

Town Of Lamont, Oklahoma

Accountant's Report on  
Applying Agreed-Upon Procedures

Year Ended June 30, 2012

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## Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the Town of Lamont  
Lamont, Oklahoma

Board of Trustees of the Lamont Public Works Authority  
Lamont, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Lamont and Public Trust for the year ended June 30, 2012, the Budgetary Comparison Schedule – Cash Basis – General Fund, and the Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis – Lamont Public Works Authority for the year ended June 30, 2012. 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-3.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the form prescribed by Oklahoma Statutes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America in the United States.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

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 without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the basis of accounting prescribed by Oklahoma Statutes. 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 on the next page 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, 2011. Management of the Town of Lamont 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 additional requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report.

## Procedures and Findings:

As to the Town of Lamont 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 page 5) 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 (see page 6) 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 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:** The Town had uninsured/uncollateralized deposits at June 30, 2012 in the amount of \$124,240.

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 noted.

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

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

As to the Lamont 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 page 7) and compared the schedule results to the applicable trust prohibitions for creating net asset deficits to report any noted instance of noncompliance.

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

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** No 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:** The Town had uninsured/uncollateralized deposits at June 30, 2012 in the amount of \$124,240.

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 on noncompliance.

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

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

**Findings:** The Authority had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Town of Lamont and Lamont 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 page 8) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

**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. 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.



Kimberlye R. Mayer, CPA, P.C.  
January 24, 2013

TOWN OF LAMONT, OKLAHOMA  
 STATEMENT OF CHANGES IN FUND BALANCES  
 CASH BASIS  
 YEAR ENDED JUNE 30, 2012

	Fund Balances 6/30/11	Change	Fund Balances 6/30/12
<b>TOWN:</b>			
General Fund	\$ 137,817	\$ (24,857)	\$ 112,960
Fire Department Fund	5,273	(1,227)	4,046
Total Town	143,090	(26,084)	117,006
 <b>PUBLIC WORKS AUTHORITY:</b>			
Lamont Public Works Authority	201,767	29,877	231,644
PWA Subtotal	201,767	29,877	231,644
 TOWN TOTALS	 \$ 344,857	 \$ 3,793	 \$ 348,650

TOWN OF LAMONT, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 137,817	\$ 137,817	\$ 137,817	\$
Resources (Inflows):				
Sales tax	60,000	65,000	62,756	(2,244)
Cigarette tax	1,900	1,200	833	(367)
Franchise taxes	15,000	20,000	11,845	(8,155)
Gas excise tax	2,000	1,500	788	(712)
Alcoholic beverage tax	12,000	9,000	12,118	3,118
Motor vehicle tax	9,000	3,000	2,874	(126)
Use tax	16,000	10,000	7,975	(2,025)
Interest	300	250	150	(100)
Police fines	34,000	65,000	53,923	(11,077)
Other revenues	10,000	4,000	1,904	(2,096)
Grant income			26,583	26,583
Total Resources	<u>160,200</u>	<u>178,950</u>	<u>181,749</u>	<u>2,799</u>
Charges (Outflows):				
General Government:				
Personnel services	25,000	45,000	29,963	15,037
Materials and supplies	21,700	30,000	20,047	9,953
Other services and charges	16,400	32,000	36,627	(4,627)
Capital outlay				
Total General Government	<u>63,100</u>	<u>107,000</u>	<u>86,637</u>	<u>20,363</u>
Police Department:				
Personnel services	45,500	44,900	36,339	8,561
Materials and supplies	6,900	15,000	11,162	3,838
Other services and charges	13,000	20,000	15,324	4,676
Total Police Department	<u>65,400</u>	<u>79,900</u>	<u>62,825</u>	<u>17,075</u>
Street and Alley:				
Materials and supplies	1,000	100		100
Other services and charges	8,000	6,000	10,813	(4,813)
Capital outlay				
Total Street and Alley	<u>9,000</u>	<u>6,100</u>	<u>10,813</u>	<u>(4,713)</u>
Total Charges	<u>137,500</u>	<u>193,000</u>	<u>160,275</u>	<u>32,725</u>
Grants expense			46,331	(46,331)
Transfer in (out)	<u>(4,000)</u>			
Ending budgetary fund balance	<u>\$ 156,517</u>	<u>\$ 123,767</u>	<u>\$ 112,960</u>	<u>\$ (10,807)</u>

TOWN OF LAMONT, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCES - CASH BASIS  
LAMONT PUBLIC WORKS AUTHORITY  
YEAR ENDED JUNE 30, 2012

Operating Revenues:	
Charges for services:	
Water	\$ 81,975
Sewer	45,522
Sanitation	27,167
Late fees	920
Other income	10,212
Total Operating Revenues	<u>165,796</u>
Operating Expenses:	
Administration	62,204
Water	53,439
Sewer	1,398
Sanitation	20,082
Capital Outlay	
Total Operating Expenses	<u>137,123</u>
Operating income (loss)	28,673
Non-Operating Revenues (Expenses):	
Interest income	1,204
Grant revenue	
Grant expenditures	
Total Non-Operating Revenues (Expenses)	<u>1,204</u>
Net Income (Loss) Before Transfers	29,877
Transfers in	<u>          </u>
Change in Fund Balance	29,877
Fund Balance, beginning of year	<u>201,767</u>
Fund Balance, end of year	<u>\$ 231,644</u>

TOWN OF LAMONT, OKLAHOMA  
 SCHEDULE OF GRANT ACTIVITY  
 CASH BASIS  
 YEAR ENDED JUNE 30, 2012

<u>Grantor</u>	<u>Program or CFDA #</u>	<u>Award Amount</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Amount Unexpended</u>
State Dept. of Agriculture		\$ 4,413	\$ 4,413	\$ 4,413	\$
Oklahoma Dept. of Commerce CDBG 14095-09	14.228	\$ 216,108	\$ 26,583	\$ 72,913	\$

See accountant's report on agreed-upon procedures