

TOWN OF FREEDOM
WOODS COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
AGREED UPON PROCEDURES
FISCAL YEAR ENDED
JUNE 30, 2011

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

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

Ty Harper
Randy Reed
Mike Daughhete

Mayor
Councilman
Councilman

Cindy Reed

Town Clerk/Treasurer

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Honorable Town Council
Town of Freedom
Freedom, Oklahoma

State Auditor and Inspector
State of Oklahoma
Oklahoma City, Oklahoma

Honorable Board of Trustees
Freedom Municipal Authority
Freedom, 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 Freedom 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 Freedom 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: The Town incurred notes with a local bank and recorded this debt in the General fund. These balances were not repaid as of June 30, 2011. The General Fund cannot incur debt that last past the end of the current fiscal year.

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.

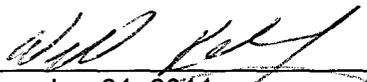

December 31, 2011

Exhibit A
Town of Freedom
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

	Beginning of Year	Current Year Change		End of Year
	Fund Balances	Increases	Decreases	Fund Balances
TOWN:				
General Fund	\$ 13,089	\$ 72,937	\$ 72,707	\$ 13,319
Fire Department Fund	37,138	42,688	36,158	43,668
4th of July Fund	1,717	1,476	2,392	801
Proprietary Fund (Ambulance)	9,497	34,785	32,950	11,332
RV Park	828	8,378	7,284	1,921
Airport Fund	1,501	23	-	1,524
Ambulance Grant	-	5,318	5,265	53
Grant Fund	323	87,505	84,567	3,260
Town Subtotal	<u>64,093</u>	<u>253,109</u>	<u>241,325</u>	<u>75,877</u>
MUNICIPAL AUTHORITY:				
Utilities Fund	22,636	228,286	257,599	(6,678)
Utilities Fund - CDs	-	20,000	-	20,000
Property and Equipment Fund	51,475	-	-	51,475
Gas Deposit Fund	5,645	643	300	5,988
Water Deposit Fund	4,321	483	286	4,518
MA Subtotal	<u>84,077</u>	<u>249,412</u>	<u>258,186</u>	<u>75,303</u>
Overall Totals	<u>\$ 148,170</u>	<u>\$ 502,521</u>	<u>\$ 499,510</u>	<u>\$ 151,180</u>

Exhibit B
Town of Freedom
Budgetary Comparison Schedule General Fund - Cash 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:	\$ 13,455	\$ 13,455	\$ 13,615	\$ 161
Resources (Inflows):				
Taxes:				
Franchise Tax	6,015	6,015	6,787	772
Sales Tax	28,973	28,973	28,834	(139)
Gas Tax	-	-	-	-
Tobacco Tax	440	440	434	(6)
Total Taxes	35,427	35,427	36,054	627
Intergovernmental:				
Motor Vehicle Tax	-	-	-	-
Alcoholic Beverage Tax	5,717	5,717	6,525	809
Gas Tax	386	386	-	(386)
Investment Income	203	203	90	(113)
Miscellaneous Income	-	-	10,853	10,853
Other Financing Sources:				
Transfer from Other Funds	20,000	20,000	19,414	(586)
Amounts available for appropriations	75,188	75,188	86,552	11,365
General Government:				
Personal Services	10,000	3,400	3,376	(24)
Maintenance and Operations	65,188	60,188	58,258	(1,930)
Contractual Services	-	6,600	6,600	-
Capital Outlay	-	-	-	-
Other Financing Uses:				
Transfers to other funds	-	5,000	5,000	-
Total Charges to Appropriations	75,188	75,188	73,234	(1,954)
Ending Budgetary Fund Balance	-	\$ -	\$ 13,319	\$ 13,319

Exhibit C
Freedom Municipal Authority
Statement of Receipts and Disbursements - Cash Basis
For the Fiscal Year Ended June 30, 2011

	<u>Actual Amounts</u>
Gross Revenues	
Gas Sales	\$ 103,558
Water	68,895
Sewer	9,984
Garbage	42,955
Other	<u>2,818</u>
Total Gross Revenue	228,209
Operating Expenses	
Personnel Services:	
Wages and Salaries	54,296
Taxes - Payroll	4,468
Total Personell Services	<u>58,764</u>
Maintenance and Operations:	
Annual Fees	1,235
Conference and meetings	-
Dues and subscriptions	-
Insurance	11,843
Operations	8,174
Postage	-
Penalties	-
Printing and copying	-
Returned Items	236
Supplies	3,854
Utilities	-
Total Maintenance and Operations	<u>25,342</u>
Contact Services:	
Accounting Fees	1,780
Legal Fees	-
Contract - Gas Purchases	53,116
Contract - Water Purchases	55,161
Contract - Trash Removal	35,937
Contract - Other	-
Total Contract Services	<u>145,994</u>
Total Operating Expense/Disbursements	230,099
Net Operating Revenue	(1,890)
Other Income (Expenses)	
Interest Income	76
Interest Expense	-
Transfer from Other Funds	<u>(7,500)</u>
Other Income	(7,424)
Net Revenue	<u>\$ (9,314)</u>

Town of Freedom
Woods County, Oklahoma
Schedule of Grant Awards,
Revenues and Expenditures
For Year Ended June 30, 2009

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
OEDA - REAP 2010 Grant	Utility Maintenance	40,950	40,950 <u>40,950</u>	40,950 <u>40,950</u>
OEDA - REAP 2011 Grant	Building Fire Dept Contract 11-211	50,000	42,157 <u>42,157</u>	42,157 <u>42,157</u>
Ambulance - First Responder Grant 2010-11 Operations Grant	Ambulance		5,318 <u>5,318</u>	5,265 <u>5,265</u>
Department of Agriculture 2010-11 Operations Grant	Fire Department	4,398	4,398 <u>4,398</u>	1,460 <u>1,460</u>
Total			<u>\$92,823</u>	<u>\$89,833</u>