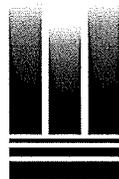


**INDEPENDENT ACCOUNTANT'S REPORT**

**TOWN OF ROCKY, OKLAHOMA**

**JULY 1, 2013 TO JUNE 30, 2014**

BY



**FURRH**  
**& ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS



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### **Independent Accountant's Report**

To the Specified Users of the Report:

Town Council, Town of Rocky  
Rocky, 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 Rocky, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2014 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, 2014. Management of the Town of Rocky is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-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 Rocky** as of and for the fiscal year ended June 30, 2014:

- 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 noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a 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:** We found no instances of noncompliance.

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

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

- 4. 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.

**5. 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 uninsured or uncollateralized deposits.

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

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

**7. 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.

**8. 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 Rocky Grant Programs**, as of and for the fiscal year ended June 30, 2014:

**1. Procedures Performed:** From the Town's trial balances, we prepared a schedule of grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

**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

October 13, 2014

**Town of Rocky  
Rocky, Oklahoma**

**Summary of Changes in Fund Balance - Cash Basis  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)**

	<u>Beginning of Year Fund</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 43,200	\$ 30,427	\$ 34,227	\$ 39,400
Public Works Authority	40,245	81,241	95,154	26,332
Water Meter Fund	17,289	1,575	675	18,189
Street and Alley Fund	607	345	143	809
Federal Revenue Fund	797	3,181	3,531	447
Fire Department Special Fund	9,125	24,843	22,985	10,983
Fire Department Fund	15,490	2,269	9,443	8,316
<b>Overall Totals</b>	<u>\$ 126,753</u>	<u>\$ 143,881</u>	<u>\$ 166,158</u>	<u>\$ 104,476</u>

**Town of Rocky, OK**  
**Budgetary Comparison Schedule - Cash Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

	<u>Original / Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 43,200	\$ 43,200	\$ 0
<b>Resources (Inflows):</b>			
Taxes	24,500	24,868	368
Franchise Fees	3,000	3,178	178
Rental Revenue	1,000	1,320	320
Miscellaneous Revenue	500	725	225
Investment Revenue	200	238	38
Transfer in from PWA	0	98	98
Total Inflows	<u>29,200</u>	<u>30,427</u>	<u>1,227</u>
<b>Amounts Available for Appropriation</b>	<u>72,400</u>	<u>73,627</u>	<u>1,227</u>
<b>Charges to Appropriations (Outflows):</b>			
Personal Services	9,000	8,283	(717)
Repairs & Maintenance	2,000	1,026	(974)
Other Services and Charges	26,000	24,566	(1,434)
Capital Outlay	35,400	0	(35,400)
Transfer Out	0	352	352
Total Charges to Appropriations	<u>72,400</u>	<u>34,227</u>	<u>(38,173)</u>
<b>Ending Budgetary Fund Balance:</b>	<u>\$ 0</u>	<u>\$ 39,400</u>	<u>\$ (39,400)</u>

Please see accompanying Accountant's Report.

**Town of Rocky**  
**Rocky, Oklahoma**  
**Budgetary Comparison Schedule - Cash Basis**  
**Public Works Authority**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

	<u>Original / Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 40,245	\$ 40,245	\$ 0
<b>Resources (Inflows):</b>			
Utilities Income	80,000	81,226	1,226
Miscellaneous Income	0	15	15
<b>Total Inflows</b>	<u>80,000</u>	<u>81,241</u>	<u>1,241</u>
<b>Amounts Available for Appropriation</b>	<u>120,245</u>	<u>121,486</u>	<u>1,241</u>
<b>Charges to Appropriations (Outflows):</b>			
Personal services	35,000	32,338	(2,662)
Repairs & Maintenance	6,000	5,362	(638)
Other Services and Charges	7,000	6,553	(447)
Water Purchased	30,000	28,187	(1,813)
Garbage Services	15,000	12,160	(2,840)
Capital Outlay	27,245	10,500	(16,745)
Transfer Out	0	54	54
<b>Total Charges to Appropriations</b>	<u>120,245</u>	<u>95,154</u>	<u>(25,091)</u>
<b>Ending Budgetary Fund Balance:</b>	<u>\$ 0</u>	<u>\$ 26,332</u>	<u>\$ (26,332)</u>

Please see accompanying Accountant's Report.

**Town of Rocky**  
**Rocky, Oklahoma**  
**Schedule of Federal and State Awards - Cash Basis**  
**For the Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

<u>Grantor / Program Title</u>	<u>Purpose</u>	<u>Award Amount</u>	<u>Contract Expenditures</u>
Department of Agricultural	Fire Dept. Operational	\$ 4,474	\$ 4,474
Southwest Ok Development Authority	CENA	<u>2,870</u>	<u>2,870</u>
	Total Grant Funds	<u>\$ 7,344</u>	<u>\$ 7,344</u>