

CITY OF WILSON

June 30, 2012

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

To the Specified Users of the Report:

City Council, City of Wilson
Wilson, Oklahoma

Trustees of the Wilson Public Works Authority
Wilson, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Carter County Clerk
Ardmore, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the City of Wilson and Public Trust, Wilson, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Budgetary Comparison Schedule of Street Sales Tax Fund-Cash Basis, Budgetary Comparison Schedule of Special Sales Tax Fund-Cash Basis, Budgetary Comparison Schedule of Municipal Court Fund-Cash Basis, Budgetary Comparison Schedule of Capital Projects Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Wilson Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2012. The 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 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 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 cash basis and budget laws of the State of Oklahoma 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 cash basis of accounting and budget laws of the

State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. 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 City 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, 2012. Management of the City of Wilson is responsible for the City'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 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 **City of Wilson** as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the City'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 City'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 City'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: Expenditures exceeded total appropriations in one fund for the year ended June 30, 2012.

✚ In the Municipal Court Fund:

- The transfers budget was overspent \$6,565.
- The total budget was overspent \$6,407.

✚ In the Street & Alley Fund:

- The transfers budget was overspent \$4,624.
- The total budget was not overspent.

Recommendation: Per State Statute on budgeting, when using Fund-Based Budgeting, no budgets are required to be created for capital project and grant funds after the initial starting budget. However, all other funds should be budgeted annually. The City should closely monitor each budget on a monthly basis and not approve any expenditure

exceeding appropriation until additional amendments have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must also be approved by the State Auditor's Office.

3. **Procedures Performed:** We agreed the City'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 City'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.

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

6. **Procedures Performed:** We compared the accounting for the City'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 City'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 were found as a result of applying the procedure.

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

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

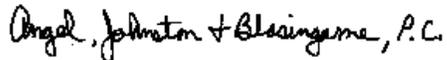
As to the **City of Wilson and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2012:

- 1. Procedures Performed:** From the City 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 9, 2012

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-CASH BASIS
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balance</u>
CITY:				
General Fund	\$ 45,819	\$ 773,553	\$ 681,818	\$ 137,554
Street & Alley Fund	2,015	6,472	8,487	-
Street Sales Tax Fund	241,992	50,920	160,115	132,797
Special Sales Tax Fund	153,485	50,913	60,373	144,025
Splashpad Fund	-	16,786	-	16,786
CDBG Grant Fund	35,579	-	35,569	10
Fire Department Grant Fund	102	-	-	102
REAP Grant Fund	8,798	-	8,788	10
Municipal Court Fund	24,728	98,032	110,408	12,353
Police Car Reserve Fund	5,884	18,603	9,779	14,708
Senior Citizens Fund	1,019	-	-	1,019
Capital Projects Fund	161,138	129,792	5,395	285,535
City Subtotal	<u>680,558</u>	<u>1,145,072</u>	<u>1,080,732</u>	<u>744,898</u>
PUBLIC TRUST:				
Public Works Authority - Operating Fund	505,942	618,608	857,476	267,074
Meter Deposit Fund	73,559	23,069	23,418	73,209
FHA Loan Reserve Fund	46,040	54	46,094	-
Public Trust Subtotal	<u>625,541</u>	<u>641,731</u>	<u>926,988</u>	<u>340,284</u>
Overall Totals	<u>\$ 1,306,099</u>	<u>\$ 1,786,803</u>	<u>\$ 2,007,721</u>	<u>\$ 1,085,182</u>

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

BUDGETARY COMPARISON SCHEDULE-CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2012
(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:	\$ 25,000	\$ 25,000	\$ 45,819	\$ 20,819
Revenue				
Sales Tax	175,000	175,000	202,345	27,345
Use Tax	19,000	19,000	24,511	5,511
Alcohol Tax	6,000	6,000	6,710	710
Franchise Tax	60,000	70,000	76,313	6,313
Cigarette Tax	4,000	4,000	4,814	814
Gas Tax	-	-	1,589	1,589
Vehicle Tax	-	-	6,873	6,873
Lease Revenue	72,000	72,000	72,000	-
Rentals	3,500	8,000	8,171	171
Fines And Forfeitures	50,000	50,000	400	(49,600)
Pilot Tax	60,000	60,000	20,428	(39,572)
Garbage Revenue	158,000	162,000	175,761	13,761
Grants	-	-	5,500	5,500
Interest	20	-	3	3
Abatement Revenue	-	-	6,977	6,977
Senior Bus Revenue	1,200	1,200	2,483	1,283
Permits	2,900	2,900	982	(1,918)
Donations	-	-	2,276	2,276
Miscellaneous	13,000	37,500	9,032	(28,468)
Total Miscellaneous Revenue	<u>624,620</u>	<u>667,600</u>	<u>627,171</u>	<u>(40,429)</u>
Non-Revenue Receipts:				
Transfers from other funds	<u>10,390</u>	<u>91,890</u>	<u>146,383</u>	<u>54,493</u>
Amounts available for appropriation	<u>660,010</u>	<u>784,490</u>	<u>819,372</u>	<u>34,882</u>
Charges to Appropriations:				
Police	208,830	229,030	212,287	16,743
Streets	62,215	62,215	58,729	3,486
Senior Citizens	20,420	20,420	16,731	3,689
Managerial	2,085	7,085	6,010	1,075
City Clerk	650	950	682	268
Judge	4,650	4,650	4,122	528
Fire	25,700	30,700	29,661	1,039
Sanitation	150,450	150,450	142,261	8,189
Library	700	1,200	936	264
General Government	55,160	55,160	55,038	122
DOC	46,875	61,875	55,257	6,618
Cemetery	300	300	300	-
Dispatch	29,335	38,335	37,646	689
Animal Control	12,640	12,640	9,851	2,789
Total Department Expenses	<u>620,010</u>	<u>675,010</u>	<u>629,510</u>	<u>45,500</u>
Other Financing Uses:				
Transfers to other funds	<u>-</u>	<u>69,500</u>	<u>52,308</u>	<u>17,192</u>
Total Charges to Appropriations	<u>620,010</u>	<u>744,510</u>	<u>681,818</u>	<u>62,692</u>
Unallocated Fund Balance	<u>40,000</u>	<u>39,980</u>	<u>-</u>	<u>39,980</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,554</u>	<u>\$ 137,554</u>

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

BUDGETARY COMPARISON SCHEDULE-CASH BASIS
STREET SALES TAX FUND
For the Fiscal Year Ended June 30, 2012
(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:	\$ 245,000	\$ 245,000	\$ 241,992	\$ (3,008)
Revenues	46,400	46,400	50,920	4,520
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	291,400	291,400	292,911	1,511
Charges to Appropriations:				
Operations	4,500	161,500	160,115	1,385
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	4,500	161,500	160,115	1,385
Unallocated Fund Balance	286,900	129,900	-	129,900
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 132,797	\$ 132,797

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

BUDGETARY COMPARISON SCHEDULE-CASH BASIS
SPECIAL SALES TAX FUND
For the Fiscal Year Ended June 30, 2012
(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:	\$ 150,000	\$ 150,000	\$ 153,485	\$ 3,485
Revenues	76,500	76,500	50,913	(25,587)
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	226,500	226,500	204,398	(22,102)
Charges to Appropriations:				
Police Operations	46,500	52,500	50,528	1,972
Fire Operations	60,000	44,000	-	44,000
Public Works Operations	-	10,000	9,845	155
Total Operating Expenses	106,500	106,500	60,373	46,127
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	106,500	106,500	60,373	46,127
Unallocated Fund Balance	120,000	120,000	-	120,000
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 144,025	\$ 144,025

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

BUDGETARY COMPARISON SCHEDULE-CASH BASIS
MUNICIPAL COURT FUND
For the Fiscal Year Ended June 30, 2012
(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:	\$ -	\$ 15,785	\$ 24,728	\$ 8,943
Revenues	-	88,215	98,032	9,817
Non-Revenue Receipts:				
Transfers from other funds	-	-		-
Amounts available for appropriation	-	104,000	122,760	18,760
Charges to Appropriations:				
Operations	-	13,000	12,842	158
Other Financing Uses:				
Transfers to other funds	-	91,000	97,565	(6,565)
Total Charges to Appropriations	-	104,000	110,407	(6,407)
Unallocated Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 12,353	\$ 12,353

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

BUDGETARY COMPARISON SCHEDULE-CASH BASIS
CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2012
(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:	\$ -	\$ -	\$ 161,138	\$ 161,138
Revenues	-	-	18,545	18,545
Non-Revenue Receipts:				
Transfers from other funds	-	10,000	111,248	101,248
Amounts available for appropriation	-	10,000	290,931	280,931
Charges to Appropriations:				
Operations	-	10,000	5,395	4,605
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	-	10,000	5,395	4,605
Unallocated Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 285,536	\$ 285,536

CITY OF WILSON AND PUBLIC TRUST
Wilson, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-CASH BASIS
WILSON PUBLIC WORKS AUTHORITY
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Wilson Public Works Authority</u>
Operating Revenues:	
Charges for services:	
Water	\$ 297,191
Sewer	166,781
Penalties & Fees	15,091
Charges for Taps	1,405
Miscellaneous	10,590
Total Operating Revenue	<u>491,058</u>
Operating Expenses:	
Maintenance and operations	223,999
Personal services	250,483
Total Operating Expenses	<u>474,482</u>
Operating Income (Loss)	<u>16,577</u>
Non-Operating Revenues (Expenses):	
Investment income	889
Interest Expense	(4,351)
Grants	-
Sales Tax	25,285
Rentals	13,800
Meter Deposits	22,743
Meter Deposit Refunds	(23,418)
Debt service	(234,576)
Capital outlay	(11,946)
Total Non-Operating Revenues (Expenses)	<u>(211,574)</u>
Net Income (Loss) Before Contributions and Transfers	<u>(194,997)</u>
Contributions and Transfers:	
Capital contributions	-
Transfers in	87,958
Transfers out	(178,216)
Changes in Fund Balance	(285,256)
Fund Balance - beginning	<u>625,541</u>
Fund Balance - ending	<u>\$ 340,285</u>

CITY OF WILSON AND PUBLIC TRUST
WILSON, Oklahoma

SCHEDULE OF GRANT ACTIVITY-CASH BASIS
For the Fiscal Year Ended June 30, 2012
(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>
CITY:							
McCrary Foundation - Public Safety Grant	5,000	5,000	-	5,000		5,000	-
Public Safety Grant	5,500	-	-	-	5,500	5,500	-
Southern Oklahoma Development Association Grant #12-025	25,000	-	-	-	-	-	-
CITY Subtotal	<u>35,500</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,500</u>	<u>10,500</u>	<u>-</u>
PUBLIC WORKS AUTHORITY:							
No Grants in Current Year				-			-
PWA Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 35,500</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 5,500</u>	<u>\$ 10,500</u>	<u>\$ -</u>