

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

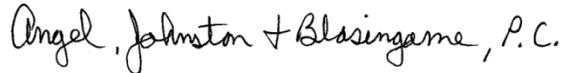
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

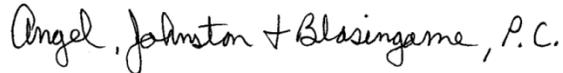
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | <u>19,911</u> | <u>40,554</u> | <u>41,751</u> | <u>1,196</u> |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | <u>19,911</u> | <u>39,472</u> | <u>17,536</u> | <u>21,936</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | <u>19,911</u> | <u>40,554</u> | <u>18,619</u> | <u>21,936</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,132</u> | <u>\$ 23,132</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

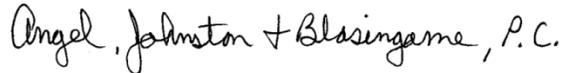
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | |
|---|-------------------------|
| Operating Revenues: | |
| Charges for services: | |
| Water Revenues | \$ 114,377 |
| Sewer Revenues | 36,972 |
| Solid Waste Revenues | 76,581 |
| Penalties, Reconnect and Taps | 7,753 |
| Miscellaneous | 2,649 |
| Total Operating Revenue | <u>238,331</u> |
| Operating Expenses: | |
| Personal Services | 51,281 |
| Maintenance & Operations | |
| Water | 87,399 |
| Sewer | 14,421 |
| Sanitation | 58,233 |
| Total Operating Expenses | <u>211,334</u> |
| Operating Income (Loss) | <u>26,997</u> |
| Non-Operating Revenues (Expenses): | |
| Investment income | 62 |
| Miscellaneous income | - |
| Grant revenue | 11,528 |
| Grant expenses | - |
| Capital outlay | - |
| Total Non-Operating Revenues (Expenses) | <u>11,590</u> |
| Net Income (Loss) Before Contributions and Transfers | 38,587 |
| Capital contributions | |
| Transfers in | 3,596 |
| Transfers out | <u>(3,596)</u> |
| Changes in Fund Balance | 38,587 |
| Fund Balance - beginning | <u>5,887</u> |
| Fund Balance - ending | <u><u>\$ 44,474</u></u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

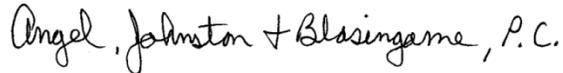
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | <u>19,911</u> | <u>40,554</u> | <u>41,751</u> | <u>1,196</u> |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | <u>19,911</u> | <u>39,472</u> | <u>17,536</u> | <u>21,936</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | <u>19,911</u> | <u>40,554</u> | <u>18,619</u> | <u>21,936</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,132</u> | <u>\$ 23,132</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

Charges for services:

| | | |
|-------------------------------|----|---------|
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | 238,331 |

Operating Expenses:

| | | |
|--------------------------|--|---------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | 211,334 |

| | | |
|-------------------------|--|--------|
| Operating Income (Loss) | | 26,997 |
|-------------------------|--|--------|

Non-Operating Revenues (Expenses):

| | | |
|---|--|--------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | 11,590 |

| | | |
|---|--|--------|
| Net Income (Loss) Before Contributions and Transfers | | 38,587 |
|---|--|--------|

Capital contributions

| | | |
|---------------|--|---------|
| Transfers in | | 3,596 |
| Transfers out | | (3,596) |
| | | - |

| | | |
|--------------------------------|--|--------|
| Changes in Fund Balance | | 38,587 |
|--------------------------------|--|--------|

| | | |
|---------------------------------|--|-------|
| Fund Balance - beginning | | 5,887 |
|---------------------------------|--|-------|

| | | |
|------------------------------|----|--------|
| Fund Balance - ending | \$ | 44,474 |
|------------------------------|----|--------|

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

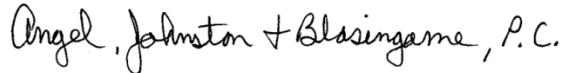
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

Charges for services:

| | |
|--------------------------------|-----------------------|
| Water Revenues | \$ 114,377 |
| Sewer Revenues | 36,972 |
| Solid Waste Revenues | 76,581 |
| Penalties, Reconnect and Taps | 7,753 |
| Miscellaneous | 2,649 |
| Total Operating Revenue | <u>238,331</u> |

Operating Expenses:

| | |
|---------------------------------|-----------------------|
| Personal Services | 51,281 |
| Maintenance & Operations | |
| Water | 87,399 |
| Sewer | 14,421 |
| Sanitation | 58,233 |
| Total Operating Expenses | <u>211,334</u> |

| | |
|-------------------------|---------------|
| Operating Income (Loss) | <u>26,997</u> |
|-------------------------|---------------|

Non-Operating Revenues (Expenses):

| | |
|--|----------------------|
| Investment income | 62 |
| Miscellaneous income | - |
| Grant revenue | 11,528 |
| Grant expenses | - |
| Capital outlay | - |
| Total Non-Operating Revenues (Expenses) | <u>11,590</u> |

| | |
|---|---------------|
| Net Income (Loss) Before Contributions and Transfers | 38,587 |
|---|---------------|

Capital contributions

| | |
|---------------|----------------|
| Transfers in | 3,596 |
| Transfers out | <u>(3,596)</u> |

| | |
|--------------------------------|---------------|
| Changes in Fund Balance | 38,587 |
|--------------------------------|---------------|

| | |
|---------------------------------|---------------------|
| Fund Balance - beginning | <u>5,887</u> |
|---------------------------------|---------------------|

| | |
|------------------------------|--------------------------------|
| Fund Balance - ending | \$ <u><u>44,474</u></u> |
|------------------------------|--------------------------------|

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

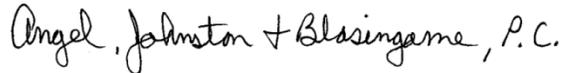
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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| Budgetary Comparison Schedule-Modified Cash Basis - Fire Department Equipment and Maintenance Fund | 8 |
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| Schedule of Grant Activity -Modified Cash Basis | 11 |

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

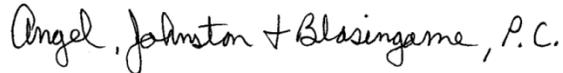
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | <u>19,911</u> | <u>40,554</u> | <u>41,751</u> | <u>1,196</u> |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | <u>19,911</u> | <u>39,472</u> | <u>17,536</u> | <u>21,936</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | <u>19,911</u> | <u>40,554</u> | <u>18,619</u> | <u>21,936</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,132</u> | <u>\$ 23,132</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | |
|---|-------------------------|
| Operating Revenues: | |
| Charges for services: | |
| Water Revenues | \$ 114,377 |
| Sewer Revenues | 36,972 |
| Solid Waste Revenues | 76,581 |
| Penalties, Reconnect and Taps | 7,753 |
| Miscellaneous | 2,649 |
| Total Operating Revenue | <u>238,331</u> |
| Operating Expenses: | |
| Personal Services | 51,281 |
| Maintenance & Operations | |
| Water | 87,399 |
| Sewer | 14,421 |
| Sanitation | 58,233 |
| Total Operating Expenses | <u>211,334</u> |
| Operating Income (Loss) | <u>26,997</u> |
| Non-Operating Revenues (Expenses): | |
| Investment income | 62 |
| Miscellaneous income | - |
| Grant revenue | 11,528 |
| Grant expenses | - |
| Capital outlay | - |
| Total Non-Operating Revenues (Expenses) | <u>11,590</u> |
| Net Income (Loss) Before Contributions and Transfers | 38,587 |
| Capital contributions | |
| Transfers in | 3,596 |
| Transfers out | <u>(3,596)</u> |
| Changes in Fund Balance | 38,587 |
| Fund Balance - beginning | <u>5,887</u> |
| Fund Balance - ending | <u><u>\$ 44,474</u></u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

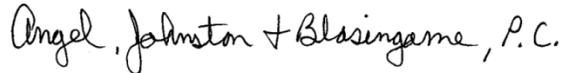
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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| Schedule of Grant Activity -Modified Cash Basis | 11 |

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

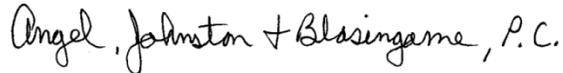
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|---------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | <u>19,911</u> | <u>40,554</u> | <u>41,751</u> | <u>1,196</u> |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | <u>19,911</u> | <u>39,472</u> | <u>17,536</u> | <u>21,936</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | <u>19,911</u> | <u>40,554</u> | <u>18,619</u> | <u>21,936</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,132</u> | <u>\$ 23,132</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |

TOWN OF CEMENT

June 30, 2014

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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Cement and Public Trust, Cement, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Cemetery Care Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Equipment and Maintenance Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Cement Public Works Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

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

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 prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2014. Management of the Town of Cement 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 Cement** 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 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Condition: The Town has not corrected the transfer error from the prior year. \$3,378 needs to be returned to Cemetery Care Fund that was incorrectly transferred out in the prior year.

Cause: The Town deposits all lot sales and interment revenue into the Cemetery Care Fund and then transfers 75% to the General Fund. The Town misinterpreted the comment on a prior year report and transferred 75% of the Fund Balance for the Cemetery Care Fund. It has not corrected the error yet.

Criteria: Per Town ordinance, the Town is required to deposit 25% of all lot sales and interments into the Cemetery Care Fund. These funds may only be used for the purchase of

capital improvements and land for the Cemetery. The remainder of the lot sales and internment revenue is to be transferred to General Fund.

Recommendation: The Town must transfer back to the Cemetery Care Fund the \$3,378 of restricted revenue that was transferred out in error. The Town must also ensure that it reviews the total sales each year and makes sure the required transfers are made.

Management's Corrective Action Plan: The Town is aware of the error and will be transferring the money back to Cemetery Care Fund.

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 exceptions were found as a result of applying the procedure.

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: The Town has no reserve requirement, this procedure was not performed.

As to the **Cement 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 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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.

Findings: The Authority has no reserve requirement, this procedure was not performed.

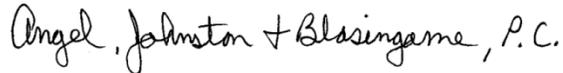
As to the **Town of Cement and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity 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 exceptions were found as a result of applying the procedure.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.



Angel, Johnston and Blasingame, P.C.
November 6, 2014

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| TOWN: | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|-------------------------------|--|--------------------------------------|---|--|
| General Fund | \$ 13,685 | \$ 131,021 | \$ 141,651 | \$ 3,055 |
| Street & Alley Fund | 703 | 4,758 | 4,090 | 1,371 |
| Cemetery Care Fund | 7,630 | 850 | - | 8,480 |
| Fire Department Fund | 19,911 | 21,840 | 18,619 | 23,132 |
| Capital Improvement Fund | 6,707 | 6,296 | 1,504 | 11,499 |
| Fire Department Grant Fund | 7,161 | 12,924 | 15,539 | 4,546 |
| Reserve Police Fund | 2,978 | 169 | 2,724 | 423 |
| CPWA - CDBG Grant | - | - | - | - |
| Town Subtotal | <u>58,775</u> | <u>177,858</u> | <u>184,127</u> | <u>52,506</u> |
| PUBLIC TRUST: | | | | |
| Cement Public Works Authority | 5,345 | 241,966 | 203,401 | 43,910 |
| CPWA - REAP Grant | - | 11,528 | 11,528 | - |
| CPWA - Water Meter ** | 541 | 23 | - | 564 |
| Public Trust Subtotal | <u>5,886</u> | <u>253,517</u> | <u>214,930</u> | <u>44,474</u> |
| Overall Totals | <u>\$ 64,661</u> | <u>\$ 431,375</u> | <u>\$ 399,057</u> | <u>\$ 96,980</u> |

**Includes adjustment to Beginning Fund Balance.

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND

For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance: | \$ 20,799 | \$ 20,799 | \$ 13,685 | \$ (7,114) |
| Charges for Services: | | | | |
| Permit fees | 4,152 | 4,152 | 5,074 | 922 |
| Cemetery Lot Sales | 8,860 | 8,860 | 2,400 | (6,460) |
| Total Charges for Services | <u>13,012</u> | <u>13,012</u> | <u>7,474</u> | <u>(5,538)</u> |
| Intergovernmental-Local: | | | | |
| Franchise tax | 8,550 | 8,550 | 11,016 | 2,466 |
| Police fines | 5,576 | 5,576 | 4,850 | (726) |
| Total Intergovernmental-Local | <u>14,126</u> | <u>14,126</u> | <u>15,866</u> | <u>1,740</u> |
| Intergovernmental-State: | | | | |
| Sales tax | 67,430 | 67,430 | 70,945 | 3,515 |
| Use tax | 16,487 | 16,487 | 8,473 | (8,014) |
| Alcohol beverage tax | 3,980 | 3,980 | 4,600 | 620 |
| State grants | - | - | - | - |
| Cigarette tax | 1,213 | 1,213 | 1,060 | (153) |
| Total Intergovernmental-State | <u>89,110</u> | <u>89,110</u> | <u>85,078</u> | <u>(4,033)</u> |
| Intergovernmental-Federal: | | | | |
| Federal grants | - | - | - | - |
| Total Intergovernmental-State | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Miscellaneous Revenue: | | | | |
| Interest | 22 | 22 | 17 | (4) |
| Rental | 1,665 | 1,665 | 2,500 | 835 |
| Royalty | 13,185 | 13,185 | 13,987 | 802 |
| Reimbursement | - | - | 952 | 952 |
| Donations | - | - | 20 | 20 |
| Miscellaneous | - | - | 2,962 | 2,962 |
| Total Miscellaneous Revenue | <u>14,872</u> | <u>14,872</u> | <u>20,439</u> | <u>5,567</u> |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | 8,768 | 8,768 | 2,165 | (6,603) |
| Amounts available for appropriation | <u>160,686</u> | <u>160,686</u> | <u>144,705</u> | <u>(15,981)</u> |
| Charges to Appropriations: | | | | |
| Personal Services | 86,000 | 86,000 | 89,906 | (3,906) |
| Maintenance & Operations | 74,486 | 74,486 | 49,480 | 25,006 |
| Capital Outlay | - | - | - | - |
| Debt Service | - | - | 1,082 | (1,082) |
| Total Other | <u>160,486</u> | <u>160,486</u> | <u>140,468</u> | <u>20,018</u> |
| Other Financing Uses: | | | | |
| Transfers to other funds | 200 | 200 | 1,182 | (982) |
| Total Charges to Appropriations | <u>160,686</u> | <u>160,686</u> | <u>141,651</u> | <u>19,035</u> |
| Ending Budgetary Fund Balance | <u>\$ (0)</u> | <u>\$ (0)</u> | <u>\$ 3,055</u> | <u>\$ 3,055</u> |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CEMETERY CARE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 516 | \$ 516 | \$ 7,630 | \$ 7,114 |
| Revenues | - | 850 | 850 | - |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 516 | 1,366 | 8,480 | 7,114 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | - | 850 | - | 850 |
| Debt Service | - | - | - | - |
| Total Other | - | 850 | - | 850 |
| Other Financing Uses: | | | | |
| Transfers to other funds | 516 | 516 | - | 516 |
| Total Charges to Appropriations | 516 | 1,366 | - | 1,366 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 8,480 | \$ 8,480 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT EQUIPMENT AND MAINTENANCE FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 19,911 | \$ 19,911 | \$ 19,911 | \$ - |
| Revenues | - | 19,561 | 21,840 | 2,279 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | 1,082 | - | (1,082) |
| Amounts available for appropriation | 19,911 | 40,554 | 41,751 | 1,196 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | 14,477 | 34,038 | 12,555 | 21,483 |
| Capital Outlay | - | - | - | - |
| Debt Service | 5,434 | 5,434 | 4,981 | 453 |
| Total Other | 19,911 | 39,472 | 17,536 | 21,936 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | 1,082 | 1,082 | - |
| Total Charges to Appropriations | 19,911 | 40,554 | 18,619 | 21,936 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 23,132 | \$ 23,132 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 6,707 | \$ 6,707 | \$ 6,707 | \$ - |
| Revenues | - | 5,850 | 6,296 | 446 |
| Non-Revenue Receipts: | | | | |
| Transfers from other funds | - | - | - | - |
| Amounts available for appropriation | 6,707 | 12,557 | 13,003 | 446 |
| Charges to Appropriations: | | | | |
| Personal Services | - | - | - | - |
| Maintenance & Operations | - | - | - | - |
| Capital Outlay | 6,707 | 12,557 | 1,504 | 11,053 |
| Debt Service | - | - | - | - |
| Total Other | 6,707 | 12,557 | 1,504 | 11,053 |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | 6,707 | 12,557 | 1,504 | 11,053 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 11,499 | \$ 11,499 |

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
CEMENT PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Operating Revenues:

| | | |
|-------------------------------|----|----------------|
| Charges for services: | | |
| Water Revenues | \$ | 114,377 |
| Sewer Revenues | | 36,972 |
| Solid Waste Revenues | | 76,581 |
| Penalties, Reconnect and Taps | | 7,753 |
| Miscellaneous | | 2,649 |
| Total Operating Revenue | | <u>238,331</u> |

Operating Expenses:

| | | |
|--------------------------|--|----------------|
| Personal Services | | 51,281 |
| Maintenance & Operations | | |
| Water | | 87,399 |
| Sewer | | 14,421 |
| Sanitation | | 58,233 |
| Total Operating Expenses | | <u>211,334</u> |
| Operating Income (Loss) | | <u>26,997</u> |

Non-Operating Revenues (Expenses):

| | | |
|---|--|---------------|
| Investment income | | 62 |
| Miscellaneous income | | - |
| Grant revenue | | 11,528 |
| Grant expenses | | - |
| Capital outlay | | - |
| Total Non-Operating Revenues (Expenses) | | <u>11,590</u> |

Net Income (Loss) Before Contributions and Transfers 38,587

| | | |
|-----------------------|--|----------------|
| Capital contributions | | |
| Transfers in | | 3,596 |
| Transfers out | | <u>(3,596)</u> |

Changes in Fund Balance 38,587

Fund Balance - beginning 5,887

Fund Balance - ending \$ 44,474

TOWN OF CEMENT AND PUBLIC TRUST
Cement, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

| | <u>Award Amount</u> | <u>Prior Year(s) Receipts</u> | <u>Prior Year(s) Disbursements</u> | <u>Beginning of Year Unexpended Grant Funds</u> | <u>Current Year Receipts</u> | <u>Current Year Disbursements</u> | <u>End of Year Unexpended Grant Funds</u> |
|---|---------------------|-------------------------------|------------------------------------|---|------------------------------|-----------------------------------|---|
| TOWN: | | | | | | | |
| Department of Agriculture | | | | | | | |
| - Fire Operational Grants | \$ 4,474 | \$ - | \$ - | \$ - | \$ 4,474 | \$ 4,474 | \$ - |
| - Fire Grant | 1,200 | - | - | - | 1,200 | - | 1,200 |
| Association of South Central Oklahoma Governments REAP 14-2255 | 140,861 | - | - | - | - | - | - |
| Oklahoma Department of Commerce 15882 CDBG 13 | 140,861 | - | - | - | - | - | - |
| Town Subtotal | <u>5,674</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,674</u> | <u>4,474</u> | <u>1,200</u> |
| PUBLIC WORKS AUTHORITY: | | | | | | | |
| Association of South Central Oklahoma Governments REAP-Cement-102256 | 45,000 | 31,044 | 31,044 | - | 11,528 | 11,528 | - |
| PWA Subtotal | <u>45,000</u> | <u>31,044</u> | <u>31,044</u> | <u>-</u> | <u>11,528</u> | <u>11,528</u> | <u>-</u> |
| Overall Totals | <u>\$ 50,674</u> | <u>\$ 31,044</u> | <u>\$ 31,044</u> | <u>\$ -</u> | <u>\$ 17,202</u> | <u>\$ 16,002</u> | <u>\$ 1,200</u> |