

**INDEPENDENT  
ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES**

**TOWN OF FAXON, OKLAHOMA**

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

BY





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**Independent Accountant's Report**  
**On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Faxon  
Faxon, 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 Faxon, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis and the Street & Alley 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 of Faxon and its Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Faxon 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 Finding**

As to the **Town of Faxon** 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 Street and Alley 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 use of material-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.

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*

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

December 9, 2014

**TOWN OF FAXON, OK**  
**SUMMARY OF CHANGES IN FUND BALANCE-CASH BASIS**  
**For the Fiscal Year Ended June 30, 2014**  
(Unaudited)

	Beginning of Year Fund Balances	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 17,881	\$ 20,735	\$ 8,667	\$ 29,949
Street & Alley Fund	1,764	679	485	1,958
Public Works Authority	21,299	41,998	39,192	24,105
PWA-Meter Deposit Fund	6,942	1,262	1,250	6,954
Community Center Grant	88	0	38	50
<b>Totals</b>	<b>\$ 47,974</b>	<b>\$ 64,674</b>	<b>\$ 49,632</b>	<b>\$ 63,016</b>

**TOWN OF FAXON, OK**  
**BUDGETARY COMPARISON SCHEDULE-CASH BASIS**  
**GENERAL FUND**

For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	Original / Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
<b>Beginning Budgetary Fund Balance:</b>	\$ 17,881	\$ 17,881	\$ 0
<b>Resources (Inflows):</b>			
Sales & Use Tax	17,500	17,489	(11)
Franchise Tax Income	1,600	1,687	87
Lease Income	1,400	1,440	40
Cigar Tax	100	107	7
Interest Income	50	12	(38)
Transfer in from PWA	0	0	0
Total Inflows	20,650	20,735	85
<b>Amounts Available for Appropriation</b>	38,531	38,616	85
<b>Charges to Appropriations (Outflows):</b>			
Personal Services	7,500	4,278	(3,222)
Maintenance, Operations, Repairs	31,031	4,389	(26,642)
Transfer to Street & Alley	0	0	0
Total Charges to Appropriations	38,531	8,667	(29,864)
<b>Ending Budgetary Fund Balance:</b>	\$ 0	\$ 29,949	\$ (29,949)

**TOWN OF FAXON, OK**  
**BUDGETARY COMPARISON SCHEDULE--CASH BASIS**  
**STREET ALLEY FUND**

For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Original /</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Final Budget</u>	<u>Amounts</u>	<u>Final Budget</u>
	<u>\$</u>	<u>\$</u>	<u>Over (Under)</u>
<b>Beginning Budgetary Fund Balance:</b>	1,764	1,764	0
<b>Resources (Inflows):</b>			
Alcohol Tax Income	310	351	41
Vehicle Tax Income	275	328	53
Miscellaneous Income	0	0	0
Transfer in from General	0	0	0
Total Inflows	585	679	94
<b>Amounts Available for Appropriation</b>	2,349	2,443	94
<b>Charges to Appropriations (Outflows):</b>			
Maintenance, Operations, Repairs	2,349	485	(1,864)
Transfer Out	0	0	0
Total Charges to Appropriations	2,349	485	(1,864)
<b>Ending Budgetary Fund Balance:</b>	0	1,958	(1,958)

**TOWN OF FAXON, OK**  
**BUDGETARY COMPARISON SCHEDULE-CASH BASIS**  
**PUBLIC WORKS AUTHORITY FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Original /</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Final Budget</u>	<u>Amounts</u>	<u>Final Budget</u>
	<u>\$</u>	<u>\$</u>	<u>Over (Under)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 21,299	\$ 21,299	\$ 0
<b>Resources (Inflows):</b>			
Utilities Income	40,000	40,216	216
Miscellaneous Income	1,400	1,782	382
Transfer in from General	0	0	0
Total Inflows	<u>41,400</u>	<u>41,998</u>	<u>598</u>
<b>Amounts Available for Appropriation</b>	<u>62,699</u>	<u>63,297</u>	<u>598</u>
<b>Charges to Appropriations (Outflows):</b>			
Utilities Purchased	35,000	27,235	(7,765)
Maintenance, Operations, Repairs	27,699	11,957	(15,742)
Transfer Out	0	0	0
<b>Total Charges to Appropriations</b>	<u>62,699</u>	<u>39,192</u>	<u>(23,507)</u>
<b>Ending Budgetary Fund Balance:</b>	<u>\$ 0</u>	<u>\$ 24,105</u>	<u>\$ (24,105)</u>