

Town of Wanette, Oklahoma
Agreed-Upon Procedures Report
For the Year Ended June 30, 2011

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TOWN OF WANETTE, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Wanette
Wanette, Oklahoma 74878

Trustees of the Wanette Public Works Authority
Wanette, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Wanette, Oklahoma, as of June 30, 2010, and the related Budgetary Comparison Schedules –Cash Basis of the General Fund and Cemetery Fund, and Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis of the Wanette Public Works Authority for the fiscal year ended June 30, 2011 and the accompanying supplementary information contained in Exhibit D which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis accounting, 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.

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The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the Town of Wanette’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council and Trustees of the Town of Wanette, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011. Management of the Town of Wanette 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 Wanette** as of and for the fiscal year ended June 30, 2011:

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: No exceptions were noted 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 Cemetery Fund listing separately each fund (see accompanying Exhibits B and B-1) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

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

3. ***Procedures Performed:*** We agreed all of the Town’s bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

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

5. ***Procedures Performed:*** We selected cash disbursements greater than \$400 from the Street and Alley, Park and Fire Funds, and all disbursements for the Cemetery Fund. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes.

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

7. ***Procedures Performed:*** We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in bond indentures. We determined compliance with the requirements.

This procedure is not applicable. The Town of Wanette has no debt service or reserve account requirements.

As to the **Wanette Public Works Authority** as of and for the fiscal year ended June 30, 2011:

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

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

2. ***Procedures Performed:*** We agreed all of the Authority's bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

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

4. ***Procedures Performed:*** We selected cash disbursements greater than \$500 for grants and restricted revenue sources. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes. We compared the receipts and disbursements to grant agreements and supporting information.

This procedure is not applicable. The Authority did not have any grants or restricted revenue sources.

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 noted as a result of applying the procedure.

6. ***Procedures Performed:*** We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in debt contracts. We determined compliance with the requirements.

This procedure was not performed. Wanette Public Works Authority does not have any requirements for reserve accounts or debt service coverage.

As to the **Town of Wanette** and **Wanette Public Works Authority** as of and for the fiscal year ended June 30, 2011:

1. ***Procedures Performed:*** From the Town's and Authority's trial balances, we compiled the Annual Survey of City and Town Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: No exceptions were noted 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 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 those specified parties.

August 23, 2012
Ardmore, Oklahoma

Rahel Henderson Johnson, PLLC

TOWN OF WANETTE, OKLAHOMA
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2011

	Fund Balances			Fund Balances
	<u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Ending</u>
CITY:				
General Fund	\$ 66,395	\$ 55,030	\$ 61,086	\$ 60,339
Street and Alley Fund	1,020	1,842	2,862	-
Park Fund	851	-	851	-
Cemetery Operations Fund	4,498	15,894	16,848	3,544
Cemetery Care Fund	89,730	4,534	-	94,264
Fire Department Fund	<u>4,531</u>	<u>4,398</u>	<u>7,016</u>	<u>1,913</u>
 City Subtotal	 <u>167,025</u>	 <u>81,698</u>	 <u>88,663</u>	 <u>160,060</u>
 PUBLIC WORKS AUTHORITY:				
PWA Fund	<u>47,856</u>	<u>134,891</u>	<u>120,337</u>	<u>62,410</u>
 Public Works Authority Subtotal	 <u>47,856</u>	 <u>134,891</u>	 <u>120,337</u>	 <u>62,410</u>
 Overall Totals	 <u>\$ 214,881</u>	 <u>\$ 216,589</u>	 <u>\$ 209,000</u>	 <u>\$ 222,470</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 61,500	\$ 61,500	\$ 66,395	\$ 4,895
Resources (Inflows):				
Sales Tax	22,400	22,400	34,228	11,828
Use Tax	3,500	3,500	4,384	884
Tobacco Tax	300	300	478	178
Alcoholic Beverage Tax	1,300	1,300	1,603	303
Franchise Tax	6,400	6,400	7,660	1,260
Gasoline Excise Tax	-	-	428	428
Motor Vehicle Tax	-	-	1,369	1,369
Miscellaneous Income	2,700	2,700	2,987	287
Total Inflows	<u>36,600</u>	<u>36,600</u>	<u>53,137</u>	<u>16,537</u>
Charges to Appropriations (Outflows):				
General Government	98,100	98,100	61,086	37,014
Total Outflows	<u>98,100</u>	<u>98,100</u>	<u>61,086</u>	<u>37,014</u>
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>(61,500)</u>	<u>(61,500)</u>	<u>(7,949)</u>	<u>53,551</u>
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,893</u>	<u>1,893</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,339</u>	<u>\$ 60,339</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 Cemetery Fund
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 8,300	\$ 8,300	\$ 94,228	\$ 85,928
Resources (Inflows):				
Donations and Lot Sales	1,300	1,300	2,875	1,575
Open/Close	15,600	15,600	15,503	(97)
Interest	<u>1,000</u>	<u>1,000</u>	2,050	<u>1,050</u>
Total Inflows	<u>17,900</u>	<u>17,900</u>	<u>20,428</u>	<u>2,528</u>
Charges to Appropriations (Outflows):				
Operations	<u>26,200</u>	<u>26,200</u>	<u>16,848</u>	<u>9,352</u>
Total Outflows	<u>26,200</u>	<u>26,200</u>	<u>16,848</u>	<u>9,352</u>
Excess of Inflows over Outflows before other Financing Sources (Uses)	<u>(8,300)</u>	<u>(8,300)</u>	<u>3,580</u>	<u>11,880</u>
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>97,808</u>	<u>\$ 97,808</u>

See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
Wannette Public Works Authority
For the Year Ended June 30, 2011

Operating Revenues

Water	\$ 56,656
Sewer	38,753
Trash	22,580
Penalties	2,576
Miscellaneous	2,280
Utility Deposits	15
Total Operating Revenues	<u>122,860</u>

Operating Expenses

Salaries	32,423
Payroll Tax	2,959
Office Expense	2,585
Postage	1,078
Miscellaneous	642
Repair and Maintenance	7,228
Fuel	1,030
Utilities	1,675
Insurance	820
Waste Disposal Service	20,941
Water Purchase	24,616
Lab Fees & Chemicals	6,469
Capital Outlay	12,000
Utility Deposit Refunds	1,178
Supplies	4,693
Total Operating Expenses	<u>120,337</u>
Operating Income	<u>2,523</u>

Non-operating Revenues (Expenses)

Interest Revenue	27
Loan Proceeds	12,000
Transfers In	4
Total Non-operating Revenues (Expenses)	<u>12,031</u>

Change in Fund Balance	14,554
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Fund Balance - Beginning	<u>47,856</u>
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Fund Balance - Ending	<u><u>\$ 62,410</u></u>
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See Accompanying Accountants' Report

TOWN OF WANETTE, OKLAHOMA
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2011

EXHIBIT D

Awarding Agency	Grant #	Total Award	Amount Received	Amount Expended
Grants:				
Oklahoma Department of Agriculture, Food & Forestry	Operating Grant	\$ 4,398	\$ 4,398	\$ 3,946
Oklahoma Department of Commerce	14299-CDBG-10	\$ 17,825	\$ -	\$ -

See Accompanying Accountants' Report