

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

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

Board of Trustees

Mayor	Bill Fairsheets
Member	Colleen Springer
Member	Leanna Easter
Member	Jerry Gregory
Member	Lisa Cornish

Town Clerk/Treasurer

Brandi Sislo

Town of Strang, Oklahoma
Table of Contents

Independent Accountant's Report	1-3
Basic Financial Statements:	
Summary of Changes in Fund Balance – Cash Basis	Exhibit 1
Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis	Exhibit 2
Schedule of Grant Activity – Cash Basis	Exhibit 3



INDEPENDENT ACCOUNTANT'S REPORT

To the Specified Users of the Report:

Honorable Mayor and Town Council
Town of Strang, 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 Strang, 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 Strang 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 Strang** 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:

Criteria:

Generally accepted accounting standards (GAAP) state that the fund balance should be correctly stated.

Condition:

Interest revenue for the Certificate of Deposit (CD) accounts, in the amount of \$741.86, was not recorded. The beginning fund balance on the Trial Balance was overstated by \$741.86.

Cause:

CD interest was not recorded in the proper account. The fund balance included the CD interest revenue.

Effect or Potential Effect:

The Town Trial Balance was not correct.

Recommendation:

To ensure that the trial balance is correct, it is recommended that the interest earned from the CD's be recorded in the interest revenue account.

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 listed. We 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: We performed the above procedures without exception.

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 prepared a schedule of grant activity (see accompanying Exhibit 3) for each grant and compared the receipts and disbursements to the grant agreement and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: We performed the above procedures without exception; however it should be noted that the Town of Strang received (in cash) and expensed \$799.99 from Grand Gateway. The remaining portion of the grant (\$12,006.04) was paid directly by Grand Gateway for gravel and culverts.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance and an opinion on the related financial statements and schedules. 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, PLLC

Vinita, OK
October 29, 2012

Town of Strang, Oklahoma
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	\$ 48,740.11	\$ 10,751.66	\$ 10,774.11	\$ 48,717.66
Police Department	<u>1,296.62</u>	<u>7.09</u>	<u>3.68</u>	<u>1,300.03</u>
Overall Totals	<u>\$ 50,036.73</u>	<u>\$ 10,758.75</u>	<u>\$ 10,777.79</u>	<u>\$ 50,017.69</u>

See Accountant's Report

EXHIBIT 2

Town of Strang, Oklahoma
Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
For the Fiscal Year Ended June 30, 2012

Operating Revenues:

Charges for services:	
Tax Revenue	\$ 5,215.30
Trash Revenue	3,719.00
Miscellaneous Revenue	<u>257.40</u>
Total Operating Revenues	<u>9,191.70</u>

Operating Expenses:

Maintenance and Repairs	170.61
Professional fees	2,100.00
Supplies	234.82
Trash Service	3,270.00
Utilities	2,188.43
Miscellaneous	<u>2,813.93</u>
Total Operating Expenses	<u>10,777.79</u>

Operating Income (Loss)	<u>(1,586.09)</u>
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Non-Operating Revenues (Expenses):

Interest Income	767.06
Grant Income	<u>799.99</u>
Total Non-Operating Revenues (Expenses)	<u>1,567.05</u>

Change in Fund Balance	(19.04)
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Net Assets, Beginning of Year	<u>50,036.73</u>
Net Assets, End of Year	<u>\$ 50,017.69</u>

EXHIBIT 3

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

	<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: Grand Gateway	<u>\$ -</u>	<u>\$ 12,806.03</u>	<u>\$ 12,806.03</u>	<u>\$ -</u>

See Accountant's Report