

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES  
TOWN OF OLUSTEE, OKLAHOMA  
JULY 1, 2015 TO JUNE 30, 2016**

BY





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**Independent Accountant's Report on Applying Agreed Upon Procedures**

Town Council, Town of Olustee  
Olustee, Oklahoma

Trustees of the Olustee Public Works Authority  
Olustee, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Olustee, Oklahoma as of June 30, 2016 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis, Street & Alley Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2016 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 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.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the designing, implementing, and maintaining internal control 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 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 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, 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 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, 2016. Management of the Town of Olustee 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 Finding**

As to the **Town of Olustee** as of and for the fiscal year ended June 30, 2016:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found no instances of any significant or unusual reconciling items.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a summary of budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

**Findings:** The Town exceeded its budget in maintenance and operations by \$16,935. However, they were under budget in personal services.

- 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:** We found no instances of any significant or unusual reconciling items.

- 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:** We found no instances of noncompliance.

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

**Findings:** We found no instances of noncompliance.

**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:** We found no instances of noncompliance.

**7. Procedures Performed:** We 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:** We found no instances of noncompliance.

As to the **Town of Olustee Public Works Authority**, as of and for the fiscal year ended June 30, 2016:

**1. Procedures Performed:** From the Authority's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found one instance of noncompliance during the fiscal year. It was on February 3, 2016 in the PWA account ending 6544. It was only a deficit balance for 1 day.

**2. Procedures Performed:** From the Authority's trial balances, we prepared a summary of budget and actual financial schedule for the Public Works Authority Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

**Findings:** The Town had not prepared a budget for the Public Works Authority Fund for the year ended June 30, 2016. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

**3. 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:** We found no instances of any significant or unusual reconciling items.

**4. 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:** We found no uninsured or uncollateralized deposits.

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

**Findings:** We found no instances of noncompliance.

**6. 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:** We found no instances of noncompliance.

**7. Procedures Performed:** We 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:** We found no instances of noncompliance.

As to the **Town of Olustee and Olustee Public Works Authority** as of and for the fiscal year ended June 30, 2016:

**1. Procedures Performed:** From the Town's and Authority's trial balances, we compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

**Findings:** We found no instances of noncompliance.

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



FURRH & ASSOCIATES, PC

Lawton, Oklahoma

September 28, 2016

**Town of Olustee**  
**Olustee, Oklahoma**

**Summary of Changes in Fund Balance - Cash Basis**  
**For the Fiscal Year Ended June 30, 2016**  
(Unaudited)

	Beginning of Year Fund Balances	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 54,499	\$ 48,277	\$ 52,366	\$ 50,410
Park	609	2	0	611
Public Safety	26,846	16,230	25,112	17,964
Fire Department Grant	0	4,290	4,290	0
Street & Alley	1,741	6,446	4,996	3,191
Travel Fund	258	5,997	5,934	321
Public Works Authority	121,073	549,647	527,622	143,098
PWA - Water Utility Trust	97,402	93,956	112,623	78,735
Sewer Lagoon	103,403	45,574	96,775	52,202
Meter Fund	52,776	13,788	10,753	55,811
AirField Fund	63,140	29,937	24,729	68,348
	<u>\$ 521,747</u>	<u>\$ 814,144</u>	<u>\$ 865,200</u>	<u>\$ 470,691</u>

**Town of Olustee**  
**Olustee, Oklahoma**  
**Budgetary Comparison Schedule - Cash Basis**  
**General Fund**

**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

	<b>Original / Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Over (Under)</b>
<b>Beginning Budgetary Fund Balance:</b>	\$ 34,001	\$ 54,499	\$ 20,498
<b>Resources (Inflows):</b>			
Tax Revenue	9,988	11,377	1,389
Franchise Revenue	3,300	3,300	0
Lease Income	12,300	1,795	(10,505)
Miscellaneous	0	11,226	11,226
Police Fines	0	820	820
Interest Income	0	1,130	1,130
Public Safety Fee	28,252	16,230	(12,022)
Transfers In	0	2,399	2,399
Total Inflows	53,840	48,277	(5,563)
<b>Amounts Available for Appropriation</b>	<b>87,841</b>	<b>102,776</b>	<b>14,935</b>
<b>Charges to Appropriations (Outflows):</b>			
Personal Services	84,282	27,470	(56,812)
Maintenance, Operations, Repairs	3,559	20,494	16,935
Transfers Out	0	4,402	4,402
Total Charges to Appropriations	87,841	52,366	(35,475)
<b>Ending Budgetary Fund Balance:</b>	\$ 0	\$ 50,410	\$ (50,410)

**Town of Olustee**  
**Olustee, Oklahoma**  
**Budgetary Comparison Schedule - Cash Basis**  
**Public Works Authority Fund**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

	Original / Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
<b>Beginning Budgetary Fund Balance:</b>	\$ 0	\$ 121,073	\$ 121,073
<b>Resources (Inflows):</b>			
Utilities Income	0	548,329	548,329
Miscellaneous Income	0	1,318	1,318
Total Inflows	0	549,647	549,647
<b>Amounts Available for Appropriation</b>	0	670,720	670,720
<b>Charges to Appropriations (Outflows):</b>			
Utilities Purchased	0	294,540	294,540
Personal Services	0	84,275	84,275
Interest Paid	0	6,639	6,639
Maintenance, Operations, Repairs	0	142,168	142,168
<b>Total Charges to Appropriations</b>	0	527,622	527,622
<b>Ending Budgetary Fund Balance:</b>	\$ 0	\$ 143,098	\$ (143,098)