TOWN OF BYARS
OKLAHOMA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

THE TOWN OF BYARS, OKLAHOMA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CRAWFORD & ASSOCIATES P.C.

Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Byars
Byars, Oklahoma

Trustees of the Byars Public Works Authority
Byars, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Byars and related Public Trust, the Budgetary Comparison Schedule- Cash Basis - General Fund, Budgetary Comparison Schedule - Cash Basis - Street and Alley Fund, Budgetary Comparison Schedule – Cash Basis - Volunteer Fire Fund, Budgetary Comparison Schedule – Cash Basis - Cemetery Perpetual Care Fund, Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis - Byars Public Works Authority, and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2014, The financial statements and schedules 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes § 11-17-105-.107 and § 60-180-1-.3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

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

Our 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 and schedules, in order to meet the requirements of applicable Oklahoma Statutes, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

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

Report on Applying Agreed-Upon Procedures

We 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 Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Byars and the Byars Public Works Authority are responsible for the Town's and Authority'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 to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we 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 Byars as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed**: From the Town's trial balances, we compiled a cash basis 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 instances of noncompliance noted.

2. **Procedures Performed**: From the Town's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund, the Street and Alley Fund, the Volunteer Fire Fund, and the Cemetery Perpetual Care Fund (see accompanying Exhibit 2) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

   Findings: No instances of noncompliance noted.

3. **Procedures Performed**: We 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 significant or unusual reconciling items were noted that did not clear on a timely basis.

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

   Findings: All deposits were FDIC insured at June 30, 2014.

5. **Procedures Performed:** We compared the Town's use of material restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

   Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We 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 instances of noncompliance were noted.

7. **Procedures Performed:** The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Byars Public Works Authority, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in fund balances – cash basis for the Authority (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 instances of noncompliance were noted.

2. **Procedures Performed:** We 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 significant or unusual reconciling items were noted that did not clear on a timely basis.

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

   Findings: All deposits were FDIC insured at June 30, 2014.

4. **Procedures Performed:** We compared 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 were noted.

5. **Procedures Performed:** We 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 instances of noncompliance were noted.

6. **Procedures Performed:** A search for Authority debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

   Findings: The Authority met its debt service reserve balance requirement at June 30, 2014.

As to the Town of Byars and Byars Public Works 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, we compiled a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) 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 instances of noncompliance were noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance and an opinion on the related financial statements and schedules. 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.

Crawford & Associates, P.C.

Crawford & Associates, P.C.
November 3, 2014

EXHIBIT 1
TOWN OF BYARS AND PUBLIC TRUST
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN:			
General Fund	$ 61,210	$ 26,738	$ 87,948
Street and Alley Fund	3,082	(247)	2,835
Capital Improvement Fund	6,129	3,450	9,579
Volunteer Fire Fund	19,413	4,588	24,001
Park Fund	1,360	-	1,360
Cemetery Care Fund	4,202	(1,617)	2,585
Cemetery Perpetual Care Fund	47,093	1,507	48,600
Town Subtotal	142,489	34,419	176,908
PUBLIC WORKS AUTHORITY:			
Byars Public Works Authority	19,657	2,583	22,240
PWA Subtotal	19,657	2,583	22,240
Overall Totals	$ 162,146	$ 37,002	$ 199,148

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 57,668	$ 55,968	$ 61,210	$ 5,242
Resources (Inflows):				
Taxes:				
Sales tax	28,500	28,500	35,776	7,276
Use tax	5,000	5,000	5,431	431
Intergovernmental	868	-	-	-
Franchise tax	5,266	5,266	4,889	(377)
Cigarette tax	400	400	424	24
McClain 1/2 cent sales tax	4,000	4,000	3,900	(100)
Total Taxes	44,034	43,166	50,420	7,254
Investment Income	28	18	40	22
Miscellaneous Income:				
Rent	1,480	950	700	(250)
Nutrition program	1,200	1,100	1,200	100
Permits	20	20	10	(10)
Utility service	500	500	350	(150)
Other	-	1,508	1,523	15
Total Miscellaneous	3,200	4,078	3,783	(295)
Other Financing Sources:				
Transfers from other funds	25,012	25,012	36,787	11,775
Total Resources (Inflows)	72,274	72,274	91,030	18,756
Amounts available for appropriation	129,942	128,242	152,240	23,998

(Continued)

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EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Charges to Appropriations (Outflows):				
General Government:				
Personal services	24,600	24,600	17,748	6,852
Materials and supplies	20,542	20,542	3,865	16,677
Other services and charges	31,400	31,400	21,289	10,111
Capital outlay	12,000	12,000	-	12,000
Total General Government	88,542	88,542	42,902	45,640
Fire:				
Personal services	1,400	1,400	270	1,130
Total Fire	1,400	1,400	270	1,130
Utilities:				
Other services and charges	40,000	38,300	21,120	17,180
Total Utilities	40,000	38,300	21,120	17,180
Total Charges to Appropriations	129,942	128,242	64,292	63,950
Ending Budgetary Fund Balance	$ -	$ -	$ 87,948	$ 87,948

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
STREET AND ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	STREET AND ALLEY FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 3,349	$ 3,349	$ 3,082	$ (267)
Resources (Inflows):				
Taxes	3,118	3,118	3,584	466
Amounts available for appropriation	6,467	6,467	6,666	199
Charges to appropriations (outflows):				
Other services and charges	6,467	5,067	2,755	2,312
Total Streets	6,467	5,067	2,755	2,312
Other Financing Uses:				
Transfers to other funds	-	1,400	1,076	324
Total Charges to Appropriations	6,467	6,467	3,831	2,636
Ending Budgetary Fund Balance	$ -	$ -	$ 2,835	$ 2,835

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
VOLUNTEER FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	VOLUNTEER FIRE FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 20,160	$ 20,160	$ 19,413	$ (747)
Resources (Inflows):				
Grant revenue	-	-	4,474	4,474
Intergovernmental	10	10	-	(10)
Donations	375	375	580	205
Reimbursements	-	-	6,088	6,088
Investment income	-	-	12	12
Total inflows	385	385	11,154	10,769
Amounts available for appropriation	20,545	20,545	30,567	10,022
Charges to appropriations (outflows):				
Materials and supplies	-	2,900	1,670	1,230
Other services and charges	20,545	17,645	4,896	12,749
Total Fire	20,545	20,545	6,566	13,979
Total Charges to Appropriations	20,545	20,545	6,566	13,979
Ending Budgetary Fund Balance	$ -	$ -	$ 24,001	$ 24,001

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED JUNE 30, 2014

	CEMETERY PERPETUAL CARE FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 27,204	$ 19,383	$ 47,093	$ 27,710
Resources (Inflows):				
Burial expense	1,485	500	1,350	850
Donations	1,352	-	-	-
Utility service	68	-	-	-
Investment income	35	17	132	115
Total inflows	2,940	517	1,482	965
Other financing sources:				
Transfers from other funds	-	100	25	(75)
Amounts available for appropriation	30,144	20,000	48,600	28,600
Charges to appropriations (outflows):				
Other services and charges	29,894	20,000	-	20,000
Total Cemetery	29,894	20,000	-	20,000
Other financing sources:				
Transfers to other funds	250	-	-	-
Total Charges to Appropriations	30,144	20,000	-	20,000
Ending Budgetary Fund Balance	$ -	$ -	$ 48,600	$ 48,600

See independent accountant's report on agreed-upon procedures.

EXHIBIT 3
TOWN OF BYARS, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
BYARS PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Operating Revenues:	
Charges for services:	
Water	$ 37,344
Sewer	17,426
Garbage	17,922
Total Operating Revenues	72,692
Operating Expenses:	
Water:	
Personal services	232
Materials and supplies	314
Other services and charges	1,996
Total Water	2,542
Sewer:	
Personal services	108
Materials and supplies	147
Other services and charges	932
Total Sewer	1,187
Garbage:	
Personal services	111
Materials and supplies	151
Other services and charges	17,244
Total Garbage	17,506
Total Operating Expenses	21,235
Operating Income	51,457
Non-Operating Revenues (Expenses):	
Transfer out	(39,158)
Investment income	16
Debt service - principal	(4,585)
Interest expense	(5,147)
Total Non-Operating Revenues (Expenses)	(48,874)
Change in fund balance	2,583
Fund Balance - beginning	19,657
Fund Balance - ending	$ 22,240

See independent accountant's report on agreed-upon procedures.

EXHIBIT 4

TOWN OF BYARS , OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS
Year Ended June 30, 2014

	Rural Fire Grant
Awarding agency	Oklahoma Department of Agriculture
CFDA #	N/A
Award Amount	$ 4,474
Program Budget	4,474
Current Year Activity:	
Current Year Receipts:	
Received from agency	4,474
Total current year receipts	4,474
Current Year Disbursements	4,474
Beginning of Year Unexpended Grant Funds	-
End of Year Unexpended Grant Funds	-
Program To-Date Activity:	
Program To-Date Receipts:	
Received from agency	4,474
Total program To-Date Receipts	4,474
Program To-Date Disbursements	4,474
Program To-Date Unexpended Grant Funds	$ -

See independent accountant's report on agreed-upon procedures.