

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Blair
Blair, Oklahoma

Trustees of the Blair Public Works Authority
Blair, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

South Western Oklahoma Development Authority
Burns Flat, Oklahoma

State of Oklahoma Department of Agriculture, Food, and Forestry
Oklahoma City, Oklahoma

Oklahoma Tobacco Settlement Endowment Trust
Oklahoma City, Oklahoma

Wichita Falls Area Community Foundation
Wichita Falls, Texas

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Blair (the "Town") and Public Works Authority (the "Authority"), Blair, Oklahoma and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2015. The financial statements and schedules 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 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 they 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.

Management is responsible for the preparation and fair presentation of the financial statements and schedules 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, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial information.

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 and schedules prepared on the cash basis of accounting. If the omitted disclosures were included, they might influence the user's conclusions about the Town's fund balances, 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 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 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 Blair 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.

HSPG & Associates, P.C.

December 21, 2015

Procedures and Findings:

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

1. **Procedure Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances – cash basis for each fund (see accompanying Exhibit 1) 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 budgetary comparison schedule – cash basis for the General Fund (see accompanying Exhibit 2) 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 significant or unusual instances of reconciling items were noted as uncleared.

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: All of the Town's deposits are insured or collateralized.

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

Procedures and Findings:

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

1. **Procedure Performed:** From the Authority's trial balances, we prepared a summary of changes in fund balances – cash basis for each fund (see accompanying Exhibit 1) 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 Authority's trial balances, we prepared a statement of revenues, expenses and changes in fund balances – cash basis (see accompanying Exhibit 3) and compared the schedule results to the applicable authority prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance were noted.

3. **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 significant or unusual instances of reconciling items were noted as uncleared.

4. **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: All of the Authority's deposits are insured or collateralized.

5. **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.

6. **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.

7. **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.

Findings: No instances of noncompliance were noted.

Procedures and Findings:

As to the **Town of Blair and Public Works Authority Grant Programs** as of and for the fiscal year ended June 30, 2015:

1. From the Town and Authority's trial balances, we prepared a schedule of grant activity – cash basis for each grant contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No instances of noncompliance were noted.

**TOWN OF BLAIR AND PUBLIC AUTHORITY
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Transfers</u>	<u>End of Year Fund Balances</u>
CITY:					
General Fund	\$ 84,108	\$ 280,999	\$ 310,828	\$ 23,984	\$ 78,263
City Subtotal	<u>84,108</u>	<u>280,999</u>	<u>310,828</u>	<u>23,984</u>	<u>78,263</u>
PUBLIC WORKS AUTHORITY:					
PWA Utilities Fund	119,745	341,426	310,629	(23,984)	126,558
Meter Deposits Fund	13,223	8,213	6,320	-	15,116
PWA Subtotal	<u>132,968</u>	<u>349,639</u>	<u>316,949</u>	<u>(23,984)</u>	<u>141,674</u>
Overall Totals	<u>\$ 217,076</u>	<u>\$ 630,638</u>	<u>\$ 627,777</u>	<u>\$ -</u>	<u>\$ 219,937</u>

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TOWN OF BLAIR, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Fund Balance:	\$ 127,788	\$ 84,108	\$ 84,108	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	144,061	144,061	122,287	(21,774)
Franchise tax	21,318	21,318	19,197	(2,121)
Licenses and permits	-	-	215	215
Occupational tax	2,000	2,000	2,808	808
Cigar tax	1,748	1,748	1,457	(291)
Total Taxes	169,127	169,127	145,964	(23,163)
Intergovernmental:				
Alcoholic beverage tax	4,315	4,315	4,342	27
Gas and vehicle tax	7,700	7,700	7,551	(149)
Grants	4,473	26,963	26,974	11
Total Intergovernmental	16,488	38,978	38,867	(111)
Other Revenue:				
Rent	1,450	1,450	1,665	215
Street lights	-	-	629	629
Fire assessment fees	13,816	15,816	14,153	(1,663)
Meal Site	-	9,500	17,435	7,935
Donations	-	-	526	526
Fire Calls	-	-	2,620	2,620
Court fines	1,633	1,633	1,144	(489)
Collection fees	7,236	7,236	3,350	(3,886)
Refunds	98	98	310	212
Fire membership contributions	6,267	6,267	7,400	1,133
Loan	-	5,000	-	(5,000)
Park revenue	23,422	49,922	44,279	(5,643)
Total Other Revenue	53,922	96,922	93,511	(3,411)
Investment Income:	240	240	213	(27)
Miscellaneous Income:	1,991	1,991	2,444	453
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Resources (Inflows)	241,768	307,258	280,999	(26,259)
Amounts available for appropriation	\$ 369,556	\$ 391,366	\$ 365,107	\$ (26,259)

(Continued)

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TOWN OF BLAIR, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$ 54,000	\$ 57,000	\$ 55,540	\$ 1,460
Materials and supplies	5,676	19,176	6,588	12,588
Other services and charges	53,563	83,313	76,803	6,510
Capital outlay	-	-	60,982	(60,982)
Park expense	23,422	59,922	22,933	36,989
Total General Government	<u>136,661</u>	<u>219,411</u>	<u>222,846</u>	<u>(3,435)</u>
Street & Alley:				
Materials and supplies	8,356	8,356	6,079	2,277
Total Street & Alley	<u>8,356</u>	<u>8,356</u>	<u>6,079</u>	<u>2,277</u>
Fire:				
Personal services	600	700	800	(100)
Materials and supplies	2,310	11,050	7,352	3,698
Other services and charges	21,881	23,781	17,216	6,565
Capital outlay	-	-	-	-
Total Fire	<u>24,791</u>	<u>35,531</u>	<u>25,368</u>	<u>10,163</u>
Police:				
Personal services	52,000	52,000	41,071	10,929
Materials and supplies	577	577	2,941	(2,364)
Other services and charges	24,466	24,466	12,523	11,943
Capital outlay	-	-	-	-
Total Police	<u>77,043</u>	<u>77,043</u>	<u>56,535</u>	<u>20,508</u>
Total Charges to Appropriations (Outflows)	<u>246,851</u>	<u>340,341</u>	<u>310,828</u>	<u>29,513</u>
Other Financing Sources:				
Transfers from other funds	-	-	23,984	23,984
Net Inflows and Outflows	<u>(5,083)</u>	<u>(33,083)</u>	<u>(5,845)</u>	<u>27,238</u>
Ending Fund Balance	<u>\$ 122,705</u>	<u>\$ 51,025</u>	<u>\$ 78,263</u>	<u>\$ 27,238</u>

(Concluded)

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**TOWN OF BLAIR, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS (UNAUDITED)
TOWN OF BLAIR PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Operating Revenues:

Charges for services:

Water	\$ 167,348
Sewer	42,107
Sanitation	129,543
Installation	-
Penalties	9,234
Other	966

Total Operating Revenues	<u>349,198</u>
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Operating Expenses:

Water	149,487
Sewer	26,206
Sanitation	96,182
Other	481

Total Operating Expenses	<u>272,356</u>
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Operating Income (Loss)	76,842
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Non-Operating Revenues (Expenses):

Investment income	441
Grant	-
Capital Outlay	-
Debt service	(44,593)

Total Non-Operating Revenues (Expenses)	<u>(44,152)</u>
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Net Income (Loss) Before Contributions and Transfers	32,690
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Transfers to other funds	<u>(23,984)</u>
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Change in fund balance	8,706
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Fund Balance - beginning	<u>132,968</u>
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Fund Balance - ending	<u><u>\$ 141,674</u></u>
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TOWN OF BLAIR, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grant Program Agency and Description:	Prior Year Unexpended Funds	Receipts	Disbursements	Unexpended Funds
TOWN:				
South Western Oklahoma Development Authority 260 CENA 2015 Grant Facility Enhancement	\$ -	\$ 8,750	\$ 8,750	\$ -
Oklahoma Tobacco Settlement Endowment Trust Healthy Communities Incentive Grant Enhancement of physical activity, playground equipment	-	10,000	10,000	-
State of Oklahoma Department of Agriculture, Food and Forestry Annual Operational Grant	-	4,484	4,484	-
Wichita Falls Area Community Foundation Volunteer Fire Department Fund Wildland Suits	-	3,740	3,740	-
Total Grant Program Activity	<u>\$ -</u>	<u>\$ 26,974</u>	<u>\$ 26,974</u>	<u>\$ -</u>

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