INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY
JUNE 30, 2015

TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY

JUNE 30, 2015

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TOWN OF CHATTANOOGA, OKLAHOMA & CHATTANOOGA PUBLIC WORKS AUTHORITY

TOWN OFFICIALS

JUNE 30, 2015

Board of Trustees

Mayor	Phil Humble
Trustee	William Harper
Trustee	Ricky Strecker

Treasurer

Kim Fortney

Clerk

Kristine Ross

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

BRANCH OFFICE:
106 N. COLLEGE - P.O. BOX 266
CORDELL, OK 73632
580-832-5313
FAX 580-832-5314

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Board, Town of Chattanooga
Chattanooga, Oklahoma

Trustees of the Chattanooga Public Works Authority
Chattanooga, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Chattanooga, Oklahoma and Chattanooga Public Works Authority as of and for the fiscal year ended June 30, 2015, and the related Budgetary Comparison Schedules of the General Fund, Grant Fund, CDBG Grant Fund, and ASCOG REAP Grant Fund-Cash Basis and Statement of Revenues, Expenses and Changes in Fund Net Assets of the Proprietary Fund as of and for the fiscal year ended June 30, 2015, included in the accompanying prescribed form. We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The management of the Town of Chattanooga, Oklahoma and Chattanooga Public Works Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the prescribed 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 and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed financial statements.

These prescribed financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the 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 Chattanooga Public Works Authority in meeting their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2015. Management of the Town of Chattanooga 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 and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, 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 Chattanooga, Oklahoma as of and for the fiscal year ended June 30, 2015:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances noted.

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit 2-00, 3-00, 4-00 and 5-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

   Findings: No instances noted.

3. Procedures Performed: We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

   Findings: No instances noted.

4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

   Findings: No instances noted.

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

   Findings: No instances noted.

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

   Findings: No instances noted.

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

   Findings: No instances noted.

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

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 6-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances noted.

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

   Findings: No instances noted.

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

   Findings: No instances noted.

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

   Findings: No instances noted.

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

   Findings: No instances noted.

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

   Findings: No instances noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
May 10, 2016

EXHIBIT 1-00

TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY
SUMMARY OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

Town:	Beginning of Year Fund Balance	Receipts	Disbursements	Transfers & Adjustments	End of Year Fund Balance
General Fund	$ 12,844.77	$ 56,190.99	$ 54,253.30	$ 0.00	$ 14,782.46
Street & Alley Fund	26,773.51	5,252.50	24,993.70	0.00	7,032.31
CIP Sales Tax Fund	20,521.08	18,107.79	20,860.47	0.00	17,768.40
Fire & Rescue	5,594.70	30,306.49	27,087.67	750.00	9,563.52
Airport Cash	55,899.48	71,674.65	124,069.81	36,085.39	39,589.71
Airport Farm	177,126.73	102,722.83	100,027.32	(750.00)	179,072.24
Airport Ins. Recovery Fund	60,180.04	619.78	0.00	(36,085.39)	24,714.43
Grant Fund	4,769.68	2.20	4,567.22	0.00	204.66
CDBG Grant Fund	30,820.00	0.00	30,830.00	10.00	0.00
ASCOG REAP Grant	80.00	0.00	0.00	(10.00)	70.00
Town Subtotal	394,609.99	284,877.23	386,689.49	0.00	292,797.73
Enterprise Funds:					
Public Works Authority	467,920.23	220,167.31	227,161.51	0.00	460,926.03
Enterprise Funds Subtotal	467,920.23	220,167.31	227,161.51	0.00	460,926.03
Grand Total	$ 862,530.22	$ 505,044.54	$ 613,851.00	$ 0.00	$ 753,723.76

See Accountant's Report

EXHIBIT 2-00

TOWN OF CHATTANOOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Permit Fees	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Dog Pound Fees	0.00	0.00	0.00	0.00
Franchise Tax	828.13	828.13	0.00	(828.13)
Use Tax	4,151.79	4,151.79	4,505.71	353.92
Police Fines	3,420.45	3,420.45	6,492.50	3,072.05
Gasoline Tax	0.00	0.00	0.00	0.00
Sales Tax	30,493.32	30,493.32	36,239.90	5,746.58
Alcoholic Beverage Tax	1,279.11	1,279.11	1,244.35	(34.76)
Cigar Tax	546.77	546.77	624.97	78.20
Interest Income	0.00	0.00	7.57	7.57
Rental Income	3,757.50	3,757.50	3,650.00	(107.50)
Sale of Property	0.00	0.00	701.99	701.99
Donations	0.00	0.00	2,500.00	2,500.00
Insurance Reimbursement	0.00	0.00	0.00	0.00
CENA Grant	0.00	0.00	184.00	184.00
Miscellaneous	0.00	0.00	40.00	40.00
Total Revenues	44,477.07	44,477.07	56,190.99	11,713.92
Expenditures				
Police - M&O	14,321.84	13,321.84	13,054.21	267.63
Fire Department - M&O	0.00	0.00	0.00	0.00
Other - M&O	13,000.00	18,000.00	17,940.02	59.98
Personal Services	26,000.00	26,000.00	23,259.07	2,740.93
Capital Outlay	4,000.00	0.00	0.00	0.00
Total Expenditures	57,321.84	57,321.84	54,253.30	3,068.54
Excess Revenues Over (Under) Total Expenditures	(12,844.77)	(12,844.77)	1,937.69	14,782.46
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	
Adjustments to Prior Year Warrants Outstanding	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(12,844.77)	(12,844.77)	1,937.69	14,782.46
Budgetary Fund Balance, Beginning	12,844.77	12,844.77	12,844.77	0.00
Budgetary Fund Balance, Ending	$ 0.00	$ 0.00	14,782.46	$ 14,782.46
Adjustments to conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 14,782.46	

See Accountant's Report.

EXHIBIT 3-00

TOWN OF CHATTANOOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2015

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
FEMA Disaster Assistance	$ 0.00	$ 0.00	$ 0.00	$ 0.00
OWRB Drought Grant	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	2.20	2.20
Miscellaneous	0.00	0.00	0.00	0.00
Total Revenues	0.00	0.00	2.20	2.20
Expenditures				
Personal Services	0.00	0.00	0.00	0.00
Maintenance and Operations	0.00	0.00	0.00	0.00
Grant Funds Repaid to OWRB	4,567.22	4,567.22	4,567.22	0.00
Capital Outlay	202.46	202.46	0.00	202.46
Total Expenditures	4,769.68	4,769.68	4,567.22	202.46
Excess Revenues Over (Under) Total Expenditures	(4,769.68)	(4,769.68)	(4,565.02)	204.66
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Adjustments to Prior Year				0.00
Warrants Outstanding	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(4,769.68)	(4,769.68)	(4,565.02)	204.66
Budgetary Fund Balance, Beginning	4,769.68	4,769.68	4,769.68	0.00
Budgetary Fund Balance, Ending	$ 0.00	$ 0.00	204.66	$ 204.66
Adjustments to conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 204.66	

See Accountant's Report.

EXHIBIT 4-00

TOWN OF CHATTANOOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CDBG GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
Revenues	Original	Final	Amounts	(Unfavorable)
CDBG 09 Grant	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Miscellaneous	0.00	0.00	0.00	0.00
Total Revenues	0.00	0.00	0.00	0.00
Expenditures				
Personal Services	0.00	0.00	0.00	0.00
Maintenance and Operations	0.00	0.00	0.00	0.00
Returned Grant Funds - CDBG Grant	0.00	0.00	0.00	0.00
Capital Outlay	30,820.00	30,830.00	30,830.00	0.00
Total Expenditures	30,820.00	30,830.00	30,830.00	0.00
Excess Revenues Over (Under) Total Expenditures	(30,820.00)	(30,830.00)	(30,830.00)	0.00
Other Financing Sources (Uses)				
Operating Transfers In	0.00	10.00	10.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Adjustments to Prior Year Warrants Outstanding	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	10.00	10.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(30,820.00)	(30,820.00)	(30,820.00)	0.00
Budgetary Fund Balance, Beginning	30,820.00	30,820.00	30,820.00	0.00
Budgetary Fund Balance, Ending	$ 0.00	$ 0.00	0.00	$ 0.00
Adjustments to conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 0.00	

See Accountant's Report.

EXHIBIT 5-00

TOWN OF CHATTANOOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ASCOG REAP GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
Revenues	Original	Final	Amounts	(Unfavorable)
ASCOG REAP Grant Revenue	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Miscellaneous	0.00	0.00	0.00	0.00
Total Revenues	0.00	0.00	0.00	0.00
Expenditures				
Personal Services	0.00	0.00	0.00	0.00
Maintenance and Operations	0.00	0.00	0.00	0.00
Capital Outlay	70.00	70.00	0.00	70.00
Total Expenditures	70.00	70.00	0.00	70.00
Excess Revenues Over (Under) Total Expenditures	(70.00)	(70.00)	0.00	70.00
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	(10.00)	(10.00)	(10.00)	0.00
Adjustments to Prior Year Warrants Outstanding	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	(10.00)	(10.00)	(10.00)	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(80.00)	(80.00)	(10.00)	70.00
Budgetary Fund Balance, Beginning	80.00	80.00	80.00	0.00
Budgetary Fund Balance, Ending	$ 0.00	$ 0.00	70.00	$ 70.00
Adjustments to conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 70.00	

See Accountant's Report.

EXHIBIT 6-00

CHATTANOOGA PUBLIC WORKS AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Operating Revenues:	
Charges for services:	
Water	$ 105,491.54
Sewer	29,359.42
Sanitation	71,439.20
Service Charges	9,528.72
Connection and Tap Fees	550.00
Rental Income	1,440.00
Other	2,190.84
Total Operating Revenues	219,999.72
Operating Expenses:	
Personal Services	54,926.09
Maintenance & Operations	158,124.42
Interest Expense	0.00
Depreciation	14,111.00
Total Operating Expenses	227,161.51
Operating Income (Loss)	(7,161.79)
Non-Operating Revenues (Expenses):	
Interest income	167.59
Total Non-Operating Revenues (Expenses)	167.59
Net Income (Loss) Before Contributions and Transfers	(6,994.20)
Prior period adjustments	0.00
Transfers in	0.00
Transfers out	0.00
Change in fund balance	(6,994.20)
Fund Balance - beginning	467,920.23
Fund Balance - ending	$ 460,926.03

See Accountant's Report.