

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

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

**FOR THE YEAR ENDED
JUNE 30, 2014**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

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

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Buffalo, Oklahoma and Public Trusts and Proprietary Funds as of June 30, 2014 and the related Budgetary Comparison Schedule of the General Fund, the Statement of Revenues, Expenses and Changes in Fund Balance of the Buffalo Public Works Authority- Cash Basis and the Schedule of Grants for the Town of Buffalo, Oklahoma 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. We 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.

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 without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

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.

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 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, 2014. 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. 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 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.



RSMeacham CPAs & Advisors
February 3, 2015

**Town of Buffalo, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2014**

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

- 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 material 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: The Town held \$498,335 in uncollateralized cash at June 30, 2014.

- 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: CDs restricted for meter deposits were \$12,734 less than the meter deposit liability amounts. Council should vote to restrict adequate funds to cover the full liability.

- 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, 2014**

As to the Buffalo Public Works Authority, as of and for the year ended June 30, 2014:

- 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: The Authority held \$320,368 in uncollateralized cash at June 30, 2014.

- 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, 2014

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF BUFFALO			
General Fund	\$ 972,186 *	\$ 172,463	\$ 1,144,649
Cemetery Care Fund	6,423	-	6,423
Fire	20,940	709	21,650
Library Operations	28,158	(36)	28,122
Library Grant Fund	1,295 *	(944)	351
Police	712	-	712
Airport Grant	1	-	1
CDBG	-	-	-
TOWN TOTAL	<u>\$ 1,029,716</u>	<u>\$ 172,192</u>	<u>\$ 1,201,908</u>
ENTERPRISE FUNDS			
Buffalo Public Works Authority	\$ 424,564	\$ 145,804	\$ 570,368
Golf Course	8,507 *	(157)	8,350
TOTAL ENTERPRISE FUNDS	<u>\$ 433,071</u>	<u>\$ 145,647</u>	<u>\$ 578,718</u>
OVERALL TOTAL	<u><u>\$ 1,462,787</u></u>	<u><u>\$ 317,839</u></u>	<u><u>\$ 1,780,626</u></u>

* Restated

TOWN OF BUFFALO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 645,000	\$ 645,000	\$ 978,609	\$ 333,609
Resources (Inflows):				
Taxes:				
Sales tax	315,000	275,000	274,804	(196)
Use tax	12,000	13,500	14,614	1,114
Franchise tax	40,000	53,000	47,311	(5,689)
Total Taxes	<u>367,000</u>	<u>341,500</u>	<u>336,729</u>	<u>(4,771)</u>
Intergovernmental:				
Alcoholic beverage tax	40,000	45,000	54,932	9,932
Cigarette tax	4,000	3,300	3,346	46
Motor vehicle & Gas Excise tax	8,500	9,500	9,924	424
Total Intergovernmental	<u>52,500</u>	<u>57,800</u>	<u>68,202</u>	<u>10,402</u>
Charges for Services:				
Water	185,000	185,000	189,327	4,327
Sewer	45,000	49,000	49,582	582
Trash	122,600	136,600	138,717	2,117
Swimming pool and park fees	950	2,450	3,540	1,090
Cemetery	2,500	2,625	2,866	241
Rental Income	15,200	15,700	17,051	1,351
Golf Course	4,500	15,500	99	(15,401)
Total Charges for Services	<u>375,750</u>	<u>406,875</u>	<u>401,181</u>	<u>(5,694)</u>
Miscellaneous Income:				
Gain on Sale of Assets				
Royalty Income	300	500	601	101
Licenses and permits	230	2,000	960	(1,040)
Grants	10,000	3,012	17,837	14,825
Other revenue	2,500	11,000	14,752	3,752
Total Miscellaneous Income	<u>13,030</u>	<u>16,512</u>	<u>34,149</u>	<u>17,637</u>
Total current year resources	<u>808,280</u>	<u>822,687</u>	<u>840,262</u>	<u>17,575</u>
Amounts available for appropriation	<u>\$ 1,453,280</u>	<u>\$ 1,467,687</u>	<u>\$ 1,818,871</u>	<u>\$ 351,184</u>
Charges to Appropriations (Outflows):				
General Government	385,550	381,414		381,414
Personal Services	-	-	209,707	(209,707)
Materials and Supplies	-	-	21,034	(21,034)
Other Services and Charges	-	-	66,476	(66,476)
Capital Outlay	-	-	-	-
Total General Government	<u>385,550</u>	<u>381,414</u>	<u>297,218</u>	<u>84,196</u>
Street & Alley Department				
Personal Services	-	-	11,260	(11,260)
Materials and Supplies	-	-	1,774	(1,774)
Other Services and Charges	-	3,000	16,688	(13,688)
Capital Outlay-Pay off of Note for Loader	50,000	50,000	21,424	28,576
Total Street & Alley Department	<u>50,000</u>	<u>53,000</u>	<u>51,145</u>	<u>1,855</u>
Fire Department	19,500	19,500		19,500
Personal Services	-	-	1,380	(1,380)
Materials and Supplies	-	-	3,216	(3,216)
Other Services and Charges	-	-	2,958	(2,958)
Capital Outlay	-	-	-	-
Total Fire Department	<u>19,500</u>	<u>19,500</u>	<u>7,554</u>	<u>11,946</u>
Cemetery Department				
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	-	500	96	404
Capital Outlay-preparation of addition	-	-	-	-
Total Cemetery Department	<u>-</u>	<u>500</u>	<u>96</u>	<u>404</u>
Golf Course Department	96,500	96,500		96,500
Personal Services	-	-	28,047	(28,047)
Materials and Supplies	-	-	-	-
Other Services and Charges	-	-	6,768	(6,768)
Capital Outlay	-	-	10,242	(10,242)
Total Golf Course Department	<u>96,500</u>	<u>96,500</u>	<u>45,058</u>	<u>51,442</u>

**TOWN OF BUFFALO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Pool Department	16,300	16,300		16,300
Personal Services	-	-	2,153	(2,153)
Materials and Supplies	-	-	1,278	(1,278)
Other Services and Charges	-	-	1,860	(1,860)
Capital Outlay	-	-	-	-
Total Pool Department	16,300	16,300	5,291	11,009
Parks Department	2,900	2,900		2,900
Personal Services	-	-	-	-
Materials and Supplies	-	300	385	(85)
Other Services and Charges	-	700	3,521	(2,821)
Capital Outlay	-	5,500	5,500	-
Total Parks Department	2,900	9,400	9,406	(6)
Airport Department	6,800	6,800		6,800
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	-	3,000	8,199	(5,199)
Capital Outlay-Overlay Project (FAA Grant)	-	-	-	-
Total Airport Department	6,800	9,800	8,199	1,601
Library Department	26,500	26,500		26,500
Personal Services	-	-	6,482	(6,482)
Materials and Supplies	-	-	169	(169)
Other Services and Charges	-	-	4,272	(4,272)
Capital Outlay	-	-	14,825	(14,825)
Total Library Department	26,500	26,500	25,748	752
Code Enforcement Department				-
Personal Services	-	-	-	-
Materials and Supplies	-	500	29	471
Other Services and Charges	-	3,000	3,200	(200)
Capital Outlay	-	-	-	-
Total Code Enforcement Department	-	3,500	3,229	271
Economic Development Department				-
Personal Services	-	-	-	-
Materials and Supplies	-	-	-	-
Other Services and Charges	-	2,000	1,492	508
Capital Outlay	-	-	-	-
Total Economic Development Department	-	2,000	1,492	508
Sewer Department				-
Personal Services	-	60,000	54,784	5,216
Materials and Supplies	-	500	83	417
Other Services and Charges	-	5,500	5,801	(301)
Capital Outlay	-	-	-	-
Total Sewer Department	-	66,000	60,668	5,332
Water Department	142,500	76,500		76,500
Personal Services	-	-	19,104	(19,104)
Materials and Supplies	-	-	3,667	(3,667)
Other Services and Charges	-	-	46,592	(46,592)
Capital Outlay	-	-	-	-
Total Water Department	142,500	76,500	69,363	7,137
Trash Department	103,900	103,900		103,900
Personal Services	-	-	15,659	(15,659)
Materials and Supplies	-	-	13,777	(13,777)
Other Services and Charges	-	-	55,670	(55,670)
Capital Outlay	-	-	-	-
Total Trash Department	103,900	103,900	85,106	18,794
Total Charges to Appropriations	850,450	864,814	669,571	195,243
Other Financing Sources (Uses)				
Interest	1,000	1,575	1,772	(197)
Transfers - in	75,000	75,000	-	75,000
Total Other Financing Sources (Uses)	76,000	76,575	1,772	74,803
Change in Fund Balance	33,830	34,448	172,463	(102,865)
Ending Budgetary Fund Balance	678,830	\$ 679,448	\$ 1,151,073	\$ 230,744

BUFFALO PUBLIC WORKS AUTHORITY BUFFALO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

Operating Revenues:

Charges for services:

Sewer Improvement Fund	\$ 48,254
Water Improvement Fund	57,271
Trash Improvement Fund	41,970
Miscellaneous Revenue	2,552
Total Operating Revenues	<u>150,047</u>

Operating Expenses:

Maintenance and Operations	<u>4,742</u>
Total Operating Expenses	<u>4,742</u>
Operating Income	\$ 145,305

Non-Operating Revenues:

Interest	<u>499</u>
Total Non-Operating Revenues	<u>499</u>

Change in fund balance \$ 145,804

Fund Balance - beginning 424,564

Fund Balance - ending \$ 570,368

Exhibit IV

**TOWN OF BUFFALO, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Grant received from:						
REAP #13-5	2013-2014	Street repairs & improvements	\$ 15,000	\$ 5,642	\$ 3,012	2,630
REAP #14-7A	2014-2015	Library Upgrades	26,255	14,825	14,825	-
FAA	2013-2015	Runway - Design Engineering services	49,180	-	4,426	(4,426)
Department of Tourism & Recreation	2009-2014	Golf Course Irriation Project	148,500	-	10,242	(10,242)
State of Oklahoma	2013-2014	Library Operations	5,308	5,308	5,308	-
Department of Forestry	2013-2014	Fire Grant	4,474	4,474	4,474	-
		Total	<u>\$ 248,717</u>	<u>\$ 30,249</u>	<u>\$ 42,287</u>	<u>\$ (12,038)</u>

See accountant's report.