

TOWN OF DIBBLE

June 30, 2012

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

To the Specified Users of the Report:

Town Council, Town of Dibble
Dibble, Oklahoma

Trustees of the Dibble Public Works Authority
Dibble, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Dibble and Public Trusts, Dibble, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Dibble Public Works Authority, and Schedule of Grant Activity-Modified 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 modified 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 modified 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 modified 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 modified 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 Town'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 Town 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 Town of Dibble 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 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 Dibble** as of and for the fiscal year ended June 30, 2012:

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) 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 Town'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 Town'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: The Town prepared a budget for the General Fund but did not prepare a budget for the Public Works Authority.

- ↓ In the General Fund, current total appropriations exceeded current total expenditures. Although, a prior year adjustment for (\$51,165) was discovered in the current year. This adjustment in addition to the current year expenditures exceeds current year appropriations.
- ↓ In the Public Works Authority, the budget appropriations and expenditures could not be analyzed.

Recommendation: The Town should closely monitor each budget on a regular basis and not approve any expenditure exceeding appropriation until additional amendments or appropriations 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 County Excise Board.

The Town should also prepare a budget for the Public Works Authority in order to track appropriations and expenditures compared to expected amounts.

- 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 were found as a result of applying the procedure. While tracing material bank account balances, we discovered an outstanding account in the name of "Explorer Post 2007" that has a balance of \$0.69. This account is not on the Town's records and should be closed if there will not be any further activity.

- 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 were found as a result of applying the procedure. The Town's stated cash balances did not exceed FDIC coverage.

- 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 identified as a result of applying this procedure.

- 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 were found as a result of applying the procedure. However, we noted that some expenditures attributable to the Public Works Authority were paid by General Fund during the year, and accounted for accordingly.

- 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: The Town has no required reserves, this procedure was not performed.

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

- 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.

- 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.

- 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 noted 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 noted as a result of applying the procedure. However, we noted that some expenditures attributable to the Public Works Authority were paid by the General Fund, and accounted for accordingly.

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 procedures to the Authority's Debt Service. Although, the Authority has not kept an accurate record of historic deposits maintained; accordingly, the correct liability for customer deposits is unknown and the procedure cannot be applied.

As to the **Town of Dibble and Public Trusts 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 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: We were unable to perform this procedure for one of the grants reflected on Exhibit 4 (CDBG \$8,534) because the grant agreement and supporting documentation could not be located. No exceptions were noted as a result of applying this procedure to the other grant item.

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.



Jayna Vaughn, PC
August 8, 2013

TOWN OF DIBBLE AND PUBLIC TRUSTS
Dibble, Oklahoma

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

	<u>Beginning of Year Fund Balances</u>	<u>Prior Year Adjustments</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balance</u>
TOWN:					
General Fund	\$ 155,178	\$ (51,165)	\$ 272,071	\$ (237,728)	\$ 138,357
Town Subtotal	<u>155,178</u>	<u>(51,165)</u>	<u>272,071</u>	<u>(237,728)</u>	<u>138,357</u>
PUBLIC WORKS AUTHORITY:					
Dibble Public Works Authority	42,652	-	210,321	(223,534)	29,438
Public Works Subtotal	<u>42,652</u>	<u>-</u>	<u>210,321</u>	<u>(223,534)</u>	<u>29,438</u>
Overall Totals	<u>\$ 197,830</u>	<u>\$ (51,165)</u>	<u>\$ 482,392</u>	<u>\$ (461,262)</u>	<u>\$ 167,795</u>

TOWN OF DIBBLE AND PUBLIC TRUSTS
Dibble, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 155,178	\$ 155,178	\$ 155,178	\$ -
REVENUES				
Taxes				
Sales Tax	110,000	110,000	139,825	29,825
Use Tax	3,100	3,100	5,211	2,111
Franchise Tax	8,500	8,500	8,884	384
Motor Vehicle tax	1,800	1,800	6,291	4,491
Intergovernmental				
Alcoholic Beverage Tax	1,300	1,300	3,560	2,260
Cigarette Tax	1,560	1,560	2,072	512
Grant Revenue	-	-	8,534	8,534
Other Revenue				
Reimbursement for Utilities	4,200	4,200	4,200	-
Insure Oklahoma	5,942	5,942	5,942	-
Fines	16,845	16,845	72,924	56,079
Licesnses and Permits				
Fire Works Permits	600	600	-	(600)
Impound Vehicles	80	80	75	(5)
Accident Reports	20	20	70	50
Miscellaneous				
Rental Income	3,600	3,600	3,965	365
Office Space Rent from DPWA	500	500	-	(500)
Office Space Rent from Sewer	200	200	-	(200)
Reimbursement for Aflac	345	345	-	(345)
Miscellaneous Income	-	-	10,477	10,477
Interest Income	-	-	39	39
Transfers from other funds	-	-	-	-
Amounts available for appropriation	313,771	313,771	427,249	113,479
EXPENSES				
Administration				
Salary & Wages	11,000	11,000	14,531	3,531
Employee Insurance	-	-	503	503
Contract Labor	-	-	480	480
Electric	2,000	2,000	3,375	1,375
Telephone	3,000	3,000	3,378	378

Office Supplies	2,000	2,000	2,409	409
Cleaning Supplies	600	600	25	(575)
Propane	1,000	1,000	356	(644)
Water	700	700	408	(292)
Repair/Maintenance	2,500	2,500	2,229	(271)
Attorney	10,095	10,095	14,902	4,807
Travel & Training	700	700	-	(700)
Auditor	2,250	2,250	2,350	100
Office Machine Rental	2,300	2,300	3,102	802
Membership Dues	800	800	820	20
Publications	500	500	401	(99)
Computer Software	1,950	1,950	1,950	-
State Unemployment	-	-	24	24
Miscellaneous	8,947	8,947	171	(8,776)
Grant Expenditures	-	-	15,026	15,026
Liability Insurance	-	-	1,357	1,357
Trash Services	1,890	1,890	1,460	(431)
Workers Comp	1,250	1,250	921	(329)
Property Insurance	3,500	3,500	6,076	2,576
Community Center				
Electric	6,000	6,000	5,781	(219)
Cleaning Supplies	360	360	-	(360)
Propane	2,800	2,800	1,770	(1,030)
Water	450	450	492	42
Repair/Maintenance	1,000	1,000	529	(471)
Police				
Salary & Wages	80,000	80,000	58,985	(21,015)
Travel & Training	-	-	175	175
Membership Dues	175	175	-	(175)
Vehicle Fuel	3,288	3,288	15,469	12,181
Uniforms	544	544	175	(369)
Ammunition	-	-	703	703
Vehicle Expense	2,615	2,615	8,419	5,804
Dispatch/Mobilecop	1,767	1,767	8,003	6,236
Social Security	-	-	988	988
State Unemployment	-	-	191	191
Equipment	50	50	1,404	1,354
Jail Fees	40	40	910	870
Liability Insurance	754	754	1,761	1,007
K-9	-	-	50	50
Workers Comp	-	-	921	921
Health Insurance	7,947	7,947	8,886	939
Fire				
Electric	1,200	1,200	1,456	256
Telephone	700	700	475	(225)
Vehicle Fuel	2,800	2,800	3,773	973
Pension	1,500	1,500	1,440	(60)
Liability Insurance	1,400	1,400	700	(700)
Court				
Municipal Judge	3,300	3,300	3,300	-
Forensic Fees	-	-	92	92
AFIS Fees	532	532	6,527	5,995
Cleet Fees	-	-	1,350	1,350
NSF Fee	-	-	53	53
Refunds	300	300	-	(300)
Streets				

Electric	<u>3,120</u>	<u>3,120</u>	<u>3,660</u>	<u>540</u>
Repairs & Maintenance	<u>11,000</u>	<u>11,000</u>	<u>437</u>	<u>(10,563)</u>
Parks				
Repairs & Maintenance	<u>900</u>	<u>900</u>	<u>130</u>	<u>(770)</u>
Other financing sources (uses):				
Contributed Expenses-DPWA	<u>-</u>	<u>-</u>	<u>19,913</u>	<u>19,913</u>
Transfers to other funds	<u>-</u>	<u>-</u>	<u>2,557</u>	<u>2,557</u>
Total Charges to Appropriations	<u>191,524</u>	<u>191,524</u>	<u>237,728</u>	<u>46,204</u>
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>(51,165)</u>	<u>(51,165)</u>
End Budgetary Fund Balance	<u>\$ 122,247</u>	<u>\$ 122,247</u>	<u>\$ 138,357</u>	<u>\$ (16,110)</u>

TOWN OF DIBBLE AND PUBLIC TRUSTS
Dibble, Oklahoma

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

	PWA	
Operating Revenues:		
Charges for services:		
Water & Sewer Revenues	\$ 76,006	
Total Operating Revenue	<u>76,006</u>	
Operating Expenses:		
Personal Services	13,587	
Maintenance & Operations	121,649	
Total Operating Expenses	<u>135,236</u>	
Operating Income (Loss)	<u>(59,230)</u>	
Non-Operating Revenues (Expenses):		
Grant revenue	23,700	
Grant expenses		
Loans Reissued/Written-Off		
Capital outlay		
Total Non-Operating Revenues (Expenses)	<u>23,700</u>	
Net Income (Loss) Before Contributions and Transfers	(35,530)	
Contributed Revenue from General Fund	19,913	
Transfers in	2,557	
Transfers out		
Changes in Fund Balance	(13,060)	
Fund Balance - beginning	<u>42,652</u>	
Prior Period Adjustments	(154)	
Fund Balance - ending	<u>\$ 29,438</u>	\$

TOWN OF DIBBLE AND PUBLIC TRUSTS
DIBBLE, Oklahoma
SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	Award Amount	Prior Year(s) Receipts	Prior Year(s) Disbursements	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
TOWN:							
CDBG - CIP	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	\$ 8,534	\$ 8,534	UNKNOWN
***We were unable to obtain grant documents but it appears to be CDBG - CIP according to Ascog invoices.							
	-	-	-	-	8,534	8,534	-
Town Subtotal							
PUBLIC WORKS AUTHORITY:							
REAP Grant - Lagoons	45,000	-	-	-	23,700	23,700	-
	45,000	-	-	-	23,700	23,700	-
PWA Subtotal							
	\$ 45,000	\$ -	\$ -	\$ -	\$ 32,234	\$ 32,234	\$ -
Overall Totals							