

**TOWN OF SPRINGER, OKLAHOMA  
AND  
SPRINGER PUBLIC WORKS AUTHORITY  
INDEPENDENT ACCOUNTANT'S REPORT  
As of and For the Year Ended June 30, 2012**



## Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Springer  
Springer, Oklahoma

Trustees of the Springer Public Works Authority  
Springer, 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 Springer as of and for the year ended June 30, 2012, and the related Budgetary Comparison Schedule – Cash Basis – General Fund, Budgetary Comparison Schedule – Cash Basis – Restricted Sales Tax Fund, Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis – Springer Public Works Authority, and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2012, in accordance with Statement 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 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 accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis or accounting.

Management is responsible for the preparation and fair presentation of the financial statements prescribed by the above noted Oklahoma statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation 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 prescribed by Oklahoma Statutes 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 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 Utility 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, 2012. Management of the Town 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 by Oklahoma Statutes. 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 Findings**

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

1. **Procedures Performed:** From the Town's trial balances, we obtained a 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 fund balance deficits were noted.

2. **Procedures Performed:** From the Town's trial balances, we obtained a budget and actual financial schedule for the General Fund and Restricted Sales Tax Fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** The Town's General fund shows general government expenditures for personal services and materials and supplies exceeding appropriations by \$3,186 and \$1,027, respectively.

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:** Material bank accounts included the general fund, restricted sales tax fund, street and alley fund and fire department fund. These accounts appeared properly reconciled without exception.

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's deposits were fully insured or collateralized as of June 30, 2012.

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

**Findings:** Materially restricted revenues consist of restricted sales tax, fire, street and alley funds, and the Town's grants. No instances of noncompliance were noted regarding these restricted revenues.

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:** All required funds have been established.

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

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

**Findings:** No instances of fund balance deficits 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:** The accounts appeared properly reconciled without exception.

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 Authority's deposits were fully insured or collateralized as of June 30, 2012.

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

**Findings:** No instances of noncompliance were noted regarding restricted revenues.

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:** All required funds have been established.

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

1. **Procedures Performed:** From the Town's 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 on 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.

*Arledge & Associates, P.C.*

January 2, 2013

**EXHIBIT 1**  
**TOWN OF SPRINGER 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	\$ 130,684	\$ 57,015	\$ 187,699
Street and Alley Fund	21,943	(5,330)	16,613
<b>Town Subtotal</b>	<u>152,627</u>	<u>51,685</u>	<u>204,312</u>
<b>PUBLIC WORKS AUTHORITY:</b>			
Springer Public Works Authority	55,610	7,542	63,152
<b>PWA Subtotal</b>	<u>55,610</u>	<u>7,542</u>	<u>63,152</u>
<b>Overall Totals</b>	<u>\$ 208,237</u>	<u>\$ 59,227</u>	<u>\$ 267,464</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 109,000	\$ 109,000	\$ 130,684	\$ 21,684
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Sales tax	59,000	79,000	86,387	7,387
Use tax	3,000	3,000	8,716	3,716
Franchise tax	27,000	27,000	25,696	(1,304)
<b>Total Taxes</b>	<b>89,000</b>	<b>109,000</b>	<b>118,799</b>	<b>9,799</b>
<b>Intergovernmental:</b>				
Alcoholic beverage tax	2,500	2,500	2,735	235
Tobacco tax	700	700	1,383	683
Grant revenue	-	-	-	-
<b>Total Intergovernmental</b>	<b>3,200</b>	<b>3,200</b>	<b>4,118</b>	<b>918</b>
<b>Miscellaneous Income:</b>				
Permits	100	100	125	25
Miscellaneous	200	26,200	27,570	1,370
Rent	400	400	825	425
Oil Royalties	1,000	1,000	1,343	343
Oil Drilling	-	-	2,500	2,500
<b>Total Miscellaneous</b>	<b>1,700</b>	<b>27,700</b>	<b>32,363</b>	<b>4,663</b>
<b>Total Resources (Inflows)</b>	<b>93,900</b>	<b>139,900</b>	<b>155,280</b>	<b>15,380</b>
<b>Amounts available for appropriation</b>	<b>202,900</b>	<b>248,900</b>	<b>285,964</b>	<b>37,064</b>

(Continued)

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal services	\$ 13,751	\$ 15,151	\$ 18,337	\$ (3,186)
Materials and supplies	5,161	6,161	7,188	(1,027)
Other services and charges	32,628	32,628	23,025	9,603
Capital outlay	-	35,000	33,083	1,917
Total General Government	<u>51,540</u>	<u>88,940</u>	<u>81,633</u>	<u>7,307</u>
<b>Council:</b>				
Personal services	2,135	2,135	1,801	334
Total Council	<u>2,135</u>	<u>2,135</u>	<u>1,801</u>	<u>334</u>
<b>Maintenance:</b>				
Personal services	15,753	15,753	13,631	2,122
Total Maintenance	<u>15,753</u>	<u>15,753</u>	<u>13,631</u>	<u>2,122</u>
<b>Fire:</b>				
Personal services	2,719	2,719	1,200	1,519
Other services and charges	104	104	-	104
Total Fire	<u>2,823</u>	<u>2,823</u>	<u>1,200</u>	<u>1,623</u>
Total Charges to Appropriations	72,251	109,651	98,265	11,386
Ending Budgetary Fund Balance	<u>\$ 130,649</u>	<u>\$ 139,249</u>	<u>\$ 187,699</u>	<u>\$ 48,450</u>

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

	STREET AND ALLEY FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 21,805	\$ 21,805	\$ 21,943	\$ 138
Resources (Inflows):				
Gasoline excise tax	4,750	4,750	4,762	12
Motor vehicle tax	1,100	1,400	1,323	(77)
Grant revenue	12,006	12,006	12,004	(2)
Investment income	75	75	49	(26)
Amounts available for appropriation	39,736	40,036	40,081	45
Charges to appropriations (outflows):				
Streets	29,197	23,951	23,468	483
Total Streets	29,197	23,951	23,468	483
Total Charges to Appropriations	29,197	23,951	23,468	483
Ending Budgetary Fund Balance	\$ 10,539	\$ 16,085	\$ 16,613	\$ 528

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

<b>Operating Revenues:</b>	
Charges for services:	
Sewer	\$ 28,401
 Total Operating Revenues	<u>28,401</u>
<b>Operating Expenses:</b>	
Personal services	9,676
Materials and supplies	4,344
Other services and charges	23,108
 Total Operating Expenses	<u>37,128</u>
 Operating Income (Loss)	(8,727)
<b>Non-Operating Revenues (Expenses):</b>	
Investment income	269
Grant revenue	16,000
 Total Non-Operating Revenues (Expenses)	<u>16,269</u>
 Change in fund balance	7,542
 Fund Balance - beginning	<u>55,610</u>
 Fund Balance - ending	<u>\$ 63,152</u>

EXHIBIT 4

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

	REAP 10-074	REAP 11-115
Awarding agency	Southern Oklahoma Development Association	Southern Oklahoma Development Association
Award Amount	\$ 16,000	\$ 12,004
Program Budget	16,000	12,004
Current Year Activity:		
Current Year Receipts:		
Received from agency	16,000	12,004
Received from local funds	-	-
Total current year receipts	16,000	12,004
Current Year Disbursements	16,000	12,004
Beginning of Year Unexpended Grant Funds	-	-
End of Year Unexpended Grant Funds	-	-
Program To-Date Activity:		
Program To-Date Receipts:		
Received from agency	16,000	12,004
Received from local funds	-	-
Total program To-Date Receipts	16,000	12,004
Program To-Date Disbursements	16,000	12,004
Program To-Date Unexpended Grant Funds	\$ -	\$ -

See independent accountants report on agreed-upon procedures.