

**TOWN OF WEBBERS FALLS, OKLAHOMA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**



# TOWN OF WEBBERS FALLS, OKLAHOMA

JUNE 30, 2014

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PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

## **Independent Auditor's Report**

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To the Honorable Mayor and Town Council  
Town of Webbers Falls, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Webbers Falls, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Town of Webbers Falls, Oklahoma, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited the 2013 financial statements of the Town of Webbers Falls and our report dated January 23, 2014, expressed on unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters.***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2014, on our consideration of the Town of Webbers Falls, Oklahoma's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and

the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Webbers Falls, Oklahoma's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Przybysz & Associates". The signature is written in a cursive, flowing style.

**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**September 23, 2014**

***MANAGEMENT'S DISCUSSION AND ANALYSIS***

**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

The discussion and analysis of the Town of Webbers Falls, Oklahoma's financial performance provides an overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2014. It should be read in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The Town of Webbers Falls exceeded its liabilities at the close of the fiscal year ending June 30, 2014 by \$1,704,213 (net assets). Of this amount, \$140,153 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Webbers Falls's total net assets increased by \$4,982 for the year ended June 30, 2014.
- The Town expended \$101,895 in capital assets during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis serves as an introduction to the Town of Webbers Falls's financial statements. The Town's financial statements are comprised of three components, government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Webbers Falls's finances, in a manner similar to a private-sector business. The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The Statement of Activities focuses gross and net costs of town programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

**Fund financial statements.** Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Town's major governmental funds are presented in their own columns and the remaining funds are combined into a column titled "Other Nonmajor Funds." A budgetary comparison is presented for the general fund only. Statements for the East Central Oklahoma Water Authority follow the governmental funds and include net assets, revenue, expenses and changes in net assets, and cash flow.

**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

**Notes to the financial statements.** The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Town's financial condition.

**CONDENSED FINANCIAL INFORMATION**

Condensed financial information from the statement of net assets as of June 30, 2014 and the statement of activities for the year then ended are as follows:

**Statement of Net Assets**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Current assets	\$ 124,159	\$ 146,045	\$ 270,204
Capital assets, net	285,971	1,551,070	1,837,041
Total assets	<u>410,130</u>	<u>1,697,115</u>	<u>2,107,245</u>
Current liabilities	20,901	70,546	91,447
Long-term debt	0	311,585	311,585
Total liabilities	<u>20,901</u>	<u>382,131</u>	<u>403,032</u>
Net assets:			
Invested in capital assets	285,971	1,228,371	1,514,342
Restricted	7,796	41,922	49,718
Unrestricted	95,462	44,691	140,153
Total net assets	<u>\$ 389,229</u>	<u>\$ 1,314,984</u>	<u>\$ 1,704,213</u>

**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

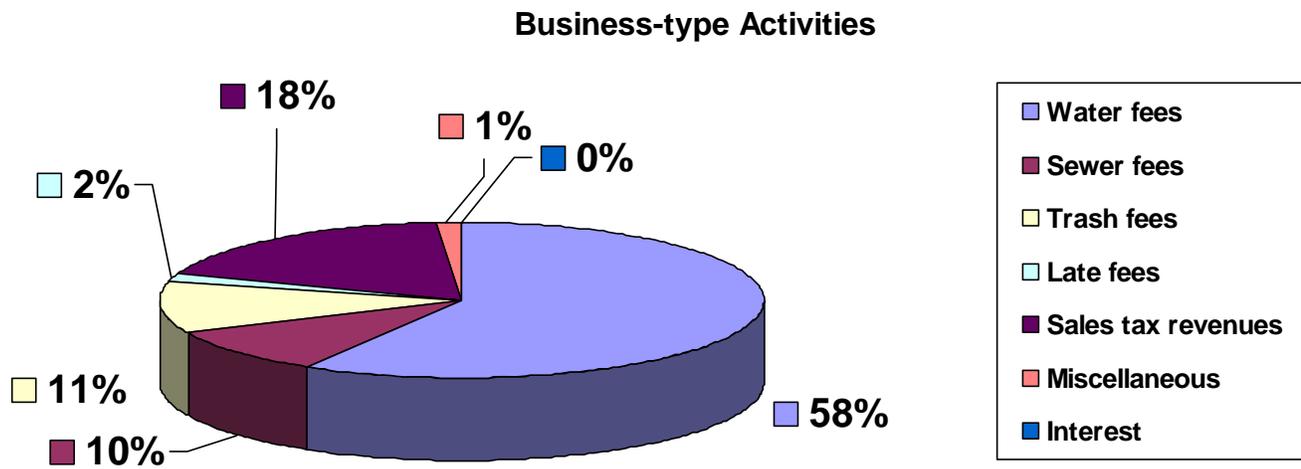
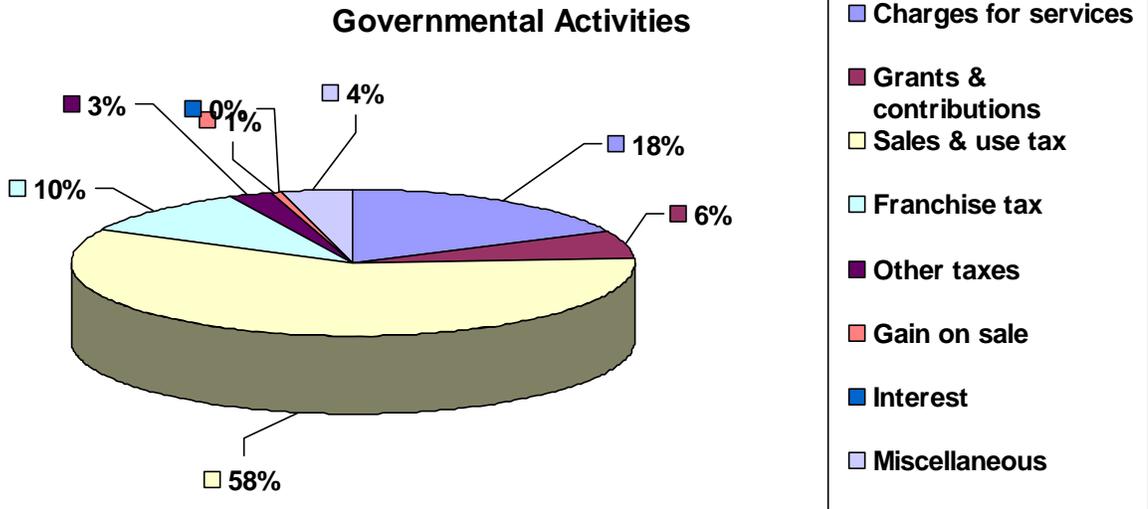
**CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**Statement of Activities**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 91,894	\$ 368,752	\$ 460,646
Capital grants and contributions	3,445	0	3,445
General revenues			
Taxes	260,200	57,849	318,049
Contributions	370	0	370
Interest	196	36	232
Gain on sale of property	29,385	0	29,385
Miscellaneous	4,290	21,519	25,809
Total revenues	<u>389,780</u>	<u>448,156</u>	<u>837,936</u>
Expenses			
General government	177,601	0	177,601
Personal services	123,373	0	123,373
Street & alley	72	0	72
Interest on capital leases	1,421	0	1,421
Water	0	455,586	455,586
Total expenses	<u>302,467</u>	<u>455,586</u>	<u>758,053</u>
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	87,313	(7,430)	79,883
Beginning net assets	321,735	1,297,613	1,619,348
Ending net assets	<u>\$ 409,048</u>	<u>\$ 1,290,183</u>	<u>\$ 1,699,231</u>

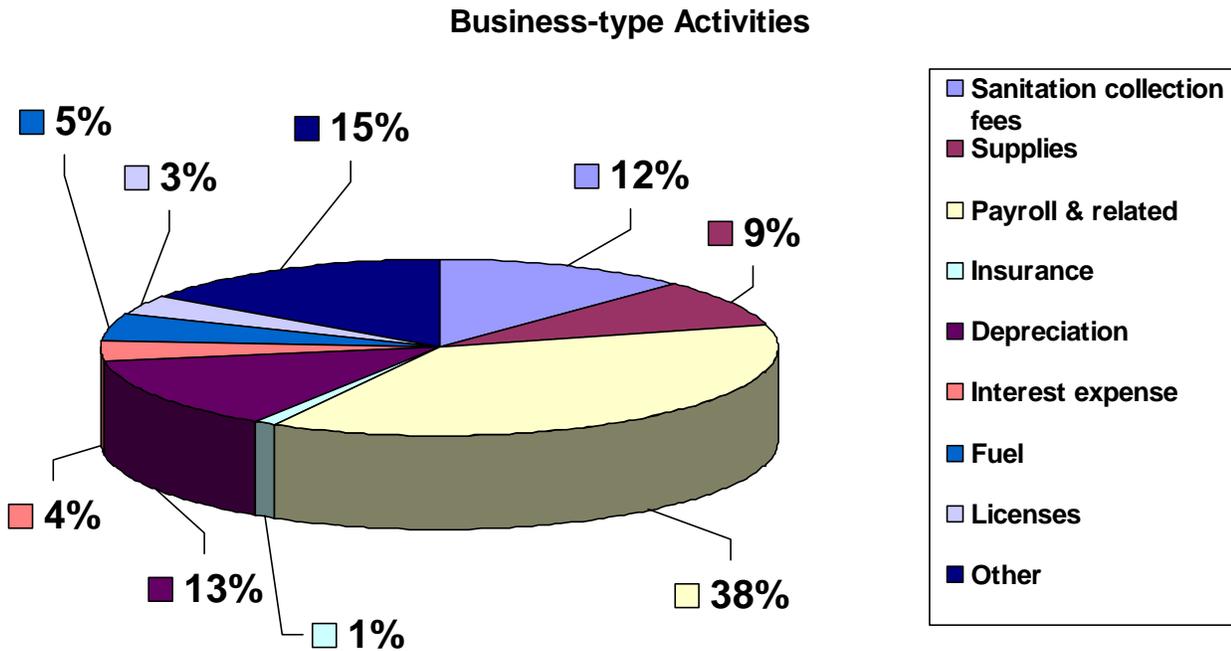
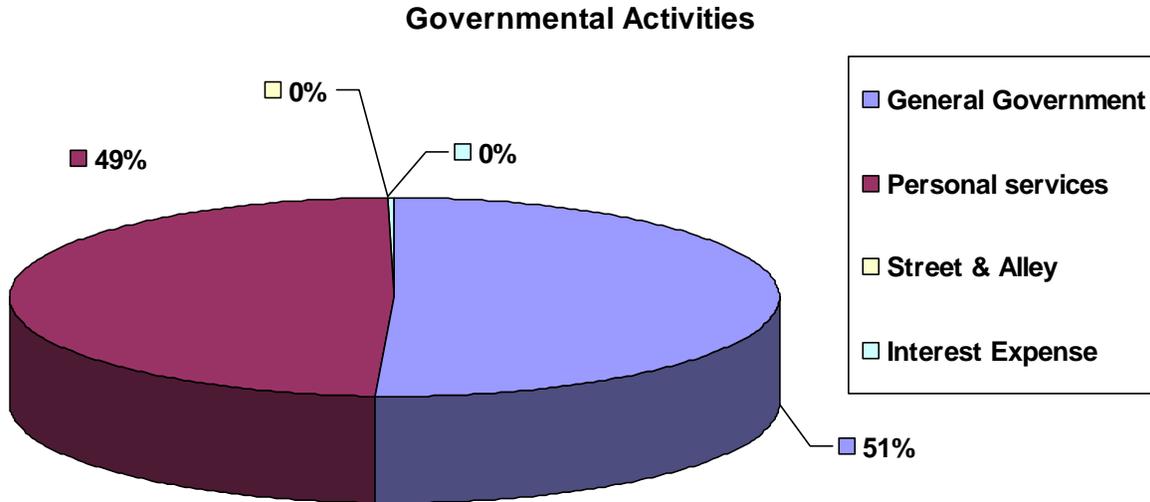
**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Government-wide program and general revenues presented in a graph format**



**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Government-wide functions, programs & expenses presented in graph format**



**TOWN OF WEBBERS FALLS, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**Statement of Activities**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Revenues			
Program revenues			
Charges for services	\$ 91,894	\$ 368,752	\$ 460,646
Capital grants and contributions	3,445	0	3,445
General revenues			
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Contributions	370	0	370
Interest	196	36	232
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Total revenues	<u>389,780</u>	<u>448,156</u>	<u>837,936</u>
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Total expenses	<u>302,467</u>	<u>455,586</u>	<u>758,053</u>
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***FINANCIAL STATEMENTS***

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF NET POSITION

AS OF JUNE 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 73,321	\$ 71,783	\$ 145,104
Certificates of deposit	12,215	-	12,215
Taxes receivable	29,758	-	29,758
Trade accounts	-	30,591	30,591
Prepaid insurance	1,154	1,749	2,903
Restricted cash	7,711	41,922	49,633
<b>Total Current Assets</b>	<b>124,159</b>	<b>146,045</b>	<b>270,204</b>
<b>Noncurrent Assets</b>			
Capital Assets			
Land	19,145	3,000	22,145
Water plant and improvements	-	2,444,769	2,444,769
Automobiles	67,600	62,298	129,898
Equipment	131,094	41,900	172,994
Infrastructure	54,382	-	54,382
Buildings	361,700	9,803	371,503
Office equipment	4,272	2,001	6,273
Land improvements	150,932	-	150,932
Construction in progress	-	4,309	4,309
Accumulated depreciation	(503,154)	(1,017,010)	(1,520,164)
Net capital assets	285,971	1,551,070	1,837,041
<b>Total Noncurrent Assets</b>	<b>285,971</b>	<b>1,551,070</b>	<b>1,837,041</b>
<b>Total Assets</b>	<b>410,130</b>	<b>1,697,115</b>	<b>2,107,245</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	16,261	17,667	33,928
Payroll withholdings	4,640	2,770	7,410
Accrued interest	-	557	557
Current maturity of long-term debt	-	11,114	11,114
Customer meter deposits	-	38,438	38,438
<b>Total Current Liabilities</b>	<b>20,901</b>	<b>70,546</b>	<b>91,447</b>
<b>Long-Term Debt</b>	<b>-</b>	<b>311,585</b>	<b>311,585</b>
<b>Total Liabilities</b>	<b>20,901</b>	<b>382,131</b>	<b>403,032</b>
<b>Net Position</b>			
Net investment in capital assets	285,971	1,228,371	1,514,342
Restricted	7,796	41,922	49,718
Unrestricted	95,462	44,691	140,153
<b>Total Net Position</b>	<b>\$ 389,229</b>	<b>\$ 1,314,984</b>	<b>\$ 1,704,213</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue And Change In Net Assets		Total
	Expenses	Charges for Services	Grants & Contributions	Governmental Activities	Business- Type Activities	
<b>Governmental Activities</b>						
General government	\$ 209,269	\$ 71,642	\$ 22,694	\$ (114,933)	-	\$ (114,933)
Personal services	201,960	-	-	(201,960)	-	(201,960)
Street & Alley	72	-	-	(72)	-	(72)
Interest on capital leases	833	-	-	(833)	-	(833)
<b>Total Governmental Activities</b>	<b>412,134</b>	<b>71,642</b>	<b>22,694</b>	<b>(317,798)</b>	<b>-</b>	<b>(317,798)</b>
<b>Business-Type Activities</b>						
Water	429,729	363,053	-	-	(66,676)	(66,676)
<b>Total Business-Type Activities</b>	<b>429,729</b>	<b>363,053</b>	<b>-</b>	<b>-</b>	<b>(66,676)</b>	<b>(66,676)</b>
<b>Total</b>	<b>\$ 841,863</b>	<b>\$ 434,695</b>	<b>\$ 22,694</b>			
<b>General Revenues</b>						
Sales and use tax				231,833	81,316	313,149
Franchise tax				40,739	-	40,739
Other taxes				11,571	-	11,571
Contributions not restricted to specific programs				165	-	165
Investment earnings				66	30	96
Insurance proceeds				7,155	-	7,155
Gain on sale of property				2,050	-	2,050
Miscellaneous				8,709	5,822	14,531
<b>Transfers</b>				<b>(4,309)</b>	<b>4,309</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>				<b>297,979</b>	<b>91,477</b>	<b>389,456</b>
<b>Change in Net Position</b>				<b>(19,819)</b>	<b>24,801</b>	<b>4,982</b>
<b>Net Position, Beginning of Year</b>				<b>409,048</b>	<b>1,290,183</b>	<b>1,699,231</b>
<b>Net Position, End of Year</b>				<b>\$ 389,229</b>	<b>\$ 1,314,984</b>	<b>\$ 1,704,213</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## BALANCE SHEET - GOVERNMENTAL FUNDS

AS OF JUNE 30, 2014

	General	Special Revenue	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 73,321	\$ -	\$ 73,321
Certificates of deposit	12,215	-	12,215
Taxes receivable	29,673	85	29,758
Prepaid insurance	1,154	-	1,154
Restricted cash	-	7,711	7,711
<b>Total Assets</b>	<b>116,363</b>	<b>7,796</b>	<b>124,159</b>
<b>Liabilities &amp; Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	16,261	-	16,261
Payroll withholdings	4,640	-	4,640
<b>Total Liabilities</b>	<b>20,901</b>	<b>-</b>	<b>20,901</b>
<b>Fund Balances</b>			
Nonspendable			
Prepays	1,154	-	1,154
Restricted			
Street and alley operations	-	7,796	7,796
Assigned			
Police	5,536	-	5,536
Fire	27,557	-	27,557
Unassigned	61,215	-	61,215
<b>Total Fund Balances</b>	<b>95,462</b>	<b>7,796</b>	<b>103,258</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 116,363</b>	<b>\$ 7,796</b>	<b>\$ 124,159</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

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AS OF JUNE 30, 2014	
<b>Total Fund Balances - Governmental Funds</b>	\$ 103,258
<b>Amounts reported for governmental <i>activities</i> in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$789,125 and the accumulated depreciation is \$503,154.	285,971
<b>Total Net Position - Governmental Activities</b>	<b>\$ 389,229</b>

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See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNEMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

	General	Special Revenue	Total Governmental Funds
<b>Revenues</b>			
Sales tax	\$ 203,430	\$ -	\$ 203,430
Use tax	28,403	-	28,403
Franchise taxes and fees	40,739	-	40,739
Other taxes	10,453	1,118	11,571
Grants	22,694	-	22,694
Park revenue	10,945	-	10,945
Fines	60,697	-	60,697
Donations	165	-	165
Miscellaneous	8,709	-	8,709
Insurance proceeds	7,155	-	7,155
Interest	63	3	66
<b>Total Revenues</b>	<b>393,453</b>	<b>1,121</b>	<b>394,574</b>
<b>Expenditures</b>			
General government	177,163	-	177,163
Personal services	201,960	-	201,960
Street	-	72	72
Capital outlays	43,263	-	43,263
Lease services:			
Principal	12,849	-	12,849
Interest	833	-	833
<b>Total Expenditures</b>	<b>436,068</b>	<b>72</b>	<b>436,140</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(42,615)</b>	<b>1,049</b>	<b>(41,566)</b>
<b>Other Financing Sources</b>			
Proceeds from the sale of property	2,050		2,050
Operating transfers out	(4,309)	-	(4,309)
<b>Total Other Financing Uses</b>	<b>(2,259)</b>	<b>-</b>	<b>(2,259)</b>
<b>Net Change in Fund Balance</b>	<b>(44,874)</b>	<b>1,049</b>	<b>(43,825)</b>
<b>Fund Balance, Beginning of Year</b>	<b>140,336</b>	<b>6,747</b>	<b>147,083</b>
<b>Fund Balance, End of Year</b>	<b>\$ 95,462</b>	<b>\$ 7,796</b>	<b>\$ 103,258</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

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FOR THE YEAR ENDED JUNE 30, 2014

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**Total Net Change in Fund Balances - Governmental Funds** \$ (43,825)

**Amounts reported for governmental *activities* in the statement of activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays for the period \$43,263 exceeds depreciation expense of \$32,107 for the period. 11,156

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which long-term liabilities were reduced. 12,850

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**Change in Net Position of Governmental Activities** \$ (19,819)

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See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF NET POSITION - PROPRIETARY FUNDS

<b>AS OF JUNE 30, 2014 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2013)</b>			
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$	71,783	\$ 90,665
Trade accounts receivable		30,591	25,671
Prepaid insurance		1,749	1,606
Restricted cash		41,922	41,143
<b>Total Current Assets</b>		<b>146,045</b>	<b>159,085</b>
<b>Noncurrent Assets</b>			
Capital assets			
Land		3,000	3,000
Water plant and improvements		2,444,769	2,393,446
Automobiles		62,298	62,298
Equipment		41,900	41,900
Office building		9,803	9,803
Office equipment		2,001	2,001
Construction in progress		4,309	-
Total		2,568,080	2,512,448
Less: accumulated depreciation		1,017,010	959,486
<b>Net Noncurrent Assets - Capital Assets</b>		<b>1,551,070</b>	<b>1,552,962</b>
<b>Total Assets</b>		<b>1,697,115</b>	<b>1,712,047</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable		17,667	16,674
Payroll withholdings		2,770	3,345
Accrued interest		557	581
Current maturity of long-term debt		11,114	10,625
<b>Total Current Liabilities</b>		<b>32,108</b>	<b>31,225</b>
<b>Long-Term Debt</b>		<b>311,585</b>	<b>352,115</b>
<b>Current Liabilities Payable From Restricted Assets</b>			
Customer meter deposits		38,438	38,524
<b>Total Current Liabilities Payable From Restricted Assets</b>		<b>38,438</b>	<b>38,524</b>
<b>Total Liabilities</b>		<b>382,131</b>	<b>421,864</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt		1,228,371	1,190,222
Restricted		41,922	41,143
Unrestricted		44,691	58,818
<b>Total Net Position</b>	\$	<b>1,314,984</b>	\$ <b>1,290,183</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2013)		
<b>Operating Revenues</b>		
Charges for services, net of bad debt	\$ 363,053	\$ 368,752
Sales tax revenue	81,316	57,849
Miscellaneous	5,822	21,519
<b>Total Operating Revenues</b>	<b>450,191</b>	<b>448,120</b>
<b>Operating Expenses</b>		
Sanitation collection fees	53,071	51,548
Supplies	36,990	68,719
Testing fees	2,322	4,647
Licenses	14,847	9,289
Fuel	21,919	22,149
Office expense	3,011	3,016
Salaries and wages	124,303	125,718
Insurance	4,690	5,300
Professional fees	3,050	5,050
Utilities and telephone	32,481	31,040
Repairs and maintenance	13,982	14,042
Payroll taxes	9,657	10,470
Employee benefits	25,389	20,999
Bank charges	2,385	2,045
Miscellaneous expense	8,625	9,517
Depreciation	57,524	55,219
<b>Total Operating Expenses</b>	<b>414,246</b>	<b>438,768</b>
<b>Net Income From Operations</b>	<b>35,945</b>	<b>9,352</b>
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	30	36
Interest expense	(15,483)	(16,818)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(15,453)</b>	<b>(16,782)</b>
<b>Net Income (Loss) Before Operating Transfers</b>	<b>20,492</b>	<b>(7,430)</b>
<b>Transfers from Other Funds</b>	<b>4,309</b>	<b>-</b>
<b>Change in Net Position</b>	<b>24,801</b>	<b>(7,430)</b>
<b>Net Position, Beginning of Year</b>	<b>1,290,183</b>	<b>1,297,613</b>
<b>Net Position, End of Year</b>	<b>\$ 1,314,984</b>	<b>\$ 1,290,183</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

**FOR THE YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2013)**

<b>Cash Flows from Operating Activities</b>		
Cash received from customers and other sources	\$ 371,369	\$ 396,842
Cash received from sales tax	81,316	57,849
Cash payments to suppliers	(239,644)	(258,454)
Cash payments to employees	(124,303)	(125,718)
<b>Net Cash Provided By Operating Activities</b>	<b>88,738</b>	<b>70,519</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
Cash transfers from the general fund	4,309	-
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>4,309</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of capital assets	(55,632)	(17,221)
Interest paid on long-term debt	(15,507)	(16,939)
Principal paid on long-term debt	(40,041)	(16,811)
<b>Net Cash Used For Capital and Related Financing Activities</b>	<b>(111,180)</b>	<b>(50,971)</b>
<b>Cash Flows from Investing Activities</b>		
Net activity of restricted accounts	(779)	(4,203)
Interest income	30	36
<b>Net Cash Used By Investing Activities</b>	<b>(749)</b>	<b>(4,167)</b>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	<b>(18,882)</b>	<b>15,381</b>
Cash and Cash Equivalents, beginning of year	90,665	75,284
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 71,783</b>	<b>\$ 90,665</b>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>		
Operating income	\$ 35,945	\$ 9,352
Adjustments:		
Depreciation	57,524	55,219
Net change in assets and liabilities:		
Trade accounts receivable	(4,920)	6,209
Prepaid insurance	(143)	(261)
Accounts payable	993	(3,236)
Payroll withholdings	(575)	1,038
Customer meter deposits	(86)	2,198
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 88,738</b>	<b>\$ 70,519</b>

See accompanying notes and independent auditor's report.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 1. Summary of Significant Accounting Policies

#### a. Reporting Entity

The Town of Webbers Falls, Oklahoma, is a municipality with a five-member Town Council comprised of the Mayor and four at large members. In evaluating the Town as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) which may or may not fall within the Town's oversight and control and, as such, be included within the Town's financial statements. Generally, component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

The financial statements of the Town have been prepared in accordance with Generally Accepted Accounting Principals (GAAP) in the United States. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The accompanying financial statements present the Town and its component unit (East Central Oklahoma Water Authority), an entity for which the government is considered financially accountable. A blended component unit, although a legally separate entity, is in substance, part of the government's operations and so data from this unit is included as part of the reporting entity. The Town's Council members appoint the board of directors, sets the budget, and approves all significant management issues. Separate financial statements of the Authority are not issued.

#### b. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

Government-wide financial statements report information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Currently, the Town has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column in the financial section of the basic financial statements.

#### c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Franchise taxes, sales taxes, other taxes, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 1. Summary of Significant Accounting Policies (continued)

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of general government, except those required to be accounted for in another fund.

The special revenue funds account for revenue sources that are legally restricted to expenditures. Special revenue funds consist of the street and alley fund and the sewer fund.

The Town reports the following major proprietary fund:

The East Central Oklahoma Water Authority is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the Council is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Council has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The East Central Oklahoma Water Authority for the Town of Webbers Falls, Oklahoma, consists of one fund - the water department.

#### d. Assets, Liabilities, and Net Position/Fund Balance

##### **Cash and Cash Equivalents**

Cash balances from all funds are pooled and invested to the extent available in certificates of deposit. For purposes of the Statement of Cash Flows, the proprietary fund considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

##### **Accounts Receivable**

Management establishes an allowance for uncollectible accounts receivable based on historical collection experience and management's evaluation of the collectibility of outstanding accounts receivable. Management believes accounts receivable to be fully collectible at June 30, 2014.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 1. Summary of Significant Accounting Policies (continued)

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial cost of more than \$500 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Water plant and improvements	7-66
Automobiles	5
Equipment	5-10
Infrastructure	25-50
Buildings	10-40
Office equipment	3-5
Land improvements	5-20

#### Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "advances to/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances" or "internal advances".

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 1. Summary of Significant Accounting Policies (continued)

#### Compensated Absences

Employee's vacation and holiday leave does not vest or accumulate and sick leave is not normally paid without an illness related absence; therefore, no accruals for compensated absences have been reflected in the accompanying financial statements.

#### Advertising

It is the policy of the Town to expense advertising costs as they are incurred.

### 2. Stewardship, Compliance and Accountability

The Town utilizes the modified cash basis of accounting in the preparation of its budget. The budget data reflected in this report was taken from the budget formally enacted by the Town Council.

### 3. Bank Deposits

The Town has cash deposits in one area bank, all of which were FDIC insured at June 30, 2014.

### 4. Restricted Assets - Restricted Cash and Required Funds

Restricted cash represents amounts maintained in separate bank accounts for the purpose of segregating funds received in payment of customer meter deposits, tax revenue received for street and alley operations, and funds set aside for debt reserve.

The debt reserve account was established per the loan agreement with Rural Development. Monthly deposits in the amount of \$227 are required to be made into the reserve account until the account accumulates a balance of \$29,220. The account balance at June 30, 2014, was \$18,642.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 5. Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Reductions	June 30, 2014
Capital assets, not being depreciated				
Land	\$ 19,145	\$ -	\$ -	\$ 19,145
Total capital assets not being depreciated	19,145	-	-	19,145
Capital assets, being depreciated				
Automobiles	\$ 55,045	\$ 12,555	\$ -	\$ 67,600
Equipment	124,169	6,925	-	131,094
Infrastructure	50,532	3,850	-	54,382
Buildings	360,300	1,400	-	361,700
Office equipment	2,671	1,601	-	4,272
Land improvements	134,000	16,932	-	150,932
Total capital assets, being depreciated	726,717	43,263	-	769,980
Less accumulated depreciation:				
Automobiles	35,532	12,264	-	47,796
Infrastructure	8,591	1,087	-	9,678
Equipment	113,023	3,099	-	116,122
Buildings	200,700	9,633	-	210,333
Office equipment	801	801	-	1,602
Land improvements	112,400	5,223	-	117,623
Total accumulated depreciation	471,047	32,107	-	503,154
Governmental activities, capital assets, net	\$ 274,815	\$ 11,156	\$ -	\$ 285,971

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 32,107
Total depreciation for governmental activities	\$ 32,107

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 5. Changes in Capital Assets (continued)

Capital asset activity for business-type activities for the year ended June 30, 2014, was as follows:

	July 1, 2013	Additions	Reductions	June 30, 2014
Capital assets, not being depreciated				
Land	\$ 3,000	\$ -	\$ -	\$ 3,000
Construction in progress	-	4,309	-	4,309
Total capital assets not being depreciated	3,000	4,309	-	7,309
Capital assets, being depreciated				
Water plant and improvements	2,393,446	51,323	-	2,444,769
Automobiles	62,298	-	-	62,298
Equipment	41,900	-	-	41,900
Building	9,803	-	-	9,803
Office equipment	2,001	-	-	2,001
Total capital assets, being depreciated	2,509,448	51,323	-	2,560,771
Less accumulated depreciation:				
Water plant and improvements	908,767	44,466	-	953,233
Automobiles	27,709	8,734	-	36,443
Building	5,775	601	-	6,376
Equipment	16,525	3,250	-	19,775
Office equipment	710	473	-	1,183
Total accumulated depreciation	959,486	57,524	-	1,017,010
Total capital assets, being depreciated, net	1,549,962	(6,201)	-	1,543,761
Business-type activities, capital assets, net	\$ 1,552,962	\$ (1,892)	\$ -	\$ 1,551,070

Depreciation expense for business-type activities totaled \$57,524 and was entirely charged to the East Central Oklahoma Water Authority.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 6. Long Term Debt

Long-term debt of the East Central Oklahoma Water Authority consists of:

June 30,	2014	2013
Rural Development loan number 91-05, dated September 28, 1994, original loan amount of \$500,000, interest rate of 4.5%, term of 40 years, monthly installment of \$2,270 until September 2034.	\$ 322,699	\$ 362,740
Total debt	322,699	362,740
Less current maturity	11,114	10,625
Long term debt	\$ 311,585	\$ 352,115

Debt is scheduled to be mature as follows:

June 30,	Principal	Interest	Total
2015	\$ 11,114	\$ 15,618	\$ 26,732
2016	11,625	15,107	26,732
2017	12,159	14,573	26,732
2018	12,717	14,015	26,732
2019	13,301	13,431	26,732
2020-2024	76,254	57,405	133,659
2025-2029	95,455	38,204	133,659
2030-2034	90,074	14,169	104,243
Total	\$ 322,699	\$ 182,522	\$ 505,221

Activity of the long-term debt consists of the following:

As Of	July 1, 2013	Additions	Reductions	June 30, 2014
Rural Development	\$ 362,740	\$ -	\$ 40,041	\$ 322,699
Total	\$ 362,740	\$ -	\$ 40,041	\$ 322,699

### 7. Grants

The Town received grants from the following sources:

REAP grant	\$ 14,515
EODD grant	4,309
Cherokee Nation	3,870
Total	\$ 22,694

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 8. Concentrations of Credit Risk

Financial instruments that potentially subject the Town and East Central Oklahoma Water Authority to credit risk consist primarily of the accounts receivable of East Central Oklahoma Water Authority. East Central Oklahoma Water Authority sells primarily to members in and around Webbers Falls, Oklahoma.

### 9. Risk Management

The Town is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance along with policies through Oklahoma Municipal Assurance Group for risk of loss.

There has been no significant reduction in the Town's insurance coverage from the previous year. In addition, there have been no settlements in excess of the Town's coverage in any of the prior three fiscal years.

### 10. Fund Balance Reporting

The Town follows GASB 54 as part of its 2013-2014 fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has prepaid items that are considered non-spendable. The Town does not have any non-spendable funds related to endowments.

# TOWN OF WEBBERS FALLS, OKLAHOMA

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

### 10. Fund Balance Reporting (continued)

As of June 30, 2014, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Town. The council is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned - all other spendable amounts.

	General	Special Revenue	Total Governmental Funds
<b>Fund Balances</b>			
Nonspendable			
Prepays	\$ 1,154	\$ -	\$ 1,154
Restricted			
Street and alley operations	-	7,796	7,796
Assigned			
Police	5,536	-	5,536
Fire	27,557	-	27,557
Unassigned	61,215	-	61,215
<b>Total Fund Balances</b>	<b>\$ 95,462</b>	<b>\$ 7,796</b>	<b>\$ 103,258</b>

### 11. Subsequent Events

The Town has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2014 through September 23, 2014, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

# TOWN OF WEBBERS FALLS, OKLAHOMA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Sales tax	\$ 218,894	\$ 203,430	\$ (15,464)
Use tax	38,675	28,403	(10,272)
Franchise tax	18,073	40,739	22,666
Other taxes	9,330	10,453	1,123
Park	-	10,945	10,945
Donations	-	165	165
Fines and Forfeitures	304	60,697	60,393
Interest	26	63	37
Grants	-	22,694	22,694
Rents	300	7,155	6,855
Miscellaneous	669	8,709	8,040
<b>Total Revenues</b>	<b>286,271</b>	<b>393,453</b>	<b>107,182</b>
<b>Expenditures</b>			
Personal services	71,661	201,960	(130,299)
General government	175,048	177,163	(2,115)
Debt service	-	13,682	(13,682)
Capital outlays	-	43,263	(43,263)
<b>Total Expenditures</b>	<b>246,709</b>	<b>436,068</b>	<b>(189,359)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>39,562</b>	<b>(42,615)</b>	<b>(82,177)</b>
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,259)</b>	<b>(2,259)</b>
<b>Net Change in Fund Balance</b>	<b>39,562</b>	<b>(44,874)</b>	<b>(84,436)</b>
<b>Fund Balance, Beginning of Year</b>	<b>140,336</b>	<b>140,336</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 179,898</b>	<b>\$ 95,462</b>	<b>\$ (84,436)</b>

See accompanying notes and independent auditor's report.

***ADDITIONAL REQUIRED REPORT***



PRZYBYSZ

& ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Corporation

**Independent Auditor's Report of Internal Control Over Financial Reporting  
and On Compliance and Other Matters Based On An Audit of Financial Statements  
Performed In Accordance with *Government Auditing Standards***

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To the Honorable Mayor and Town Council  
Town of Webbers Falls, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Webbers Falls, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Town of Webbers Falls, Oklahoma's basic financial statements and have issued our report thereon dated September 23, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Webbers Falls, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Webbers Falls, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as item 2014-1.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Przybysz & Associates, CPAs, P.C.**  
**Fort Smith, Arkansas**  
**September 23, 2014**

# TOWN OF WEBBERS FALLS, OKLAHOMA

## SCHEDULE OF FINDINGS AND RECOMMENDATIONS

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FOR THE YEAR ENDED JUNE 30, 2014

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### Findings - Compliance

2014-1 Separate CLEET Account

*Condition:*

The portion of fines collected for CLEET fees was commingled with general funds.

*Criteria:*

State statute 20 Section 1313.2(D) requires that the penalty assessment collected in addition to fines be deposited in an account created for that purpose and be forwarded monthly to the Council on Law Enforcement Education and Training.

*Effect:*

The Town was not in compliance with state statute.

*Recommendation:*

Open separate checking account designated for CLEET fees and named as such.

See independent auditor's report.