

**TOWN OF VERDEN**  
June 30, 2014

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

To the Specified Users of the Report:

Town Council, Town of Verden  
Verden, Oklahoma

Trustees of the Verden Economic Development Authority  
Verden, Oklahoma

Trustees of the Verden Public Works Authority  
Verden, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Grady County Clerk  
Chickasha, Oklahoma

Rural Development  
Hobart, Oklahoma

Association of South Central Oklahoma Governments  
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Verden and Public Trusts, Verden, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Street & Alley Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Grants Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Verden Public Works Authority and Verden Economic Development Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and the requirements of Oklahoma Statutes and for 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 in accordance with the modified 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 change in 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, Public Works Authority and Economic Development 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 Verden 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 Findings**

As to the **Town of Verden** 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) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) 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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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

**Findings:** No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

As to the **Verden Public Works Authority and Economic 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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:** No exceptions were found as a result of applying the procedure.

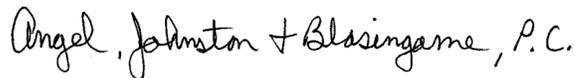
As to the **Town of Verden and Public Trusts' Grant Programs**, as of and for the fiscal year ended June 30, 2014:

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 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

**Findings:** No exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.  
October 14, 2014

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

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

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
<b>TOWN:</b>				
General Fund	\$ 79,460	\$ 260,839	\$ 249,708	\$ 90,590
Street & Alley Fund	32,923	5,137	7,982	30,078
Cemetery Maintenance Fund	25,352	1,348	850	25,851
Cemetery Care Fund	9,867	161	-	10,028
Drug Law Enforcement Fund	4,659	10	-	4,669
Police Special Fund	16,157	12,722	11,358	17,521
Grants Fund	100	120,100	119,695	505
Capital Improvement Fund	17,036	14,160	14,986	16,210
<b>Town Subtotal</b>	<u>185,554</u>	<u>414,478</u>	<u>404,580</u>	<u>195,452</u>
<b>PUBLIC TRUSTS:</b>				
Verden PWA - Operating Fund	61,022	250,850	274,325	37,547
Verden PWA - Meter Fund	*** 2,773	42	-	2,815
Verden PWA - Sewer Reserve Fund	12,380	269	2,186	10,463
Verden PWA - Standpipe Reserve Fund	12,281	24	8,000	4,305
Verden Economic Dev Authority	259	-	-	259
<b>Public Trusts Subtotal</b>	<u>88,715</u>	<u>251,185</u>	<u>284,511</u>	<u>55,389</u>
<b>Overall Totals</b>	<u>\$ 274,270</u>	<u>\$ 665,662</u>	<u>\$ 689,091</u>	<u>\$ 250,841</u>

\*\*\* Meter Funds Beginning Fund Balance was adjusted to correctly match Due to Depositors Liability total to actual customer deposits.

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 79,460	\$ 79,460	\$ 79,460	\$ -
<b>Charges for Services:</b>				
Permit fees	227	227	271	44
Total Charges for Services	<u>227</u>	<u>227</u>	<u>271</u>	<u>44</u>
<b>Intergovernmental-Local:</b>				
Franchise tax	10,029	10,029	12,066	2,037
Police Fines	82,819	82,819	111,420	28,601
Total Intergovernmental-Local	<u>92,848</u>	<u>92,848</u>	<u>123,486</u>	<u>30,638</u>
<b>Intergovernmental-State:</b>				
Sales tax	69,176	69,176	80,912	11,736
Use tax	7,504	7,504	6,724	(780)
Alcohol beverage tax	3,076	3,076	3,490	415
Cigarette tax	951	951	938	(14)
State grants	4,036	4,036	4,474	438
Total Intergovernmental-State	<u>84,743</u>	<u>84,743</u>	<u>96,537</u>	<u>11,795</u>
<b>Intergovernmental - Federal:</b>				
Federal Grants	-	-	-	-
Total Intergovernmental-Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Miscellaneous Revenue:</b>				
Interest	722	722	505	(217)
Rental	675	675	350	(325)
Sale of Property	-	-	-	-
Royalty	708	708	829	121
Insurance Reimbursement	-	-	6,853	6,853
Fire Runs	12,398	12,398	3,175	(9,223)
Donations	-	-	200	200
Miscellaneous	-	-	6,497	6,497
Total Miscellaneous Revenue	<u>14,503</u>	<u>14,503</u>	<u>18,409</u>	<u>3,906</u>
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	30,587	30,587	22,135	(8,452)
<b>Amounts available for appropriation</b>	<u>302,368</u>	<u>302,368</u>	<u>340,298</u>	<u>37,931</u>
<b>Charges to Appropriations:</b>				
Personal Services	180,000	180,000	164,551	15,449
Maintenance & Operations	95,000	95,000	70,986	24,014
Capital Outlay	27,368	27,368	14,172	13,196
Debt Service	-	-	-	-
Total Other	<u>302,368</u>	<u>302,368</u>	<u>249,708</u>	<u>52,659</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<u>302,368</u>	<u>302,368</u>	<u>249,708</u>	<u>52,659</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,590</u>	<u>\$ 90,590</u>

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**STREET & ALLEY FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 32,923	\$ 32,923	\$ 32,923	\$ -
<b>Revenues</b>	-	-	5,137	5,137
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	<u>32,923</u>	<u>32,923</u>	<u>38,060</u>	<u>5,137</u>
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	9,433	9,433	7,982	1,451
Capital Outlay	23,490	23,490	-	23,490
Debt Service	-	-	-	-
Total Other	<u>32,923</u>	<u>32,923</u>	<u>7,982</u>	<u>24,940</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<u>32,923</u>	<u>32,923</u>	<u>7,982</u>	<u>24,940</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,078</u>	<u>\$ 30,078</u>

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**CEMETERY MAINTENANCE FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 25,352	\$ 25,352	\$ 25,352	\$ -
<b>Revenues</b>	-	-	1,348	1,348
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	<u>25,352</u>	<u>25,352</u>	<u>26,701</u>	<u>1,348</u>
<b>Charges to Appropriations:</b>				
Personal Services	-	-	-	-
Maintenance & Operations	22,852	22,852	850	22,002
Capital Outlay	2,500	2,500	-	2,500
Debt Service	-	-	-	-
Total Other	<u>25,352</u>	<u>25,352</u>	<u>850</u>	<u>24,502</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<u>25,352</u>	<u>25,352</u>	<u>850</u>	<u>24,502</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,851</u>	<u>\$ 25,851</u>

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**GRANTS FUND**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ 100	\$ 100	\$ -
<b>Revenues</b>	-	166,000	120,100	(45,900)
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	970	-	(970)
<b>Amounts available for appropriation</b>	-	167,070	120,200	(46,870)
<b>Charges to Appropriations:</b>				
Personal Services	-	3,736	-	3,736
Maintenance & Operations	-	-	-	-
Capital Outlay	-	159,202	119,695	39,507
Debt Service	-	-	-	-
Unallocated Fund Balance	-	132	-	132
Total Other	-	163,070	119,695	43,375
<b>Other Financing Uses:</b>				
Transfers to other funds	-	4,000	-	4,000
<b>Total Charges to Appropriations</b>	-	167,070	119,695	47,375
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 505	\$ 505

**TOWN OF VERDEN AND PUBLIC TRUSTS**  
Verden, Oklahoma

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**VERDEN PUBLIC WORKS AUTHORITY**  
**VERDEN ECONOMIC DEVELOPMENT AUTHORITY**  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Verden Public Works Authority</u>	<u>Verden Economic Dev Authority</u>
<b>Operating Revenues:</b>		
Charges for services:		
Water	\$ 107,566	\$ -
Sewer	50,386	-
Solid waste	63,282	-
Late charges	14,450	-
Miscellaneous	-	-
Total Operating Revenue	<u>235,683</u>	<u>-</u>
<b>Operating Expenses:</b>		
Water maintenance	58,359	-
Sewer maintenance	3,182	-
Solid waste maintenance	48,587	-
Personal services	71,621	-
Total Operating Expenses	<u>181,749</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>53,934</u>	<u>-</u>
<b>Non-Operating Revenues (Expenses):</b>		
Investment income	315	-
Grants	-	-
Debt service	(10,285)	-
Capital outlay	(57,831)	-
Total Non-Operating Revenues (Expenses)	<u>(67,801)</u>	<u>-</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<u>(13,866)</u>	<u>-</u>
Capital contributions	-	-
Transfers in	15,186	-
Transfers out	<u>(34,646)</u>	<u>-</u>
<b>Changes in Fund Balance</b>	(33,326)	-
<b>Fund Balance - beginning</b>	<u>88,457</u>	<u>259</u>
<b>Fund Balance - ending</b>	<u>\$ 55,130</u>	<u>(1) \$ 259</u>

(1) Ending fund balance includes the Rural Development Reserve balances of \$14,768.

TOWN OF VERDEN AND PUBLIC TRUSTS  
Verden, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS  
For the Fiscal Year Ended June 30, 2014  
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
<b>TOWN:</b>							
Department of Agriculture - Fire Operational Grant	4,474	-	-	-	4,474	4,474	-
Association of South Central Oklahoma Governments REAP 14-2271	46,660	-	-	-	-	-	-
Department of Public Safety Oklahoma Highway Safety Grant - 12	4,000	3,803	3,803	-	-	-	-
<b>Town Subtotal</b>	<u>55,134</u>	<u>3,803</u>	<u>3,803</u>	<u>-</u>	<u>4,474</u>	<u>4,474</u>	<u>-</u>
<b>PUBLIC WORKS AUTHORITY:</b>							
Department of Agriculture - Rural Development-Fire Grant	33,700	-	-	-	-	-	-
<b>PWA Subtotal</b>	<u>33,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 88,834</u>	<u>\$ 3,803</u>	<u>\$ 3,803</u>	<u>\$ -</u>	<u>\$ 4,474</u>	<u>\$ 4,474</u>	<u>\$ -</u>