

Town of Arapaho
Agreed Upon Procedures
June 30, 2015



CPAs+ADVISORS

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Institute of Certified
Public Accountants

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Society of Certified
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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 Budgetary Comparison Schedule-Cash Basis for the Arapaho Fire Department, the Public Works Balance Sheet, the Statement of Revenues, Expenses, and Changes in Fund Balance for the Arapaho Public Works Authority, Schedule of Debt for the Authority, and the Schedule of Grants for the Town of Arapaho for the fiscal year ended June 30, 2015, in accordance with accounting principles accepted in the State of Oklahoma for municipalities meeting the criteria for Agreed Upon Procedures. 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 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 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 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, 2015.

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

October 21, 2015

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

As to the Town of Arapaho 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, III, & IV 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 grant receipts and expenditures for the general fund.

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

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

As to the Arapaho 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 I & V, & VI 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. Reserve balances required by the loan resolution security agreement are as follows:

Rural development \$38,162
GMAC cash reserves \$24,878
GMAC held in certificates of deposit \$13,800

- VII. Prepare a cash basis balance sheet for the Authority.

Findings: See Exhibit V

- VIII. Prepare a schedule of debt for the Authority listing lending institution, issuance amount, year of issuance, interest rate, and term along with outstanding balances at year end.

Findings: See Exhibit VII

TOWN OF ARAPAHO, OKLAHOMA
SUMMARY OF CHANGES IN UNRESTRICTED FUND BALANCES (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 793,239	\$ (52,751)	\$ 740,488
Street & Alley Fund	15,526	2,618	18,144
Expendable Trust Fire	9,925	(4,342)	5,583
Arapaho Fire Department	31,823	(1,903)	29,920
REAP	-	-	-
CITY TOTAL	<u>850,513</u>	<u>(56,378)</u>	<u>794,135</u>
ARAPAHO PUBLIC WORKS AUTHORITY :			
APWA (unrestricted)	660,555	(25,136)	635,420
Water Fund	42	-	42
APWA TOTAL	<u>\$ 660,597</u>	<u>\$ (25,136)</u>	<u>\$ 635,462</u>

See accountant's report.

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 774,735	\$ 663,235	\$ 793,239	\$ 130,004
Resources (Inflows):				
Taxes:				
Sales tax	57,896	78,796	84,232	5,436
Use tax	7,124	10,124	11,814	1,690
Tobacco tax	667	867	921	54
Total Taxes	<u>65,687</u>	<u>89,787</u>	<u>96,967</u>	<u>7,180</u>
Intergovernmental:				
Alcoholic beverage tax	4,235	4,435	4,924	489
Franchise tax	14,049	14,049	15,475	1,426
Total Intergovernmental	<u>18,284</u>	<u>18,484</u>	<u>20,399</u>	<u>1,915</u>
Fines and Forfeitures	4,000	25,000	27,107	2,107
Investment Income	1,200	1,200	2,551	1,351
Miscellaneous Income	5,727	5,727	3,718	(2,009)
Grants-CEM	-	48,794	5,000	(43,794)
Total current year resources	<u>94,898</u>	<u>188,992</u>	<u>155,742</u>	<u>(33,250)</u>
Amounts available for appropriation	<u>\$ 869,633</u>	<u>\$ 852,227</u>	<u>\$ 948,981</u>	<u>\$ 96,754</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	32,427	32,427	38,067	(5,640)
Materials and supplies	9,200	14,200	4,243	9,957
Other services and charges	44,200	90,494	42,886	47,608
Capital outlay	15,000	15,000	5,008	9,992
Total General Government	<u>100,827</u>	<u>152,121</u>	<u>90,204</u>	<u>61,917</u>
Administration:				
Personal services	1,900	2,200	1,800	400
Total Administration	<u>1,900</u>	<u>2,200</u>	<u>1,800</u>	<u>400</u>
Legislative/Judicial:				
Personal services	3,500	3,500	600	2,900
Total Legislative/Judicial	<u>3,500</u>	<u>3,500</u>	<u>600</u>	<u>2,900</u>
Public Works-Street Dept:				
Other services and charges	2,000	2,000	94	1,906
Total Public Works-Street Dept	<u>2,000</u>	<u>2,000</u>	<u>94</u>	<u>1,906</u>
Police:				
Personal services	46,335	46,335	38,075	8,260
Materials and supplies	7,900	17,900	7,551	10,349
Other services and charges	6,500	6,500	5,683	817
Capital outlay	5,000	5,000	11,316	(6,316)
Total Police	<u>65,735</u>	<u>75,735</u>	<u>62,625</u>	<u>13,110</u>
Fire:				
Personal services	1,200	1,200	-	1,200
Materials and supplies	6,000	7,500	380	7,120
Other services and charges	5,200	5,200	4,447	753
Capital outlay	6,000	8,000	7,840	160
Total Fire	<u>18,400</u>	<u>21,900</u>	<u>12,667</u>	<u>9,233</u>
Civil Emergency Management:				
Personal services	10,600	10,600	2,515	8,085
Materials and supplies	7,250	18,250	47	18,203
Other services and charges	5,250	5,250	3,635	1,615
Capital outlay	47,500	47,500	41,565	5,935
Total Civil Emergency Management	<u>70,600</u>	<u>81,600</u>	<u>47,762</u>	<u>33,838</u>
Animal Control:				
Materials and supplies	1,000	1,000	1,037	(37)
Other services and charges	300	300	-	300
Total Animal Control	<u>1,300</u>	<u>1,300</u>	<u>1,037</u>	<u>263</u>
Park:				
Materials and supplies	500	500	-	500
Other services and charges	500	500	-	500
Total Park	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Charges to Appropriations	<u>265,262</u>	<u>341,356</u>	<u>216,789</u>	<u>124,567</u>
Change in Fund Balance	(170,364)	(152,364)	(61,047)	91,317
Ending Budgetary Fund Balance	<u>604,371</u>	<u>510,871</u>	<u>732,192</u>	<u>221,321</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			8,296	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>740,488</u>	

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
REAP FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Grants-CEM	-	-	-	-
Grants-Other	-	-	60,839	60,839
Total current year resources	<u>-</u>	<u>-</u>	<u>60,839</u>	<u>60,839</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,839</u>	<u>\$ 60,839</u>
Charges to Appropriations (Outflows):				
Other Financing Uses:				
Grant expense	-	-	60,839	(60,839)
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>60,839</u>	<u>(60,839)</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			 <u>-</u>	
 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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ 31,823	\$ 31,823	\$ -
Resources (Inflows):				
Grants-Other	-	4,474	4,474	-
Interest income	-	8	8	-
Total current year resources	<u>-</u>	<u>4,482</u>	<u>4,482</u>	<u>-</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ 36,305</u>	<u>\$ 36,305</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):				
Materials and supplies	-	392	392	-
Other services and charges	-	1,186	1,186	-
Total General Government	<u>-</u>	<u>1,578</u>	<u>1,578</u>	<u>-</u>
Other Financing Uses:				
Grant expense	-	4,474	4,474	-
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>6,052</u>	<u>6,052</u>	<u>-</u>
Change in Fund Balance	<u>-</u>	<u>(1,570)</u>	<u>(1,570)</u>	<u>-</u>
Ending Budgetary Fund Balance	<u><u>-</u></u>	<u><u>30,253</u></u>	<u><u>30,253</u></u>	<u><u>-</u></u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			(333)	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u><u>29,920</u></u>	

**ARAPAHO PUBLIC WORKS AUTHORITY, ARAPAHO, OKLAHOMA
BALANCE SHEET-CASH BASIS
JUNE 30, 2015**

	2015
ASSETS	
Current assets:	
Cash, including time deposits	\$ 770,663
Total current assets	770,663
Restricted assets:	
Cash, including time deposits	120,167
Total restricted assets	120,167
Non-current assets:	
Land	30,910
Capital assets (net)	942,051
Total non-current assets	972,961
Total assets	1,863,791
LIABILITIES	
Liabilities, payable from restricted assets:	
Accounts payable	12,454
Meter deposits payable	33,290
Interest payable	1,168
Notes payable, current	30,734
Total liabilities payable from restricted assets	77,646
Noncurrent liabilities:	
Notes payable, non-current	437,303
Total non-current liabilities	437,303
Total liabilities	514,949
FUND BALANCE	
Restricted for:	
Debt service	38,678
Debt service-USDA	35,370
Grant	639,374
Unrestricted:	635,420
Fund Balance	1,863,791

ARAPAHO PUBLIC WORKS AUTHORITY ARAPAHO, 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	265,370
Sewer	79,831
Sanitation	94,058
Other	9,980
Total Operating Revenues	<u>449,239</u>
Operating Expenses:	
Administration	30,498
Water	201,857
Sewer	59,444
Sanitation	80,432
Depreciation	79,813
Interest	24,262
Total Operating Expenses	<u>476,306</u>
Operating Income	(27,067)
Non-Operating Revenues:	
Interest	1,932
Total Non-Operating Revenues	<u>1,932</u>
Net Income Before Contributions and Transfers	(25,135)
Transfers out	<u>-</u>
Change in fund balance	(25,135)
Fund Balance - beginning	<u>660,555</u>
Fund Balance - ending	<u><u>635,420</u></u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	
Restricted for Debt Service	-
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)	<u><u>635,420</u></u>

**Town of Arapaho
Notes to the Agreed Upon Procedures
For the Fiscal Year Ended June 30, 2015**

Exhibit VII

LONG-TERM DEBT

The following is a summary of enterprise fund long-term debt for the year ended June 30, 2015:

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.	\$15,292
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.	26,343
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.	18,330
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.	408,072
	<hr/> <u>\$468,037</u> <hr/>

Exhibit VIII

TOWN OF ARAPAHO, 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
Grant received from:						
REAP	2013-2015	Water well drilling test wells	\$ 60,839	\$ 60,839	\$ 60,839	-
State of Oklahoma, Department of Emergency Management	2014-2015	CEM and mitigation reimbursement	5,000	5,000	5,000	-
Dept of Forrestry	2014-2015	Fire Grant	4,474	4,474	4,474	-
		Total	\$ 70,313	\$ 70,313	\$ 70,313	\$ -

See accountant's report.