

**Financial Statements and Reports of
Independent Certified Public Accountant
Town of Wann, Oklahoma
June 30, 2012**

**TURNER & ASSOCIATES, PLC
Certified Public Accountants
P.O. Box 378
Vinita, OK 74301
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**Town of Wann, Oklahoma
Town Officials
June 30, 2012**

Board of Trustees

Mayor

Lindsey Hoover

Member

Rob Hahn

Member

Marty Frye

Clerk/Treasurer

Carol Deaton

Town of Wann, Oklahoma
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INDEPENDENT ACCOUNTANT'S REPORT

To the Specified Users of the Report:

Honorable Mayor and Town Council
Town of Wann, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, OK

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Wann, Oklahoma as of June 30, 2012 and the Statement of Revenues, Expenses and Changes in Fund Balance for the fiscal year ended June 30, 2012. The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and schedules in accordance with the cash basis of accounting and applicable Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and schedules.

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 schedules, in order to meet the requirements of applicable Oklahoma Statutes, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-Upon Procedures

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 in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Wann are 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 to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these 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 Wann** as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances, we obtained 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: We performed the above procedures without exception.

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

Findings: We performed the above procedures without exception.

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:

Criteria:

State statute 62 O.S. §511-516 states that all funds should be deposited daily and generally accepted accounting standards recommend monthly reconciliations of bank statements to the trial balance.

Condition:

The Town's checking account balance is \$141.98 more than the trial balance and the Cemetery checking account balance is \$400.00 more than the trial balance. The Town's

park CD account balance is \$1.31 less than the trial balance.

Cause:

The accounting system records are not being reconciled with the bank and CD statements.

Effect or Potential Effect:

The Town is not in compliance with a State Statute.

Recommendation:

To comply with the State Statute, we recommend that monthly reconciliations be performed not only through the bank statement and checkbook but through the accounting system as well.

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: We performed the above procedures without exception.

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

Findings: We performed the above procedures without exception.

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: We performed the above procedures without exception.

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: We performed the above procedures without exception.

As to the **Wann Public Works Authority** as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Public Works's trial balances, we obtained a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 2) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: We performed the above procedures without exception.

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:

Criteria:

State statute 62 O.S. §511-516 states that all funds should be deposited daily and generally accepted accounting standards recommend monthly reconciliations of bank statements to the trial balance.

Condition:

The PWA's Meter Fund bank account balance is \$331.21 less than the trial balance; the PWA's checking account bank balance is \$1,119.53 less than the trial balance; and the PWA CD statement balance is \$49.21 more than the CD trial balance.

Cause:

The accounting system records are not being reconciled with the bank and CD statements.

Effect or Potential Effect:

The PWA is not in compliance with a State Statute.

Recommendation:

To comply with the State Statute, we recommend that monthly reconciliations be performed not only through the bank statement and checkbook but through the accounting system as well.

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: We performed the above procedures without exception.

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: We performed the above procedures without exception.

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: We performed the above procedures without exception.

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: We performed the above procedures without exception.

As to the **Town of Wann and Public Works Grant Programs** as of and for the fiscal year ended June 30, 2012:

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 3) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: We performed the above procedures without exception.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. 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 listed above and is not intended to be and should not be used by anyone other than those specified parties.

TURNER & ASSOCIATES, PLC

Vinita, OK
February 14, 2013

EXHIBIT 1

**Town of Wann and Wann Public Works Authority, Oklahoma
 Combined Summary of Changes in Fund Balance-Cash Basis
 For the Fiscal Year Ended June 30, 2012**

	Beginning of Year <u>Fund Balances</u>	Current Year <u>Receipts</u>	Current Year <u>Disbursements</u>	End of Year <u>Fund Balances</u>
TOWN:				
General Fund	\$ 16,806.40	\$ 31,673.77	\$ 21,891.75	\$ 26,588.42
Cemetery Fund	<u>3,164.99</u>	<u>2,094.13</u>	<u>2,250.00</u>	<u>3,009.12</u>
Town Total	19,971.39	33,767.90	24,141.75	29,597.54
PUBLIC WORKS:				
Enterprise Fund	<u>50,769.73</u>	<u>24,990.55</u>	<u>24,222.68</u>	<u>51,537.60</u>
Overall Totals	<u>\$ 70,741.12</u>	<u>\$ 58,758.45</u>	<u>\$ 48,364.43</u>	<u>\$ 81,135.14</u>

See Accountant's Report

EXHIBIT 2

**Town of Wann and Wann Public Works Authority
 Combined Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
 For the Fiscal Year Ended June 30, 2012**

Operating Revenues:

Charges for services:	
Gas Revenue	\$ 24,037.55
Tax Revenue	14,155.58
Trash and Street Lights Revenue	9,515.07
Cemetery Donations/Grave Openings/Lot Fees	2,089.00
Miscellaneous Charges	946.45
Total Operating Revenues	<u>50,743.65</u>

Operating Expenses:

Accounting and Legal	
Fuel	1,387.01
Gas Purchased/Transportation	17,466.63
Insurance	2,991.10
Postal	496.01
Maintenance and Repairs	1,232.17
Salaries	8,085.63
Supplies	403.90
Trash Service	6,909.80
Utilities	5,364.52
Cemetery Mowing	2,250.00
Miscellaneous	1,777.66
Total Operating Expenses	<u>48,364.43</u>

Operating Income (Loss)	<u>2,379.22</u>
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Non-Operating Revenues (Expenses):

Interest Income	14.80
Grant Income	8,000.00
Total Non-Operating Revenues (Expenses)	<u>8,014.80</u>

Change in Fund Balance	10,394.02
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Net Assets, Beginning of Year	<u>70,741.12</u>
Net Assets, End of Year	<u>\$ 81,135.14</u>

See Accountant's Report

EXHIBIT 3

Town of Wann
Schedule of Grant Activity – Cash Basis
For the Fiscal Year Ended June 30, 2012

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
TOWN:				
REAP Grant	\$ -	\$ 8,000.00	\$ -	\$ 8,000.00

See Accountant's Report