Town of Avant, Oklahoma

Annual Financial Report (unaudited)

For the Fiscal Year Ended June 30, 2013

FY2013

Town of Avant
June 30, 2013

TABLE OF CONTENTS

Independent Accountant's Report	1
Summary of Changes in Fund Balance - Cash Basis	5
Budgetary Comparison Schedule – Cash Basis – General Fund	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – Avant Utilities Authority	7
Schedule of Grant Activity – Cash Basis	8

Board of Trustees

Justin Brown	Mayor
Jessica Hutchcraft	Trustee
Kevin Petrunak	Trustee

Elected Officer

Earleen Reedy	Clerk/Treasurer

Anne Marie Elfrink, MS, CPA

Member AICPA, OSCPA, and GFOA

3119 E 87th Street 918-361-2133
Tulsa, Oklahoma 74137 Anne.Elfrink@CPA.com Fax: 918-512-4280

Independent Accountant's Report

To the specified users of the report:

Town Board of Trustees, Town of Avant
Trustees of the Avant Utilities Authority
Oklahoma Office of the State Auditor and Inspector
Oklahoma Department of Commerce
Indian Nations Council of Governments (INCOG)

I have compiled the accompanying Summary of Changes in Fund Balance – Cash Basis of the Town of Avant and Avant Utilities Authority, Avant, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund – Cash Basis, and Schedule of Grant Activity – Modified Cash Basis for the fiscal year ended June 30, 2013 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 demonstrate 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis and the requirements of Oklahoma statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below 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 and Utilities 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, 2013. Management of the Town of Avant 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. The sufficiency

of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Avant** as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No exceptions were found as a result of applying the procedure.

2. Procedures Performed: From the Town's trial balances, I prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Towns total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

   Condition: The Town had expenditures during the year in excess of appropriations in the amount of $61,415.

   Cause of Condition: The overage was primarily due to grant funds received and spent during the year in the amount of $57,254. The Town did not prepare and approve a budget supplement to appropriate the additional revenues. Total expenditures did not exceed actual available

   Potential Effect of Condition: The Town could violate state statutes by expending funds in excess of appropriations.

   Recommendation: The Town should closely monitor its budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments have been made and approved. When revenues are anticipated that were not included in the original budget, a supplemental appropriation should be submitted to the Town's Board that outlines the source and amount of funds and requests an appropriation for the intended use of the funds.

   Response: The Town's management will implement the recommendation.

3. Procedures Performed: I agreed 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 exceptions were found as a result of applying the procedure.

4. Procedures Performed: I compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No exceptions were found as a result of applying the procedure.

5. Procedures Performed: I compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

   Findings: No exceptions were found as a result of applying the procedure.

6. Procedures Performed: I compared 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 exceptions were found as a result of applying the procedure.

7. Procedures Performed: I compared 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: The Town has no required reserves, this procedure was not performed.

As to the **Avant Utilities Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, I prepared a schedule of revenues, expenditures1expenses and changes in fund balances1net assets for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

   Findings: No exceptions were found as a result of applying the procedure.

2. Procedures Performed: I agreed 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 exceptions were found as a result of applying the procedure.

3. Procedures Performed: I compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

   Findings: No exceptions were found as a result of applying the procedure.

4. Procedures Performed: I compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

   Findings: No exceptions were found as a result of applying the procedure.

5. Procedures Performed: I compared 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 exceptions were found as a result of applying the procedure.

6. Procedures Performed: I compared 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: The Authority has no required reserves, this procedure was not performed.

As to the **Town of Avant and Avant Utilities Authority Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, I prepared a schedule of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

   Findings: No exceptions were found as a result of applying the procedure.

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.

Anne Marie Elfrink, MS, CPA

Anne Marie Elfrink, MS, CPA
Tulsa, Oklahoma
December 20, 2013

Town of Avant and Avant Utilities Authority
Summary of Changes in Fund Balances – Cash Basis
For the Fiscal Year Ended June 30, 2013
(unaudited)

	Balances 6/30/2012	Activity 7/1/2012 - 6/30/2012			Balances 6/30/2013
		Receipts	Disbursements	Transfers, net	
Town of Avant					
General Fund	$ 49,875	$ 109,993	$ 155,710	$ 15,000	$ 19,158
Total Town	49,875	109,993	155,710	15,000	19,158
Avant Utilities Authority					
Operating fund	57,868	255,341	257,533	(15,000)	40,676
Meter Deposit Fund	8,708	3,260	2,020	-	9,948
Total AUA	66,576	258,601	259,553	(15,000)	50,624
Total Town and Authority	$ 116,451	$ 368,594	$ 415,263	$ -	$ 69,782

See independent accountant's report

Town of Avant
Budgetary Comparison Schedule – Cash Basis – General Fund
Fiscal Year Ended June 30, 2013
(unaudited)

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Beginning general fund balance	$ -	$ 49,875	$ 49,875
Revenues			
Sales tax	11,222	12,890	1,668
Franchise tax	5,743	5,088	(655)
Alcoholic beverage tax	6,850	7,463	613
Cigarette tax	185	186	1
Gasoline tax	546	-	(546)
Motor vehicle tax	2,127	2,303	176
Grant revenue	-	57,254	57,254
Police and fire dues	19,265	20,383	1,118
Miscellaneous income	14,712	4,220	(10,492)
Investment income	100	206	106
Total revenues	60,750	109,993	49,243
Expenditures:			
General government:			
Personal services	-	-	-
Materials and supplies	26,200	49,446	(23,246)
Capital outlay	20,500	62,446	(41,946)
Total general government	46,700	111,892	(65,192)
Clerk-Treasurer:			
Personal services	6,660	9,807	(3,147)
Materials and supplies	-	-	-
Total Clerk-Treasurer	6,660	9,807	(3,147)
Police:			
Personal services	-	-	-
Materials and supplies	17,135	9,224	7,911
Total police	17,135	9,224	7,911
Fire:			
Personal services	-	1,200	(1,200)
Materials and supplies	20,800	17,785	3,015
Total fire	20,800	18,985	1,815
Municipal court:			
Personal services	3,000	5,802	(2,802)
Total municipal court	3,000	5,802	(2,802)
Total expenditures	94,295	155,710	(61,415)
Transfers (to) from AUA, net	33,545	15,000	(18,545)
Ending general fund balance	$ -	$ 19,158	$ 19,158

See independent accountant's report

Avant Utilities Authority
Statement of Revenues, Expenses, and Changes in Fund Balance – Cash Basis
Fiscal Year Ended June 30, 2013
(unaudited)

Operating Revenues:		
Gas	$	106,161
Water		80,507
Sewer		25,699
Trash		22,273
Penalties		4,194
Administrative fees		9,376
Other		5,944
Total operating revenues		254,154
Operating Expenses:		
Administration		42,255
Gas		79,141
Water		64,213
Sewer		10,981
Trash		22,803
Total operating expenses		219,393
Operating income		34,761
Non-operating revenues (expenses)		
Investment income		241
Grants		946
Debt service		(38,140)
Transfer to Town, net		(15,000)
Total non-operating revenues (expenses)		(51,953)
Change in fund balance		(17,192)
Fund balance - beginning		57,868
Fund balance - ending	$	40,676

See independent accountant's report

Town of Avant and Avant Utilities Authority
Schedule of Grant Activity – Cash Basis
For the Fiscal Year Ended June 30, 2013
(unaudited)

	CFDA#	Contract #	Award Amount	7/1/2012 - 6/30/2013 Receipts	Disbursements	6/30/2013 Unexpended
Grants - Federal Source						
US Department of Housing and Urban Development						
Passed through Oklahoma Department of Commerce						
Community Development Block Grant	14.228	15122	$ 12,120	$ 12,120	$ 12,120	$ -
Community Development Block Grant	14.228	14446	210,957	40,650	40,650	-
Total grants - federal source			223,077	52,770	52,770	-
Grants - State Source						
Oklahoma Department of Agriculture - Fire Operations	N/A	N/A	4,484	4,484	4,484	-
Rural Economic Action Program - Meter Replacement	N/A	270103	946	946	946	-
Rural Economic Action Program - Street Resurfacing	N/A	130204	43,000	-	-	43,000
Total grants - state source			48,430	5,430	5,430	43,000
Total Current Year Grant Acitivity			$ 271,507	$ 58,200	$ 58,200	$ 43,000

See independent accountant's report