

TOWN OF FREEDOM
WOODS COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
AGREED UPON PROCEDURES
FISCAL YEAR ENDED
JUNE 30, 2010

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

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

Ty Harper
Randy Reed
Monty Leonard

Mayor
Councilman
Councilman

Cindy Reed

Town Clerk/Treasurer

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

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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, 2010. 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, 2010:

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.


November 8, 2010

Exhibit A
Town of Freedom
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2010

	Beginning of	Current		End of
	Year	Year Change		Year
	<u>Fund Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Fund Balances</u>
TOWN:				
General Fund	\$ 36,540	\$ 47,961	\$ 71,412	\$ 13,089
Fire Department Fund	41,212	47,031	51,104	37,138
4th of July Fund	1,699	2,125	2,107	1,717
Proprietary Fund (Ambulance)	5,681	21,817	18,001	9,497
RV Park	968	4,681	4,821	828
Airport Fund	1,496	5	-	1,501
Grant Fund	323	45,882	45,882	323
Town Subtotal	<u>87,918</u>	<u>169,502</u>	<u>193,326</u>	<u>64,093</u>
MUNICIPAL AUTHORITY:				
Utilities Fund	5,314	254,672	237,350	22,636
Property and Equipment Fund	51,475	-	-	51,475
Gas Deposit Fund	5,303	641	300	5,645
Water Deposit Fund	4,164	459	302	4,321
MA Subtotal	<u>66,257</u>	<u>255,772</u>	<u>237,952</u>	<u>84,077</u>
Overall Totals	<u>\$ 154,175</u>	<u>\$ 425,274</u>	<u>\$ 431,278</u>	<u>\$ 148,170</u>

Exhibit B
Town of Freedom
Budgetary Comparison Schedule General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 37,060	\$ 37,060	\$ 36,540	\$ (520)
Resources (Inflows):				
Taxes:				
Franchise Tax	2,491	2,491	6,683	4,192
Sales Tax	41,287	41,287	32,192	(9,096)
Tobacco Tax	940	940	429	(511)
Total Taxes	44,718	44,718	39,304	(5,415)
Intergovernmental:				
Motor Vehicle Tax	-	-	-	-
Alcoholic Beverage Tax	-	-	6,352	6,352
Gas Excise Tax	257	257	489	232
Investment Income	173	173	226	53
Miscellaneous Income	-	-	1,590	1,590
Other Financing Sources:				
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	<u>82,208</u>	<u>82,208</u>	<u>84,501</u>	<u>2,292</u>
General Government:				
Personal Services	10,000	10,000	3,569	(6,431)
Maintenance and Operations	65,000	65,000	65,223	223
Contractual Services	-	-	-	-
Capital Outlay	-	-	-	-
Other Financing Uses:				
Transfers to other funds	7,208	7,208	2,620	(4,588)
Total Charges to Appropriations	<u>82,208</u>	<u>82,208</u>	<u>71,412</u>	<u>(10,796)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,089</u>	<u>\$ 13,089</u>

Exhibit C
Freedom Municipal Authority
Statement of Receipts and Disbursements - Cash Basis
For the Fiscal Year Ended June 30, 2010

	Actual Amounts
Gross Revenues	
Gas Sales	\$ 130,404
Water	62,878
Sewer	10,851
Garbage	46,267
Other	77
Total Gross Revenue	250,477
Operating Expenses	
Personnel Services:	
Wages and Salaries	47,710
Taxes - Payroll	5,778
Total Personell Services	53,488
Maintenance and Operations:	
Annual Fees	5,466
Conference and meetings	255
Dues and subscriptions	55
Insurance	7,313
Operations	11,108
Postage	300
Penalties	62
Returned Items	159
Supplies	408
Total Maintenance and Operations	25,126
Contact Services:	
Accounting Fees	1,515
Legal Fees	150
Contract - Gas Purchases	66,525
Contract - Water Purchases	46,694
Contract - Trash Removal	42,972
Contract - Other	847
Total Contract Services	158,703
Total Operating Expense/Disbursements	237,317
Net Operating Revenue	13,160
Other Income (Expenses)	
Interest Income	73
Interest Expense	(33)
Transfer from Other Funds	4,122
Other Income	4,163
Net Revenue	\$ 17,322