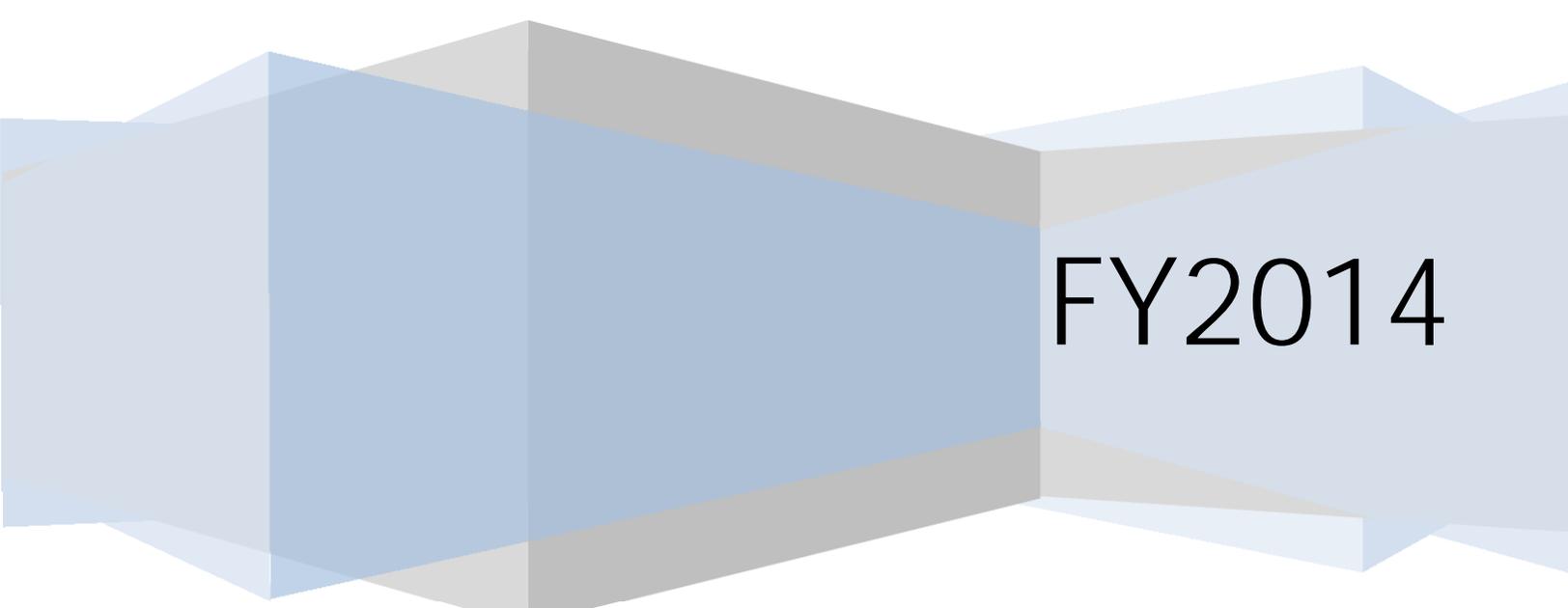


Town of Avant, Oklahoma

Annual Financial Report (unaudited)

For the Fiscal Year Ended June 30, 2014



FY2014

Town of Avant
June 30, 2014

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Board of Trustees

Justin Brown	Mayor
Kevin Petrunak	Trustee
Jeff Vincent	Trustee

Elected Officer

Earleen Reedy	Clerk/Treasurer
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Anne Marie Elfrink, MS, CPA

Member AICPA, OSCP, and GFOA

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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, 2014 and the related Budgetary Comparison Schedule of General Fund – Cash Basis, the and Schedule of Grant Activity – Cash Basis 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 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, 2014. 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, 2014:

1. Procedures Performed: From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund 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 Town's total revenues, expenditures or fund balances) listing separately each federal fund 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 \$104,437.

Cause of Condition: The overage was primarily due to grant funds received and spent during the year in the amount of \$107,750 in excess of the amount budgeted. The Town did not prepare and approve a budget supplement to appropriate the additional revenues. Total expenditures did not exceed actual available funds.

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, 2014:

1. Procedures Performed: From the Authority's trial balances, I prepared a schedule of revenues, expenses and changes in fund balances for each fund 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, 2014:

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
September 3, 2014

Town of Avant and Avant Utilities Authority
 Summary of Changes in Fund Balances – Cash Basis
 For the Fiscal Year Ended June 30, 2014
 (unaudited)

	Balances 6/30/2013	Activity 7/1/2013 - 6/30/2014			Balances 6/30/2014
		Receipts	Disbursements	Transfers, net	
Town of Avant					
General Fund	\$ 19,158	\$ 183,675	\$ 178,732	\$ -	\$ 24,101
Total Town	<u>19,158</u>	<u>183,675</u>	<u>178,732</u>	<u>-</u>	<u>24,101</u>
Avant Utilities Authority					
Operating fund	40,676	274,437	261,570	-	53,543
Meter Deposit Fund	9,948	2,625	3,639	-	8,934
Total AUA	<u>50,624</u>	<u>277,062</u>	<u>265,209</u>	<u>-</u>	<u>62,477</u>
Total Town and Authority	<u>\$ 69,782</u>	<u>\$ 460,737</u>	<u>\$ 443,941</u>	<u>\$ -</u>	<u>\$ 86,578</u>

See independent accountant's report

Town of Avant
 Budgetary Comparison Schedule – Cash Basis – General Fund
 Fiscal Year Ended June 30, 2014
 (unaudited)

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Beginning general fund balance	\$ -	\$ 19,158	\$ 19,158
Revenues			
Sales tax	15,000	11,795	(3,205)
Franchise tax	5,000	5,618	618
Alcoholic beverage tax	7,315	7,680	365
Cigarette tax	185	150	(35)
Gasoline tax	500	1,208	708
Motor vehicle tax	2,000	2,459	459
Grant revenue	5,000	112,750	107,750
Police and fire dues	19,500	20,282	782
Fines and forfeitures	3,000	9,669	6,669
Donations	-	10,513	10,513
Miscellaneous income	3,250	1,383	(1,867)
Investment income	-	168	168
Total revenues	<u>60,750</u>	<u>183,675</u>	<u>122,925</u>
Expenditures:			
General government:			
Personal services	6,660	8,046	(1,386)
Maintenance and operations	26,700	27,907	(1,207)
Capital outlay	-	80,032	(80,032)
Total general government	<u>33,360</u>	<u>115,985</u>	<u>(82,625)</u>
Police:			
Personal services	1,000	600	400
Maintenance and operations	16,135	4,102	12,033
Total police	<u>17,135</u>	<u>4,702</u>	<u>12,433</u>
Fire:			
Personal services	1,200	1,200	-
Maintenance and operations	19,600	54,005	(34,405)
Total fire	<u>20,800</u>	<u>55,205</u>	<u>(34,405)</u>
Municipal court:			
Personal services	1,200	1,200	-
Maintenance and operations	1,800	1,640	160
Total municipal court	<u>3,000</u>	<u>2,840</u>	<u>160</u>
Total expenditures	<u>74,295</u>	<u>178,732</u>	<u>(104,437)</u>
Transfers (to) from AUA, net	13,545	-	13,545
Ending general fund balance	<u>\$ -</u>	<u>\$ 24,101</u>	<u>\$ 24,101</u>

See independent accountant's report

Avant Utilities Authority
Statement of Revenues, Expenses, and Changes in Fund Balance – Cash Basis
Fiscal Year Ended June 30, 2014
(unaudited)

	Avant Utilities Authority Operating Fund
Operating Revenues:	
Gas	\$ 103,087
Water	92,340
Sewer	26,993
Trash	30,860
Penalties	7,528
Administrative fees	10,187
Other	3,319
Total operating revenues	274,314
Operating Expenses:	
Administration	54,054
Gas	74,996
Water	58,691
Sewer	15,645
Trash	28,447
Total operating expenses	231,833
Operating income	42,481
Non-operating revenues (expenses)	
Investment income	123
Debt service	(29,737)
Total non-operating revenues (expenses)	(29,614)
Change in fund balance	12,867
Fund balance - beginning	40,676
Fund balance - ending	\$ 53,543

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, 2014
(unaudited)

	CFDA#	Contract #	Amount	Receipts	Disbursements	Unexpended
Grants - Federal Source						
<u>US Department of Homeland Security</u>						
Assistance to Firefighters	97.044	EMW-2012-FO-03917	\$ 30,976	\$ 30,976	\$ 30,976	\$ -
 <u>US Department of Housing and Urban Development</u>						
<i>Passed through Oklahoma Department of Commerce</i>						
Community Development Block Grant	14.228	15629	49,200	32,800	32,800	16,400
Total grants - federal source			80,176	63,776	63,776	16,400
 Grants - State Source						
Oklahoma Department of Agriculture - Fire Operator	N/A	N/A	4,474	4,474	4,474	-
Rural Economic Action Program - Street Resurfacing	N/A	130204	43,000	42,000	43,000	-
Total grants - state source			47,474	46,474	47,474	-
 Grants - Private Source						
<u>Verdigris Valley Electric</u>						
For Fire Equipment			2,500	2,500	2,500	-
Total grants - private source			2,500	2,500	2,500	-
Total Current Year Grant Activity			\$ 130,150	\$ 112,750	\$ 113,750	\$ 16,400

See independent accountant's report