

**TOWN OF TEXHOMA  
TEXAS COUNTY, OKLAHOMA**

**AGREED UPON PROCEDURE REPORT  
AND  
FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED  
JUNE 30, 2012**

***WILLIAM K GAUER***  
***CERTIFIED PUBLIC ACCOUNTANT***  
***WATONGA, OKLAHOMA***

**TOWN OF TEXHOMA  
TEXAS COUNTY, OKLAHOMA**

**TOWN COUNCIL**

Robert D. Berry  
Loyal D. Rhoden  
James Hager  
Diana Moore

Mayor  
Member  
Member  
Member

**Officers**

Elizabeth Romero  
Trent Bolin

Secretary/Treasurer  
Public Works Manager

Douglas Dale

Attorney

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**WILLIAM K. GAUER**

*CERTIFIED PUBLIC ACCOUNTANT*

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON  
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Texhoma  
Texhoma, Oklahoma

Trustees of the Texhoma Public Works Authority  
Texhoma, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Texhoma and Public Trusts, Example, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2012. 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. I 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 cash basis described above.

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

My 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.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
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(Continued)**

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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with 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 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, 2012. Management of the Town of Texhoma 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, I 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 Texhoma** as of and for the fiscal year ended June 30, 2012:

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:** None

2. **Procedures Performed:** From the Town's trial balances, we 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:** None

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:** None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
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(Continued)**

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**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:** None

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

**Findings:** None

**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:** None

**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:** None

As to the Texhoma **Public Works Authority**, as of and for the fiscal year ended June 30, 2012:

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

**Findings:** None

**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:** None

**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:** None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
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4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** None

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:** None

6. **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:** None

As to the **Town of Texhoma and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2012:

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

**Findings:** Grant schedule of activity needs to include CFDA and other identifying contract numbers or information.

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, we 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.

  
October 31, 2012

**Exhibit A**  
Town of Texhoma  
Summary of Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2012

	Beginning of Year	Current Year Change		End of Year
		Receipts	Disbursements	
Fund Balances				Fund Balances
<b>TOWN:</b>				
<b>Governmental Fund Types:</b>				
General Fund	\$ 260,655	\$ 490,074	\$ 433,212	\$ 317,516
Ambulance Fund	3,597	1,444	485	4,556
DA Police Fund	31,300	198	-	31,497
Clinic Fund	10,863	77	-	10,940
Grant Fund (OEDA-REAP)	5	60,174	60,174	5
Grant Fund (CDBG)	-	-	-	-
Police Fund	3,046	3,234	1,260	5,020
Department of Ag Fire Fund	4,271	4,421	2,151	6,540
<b>Capital Projects Fund Types:</b>				
Airport Fund	400	-	-	400
Fire Equipment Fund	6,009	3,708	77	9,641
<b>Proprietary Fund Type:</b>				
Pool Fund	25	-	-	25
Town Subtotal	320,169	563,330	497,359	386,139
<b>PUBLIC WORKS AUTHORITY:</b>				
<b>PWA Operating Fund:</b>				
Operating Checking Account	75,539	480,832	421,202	135,169
Certificates of deposit - Retired Bonds	97,598	543	-	98,141
Certificates of Deposit	80,000	-	-	80,000
<b>Total Operating Fund</b>	<b>253,137</b>	<b>481,375</b>	<b>421,202</b>	<b>313,310</b>
<b>Sewer Improvement Fund:</b>				
Certificates of Deposit	103,457	1,712	-	105,169
<b>Total Sewer Improvement Fund</b>	<b>103,457</b>	<b>1,712</b>	<b>-</b>	<b>105,169</b>
PWA Capital Assets	1,145,190	-	43,211	1,101,979
PWA Note Payable	(18,911)	6,961	677	(12,628)
Meter Fund	1,648	5,872	5,357	2,163
PWA Subtotal	1,484,521	495,919	470,447	1,509,993
Overall Totals	\$ 1,804,691	\$ 1,059,249	\$ 967,807	\$ 1,896,133

**Exhibit B**  
Town of Texhoma  
Budgetary Comparison Schedule General Fund - Cash Basis  
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 260,655	\$ 260,655	\$ 260,655	\$ -
<b>Resources (Inflows):</b>				
<b>Charges for Services:</b>				
Garbage Collection	120,420	120,420	149,330	28,911
Fees & Permits:				
Permits	-	-	143	143
Dog Pound	653	653	550	(103)
Police	18,755	18,755	40,269	21,514
Ambulance	26,885	26,885	17,221	(9,664)
Pool	-	-	2,868	2,868
<b>Taxes:</b>				
Sales Taxes	140,437	140,437	162,150	21,713
Franchise Tax	43,927	43,927	56,636	12,708
Tobacco Tax	2,040	2,040	2,342	302
Total Taxes	186,405	186,405	221,128	34,723
<b>Intergovernmental:</b>				
Motor Vehicle Tax	6,020	6,020	6,741	720
Alcoholic Beverage Tax	10,130	10,130	11,773	1,643
Gas Tax	-	-	3,557	3,557
<b>Investment Income</b>	717	717	350	(368)
<b>Miscellaneous Income</b>				
Rental	603	603	2,851	2,248
Royalty	-	-	95	95
Other	-	-	33,199	33,199
<b>Other Financing Sources:</b>				
Transfer from Other Funds	-	-	-	-
<b>Amounts available for appropriations</b>	<u>631,243</u>	<u>631,243</u>	<u>750,728</u>	<u>154,209</u>
<b>General Government:</b>				
Personal Services	225,000	225,000	182,850	(42,150)
Maintenance and Operations	275,000	275,000	250,362	(24,638)
Capital Outlay	131,243	131,243	-	(131,243)
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<u>631,243</u>	<u>631,243</u>	<u>433,212</u>	<u>(198,030)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,516</u>	<u>\$ 352,239</u>



Town of Texhoma  
Texas County, Oklahoma  
Schedule of Grant Revenues and Expenditures  
For the Year Ended June 30, 2012

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
<u>State of Oklahoma:</u>				
Department of Agriculture				
Fire Grant		\$ 4,413	\$ 4,413	\$ 2,151
OEDA-REAP Grant	REAP 11-226	18,174	18,174	18,174
OEDA-REAP Grant	REAP 12-121	42,000	42,000	42,000
Street Sweeper				
Total FY11-12 Activity			<u>\$64,587</u>	<u>\$62,325</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying Independent auditors' report.