

**THE TOWN OF BYARS, OKLAHOMA**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Byars  
Byars, Oklahoma

Trustees of the Byars Public Works Authority  
Byars, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

United States Department of Agriculture  
Duncan, Oklahoma

Association of South Central Oklahoma Governments  
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Byars and related Public Trust, the Budgetary Comparison Schedule- Cash Basis - General Fund, Budgetary Comparison Schedule - Cash Basis - Street and Alley Fund, Budgetary Comparison Schedule – Cash Basis – Capital Improvement Fund, Budgetary Comparison Schedule – Cash Basis - Volunteer Fire Fund, Budgetary Comparison Schedule – Cash Basis - Cemetery Perpetual Care Fund, Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis - Byars Public Works Authority, and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2012. The financial statements and schedules 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes § 11-17-105-.107 and § 60-180-1-.3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and schedules in accordance with the cash basis of accounting and applicable Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and schedules, in order to meet the requirements of applicable Oklahoma Statutes, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

## **Report on Applying Agreed-Upon Procedures**

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 applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Byars and the Byars Public Works Authority are responsible for the Town's and Authority'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 to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these 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 Byars as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis 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 instances of noncompliance noted.

2. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund, the Street and Alley Fund, the Capital Improvement Fund, the Volunteer Fire Fund, and the Cemetery Perpetual Care Fund (see accompanying Exhibit 2) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** No instances of noncompliance 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 significant or unusual instances of reconciling items that have not cleared.

**Findings:** No significant or unusual reconciling items were noted that did not clear on a timely basis.

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:** All deposits were FDIC insured at June 30, 2012.

5. **Procedures Performed:** We compared the Town's use of material restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

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

7. **Procedures Performed:** The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Byars Public Works Authority, as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in fund balances – cash basis for the Authority (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** No instances of noncompliance 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 significant or unusual reconciling items were noted that did not clear on a timely basis.

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

**Findings:** All deposits were FDIC insured at June 30, 2012.

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 instances of noncompliance were 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 instances of noncompliance were noted.

6. **Procedures Performed:** A search for Authority debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

**Findings:** The Authority met its debt service reserve balance requirement at June 30, 2012.

As to the Town of Byars and Byars Public Works Authority grant programs, as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled 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 instances of noncompliance were 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 and an opinion on the related financial statements and schedules. 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.

*Crawford & Associates, P.C.*

Crawford & Associates, P.C.  
August 8, 2012

**EXHIBIT 1**  
**TOWN OF BYARS AND PUBLIC TRUST**  
**SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Beginning of Year Fund Balances</b>	<b>Current Year Change</b>	<b>End of Year Fund Balances</b>
<b>TOWN:</b>			
General Fund	\$ 26,998	\$ 15,196	\$ 42,194
Street and Alley Fund	3,717	(209)	3,508
Capital Improvement Fund	12,675	(10,531)	2,144
Volunteer Fire Fund	17,524	(565)	16,959
Park Fund	1,360	-	1,360
Cemetery Care Fund	5,976	(880)	5,096
Cemetery Perpetual Care Fund	44,352	1,837	46,189
<b>Town Subtotal</b>	<u>112,602</u>	<u>4,848</u>	<u>117,450</u>
<b>PUBLIC WORKS AUTHORITY:</b>			
Byars Public Works Authority	18,040	(384)	17,656
<b>PWA Subtotal</b>	<u>18,040</u>	<u>(384)</u>	<u>17,656</u>
<b>Overall Totals</b>	<u>\$ 130,642</u>	<u>\$ 4,464</u>	<u>\$ 135,106</u>

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 24,560	\$ 24,560	\$ 26,998	\$ 2,438
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Sales tax	17,641	17,641	26,806	9,165
Use tax	-	-	3,431	3,431
Franchise tax	-	-	4,471	4,471
Cigarette tax	-	-	391	391
McClain 1/2 sales tax	4,315	4,315	3,900	(415)
Total Taxes	<u>21,956</u>	<u>21,956</u>	<u>38,999</u>	<u>17,043</u>
<b>Investment Income</b>	<u>60</u>	<u>60</u>	<u>27</u>	<u>(33)</u>
<b>Miscellaneous Income:</b>				
Rent	650	650	1,050	400
Meter taps	-	-	500	500
Permits	20	20	20	-
Other	1,600	1,600	6,399	4,799
Total Miscellaneous	<u>2,270</u>	<u>2,270</u>	<u>7,969</u>	<u>5,699</u>
<b>Other Financing Sources:</b>				
Transfers from other funds	<u>26,000</u>	<u>26,000</u>	<u>30,183</u>	<u>4,183</u>
<b>Total Resources (Inflows)</b>	<u>50,286</u>	<u>50,286</u>	<u>77,178</u>	<u>26,892</u>
<b>Amounts available for appropriation</b>	<u>74,846</u>	<u>74,846</u>	<u>104,176</u>	<u>29,330</u>

See independent accountant's report on agreed-upon procedures.

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**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal services	\$ 12,500	\$ 12,500	\$ 13,912	\$ (1,412)
Materials and supplies	19,819	19,819	5,787	14,032
Other services and charges	3,000	3,000	11,750	(8,750)
Capital outlay	8,027	8,027	5,500	2,527
Total General Government	<u>43,346</u>	<u>43,346</u>	<u>36,949</u>	<u>6,397</u>
<b>Fire:</b>				
Personal services	1,500	1,500	-	1,500
Total Fire	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Utilities:</b>				
Materials and supplies	-	-	4,065	(4,065)
Other services and charges	15,000	15,000	10,917	4,083
Total Utilities	<u>15,000</u>	<u>15,000</u>	<u>14,982</u>	<u>18</u>
<b>Clerk/Treasurer:</b>				
Personal services	15,000	15,000	10,051	4,949
Total Clerk/Treasurer	<u>15,000</u>	<u>15,000</u>	<u>10,051</u>	<u>4,949</u>
<b>Total Charges to Appropriations</b>	<u>74,846</u>	<u>74,846</u>	<u>61,982</u>	<u>12,864</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,194</u>	<u>\$ 42,194</u>

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**STREET AND ALLEY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>STREET AND ALLEY FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive (Negative)</b>
Beginning Budgetary Fund Balance	\$ 3,880	\$ 3,880	\$ 3,717	\$ (163)
Resources (Inflows):				
Taxes	3,725	3,725	3,252	(473)
Amounts available for appropriation	7,605	7,605	6,969	(636)
Charges to appropriations (outflows):				
Other services and charges	6,005	6,005	2,446	3,559
Total Streets	6,005	6,005	2,446	3,559
Other Financing Uses:				
Transfers to other funds	1,600	1,600	1,015	585
Total Charges to Appropriations	7,605	7,605	3,461	4,144
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 3,508	\$ 3,508

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>CAPITAL IMPROVEMENT FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive (Negative)</b>
Beginning Budgetary Fund Balance	\$ 10,000	\$ 10,000	\$ 12,675	\$ 2,675
Resources (Inflows):				
Grant revenue	49,000	49,000	15,944	(33,056)
Investment income	60	60	5	(55)
Total inflows	49,060	49,060	15,949	(33,111)
Other financing sources:				
Transfers from other funds	-	-	4,145	4,145
Amounts available for appropriation	59,060	59,060	32,769	(26,291)
Charges to appropriations (outflows):				
Materials and supplies	-	-	9,001	(9,001)
Other services and charges	14,060	14,060	680	13,380
Capital outlay	45,000	45,000	20,944	24,056
Total Capital Improvement	59,060	59,060	30,625	28,435
Total Charges to Appropriations	59,060	59,060	30,625	28,435
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 2,144	\$ 2,144

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**VOLUNTEER FIRE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>VOLUNTEER FIRE FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive (Negative)</b>
Beginning Budgetary Fund Balance	\$ 16,300	\$ 16,300	\$ 17,524	\$ 1,224
Resources (Inflows):				
Grant revenue	6,275	6,275	4,413	(1,862)
Donations	300	300	500	200
Investment income	50	50	13	(37)
Total inflows	6,625	6,625	4,926	(1,699)
Amounts available for appropriation	22,925	22,925	22,450	(475)
Charges to appropriations (outflows):				
Materials and supplies	20,925	20,925	3,551	17,374
Other services and charges	2,000	2,000	1,940	60
Total Fire	22,925	22,925	5,491	17,434
Total Charges to Appropriations	22,925	22,925	5,491	17,434
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 16,959	\$ 16,959

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF BYARS, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**CEMETERY PERPETUAL CARE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>CEMETERY PERPETUAL CARE FUND</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 48,882	\$ 48,882	\$ 44,352	\$ (4,530)
Resources (Inflows):				
Burial expense	1,500	1,500	1,450	(50)
Donations	1,520	1,520	-	(1,520)
Investment income	200	200	87	(113)
Total inflows	3,220	3,220	1,537	(1,683)
Other financing sources:				
Transfers from other funds	-	-	300	300
Amounts available for appropriation	52,102	52,102	46,189	(5,913)
Charges to appropriations (outflows):				
Other services and charges	24,028	24,028	-	24,028
Total Cemetery	24,028	24,028	-	24,028
Total Charges to Appropriations	24,028	24,028	-	24,028
Ending Budgetary Fund Balance	\$ 28,074	\$ 28,074	\$ 46,189	\$ 18,115

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 3**  
**TOWN OF BYARS, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS**  
**BYARS PUBLIC WORKS AUTHORITY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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<b>Operating Revenues:</b>	
Charges for services:	
Water	\$ 29,779
Sewer	17,838
Garbage	17,333
Total Operating Revenues	<u>64,950</u>
<b>Operating Expenses:</b>	
Water:	
Personal services	191
Materials and supplies	1,147
Other services and charges	2,371
Total Water	<u>3,709</u>
Sewer:	
Personal services	114
Materials and supplies	462
Other services and charges	1,420
Debt service - principal	4,167
Total Sewer	<u>6,163</u>
Garbage:	
Personal services	111
Materials and supplies	449
Other services and charges	16,044
Total Garbage	<u>16,604</u>
Total Operating Expenses	26,476
Operating Income	38,474
<b>Non-Operating Revenues (Expenses):</b>	
Investment income	20
Interest expense	(5,565)
Total Non-Operating Revenues (Expenses)	<u>(5,545)</u>
<b>Net Income Before Contributions and Transfers</b>	32,929
Transfers out	<u>(33,313)</u>
<b>Change in fund balance</b>	(384)
<b>Fund Balance - beginning</b>	<u>18,040</u>
<b>Fund Balance - ending</b>	<u>\$ 17,656</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 4

TOWN OF BYARS , OKLAHOMA  
 SCHEDULE OF GRANT ACTIVITY - CASH BASIS  
 Year Ended June 30, 2012

	Rural Fire Grant	ASCOG Byars 112255
Awarding agency	Oklahoma Department of Agriculture	Association of South Central Oklahoma Governments
CFDA #	N/A	N/A
Award Amount	\$ 4,413	\$ 45,000
Program Budget	4,413	45,000
Current Year Activity:		
Current Year Receipts:		
Received from agency	4,413	15,944
Total current year receipts	4,413	15,944
Current Year Disbursements	4,413	15,944
Beginning of Year Unexpended Grant Funds	-	-
End of Year Unexpended Grant Funds	-	-
Program To-Date Activity:		
Program To-Date Receipts:		
Received from agency	4,413	15,944
Total program To-Date Receipts	4,413	15,944
Program To-Date Disbursements	4,413	15,944
Program To-Date Unexpended Grant Funds	\$ -	\$ -

See independent accountant's report on agreed-upon procedures.