INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY
JUNE 30, 2014

TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY

JUNE 30, 2014

TABLE OF CONTENTS

Town Officials

Independent Accountant's Report on Applying Agreed-Upon Procedures

Exhibits

Summary of Changes in Fund Balances ..... Exhibit 1-00

Town of Butler, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund ..... Exhibit 2-00

Butler Public Works Authority
Statement of Revenues, Expenses and Changes
in Fund Net Assets - Proprietary Funds ..... Exhibit 3-00

Frontier Development Authority
Statement of Revenues, Expenses and Changes
in Fund Net Assets - Proprietary Funds ..... Exhibit 4-00

Butler Public Works Authority
Statement of Reserved Cash in Bank and
Statement of Reserved Investments ..... Exhibit 5-00

Frontier Development Authority
Statement of Reserved Cash in Bank and
Statement of Reserved Investments ..... Exhibit 6-00

TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY

TOWN OFFICIALS

JUNE 30, 2014

Board of Trustees

Mayor	Gene Collins
Trustee	Frankie Patterson
Trustee	Jimmy Fieselman

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Board, Town of Butler
Butler, Oklahoma

Trustees of the Butler Public Works Authority
Butler, Oklahoma

Trustees of the Frontier Development Authority
Butler, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Hobart, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority as of and for the fiscal year ended June 30, 2014, and the related Budgetary Comparison Schedule of the General Fund - Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets of Butler Public Works Authority and Frontier Development Authority, and the Statement of Reserved Cash in Bank and Investments of Butler Public Works Authority and Frontier Development Authority as of and for the fiscal year ended June 30, 2014, included in the accompanying prescribed form. We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with the basis of accounting 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 accounting principles generally accepted in the United States of America.

The management of the Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with the basis of accounting 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 accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the prescribed 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 and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed financial statements.

These prescribed 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 differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

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, Butler Public Works Authority, and Frontier Development Authority in meeting their 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 Butler 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 and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §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

As to the Town of Butler, Oklahoma 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 changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances noted.

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 2-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

   Findings: No instances noted.

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: No instances noted.

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 instances noted.

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

   Findings: No instances noted.

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 instances noted.

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: No instances noted.

As to the Butler Public Works Authority as of and for the fiscal year ended June 30, 2014:

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 3-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances noted.

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 instances noted.

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 instances noted.

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: No instances noted.

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 instances noted.

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. (See accompanying Exhibit 5-00).

   Findings: No instances noted.

As to the Frontier Development Authority as of and for the fiscal year ended June 30, 2014:

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 4-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

   Findings: The Authority has a fund balance deficit of $77,693.27 as of June 30, 2014. The deficit is a result of a carryforward of prior years operating losses that resulted in a fund balance deficit of $135,864.47 for the year ended June 30, 2013. For the year ended June 30, 2014, the Authority has recorded a gain of $58,171.20, which decreased the fund balance deficit from $135,864.47 to $77,693.27. The Authority must continue to strive to be as profitable as possible in order to eliminate the fund balance deficit promptly.

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 instances noted.

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 instances noted.

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: No instances noted.

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 instances noted.

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. (See accompanying Exhibit 6-00).

   Findings: No instances noted.

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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
October 2, 2014

Exhibit 1-00

Town of Butler Oklahoma, Butler Public Works Authority,
and Frontier Development Authority
Summary of Changes in Fund Balances
For the Year Ended June 30, 2014

Town:	Beginning of Year Fund Balance	Receipts	Disbursements	Transfers	End of Year Fund Balance
General Fund	$ 214,436.32	$ 165,999.58	$ 131,458.45	$ 0.00	$ 248,977.45
Grant Fund	0.00	0.00	0.00	0.00	0.00
Fire Department Fund	38,566.81	12,026.78	16,282.36	0.00	34,311.23
Penalty Assessment Fund	133.59	437.00	390.07	0.00	180.52
Park Fund	3,061.07	9.20	0.00	0.00	3,070.27
Town Subtotal	256,197.79	178,472.56	148,130.88	0.00	286,539.47
Enterprise Funds:					
Butler Public Works Authority	324,481.58	135,520.69	115,106.04	0.00	344,896.23
Frontier Development Authority	(135,864.47)	380,003.80	321,832.60	0.00	(77,693.27)
Enterprise Funds Subtotal	188,617.11	515,524.49	436,938.64	0.00	267,202.96
Grand Total	$ 444,814.90	$ 693,997.05	$ 585,069.52	$ 0.00	$ 553,742.43

See Accountant's Report.

Exhibit 2-00

Town of Butler, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund
For the Year Ended June 30, 2014

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Sales Tax	$ 92,129.29	$ 92,129.29	$ 102,533.87	$ 10,404.58
Interest	0.00	0.00	863.56	863.56
Alcohol Beverage Tax	1,489.24	1,489.24	1,721.21	231.97
Franchise Tax	5,358.06	5,358.06	6,729.98	1,371.92
Police Fines	2,076.48	2,076.48	5,327.20	3,250.72
Donations	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	943.19	943.19
Royalty Income		0.00	272.19	272.19
Use Tax	7,444.38	7,444.38	29,894.67	22,450.29
Cigar Tax	1,223.93	1,223.93	1,218.28	(5.65)
Gasoline Tax	479.84	479.84	538.21	58.37
Commercial Vehicle Tax	1,840.31	1,840.31	2,277.22	436.91
Rental Income	12,132.00	12,132.00	13,680.00	1,548.00
History Book Sales	0.00	0.00	0.00	0.00
SWODA REAP Grant	0.00	0.00	0.00	0.00
CDBG CIP Grant	0.00	0.00	0.00	0.00
Insurance Refund	0.00	0.00	0.00	0.00
Total Revenues	124,173.53	124,173.53	165,999.58	41,826.05
Expenditures				
Personal Services	70,000.00	70,000.00	54,792.79	15,207.21
Maintenance and Operations	218,609.85	218,609.85	61,665.66	156,944.19
Capital Outlay	50,000.00	50,000.00	15,000.00	35,000.00
Total Expenditures	338,609.85	338,609.85	131,458.45	207,151.40
Excess Revenues Over (Under) Total Expenditures	(214,436.32)	(214,436.32)	34,541.13	248,977.45
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(214,436.32)	(214,436.32)	34,541.13	248,977.45
Budgetary Fund Balance, Beginning	214,436.32	214,436.32	214,436.32	0.00
Budgetary Fund Balance, Ending	$ 0.00	$ 0.00	248,977.45	$ 248,977.45
Adjustments to Conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 248,977.45	

See Accountant's Report.

Exhibit 3-00

Butler Public Works Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Fund
Operating Revenues:	
Water Revenue	$ 74,860.96
Sewer Revenue	19,413.65
Penalties	2,128.66
Royalty Income	2,834.45
Garbage Revenue	28,906.18
Water Taps	760.00
Mowing Income	675.00
Insurance Reimbursements	0.00
SWODA REAP Grant	0.00
CDBG Grant	3,000.00
Miscellaneous Revenue	2,648.24
Total Operating Revenues	135,227.14
Operating Expenses:	
Water	39,649.26
Sewer	1,273.59
Garbage	10,680.13
Maintenance and Operations	23,072.43
Personal Services	25,019.63
Depreciation	12,404.00
Interest Expense	3,007.00
Total Operating Expenses	115,106.04
Operating Income (Loss)	20,121.10
Non-Operating Revenues (Expenses):	
Interest Revenue	293.23
Dividend Income	0.32
Gain on Sale of Equipment	0.00
Total Non-Operating Revenues (Expenses)	293.55
Income (Loss) before Operating Transfers	20,414.65
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
Total Operating Transfers	0.00
Net Income (Loss)	20,414.65
Net Assets - Beginning of Year	324,481.58
Prior Period Adjustment	0.00
Net Assets - End of Year	$ 344,896.23

See Accountant's Report.

Exhibit 4-00

Frontier Development Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Fund
Operating Revenues:	
Water Revenue	$ 358,173.92
Penalties	5,895.64
Connection Fees	999.00
Water Taps	3,625.00
FEMA Hazard Mitigation Grant	862.00
Miscellaneous Revenue	9,404.83
Total Operating Revenues	378,960.39
Operating Expenses:	
Water	154,812.67
Maintenance and Operations	61,568.44
Personal Services	59,248.25
Depreciation	20,255.00
Interest Expense	25,948.24
Total Operating Expenses	321,832.60
Operating Income (Loss)	57,127.79
Non-Operating Revenues (Expenses):	
Interest Revenue	1,043.41
Gain on Sale of Equipment	0.00
Total Non-Operating Revenues (Expenses)	1,043.41
Income (Loss) before Operating Transfers	58,171.20
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
Total Operating Transfers	0.00
Net Income (Loss)	58,171.20
Net Assets - Beginning of Year	(135,864.47)
Prior Period Adjustment	0.00
Net Assets - End of Year	$ (77,693.27)

See Accountant's Report.

Exhibit 5-00

Butler Public Works Authority
Statement of Reserved Cash in Bank
For the Year Ended June 30, 2014

	Reserve for Replacement Cash Reserve Account	Meter Deposit Cash Reserve Account	Total
Balance 7-1-13	$ 46,506.51	$ 9,505.00	$ 56,011.51
Monthly Deposits	2,736.00	0.00	2,736.00
Interest	89.29	0.00	89.29
Change in Deposit Restrictions	0.00	405.00	405.00
Balance 6-30-14	$ 49,331.80	$ 9,910.00	$ 59,241.80

Statement of Reserved Investments
For the Year Ended June 30, 2014

	Butler PWA Bond Reserve Account	Total
Balance 7-1-13	$ 11,302.19	$ 11,302.19
Monthly Deposits	0.00	0.00
Dividend Income	0.25	0.25
Transfers to Bond Interest Account	(0.52)	(0.52)
Balance 6-30-14	$ 11,301.92	$ 11,301.92

See Accountant's Report.

Exhibit 6-00

Frontier Development Authority
Statement of Reserved Cash in Bank
For the Year Ended June 30, 2014

	Meter Deposit Cash Reserve Account
Balance 7-1-13	$ 27,200.00
Monthly Deposits	0.00
Interest	0.00
Change in Deposit Restrictions	1,075.00
Balance 6-30-14	$ 28,275.00

Statement of Reserved Investments
For the Year Ended June 30, 2014

	USDA Rural Development Reserve Account
Balance 7-1-13	$ 47,760.00
Monthly Deposits	0.00
Interest	0.00
Balance 6-30-14	$ 47,760.00

See Accountant's Report.