TOWN OF DIBBLE

FINANCIAL STATEMENTS
and
INDEPENDENT ACCOUNTANT'S REPORT

June 30, 2013

TOWN OF DIBBLE
June 30, 2013

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Jayna Vaughn, P.C.

Certified Public Accountant *819 Walnut • Duncan, Oklahoma 73533 • (580) 252-6190*

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, 2013 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, 2013. 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, 2013. 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, 2013:

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 Towns 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 expenditures exceeded current total appropriations. In addition, a prior year adjustment for ($8,954.51) was discovered in the current year.

   - 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.

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 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.

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: No exceptions were found as a result of applying the procedure. The Town's stated cash balances did not exceed FDIC coverage.

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

   Findings: The town received $7,582.88 in Motor Vehicle Tax and Gas Tax. These tax revenues should be spent on Street and Alley expenditures only. Not all funds were deposited into the Street and Alley account or earmarked for their restricted use. $3,375.34 was spent on Street and Alley throughout the year and $1,599.01 remains in the Street and Alley bank account. The remaining $2,608.53 is either in the General Fund account or has been spent on other Town expenditures.

   Recommendation: The town should deposit the restricted revenues into the Street and Alley account when the monies are received. Going forward, the town should only pay Street and Alley expenditures from the account and not use the restricted funds for any other purpose.

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 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. In addition, the Public Works Authority Grant funds were deposited into the General Fund account and then paid out of the Public Works Authority. Throughout the year, the amount of expenses paid for the Public Works Authority from the General Fund exceeded the $27,000.00 grant funds. Therefore, the proper net effect was achieved.

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: The Town has no required reserve accounts. However, the Public Works Authority has a note payable that requires a reserve account. The note requires the Town Money Market Account #4913992 at Chickasha National Bank to have a balance of $25,401.54. At June 30, 2013, the money market account balance exceeded the required amount.

As to the **Dibble Public Works Authority,** as of and for the fiscal year ended June 30, 2013:

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 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 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. In addition, the Public Works Authority Grant funds were deposited into the General Fund account and then paid out of the Public Works Authority. Throughout the year, the amount of expenses paid for the Public Works Authority from the General Fund exceeded the $27,000.00 grant funds. Therefore, the proper net effect was achieved.

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. In addition, the Authority's note with Chickasha Bank & Trust does restrict the balance of $25,401.54 in the General Fund Money Market account #4913992. This restriction was fulfilled, because the balance in the account exceeded the required amount.

As to the **Town of Dibble and Public Trusts Grant Programs**, as of and for the fiscal year ended June 30, 2013:

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: No exceptions were noted as a result of applying the procedure.However, neither of the Grants' original application or documents can be located. The procedures were performed based upon invoice payment slips provided by the granting agency. As mentioned above, one of the grant's funds were for the Public Works Authority's use. These funds were deposited into the General Fund account and never transferred. But, throughout the year, the General Fund paid for expenditures of the Authority for an amount greater than the grant funding. Therefore, the net effect on appropriate use of the funds was accomplished.

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

Jayna Vaughn, PC
November 14, 2013

Exhibit 1

TOWN OF DIBBLE AND PUBLIC TRUSTS
Dibble, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODFIED CASH BASIS
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Beginning of Year Fund Balances	Prior Year Adjustments	Current Year Receipts	Current Year Disbursements	End of Year Fund Balance
TOWN:					
General Fund	$ 138,357	$ -	$ 440,194	$ (389,895)	$ 188,656
Town Subtotal	138,357	-	440,194	(389,895)	188,656
PUBLIC WORKS AUTHORITY:					
Dibble Public Works Authority	29,438	-	131,968	(103,341)	58,064
Public Works Subtotal	29,438	-	131,968	(103,341)	58,064
Overall Totals	$ 167,795	$ -	$ 572,161	$ (493,236)	$ 246,720

See Independent Accountant's Report

Exhibit 2

TOWN OF DIBBLE AND PUBLIC TRUSTS
Dibble, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over (Under)
Beg Budgetary Fund Balance	$ 138,357.15	$ 138,357.15	$ 138,357.15	$ -
REVENUES				
Taxes				
Sales Tax	$ 102,000.00	$ 102,000.00	$ 207,826.34	$ 105,826.34
Use Tax	$ 2,280.00	$ 2,280.00	$ 10,704.72	$ 8,424.72
Franchise Tax	$ 8,000.00	$ 8,000.00	$ 9,837.73	$ 1,837.73
Motor Vehicle tax	$ 2,000.00	$ 2,000.00	$ 7,582.88	$ 5,582.88
Intergovernmental				
Alcoholic Beverage Tax	$ 1,000.00	$ 1,000.00	$ 3,526.03	$ 2,526.03
Cigarette Tax	$ 1,600.00	$ 1,600.00	$ 2,624.39	$ 1,024.39
Grant Revenue	$ 262,535.00	$ 262,535.00	$ 31,266.00	$ (231,269.00)
Other Revenue				
Reimbursement for Utilities	$ 4,200.00	$ 4,200.00	$ -	$ (4,200.00)
Insure Oklahoma	$ 15,000.00	$ 15,000.00	$ -	$ (15,000.00)
Fines	$ 120,000.00	$ 120,000.00	$ 78,557.55	$ (41,442.45)
Licesnses and Permits				
Fire Works Permits	$ 300.00	$ 300.00	$ -	$ (300.00)
Impound Vehicles	$ 300.00	$ 300.00	$ -	$ (300.00)
Accident Reports	$ 100.00	$ 100.00	$ 752.54	$ 652.54
Miscellaneous				
Rental Income	$ 1,300.00	$ 1,300.00	$ 4,425.00	$ 3,125.00
Miscellaneous Income	$ 1,200.00	$ 1,200.00	$ 5,952.91	$ 4,752.91
Lease Proceeds			$ 76,050.05	
Interest Income	$ -	$ -	$ 38.51	$ 38.51
Transfers from other funds		$ -	$ 1,049.00	$ 1,049.00
Amounts available for appropriation	**$ 660,172.15**	**$ 660,172.15**	**$ 578,550.80**	**$ (81,621.35)**
EXPENSES				
Administration				
Salary & Wages	$ 19,200.00	$ 19,200.00	$ 20,756.98	$ 1,556.98
Employee Insurance	$ 6,000.00	$ 6,000.00	$ 2,072.75	$ (3,927.25)
Electric	$ 2,000.00	$ 2,000.00	$ 2,076.41	$ 76.41
Telephone	$ 4,400.00	$ 4,400.00	$ 5,097.79	$ 697.79
Office Supplies	$ 2,000.00	$ 2,000.00	$ 5,480.98	$ 3,480.98
Cleaning Supplies	$ 600.00	$ 600.00	$ -	$ (600.00)
Propane	$ 1,000.00	$ 1,000.00	$ 346.85	$ (653.15)
Water	$ 3,000.00	$ 3,000.00	$ 611.09	$ (2,388.91)
Repair/Maintenance	$ 4,600.00	$ 4,600.00	$ 548.30	$ (4,051.70)
Attorney	$ 9,000.00	$ 9,000.00	$ 6,243.12	$ (2,756.88)

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Travel & Training	$ -	$ -	$ 647.99	$ 647.99
Auditor	$ 2,000.00	$ 2,000.00	$ 8,591.00	$ 6,591.00
Office Machine Rental	$ 2,220.00	$ 2,220.00	$ 2,523.71	$ 303.71
Training & Membership Dues	$ 1,250.00	$ 1,250.00	$ 737.84	$ (512.16)
Publications	$ 200.00	$ 200.00	$ 300.36	$ 100.36
Computer Software	$ 2,500.00	$ 2,500.00	$ 2,437.95	$ (62.05)
Medicare	$ -	$ -	$ 200.70	$ 200.70
Social Security	$ -	$ -	$ 858.05	$ 858.05
Payroll Tax Penalties	$ -	$ -	$ 4,099.41	$ 4,099.41
Miscellaneous	$ 3,000.00	$ 3,000.00	$ 291.00	$ (2,709.00)
Grant Expenditures	$ -	$ -	$ 4,266.00	$ 4,266.00
Trash Services	$ -	$ -	$ 1,195.20	$ 1,195.20
Workers Comp	$ 1,250.00	$ 1,250.00	$ 5,331.09	$ 4,081.09
Property Insurance	$ 300.00	$ 300.00		$ (300.00)
Community Center				
Electric	$ 6,300.00	$ 6,300.00	$ 6,673.70	$ 373.70
Cleaning Supplies	$ 100.00	$ 100.00	$ -	$ (100.00)
Propane	$ 1,500.00	$ 1,500.00	$ 2,103.57	$ 603.57
Water	$ 1,200.00	$ 1,200.00	$ 852.54	$ (347.46)
Repair/Maintenance	$ 1,500.00	$ 1,500.00	$ -	$ (1,500.00)
Police				
Salary & Wages	$ 80,000.00	$ 80,000.00	$ 52,133.57	$ (27,866.43)
Travel & Training	$ 100.00	$ 100.00	$ 422.69	$ 322.69
Membership Dues	$ 100.00	$ 100.00	$ 75.00	$ (25.00)
Vehicle Fuel	$ 18,000.00	$ 18,000.00	$ 18,985.05	$ 985.05
Uniforms	$ 1,100.00	$ 1,100.00	$ 1,389.48	$ 289.48
Vehicle Expense	$ 10,000.00	$ 10,000.00	$ 3,778.10	$ (6,221.90)
Dispatch/Mobilecop	$ 9,840.00	$ 9,840.00	$ 22,231.65	$ 12,391.65
Medicare	$ -	$ -	$ 545.50	$ 545.50
Social Security	$ -	$ -	$ 2,332.57	$ 2,332.57
Equipment	$ -	$ -	$ 12,037.37	$ 12,037.37
Liability Insurance	$ 3,000.00	$ 3,000.00	$ 7,225.99	$ 4,225.99
Workers Comp	$ 3,750.00	$ 3,750.00	$ 5,537.95	$ 1,787.95
Health Insurance	$ 16,435.00	$ 16,435.00	$ 3,335.28	$ (13,099.72)
Interest Expense	$ -	$ -	$ 3,336.43	$ 3,336.43
Capital Outlay	$ -	$ -	$ 76,050.05	$ 76,050.05
Debt Service	$ -	$ -	$ 15,494.53	$ 15,494.53
Annual Qualifications	$ 500.00	$ 500.00	$ -	$ (500.00)
Code Enforcement	$ 180.00	$ 180.00	$ -	$ (180.00)
Fire				
Electric	$ 1,500.00	$ 1,500.00	$ 1,915.30	$ 415.30
Telephone	$ 1,200.00	$ 1,200.00		$ (1,200.00)
Vehicle Fuel	$ 3,000.00	$ 3,000.00	$ 6,729.85	$ 3,729.85
Pension	$ 1,750.00	$ 1,750.00	$ 2,700.00	$ 950.00
Liability Insurance	$ 3,000.00	$ 3,000.00	$ 810.32	$ (2,189.68)
Court				
Municipal Judge	$ 3,300.00	$ 3,300.00	$ 3,300.00	$ -
AFIS, OSBI, CLEET Fees	$ 20,000.00	$ 20,000.00	$ 10,178.56	$ (9,821.44)
NSF Fee	$ -	$ -	$ 25.00	$ 25.00
Streets				
Electric	$ 2,400.00	$ 2,400.00	$ 3,333.41	$ 933.41
Repairs & Maintenance	$ 4,999.00	$ 4,999.00	$ 41.93	$ (4,957.07)
Parks				
Repairs & Maintenance	$ -	$ -	$ -	$ -
Other financing sources (uses):				
Contributed Expenses-DPWA	$ -	$ -	$ 42,650.18	$ 42,650.18
Transfers to other funds	$ -	$ -	$ -	$ -

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Total Charges to Appropriations	$ 259,274.00	$ 259,274.00	$ 380,940.14	$ 121,666.14
Prior Period Adjustments	$ -	$ -	$ (8,954.51)	$ (8,954.51)
End Budgetary Fund Balance	**$ 400,898.15**	**$ 400,898.15**	**$ 188,656.15**	$ 212,242.00

Exhibit 3

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, 2013
(Unaudited)

	PWA	
Operating Revenues:		
Charges for services:		
Water & Sewer Revenues	$ 79,380	
Total Operating Revenue	79,380	
Operating Expenses:		
Personal Services	2,521	
Maintenance & Operations	62,833	
Total Operating Expenses	65,355	
Operating Income (Loss)	14,025	
Non-Operating Revenues (Expenses):		
Grant Eevenue	27,000	
Grant Expenses	(27,000)	
Loans Reissued/Written-Off	-	
Capital Outlay	-	
Total Non-Operating Revenues (Expenses)	-	
Net Income (Loss) Before Contributions and Transfers	14,025	
Contributed Revenue from General Fund	15,650	
Transfers in	1	
Transfers out	(1,050)	
Changes in Fund Balance	28,626	
Fund Balance - beginning	29,438	
Prior Period Adjustments		
Fund Balance - ending	$ 58,064	$

TOWN OF DIBBLE AND PUBLIC TRUSTS
DIBBLE, Oklahoma
SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2013
(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	12,000	8,534	8,534	UNKNOWN	$ 4,266	$ 4,266	UNKNOWN
Town Subtotal	12,000	8,534	8,534	-	4,266	4,266	-
PUBLIC WORKS AUTHORITY:							
REAP Grant	45,000	-	-	-	27,000	27,000	-
REAP Grant	45,000	23,700	23,700	-	-	-	-
PWA Subtotal	90,000	23,700	23,700	-	27,000	27,000	-
Overall Totals	$ 102,000	$ 32,234	$ 32,234	$ -	$ 31,266	$ 31,266	$ -

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