

Town of Lake Aluma

Independent Accountant's Compilation Report
and Report on Agreed Upon Procedures

Year Ended June 30, 2014



Town of Lake Aluma, Oklahoma
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June 30, 2014

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Independent Accountant's Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Lake Aluma
Oklahoma City, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Independent Accountant's Compilation Report

We have compiled the accompanying Summary of Changes in Fund Balance- Cash Basis (Exhibit A) of the Town of Lake Aluma, Oklahoma as of June 30, 2014, and the related Budgetary Comparison Schedule of General Fund – Cash Basis (Exhibit B). These financial statements and schedules have been prepared on the basis of accounting prescribed by the 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. We have not audited or reviewed the accompanying financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and schedules in accordance with the cash basis of accounting and applicable Oklahoma Statutes for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements and schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules they might influence the user's conclusions about the Town of Lake Aluma assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3 and are not intended to be a complete presentation of the Town of Lake Aluma's assets, liabilities, revenues, expenses and changes in fund balances.

Report on Applying Agreed-Upon Procedures

We 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 of Lake Aluma in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Lake Aluma is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Lake Aluma** as of and for the fiscal year ended June 30, 2014:

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

Findings: No instances of noncompliance were noted.

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 instances of noncompliance were noted.

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: No instances of noncompliance were noted.

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: All deposits were FDIC insured at June 30, 2014.

5. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

We were 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 we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.



HBC CPAs & Advisors
Yukon, Oklahoma
November 14, 2014

Town of Lake Aluma
 Summary of Changes in Fund Balances - Cash Basis
 Year Ended June 30, 2014

Exhibit A

Fund balance, beginning of year	\$	65,601
Revenues:		
Sales tax	\$	20,883
Franchise tax		1,427
OK county tax		1,378
Miscellaneous income		985
Cigarette tax		246
Oil & gas royalties		240
Oklahoma City revenue		232
Gasoline tax		230
Interest		130
Dog licenses		30
Total revenues	<u>\$</u>	<u>25,781</u>
Expenditures:		
Lake pumping	\$	7,500
Fireworks		5,000
Miscellaneous expense		3,918
Liability insurance		1,231
OML		429
Bonds		305
Office expense		299
Supplies		66
Total expenditures	<u>\$</u>	<u>18,748</u>
Revenues over (under) expenditures	<u>\$</u>	<u>7,033</u>
Fund balance, end of year	<u>\$</u>	<u>72,634</u>

Town of Lake Aluma
 Budgetary Comparison Schedule-Cash Basis
 General Fund
 Year Ended June 30, 2014

Exhibit B

	Budgeted Amounts	Actual	Variance Positive (Negative)
Beginning budgetary fund balance:	\$ 65,601	\$ 65,601	\$ -
Resources (Inflows):			
Revenues			
Sales tax	\$ 12,000	\$ 20,883	\$ 8,883
Oil & gas royalties	5,000	240	(4,760)
Miscellaneous income	500	985	485
OK county tax	200	1,378	1,178
Dog licenses	165	30	(135)
Gasoline tax	150	230	80
Interest	120	130	10
Cigarette tax	120	246	126
Oklahoma City revenue	-	232	232
Franchise tax	-	1,427	1,427
Total Inflows	\$ 18,255	\$ 25,781	\$ 7,526
Charges to appropriations (Outflows):			
Lake pumping	\$ 7,500	\$ 7,500	\$ -
Fireworks	5,000	5,000	-
Miscellaneous expense	4,000	3,918	82
Liability insurance	1,600	1,231	369
Town events	500	-	500
OML	430	429	1
Office expense	320	299	21
Bonds	305	305	-
Supplies	250	66	184
Legal fees	250	-	250
Advertising	100	-	100
Total Outflows	\$ 20,255	\$ 18,748	\$ 1,507
Ending budgetary fund balance:	\$ 63,601	\$ 72,634	\$ 6,019