

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Blair
Blair, Oklahoma

Trustees of the Blair Public Works Authority
Blair, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

South Western Oklahoma Development Authority
Burns Flat, Oklahoma

State of Oklahoma Department of Agriculture, Food, and Forestry
Oklahoma City, Oklahoma

Wichita Falls Area Community Foundation
Wichita Falls, Texas

Oklahoma Department of Civil Emergency Management
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Blair (the "Town") and Public Authority (the "Authority"), Blair, Oklahoma and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2011 in accordance with Statements 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, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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State Auditor & Inspector

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the Town's and the Authority's management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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 fund balances, 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 Public Works 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, 2011. Management of the Town of Blair 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. 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 Blair** as of and for the fiscal year ended June 30, 2011:

1. **Procedure Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances – cash basis 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 noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budgetary comparison schedule – cash basis for the General Fund (see accompanying Exhibit 2) 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 significant or unusual instances of reconciling items were noted as uncleared.

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: All of the Town's deposits are insured or collateralized.

5. **Procedures Performed:** We compared the 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:** 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 of noncompliance were noted.

Procedures and Findings:

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

1. **Procedure Performed:** From the Authority's trial balances, we prepared a summary of changes in fund balances – cash basis 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 noncompliance were noted.

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

Findings: No instances of noncompliance were noted.

3. **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 significant or unusual instances of reconciling items were noted as uncleared.

4. **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: All of the Authority's deposits are insured or collateralized.

5. **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.

6. **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 of noncompliance were noted.

7. **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.

Findings: No instances of noncompliance were noted.

Procedures and Findings:

As to the **Town of Blair and Public Works Authority Grant Programs** as of and for the fiscal year ended June 30, 2011:

1. From the Town and Authority's trial balances, we prepared a schedule of grant activity – cash basis 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 of noncompliance with the grant agreement.

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.

HSPG & Associates, P.C.

December 20, 2011

**TOWN OF BLAIR AND PUBLIC AUTHORITY
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Transfers</u>	<u>End of Year Fund Balances</u>
CITY:					
General Fund	\$ 101,918	\$ 291,572	\$ 272,474	\$ (1,722)	\$ 119,294
City Subtotal	<u>101,918</u>	<u>291,572</u>	<u>272,474</u>	<u>(1,722)</u>	<u>119,294</u>
PUBLIC WORKS AUTHORITY:					
PWA Utilities Fund	141,402	309,211	305,562	1,722	146,773
Meter Deposits Fund	9,608	6,297	5,433	-	10,472
PWA Subtotal	<u>151,010</u>	<u>315,508</u>	<u>310,995</u>	<u>1,722</u>	<u>157,245</u>
Overall Totals	<u>\$ 252,928</u>	<u>\$ 607,080</u>	<u>\$ 583,469</u>	<u>\$ -</u>	<u>\$ 276,539</u>

See Accountant's Report

TOWN OF BLAIR, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Fund Balance:	\$ 111,176	\$ 111,176	\$ 101,918	\$ (9,258)
Resources (Inflows):				
Taxes:				
Sales tax	126,191	126,191	145,261	19,070
Franchise tax	20,995	20,995	20,336	(659)
Licenses and permits	2,190	2,190	182	(2,008)
Cigar tax	1,751	1,751	2,093	342
Total Taxes	<u>151,127</u>	<u>151,127</u>	<u>167,872</u>	<u>16,745</u>
Intergovernmental:				
Alcoholic beverage tax	3,707	3,707	3,910	203
Gas and vehicle tax	8,456	8,456	8,493	37
Grants	5,000	41,188	45,233	4,045
Total Intergovernmental	<u>17,163</u>	<u>53,351</u>	<u>57,636</u>	<u>4,285</u>
Other Revenue:				
Rent	1,086	1,086	3,722	2,636
Fire assessment fees	13,873	13,873	14,101	228
Fire runs	100	3,600	4,250	650
Court fines	5,852	5,852	5,968	116
Collection fees	2,826	2,826	2,894	68
Refunds	5,108	5,108	2,122	(2,986)
Fire membership contributions	5,460	7,040	6,474	(566)
Festival income	-	-	1,536	1,536
Brick purchases	-	-	50	50
Total Other Revenue	<u>34,305</u>	<u>39,385</u>	<u>41,117</u>	<u>1,732</u>
Investment Income	<u>726</u>	<u>726</u>	<u>521</u>	<u>(205)</u>
Miscellaneous Income:	<u>1,213</u>	<u>1,213</u>	<u>24,426</u>	<u>23,213</u>
Other Financing Sources:				
Transfers from other funds	-	-	(1,722)	(1,722)
Amounts available for appropriation	<u>\$ 315,710</u>	<u>\$ 356,978</u>	<u>\$ 391,768</u>	<u>\$ 34,790</u>

(Continued)

See Accountant's Report

TOWN OF BLAIR, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS (UNAUDITED)
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$ 47,500	\$ 52,500	\$ 49,170	\$ 3,330
Materials and supplies	4,829	7,829	9,803	(1,974)
Other services and charges	50,924	69,924	59,052	10,872
Capital outlay	-	-	-	-
Total General Government	<u>103,253</u>	<u>130,253</u>	<u>118,025</u>	<u>12,228</u>
Street & Alley:				
Materials and supplies	8,456	8,456	8,736	(280)
Total Street & Alley	<u>8,456</u>	<u>8,456</u>	<u>8,736</u>	<u>(280)</u>
Fire:				
Personal services	600	600	600	-
Materials and supplies	2,000	2,500	5,565	(3,065)
Other services and charges	21,995	24,175	19,629	4,546
Capital outlay	-	16,091	17,555	(1,464)
Total Fire	<u>24,595</u>	<u>43,366</u>	<u>43,349</u>	<u>17</u>
Police:				
Personal services	50,000	55,000	55,197	(197)
Materials and supplies	609	1,009	4,674	(3,665)
Other services and charges	19,343	23,413	15,508	7,905
Capital outlay	-	26,530	26,985	(455)
Total Police	<u>69,952</u>	<u>105,952</u>	<u>102,364</u>	<u>3,588</u>
Total Charges to Appropriations	206,256	288,027	272,474	15,553
Other Financing Sources:				
Transfers to other funds	-	-	-	-
Ending Fund Balance	\$ 109,454	\$ 68,951	\$ 119,294	\$ 50,343

(Concluded)

See Accountant's Report

TOWN OF BLAIR, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS (UNAUDITED)
TOWN OF BLAIR PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating Revenues:

Charges for services:

Water	\$ 166,070
Sewer	41,710
Sanitation	114,735
Installation	500
Penalties	10,002
Other	2,536

Total Operating Revenues	<u>335,553</u>
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Operating Expenses:

Water	142,681
Sewer	27,475
Sanitation	88,366
Other	341

Total Operating Expenses	<u>258,863</u>
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Operating Income (Loss)	76,690
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Non-Operating Revenues (Expenses):

Investment income	2,305
Grant	3,437
Capital Outlay	(25,787)
Debt service	(52,132)

Total Non-Operating Revenues (Expenses)	<u>(72,177)</u>
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Net Income (Loss) Before Contributions and Transfers	4,513
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Transfers out	<u>1,722</u>
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Change in fund balance	6,235
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Fund Balance - beginning	<u>151,010</u>
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Fund Balance - ending	<u>\$ 157,245</u>
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See Accountant's Report

**TOWN OF BLAIR, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Grant Program Agency and Description:	Prior Year Unexpended Funds	Receipts	Disbursements	Unexpended Funds
TOWN:				
South Western Oklahoma Development Authority 183 CENA 11 Equipment, facility enhancement & repairs/maintenance	\$ -	\$ 3,682	\$ 3,682	\$ -
Oklahoma Department of Agriculture Rural fire defense operational expenses	-	4,398	4,398	-
Wichita Falls Area Community Foundation Repair, replace, replenish supplies, fuel and other items of rural volunteer fire department	-	965	965	-
State of Oklahoma Department of Emergency Management Ice storm recovery	-	26,588	26,588	-
State of Oklahoma Department of Agriculture, Food and Forestry Construct or improve fire station	-	9,600	9,600	-
PUBLIC AUTHORITY:				
South Western Oklahoma Development Authority 2010 REAP Fund Contract No. 10-JK-10016 Waterline replacement project	-	3,437	3,437	-
Total Grant Program Activity	\$ -	\$ 48,670	\$ 48,670	\$ -

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