

Town of Oakland

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

Year Ended June 30, 2015



Town of Oakland, Oklahoma
Index
June 30, 2015

Independent Accountant's Compilation Report and Report on Agreed Upon Procedures	1
Exhibit A- Summary of Changes in Fund Balances- Cash Basis	5
Exhibit B- Budgetary Comparison Schedule- General Fund- Cash Basis	6
Exhibit C- Statement of Revenues, Expenses and Change in Fund Balance Oakland Public Works Authority- Cash Basis	7



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

To the Specified Users of the Report:

Town Council, Town of Oakland
Oakland, Oklahoma

Trustees of the Oakland Public Works Authority
Oakland, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance- Cash Basis (Exhibit A) of the Town of Oakland, Oklahoma and Oakland Public Works Authority as of June 30, 2015, 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 Oakland and Oakland Public Works Authority's 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 Oakland's assets, liabilities, revenues, expenses and changes in fund balances.

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

Oakland and Oakland Public Works Authority 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, 2015. Management of the Town of Oakland 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 Oakland** as of and for the fiscal year ended June 30, 2015:

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: There were two instances where there were uncleared items after a significant amount of time. There were seven checks written totaling \$250 that had not cleared the statement that were stale dated checks. Also, there was an uncleared deposit of \$5,140.23 that had been outstanding for a significant amount of time and, upon further investigation, had been entered twice in error.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted.

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

Finding: According to state law, the Town of Oakland is required to transfer 12.5% of cemetery lot sales to a cemetery care fund. The Town did not transfer any money and there was \$3,515 lot sales occurring July 1, 2014 to June 30, 2015. The town was \$439 short of their required transfer amount.

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

Findings: No instances of noncompliance were noted.

- 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: *No instances of noncompliance were noted.*

As to the **Oakland Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

- 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 A) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: *No instances of noncompliance were noted.*

- 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: *There were seven checks which totaled \$3,212.43 that had not cleared after a significant amount of time.*

- 3. Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: *No instances of noncompliance were noted.*

- 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: *No instances of noncompliance were noted.*

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

Findings: *No instances of noncompliance were noted.*

- 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.

Finding: *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.

A handwritten signature in black ink that reads "HBC CPAs & Advisors". The signature is written in a cursive, slightly slanted style.

HBC CPAs & Advisors
Oklahoma City, Oklahoma
January 29, 2016

Town of Oakland
Summary of Changes in Fund Balances - Cash Basis
Year Ended June 30, 2015

Exhibit A

	<u>Fund Balances/Net Cash Basis Beginning</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balances Cash Basis Ending</u>
CITY:				
General	\$ 73,340	\$ 85,183	\$ 59,527	\$ 98,996
Fire	1,526	4,231	5,500	257
Cemetery	56,069	7,272	7,238	56,103
Grant Fund	12,567	-	11,492	1,075 (a)
Street and Alley	27,663	1,984	3,500	26,147
City Subtotal:	\$ 171,165	\$ 98,670	\$ 87,257	\$ 182,578
PUBLIC WORKS:				
Revenue	\$ 78,422	\$ 257,019	\$ 260,104	\$ 75,337
Utility Deposits	46,860	7,005	2,798	51,067
Debt Reserve	1,914	-	-	1,914
Water Project	3,018	-	-	3,018
PWA Subtotal:	\$ 130,214	\$ 264,024	\$ 262,902	\$ 131,336

(a) \$11,492 in expenditures was money that was received from the Oklahoma Department of Commerce. The remaining \$1,075 was money that the Town had transferred to the grant checking account in previous years. The remaining balance was intended to be transferred out of the grant checking account but never was. All money expended in this fund was for ODOC Community Development Block Grant (Contract Number 15212 CDBG 12).

Town of Oakland
Budgetary Comparison Schedule - Budgetary (Substantially Cash) Basis
General Fund
Year Ended June 30, 2015

Exhibit B

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 73,340	\$ 73,340	\$ 73,340	\$ -
Resources (Inflows):				
Revenues				
Sales Tax	35,000	35,000	53,570	18,570
Alcohol Beverage Tax	8,000	8,000	10,996	2,996
Franchise Taxes	16,750	16,750	19,902	3,152
Tobacco Tax	450	450	605	155
Grant Income	-	-	-	-
Miscellaneous	500	500	110	(390)
Transfers	-	-	-	-
Total Inflows	<u>60,700</u>	<u>60,700</u>	<u>85,183</u>	<u>24,483</u>
Charges to Appropriations (Outflows):				
General Government	<u>75,000</u>	<u>75,000</u>	<u>59,527</u>	<u>15,473</u>
Total Outflows	<u>75,000</u>	<u>75,000</u>	<u>59,527</u>	<u>15,473</u>
Ending Budgetary Fund Balance:	<u>\$ 59,040</u>	<u>\$ 59,040</u>	<u>\$ 98,996</u>	<u>\$ 39,956</u>

Town of Oakland
Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis
Oakland Public Works Authority
Year Ended June 30, 2015

Exhibit C

Operating Revenues:

Charges for services:

Water	\$ 139,148
Sewer	44,703
Garbage	63,593
Other revenues	9,543
Total Operating Revenues	256,987

Operating Expenses:

Water:

Personal services	37,511
Materials and supplies	72,630
Other services and charges	19,168
Total Water	129,309

Sewer:

Personal services	16,046
Materials and supplies	8,343
Other services and charges	3,196
Total Sewer	27,585

Garbage:

Personal services	16,452
Materials and supplies	63,988
Other services and charges	4,414
Total Garbage	84,854

Total Operating Expenses 241,748

Operating Income 15,239

Non-Operating Revenues (Expenses):

Transfer out	(6,949)
Investment income	32
Debt service - principal	(11,407)
Interest expense	-
Total Non-Operating Revenues (Expenses)	(18,324)

Change in fund balance (3,085)

Fund Balance - beginning 78,422

Fund Balance - ending \$ 75,337