

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, 2011 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, 2011 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, 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 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, 2011:

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, 2011:

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
August 26, 2013

TOWN OF STONEWALL AND PUBLIC TRUSTS
STONEWALL, OKLAHOMA
 Summary of Changes in Fund Balance - Cash Basis
 For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Fund Balance June 30, 2009	Current Year Receipts	Current Year Disbursements	Fund Balance June 30, 2010
Town:				
General	\$ 10,544	\$ 445,285	\$ 426,992	\$ 28,837
Senior Citizen	3,287	17,297	15,923	4,661
Cemetery	16,158	10,383	5,160	21,381
Town Sub-Totals	29,989	472,965	448,075	54,879
Public Works Authority				
Utilities Fund	24,943	166,431	166,870	24,504
PWA Sub-Totals	24,943	166,431	166,870	24,504
Overall Totals	<u>\$ 54,932</u>	<u>\$ 639,396</u>	<u>\$ 614,945</u>	<u>\$ 79,383</u>

TOWN OF STONEWALL AND PUBLIC TRUSTS
STONEWALL, OKLAHOMA

Budgetary Comparison Schedule - Cash Basis
 General Fund

For the Fiscal Year Ended June 30, 2011

(Unaudited)

	Budgetary Amounts		Actual	Variance
	Original	Final		
Beginning Fund Balance	\$ 10,544	\$ 10,544	\$ 10,544	\$ -
Resources (Inflows):				
Sales Tax	87,000	87,000	86,972	(28)
Alcohol and Tobacco Tax	3,500	3,500	3,908	408
Franchise Tax	16,500	16,500	16,395	(105)
Motor Vehicle and Gas	4,500	4,500	4,616	116
Municipal Court	33,000	33,000	33,525	525
Miscellaneous	30,000	30,000	31,144	1,144
Total Resources (Inflows)	174,500	174,500	176,560	2,060
REAP	23,848	23,848	23,328	(520)
CDBG 14297	22,500	22,500	23,466	966
OHFA 1328 HOME 10	220,000	220,000	221,931	
Total Grant Income	266,348	266,348	268,725	446
Transfer to Cemetery	(1,328)	(1,328)	(1,328)	-
Amounts available for Appropriations	450,064	450,064	454,501	2,506
Charges to Appropriations (Outflows):				
Personnel and Payroll Taxes	75,000	75,000	73,981	(1,019)
Maintenance and Operations	90,000	94,286	94,286	-
OHFAA 1328 HOME 10	220,000	221,931	221,931	-
CDBG Grants	22,500	23,466	23,466	-
SODA Grant Expenditures	23,848	23,848	12,000	(11,848)
Total Expenditures (Outflows)	431,348	438,531	425,664	(12,867)
Ending Fund Balance	\$ 18,716	\$ 11,533	\$ 28,837	\$ 15,373

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, 2011
(Unaudited)

Operating Revenue:	
Charges for Services	
Utilities	<u>\$ 166,431</u>
Total Operating Revenue	166,431
Operating Expenses:	
Maintenance and Operations	<u>154,746</u>
Total Operating Expenses	<u>154,746</u>
Net Operating Income	11,685
Non Operating Income (Expense)	
Debt Service	<u>(12,124)</u>
Net Non Operating Income (Expense)	<u>(12,124)</u>
Net Income	(439)
Fund Balance - Beginning	24,943
Borrowings	<u>-</u>
Fund Balance - Ending	<u><u>\$ 24,504</u></u>

TOWN OF STONEWALL AND PUBLIC TRUSTS
STONEWALL, OKLAHOMA
 Schedule of Grant Activity - Cash Basis
 Year Ended June 30, 2011
(Unaudited)

	Fund Balance <u>June 30, 2010</u>	Current Year Receipts <u> </u>	Current Year Disbursements <u> </u>	Fund Balance <u>June 30, 2011</u>
OHFA	\$ -	\$ 221,931	\$ 221,931	\$ -
REAP	-	23,328	12,000	11,328
14297 CDBG 10	<u>-</u>	<u>23,466</u>	<u>23,466</u>	<u>-</u>
Overall Totals	<u>\$ -</u>	<u>\$ 268,725</u>	<u>\$ 257,397</u>	<u>\$ 11,328</u>