources (Inflows):				
Grants-Other	-	4,474	4,474	-
Interest income	-	74	74	-
Total current year resources	<u>-</u>	<u>4,548</u>	<u>4,548</u>	<u>-</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ 40,874</u>	<u>\$ 40,874</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):				
Materials and supplies	-	2,522	2,522	-
Other services and charges	-	2,055	2,055	-
Total General Government	<u>-</u>	<u>4,577</u>	<u>4,577</u>	<u>-</u>
Other Financing Uses:				
Grant expense	-	4,474	4,474	-
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>9,051</u>	<u>9,051</u>	<u>-</u>
Change in Fund Balance	<u>-</u>	<u>(4,503)</u>	<u>(4,503)</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>-</u>	<u>31,823</u>	<u>31,823</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>31,823</u>	

ARAPAHO PUBLIC WORKS AUTHORITY, ARAPAHO, OKLAHOMA
BALANCE SHEET-CASH BASIS
JUNE 30, 2014

	2014
ASSETS	
Current assets:	
Cash, including time deposits	\$ 767,262
Total current assets	767,262
Restricted assets:	
Cash, including time deposits	107,053
Total restricted assets	107,053
Non-current assets:	
Land	30,910
Capital assets (net)	1,013,334
Total non-current assets	1,044,244
Total assets	1,918,559
LIABILITIES	
Liabilities, payable from restricted assets:	
Accounts payable	12,454
Meter deposits payable	33,005
Interest payable	1,138
Notes payable, current	28,832
Total liabilities payable from restricted assets	75,429
Noncurrent liabilities:	
Notes payable, non-current	469,153
Total non-current liabilities	469,153
Total liabilities	544,582
FUND BALANCE	
Restricted for:	
Debt service	38,678
Debt service-USDA	35,370
Grant	639,374
Unrestricted:	660,555
Fund Balance	1,918,559

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

Operating Revenues:	
Charges for services:	
Water	272,863
Sewer	81,301
Sanitation	72,053
Other	32,193
Total Operating Revenues	<u>458,411</u>
Operating Expenses:	
Administration	36,817
Water	188,167
Sewer	48,213
Sanitation	81,753
Depreciation	78,459
Interest	27,295
Total Operating Expenses	<u>460,704</u>
Operating Income	(2,293)
Non-Operating Revenues:	
Interest	1,889
Total Non-Operating Revenues	<u>1,889</u>
Net Income Before Contributions and Transfers	(405)
Transfers out	<u>-</u>
Change in fund balance	(405)
Fund Balance - beginning	<u>735,007</u>
Fund Balance - ending	<u>734,603</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	
Restricted for Debt Service	(74,048)
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)	<u><u>660,555</u></u>

**Town of Arapaho
Notes to the Agreed Upon Procedures
For the Fiscal Year Ended June 30, 2014**

Exhibit VI

LONG-TERM DEBT

The following is a summary of enterprise fund long-term debt for the year ended June 30, 2014:

NOTES PAYABLE

Note payable to GMAC Commercial Mortgage dated August 1977 at an original amount of \$160,000 for public utility project improvements. Loan is payable in monthly installments at 5% interest, due August 2017.	\$23,732
Note payable originated in June 1983 in the amount of \$70,000 payable to GMAC Commercial Mortgage for construction and improvements of public utility projects. Loan carries an interest rate of 5%, maturing June 2023.	28,851
Loan payable to Oklahoma Bank & Trust Company, Clinton, Oklahoma. Original loan was issued December 13, 2011 for \$56,670.49. The loan carries an interest rate of 4.5% payable in monthly payments of \$1,057.92. Loan matures in December 2016.	28,958
Loan payable to the United States Department of Agriculture Rural Development originated in October 2000 for \$495,000. Loan carries an interest rate of 4.75% with a 40 year term, maturing October 2040. Loan proceeds were used for a major sewer lagoon renovation.	416,444
	<hr/> \$497,985 <hr/>

**TOWN OF ARAPAHO, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Grant received from:						
REAP	2013-2015	Water well drilling test wells	\$ 16,145	\$ 16,145	\$ 16,145	-
State of Oklahoma, Department of Emergency Management	2013-2014	CEM and mitigation reimbursement	10,000	10,000	10,000	-
Dept of Forrestry	2013-2014	Fire Grant	4,474	4,474	4,474	-
		Total	\$ 30,619	\$ 30,619	\$ 30,619	\$ -

See accountant's report.