Independent Account's Report
on Applying Agreed Upon Procedures
Town of Davidson, Oklahoma and
Davidson Public Works Authority
June 30, 2014

Town of Davidson, Oklahoma
and Davidson Public Works Authority

June 30, 2014

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Town of Davidson, Oklahoma
and Davidson Public Works Authority

TOWN OFFICIALS

June 30, 2014

Board of Trustees

Mayor	Richard Marshal
Member	Monica Haston
Member	Tony Velez

HOOD & ASSOCIATES CPAS, PC

Certified Public Accountants
5350 E. 46th St - Ste 130
Tulsa, OK 74135
Phone (918) 747-7000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

To the Specified Users of the Report:

Town Board - Town of Davidson

Trustees of the Davidson Public Works Authority

Oklahoma Office of State Auditor & Inspector

United States Department of Agriculture

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Davidson, Oklahoma and Davidson Public Works Authority as of and for the fiscal year ended June 30, 2014, and the related Budgetary Comparison Schedule of the General Fund - Cash Basis and the Statement of Revenues, Expenses and Changes in Fund Net Assets of the Proprietary Fund, and the Statement of Reserved Cash in Bank and Investments of the Proprietary Fund as of and for the fiscal year end June 30, 2014, included in the accompanying prescribed form.

We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with 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 accounting principles generally accepted in the United States of America.

The management of the Town of Davidson, Oklahoma and Davidson Public Works Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with 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 accounting principles generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the prescribed 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 and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are not material modifications that should be made to the prescribed financial statements.

These prescribed 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 differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on 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.

Additionally, we have performed the procedures enumerated below were enumerated below which are 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 and Davidson Public Works Authority in meeting their financial accountability requirements as prescribed by Oklahoma Statues 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 Davidson 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 Statues 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 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 Davidson, Oklahoma*** 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 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances 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 2-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings Noted: No instances 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 Noted: No instances 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 Noted: No instances noted.

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

Findings Noted: No instances noted.

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 Noted: The Town maintained separate bank accounts for the General Fund, Fire Department, and Public Works Authority. Revenues were reported and deposited to the various funds. Expenditures were pooled and reported together and were all paid from the General Fund. Transfers were made from the Public Works Authority to the General Fund as needed.

7. Procedures Performed: We compared the Town's 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 Noted: No instances noted.

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

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 accompany Exhibit 3-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings Noted: No instances 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 Noted: No instances noted.

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 Noted: No instances 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 Noted: No instances 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 Noted: The Public Works Authority maintained a separate bank account. Revenues were reported and deposited to the Authority. Expenditures were pooled and reported together and were all paid from the General Fund. Transfers were made from the Public Works Authority to the General Fund as needed.

6. Procedures Performed: We compared the Authority's 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 Noted: No instances 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.

Hood & Associates CPAs PC

Hood & Associates CPAs, PC

October 22, 2017

Exhibit 1-00

Town of Davidson, Oklahoma and Davidson Public Works Authority
Summary of Changes in Fund Balance
For the Fiscal Year Ended June 30, 2014

	Balance as of 6-30-13	Increases	Decreases	Transfers & Adjustments	Balance as of 6-30-14
Town:					
General Fund	9681.23	164122.80	118404.07	-872.70	54527.26
Use Tax Account Fund	4156.28				4156.28
Fire Department Fund	11897.02	18975.98	17166.42	862.46	14569.04
Investment in General Fixed Assets	47552.58				47552.58
	73287.11	183098.78	135570.49	-10.24	73252.58
Enterprise Funds:					
Davidson Public Works Authority	434356.27	184667.73	178039.18	10.24	440995.06
Total Fund Balances/Net Assets	507643.38	367766.51	313609.67	0.00	514247.64

See Accountant's Report

Exhibit 2-00

Town of Davidson, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Sales Tax	30177.38	30177.38	34044.18	3866.80
Interest/Dividends	24.31	24.31	370.71	346.40
Alcoholic Beverage Tax	3909.23	3909.23	4531.59	622.36
Franchise Tax	8723.36	8723.36	9431.19	707.83
Miscellaneous	0.00	0.00	-954.82	-954.82
Use Tax	1399.15	1399.15	2107.68	708.53
Cigarette Tax	382.73	382.73	428.27	45.54
Motor Vehicle Tax	2017.76	2017.76	2364.00	346.25
Grant Income	0.00	111800.00	111800.00	0.00
Total Revenues	46633.91	158433.91	164122.80	5688.89
Expenditures:				
Personnel Services	11000.00	11000.00	10837.41	162.59
Management & General	45315.14	45315.14	19751.35	25563.79
Capital Outlay	0.00	111800.00	87815.31	23984.69
Total Expenditures	56315.14	168115.14	118404.07	49711.07
Excess Revenues (Over) Under Total Expenditure	-9681.23	-9681.23	45718.73	55399.96
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	198000.00	198000.00
Operating Transfers Out	0.00	0.00	-198872.70	-198872.70
Net Other Financing Sources (Uses)	0.00	0.00	-872.70	-872.70
Excess of Revenues & Other Sources over Expenditures & Other Uses	-9681.23	-9681.23	44846.03	54527.26
Budgetary Fund Balances - Beginning	9681.23	9681.23	9681.23	0.00
Budgetary Fund Balances - Ending	0.00	0.00	54527.26	54527.26

See Accountant's Report

Exhibit 3-00

Davidson Public Works Authority
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2014

Operating Revenues:	
Water	97,013.31
Sewer	18,031.61
Garbage	57,098.36
Street Lights	6,429.24
Other Revenues	6,029.69
Total Operating Revenues	184,602.21
Operating Expense:	
Personal Services	34,356.96
Maintenance & Operation	107,069.28
Depreciation	28,341.19
Total Operating Expense	169,767.43
Operating income (loss)	14,834.78
Non-operating income (loss)	
Transfers Out	(198,862.46)
Grant income	198,872.70
Interest Income	65.52
Interest Expense	(8,271.75)
Total Non-operating income (loss)	(8,195.99)
Net Income (Loss)	6,638.79
Net Assets - Beginning of Year	434,356.27
Net Assets - End of Year	440,995.06

See Accountant's Report

Exhibit 4-00

Davidson Public Works Authority
Statement of Cash Reserve Accounts
Proprietary Funds
For the Year Ended June 30, 2014

	USDA Rural Development Cash Reserve Account
Balance 7-1-13	17065.83
Additions:	
Interest Income	36.58
Decreases:	
Payments	0.00
Balance 6-30-14	17102.41

See Accountant's Report