

TOWN OF ALINE
ALFALFA COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
FISCAL YEAR ENDED
JUNE 30, 2014

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

Town of Aline
Town Officers and Trustees
FYE June 30, 2014

Trustee #1
Trustee #2
Trustee #3
Trustee #4
Trustee #5

Dean Terrill
Cydney Palmateer
Leonard Shelite
Mary Gumaer
Richard Eckstein

Clerk

Gayla Koehn

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Aline
Aline, Oklahoma

Trustees of the Aline Public Works Authority
Aline, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Aline and Public Trusts, Aline, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-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 cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My 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 an assurance that there are no material modifications that should be made to the financial statements.

A Professional Services Firm

American Institute of CPAs / Oklahoma Society of CPAs

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Aline and Public Trust
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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works 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, 2012. Management of the Town of Aline 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, I 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 Aline** 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: None

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 listing separately each federal fund (see accompanying Exhibit B) 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 Budget filed for the fiscal year.

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: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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(Continued)**

Town of Aline and Public Trust

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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: None

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

Findings: None

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: None

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: None

As to the **Aline 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, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

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: None

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: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
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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:

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: None

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: None

As to the **Town of Aline and Public Works 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 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: None

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.


May 31, 2015

Exhibit A
Town of Aline
And
Aline Public Works Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Beginning of Year	Current Year	Current Year	End of Year
	Fund Balances	Revenue	Expenditures	Fund Balances
TOWN:				
General Fund:				
Operating Account	\$ 42,473	76,413	\$ 48,470	\$ 70,416
Investments (CD)	125,654	630	-	126,283
Total General Fund	168,126	77,043	48,470	196,699
	-	-	-	-
Town Subtotal	168,126	77,043	48,470	196,699

PUBLIC WORKS AUTHORITY:

PWA Utility Fund:				
Operating Account	28,897	73,999	62,839	40,057
Investments (CD)	85,058	401	-	85,459
PWA Capital Assets, net	113,955	74,400	62,839	125,516
PWA Meter Fund	176,632	-	-	176,632
	(5,836)	1,191	832	(6,195)
PWA Subtotal	284,751	75,591	63,672	295,953
Overall Totals	\$ 452,877	\$ 152,634	\$ 112,142	\$ 492,652

Exhibit B
Town of Aline
Budgetary Comparison Schedule General Fund-Budgetary Basis
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 168,126	\$ 168,126	\$ 168,126	\$ -
Resources (Inflows):				
Taxes:				
Sale Tax	25,528	25,528	37,847	12,319
Use Tax	3,583	3,583	3,568	(15)
Franchise Tax	7,639	7,639	8,439	800
Tobacco Tax	337	337	421	84
Total Taxes	<u>37,087</u>	<u>37,087</u>	<u>50,274</u>	<u>13,187</u>
Intergovernmental:				
Motor Vehicle Tax	1,319	1,319	1,478	159
Alcoholic Beverage Tax	3,789	3,789	4,380	591
Gas Excise Tax	114	114	127	13
Grant Revenue	-	-	4,474	4,474
Total Intergovernmental	<u>5,222</u>	<u>5,222</u>	<u>10,459</u>	<u>5,237</u>
Charges for Services:				
Fire Runs	1,575	1,575	600	(975)
Total Services	<u>1,575</u>	<u>1,575</u>	<u>600</u>	<u>(975)</u>
Investment Income	130	130	630	500
Miscellaneous Income				
Licenses & Permits	-	-	16	16
Rental Income	10,800	10,800	12,000	1,200
Royalties	40	40	29	(11)
Donations	1,616	1,616	1,990	374
Refunds, misc.	523	523	415	(108)
Other Financing Sources:				
Transfer from Other Funds	-	-	-	-
Total Resources	<u>56,430</u>	<u>56,430</u>	<u>76,413</u>	<u>19,539</u>
Amounts Available for Appropriation	<u>224,566</u>	<u>224,566.13</u>	<u>244,539</u>	<u>19,539</u>
Charges to Appropriations (Outflows):				
Personnel Services	10,000	10,000	8,030	(1,970)
Maintenance and Operations	40,000	40,000	39,810	(190)
Capital Outlay	6,430	6,430	-	(6,430)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>56,430</u>	<u>56,430</u>	<u>47,840</u>	<u>(8,590)</u>
Ending Budgetary Fund Balance	<u>168,126</u>	<u>\$ 168,126</u>	<u>\$ 196,699</u>	<u>\$ 28,129</u>

Exhibit C
Aline Public Works Authority
Statement of Revenues, Expenses and Changes in Fund Balance-Budgetary Basis
For the Fiscal Year Ended June 30, 2014

Operating Revenues:	
Charges for Services:	\$ 25,184
Water Receipts	14,461
Sewer Receipts	26,535
Garbage Receipts	-
Reconnect Fees	-
Penalties and Charges	3,202
Total Operating Revenues	<u>69,382</u>
Operating Expenses:	
Personnel Service:	
Payroll Expense	14,700
Payroll Taxes	1,125
Maintenance & Operations:	
Office Supplies	680
Telephone	269
Utilities	4,954
Garbage Expense	19,503
Land Lease	3,900
Lab Testing	3,260
Repairs & Maintenance	12,277
Dues/Education	2,130
Total Operating Expenses:	<u>62,797</u>
Operating Income	6,585
Non-Operating Revenue (Expenses):	
Investment Income	401
Interest Expense	-
Miscellaneous	4,216
Total Non-Operating Revenues (Expenses)	<u>4,617</u>
Net Income (Loss) Before Contributions and Transfers	11,202
Capital Contributions	
Transfers In	-
Transfers Out	-
Change in Fund Balance	11,202
Fund Balance - Beginning	284,751
Fund Balance - Ending	<u>\$ 295,953</u>

EXHIBIT D
Town of Alfine
Cherokee County, Oklahoma
Schedule of Grant Activity
For Year Ended June 30, 2014

TOWN:	Grant Award	Receipts	Disbursements	Remainder
Department of Agriculture	\$ 4,474	\$ 4,474	\$ 4,474	\$ -
Fire Department Grant	\$ 4,474	\$ 4,474	\$ 4,474	\$ -

Town Subtotal	<u>4,474</u>	<u>4,474</u>	<u>4,474</u>	<u>-</u>
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PUBLIC WORKS AUTHORITY:

PWA Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 4,474</u>	<u>\$ 4,474</u>	<u>\$ 4,474</u>	<u>\$ -</u>