

Town Of Fairmont, Oklahoma

Independent Accountant's Report on
Applying Agreed-Upon Procedures

Year Ended June 30, 2011

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Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the Town of Fairmont
Fairmont, Oklahoma

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

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Fairmont and Public Trust for the year ended June 30, 2011, the Budgetary Comparison Schedule – Cash Basis – General Fund, and the Statement of Revenues, Expenses and Changes in Net Assets – Cash Basis – Fairmont Public Works Authority for the year ended June 30, 2011. 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 Fairmont 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 Fairmont as of and for the fiscal year ended June 30, 2011:

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 were 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 were 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: No instances of noncompliance were noted.

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:** 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 Fairmont Public Works Authority as of and for the fiscal year ended June 30, 2011:

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 were 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: No instances of noncompliance were noted.

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 Fairmont and Fairmont Public Works Authority 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 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.

A handwritten signature in black ink that reads "Kimberly R. Mayer". The signature is written in a cursive style with a large, looping initial "K".

Kimberly R. Mayer, CPA, P.C.
July 9, 2013

TOWN OF FAIRMONT, OKLAHOMA
 STATEMENT OF CHANGES IN FUND BALANCES
 CASH BASIS
 YEAR ENDED JUNE 30, 2011

	Fund Balances <u>6/30/10</u>	<u>Change</u>	Fund Balances <u>6/30/11</u>
TOWN:			
General Fund	\$ 44,935	\$ 8,524	\$ 53,459
Fire Department Fund	<u>15,264</u>	<u>38</u>	<u>15,302</u>
Total Town	<u>60,199</u>	<u>8,562</u>	<u>68,761</u>
 PUBLIC WORKS AUTHORITY:			
Fairmont Public Works Authority	<u>7,073</u>	<u>6,567</u>	<u>13,640</u>
PWA Subtotal	<u>7,073</u>	<u>6,567</u>	<u>13,640</u>
 TOWN TOTALS	 <u><u>\$ 67,272</u></u>	 <u><u>\$ 15,129</u></u>	 <u><u>\$ 82,401</u></u>

See accountant's report on agreed-upon procedures

TOWN OF FAIRMONT, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning budgetary fund balance	\$ 44,935	\$ 44,935	\$ 44,935	\$
Resources (Inflows):				
Sales tax			11,832	
Cigarette tax			171	
Franchise taxes			3,649	
Gas excise tax				
Alcoholic beverage tax			480	
Motor vehicle tax			1,052	
Use tax			1,975	
Interest			28	
Fire memberships				
Other revenues			208	
Grant income			6,998	
Total Resources	<u> </u>	<u> </u>	<u>26,393</u>	<u> </u>
Charges (Outflows):				
General Government	10,000	10,000	4,971	5,029
Personnel services	8,290	8,290	1,878	6,412
Fire department	7,978	7,978	5,934	2,044
Ball park	775	775	722	53
Capital outlay	371	371		371
Street and alley	3,000	3,000	2,864	136
Total Charges	<u>30,414</u>	<u>30,414</u>	<u>16,369</u>	<u>14,045</u>
Transfer in (out)			<u>(1,500)</u>	
Ending budgetary fund balance	<u>\$</u>	<u>\$</u>	<u>\$ 53,459</u>	<u>\$</u>

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TOWN OF FAIRMONT, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - CASH BASIS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

	<u>Public Works Authority Enterprise Fund</u>
Operating Revenues:	
Charges for services:	
Water	\$ 18,226
Sewer	7,868
Sanitation	12,166
Other income	<u>1,243</u>
Total Operating Revenues	<u>39,503</u>
 Operating Expenses:	
Personnel costs	3,794
Administration costs	4,135
Trash services	9,652
Utilities	2,193
System repairs and maintenance	<u>13,162</u>
Total Operating Costs	<u>32,936</u>
 Operating income (loss) before transfers	 6,567
 Transfers in	
 Changes in Net Assets	 <u>6,567</u>
 Net Assets, beginning of year	 <u>7,073</u>
 Net Assets, end of year	 <u><u>\$ 13,640</u></u>

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TOWN OF FAIRMONT, OKLAHOMA
 SCHEDULE OF GRANT ACTIVITY
 CASH BASIS
 YEAR ENDED JUNE 30, 2011

<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		\$ 4,398	\$ 4,398	\$ 4,398	\$
Oklahoma Department of Commerce:					
REAP		\$ 2,600	\$ 2,600	\$	

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