

**TOWN OF BUFFALO, OKLAHOMA
BUFFALO, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT ACCOUNTANT'S REPORT**

**FOR THE YEAR ENDED
June 30, 2016**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Buffalo
Buffalo, Oklahoma

Trustees of the Buffalo Public Works Authority
Buffalo, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of The Town of Buffalo and the Buffalo Public Works Authority, which comprise the Summary of Changes in Fund Balances (Cash Basis) for the Town of Buffalo, the Budgetary Comparison Schedule for the General Fund, the Statement of Revenues, Expenses, and Changes in Fund Balance – Cash Basis for the Buffalo Public Works Authority and the Schedule of Grants for the Town of Buffalo for the fiscal year ended June 30, 2016, in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We have performed the procedures enumerated within Appendix A and Appendix B 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 Buffalo (the Town) and the Buffalo Public Works Authority (the Authority) in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2016. Management of the Town of Buffalo 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 and the additional requirements prescribed in [Oklahoma Statutes §11-17 \(105-107\) and §60-180.1-3.](#)

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 in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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.



RSMeacham CPAs & Advisors
December 28, 2016

**Town of Buffalo, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Town of Buffalo as of and for the fiscal year ended June 30, 2016:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. Agree 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 noted.

- IV. Compare 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 noted.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare 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 noted.

- VII. Compare 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 noted.

- VIII. Review the grant agreements for grants received during the year, evaluate the Town's compliance with grant terms and review grant expenditures for allowability under the grant terms and for reasonableness.

Findings: See Exhibit IV. No instances of noncompliance noted.

**Buffalo Public Works Authority
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Buffalo Public Works Authority, as of and for the year ended June 30, 2016:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit III. No instances of noncompliance noted.

- II. Agree 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: No instances of noncompliance noted.

- III. Compare 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 noted.

- IV. Compare 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 noted.

- V. Compare 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 noted.

- VI. Compare 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: No instances of noncompliance noted.

TOWN OF BUFFALO, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES-CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF BUFFALO			
General Fund	\$ 1,346,544	\$ 68,379	\$ 1,414,924
Cemetery Care Fund	7,330	614	7,943
Fire Department	20,693	105,209	125,903
Library Operations	28,192	64	28,256
Library Grant Fund	471	(109)	362
Police Department	511	(511)	-
Airport Grant	(16,712)	16,713	1
TOWN TOTAL	<u>\$ 1,387,029</u>	<u>\$ 190,359</u>	<u>\$ 1,577,388</u>
ENTERPRISE FUNDS			
Buffalo Public Works Authority	\$ 570,145	\$ 16,510	\$ 586,655
Golf Course	7,439	(7,141)	298
TOTAL ENTERPRISE FUNDS	<u>\$ 577,584</u>	<u>\$ 9,369</u>	<u>\$ 586,953</u>
OVERALL TOTAL	<u>\$ 1,964,613</u>	<u>\$ 199,728</u>	<u>\$ 2,164,341</u>

See accountant's report.

Exhibit II

TOWN OF BUFFALO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 1,374,677	\$ 1,374,677	\$ 1,346,544	\$ (28,133)
Resources (Inflows):				
Taxes:				
Sales tax	264,764	250,764	248,806	(15,958)
Use tax	12,408	21,408	21,509	9,101
Franchise tax	51,883	49,883	47,774	(4,109)
Total Taxes	<u>329,055</u>	<u>322,055</u>	<u>318,089</u>	<u>(10,966)</u>
Intergovernmental:				
Alcohol Beverage tax	44,166	47,166	49,600	5,434
Cigarette tax	2,963	2,963	3,036	73
Motor vehicle & Gas Excise tax	10,000	11,000	11,539	1,539
Total Intergovernmental	<u>57,129</u>	<u>61,129</u>	<u>64,176</u>	<u>7,047</u>
Charges for Services:				
Water	203,500	180,000	182,546	(20,954)
Sewer	55,000	55,000	55,923	923
Trash	154,000	154,000	154,556	556
Swimming pool and park fees	2,000	2,500	3,447	1,447
Cemetery	4,000	5,600	6,038	2,038
Rental Income	17,000	17,000	17,051	51
Golf Course	14,000	17,500	1,035	(12,965)
Total Charges for Services	<u>449,500</u>	<u>431,600</u>	<u>420,595</u>	<u>(28,905)</u>
Miscellaneous Income:				
Gain on Sale of Assets				
Royalty Income	350	2,650	2,697	2,347
Licenses and permits	1,500	1,500	996	(504)
Grants	585,674	538,755	3,080	(582,594)
Other revenue	6,000	122,534	118,854	112,854
Total Miscellaneous Income	<u>593,524</u>	<u>665,439</u>	<u>125,626</u>	<u>(467,898)</u>
Total current year resources	<u>1,429,208</u>	<u>1,480,223</u>	<u>928,486</u>	<u>(500,722)</u>
Amounts available for appropriation	<u>\$ 2,803,885</u>	<u>\$ 2,854,900</u>	<u>\$ 2,275,030</u>	<u>\$ (528,855)</u>
Charges to Appropriations (Outflows):				
General Government				-
Personal Services	140,000	140,000	157,636	(17,636)
Materials and Supplies	22,000	12,000	4,810	7,190
Other Services and Charges	67,000	57,000	46,320	10,680
Capital Outlay	24,175	24,175	4,001	20,174
Total General Government	<u>253,175</u>	<u>233,175</u>	<u>212,766</u>	<u>20,409</u>
Street & Alley Department				
Personal Services	15,000	28,000	28,860	(860)
Materials and Supplies	5,000	5,000	4,565	435
Other Services and Charges	20,000	20,000	15,476	4,524
Capital Outlay-Pay off of Note for Loader			-	-
Total Street & Alley Department	<u>40,000</u>	<u>53,000</u>	<u>48,901</u>	<u>4,099</u>
Fire Department				
Personal Services	5,000	5,000	2,732	2,268
Materials and Supplies	6,000	7,200	-	7,200
Other Services and Charges	3,000	3,000	2,129	871
Capital Outlay	5,000	20,000	-	20,000
Total Fire Department	<u>19,000</u>	<u>35,200</u>	<u>4,861</u>	<u>30,339</u>
Cemetery Department				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	2,000	2,000	4,229	(2,229)
Capital Outlay-preparation of addition	13,000	13,000	-	13,000
Total Cemetery Department	<u>15,000</u>	<u>15,000</u>	<u>4,229</u>	<u>10,771</u>

**TOWN OF BUFFALO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Golf Course Department				-
Personal Services	44,000	44,000	39,630	4,370
Materials and Supplies	7,000	52,000	40,088	11,912
Other Services and Charges	20,000	21,000	18,487	2,513
Capital Outlay	20,000	47,109	48,609	(1,500)
Total Golf Course Department	<u>91,000</u>	<u>164,109</u>	<u>146,813</u>	<u>17,296</u>
Pool Department				-
Personal Services	10,000	10,000	-	10,000
Materials and Supplies	3,500	3,500	4,876	(1,376)
Other Services and Charges	4,000	4,000	2,621	1,379
Capital Outlay	-	500	10,408	(9,908)
Total Pool Department	<u>17,500</u>	<u>18,000</u>	<u>17,906</u>	<u>94</u>
Parks Department				-
Personal Services	-	-	-	-
Materials and Supplies	500	500	649	(149)
Other Services and Charges	5,000	6,000	9,349	(3,349)
Capital Outlay	18,000	18,000	10,818	7,182
Total Parks Department	<u>23,500</u>	<u>24,500</u>	<u>20,816</u>	<u>3,684</u>
Airport Department				-
Personal Services	-	-	-	-
Materials and Supplies	-	-	43	(43)
Other Services and Charges	9,500	14,000	65,675	(51,675)
Capital Outlay-Overlay Project (FAA Grant)	575,000	558,386	2,279	556,107
Total Airport Department	<u>584,500</u>	<u>572,386</u>	<u>67,998</u>	<u>504,388</u>
Library Department				-
Personal Services	9,000	9,000	8,968	32
Materials and Supplies	5,000	5,000	239	4,761
Other Services and Charges	6,000	6,000	4,438	1,562
Capital Outlay	-	-	17	(17)
Total Library Department	<u>20,000</u>	<u>20,000</u>	<u>13,662</u>	<u>6,338</u>
Code Enforcement Department				-
Personal Services	-	-	-	-
Materials and Supplies	100	100	21	79
Other Services and Charges	4,500	2,500	24	2,476
Capital Outlay	-	-	-	-
Total Code Enforcement Department	<u>4,600</u>	<u>2,600</u>	<u>45</u>	<u>2,555</u>
Economic Development Department				-
Personal Services	45,000	45,000	41,845	3,155
Materials and Supplies	-	-	-	-
Other Services and Charges	1,200	1,200	215	985
Capital Outlay	-	-	-	-
Total Economic Development Department	<u>46,200</u>	<u>46,200</u>	<u>42,061</u>	<u>4,139</u>
Sewer Department				-
Personal Services	45,000	50,500	50,379	121
Materials and Supplies	250	250	-	250
Other Services and Charges	5,000	5,000	5,202	(202)
Capital Outlay	-	-	-	-
Total Sewer Department	<u>50,250</u>	<u>55,750</u>	<u>55,581</u>	<u>169</u>
Water Department				-
Personal Services	50,000	50,000	49,181	819
Materials and Supplies	4,500	4,500	12,112	(7,612)
Other Services and Charges	60,000	60,000	52,581	7,419
Capital Outlay	-	16,000	16,217	(217)
Total Water Department	<u>114,500</u>	<u>130,500</u>	<u>130,091</u>	<u>409</u>
Trash Department				-
Personal Services	37,500	37,500	34,677	2,823
Materials and Supplies	14,500	11,000	12,476	(1,476)
Other Services and Charges	50,000	48,000	48,422	(422)
Capital Outlay	-	-	459	(459)
Total Trash Department	<u>102,000</u>	<u>96,500</u>	<u>96,034</u>	<u>466</u>
Total Charges to Appropriations	<u>1,381,225</u>	<u>1,466,920</u>	<u>861,763</u>	<u>605,157</u>
Other Financing Sources (Uses)				
Interest	1,400	1,400	1,657	(257)
Transfers - in	-	-	-	-
Transfers - out	(50,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(48,600)</u>	<u>1,400</u>	<u>1,657</u>	<u>(257)</u>
Change in Fund Balance	(617)	14,703	68,379	(1,106,135)
Ending Budgetary Fund Balance	<u>\$ 1,374,060</u>	<u>\$ 1,389,380</u>	<u>\$ 1,414,924</u>	<u>\$ (1,134,268)</u>

BUFFALO PUBLIC WORKS AUTHORITY BUFFALO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Operating Revenues:

Charges for services:

Sewer Improvement Fund	\$	51,033
Water Improvement Fund		60,569
Miscellaneous Revenue		44,808
Grant Income		94,500
Total Operating Revenues		<u>250,910</u>

Operating Expenses:

Maintenance and Operations		3,894
Capital Outlay		231,031
Total Operating Expenses		<u>234,925</u>
Operating Income	\$	15,985

Non-Operating Revenues:

Transfers in		-
Interest		525
Total Non-Operating Revenues		<u>525</u>

Change in fund balance \$ 16,510

Fund Balance - beginning 570,145

Fund Balance - ending 586,655

Exhibit IV

TOWN OF BUFFALO, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
<i>Grant received from:</i>						
Oklahoma Department of Commerce	2014-2016	CDBG	\$ 18,175	\$ -	\$ -	\$ -
Department of Forestry	2015-2016	Operational fire grant	4,290	4,290	4,290	-
State of Oklahoma	2015-2016	Library Operations	4,704	4,234	4,234	-
FAA	2013-2015	Runway - Design Engineering services	49,180	21,590	4,877	16,713
FAA	2015-2016	Runway overlay	573,099	515,789	515,789	-
REAP #15-8	2014-2015	Bypass and Chlorine system project	49,999	3,080	3,080	-
REAP #16-8	2016-2017	Water meters/upgrades	37,245	-	-	-
OWRB REAP Grant	2015-2016	Pressure washing and rust removal for PWA	94,500	94,500	94,500	-
Total			<u>\$ 831,192</u>	<u>\$ 643,483</u>	<u>\$ 626,770</u>	<u>\$ 16,713</u>

See accountant's report.