

Town of Oakland

Independent Accountant's Compilation Report and Report on Agreed Upon Procedures

Year Ended June 30, 2014



Town of Oakland, Oklahoma
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June 30, 2014

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Independent Accountant's Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Oakland
Oakland, Oklahoma

Trustees of the Oakland Public Works Authority
Oakland, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance- Cash Basis (Exhibit A) of the Town of Oakland, Oklahoma and Oakland Public Works Authority as of June 30, 2014, and the related Budgetary Comparison Schedule of General Fund – Cash Basis (Exhibit B). These financial statements and schedules have been prepared on 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 generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

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

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

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules they might influence the user's conclusions about the Town of Oakland and Oakland Public Works Authority's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3 and are not intended to be a complete presentation of the Town of Oakland's assets, liabilities, revenues, expenses and changes in fund balances.

We have performed the procedures enumerated below 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 Oakland and Oakland Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Oakland 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 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 Oakland** 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 A) 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 were 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 B) and compared the actual expenditures and encumbrances 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 instances of noncompliance were 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: *At June 30, 2014, the Town of Oakland had cash balances of \$259,573 which the FDIC insures \$250,000 of that amount. The Town of Oakland is underinsured by \$9,573 as of June 30, 2014.*

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

Finding: *According to state law, the Town of Oakland is required to transfer 12.5% of cemetery lot sales to a cemetery care fund. The Town transferred \$985 during the year which is 9.1% of the \$10,820 lot sales occurring July 1, 2013 to June 30, 2014. The town was \$367 short of their required transfer amount.*

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 were noted.*

7. **Procedures Performed:** We compared 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: *No instances of noncompliance were noted.*

As to the **Oakland 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 accompanying Exhibit A) 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 of noncompliance were 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: *No instances of noncompliance were 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: *See number four on the Town of Oakland findings.*

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 of noncompliance.

Findings: *No instances of noncompliance were noted.*

6. **Procedures Performed:** We compared 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.

Finding: *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.



HBC CPAs & Advisors
Yukon, Oklahoma
November 14, 2014

Town of Oakland
Summary of Changes in Fund Balances - Cash Basis
Year Ended June 30, 2014

Exhibit A

	Fund Balances/Net Cash Basis Beginning	Revenue	Expenditures	Fund Balances Cash Basis Ending
CITY:				
General	\$ 58,210	\$ 70,644	\$ 55,514	\$ 73,340
Fire	1,530	6,325	6,329	1,526
Cemetery	60,105	8,464	12,500	56,069
Grant Fund	1,075	320,790	309,298	12,567 ^(a)
Street and Alley	28,368	8,575	9,280	27,663
City Subtotal:	\$ 149,288	\$ 414,798	\$ 392,921	\$ 171,165
PUBLIC WORKS:				
Revenue	\$ 50,782	\$ 272,949	\$ 245,310	\$ 78,422
Utility Deposits	46,547	7,155	6,842	46,860
Debt Reserve	1,914	-	-	1,914
Water Project	3,015	3	-	3,018
PWA Subtotal:	\$ 102,258	\$ 280,107	\$ 252,152	\$ 130,214

^(a) \$12,567 was expended on August 29, 2014. Of that amount, \$11,492 was money received from the Oklahoma Department of Commerce and \$1,075 was money the Town had transferred to the grant checking account in previous years. All money received and expended in this fund was for ODOC Community Development Block Grant (Contract Number 15212 CDBG 12).

Town of Oakland
Budgetary Comparison Schedule - Budgetary (Substantially Cash) Basis
General Fund
Year Ended June 30, 2014

Exhibit B

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 58,210	\$ 58,210	\$ 58,210	\$ -
Resources (Inflows):				
Revenues				
Sales Tax	35,000	35,000	40,275	5,275
Alcohol Beverage Tax	8,000	8,000	10,783	2,783
Franchise Taxes	16,750	16,750	19,109	2,359
Tobacco Tax	450	450	477	27
Grant Income	-	-	-	-
Miscellaneous	500	500	-	(500)
Transfers	-	-	-	-
Total Inflows	<u>60,700</u>	<u>60,700</u>	<u>70,644</u>	<u>9,944</u>
Charges to Appropriations (Outflows):				
General Government	<u>70,000</u>	<u>70,000</u>	<u>55,514</u>	<u>14,486</u>
Total Outflows	<u>70,000</u>	<u>70,000</u>	<u>55,514</u>	<u>14,486</u>
Ending Budgetary Fund Balance:	<u>\$ 48,910</u>	<u>\$ 48,910</u>	<u>\$ 73,340</u>	<u>\$ 24,430</u>

Town of Oakland
Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis
Oakland Public Works Authority
Year Ended June 30, 2014

Exhibit C

Operating Revenues:

Charges for services:

Water	\$ 152,913
Sewer	44,078
Garbage	62,505
Other revenues	13,448
Total Operating Revenues	272,944

Operating Expenses:

Water:

Personal services	33,530
Materials and supplies	72,839
Other services and charges	13,631
Total Water	120,000

Sewer:

Personal services	14,188
Materials and supplies	11,154
Other services and charges	185
Total Sewer	25,527

Garbage:

Personal services	14,707
Materials and supplies	56,366
Other services and charges	3,023
Total Garbage	74,096

Total Operating Expenses 219,623

Operating Income 53,321

Non-Operating Revenues (Expenses):

Transfer out	(13,329)
Investment income	6
Debt service - principal	(11,554)
Interest expense	(804)
Total Non-Operating Revenues (Expenses)	(25,681)

Change in fund balance 27,640

Fund Balance - beginning 50,782

Fund Balance - ending \$ 78,422