Town of Oakland

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

Year Ended June 30, 2011

HBC CPAs & Advisors

Town of Oakland, Oklahoma
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June 30, 2011

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HBC CPAs & Advisors

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, 2011, 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.

1401 Health Center Parkway, Yukon, Oklahoma 73099
827 NW 63rd, Suite 202, Oklahoma City, Oklahoma 73116
Phone (405) 848-7797 Fax (405) 848-7840 Web address www.hbc-cpas.com

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, 2011. 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. 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, 2011:

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: *No exceptions noted.*

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: *At June 30, 2011, the Town of Oakland had cash balances of $306,459 which the FDIC insures $250,000 of that amount. The Town of Oakland is underinsured by $56,459 as of June 30, 2011.*

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

   Finding: *According to state law, the Town of Oakland is required to transfer 12.5% of cemetery lot sales to a cemetery care fund. The Town transferred $1,585 on October 12, 2011 for lot sales occurring November 18, 2009- June 30, 2011. That amount transferred is 27% of the lot sales for the period stated.*

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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, 2011:

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: *See number four on the Town of Oakland findings.*

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.

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Finding: According to a loan covenant with Rural Economic and Community Development, the Town of Oakland is required to transfer $50 per month to a debt reserve fund until reaching a balance of $5,724. In the fiscal year ended June 30, 2011, the Town did not make any deposits into the debt reserve fund. The ending balance of this account at June 30, 2011 was $1,912.

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

HBC CPAs & Advisors
December 17, 2012

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Exhibit A

Town of Oakland
Summary of Changes in Fund Balances
Year Ended June 30, 2011

	Fund Balances Cash Basis Beginning	Revenue	Expenditures	Fund Balances Cash Basis Ending
CITY:				
General	$ 80,368	$ 72,077	$ 76,100	$ 76,345
Fire	1,289	4,510	4,466	1,333
Cemetery	60,580	11,834	16,607	55,807
Grant Fund	1,075	227,030	214,105	14,000
Street and Alley	21,601	6,130	2,145	25,586
City Subtotal:	$ 164,913	$ 321,581	$ 313,423	$ 173,071
PUBLIC WORKS:				
Revenue	$ 114,240	$ 236,679	$ 234,313	$ 116,606
Utility Deposits	33,708	9,268	5,235	37,741
Debt Reserve	1,909	3	-	1,912
Water Project	3,011	4	-	3,015
PWA Subtotal:	$ 152,868	$ 245,954	$ 239,548	$ 159,274

See Independent Accountants' Compilation Report and Report on Agreed Upon Procedures.

Exhibit B

Town of Oakland
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 80,368	$ 80,368	$ 80,368	$ -
Resources (Inflows):				
Revenues				
Sales Tax	44,000	44,000	43,029	(971)
Alcohol Beverage Tax	7,000	7,000	6,520	(480)
Franchise Taxes	11,100	11,100	18,866	7,766
Tobacco Tax	-	-	-	-
Grant Income	-	-	-	-
Miscellaneous	5,800	5,800	3,662	(2,138)
Transfers	-	-	-	-
Total Inflows	67,900	67,900	72,077	4,177
Charges to Appropriations (Outflows):				
General Government	67,900	67,900	76,100	(8,200)
Total Outflows	67,900	67,900	76,100	(8,200)
Ending Budgetary Fund Balance:	$ 80,368	$ 80,368	$ 76,345	$ (4,023)