

TOWN OF DACOMA
WOODS COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
FISCAL YEAR ENDED
JUNE 30, 2011

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF DACOMA
WOODS COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Joel Shoulders
Larry Leslie
Luther Young
Donnie McDermott

Mayor
Councilperson
Councilperson
Town Clerk/Treasurer

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Honorable Town Council
Town of Dacoma
Dacoma, Oklahoma

Honorable Board of Trustees
Dacoma Public Works Authority
Dacoma, Oklahoma

Accountant's Report

I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within applicable state laws of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by such state laws (HB 1670) and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011. Management of the Town of Dacoma 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 fieldwork and reporting standards applicable to attestation engagements as contained in Government Auditing Standards of the Comptroller General of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I 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 Dacoma 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 to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted

2. **Procedures Performed:** From the Town's trial balance, 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 reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: No instances noted

3. **Procedures Performed:** I 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 instances noted

4. **Procedures Performed:** I compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted

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

Findings: No instances noted

6. **Procedures Performed:** I 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 instances noted

7. **Procedures Performed:** I 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 instances noted

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I 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 informational 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.



October 31, 2011


Exhibit A
Town of Dacoma
And
Dacoma Public Works Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Beginning of Year <u>Fund Balances</u>	Current Year <u>Revenue</u>	Current Year <u>Expenditures</u>	End of Year <u>Fund Balances</u>
TOWN:				
General Fund:				
Operating Account	\$ 13,227	\$ 28,519	\$ 21,379	\$ 20,368
Investments (CD)	161,985	3,231	-	165,216
Total General Fund	175,212	31,751	21,379	185,584
Business Activity Center	12,087	10,432	10,648	11,871
REAP Grant Fund	-	-	-	-
Town Subtotal	187,299	42,183	32,027	197,455
PUBLIC WORKS AUTHORITY:				
PWA Utility Fund	132,016	39,484	45,411	126,089
PWA Escrow Fund	13,344	218	-	13,562
PWA Subtotal	145,360	39,702	45,411	139,651
Overall Totals	\$ 329,713	\$ 81,885	\$ 77,438	\$ 337,106

Exhibit B
Town of Dacoma
Budgetary Comparison Schedule General Fund-Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 175,212	\$ 175,212	\$ 175,212	\$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	4,501	4,501	3,199	(1,302)
Total Taxes	<u>4,501</u>	<u>4,501</u>	<u>3,199</u>	<u>(1,302)</u>
Intergovernmental:				
Motor Vehicle Tax	3,122	3,122	3,564	442
Alcoholic Beverage Tax	-	-	-	-
Gas Excise Tax	238	238	280	42
Grant Revenue	-	-	-	-
Total Intergovernmental	<u>3,360</u>	<u>3,360</u>	<u>3,843</u>	<u>483</u>
Charges for Services:				
Water Utility	4,703	4,703	5,226	523
	-	-	-	-
	-	-	-	-
Total Services	<u>4,703</u>	<u>4,703</u>	<u>5,226</u>	<u>523</u>
Investment Income	<u>2,069</u>	<u>2,069</u>	<u>3,564</u>	<u>1,495</u>
Miscellaneous Income				
Sale of Property	-	-	-	-
Rental Income	10,746	10,746	15,918	5,172
Refunds, misc.	-	-	-	-
Other Financing Sources:				
Transfer from Other Funds	-	-	-	-
Total Resources	<u>25,380</u>	<u>25,380</u>	<u>31,751</u>	<u>6,370</u>
Amounts Available for Appropriation	<u>200,592</u>	<u>200,592.49</u>	<u>206,963</u>	<u>6,370</u>
Charges to Appropriations (Outflows):				
Personnel Services	20,000	20,000	-	(20,000)
Maintenance and Operations	100,000	100,000	21,379	(78,621)
Capital Outlay	80,592	80,592	-	(80,592)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>200,592</u>	<u>200,592</u>	<u>21,379</u>	<u>(179,213)</u>
Ending Budgetary Fund Balance	<u>-</u>	<u>\$ -</u>	<u>\$ 185,584</u>	<u>\$ 185,584</u>

Exhibit C
Dacoma Public Works Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Beginning of Year <u>Fund Balances</u>	Current Year <u>Revenue</u>	Current Year <u>Expenditures</u>	End of Year <u>Fund Balances</u>
PWA Operating Fund:				
Cash Account	8,279	38,960	40,747	6,491
Escrow Account	-	-	-	-
Investments (CD)	48,859	524	-	49,383
Escrow Investments (CD)	<u>13,344</u>	<u>218</u>	<u>-</u>	<u>13,562</u>
Total Current	70,482	39,702	40,747	69,437
PWA Capital Assets				
Property and Equipment	308,884	-	-	308,884
Accumulated Depreciation	<u>(116,681)</u>	<u>-</u>	<u>7,722</u>	<u>(124,404)</u>
Total PWA Fixed Assets	192,203	-	7,722	184,480
PWA Liabilities:				
FMA \$110,000 Note	87,058	-	2,189	84,869
FMA \$ 40,000 Note	<u>30,267</u>	<u>-</u>	<u>870</u>	<u>29,397</u>
TOTAL PWA Liabilities	117,324	-	3,059	114,266
PWA Subtotal	<u>145,360</u>	<u>39,702</u>	<u>45,411</u>	<u>139,651</u>

See Accompanying Accountant's Report

Exhibit D
Dacoma Public Works Authority
Statement of Revenues, Expenses and Changes in Fund Balance-Budgetary Basis
For the Fiscal Year Ended June 30, 2011

Operating Revenues:

Charges for Services:

Utility Receipts	\$ 38,960
Penalties and Charges	-
Total Operating Revenues	38,960

Operating Expenses:

Operations	1,800
Water	9,797
Trash	11,819
Sewer (Town)	5,226
System Repair	2,237
Postage	403
DEQ Fee	510
Audit	-
Depreciation	7,722
Other	100
Total Operating Expenses:	39,614

Operating Income (654)

Non-Operating Revenue (Expenses):

Investment Income	742
Interest Expense	(5,797)
Miscellaneous	-
Total Non-Operating Revenues (Expenses)	(5,055)

Net Income (Loss) Before Contributions and Transfers (5,709)

Capital Contributions

Transfers In	-
Transfers Out	-
	-

Change in Fund Balance (5,709)

Fund Balance - Beginning 145,360

Fund Balance - Ending \$ 139,651