

Town of Wanette, Oklahoma  
Independent Accountants' Compilation Report and  
Report on Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2014

RHJ

**TOWN OF WANETTE, OKLAHOMA**  
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**Independent Accountants' Compilation Report and  
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

USDA Rural Development  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Wanette and Wanette Public Works Authority, Wanette, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund and Cemetery Fund. 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 of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified 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.

The supplementary information contained in Exhibits C and D is presented for purposes of supplementary analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not

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audited or reviewed the supplementary information and, accordingly, do not express an opinion of provide any assurance on such supplementary information.

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, 2014. 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, 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 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.

***Exception: The Cemetery Fund expenditures exceeded budget by \$522.***

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 from the Street and Alley, Park and Fire Funds, and all disbursements for the Cemetery Operating 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, 2014:

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 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.

***Findings: No exceptions were noted 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 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, 2014:

1. **Procedures Performed:** From the Wanette Public Works Authority trial balance, we prepared a schedule of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the fiscal year ended June 30, 2014.

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

2. **Procedures Performed:** From the Town of Wanette and Wanette Public Works Authority trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) 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 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.

*Rahhel Henderson Johnson, PLLC*

March 9, 2015  
Ardmore, Oklahoma

TOWN OF WANETTE, OKLAHOMA  
 Summary of Changes in Fund Balances – Modified Cash Basis  
 For the Year Ended June 30, 2014

	Fund Balances			Fund Balances
	<u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Ending</u>
<b>CITY:</b>				
General Fund	\$ 90,600	\$ 54,872	\$ 50,404	\$ 95,068
Cemetery Operations Fund	5,521	17,079	17,722	4,878
Cemetery Care Fund	90,889	332	-	91,221
Fire Department Fund	<u>303</u>	<u>4,775</u>	<u>5,077</u>	<u>1</u>
City Subtotal	<u>187,313</u>	<u>77,058</u>	<u>73,203</u>	<u>191,168</u>
 <b>PUBLIC WORKS AUTHORITY:</b>				
PWA Fund	<u>78,137</u>	<u>430,393</u>	<u>397,201</u>	<u>111,329</u>
Public Works Authority Subtotal	<u>78,137</u>	<u>430,393</u>	<u>397,201</u>	<u>111,329</u>
Overall Totals	<u>\$ 265,450</u>	<u>\$ 507,451</u>	<u>\$ 470,404</u>	<u>\$ 302,497</u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 90,600	\$ 90,600
<b>Resources (Inflows):</b>				
Sales Tax	49,400	49,400	29,420	(19,980)
Use Tax	4,800	4,800	6,247	1,447
Tobacco Tax	600	600	367	(233)
Alcoholic Beverage Tax	1,300	1,300	1,339	39
Franchise Tax	-	-	9,709	9,709
Gasoline Excise Tax	700	700	641	(59)
Motor Vehicle Tax	2,500	2,500	2,721	221
Miscellaneous Income	1,200	1,200	4,428	3,228
<b>Total Inflows</b>	<u>60,500</u>	<u>60,500</u>	<u>54,872</u>	<u>(5,628)</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	66,400	66,400	50,404	15,996
<b>Total Outflows</b>	<u>66,400</u>	<u>66,400</u>	<u>50,404</u>	<u>15,996</u>
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	<u>(5,900)</u>	<u>(5,900)</u>	<u>4,468</u>	<u>10,368</u>
<b>Other Financing Sources (Uses)</b>	<u>3,800</u>	<u>3,800</u>	<u>-</u>	<u>(3,800)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ (2,100)</u>	<u>\$ (2,100)</u>	<u>\$ 95,068</u>	<u>\$ 97,168</u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 Cemetery Fund  
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ (3,150)	\$ -	\$ 96,410	\$ 96,410
<b>Resources (Inflows):</b>				
Donations and Lot Sales	500	500	3,175	2,675
Open/Close	14,900	14,900	13,900	(1,000)
Interest	<u>1,800</u>	<u>1,800</u>	<u>336</u>	<u>(1,464)</u>
Total Inflows	<u>17,200</u>	<u>17,200</u>	<u>17,411</u>	<u>211</u>
<b>Charges to Appropriations (Outflows):</b>				
Operations	<u>14,050</u>	<u>17,200</u>	<u>17,722</u>	<u>(522)</u>
Total Outflows	<u>14,050</u>	<u>17,200</u>	<u>17,722</u>	<u>(522)</u>
<b>Excess of Inflows over Outflows before     other Financing Sources (Uses)</b>	<u>3,150</u>	<u>-</u>	<u>(311)</u>	<u>(311)</u>
<b>Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Budgetary Fund Balance:</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>96,099</u></u>	<u><u>\$ 96,099</u></u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
Statement of Revenues, Expenses and Changes in Fund Balances  
Modified Cash Basis  
Wanette Public Works Authority  
For the Year Ended June 30, 2014

<b>Operating Revenues</b>	
Water	\$ 76,386
Sewer	48,889
Trash	26,577
Penalties	3,075
Miscellaneous	2,009
Grant Revenue	<u>273,450</u>
Total Operating Revenues	<u>430,386</u>
<b>Operating Expenses</b>	
Salaries	43,277
Payroll Tax	3,280
Contract Labor	263
Office Expense	2,550
Postage	929
Miscellaneous	10,510
Repair and Maintenance	2,065
Fuel	891
Utilities	2,227
Insurance	2,495
Waste Disposal Service	21,466
Water Purchase	30,358
Lab Fees & Chemicals	1,590
Capital Outlay	273,550
Supplies	<u>818</u>
Total Operating Expenses	<u>396,269</u>
Operating Income	<u>34,117</u>
<b>Non-operating Revenues (Expenses)</b>	
Interest Revenue	7
Transfers Out	<u>(932)</u>
Total Non-operating Revenues (Expenses)	<u>(925)</u>
Change in Fund Balance	33,192
Fund Balance - Beginning	<u>78,137</u>
Fund Balance - Ending	<u><u>\$ 111,329</u></u>

See Accompanying Accountants' Compilation Report

TOWN OF WANETTE, OKLAHOMA  
Schedule of Grant Activity  
Modified Cash Basis  
For the Year Ended June 30, 2014

EXHIBIT D

Awarding Agency	Grant #	Total Award	Amount Received	Amount Expended
<b>Grants:</b>				
Oklahoma Department of Agriculture, Food & Forestry	Operating Grant	\$ 4,474	\$ 4,474	\$ 4,474
Rural Development Loan / Grant Funds	Sewer Improvement Grant	\$ 273,450	\$ 273,450	\$ 273,450

See Accompanying Accountants' Compilation Report