

RSMeacham CPAs & Advisors

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Members of
American Institute
of Certified Public
Accountants

Members of
Oklahoma
Society of Certified
Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Orlando
Orlando, Oklahoma

Trustees of the Orlando Public Works Authority
Orlando, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated within Appendix A and Appendix B 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 of Orlando (the Town) and the Orlando Public Works Authority (the Authority) in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012 for the Town and for the Authority. Management of the Town of Orlando 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. Consequently, we make no representation regarding the sufficiency of the procedures described in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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.

RSMeacham CPAs & Advisors
August 30, 2012

**Town of Orlando, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2012**

As to the Town of Orlando as of and for the fiscal year ended June 30, 2012:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II and III. No instances of noncompliance noted.

- III. Agree 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 instances of noncompliance noted.

- IV. Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Town and Authority, as reported under the same tax identification number, held \$202,840 in uncollateralized cash at June 30, 2012.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted. However recommendations for improvement were identified and communicated to management verbally.

- VI. Compare 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.

- VII. Compare 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 noncompliance.

Findings: No instances of noncompliance noted.

Exhibit I

**TOWN OF ORLANDO, OKLAHOMA
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012**

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF ORLANDO			
General Fund	\$ 86,449	\$ 20,352	\$ 106,801
Orlando Volunteer Fire Department	60,036	4,941	64,977
TOWN TOTAL	<u>146,485</u>	<u>25,293</u>	<u>171,778</u>

**TOWN OF ORLANDO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 63,800	\$ 86,449	\$ 22,649
Resources (Inflows):			
Taxes:			
Sales tax	61,450	62,873	1,423
Cigarette tax	880	903	23
Gasoline tax	250	280	30
Motor vehicle tax	1,130	1,135	5
Total Taxes	<u>63,710</u>	<u>65,191</u>	<u>1,481</u>
Intergovernmental:			
Alcoholic beverage tax	1,400	1,361	(39)
Total Intergovernmental	<u>1,400</u>	<u>1,361</u>	<u>(39)</u>
Rental Income	700	830	130
Other Income	415	729	314
Total current year resources	<u>66,225</u>	<u>68,111</u>	<u>1,886</u>
Amounts available for appropriation	<u>\$ 130,025</u>	<u>\$ 154,560</u>	<u>\$ 24,535</u>
Charges to Appropriations (Outflows):			
General government:			
Personal services	2,500	2,332	168
Materials and supplies	500	263	237
Other services and charges	26,000	26,950	(950)
Debt service	19,000	18,214	786
Total General government	<u>48,000</u>	<u>47,759</u>	<u>241</u>
Total Charges to Appropriations	<u>48,000</u>	<u>47,759</u>	<u>241</u>
Change in Fund Balance	18,225	20,352	2,127
Ending Budgetary Fund Balance	<u>\$ 82,025</u>	<u>\$ 106,801</u>	<u>\$ 24,776</u>

**TOWN OF ORLANDO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
VOLUNTEER FIRE DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 59,807	\$ 60,036	\$ 229
Resources (Inflows):			
License, Permits & Fees			
Assessments	5,750	10,605	4,855
Total License, Permits & Fees	<u>5,750</u>	<u>10,605</u>	<u>4,855</u>
Intergovernmental:			
Grant revenue	4,913	4,913	-
Total Intergovernmental	<u>4,913</u>	<u>4,913</u>	<u>-</u>
Investment Income	675	654	(21)
Miscellaneous Income	955	955	-
Total current year resources	<u>12,293</u>	<u>17,127</u>	<u>4,834</u>
Amounts available for appropriation	<u>\$ 72,100</u>	<u>\$ 77,163</u>	<u>\$ 5,063</u>
Charges to Appropriations (Outflows):			
Fire:			
Materials and supplies	7,443	7,478	(35)
Other services and charges	4,850	4,708	142
Total Fire	<u>12,293</u>	<u>12,186</u>	<u>107</u>
Total Charges to Appropriations	<u>12,293</u>	<u>12,186</u>	<u>107</u>
Change in Fund Balance	-	4,941	4,941
Ending Budgetary Fund Balance	<u>\$ 59,807</u>	<u>\$ 64,977</u>	<u>\$ 5,170</u>

**Orlando Public Works Authority
Procedures and Findings
For the Year Ended June 30, 2012**

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

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IV. No instances of noncompliance noted.

- II. Agree 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 instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Town and Authority, as reported under the same tax identification number, held \$202,840 in uncollateralized cash at June 30, 2012.

- IV. Compare 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 noted.

- V. Compare 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 noted.

- VI. Compare 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 noted.

ORLANDO PUBLIC WORKS AUTHORITY ORLANDO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - ACCRUAL BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Operating Revenues:

Charges for services:

Electric	\$	122,193
Water		25,781
Sewer		9,435
Sanitation		14,573
Gas		62,352
Other		2,449
Total Operating Revenues		<u>236,783</u>

Operating Expenses:

Administration		23,612
Electric		108,760
Water		27,055
Sewer		7,002
Sanitation		13,864
Gas		33,605
Total Operating Expenses		<u>213,898</u>
Operating Income	\$	22,885

Non-Operating Revenues:

Interest		1,689
Total Non-Operating Revenues		<u>1,689</u>

Change in fund balance

\$	24,574
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Fund Balance - beginning

<u>637,116</u>

Fund Balance - ending

\$	<u><u>661,690</u></u>
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