

INDEPENDENT ACCOUNTANT'S REPORT
ON COMPILATION AND APPLYING
AGREED-UPON PROCEDURES

TOWN OF MOUNTAIN PARK, OKLA.
AND
PUBLIC WORKS AUTHORITY

June 30, 2013

Lisa Brooks
Certified Public Accountant

Town of Mountain Park, Oklahoma
Mountain Park Public Works Authority

June 30, 2013

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Lisa Brooks
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Independent Accountant's Report on
Compilation and 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

I have compiled the accompanying Summary of Changes in Fund Balances of the Town of Mountain Park and Mountain Park Public Works Authority (a public trust) and related Budgetary Comparison Schedule of General and Other Significant Governmental Funds, Statement of Revenues, Expenditures and Changes in Fund Balance-Cash Basis for the Town of Mountain Park governmental funds; Statement of Revenues, Expenses and Changes in Net Assets-Cash Basis; and related USDA Form RD442-3 (required by USDA Rural Development), Statement of Reserved Cash in Bank for the Mountain Park Public Works Authority, and Schedule of Grant Activity-Cash Basis for the Town of Mountain Park as of and for the fiscal year ended June 30, 2013, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format prescribed by Oklahoma Statutes and required by the Office of State Auditor and Inspector and United States Department of Agriculture-Rural Development, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My 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 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 in accordance with the cash basis of accounting. If the omitted disclosures were included, they might influence the user's conclusions about the Town's and Public Works Authority's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, 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 for the fiscal year ended June 30, 2013. Management of the Town of Mountain Park is responsible for the Town's financial accountability and its compliance with those legal 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, 2013:

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: Actual expenditures from the General Fund exceeded budgeted amounts by 5% without revision to the budget. The Fire Department received more than twice the revenue estimated for budget purposes, and expenditures were 62% more than budgeted amounts without revision.

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, 2013:

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenses and changes in net assets-modified 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.

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
October 15, 2013

**Town of Mountain Park and
Mountain Park Public Works Authority
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

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	\$4,383	\$35,538	\$34,721	\$5,200
Street and Alley Fund	\$3,817	\$3,584	\$2,072	\$5,329
Fire Department Fund	\$4,008	\$17,677	\$10,160	\$11,525
City Subtotal	<u>\$12,208</u>	<u>\$56,799</u>	<u>\$46,953</u>	<u>\$22,054</u>
 Mountain Park Public Works Authority	<u>(\$235,835)</u>	<u>\$209,844</u>	<u>\$197,657</u>	<u>(\$223,648)</u>
Overall Totals	<u>(\$223,627)</u>	<u>\$266,643</u>	<u>\$244,610</u>	<u>(\$201,594)</u>

See Accountant's Report

Town of Mountain Park
Budgetary Comparison Schedule
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
General Fund			
Budgetary Fund Balance, Beginning	3,473	1,484	(1,989)
<u>Resources (Inflows)</u>			
Taxes:			
Sales Tax	12,443	11,756	(687)
Use Tax	1,864	1,920	56
Alcoholic Tax	5,601	5,811	210
Cigarette Tax	161	152	(9)
Gasoline Excise Tax	0	(122)	(122)
Total Taxes	<u>20,069</u>	<u>19,517</u>	<u>(552)</u>
Franchise Fees	7,665	6,473	(1,192)
Rent and Fees	562	2,260	1,698
Other			
Interest	13	11	(2)
Miscellaneous	3,500	7,277	3,777
Total Other	<u>3,513</u>	<u>7,288</u>	<u>3,775</u>
Total Current Year Receipts	<u>31,809</u>	<u>35,538</u>	<u>3,729</u>
Available for Appropriation	<u>35,282</u>	<u>37,022</u>	<u>1,740</u>
<u>Charges to Appropriations (Outflows)</u>			
Personal Services	15,000	14,922	78
Maintenance and Operations	18,000	19,799	(1,799)
Capital Outlay	0	0	0
Total Charges to Appropriations	<u>33,000</u>	<u>34,721</u>	<u>1,721</u>
Budgetary Fund Balance, Ending		<u><u>2,301</u></u>	

Town of Mountain Park
Budgetary Comparison Schedule
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Street and Alley Fund			
Budgetary Fund Balance, Beginning	3,561	3,817	256
<u>Resources (Inflows)</u>			
Taxes:			
Gasoline Tax	960	701	(259)
Motor Vehicle Tax	2,752	2,883	131
Total Taxes	<u>3,712</u>	<u>3,584</u>	<u>(128)</u>
Total Current Year Receipts	<u>3,712</u>	<u>3,584</u>	<u>(128)</u>
Available for Appropriation	<u>7,273</u>	<u>7,401</u>	<u>128</u>
<u>Charges to Appropriations (Outflows)</u>			
Personal Services	1,000	0	1,000
Maintenance and Operations	2,233	2,072	161
Capital Outlay	3,000	0	3,000
Total Charges to Appropriations	<u>6,233</u>	<u>2,072</u>	<u>4,161</u>
Budgetary Fund Balance, Ending		<u><u>5,329</u></u>	

**Town of Mountain Park
 Budgetary Comparison Schedule
 General and Other Significant Governmental Funds
 For the Fiscal Year Ended June 30, 2013
 (Unaudited)**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Fire Department Fund			
Budgetary Fund Balance, Beginning	2,612	1,007	(1,605)
<u>Resources (Inflows)</u>			
Other Income:			
Donations/Operating Grants	5,000	16,011	11,011
Miscellaneous	0	0	0
Total Other	5,000	16,011	11,011
Transfers In	1,818	1,666	(152)
Total Current Year Receipts	6,818	17,677	10,859
Available for Appropriation	9,430	18,684	9,254
<u>Charges to Appropriations (Outflows)</u>			
Personal Services	0	0	0
Maintenance and Operations	6,273	10,160	(3,887)
Capital Outlay	0	0	0
Total Charges to Appropriations	6,273	10,160	(3,887)
Budgetary Fund Balance, Ending		\$18,657	

**Town of Mountain Park
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance (Cash Basis)
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

	<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	2,260			2,260
Taxes	25,990	3,584		29,574
Investment income	11			11
Miscellaneous	3,115			3,115
Donations/Operating Grants	2,712		16,011	18,723
Total Revenues	<u>34,088</u>	<u>3,584</u>	<u>16,011</u>	<u>53,683</u>
Expenditures:				
General government	34,721			34,721
Highways and streets		2,072		2,072
Public safety			10,160	10,160
Total Expenditures	<u>34,721</u>	<u>2,072</u>	<u>10,160</u>	<u>46,953</u>
Excess (deficiency) of revenues over expenditures	(633)	1,512	5,851	6,730
Other Financing Sources (Uses):				
Transfers in	1,450		1,666	3,116
Transfers out				0
Total Other Financing Sources (Uses)	<u>1,450</u>	<u>0</u>	<u>1,666</u>	<u>3,116</u>
Net change in fund balances	817	1,512	7,517	9,846
Fund balances - beginning	4,383	3,817	4,008	12,208
Fund balances - ending	<u>\$5,200</u>	<u>\$5,329</u>	<u>\$11,525</u>	<u>\$22,054</u>

See Accountant's Report

**Town of Mountain Park
Public Works Authority
Statement of Revenues, Expenses and Changes in Net Assets (Cash Basis)
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

	Mountain Park PWA
	<u> </u>
Operating Revenues:	
Water charges	105,395
Sewer charges	54,431
Trash charges	42,392
Late charges	5,566
Reconnect and hook up fees	1,152
Spraying	7
Total operating revenues	<u>208,943</u>
Operating Expenses:	
Administration and general	28,736
Water	77,893
Sewer	19,481
Trash	68,431
Total operating expenses	<u>194,541</u>
Operating income (loss)	14,402
Non-Operating Revenues (Expenses):	
Interest income	67
Miscellaneous revenue	834
Total non-operating revenues (expenses)	901
Net income (loss) before transfers	15,303
Transfers in	0
Transfers out	<u>(3,116)</u>
Change in net assets	12,187
Total net assets-beginning	(235,835)
Total net assets-ending	<u><u>(\$223,648)</u></u>

See Accountant's Report

Form RD 442-3
(Rev 3-97)

Mountain Park Public Work Authority

(Unaudited)

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
ASSETS		
<u>CURRENT ASSETS</u>		
1. Cash on hand in Banks	16,162	15,218
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>16,162</u>	<u>15,218</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>19,662</u></u>	<u><u>18,718</u></u>
LIABILITIES AND EQUITIES		
<u>CURRENT LIABILITIES</u>		
19. Accounts Payable	0	0
20. Notes payable	0	0
21. Current portion of USDA note	20,052	20,052
22. Customer deposits		
23. Taxes payable	795	1,125
24. Interest payable		
25. Kubota	0	0
26.		
27. Total Current Liabilities	<u>20,847</u>	<u>21,177</u>
<u>LONG-TERM LIABILITIES</u>		
28. Notes payable USDA	222,463	231,268
29. Notes payable Kubota		2,108
30.		
31. Total Long-Term Liabilities	<u>222,463</u>	<u>233,376</u>
32. Total Liabilities	<u>243,310</u>	<u>254,553</u>
<u>EQUITY</u>		
33. Retained earnings	(223,648)	(235,835)
34. Memberships		
35. Total Equity	<u>(223,648)</u>	<u>(235,835)</u>
36. Total Liabilities and Equity	<u><u>19,662</u></u>	<u><u>18,718</u></u>

See Accountant's Report

Town of Mountain Park
Public Works Authority
Schedule of Cash in Banks
For the Fiscal Year Ended June 30,2013
(Unaudited)

Contingency Fund Checking Account*	\$14,506
PWA Operating Checking Account	1,656
Total cash in banks	<u>\$16,162</u>

Rural Development Debt Service

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. Monthly deposits of \$184.20 made.

Town of Mountain Park
Schedule of Grant Activity-Cash Basis
For the Fiscal year Ended June 30, 2013
(Unaudited)

Exhibit 7

	<u>Beginning Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Ending Unexpended Grant Funds</u>
REAP 12-KW-12001	0	19,401	(1,940)	0
Total	<u>0</u>	<u>19,401</u>	<u>(1,940)</u>	<u>0</u>

See Accountant's Report