

INDEPENDENT ACCOUNTANT'S REPORT

TOWN OF MARTHA, OKLAHOMA

JULY 1, 2010 TO JUNE 30, 2011

BY





Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Martha
Martha, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Martha, Oklahoma as of June 30, 2011 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-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 principles.

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 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, 2011. Management of the Town of Martha is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the 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 Finding

As to the **Town of Martha** as of and for the fiscal year ended June 30, 2011:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of noncompliance.

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

Findings: We found no instances of noncompliance.

- 5. 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: We found no instances of noncompliance.

As to the **Town of Martha Grant Programs**, 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 grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

Findings: We found no instances of noncompliance.

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 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.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC
December 22, 2011

**Town of Martha
Martha, Oklahoma**

**Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2011
(Unaudited)**

	<u>Beginning of Year Fund</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 20,816	\$ 35,244	\$ 39,539	\$ 16,521
Public Works Authority	19,507	40,024	37,825	21,706
Fire Department	9,592	4,398	6,041	7,949
OWRB Grant	54	0	49	5
Dept of AG Grant	26	0	23	3
CDBG Grant	<u>1,567</u>	<u>0</u>	<u>1,567</u>	<u>0</u>
Overall Totals	<u>\$ 51,562</u>	<u>\$ 79,666</u>	<u>\$ 85,044</u>	<u>\$ 46,184</u>

Town of Martha
Martha, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 20,816	\$ 20,816	\$ 20,816	\$ 0
Resources (Inflows):				
Alcoholic Beverages Tax	900	900	906	(6)
Franchise Tax Income	3,350	3,350	3,214	136
Motor Vehicle Tax	1,500	1,500	1,468	32
Fire	2,500	2,500	2,585	(85)
Garbage	25,600	25,600	25,561	39
Gasoline Tax	350	350	342	8
Other Revenue	1,100	1,100	1,168	(68)
Total Inflows	35,300	35,300	35,244	56
Amounts Available for Appropriation	56,116	56,116	56,060	56
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	6,500	6,500	1,950	4,550
Maintenance, Operations & Repairs	49,616	49,616	37,589	12,027
Total General Government	56,116	56,116	39,539	16,577
Total Charges to Appropriations	56,116	56,116	39,539	16,577
Ending Budgetary Fund Balance	\$ 0	\$ 0	\$ 16,521	\$ (16,521)

**Town of Martha
Martha, Oklahoma**

Budgetary Comparison Schedule-Cash Basis

Public Works Authority Fund

For the Fiscal Year Ended June 30, 2011

(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 19,507	\$ 19,507	\$ 19,507	\$ 0
Resources (Inflows):				
Water and Sewer Receipts	37,000	37,000	37,278	(278)
Meter Deposits	1,200	1,200	1,120	80
Other Revenue	1,000	1,000	1,626	(626)
Total Inflows	<u>39,200</u>	<u>39,200</u>	<u>40,024</u>	<u>(824)</u>
Amounts Available for Appropriation	<u>58,707</u>	<u>58,707</u>	<u>59,531</u>	<u>(824)</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	18,000	18,000	13,130	4,870
Maintenance, Operations, Repairs	40,707	40,707	24,695	16,012
Total General Government	<u>58,707</u>	<u>58,707</u>	<u>37,825</u>	<u>20,882</u>
Total Charges to Appropriations	<u>58,707</u>	<u>58,707</u>	<u>37,825</u>	<u>20,882</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,706</u>	<u>\$ (21,706)</u>

Town of Martha
Martha, Oklahoma
Operational Fire Grant - FY 11
Revenue and Expenditures Compared with Budget
Year Ended June 30, 2011

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
State Grant	\$ 4,398	\$ 4,398	\$ 0
Total Revenue	4,398	4,398	0
<u>Expenditures</u>			
Supplies and Maintenance	4,398	3,251	1,147
Total Expenditures	4,398	3,251	1,147
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,147</u>	<u>\$ (1,147)</u>

Town of Martha
Operational Fire Grant - FY10
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	\$ 5,100	\$ 0	\$ 5,100
Total Revenue	5,100	0	5,100
<u>Expenditures</u>			
Maintenance, Operations & Repairs	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	0	0	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 5,100</u>	<u>\$ 0</u>	<u>\$ 5,100</u>

Town of Martha
Operational Fire Grant - FY 08
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative 06/30/10</u>	<u>Current Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	\$ 4,485	\$ 0	\$ 4,485
Total Revenue	4,485	0	4,485
<u>Expenditures</u>			
Maintenance, Operations & Repairs	<u>0</u>	<u>2,789</u>	<u>2,789</u>
Total Expenditures	0	2,789	2,789
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 4,485</u>	<u>\$ (2,789)</u>	<u>\$ 1,696</u>

Town of Martha
Operational Fire Grant - FY 07
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 6</u>
Total Revenue	6	0	6
<u>Expenditures</u>			
Maintenance, Operations & Repairs	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	0	0	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ 6</u>

Town of Martha
Operational Fire Grant - FY 06
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	\$ 1	\$ 0	\$ 1
Total Revenue	1	0	1
<u>Expenditures</u>			
Maintenance, Operations & Repairs	0	1	1
Total Expenditures	0	1	1
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ 0</u>

Town of Martha
OWRB Grant : 2002-03
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	\$ 54	\$ 0	\$ 54
Total Revenue	54	0	54
<u>Expenditures</u>			
Maintenance, Operations & Repairs	0	49	49
Total Expenditures	0	49	49
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 54</u>	<u>\$ (49)</u>	<u>\$ 5</u>

Town of Martha
Dept of AG Grant : 2003-04
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	\$ 26	\$ 0	\$ 26
Total Revenue	26	0	26
<u>Expenditures</u>			
Maintenance, Operations & Repairs	0	23	23
Total Expenditures	0	23	23
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 26</u>	<u>\$ (23)</u>	<u>\$ 3</u>

Town of Martha
CDBG Grant - 08
Schedule of Revenue and Expenditures
(Modified Cash Basis)
Year Ended June 30, 2011

	<u>Cumulative</u> <u>06/30/10</u>	<u>Current</u> <u>Year</u>	<u>Total</u>
<u>Revenue</u>			
Grant Funds	<u>\$ 1,567</u>	<u>\$ 0</u>	<u>\$ 1,567</u>
Total Revenue	1,567	0	1,567
<u>Expenditures</u>			
Maintenance, Operations & Repairs	<u>0</u>	<u>1,567</u>	<u>1,567</u>
Total Expenditures	0	1,567	1,567
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 1,567</u>	<u>\$ (1,567)</u>	<u>\$ 0</u>