

DUNCAN INDUSTRIAL AUTHORITY

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

June 30, 2013

DUNCAN INDUSTRIAL AUTHORITY

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CONTENTS

	Page
Independent Accountant's Report	1-3
Schedule of Revenues, Expenses and Change in Net Assets-Modified Cash Basis	4

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Board of Trustees
Duncan Industrial Authority
Duncan, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Schedule of Revenues, Expenses and Change in Net Assets-Modified Cash Basis of the Duncan Industrial Authority, Duncan, Oklahoma as of June 30, 2013 and for the year then ended. The schedule has been prepared in a format and basis of accounting that demonstrates compliance with Oklahoma Statutes and the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying schedule and, accordingly, do not express an opinion or provide any assurance about whether the scheduled information is in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of financial statements in accordance with the modified cash basis and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of 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 or schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements or schedules.

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

Additionally, 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 Duncan Industrial Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Authority is responsible for the 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 and the additional requirements in Oklahoma Statutes §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 below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

1. **Procedures Performed:** From the Authority's trial balance, we prepared the Schedule of Revenues, Expenses and Change in Net Assets-Modified Cash Basis, for the year ended June 30, 2013 (See accompanying Schedule) and compared the 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:** 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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure. The Authority's cash deposits did not exceed FDIC coverage.

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

Findings: There were no exceptions noted as a result of applying the procedure. The Authority did not receive restricted revenues during the year ended June 30, 2013.

5. **Procedures Performed:** We compared the accounting for the Authority's activities to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

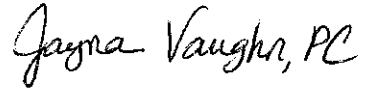
Findings: No exceptions were found as a result of applying the procedure. There are no requirements to maintain separate funds.

6. **Procedures Performed:** We compared the Authority's cash account balances 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 debt or reserve account requirements.

We were 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, 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.



Jayna Vaughn, PC
Duncan, Oklahoma
December 13, 2013

DUNCAN INDUSTRIAL AUTHORITY
Duncan, Oklahoma

Schedule of Revenues, Expenses and Change in Net Assets
Modified Cash Basis
Year Ended June 30, 2013

Revenues:	
Rent and Lease	\$ 7,435
Water & Sewer Revenues	1,039
Total Revenue	<u>8,474</u>
 Expenses:	
Professional Fees and Services	13,485
Insurance	2,235
Site Maintenance	1,404
Other Expense	554
Total Operating Expenses	<u>17,678</u>
 Expenses in Excess of Revenues	 (9,204)
 Net Assets - Beginning	 <u>935,992</u>
 Net Assets - Ending	 \$ <u><u>926,788</u></u>

See Independent Accountant's Report.