

Town Of Hardesty, Oklahoma

Independent Accountant's Report on
Applying Agreed-Upon Procedures

Year Ended June 30, 2015

Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the Town of Hardesty
Hardesty, Oklahoma

Board of Trustees of the Hardesty Municipal Authority
Hardesty, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Hardesty and the Hardesty Municipal Authority for the year ended June 30, 2015, the Budgetary Comparison Schedule – Cash Basis – General Fund, and the Statement of Revenues, Expenses and Changes in Net Position – Cash Basis – Hardesty Municipal Authority for the year ended June 30, 2015. 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-3.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the form prescribed by Oklahoma Statutes, which is a basis of accounting other than accounting principles generally accepted in the United States of America in the United States.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation 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 any 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 on the basis of accounting prescribed by Oklahoma Statutes. 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 on the next page 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 and Hardesty Municipal Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Hardesty 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.

Procedures and Findings:

As to the Town of Hardesty as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis schedule of changes in fund balances for each fund (see page 5) 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 noted.

2. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund (see page 6) and compared the actual expenditures 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 unusual reconciling items were noted that did not clear on a timely basis.

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: The Town had no uninsured deposits at June 30, 2015.

5. **Procedures Performed:** We compared the Town'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.

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 noted.

7. **Procedures Performed:** A search for Town debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Hardesty Municipal Authority as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in fund balances - cash basis for the Authority (see page 7) and compare the schedule results to the applicable trust prohibitions for creating net asset deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance noted.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

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: The Town had no uninsured deposits at June 30, 2015.

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 on noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** A search for the Authority's debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: No instances of noncompliance were noted.

As to the Town of Hardesty and Hardesty Municipal Authority grant programs, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see page 8) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

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.



Kimberly R. Mayer, CPA, P.C.

February 17, 2016

TOWN OF HARDESTY, OKLAHOMA
STATEMENT OF CHANGES IN FUND BALANCES
CASH BASIS
YEAR ENDED JUNE 30, 2015

	<u>Fund Balaces</u> <u>6/30/14</u>	<u>Change</u>	<u>Fund Balaces</u> <u>6/30/15</u>
TOWN:			
General Fund	\$ 37,721	\$ 13,054	\$ 50,775
Fire Department	12,834	98	12,932
Town Subtotal	<u>50,555</u>	<u>13,152</u>	<u>63,707</u>
MUNICIPAL AUTHORITY:			
Hardesty Municipal Authority	<u>52,773</u>	<u>51,976</u>	<u>104,749</u>
Total Municipal Authority	<u>52,773</u>	<u>51,976</u>	<u>104,749</u>
TOWN TOTALS	<u><u>\$ 103,328</u></u>	<u><u>\$ 65,128</u></u>	<u><u>\$ 168,456</u></u>

See accountant's report on agreed-upon procedures.

TOWN OF HARDESTY, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 37,721	\$ 37,721	\$ 37,721	\$
Resources (Inflows):				
Sales tax	24,000	22,689	26,065	3,376
Cigarette tax	260	299	321	22
Franchise taxes	5,000	4,631	7,089	2,458
Gas excise tax	370	370	414	44
Alcoholic beverage tax	2,875	3,655	2,636	(1,019)
Motor vehicle tax	1,770	2,160	1,632	(528)
Use tax	4,800	5,165	2,759	(2,406)
Interest income	50	55	69	14
Police fines	2,500	4,109	1,490	(2,619)
Court fees	1,000	1,729	559	(1,170)
Other revenues	3,030	3,588	343	(3,245)
Total Resources	<u>45,655</u>	<u>48,450</u>	<u>43,377</u>	<u>(5,073)</u>
Charges (Outflows):				
General Government:				
Personnel services	19,240	15,713	14,716	997
Materials and supplies	1,190	824	1,364	(540)
Other services and charges	10,593	36,503	10,304	26,199
Capital Outlay				
Total General Government	<u>31,023</u>	<u>53,040</u>	<u>26,384</u>	<u>26,656</u>
Police Department:				
Personnel services				
Materials and supplies				
Other services and changes	250	199		199
Total Police Department	<u>250</u>	<u>199</u>		<u>199</u>
Total Charges	<u>31,273</u>	<u>53,239</u>	<u>26,384</u>	<u>26,855</u>
Transfer in (out)			(3,939)	(3,939)
Ending budgetary fund balance	<u>\$ 52,103</u>	<u>\$ 32,932</u>	<u>\$ 50,775</u>	<u>\$ 17,843</u>

See accountant's report on agreed-upon procedures.

TOWN OF HARDESTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - CASH BASIS
HARDESTY MUNICIPAL AUTHORITY
YEAR ENDED JUNE 30, 2015

Operating Revenues:	
Charges for services:	
Water	\$ 50,261
Sewer	29,011
Sanitation	40,923
Gas	99,847
Late fees	3,916
Other income	3,364
Total Operating Revenues	227,322
Operating Expenses:	
Administration	64,026
Water	13,021
Sewer	1,893
Sanitation	22,328
Gas	53,851
Total Operating Expenses	155,119
Operating income (loss)	72,203
Non-Operating Revenues (Expenses)	
Interest income	110
Grant revenue	97,799
Principal payments	(5,851)
Interest expense	(8,285)
Grant expenditures	(102,799)
Increase deposit account	221
Total Non-Operating Revenues (Expenses)	(18,805)
Net Income (Loss) Before Transfers	53,398
Transfers to reserve account	(1,422)
Change in Net Position	51,976
Net Position, beginning of year	52,773
Net Position, end of year	\$ 104,749

See accountant's report on agreed-upon procedures

TOWN OF HARDESTY, OKLAHOMA
 SCHEDULE OF GRANT ACTIVITY
 CASH BASIS
 YEAR ENDED JUNE 30, 2015

<u>Grantor</u>	<u>Award Amount</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Amount Unexpended</u>
State Department of Agriculture	\$ 4,484	\$ 4,484	\$ 4,484	\$
Oklahoma Department of Commerce				
REAP 12-109	\$ 49,999	\$ 5,299	\$ 5,299	\$
REAP 13-15	\$ 50,000	\$ 42,500	\$ 42,500	\$
CDBG 14037	\$	\$	\$ 5,000	
REAP 14-16A	\$ 50,000	\$ 50,000	\$ 50,000	

See accountant's report on agreed-upon procedures.