

## Independent Accountant's Report

Town Council  
Town of Stonewall and Public Trusts  
Stonewall, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Stonewall and Public Trusts, Stonewall, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule – Cash Basis, General Fund; Statement of Revenue, Expenses and Changes in Fund Balance – Cash Basis, Public Works Authority; and Schedule of Grant Activity – Cash Basis for the fiscal year ended June 30, 2013 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by 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 principals.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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's assets, liabilities, equity, revenues and expenses. 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 are 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, 2010. Management of the Town of Stonewall 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 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 Stonewall** 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 areas of noncompliance was noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General 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:** No area of noncompliance was 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 significance or unusual reconciling items that have not cleared.

**Findings:** No unusual items found and all items cleared appropriately.

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 instance found.

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

**Findings:** No instance of noncompliance noted.

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 instance of noncompliance 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 non compliance.

**Findings:** No instance of noncompliance noted.

As to the **Stonewall 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 (see accompanying Exhibit 3) and compared the schedule results to the applicable trust

prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** No instances of non compliance were 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 unusual items found and all items cleared appropriately

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and collateralized deposits.

**Findings:** No instance found.

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 instance of noncompliance 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 instance of noncompliance 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.

**Findings:** No instances of noncompliance were noted.

As to the Town of Stonewall and Public Works 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 instance of noncompliance noted.

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 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 those specified parties.



Cox Holsted & Associates, PC  
December 31, 2013

**TOWN OF STONEWALL AND PUBLIC TRUSTS**  
**STONEWALL, OKLAHOMA**  
 Summary of Changes in Fund Balance - Cash Basis  
 For the Fiscal Year Ended June 30, 2013  
**(Unaudited)**

	Fund Balance <u>June 30, 2012</u>	Current Year Receipts <u>                    </u>	Current Year Disbursements <u>                    </u>	Fund Balance <u>June 30, 2013</u>
<b>Town:</b>				
General	\$ 71,302	\$ 713,009	\$ 653,249	\$ 131,062
Senior Citizen	1,131	14,581	13,429	2,282
Cemetery	<u>27,019</u>	<u>6,541</u>	<u>17,190</u>	<u>16,370</u>
Town Sub-Totals	99,452	734,131	683,869	149,714
<b>Public Works Authority</b>				
Utilities Fund	<u>91,727</u>	<u>164,975</u>	<u>230,218</u>	<u>26,484</u>
PWA Sub-Totals	<u>91,727</u>	<u>164,975</u>	<u>230,218</u>	<u>26,484</u>
Overall Totals	<u>\$ 191,179</u>	<u>\$ 899,107</u>	<u>\$ 914,087</u>	<u>\$ 176,198</u>

**TOWN OF STONEWALL AND PUBLIC TRUSTS**  
**STONEWALL, OKLAHOMA**

Budgetary Comparison Schedule - Cash Basis

General Fund

For the Fiscal Year Ended June 30, 2013

**(Unaudited)**

	Budgetary Amounts		Actual	Variance
	Original	Final		
Beginning Fund Balance	\$ 71,302	\$ 71,302	\$ 71,302	\$ -
Resources (Inflows):				
Sales Tax	90,000	91,000	91,459	459
Alcohol and Tobacco Tax	4,000	4,000	4,039	39
Franchise Tax	17,000	16,500	16,246	(254)
Motor Vehicle and Gas	3,500	3,500	3,502	2
Municipal Court	20,000	15,000	15,450	450
Miscellaneous	50,000	55,000	55,933	933
<b>Total Resources (Inflows)</b>	<b>184,500</b>	<b>185,000</b>	<b>186,629</b>	<b>1,629</b>
HRSA/USDA - Medical Clinic	940,900	258,000	258,428	428
SODA	550	550	550	-
SODA 13-004	8,466	8,466	8,466	-
CDBG 13417	270,000	259,000	258,263	(737)
OHFA 1328 HOME 10	-	600	673	73
<b>Total Grant Income</b>	<b>1,219,916</b>	<b>526,616</b>	<b>526,380</b>	<b>(236)</b>
Transfers	-	-	-	-
<b>Amounts available for Appropriations</b>	<b>1,475,718</b>	<b>782,918</b>	<b>784,311</b>	<b>1,393</b>
Charges to Appropriations (Outflows):				
Personnel and Payroll Taxes	91,812	107,702	107,702	-
Maintenance and Operations	80,000	92,039	92,039	-
Municipal Court	3,775	812	812	-
CDBG Grants	270,000	258,064	258,064	-
HRSA Medical Clinic Expenditures	940,900	185,616	185,616	-
SODA Grant Expenditures	9,016	9,016	9,016	-
<b>Total Expenditures (Outflows)</b>	<b>1,395,503</b>	<b>653,249</b>	<b>653,249</b>	<b>-</b>
Ending Fund Balance	<b>\$ 80,215</b>	<b>\$ 129,669</b>	<b>\$ 131,062</b>	<b>\$ 1,393</b>

See Accountant's Compilation Report

**TOWN OF STONEWALL AND PUBLIC TRUSTS**  
**STONEWALL, OKLAHOMA**

Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis  
Stonewall Public Works Authority  
For the Year Ended June 30, 2013  
**(Unaudited)**

Operating Revenue:	
Charges for Services	
Utilities	\$ 149,384
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Total Operating Revenue	149,384
Operating Expenses:	
Maintenance and Operations	209,399
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Total Operating Expenses	209,399
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Net Operating Income	(60,015)
Non Operating Income (Expense)	
Meter Deposits (Net)	2,189
Grant	2,916
Debt Service	(10,333)
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Net Non Operating Income (Expense)	(5,228)
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Net Income	(65,243)
Fund Balance - Beginning	91,727
Borrowings	-
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Fund Balance - Ending	\$ 26,484
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**TOWN OF STONEWALL AND PUBLIC TRUSTS**  
**STONEWALL, OKLAHOMA**  
 Schedule of Grant Activity - Cash Basis  
 Year Ended June 30, 2013  
 (Unaudited)

	Fund Balance <u>June 30, 2012</u>	Current Year Receipts <u>                    </u>	Current Year Disbursements <u>                    </u>	Fund Balance <u>June 30, 2013</u>
OHFA	\$ -	\$ 673	\$ 673	\$ -
HRSA C4201G1	-	191269	118457	72,812
USDA 420620736005477	-	67159	67159	-
SODA	-	9,016	9,016	-
13417 CDBG 12	-	<u>258,263</u>	<u>258,064</u>	<u>199</u>
Overall Totals	<u>\$ -</u>	<u>\$ 526,380</u>	<u>\$ 453,369</u>	<u>\$ 73,011</u>