

Town of Wanette, Oklahoma
Agreed-Upon Procedures Report
For the Year Ended June 30, 2013

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TOWN OF WANETTE, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Wanette
Wanette, Oklahoma 74878

Trustees of the Wanette Public Works Authority
Wanette, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Wanette, Oklahoma, as of June 30, 2013, and the related Budgetary Comparison Schedules –Cash Basis of the General Fund and Cemetery Funds, and Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis of the Wanette Public Works Authority for the fiscal year ended June 30, 2013 and the accompanying supplementary information contained in Exhibit D which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis accounting, and for 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.

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The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the Town of Wanette’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council and Trustees of the Town of Wanette, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Wanette 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 Wanette** as of and for the fiscal year ended June 30, 2013:

1. ***Procedures Performed:*** From the Town’s trial balances, we 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 exceptions were noted as a result of applying the procedure.

2. ***Procedures Performed:*** From the Town’s trial balances, we prepared a budget and actual financial schedule for the General Fund and Cemetery Funds listing separately each fund (see accompanying Exhibits B and B-1) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Exception: The Cemetery Fund expenditures exceeded budget by \$197.

3. ***Procedures Performed:*** We agreed all of the Town’s bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

Findings: No exceptions were noted as a result of applying the procedure.

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: No exceptions were noted as a result of applying the procedure.

5. ***Procedures Performed:*** We selected cash disbursements greater than \$400 from the Street and Alley, Park and Fire Funds, and all disbursements for the Cemetery Fund. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes.

Findings: No exceptions were noted as a result of applying the procedure.

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 exceptions were noted as a result of applying the procedure.

7. ***Procedures Performed:*** We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in bond indentures. We determined compliance with the requirements.

This procedure is not applicable. The Town of Wanette has no debt service or reserve account requirements.

As to the **Wanette Public Works Authority** as of and for the fiscal year ended June 30, 2013:

1. ***Procedures Performed:*** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were noted as a result of applying the procedure.

2. ***Procedures Performed:*** We agreed all of the Authority's bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

Findings: No exceptions were noted 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 noted as a result of applying the procedure.

4. **Procedures Performed:** We selected cash disbursements greater than \$500 for grants and restricted revenue sources. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes. We compared the receipts and disbursements to grant agreements and supporting information.

Findings: *No exceptions were noted as a result of applying the procedure.*

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 exceptions were noted as a result of applying the procedure.*

6. **Procedures Performed:** We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in debt contracts. We determined compliance with the requirements.

This procedure was not performed. Wanette Public Works Authority does not have any requirements for reserve accounts or debt service coverage.

As to the **Town of Wanette and Wanette Public Works Authority** as of and for the fiscal year ended June 30, 2013:

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

Findings: *No exceptions were noted as a result of applying the procedure.*

We were not engaged to and did not conduct an audit, 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 those specified parties.

Rahel Henderson Johnson, PLLC

August 12, 2013
Ardmore, Oklahoma

TOWN OF WANETTE, OKLAHOMA
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2013

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	\$ 67,879	\$ 64,999	\$ 42,278	\$ 90,600
Cemetery Operations Fund	6,210	15,402	16,897	4,715
Cemetery Care Fund	90,188	1,507	-	91,695
Fire Department Fund	21	4,484	4,201	304
City Subtotal	<u>164,298</u>	<u>86,392</u>	<u>63,376</u>	<u>187,314</u>
PUBLIC WORKS AUTHORITY:				
PWA Fund	<u>75,439</u>	<u>136,685</u>	<u>133,987</u>	<u>78,137</u>
Public Works Authority Subtotal	<u>75,439</u>	<u>136,685</u>	<u>133,987</u>	<u>78,137</u>
Overall Totals	<u>\$ 239,737</u>	<u>\$ 223,077</u>	<u>\$ 197,363</u>	<u>\$ 265,451</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 10,000	\$ 10,000	\$ 67,879	\$ 57,879
Resources (Inflows):				
Sales Tax	37,400	37,400	47,493	10,093
Use Tax	5,000	5,000	5,065	65
Tobacco Tax	600	600	622	22
Alcoholic Beverage Tax	1,300	1,300	1,288	(12)
Franchise Tax	8,900	8,900	2,001	(6,899)
Gasoline Excise Tax	600	600	701	101
Motor Vehicle Tax	2,400	2,400	2,510	110
Miscellaneous Income	1,000	1,000	5,319	4,319
Total Inflows	<u>57,200</u>	<u>57,200</u>	<u>64,999</u>	<u>7,799</u>
Charges to Appropriations (Outflows):				
General Government	68,700	68,700	42,278	26,422
Total Outflows	<u>68,700</u>	<u>68,700</u>	<u>42,278</u>	<u>26,422</u>
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	<u>(11,500)</u>	<u>(11,500)</u>	<u>22,721</u>	<u>34,221</u>
Other Financing Sources (Uses)	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,600</u>	<u>\$ 90,600</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 Cemetery Funds
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 850	\$ 4,000	\$ 96,398	\$ 92,398
Resources (Inflows):				
Donations and Lot Sales	500	500	3,395	2,895
Open/Close	9,600	9,600	12,000	2,400
Interest	2,600	2,600	1,514	(1,086)
Total Inflows	<u>12,700</u>	<u>12,700</u>	<u>16,909</u>	<u>4,209</u>
Charges to Appropriations (Outflows):				
Operations	<u>13,550</u>	<u>16,700</u>	<u>16,897</u>	<u>(197)</u>
Total Outflows	<u>13,550</u>	<u>16,700</u>	<u>16,897</u>	<u>(197)</u>
Excess of Inflows over Outflows before other Financing Sources (Uses)	<u>(850)</u>	<u>(4,000)</u>	<u>12</u>	<u>4,012</u>
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>96,410</u>	<u>\$ 96,410</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
Wannette Public Works Authority
For the Year Ended June 30, 2013

Operating Revenues

Water	\$ 65,335
Sewer	39,224
Trash	26,619
Penalties	3,083
Miscellaneous	2,417
Grant Revenue	-
Total Operating Revenues	<u>136,678</u>

Operating Expenses

Salaries	41,926
Payroll Tax	4,514
Contract Labor	226
Office Expense	2,441
Postage	1,089
Miscellaneous	1,768
Repair and Maintenance	10,784
Fuel	1,193
Utilities	2,463
Insurance	260
Waste Disposal Service	21,748
Water Purchase	34,433
Lab Fees & Chemicals	6,281
Utility Deposit Refunds	1,042
Supplies	3,819
Total Operating Expenses	<u>133,987</u>
Operating Income	<u>2,691</u>

Non-operating Revenues (Expenses)

Interest Revenue	<u>7</u>
Total Non-operating Revenues (Expenses)	<u>7</u>

Change in Fund Balance 2,698

Fund Balance - Beginning 75,439

Fund Balance - Ending \$ 78,137

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2013

EXHIBIT D

<u>Awarding Agency</u>	<u>Grant #</u>	<u>Total Award</u>	<u>Amount Received</u>	<u>Amount Expended</u>
Grants:				
Oklahoma Department of Agriculture, Food & Forestry	Operating Grant	\$ 4,484	\$ 4,484	\$ 4,202

See Accompanying Accountants' Report