INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF ARNETT, OKLAHOMA &
ARNETT PUBLIC FACILITIES AUTHORITY
JUNE 30, 2012

TOWN OF ARNETT, OKLAHOMA &
ARNETT PUBLIC FACILITIES AUTHORITY

JUNE 30, 2012

TABLE OF CONTENTS

Town Officials

Independent Accountant's Report on Applying Agreed-Upon Procedures

EXHIBITS

Summary of Changes in Fund Balance.....Exhibit 1-00

Town of Arnett, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund.....Exhibit 2-00

Arnett Public Facilities Authority
Statement of Revenues, Expenses and Changes
in Fund Net Assets - Proprietary Funds.....Exhibit 3-00

Arnett Public Facilities Authority
Statement of Reserved Cash in Bank and Investments.....Exhibit 4-00

TOWN OF ARNETT, OKLAHOMA &
ARNETT PUBLIC FACILITIES AUTHORITY

TOWN OFFICIALS

JUNE 30, 2012

Board of Trustees

Mayor	Lance Stevens
Vice Mayor	Reta Smith
Trustee	Dale Taylor
Trustee	Ferril Barnes
Trustee	John Miller, Jr.

Town Clerk/Treasurer

Terri Shirley

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Board, Town of Arnett
Arnett, Oklahoma

Trustees of the Arnett Public Facilities Authority
Arnett, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Woodward, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Arnett, Oklahoma and Arnett Public Facilities Authority as of and for the fiscal year ended June 30, 2012, and the related Budgetary Comparison Schedule of the General Fund - Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets of the Proprietary Fund, and the Statement of Reserved Cash in Bank and Investments of the Proprietary Fund as of and for the fiscal year ended June 30, 2012, included in the accompanying prescribed form. We have not audited or reviewed the prescribed financial statements and, accordingly, do not express an opinion or provide any assurance about whether the prescribed financial statements are in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The management of the Town of Arnett, Oklahoma and Arnett Public Facilities Authority is responsible for the preparation and fair presentation of the prescribed financial statements in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the prescribed 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 and supporting information as prescribed by Oklahoma Statutes that is the representation of management without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed financial statements.

These prescribed 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, which differ from accounting principles generally accepted in the United States of America. Accordingly, these prescribed forms are not designed for those who are not informed about such differences.

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 Arnett Public Facilities Authority in meeting their 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 of Arnett 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 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 Arnett, Oklahoma as of and for the fiscal year ended June 30, 2012:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances noted.

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit 2-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

   Findings: No instances 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 instances noted.

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 noted.

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

   Findings: No instances 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 noted.

7. Procedures Performed: We compared 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 noted.

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

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 3-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

   Findings: No instances 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 instances noted.

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 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 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 noted.

6. Procedures Performed: We compared 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. (See accompanying Exhibit 4-00).

   Findings: No instances 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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
December 5, 2012

Exhibit 1-00

Town of Arnett, Oklahoma &
Arnett Public Facilities Authority
Summary of Changes in Fund Balances
For the Year Ended June 30, 2012

Town:	Beginning of Year Fund Balance	Receipts	Disbursements	Transfers & Adjustments	End of Year Fund Balance
General Fund	$ 371,839.30	$ 538,365.25	$ 318,616.04	$ (82,011.50)	$ 509,577.01
Fire Department Fund	13,572.54	7,979.30	4,893.64	0.00	16,658.20
Cemetery Care Fund	20,751.60	17,797.57	15,974.00	0.00	22,575.17
Town Subtotal	406,163.44	564,142.12	339,483.68	(82,011.50)	548,810.38
Enterprise Funds:					
Arnett Public Facilities Authority	659,689.86	207,333.04	157,497.84	82,011.50	791,536.56
Enterprise Funds Subtotal	659,689.86	207,333.04	157,497.84	82,011.50	791,536.56
Grand Total	$ 1,065,853.30	$ 771,475.16	$ 496,981.52	$ 0.00	$ 1,340,346.94

See Accountant's Report.

Exhibit 2-00

Town of Arnett, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund
For the Year Ended June 30, 2012

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Sales Tax	$ 204,410.00	$ 219,410.00	$ 311,804.27	$ 92,394.27
Interest	600.00	600.00	1,602.49	1,002.49
Alcoholic Beverage Tax	19,700.00	19,700.00	21,100.97	1,400.97
Franchise Tax	21,250.00	21,250.00	21,891.94	641.94
Miscellaneous	4,600.00	4,600.00	32.25	(4,567.75)
Animal Control	240.00	240.00	225.00	(15.00)
Permits & Licenses	850.00	850.00	710.00	(140.00)
Use Tax	29,043.00	64,043.00	71,603.06	7,560.06
Gasoline Excise Tax	890.00	890.00	990.61	100.61
Commercial Vehicle Tax	3,600.00	3,600.00	3,572.54	(27.46)
Rental Income	1,260.00	1,260.00	1,177.00	(83.00)
Cigarette Tax	2,500.00	2,500.00	4,106.70	1,606.70
Police Fines	1,750.00	1,750.00	2,924.50	1,174.50
Donations	0.00	0.00	9,231.00	9,231.00
Oil and Gas Royalties	4,800.00	4,800.00	0.00	(4,800.00)
OEDA REAP Grant 11-201	35,000.00	41,709.00	41,709.00	0.00
OEDA REAP Grant 12-101	0.00	49,999.00	49,999.00	0.00
ODAFF 2009 Highway Tree Grant	0.00	0.00	12,562.20	12,562.20
FEMA Disaster Assistance	0.00	0.00	0.00	0.00
Proceeds from Sale of Property	0.00	0.00	5,250.00	5,250.00
Cemetery Revenue	5,200.00	5,200.00	5,250.00	50.00
Total Revenues	335,693.00	442,401.00	565,742.53	123,341.53
Expenditures				
Administration:				
Personal Services	2,000.00	2,000.00	2,000.00	0.00
Maintenance & Operations	7,500.00	7,500.00	5,694.76	1,805.24
Capital Outlay	0.00	27,891.50	31,639.10	(3,747.60)
Total Administration	9,500.00	37,391.50	39,333.86	(1,942.36)
General Government:				
Personal Services	58,015.83	58,015.83	71,028.86	(13,013.03)
Maintenance & Operations	45,800.00	45,800.00	36,642.72	9,157.28
Capital Outlay	0.00	41,709.00	45,658.00	(3,949.00)
Total General Government	103,815.83	145,524.83	153,329.58	(7,804.75)

See Accountant's Report.

Town of Arnett, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund, (Continued)
For the Year Ended June 30, 2012

Expenditures, (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
City Clerk:				
Personal Services	$ 34,915.87	$ 34,915.87	$ 28,454.83	$ 6,461.04
Maintenance & Operations	12,000.00	12,000.00	3,067.76	8,932.24
Capital Outlay	0.00	0.00	0.00	0.00
Total City Clerk	46,915.87	46,915.87	31,522.59	15,393.28
Police:				
Personal Services	37,803.35	37,803.35	32,580.42	5,222.93
Maintenance & Operations	8,800.00	8,800.00	9,388.30	(588.30)
Capital Outlay	0.00	0.00	3,158.80	(3,158.80)
Total Police	46,603.35	46,603.35	45,127.52	1,475.83
Fire:				
Personal Services	0.00	0.00	1,380.00	(1,380.00)
Maintenance & Operations	13,000.00	13,000.00	13,817.42	(817.42)
Capital Outlay	0.00	0.00	0.00	0.00
Total Fire	13,000.00	13,000.00	15,197.42	(2,197.42)
Animal Control:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	800.00	800.00	179.13	620.87
Capital Outlay	0.00	0.00	0.00	0.00
Total Animal Control	800.00	800.00	179.13	620.87
City Attorney:				
Maintenance & Operations	3,600.00	3,600.00	4,426.22	(826.22)
Total City Attorney	3,600.00	3,600.00	4,426.22	(826.22)
Street Department:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	25,000.00	25,000.00	16,755.87	8,244.13
Capital Outlay	0.00	0.00	0.00	0.00
Total Street Department	25,000.00	25,000.00	16,755.87	8,244.13

See Accountant's Report.

Town of Arnett, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund, (Continued)
For the Year Ended June 30, 2012

Expenditures, (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Cemetery Care:				
Personal Services	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Maintenance & Operations	3,000.00	3,000.00	1,111.47	1,888.53
Capital Outlay	0.00	0.00	0.00	0.00
Total Cemetery Care	3,000.00	3,000.00	1,111.47	1,888.53
Parks and Recreation:				
Personal Services	3,000.00	3,000.00	0.00	3,000.00
Maintenance & Operations	1,500.00	1,500.00	11,632.38	(10,132.38)
Capital Outlay	0.00	0.00	0.00	0.00
Total Parks and Recreation	4,500.00	4,500.00	11,632.38	(7,132.38)
Total Expenditures	256,735.05	326,335.55	318,616.04	7,719.51
Excess Revenues Over (Under) Total Expenditures	78,957.95	116,065.45	247,126.49	131,061.04
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	(82,011.50)	(82,011.50)	0.00
Net Other Financing Sources (Uses)	0.00	(82,011.50)	(82,011.50)	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	78,957.95	34,053.95	165,114.99	131,061.04
Prior Period Adjustments	0.00	0.00	0.00	0.00
Budgetary Fund Balance, Beginning	302,166.57	302,166.57	344,462.02	42,295.45
Budgetary Fund Balance, Ending	$ 381,124.52	$ 336,220.52	509,577.01	$ 173,356.49
Adjustments to Conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			$ 509,577.01	

See Accountant's Report.

Exhibit 3-00

Arnett Public Facilities Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Enterprise Fund
Operating Revenues:	
Water Sales	$ 89,771.01
Sewer Fees	31,079.40
Sanitation Fees	59,917.77
State Fees	966.50
Service Charges	2,484.00
Service Taps	1,500.00
Rents	18,460.65
OEDA REAP Grant 101-09	0.00
Miscellaneous Revenue	906.61
Total Operating Revenues	205,085.94
Operating Expenses:	
Personal Services	35,020.54
Maintenance and Operations	50,114.30
Sanitation Services	54,201.42
Interest Expense	5,440.58
Depreciation	12,721.00
Total Operating Expenses	157,497.84
Operating Income (Loss)	47,588.10
Non-Operating Revenues (Expenses):	
Interest Revenue	2,247.10
Gain (Loss) on Sale of Property	0.00
Total Non-Operating Revenues (Expenses)	2,247.10
Income (Loss) before Operating Transfers	49,835.20
Operating Transfers:	
Operating Transfers In	82,011.50
Operating Transfers Out	0.00
Total Operating Transfers	82,011.50
Net Income (Loss)	131,846.70
Net Assets - Beginning of Year	659,689.86
Net Assets - End of Year	$ 791,536.56

See Accountant's Report.

Exhibit 4-00

Arnett Public Facilities Authority
Statement of Reserved Cash in Bank and Investments
For the Year Ended June 30, 2012

	USDA Rural Development Reserve Account
Balance 7-1-11	$ 8,138.30
Monthly Deposits	0.00
Interest	12.24
Balance 6-30-12	$ 8,150.54

See Accountant's Report.