

AGREED-UPON PROCEDURES REPORT

Town of Kinta

Haskell County, Oklahoma

July 1, 2014 to June 30, 2015

Prepared By:

John D. Turrentine CPA, P.C.  
607 East Main Street  
Stigler Oklahoma 74462

Town of Kinta  
Agreed-Upon Procedures Report  
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**Town of Kinta**  
Haskell County, Oklahoma

**Town Officials**

June 30, 2015

Town Board of Trustees:

Leon Daniels	Member
Brian Followill	Member
Johnathan Bailes	Member

Trustees of the Kinta Public Works Authority

Brian Followill	Member
Johnathan Bailes	Member

**John David Turrentine**  
*Certified Public Accountant, P.C.*  
607 East Main Street  
Stigler Oklahoma 74462

**Independent Accountant's Report on Applying Agreed-Upon Procedures that  
includes an Accountant's Compilation Report on Accompanying Financial  
Statements Compiled by the Accountant**

To the Specified Users of the Report:

- Town Board of Trustees, Town of Kinta  
Kinta, Oklahoma
- Trustees of the Kinta Public Works Authority  
Kinta, Oklahoma
- Oklahoma Office of the State Auditor and Inspector  
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Kinta and the Kinta Public Works Authority, Kinta, Oklahoma as of June 30, 2015 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of the Kinta Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2015. I will also separately compile and file the Annual Survey and City and Town Finances (form SA&I 2643), described in Oklahoma Statutes § 12-17-105.1. 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 have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

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 without undertaking to obtain or provide an 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 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 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 of Kinta and the Kinta Public Works 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 Kinta 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, 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 Kinta** as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (See Accompanying Exhibit A) 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, I prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances 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:** I agreed the Town's material bank account balances to the 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 to be reported noted.

4. **Procedures Performed:** I compared the Town's uninsured deposits to fair value of pledged collateral to report any noted instances of noncompliance.

**Findings:** No instances of Noncompliance noted.

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

**Findings:** No instances of Noncompliance noted.

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 instances of Noncompliance noted.

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:** No instances of Noncompliance noted.

As to the **Kinta Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenditures/expenses changes in fund balances/net assets for each fund (See Accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No instances of Noncompliance noted.

2. **Procedures Performed:** I agreed the Authority's material bank account balances to the 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 to be reported noted.

3. **Procedures Performed:** I compared the Authority's uninsured deposits to fair value of pledged collateral to report any noted instances of noncompliance.

**Findings:** No instances of Noncompliance noted.

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 instances of Noncompliance noted.

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 instances of Noncompliance noted.

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:** No instances of Noncompliance noted.

As to the **Town of Kinta and Kinta Public Works Authority Grant Programs** as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town and Authority's trial balances, I will 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 agreements.

**Findings:** No instances of Noncompliance noted.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. 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.

John D. Turrentine CPA, P.C.  
July 28, 2015

**EXHIBIT A**

**Town of Kinta and Kinta Public Works Authority  
Haskell County, Oklahoma  
Summary of Changes in Fund Balances  
For the Year Ended June 30, 2015**

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
<b>Town of Kinta:</b>			
General Fund	\$262,756	\$35,775	\$298,531
Town Subtotal	\$262,756	\$35,775	\$298,531
<b>Kinta Public Works Authority:</b>			
General Account	\$33,192	(\$3,906)	\$29,285
K.P.W.A. Subtotal	\$33,192	(\$3,906)	\$29,285
<b>Overall Totals</b>	<b>\$295,947</b>	<b>\$31,869</b>	<b>\$327,817</b>

**EXHIBIT B**

Town of Kinta, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund  
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Neg)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$262,756	\$262,756	\$262,756	\$0
<b>Resources (Inflows):</b>				
<b>Local Sources:</b>				
Franchise Tax	\$4,211	\$4,211	\$4,918	\$707
Other Local Sources	\$0	\$0	\$0	\$0
<b>Total Local Sources</b>	<b>\$4,211</b>	<b>\$4,211</b>	<b>\$4,918</b>	<b>\$707</b>
<b>Intergovernmental - State Sources:</b>				
Sales Tax	\$35,974	\$35,974	\$36,277	\$302
Use Tax	\$7,300	\$7,300	\$12,914	\$5,614
Motor Vehicle Collections	\$2,571	\$2,571	\$2,873	\$302
Alcoholic Beverage Tax	\$4,443	\$4,443	\$5,090	\$648
Other State Sources	\$431	\$431	\$433	\$2
<b>Total Intergovernmental - State Sources</b>	<b>\$50,720</b>	<b>\$50,720</b>	<b>\$57,588</b>	<b>\$6,868</b>
<b>Intergovernmental - Federal Sources:</b>				
Federal Grants	\$0	\$0	\$4,484	\$4,484
<b>Total Intergovernmental - Federal Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,484</b>	<b>\$4,484</b>
<b>Miscellaneous Income:</b>	<b>\$1,238</b>	<b>\$1,238</b>	<b>\$11,464</b>	<b>\$10,227</b>
<b>Investment Income</b>	<b>\$1,055</b>	<b>\$1,055</b>	<b>\$1,176</b>	<b>\$121</b>
<b>Amounts Available for Appropriation</b>	<b>\$319,979</b>	<b>\$319,979</b>	<b>\$342,386</b>	<b>\$22,407</b>

**EXHIBIT B - Continued**Town of Kinta, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
General Fund  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Neg)
	Original	Final		
<b>Charges to Appropriations (Outflows)</b>				
<b>General Government:</b>				
Personal Services	\$25,000	\$25,000	\$8,415	\$16,585
Maintenance and Operations	\$50,000	\$50,000	\$24,141	\$25,859
Other Services and Charges	\$0	\$0	\$0	\$0
Capital Outlays	\$176,979	\$176,979	\$0	\$176,979
Total General Government	\$251,979	\$251,979	\$32,556	\$219,423
<b>Police Department:</b>				
Personal Services	\$5,000	\$5,000	\$0	\$5,000
Maintenance and Operations	\$8,000	\$8,000	\$0	\$8,000
Total Police Department	\$13,000	\$13,000	\$0	\$13,000
<b>Fire Department:</b>				
Personal Services	\$3,000	\$3,000	\$0	\$3,000
Maintenance and Operations	\$12,000	\$12,000	\$8,695	\$3,305
Other Services and Charges	\$0	\$0	\$0	\$0
Capital Outlays	\$40,000	\$40,000	\$2,603	\$37,397
Total Fire Department	\$55,000	\$55,000	\$11,298	\$43,702
<b>Other Financing Uses</b>	\$0	\$0	\$0	\$0
<b>Total Charges to Appropriations</b>	<b>\$319,979</b>	<b>\$319,979</b>	<b>\$43,855</b>	<b>\$276,125</b>
<b>Ending Budgetary Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$298,531</b>	<b>\$298,531</b>



**EXHIBIT D**

**Town of Kinta and Kinta Public Works Authority  
Haskell County, Oklahoma  
Schedule of Grant Activity - Cash Basis  
For the Year Ended June 30, 2015**

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
<b>Town of Kinta:</b>				
KEDDO Fire Dept Grant	\$0	\$4,484	\$4,484	\$0
Town Subtotal	\$0	\$4,484	\$4,484	\$0
<b>Kinta Public Works Authority:</b>				
KPWA Subtotal	\$0	\$0	\$0	\$0
<b>Overall Totals</b>	\$0	\$4,484	\$4,484	\$0
See Accountant's Agreed-Upon Procedures Report				
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