

**ANNUAL FINANCIAL REPORT**  
**THE CITY OF HOOKER, OKLAHOMA**  
**INCLUDING**  
**THE HOOKER MUNICIPAL AUTHORITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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#### **INDEPENDENT AUDITOR'S REPORT**

Honorable Governing Board  
City of Hooker, Oklahoma

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hooker, Oklahoma (the City), as of and for the year ended June 30, 2014, which collectively comprise the City'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 the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the presentation and fair presentation of the 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 of 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 City'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 City'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.

**Basis for Quaiified Opinion**

As discussed in Note 1, to the financial statements, the City has not maintained complete capital asset records to support the historical cost of past capital asset purchases. Accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost net of accumulated depreciation. Documentation supporting historical cost was not readily available for our review. Also, the City has elected to not report depreciation on these capital assets. The amount by which this departure would affect assets, net position, and expenses of the Governmental and Business-Type Activities in not readily determinable.

**Quaiified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hooker, Oklahoma, as of June 30, 2014, and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Other Matters****Suppiementary and Other Information**

The budgetary comparison information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented the Management's Discussion and Analysis required by the Governmental Accounting Standards Board (GASB) and the GASB has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied by us, in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2015, on our consideration of the City's internal control over financial reporting and on 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 the City's internal control over financial reporting and compliance.

*Putnam & Company*  
Putnam & Company, PLLC  
March 30, 2015

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**REPORT ON 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**

Honorable Governing Board  
City of Hooker, Oklahoma

We have audited, in accordance with the 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, each major fund of the City of Hooker, Oklahoma, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Hooker's basic financial statements and have issued our report thereon dated March 30, 2015. The report on the City was qualified due to the City's use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Management Discussion and Analysis is not presented as required by the Governmental Accounting Standards Board.

**internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Hooker'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 City'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or 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.

*Putnam & Company*

Putnam & Company, PLLC

March 30, 2015

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF NET POSITION--MODIFIED CASH BASIS  
AS OF JUNE 30, 2014**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$1,689,609	468,234	2,157,843
<b>TOTAL ASSETS</b>	<b>\$1,689,609</b>	<b>468,234</b>	<b>2,157,843</b>
<b>CURRENT LIABILITIES</b>			
Warrants Outstanding	\$241,015	0	241,015
Customer Deposits Payable	21,241		21,241
<b>Total Current Liabilities</b>	<b>262,256</b>	<b>0</b>	<b>262,256</b>
<b>TOTAL LIABILITIES</b>	<b>262,256</b>	<b>0</b>	<b>262,256</b>
<b>NET POSITION</b>			
Unrestricted	1,427,353	468,234	1,895,587
<b>TOTAL NET POSITION</b>	<b>\$1,427,353</b>	<b>468,234</b>	<b>1,895,587</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTIONS/PROGRAMS:	Expenses	Program Revenue		Net (Expense) Revenue
		Charges For Services	Operating Grants	
Governmental Activities City of Hooker	\$1,801,213	63,085	55,994	(1,682,134)
Business-Type Activities Hooker Municipal Authority	708,571	1,323,937		615,366
Total Primary Government	\$2,509,784	1,387,022	55,994	(1,066,768)

CHANGES IN NET POSITION:	Primary Government		
	Governmental Activities	Business Type Activities	Total
Net (Expense) Revenue	(\$1,682,134)	615,366	(1,066,768)
General Revenue			
Sales Taxes	519,210	29,033	548,243
Other Taxes	129,946		129,946
Interest	9,710	3,253	12,963
Other Income	179,763		179,763
Total General Revenue	(843,505)	647,652	(195,853)
Transfers--In (Out)	993,346	(815,038)	178,308
Change in Net Position	149,841	(167,386)	(17,545)
Net Position--Beginning	1,277,512	635,620	1,913,132
Net Position--Ending	\$1,427,353	468,234	1,895,587

The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
COMBINED BALANCE SHEET - MODIFIED CASH BASIS  
ALL FUND TYPES  
AS OF JUNE 30, 2014**

	CITY OF HOOKER					HOOKER MUNICIPAL AUTHORITY	TOTALS (Memorandum Only)
	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	ENTERPRISE FUND TYPE	
	General	Special Revenue	Capital Projects	Debt Service	Trust and Agency	Revenue	
<b>ASSETS</b>							
Cash, Including Time Deposits	\$558,208	480,917	363,444	0	287,040	468,234	2,157,843
<b>Total Assets</b>	<b>\$558,208</b>	<b>480,917</b>	<b>363,444</b>	<b>0</b>	<b>287,040</b>	<b>468,234</b>	<b>2,157,843</b>
<b>LIABILITIES</b>							
Warrants Outstanding	\$191,916	27,309	19,535		2,255		241,015
Refundable Meter Deposits					21,241		21,241
Long-Term Debt Payable							0
<b>Total Liabilities</b>	<b>191,916</b>	<b>27,309</b>	<b>19,535</b>	<b>0</b>	<b>23,496</b>	<b>0</b>	<b>262,256</b>
<b>FUND BALANCE</b>							
Unreserved Fund Balance	366,292	453,608	343,909	0	263,544	468,234	1,895,587
<b>Total Fund Balance</b>	<b>366,292</b>	<b>453,608</b>	<b>343,909</b>	<b>0</b>	<b>263,544</b>	<b>468,234</b>	<b>1,895,587</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$558,208</b>	<b>480,917</b>	<b>363,444</b>	<b>0</b>	<b>287,040</b>	<b>468,234</b>	<b>2,157,843</b>

See accompanying letter and notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the City of Hooker, Oklahoma, including the Hooker Municipal Authority, relating to the funds included in the financial statements, conform to generally accepted accounting principles of state and local governments, except as noted below. The following represents the more significant accounting and reporting policies and practices of the City:

(a) Reporting Entity

The City of Hooker, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

**INCLUDED ENTITY—(Blended Component Unit)**

The Hooker Municipal Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the City of Hooker, Oklahoma. The Authority leases the existing water and sewer lines, wells and storage facilities of the City and receives the revenues from their use. The Authority is charged with the responsibility of maintaining the property as needed, although title to the property is retained by the City.

The accompanying financial statements present both the government itself, as legally defined, and a component unit, which is a legally separate entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

(b) Fund Accounting

The accounts of the City are organized on the basis of funds and a group of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

General Fund

The General Fund is the principal fund of the City which accounts for all financial transactions not properly accounted for in other funds.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Special Revenue Funds

The Special Revenue Funds are used to account for revenues derived from specific taxes and other designated revenue sources.

Capital Projects Funds

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Trust and Agency Funds

The Trust and Agency Funds are used to account for assets held by the City in a trustee capacity.

Debt Service Funds

As prescribed by State law, the Debt Service Funds receive all ad valorem taxes paid to the City. Such taxes are used for the payment of principal and interest on the City's bonded indebtedness or judgments payable.

Enterprise Fund

The Enterprise Fund is the principal fund of the Authority which accounts for operations financed and operated similar to businesses, such as services rendered to the general public on a fee basis.

**(b) Government-wide financial statements**

The government-wide financial statements ( the statement of net position and the statement of activities) report information on activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other non-exchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles.

Generally, only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure, and long-term liabilities such as debt and compensated absences may also not be reported.

**(c) Basis of presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

The government-wide financial statements are presented on the modified cash basis of accounting. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are any payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the government's public works function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**(d) Basis of presentation – Fund Financial Statements**

The fund financial statements provide information about the government's funds and blended component unit. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds. The fund financial statements are presented on the modified cash basis of accounting.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) TOTALS (Memorandum Only)

The combined financial statements have "TOTALS (Memorandum Only)" columns. These columns do not purport to present the consolidated financial position of the City of Hooker, Oklahoma. All significant inter-fund transactions would be eliminated and other adjustments would be made in the preparation of consolidated financial statements.

(f) Budget

The City's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The City's budget is also prepared under the cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

(g) Compensated Absences

The City records vacation and sick leave expenditures only at the time such leave is actually paid.

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL**

*Custodial Credit Risk* - The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement.

At June 30, 2014, the City was not exposed to custodial credit risk as defined above.

*Investment Credit Risk* – The City investment policy limits investments to those allowed in state law applicable to municipalities as follows:

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**(2) DEPOSITS, INVESTMENTS, AND COLLATERAL (continued)**

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

***Investment Credit Risk (continued)*** - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

***Investment Interest Rate Risk*** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy limits investments to those with short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

***Concentration of Investment Credit Risk*** – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City’s investment policy requires diversification of investments.

At June 30, 2014, the City had no concentration of credit risk as defined above.

**(3) PERPETUAL CARE FUND**

A Perpetual Care Fund was established during the 1986-87 fiscal year for the upkeep and maintenance of gravesites at the cemetery. The fund is to be financed through public donations and only income from investment of these donations can be expended. Gravesites to be included in the activities of the Perpetual Care Fund may be designated by the donors.

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(4) **BLACKMER GOLF COURSE FUND**

A donation from J.P. (Tex) Flanagan as administrator of the Frank Parks estate was made to the City of Hooker on February 2, 1987 in the amount of \$109,080.00. It was specified as a condition of the donation that \$9,080.00 would be deposited to the Perpetual Care Fund and that \$100,000.00 would be deposited to a newly created Blackmer Golf Course Fund and would be used to maintain the golf course. In addition, it was specified that a board with five trustees, which would include Mr. Flanagan, would be formed to oversee the activities of the Blackmer Golf Course.

(5) **CAPITAL IMPROVEMENT FUND**

The City Council resolved to rename the Golf Addition Fund during the 1986-87 fiscal year. It is now the Capital Improvement Fund and is restricted to the purchase of equipment and vehicles, the construction and extension of property and plant, and other capital expenditures.

(6) **COMMITMENTS AND CONTINGENT LIABILITIES**

The financial statements do not include any provisions for loss contingencies. Under applicable Oklahoma statutes, municipalities generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

(7) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 30, 2015, which is the date the financial statements were available.

**OTHER SUPPLEMENTAL INFORMATION**

**THE CITY OF HOOKER, OKLAHOMA  
SCHEDULE OF REVENUES BY SOURCE - BUDGET AND ACTUAL  
GENERAL FUND - MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>TAXES:</b>			
Franchise Tax	\$68,359	78,278	9,919
<b>LICENSES AND PERMITS</b>			
Permit Fee	4,615	7,202	2,587
Dog Tax	743	1,249	506
	<u>5,358</u>	<u>8,451</u>	<u>3,093</u>
<b>INTERGOVERNMENTAL:</b>			
Alcoholic Beverage Tax	18,625	24,606	5,981
Use Tax	55,473	8,103	(47,370)
Sales Tax	237,541	296,287	58,746
Total Intergovernmental	<u>311,639</u>	<u>328,996</u>	<u>17,357</u>
<b>CHARGES FOR SERVICES:</b>			
Water	6,710	7,280	570
Ambulance Runs	41,362	42,957	1,595
Outside Fire Runs	4,596	1,498	(3,098)
Total Charges for Services	<u>52,668</u>	<u>51,735</u>	<u>(933)</u>
<b>FINES AND FORFEITURES</b>	<u>18,681</u>	<u>34,271</u>	<u>15,590</u>
<b>INTEREST</b>	<u>5,034</u>	<u>6,587</u>	<u>1,553</u>
<b>MISCELLANEOUS:</b>			
Farm Income	4,052	4,005	(47)
Swimming Pool	14,263	15,463	1,200
Refunds and Reimbursements	52,173	30,334	(21,839)
Total Miscellaneous	<u>70,488</u>	<u>49,802</u>	<u>(20,686)</u>
<b>TOTAL</b>	<u>\$532,227</u>	<u>558,120</u>	<u>25,893</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET AND ACTUAL**  
**GENERAL FUND - MODIFIED CASH BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>CITY CLERK:</b>			
Personal Services	\$132,821	105,496	27,325
Maintenance and Operation	1,250	1,530	(280)
Capital Outlay	0	0	0
Total City Clerk	<u>134,071</u>	<u>107,026</u>	<u>27,045</u>
<b>MANAGERIAL:</b>			
Personal Services	5,167	5,167	0
<b>CITY TREASURER:</b>			
Personal Services	5,139	4,735	404
<b>CITY ATTORNEY:</b>			
Maintenance and Operation	6,000	1,342	4,658
<b>MUNICIPAL COURT:</b>			
Maintenance and Operation	3,500	3,135	365
<b>PARKS:</b>			
Maintenance and Operation	29,300	32,251	(2,951)
Capital Outlay	0	0	0
Total Parks	<u>29,300</u>	<u>32,251</u>	<u>(2,951)</u>
<b>POLICE:</b>			
Personal Services	261,280	239,204	22,076
Maintenance and Operation	30,000	32,278	(2,278)
Capital Outlay	55,297	25,589	29,708
Total Police	<u>346,577</u>	<u>297,071</u>	<u>49,506</u>
<b>FIRE:</b>			
Personal Services	4,279	4,324	(45)
Maintenance and Operation	17,700	15,788	1,912
Capital Outlay	4,000	4,000	0
Total Fire	<u>25,979</u>	<u>24,112</u>	<u>1,867</u>
<b>STREET DEPARTMENT:</b>			
Personal Services	103,618	100,447	3,171
Maintenance and Operation	27,540	31,544	(4,004)
Capital Outlay	10,000	10,130	(130)
Total Street Department	<u>141,158</u>	<u>142,121</u>	<u>(963)</u>
<b>SANITARY:</b>			
Personal Services	65,658	48,413	17,245
Maintenance and Operation	87,000	75,597	11,403
Capital Outlay	6,000	4,600	1,400
Total Sanitary	<u>158,658</u>	<u>128,610</u>	<u>30,048</u>
<b>POOL:</b>			
Personal Services	17,224	12,103	5,121
Maintenance and Operation	18,000	22,837	(4,837)
Total Pool	<u>35,224</u>	<u>34,940</u>	<u>284</u>

**THE CITY OF HOOKER, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET AND ACTUAL**  
**GENERAL FUND - MODIFIED CASH BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>GOLF:</b>			
Personal Services		0	0
Maintenance and Operation	55,250	51,609	3,641
Capital Outlay	5,000	8,641	(3,641)
<b>Total Golf</b>	<b>60,250</b>	<b>60,250</b>	<b>0</b>
<b>RECREATION:</b>			
Maintenance and Operation	2,500	1,569	931
<b>Total Recreation</b>	<b>2,500</b>	<b>1,569</b>	<b>931</b>
<b>UTILITIES (Water and Gas):</b>			
Personal Services	170,370	113,056	57,314
Maintenance and Operation	129,000	109,026	19,974
Capital Outlay			0
<b>Total Utilities</b>	<b>299,370</b>	<b>222,082</b>	<b>77,288</b>
<b>GENERAL GOVERNMENT:</b>			
Personal Services		627	(627)
Maintenance and Operation	172,000	141,511	30,489
Capital Outlay		0	0
<b>Total General Government</b>	<b>172,000</b>	<b>142,138</b>	<b>29,862</b>
<b>LIBRARY:</b>			
Personal Services	25,211	25,310	(99)
Maintenance and Operation	2,200	2,105	95
Capital Outlay	4,000	1,394	2,606
<b>Total Library</b>	<b>31,411</b>	<b>28,809</b>	<b>2,602</b>
<b>AIRPORT:</b>			
Maintenance and Operation	10,000	11,209	(1,209)
Capital Outlay	15,000	0	15,000
<b>Total Airport</b>	<b>25,000</b>	<b>11,209</b>	<b>13,791</b>
<b>AMBULANCE:</b>			
Personal Services	24,190	27,036	(2,846)
Maintenance and Operation	24,300	18,121	6,179
<b>Total Ambulance</b>	<b>48,490</b>	<b>45,157</b>	<b>3,333</b>
<b>DISPATCHING:</b>			
Personal Services	37,862	29,376	8,486
Maintenance and Operation	1,500	320	1,180
Capital Outlay		1,109	(1,109)
<b>Total Ambulance</b>	<b>39,362</b>	<b>30,805</b>	<b>8,557</b>
<b>TENNIS COURT:</b>			
Maintenance and Operation	750	0	750
<b>TOTAL</b>	<b>\$1,569,906</b>	<b>1,322,529</b>	<b>247,377</b>

See accompanying letter and notes to financial statements.

THE CITY OF HOOKER, OKLAHOMA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 SPECIAL REVENUE FUNDS  
 AS OF JUNE 30, 2014

	STREET & ALLEY FUND	POOL CASH FUND	PARK FUND	CLEET FUND	AMBULANCE FUND	FIREMEN'S CASH FUND	GOLF CLUB CASH FUND	AIRPORT CASH FUND	SALES / USE TAX FUND	COMMUNITY CENTER CASH FUND	JUVENILE CRIME	TOTALS (Memorandum Only)
<b>ASSETS</b>												
Cash and Cash Equivalents	\$2,466	24,519	21,152	1,846	4,740	5,724	10,585	(2,173)	408,053	2,780	1,225	480,917
Total Assets	\$2,466	24,519	21,152	1,846	4,740	5,724	10,585	(2,173)	408,053	2,780	1,225	480,917
<b>LIABILITIES</b>												
Warrants Outstanding	\$747	0	0	1,208	0	594	760	24,000	0	0	0	27,309
Total Liabilities	747	0	0	1,208	0	594	760	24,000	0	0	0	27,309
<b>FUND BALANCE</b>												
Unreserved Fund Balance	1,719	24,519	21,152	638	4,740	5,130	9,825	(26,173)	408,053	2,780	1,225	453,608
Total Fund Balance	1,719	24,519	21,152	638	4,740	5,130	9,825	(26,173)	408,053	2,780	1,225	453,608
Total Liabilities and Fund Balance	\$2,466	24,519	21,152	1,846	4,740	5,724	10,585	(2,173)	408,053	2,780	1,225	480,917

See accompanying letter and notes to financial statements.

THE CITY OF HOOKER, OKLAHOMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	STREET & ALLEY	POOL CASH	PARK	CLEET	AMBULANCE	FIREMEN'S CASH	GOLF CASH	AIRPORT CASH	SALES / USE TAX FUND	COMMUNITY CENTER	JUVENILE	TOTALS (Memorandum Only)
<b>REVENUES:</b>												
Intergovernmental:												
State Shared Revenue												
Gasoline Tax	\$3,626											3,626
Motor Vehicle Tax	15,333											15,333
Sales / Use Tax		7,947	7,947						127,158			143,052
<b>Total Intergovernmental</b>	<b>18,959</b>	<b>7,947</b>	<b>7,947</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127,158</b>	<b>0</b>	<b>0</b>	<b>162,011</b>
Interest	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous:												
Donations		290	1,715		2,469	10,624	171					15,269
Grants												0
Green Fees & Memberships							10,952					10,952
Fines												0
Other	3,285			10,037				31,267		750		45,339
<b>Total Miscellaneous</b>	<b>3,285</b>	<b>290</b>	<b>1,715</b>	<b>10,037</b>	<b>2,469</b>	<b>10,624</b>	<b>11,123</b>	<b>31,267</b>	<b>0</b>	<b>750</b>	<b>0</b>	<b>71,560</b>
<b>Total Revenues</b>	<b>22,244</b>	<b>8,237</b>	<b>9,662</b>	<b>10,037</b>	<b>2,469</b>	<b>10,624</b>	<b>11,123</b>	<b>31,267</b>	<b>127,158</b>	<b>750</b>	<b>0</b>	<b>233,571</b>
<b>EXPENDITURES:</b>												
Personal Services												0
Maintenance and Operation	20,680	618	8,102	9,760	1,270	9,711	3,632	61,056	1,325	202	599	116,955
Capital Outlay						858	2,500					3,358
<b>Total Expenditures</b>	<b>20,680</b>	<b>618</b>	<b>8,102</b>	<b>9,760</b>	<b>1,270</b>	<b>10,569</b>	<b>6,132</b>	<b>61,056</b>	<b>1,325</b>	<b>202</b>	<b>599</b>	<b>120,313</b>
Revenues Over/(Under) Expenditures	1,564	7,619	1,560	277	1,199	55	4,991	(29,789)	125,833	548	(599)	113,258
<b>OTHER FINANCING SOURCES/(USES):</b>												
Transfers from Municipal Authority												0
Transfers between Funds												0
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	1,564	7,619	1,560	277	1,199	55	4,991	(29,789)	125,833	548	(599)	113,258
Fund Balance, Beginning of Year	155	16,900	19,592	361	3,541	5,075	4,834	3,616	282,220	2,232	1,824	340,350
Fund Balance, End of Year	\$1,719	24,519	21,152	638	4,740	5,130	9,825	(26,173)	408,053	2,780	1,225	453,608

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
CAPITAL PROJECTS FUNDS  
AS OF JUNE 30, 2014**

	CEMETERY CASH FUND	LIBRARY FUND	MAIN STREET GRANT FUND	REAP FUNDS	ECONOMIC DEVELOPMENT FUND	CITY PARK TRAIL FUND	CAPITAL IMPROVEMENT FUNDS	TOTALS (Memorandum Only)
<b>ASSETS</b>								
Cash, including Time Deposits	\$24,748	37,201	4,141	0	7,232	340	289,782	363,444
Total Assets	<u>\$24,748</u>	<u>37,201</u>	<u>4,141</u>	<u>0</u>	<u>7,232</u>	<u>340</u>	<u>289,782</u>	<u>363,444</u>
<b>LIABILITIES</b>								
Warrants Outstanding	\$10,882	1,937	0	0	0		6,716	19,535
Total Liabilities	<u>10,882</u>	<u>1,937</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,716</u>	<u>19,535</u>
<b>FUND EQUITY</b>								
Unreserved Fund Equity	13,866	35,264	4,141	0	7,232	340	283,066	343,909
Total Fund Equity	<u>13,866</u>	<u>35,264</u>	<u>4,141</u>	<u>0</u>	<u>7,232</u>	<u>340</u>	<u>283,066</u>	<u>343,909</u>
Total Liabilities and Fund Equity	<u>\$24,748</u>	<u>37,201</u>	<u>4,141</u>	<u>0</u>	<u>7,232</u>	<u>340</u>	<u>289,782</u>	<u>363,444</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	CEMETERY CASH FUND	LIBRARY FUND	MAIN STREET GRANT FUND	REAP FUNDS	ECONOMIC DEVELOPMENT FUND	CITY PARK TRAIL FUND	CAPITAL IMPROVEMENT FUNDS	TOTALS (Memorandum Only)
<b>REVENUES:</b>								
Intergovernmental	\$7,947	8,345					63,579	79,871
Charges for Services	8,513							8,513
Interest	545	45						590
Donation		4,870						4,870
Miscellaneous							5,223	5,223
Grant				55,994				55,994
<b>Total Revenues</b>	<b>17,005</b>	<b>13,260</b>	<b>0</b>	<b>55,994</b>	<b>0</b>	<b>0</b>	<b>68,802</b>	<b>155,061</b>
<b>EXPENDITURES:</b>								
Personal Services								0
Maintenance and Operation	26,962	3,295		55,994			839	87,090
Capital Outlay	6,319	10,409					251,242	267,970
<b>Total Expenditures</b>	<b>33,281</b>	<b>13,704</b>	<b>0</b>	<b>55,994</b>	<b>0</b>	<b>0</b>	<b>252,081</b>	<b>355,060</b>
Revenues Over/(Under) Expenditures	(16,276)	(444)	0	0	0	0	(183,279)	(199,999)
<b>OTHER FINANCING SOURCES/(USES):</b>								
Transfer Among Funds							268,308	268,308
Refund to OEDA								0
Deobligation of Prior Year Funds								0
<b>Total Other Financing Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>268,308</b>	<b>268,308</b>
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(16,276)	(444)	0	0	0	0	85,029	68,309
Fund Balance, Beginning of Year	30,142	35,708	4,141	0	7,232	340	198,037	275,600
Fund Balance, End of Year	<u>\$13,866</u>	<u>35,264</u>	<u>4,141</u>	<u>0</u>	<u>7,232</u>	<u>340</u>	<u>283,066</u>	<u>343,909</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
DEBT SERVICE FUND  
AS OF JUNE 30, 2014**

	SINKING FUND	
	2014	2013
<b>ASSETS</b>		
Cash, Including Time Deposits	\$0	0
Total Assets	0	0
<b>LIABILITIES</b>		
Warrants Outstanding	0	0
Total Liabilities	0	0
<b>FUND BALANCE</b>		
Unreserved Fund Balance		
Reserved Fund Balance:		
Earned Unmatured interest		
Bond Accruals		
Total Fund Balance	0	0
Total Liabilities and Fund Balance	\$0	0

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	SINKING FUND	
	2014	2013
<b>REVENUES:</b>		
Taxes:		
Ad Valorem Tax - Current Year	\$0	0
Ad Valorem Tax - Prior Years	0	0
Total Taxes	0	0
Total Revenues	0	0
<b>EXPENDITURES:</b>		
Redemption of Bonds	0	0
Interest on Bonds	0	0
Fiscal Agency Fee	0	0
Total Expenditures	0	0
Revenues Over/(Under) Expenditures	0	0
<b>OTHER FINANCING SOURCES/(USES):</b>		
Transfers from Municipal Authority	0	0
Transfers to General Fund	0	0
Total Other Financing Sources/(Uses)	0	0
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	0	0
Fund Balance, Beginning of Year	0	0
Fund Balance, End of Year	<u>\$0</u>	<u>0</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
TRUST AND AGENCY FUNDS  
AS OF JUNE 30, 2014**

	METER DEPOSIT FUND	HPD SEIZURE FUND	CEMETERY CARE FUND	BLACKMER GOLF COURSE FUND	PERPETUAL CARE FUND	STATE FEES FUND	TOTALS (Memorandum Only)
<u>ASSETS</u>							
Cash, Including Time Deposits	\$23,275	413	41,992	101,727	119,537	96	287,040
Total Assets	<u>\$23,275</u>	<u>413</u>	<u>41,992</u>	<u>101,727</u>	<u>119,537</u>	<u>96</u>	<u>287,040</u>
<u>LIABILITIES</u>							
Warrants Outstanding	\$2,034	7		190		24	2,255
Refundable Meter Deposits	21,241						21,241
Total Liabilities	<u>23,275</u>	<u>7</u>	<u>0</u>	<u>190</u>	<u>0</u>	<u>24</u>	<u>23,496</u>
<u>FUND BALANCE</u>							
Unreserved Fund Balance	0	406	41,992	101,537	119,537	72	263,544
Total Fund Balance	<u>0</u>	<u>406</u>	<u>41,992</u>	<u>101,537</u>	<u>119,537</u>	<u>72</u>	<u>263,544</u>
Total Liabilities and Fund Balance	<u>\$23,275</u>	<u>413</u>	<u>41,992</u>	<u>101,727</u>	<u>119,537</u>	<u>96</u>	<u>287,040</u>

See accompanying letter and notes to financial statements.

**THE CITY OF HOOKER, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
TRUST AND AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	METER DEPOSIT FUND	HPD SEIZURE FUND	CEMETERY CARE FUND	BLACKMER GOLF COURSE FUND	PERPETUAL CARE FUND	STATE FEES FUND	TOTALS (Memorandum Only)
REVENUES:							
Charges for Services	\$0		2,837				2,837
Interest			305	1,226	1,002		2,533
Miscellaneous		633		2,500	2,216	236	5,585
Total Revenues	0	633	3,142	3,726	3,218	236	10,955
EXPENDITURES:							
Maintenance and Operation	0	232		2,835	0	244	3,311
Capital Outlay							0
Total Expenditures	0	232	0	2,835	0	244	3,311
Revenues Over/(Under) Expenditures	0	401	3,142	891	3,218	(8)	7,644
Fund Balance, Beginning of Year	0	5	38,850	100,646	116,319	80	255,900
Fund Balance, End of Year	\$0	406	41,992	101,537	119,537	72	263,544

See accompanying letter and notes to financial statements.

**THE HOOKER MUNICIPAL AUTHORITY  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
ENTERPRISE FUND  
AS OF JUNE 30, 2014**

	REVENUE FUND	
	2014	2013
<u>ASSETS</u>		
Cash, Inciuding Time Deposits	\$468,234	635,620
Total Assets	\$468,234	635,620
<u>LIABILITIES</u>		
Total Liabilities	\$0	0
<u>FUND BALANCE</u>		
Unreserved Fund Balance	468,234	635,620
Total Liabilities and Fund Balance	\$468,234	635,620

See accompanying letter and notes to financial statements.

**THE HOOKER MUNICIPAL AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	REVENUE FUND	
	2014	2013
REVENUES:		
intergovernmental:		
Sales Tax	\$29,033	23,946
Charges for Services:		
Water, Trash & Sewer	737,084	755,399
Gas	586,853	475,756
Total Charges for Services	1,323,937	1,231,155
interest	3,253	3,842
Total Revenues	1,356,223	1,258,943
EXPENDITURES:		
Maintenance and Operation	467,439	440,064
Capital Outlay	241,132	81,426
Total Expenditures	708,571	521,490
Revenues Over/(Under) Expenditures	647,652	737,453
OTHER FINANCING SOURCES/(USES):		
Transfer Among Funds	(815,038)	(759,138)
Total Other Financing Sources/(Uses)	(815,038)	(759,138)
Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(167,386)	(21,685)
Fund Balance, Beginning of Year	635,620	657,305
Fund Balance, End of Year	<u>\$468,234</u>	<u>635,620</u>

See accompanying letter and notes to financial statements.

**HOOKER MUNICIPAL AUTHORITY  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Cash Flows from Operating Activities:	
Net income (Loss) from Operations	<u>\$647,652</u>
Cash Flows from Capital and Related Financing Activities:	
Operating Transfers	<u>(815,038)</u>
Net increase (Decrease) in Cash and Cash Equivaents	(167,386)
Cash and Cash Equivaents, June 30, 2013	<u>635,620</u>
Cash and Cash Equivaents, June 30, 2014	<u><u>\$468,234</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF HOOKER, OKLAHOMA  
(INCLUDING THE HOOKER MUNICIPAL AUTHORITY)  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>CFDA Number</u>	<u>Program or Award Amount</u>	<u>Beginning Balance at July 1, 2013</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Ending Balance at June 30, 2014</u>
<u>Oklahoma Aeronautics Commission</u>						
<u>(Sponsoring Agency: Federal Aviation Administration)</u>						
AiP 3-40-0044-005-2014	20.106	\$459,615				0
<u>Oklahoma Economic Development Authority</u>						
OEDA / REAP 13-16		49,999		37,458	37,458	0
OEDA / REAP 14-17		26,076		10,600	10,600	0
		<u>\$535,690</u>	<u>0</u>	<u>48,058</u>	<u>48,058</u>	<u>0</u>

The accompanying notes to the financial statements are an integral part of this statement.

**MANAGEMENT LETTER AND COMMENTS**

**PUTNAM & COMPANY, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS  
169 S.E. 32ND  
EDMOND, OKLAHOMA 73013  
(405) 348-3800  
FAX (405) 348-3846

March 30, 2015

Honorable Governing Board  
City of Hooker, Oklahoma

We have audited financial statements of the City of Hooker, including the Hooker Municipal Authority, as of and for the year ended June 30, 2014, as listed in the table of contents, and have issued our report thereon dated March 30, 2015. As a part of our audit, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated March 30, 2015, on the financial statements of the City of Hooker.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam

PUTNAM & COMPANY, PLLC

**THE CITY OF HOOKER, OKLAHOMA  
INCLUDING THE HOOKER MUNICIPAL AUTHORITY  
MANAGEMENT LETTER COMMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

1. Due to the limited size of the City's staff, it is impossible to segregate all employee duties to preclude one individual from having complete control over entire financial transactions.
2. Detailed fixed asset and depreciation expense records are not included in the City's current accounting system. Fixed asset costs are merely charged as expenditures of the respective funds.