

INDEPENDENT ACCOUNTANT'S REPORTS
AS OF AND FOR THE
FISCAL YEAR ENDED JUNE 30, 2015

TOWN OF MOUNTAIN PARK, OKLA.
AND
PUBLIC WORKS AUTHORITY

Lisa Brooks
Certified Public Accountant

Town of Mountain Park, Oklahoma
Mountain Park Public Works Authority

June 30, 2015

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Lisa Brooks
Certified Public Accountant

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Independent Accountant's Report on
Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Mountain Park
Mountain Park, Oklahoma

Trustees of the Mountain Park Public Works Authority
Mountain Park, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture, Rural Development
Hobart, Oklahoma

SW Oklahoma Development Authority
Burns Flat, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

I have performed the procedures enumerated below which were agreed to by the specified users of this report, as identified above, and as defined within the applicable laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by 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, 2015. Management of the Town of Mountain Park 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, I 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 Mountain Park, Oklahoma**, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** From the Town's trial balances, I prepared a budget and actual financial schedule for the General Fund and any other significant funds (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: Some instances were noted. Management has implemented new reporting and review procedures to avoid future occurrences.

3. **Procedures Performed:** Agreed 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 noted.

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

Findings: No instances noted as the Town has no uninsured deposits.

5. **Procedures Performed:** Compared Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

6. **Procedures Performed:** 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 noted.

7. **Procedures Performed:** Compared the Town's account balances in reserve accounts to contractually required balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted. The Town has no outstanding bonds.

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

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenses and changes in net assets-cash basis for each fund (see accompanying Exhibit 4) 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 noted.

2. **Procedures Performed:** Agreed 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 noted.

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

Findings: No instances noted as the Authority has no uninsured deposits.

4. **Procedures Performed:** Compared Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

5. **Procedures Performed:** 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 noted.

6. **Procedures Performed:** Compared the Authority's account balances in reserve accounts to contractually required balances and debt service requirements to report any noted instances of noncompliance.

Findings: No instances noted.

7. **Procedures Performed:** From the Authority's trial balances, I prepared USDA Form RD 442-3 (see accompanying Exhibit 5) and a schedule of cash in bank (see accompanying Exhibit 6) and compared the schedule results to the applicable trust reserve requirements to report any noted instance of noncompliance.

Findings: No instances noted.

The accompanying Summary of Changes in Fund Balances - Modified Cash Basis for Town of Mountain Park and Mountain Park Public Works Authority as of and for the fiscal year ended June 30, 2015; Budgetary Comparison Schedule - Cash Basis for the General Fund and Other Significant Governmental Funds of Town of Mountain Park as of and for the fiscal year ended June 30, 2015; Statement of Revenues, Expenditures and Changes in Fund Balance – Cash Basis of Governmental Funds as and for the fiscal year ended June 30, 2015; Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis of Mountain Park Public Works Authority as of and for the fiscal year ended June 30, 2015; prescribed USDA Form RD 442-3 - modified cash basis for Mountain Park Public Works Authority as of June 30, 2015; and Schedule of Cash in Banks – Cash Basis for Mountain Park Public Works Authority as of June 30, 2015 are presented as prescribed by Oklahoma Statutes and USDA Rural Development requirements and were not audited or reviewed by me. Accordingly, I do not express an opinion or any other form of assurance on them.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.

Lisa Brooks, CPA

Lisa Brooks, CPA
November 9, 2015

LISA BROOKS

Certified Public Accountant

Management is responsible for the preparation and fair presentation of the accompanying selected financial statements which comprise a schedule of changes in fund balances - modified cash basis for each fund of Town of Mountain Park and Mountain Park Public Works Authority as of and for the fiscal year ended June 30, 2015; a budget and actual financial schedule - cash basis for the General Fund and any other significant funds of Town of Mountain Park as of and for the fiscal year ended June 30, 2015; statement of revenues, expenses and changes in fund balance - modified cash basis of Mountain Park Public Works Authority as of and for the fiscal year ended June 30, 2015; prescribed USDA Form RD 442-3 - modified cash basis for Mountain Park Public Works Authority as of June 30, 2015; and statement of reserved cash in bank - cash basis for Mountain Park Public Works Authority as of June 30, 2015 and for determining that the cash (including modified cash) basis of accounting is an acceptable financial reporting framework for the purposes these statements are to serve. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included, they might influence the users' conclusions about the entities' assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Lisa Brooks, CPA

Lisa Brooks, CPA
November 9, 2015

**Town of Mountain Park and
Mountain Park Public Works Authority
Summary of Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2015**

Exhibit 1

| | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|---|--|--------------------------------------|---|--|
| Town of Mountain Park: | | | | |
| General Fund | \$8,701 | \$35,228 | \$38,233 | \$5,696 |
| Street and Alley Fund | \$7,266 | \$3,849 | \$5,320 | \$5,795 |
| Fire Department Fund | \$11,668 | \$6,857 | \$8,347 | \$10,178 |
| City Subtotal | <u>\$27,635</u> | <u>\$45,934</u> | <u>\$51,900</u> | <u>\$21,669</u> |
| Mountain Park Public Works Authority | <u>(\$207,240)</u> | <u>\$222,272</u> | <u>\$206,253</u> | <u>(\$191,221)</u> |
| Overall Totals | <u>(\$179,605)</u> | <u>\$268,206</u> | <u>\$258,153</u> | <u>(\$169,552)</u> |

Town of Mountain Park
Budgetary Comparison Schedule - Cash Basis
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2015

| | Final Budgeted Amounts | Actual Amounts | Variance Positive (Negative) |
|---|------------------------------|-------------------|------------------------------------|
| General Fund | | | |
| Budgetary Fund Balance, Beginning | 2,301 | 5,654 | 3,353 |
| <u>Resources (Inflows)</u> | | | |
| Taxes: | | | |
| Sales Tax | 13,015 | 13,017 | 2 |
| Use Tax | 1,775 | 1,688 | (87) |
| Alcoholic Tax | 6,197 | 6,253 | 56 |
| Cigarette Tax | 150 | 151 | 1 |
| Gasoline Excise Tax | 0 | 0 | 0 |
| Total Taxes | 21,137 | 21,109 | (28) |
| Franchise Fees | 8,451 | 8,639 | 188 |
| Rent and Fees | 227 | 375 | 148 |
| Other | | | |
| Interest | 2 | 0 | (2) |
| Miscellaneous | 3,500 | 5,105 | 1,605 |
| Total Other | 3,502 | 5,105 | 1,603 |
| Total Current Year Receipts | 33,317 | 35,228 | 1,911 |
| Available for Appropriation | 35,618 | 40,882 | 5,264 |
| Charges to Appropriations (Outflows) | | | |
| Personal Services | 15,000 | 14,703 | 297 |
| Maintenance and Operations | 18,000 | 23,530 | (5,530) |
| Capital Outlay | 0 | 0 | 0 |
| Total Charges to Appropriations | 33,000 | 38,233 | 5,233 |
| Budgetary Fund Balance, Ending | | 2,649 | |

Town of Mountain Park
Budgetary Comparison Schedule - Cash Basis
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2015

| | Final Budgeted Amounts | Actual Amounts | Variance Positive (Negative) |
|---|------------------------------|-------------------|------------------------------------|
| Street and Alley Fund | | | |
| Budgetary Fund Balance, Beginning | 5,329 | 7,266 | 1,937 |
| Resources (Inflows) | | | |
| Taxes: | | | |
| Gasoline Tax | 753 | 754 | 1 |
| Motor Vehicle Tax | 3,144 | 3,094 | (50) |
| Total Taxes | 3,897 | 3,848 | (49) |
| Total Current Year Receipts | 3,897 | 3,848 | (49) |
| Available for Appropriation | 9,226 | 11,114 | 1,888 |
| Charges to Appropriations (Outflows) | | | |
| Personal Services | 2,000 | 0 | 2,000 |
| Maintenance and Operations | 4,000 | 5,320 | (1,320) |
| Capital Outlay | 3,000 | 0 | 3,000 |
| Total Charges to Appropriations | 9,000 | 5,320 | 3,680 |
| Budgetary Fund Balance, Ending | | 5,794 | |

Town of Mountain Park
Budgetary Comparison Schedule - Cash Basis
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2015

| | Final Budgeted Amounts | Actual Amounts | Variance Positive (Negative) |
|---|------------------------------|-------------------|------------------------------------|
| Fire Department Fund | | | |
| Budgetary Fund Balance, Beginning | 8,524 | 8,668 | 144 |
| Resources (Inflows) | | | |
| Other Income: | | | |
| Donations/Operating Grants | 10,000 | 5,013 | (4,987) |
| Miscellaneous | 0 | 275 | 275 |
| Total Other | 10,000 | 5,288 | (4,712) |
| Transfers In | 1,818 | 1,570 | (248) |
| Total Current Year Receipts | 11,818 | 6,858 | (4,960) |
| Available for Appropriation | 20,342 | 15,526 | (4,816) |
| Charges to Appropriations (Outflows) | | | |
| Personal Services | 5,000 | 0 | 5,000 |
| Maintenance and Operations | 6,273 | 8,348 | (2,075) |
| Capital Outlay | 9,000 | 0 | 9,000 |
| Total Charges to Appropriations | 20,273 | 8,348 | 11,925 |
| Budgetary Fund Balance, Ending | | 7,178 | |

**Town of Mountain Park
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis
For the Fiscal Year Ended June 30, 2015**

Exhibit 3

| | <u>General Fund</u> | <u>Street and Alley Fund</u> | <u>Fire Department Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|--------------------------------------|-------------------------------------|---|
| Revenues: | | | | |
| Charges for services and rent | 375 | | 275 | 650 |
| Taxes | 29,748 | 3,849 | | 33,597 |
| Investment income | 0 | | | 0 |
| Miscellaneous | 5,105 | | | 5,105 |
| Donations/Operating Grants | | | 5,013 | 5,013 |
| Total Revenues | <u>35,228</u> | <u>3,849</u> | <u>5,288</u> | <u>44,365</u> |
| Expenditures: | | | | |
| General government | 38,233 | | | 38,233 |
| Highways and streets | | 5,320 | | 5,320 |
| Public safety | | | 8,348 | 8,348 |
| Total Expenditures | <u>38,233</u> | <u>5,320</u> | <u>8,348</u> | <u>51,901</u> |
| Excess (deficiency) of revenues over expenditures | (3,005) | (1,471) | (3,060) | (7,536) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 0 | 0 | 1,570 | 1,570 |
| Transfers out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>1,570</u> | <u>1,570</u> |
| Net change in fund balances | (3,005) | (1,471) | (1,490) | (5,966) |
| Fund balances - beginning | 8,701 | 7,266 | 11,668 | 27,635 |
| Fund balances - ending | <u>\$5,696</u> | <u>\$5,795</u> | <u>\$10,178</u> | <u>\$21,669</u> |

Town of Mountain Park
Public Works Authority

Exhibit 4

Statement of Revenues, Expenses and Changes in Net Assets - Modified Cash Basis
For the Fiscal Year Ended June 30, 2015

| | <u>Mountain Park PWA</u> |
|---|----------------------------------|
| Operating Revenues: | |
| Water charges | 105,077 |
| Sewer charges | 49,440 |
| Trash charges | 43,916 |
| Late charges | 7,032 |
| Reconnect fees | 1,040 |
| Total operating revenues | <u>206,505</u> |
| Operating Expenses: | |
| Administration and general | 143,278 |
| Water | 23,510 |
| Sewer | 3,825 |
| Trash | 34,070 |
| Total operating expenses | <u>204,683</u> |
| Operating income (loss) | 1,822 |
| Non-Operating Revenues (Expenses): | |
| Interest income | |
| Miscellaneous revenue | <u>15,767</u> |
| Total non-operating revenues (expenses) | 15,767 |
| Net income (loss) before transfers | 17,589 |
| Transfers in | 0 |
| Transfers out | <u>(1,570)</u> |
| Change in net assets | 16,019 |
| Total net assets-beginning | (207,240) |
| Total net assets-ending | <u><u>(\$191,221)</u></u> |

Form RD 442-3
(Rev 3-97)

Mountain Park Public Work Authority

Balance Sheet - Modified Cash Basis (Regulatory)

| | <u>June 30, 2014</u> | <u>June 30, 2014</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| <u>CURRENT ASSETS</u> | | |
| 1. Cash on hand in Banks | 28,874 | 22,540 |
| 2. Time deposits and short-term investments | 0 | 0 |
| 3. Accounts receivable | 0 | 0 |
| 4. Less: Allowance for doubtful accounts | 0 | 0 |
| 5. Inventories | 0 | 0 |
| 6. Prepayments | 0 | 0 |
| 7. | | |
| 8. | | |
| 9. Total Current Assets | <u>28,874</u> | <u>22,540</u> |
| <u>FIXED ASSETS</u> | | |
| 10. Land | 0 | 0 |
| 11. Buildings | 0 | 0 |
| 12. Furniture and equipment | 3,500 | 3,500 |
| 13. | | |
| 14. Less: Accumulated depreciation | 0 | 0 |
| 15. Net Total Fixed Assets | <u>3,500</u> | <u>3,500</u> |
| <u>OTHER ASSETS</u> | | |
| 16. | | |
| 17. | | |
| 18. Total Assets | <u><u>32,374</u></u> | <u><u>26,040</u></u> |
| LIABILITIES AND EQUITIES | | |
| <u>CURRENT LIABILITIES</u> | | |
| 19. Accounts Payable | 0 | 0 |
| 20. Notes payable | 0 | 0 |
| 21. Current portion of USDA notes | 20,052 | 20,052 |
| 22. Customer deposits | | |
| 23. Taxes payable | | |
| 24. Interest payable | | |
| 25. Kubota | | |
| 26. | | |
| 27. Total Current Liabilities | <u>20,052</u> | <u>20,052</u> |
| <u>LONG-TERM LIABILITIES</u> | | |
| 28. Notes payable USDA | 203,542 | 213,227 |
| 29. Notes payable Kubota | | |
| 30. | | |
| 31. Total Long-Term Liabilities | <u>203,542</u> | <u>213,227</u> |
| 32. Total Liabilities | <u>223,594</u> | <u>233,279</u> |
| <u>EQUITY</u> | | |
| 33. Retained earnings | (191,220) | (207,239) |
| 34. Memberships | | |
| 35. Total Equity | <u>(191,220)</u> | <u>(207,239)</u> |
| 36. Total Liabilities and Equity | <u><u>32,374</u></u> | <u><u>26,040</u></u> |

**Town of Mountain Park
Public Works Authority
Schedule of Cash in Banks - Cash Basis
For the Fiscal Year Ended June 30,2015**

Exhibit 6

| | |
|------------------------------------|-----------------|
| Contingency Fund Checking Account* | \$18,752 |
| PWA Operating Checking Account | 10,119 |
| Total cash in banks | <u>\$28,871</u> |

| | |
|---------------------------------------|-----------------|
| <u>Rural Development Debt Service</u> | |
| RD-03 (\$140 x 12) | \$1,680 |
| RD-04 (\$300 x 12) | 3,600 |
| RD-05 (\$57 x 12) | 684 |
| RD-10 (\$1,174 x 12) | 14,088 |
| Target cash reserve for debt service | <u>\$20,052</u> |

*Monthly deposit of \$167.10 required until target is attained.