

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

TOWN OF HEADRICK, OKLAHOMA

JULY 1, 2014 TO JUNE 30, 2015

BY





Independent Accountant's Report on Applying Agreed Upon Procedures

Town Council, Town of Headrick
Headrick, Oklahoma

Trustees of the Headrick Utility Trust Authority
Headrick, 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 Headrick, Oklahoma as of June 30, 2015 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Utility Trust Authority Fund-Cash Basis, for the fiscal year ended June 30, 2015 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 Utility Trust 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, 2015. Management of the Town of Headrick 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 Finding

As to the **Town of Headrick** as of and for the fiscal year ended June 30, 2015:

- 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 summary of 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:** 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.

- 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: We found no uninsured or uncollateralized deposits.

- 5. Procedures Performed:** We compared use of 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.

As to the **Town of Headrick Utility Trust Authority**, as of and for the fiscal year ended June 30, 2015:

- 1. Procedures Performed:** From the Authority'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 Authority's trial balances, we prepared a summary of budget and actual financial schedule for the Utility Trust Authority 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:** 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: We found no instances of any significant or unusual reconciling items.

4. 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: We found no uninsured or uncollateralized deposits.

5. Procedures Performed: We compared use of 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 Authority'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 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: We found no instances of noncompliance.

As to the **Town of Headrick and Headrick Utility Trust Authority** as of and for the fiscal year ended June 30, 2015:

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

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
November 10, 2015

Town of Headrick

Headrick, Oklahoma

Summary of Changes in Fund Balance-Cash Basis

For the Fiscal year Ended June 30, 2015

(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	\$ 2,015	\$ 3,906	\$ 3,715	\$ 2,206
Public Works Authority	39,220	42,178	46,031	35,367
Fire Department General Fund	21,896	6,460	4,194	24,162
Fire Department Operating	0	4,484	4,438	46
Rainy Day Fund (CD)	5,809	5,043	0	10,852
Overall Totals	<u>\$ 68,940</u>	<u>\$ 62,071</u>	<u>\$ 58,378</u>	<u>\$ 72,633</u>

Please see accompanying Accountant's Report.

Town of Headrick

Headrick, Oklahoma

Budgetary Comparison Schedule-Cash Basis

General Fund

For the Fiscal Year Ended June 30, 2015

Unaudited

	Original	Final	Actual	Variance with
Beginning Budgetary Fund Balance:	\$ 2,017	\$ 2,017	\$ 2,015	Final Budget (2)
Resources (Inflows):				
Alcoholic Beverages Tax	475	475	469	(6)
Franchise Tax Income	1,900	1,900	1,921	21
Motor Vehicle Tax	600	600	683	83
Gasoline Tax	150	150	173	23
Other Revenue	400	400	660	260
Total Inflows	<u>3,525</u>	<u>3,525</u>	<u>3,906</u>	<u>381</u>
Amounts Available for Appropriation	<u>5,542</u>	<u>5,542</u>	<u>5,921</u>	<u>379</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	1,100	1,100	1,075	25
Maintenance, Operations & Repairs	4,442	4,442	2,640	1,802
Total General Government	<u>5,542</u>	<u>5,542</u>	<u>3,715</u>	<u>1,827</u>
Total Charges to Appropriations	<u>5,542</u>	<u>5,542</u>	<u>3,715</u>	<u>1,827</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,206</u>	<u>\$ 2,206</u>

Please see accompanying Accountant's Report.

Town of Headrick

Headrick, Oklahoma

Budgetary Comparison Schedule-Cash Basis

Public Works Authority Fund

For the Fiscal Year Ended June 30, 2015

Unaudited

	Original	Final	Actual Amounts	Variance with Final Budget
Beginning Budgetary Fund Balance:	\$ 39,220	\$ 39,220	\$ 39,220	\$ 0
Resources (Inflows):				
Water and Sewer Receipts	35,000	35,000	30,844	(4,156)
Garbage Receipts	11,500	11,500	10,771	(729)
Meter Deposits	1,000	1,000	375	(625)
Other Revenue	100	100	188	88
Total Inflows	<u>47,600</u>	<u>47,600</u>	<u>42,178</u>	<u>(5,422)</u>
Amounts Available for Appropriation	<u>86,820</u>	<u>86,820</u>	<u>81,398</u>	<u>(5,422)</u>
Charges to Appropriations (Outflows):				
Personal Services	7,500	7,500	7,805	(305)
Maintenance, Operations, Repairs	79,320	79,320	33,183	46,137
Total General Government	<u>86,820</u>	<u>86,820</u>	<u>40,988</u>	<u>45,832</u>
Transfers to Other Funds:				
Transfer to Rainy Day Fund-CD	<u>0</u>	<u>0</u>	<u>5,043</u>	<u>(5,043)</u>
Total Charges to Appropriations	<u>86,820</u>	<u>86,820</u>	<u>46,031</u>	<u>40,789</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,367</u>	<u>\$ 35,367</u>

Please see accompanying Accountant's Report.