

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

Comanche County Office of Emergency Management
Lawton, Oklahoma

State of Oklahoma Department of Emergency Management
Oklahoma City, Oklahoma

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, 2013 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The 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.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the Town's and the Authority's management. We have not audited or reviewed the accompanying schedules and, accordingly, do not express an opinion or any other form of assurance on them.

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 schedules 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, 2013. 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.

Procedures and Findings:

As to the **Town of Blair** as of and for the fiscal year ended June 30, 2013:

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, 2013:

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, 2013:

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.

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.

HSPG & Associates, P.C.

December 9, 2013

**TOWN OF BLAIR AND PUBLIC AUTHORITY
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2013**

	<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	\$ 49,421	\$ 268,155	\$ 244,937	\$ 6,370	\$ 79,009
City Subtotal	<u>49,421</u>	<u>268,155</u>	<u>244,937</u>	<u>6,370</u>	<u>79,009</u>
PUBLIC WORKS AUTHORITY:					
PWA Utilities Fund	119,166	340,465	331,099	(6,370)	122,162
Meter Deposits Fund	10,904	6,668	5,730	-	11,842
PWA Subtotal	<u>130,070</u>	<u>347,133</u>	<u>336,829</u>	<u>(6,370)</u>	<u>134,004</u>
Overall Totals	<u>\$ 179,491</u>	<u>\$ 615,288</u>	<u>\$ 581,766</u>	<u>\$ -</u>	<u>\$ 213,013</u>

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**TOWN OF BLAIR, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Fund Balance:	\$ 128,058	\$ 128,058	\$ 49,421	\$ (78,637)
Resources (Inflows):				
Taxes:				
Sales tax	149,628	149,628	145,192	(4,436)
Franchise tax	21,137	21,137	17,309	(3,828)
Licenses and permits	2,427	2,427	3,065	638
Cigar tax	2,178	2,178	1,878	(300)
Total Taxes	175,370	175,370	167,444	(7,926)
Intergovernmental:				
Alcoholic beverage tax	3,885	3,885	4,046	161
Gas and vehicle tax	7,833	7,833	7,966	133
Grants	4,413	18,038	32,753	14,715
Total Intergovernmental	16,131	29,756	44,765	15,009
Other Revenue:				
Rent	1,435	1,435	5,014	3,579
Fire assessment fees	13,881	13,881	14,137	256
Fire runs	900	900	425	(475)
Court fines	5,213	5,213	5,079	(134)
Collection fees	2,612	2,612	2,549	(63)
Refunds	168	168	43	(125)
Fire membership contributions	5,533	5,533	6,300	767
Festival income	-	-	1,199	1,199
Brick purchases	-	-	160	160
Park revenue	-	16,416	15,301	(1,115)
2010 Ice Storm	-	3,401	3,401	-
Total Other Revenue	29,742	49,559	53,608	4,049
Investment Income:	542	542	279	(263)
Miscellaneous Income:	2,134	2,134	2,059	(75)
Other Financing Sources:				
Transfers from other funds	-	-	6,370	6,370
Amounts available for appropriation	\$ 351,977	\$ 385,419	\$ 323,946	\$ (61,473)

(Continued)

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**TOWN OF BLAIR, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$ 54,000	\$ 54,000	\$ 51,376	\$ 2,624
Materials and supplies	6,791	6,791	10,675	(3,884)
Other services and charges	74,680	83,122	68,953	14,169
Capital outlay	-	-	18,887	(18,887)
Park expense	-	25,000	2,181	22,819
Total General Government	<u>135,471</u>	<u>168,913</u>	<u>152,072</u>	<u>16,841</u>
Street & Alley:				
Materials and supplies	7,833	7,833	6,025	1,808
Total Street & Alley	<u>7,833</u>	<u>7,833</u>	<u>6,025</u>	<u>1,808</u>
Fire:				
Personal services	600	600	800	(200)
Materials and supplies	4,903	4,903	2,683	2,220
Other services and charges	19,524	19,524	17,398	2,126
Capital outlay	-	-	516	(516)
Total Fire	<u>25,027</u>	<u>25,027</u>	<u>21,397</u>	<u>3,630</u>
Police:				
Personal services	74,000	74,000	45,127	28,873
Materials and supplies	242	242	3,536	(3,294)
Other services and charges	32,620	32,620	14,588	18,032
Capital outlay	-	-	2,192	(2,192)
Total Police	<u>106,862</u>	<u>106,862</u>	<u>65,443</u>	<u>41,419</u>
Total Charges to Appropriations	275,193	308,635	244,937	63,698
Other Financing Sources:				
Transfers to other funds	-	-	-	-
Ending Fund Balance	\$ 76,784	\$ 76,784	\$ 79,009	\$ 2,225

(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, 2013**

Operating Revenues:	
Charges for services:	
Water	\$ 164,349
Sewer	41,415
Sanitation	119,791
Installation	1,000
Penalties	9,241
Other	2,474
 Total Operating Revenues	 <u>338,270</u>
Operating Expenses:	
Water	142,135
Sewer	26,208
Sanitation	92,896
Other	389
 Total Operating Expenses	 <u>261,628</u>
 Operating Income (Loss)	 76,642
Non-Operating Revenues (Expenses):	
Investment income	998
Grant	7,865
Capital Outlay	(25,694)
Debt service	(49,507)
 Total Non-Operating Revenues (Expenses)	 <u>(66,338)</u>
 Net Income (Loss) Before Contributions and Transfers	 10,304
 Transfers out	 <u>(6,370)</u>
 Change in fund balance	 3,934
 Fund Balance - beginning	 <u>130,070</u>
 Fund Balance - ending	 <u>\$ 134,004</u>

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TOWN OF BLAIR, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Grant Program Agency and Description:	Prior Year Unexpended Funds	Receipts	Disbursements	Unexpended Funds
TOWN:				
South Western Oklahoma Development Authority 14809 CDBG CIP 2011 Development of Capital Improvement Plan	\$ -	\$ 13,625	\$ 13,625	\$ -
State of Oklahoma Department of Emergency Management FEMA-1883-DR-OK 2010 Ice Storm Reimbursement	-	3,401 A	-	-
South Western Oklahoma Development Authority 260 CENA 2013 Grant Community Expansion of Nutrition Assistance Equipment Supplies	-	4,120	4,120	-
Oklahoma Tobacco Settlement Endowment Trust Healthy Communities Incentive Grant Enhancement of physical activity, basketball court	-	10,000	-	10,000
State of Oklahoma Department of Agriculture, Food and Forestry Annual Operational Grant	-	4,484	4,484	-
Comanche County Office of Emergency Management Fire Management Grant (FMAG 29-32) 2011 Medicine Park Fire Reimbursement	-	523 A	-	-
PUBLIC AUTHORITY:				
South Western Oklahoma Development Authority 2013 REAP Fund Contract No. 13-JK-13003 Waterline Replacement Project Phase V	-	7,865	7,865	-
Total Grant Program Activity	\$ -	\$ 44,018	\$ 30,094	\$ 10,000

A - Receipts for this grant represent reimbursements of expenditures from prior years.

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