

Town of Oakland

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

Year Ended June 30, 2009



Town of Oakland, Oklahoma
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June 30, 2009

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

To the Specified Users of the Report:

Town Council, Town of Oakland
Oakland, Oklahoma

Trustees of the Oakland Public Works Authority
Oakland, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance- Cash Basis (Exhibit A) of the Town of Oakland, Oklahoma and Oakland Public Works Authority as of June 30, 2009, and the related Budgetary Comparison Schedule of General Fund – Cash Basis (Exhibit B). These financial statements have been prepared on the basis of accounting prescribed by the Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of 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 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 of Oakland and Oakland Public Works Authority's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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

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 of Oakland and Oakland Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2009. Management of the Town of Oakland is responsible for the Town’s financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards applicable to attestation engagements as contained in *Government Auditing Standards* of the Comptroller General of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Oakland** as of and for the fiscal year ended June 30, 2009:

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

Findings: *No exceptions noted.*

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

Findings:

Criteria- Oklahoma Statutes Title 11, Section 17:211A states “No expenditure may be authorized or made by any officer of employee which exceeds the appropriation of any fund.”

Condition- Amounts budgeted for General Government expenditures in the *General Fund* exceeded amounts originally appropriated and there was no evidence that the budget was amended to allow for the increase.

Context- Budgetary controls

Effect- Non-compliance with Oklahoma statutes

Recommendation- The Town of Oakland should monitor revenues and expenditures and amend as well as file amended budgets as necessary.

Management Response- Grant funds from a fiscal year 2008 wastewater grant were received in July, 2008 and deposited in to the General Fund. Final payments to the contractor for the project were also made from the General Fund in July, 2008. This caused the fund’s expenditures to exceed original

appropriations. The grant monies and disbursements should have been deposited and paid from a separate Grant Fund.

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 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 exceptions noted.*

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

Findings: *According to state law, the Town of Oakland is required to transfer 12.5% of cemetery lot sales to a cemetery care fund. In the fiscal year ended June 30, 2009, the Town transferred \$2,120, which is 25% of the lot sales.*

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 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 exceptions noted.*

As to the **Oakland Public Works Authority**, as of and for the fiscal year ended June 30, 2009:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit A) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: *No exceptions 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 exceptions 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 exceptions 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 exceptions 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 exceptions 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 exceptions noted.*

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

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



HBC CPAs & Advisors
June 27, 2012

Town of Oakland
Summary of Changes in Fund Balances
Year Ended June 30, 2009

Exhibit A

	Cash Basis Fund Balances Beginning	Receipts	Disbursements	Cash Basis Fund Balances Ending
CITY:				
General (Note 1)	\$ 29,652	\$ 185,287	\$ 178,283	\$ 36,656
Fire	729	6,120	5,706	1,143
Cemetery (Note 1)	51,753	22,050	7,786	66,017
Grant	951	90,144	23,901	67,194
Street and Alley (Note 1)	14,346	9,028	2,847	20,527
City Subtotal:	\$ 97,431	\$ 312,629	\$ 218,523	\$ 191,537
PUBLIC WORKS:				
Revenue	\$ 123,135	\$ 263,632	\$ 288,971	\$ 97,796
Utility Deposits	25,080	10,535	9,219	26,396
Debt Reserve	1,104	603	-	1,707
Water Project (Note 1)	10,579	838	-	11,417
PWA Subtotal:	\$ 159,898	\$ 275,608	\$ 298,190	\$ 137,316

Note 1:

The beginning cash basis fund balances of the following funds did not agree with the ending balances of the June 30, 2008 Summary of Changes in Fund Balances, as previously reported.

	Cash Basis Fund Balance at 6/30/2008		
	Previously Reported	Difference	As Currently Presented
General	29,404	248	29,652
Cemetery	51,637	116	51,753
Street and Alley	9,341	5,005	14,346
Water Project	8,099	2,480	10,579

Town of Oakland
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2009

Exhibit B

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 29,652	\$ 29,652	\$ 29,652	\$ -
Resources (Inflows):				
Revenues				
Sales Tax	44,474	44,474	43,488	(986)
Alcohol Beverage Tax	-	-	5,304	5,304
Franchise Taxes	30,722	30,722	15,732	(14,990)
Tobacco Tax	-	-	546	546
Grant Income	-	-	110,574	110,574
Miscellaneous	7,000	7,000	5,143	(1,857)
Transfers	-	-	4,500	4,500
Total Inflows	<u>82,196</u>	<u>82,196</u>	<u>185,287</u>	<u>103,091</u>
Charges to Appropriations (Outflows):				
General Government	<u>86,861</u>	<u>86,861</u>	<u>178,283</u>	<u>(91,422)</u>
Total Outflows	<u>86,861</u>	<u>86,861</u>	<u>178,283</u>	<u>(91,422)</u>
Ending Budgetary Fund Balance:	<u>\$ 24,987</u>	<u>\$ 24,987</u>	<u>\$ 36,656</u>	<u>\$ 11,669</u>