INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TOWN OF BURNS FLAT, OKLAHOMA & BURNS FLAT UTILITIES AUTHORITY JUNE 30, 2011

TOWN OF BURNS FLAT, OKLAHOMA &
BURNS FLAT UTILITIES AUTHORITY

JUNE 30, 2011

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TOWN OF BURNS FLAT, OKLAHOMA & BURNS FLAT UTILITIES AUTHORITY

TOWN OFFICIALS

JUNE 30, 2011

Board of Trustees

Mayor	Tom Ryan
Trustee	Bill Bolechala
Trustee	Duane Manuel
Trustee	Betty Hudgins
Trustee	Terry Field

Town Treasurer

Debra Bloomer

Clerk

Debra Bloomer

Town Administrator

Billy Yarbrough

BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK. 73096
580-772-3596
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580-832-5313
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Board, Town of Burns Flat
Burns Flat, Oklahoma

Trustees of the Burns Flat Utilities Authority
Burns Flat, Oklahoma

Trustees of the Burns Flat Economic Development Authority
Burns Flat, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Hobart, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Burns Flat, Oklahoma and Burns Flat Utilities Authority as of and for the fiscal year ended June 30, 2011, 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, 2011 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 Burns Flat, Oklahoma and the Burns Flat Utilities 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 Burns Flat Utilities 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, 2011. Management of the Town of Burns Flat 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 Burns Flat, Oklahoma as of and for the fiscal year ended June 30, 2011:

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 Burns Flat Utilities Authority as of and for the fiscal year ended June 30, 2011:

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
July 25, 2011

Exhibit 1-00

Town of Burns Flat, Oklahoma &
Burns Flat Utilities Authority
Summary of Changes in Fund Balances
For the Year Ended June 30, 2011

Town:	End of Year Fund Balance	Receipts	Disbursements	Transfers	End of Year Fund Balance
General Fund	$ 432,305.81	$ 416,792.44	$ 535,427.39	$ 125,000.00	$ 438,670.86
Street & Alley Fund	104,194.74	19,996.24	25,063.51	0.00	99,127.47
BFDC Dare Fund	1,776.60	0.00	1,719.74	0.00	56.86
Ambulance Fund	15,481.82	17,142.04	9,772.64	0.00	22,851.22
Fire Department Fund	59,103.30	21,170.49	50,018.90	0.00	30,254.89
Sports & Recreation Fund	78,272.94	31,126.96	11,522.11	0.00	97,877.79
Reserve Training Fund	0.00	0.00	0.00	0.00	0.00
Senior Citizens Fund	0.00	5,905.93	0.00	0.00	5,905.93
Economic Development	57,846.58	4,262.61	1,302.41	0.00	60,806.78
CDBG Grant Fund	0.00	0.00	0.00	0.00	0.00
Town Subtotal	748,981.79	516,396.71	634,826.70	125,000.00	755,551.80
Enterprise Funds:					
Burns Flat Utilities Authority	1,906,286.68	653,633.11	532,892.10	(125,000.00)	1,902,027.69
Enterprise Funds Subtotal	1,906,286.68	653,633.11	532,892.10	(125,000.00)	1,902,027.69
Grand Total	$ 2,655,268.47	$ 1,170,029.82	$ 1,167,718.80	$ 0.00	$ 2,657,579.49

See Accountant's Report.

Exhibit 2-00

Town of Burns Flat, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund
For the Year Ended June 30, 2011

Revenues	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Sales Tax	$ 180,000.00	$ 180,000.00	$ 163,674.20	$ (16,325.80)
Interest	7,000.00	7,000.00	6,028.61	(971.39)
Alcoholic Beverage Tax	22,000.00	22,000.00	21,925.77	(74.23)
Franchise Tax	39,000.00	39,000.00	36,499.01	(2,500.99)
Municipal Court	42,000.00	42,000.00	45,804.68	3,804.68
Miscellaneous	150,000.00	150,000.00	20,204.48	(129,795.52)
Ambulance	71,500.00	71,500.00	62,168.96	(9,331.04)
Cleet Collections	100.00	100.00	65.83	(34.17)
Animal Control	800.00	800.00	612.00	(188.00)
Royalty Income	100.00	100.00	53.40	(46.60)
Permits & Licenses	500.00	500.00	369.50	(130.50)
Use Tax	22,000.00	22,000.00	22,487.33	487.33
SWODA	0.00	0.00	0.00	0.00
Rental Income	1,200.00	1,200.00	825.00	(375.00)
Police Dept Reserve Income	3,500.00	3,500.00	3,280.00	(220.00)
Cigarette Tax	3,100.00	3,100.00	3,162.01	62.01
Fire Department Donations	13,000.00	13,000.00	6,200.00	(6,800.00)
Insurance Reimbursements	0.00	0.00	0.00	0.00
Sale of Property	0.00	0.00	0.00	0.00
State Funding Revenue	5,000.00	5,000.00	4,397.72	(602.28)
Grant Revenue	0.00	0.00	5,960.04	5,960.04
Sports & Recreation	3,000.00	3,000.00	2,350.00	(650.00)
Swimming Pool Admissions	9,000.00	9,000.00	6,269.96	(2,730.04)
Swimming Pool Concessions	7,500.00	7,500.00	4,453.94	(3,046.06)
Total Revenues	580,300.00	580,300.00	416,792.44	(163,507.56)
Expenditures				
Administration:				
Personal Services	85,000.00	85,000.00	84,664.44	335.56
Maintenance & Operations	4,900.00	4,900.00	2,862.13	2,037.87
Capital Outlay	0.00	0.00	0.00	0.00
Total Administration	89,900.00	89,900.00	87,526.57	2,373.43
General Government:				
Personal Services	42,800.00	42,800.00	42,632.84	167.16
Maintenance & Operations	22,000.00	22,000.00	21,115.30	884.70
Capital Outlay	1,000.00	1,000.00	320.97	679.03
Total General Government	65,800.00	65,800.00	64,069.11	1,730.89

See Accountant's Report.

Exhibit 2-00, (Continued)

Town of Burns Flat, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund, (Continued)
For the Year Ended June 30, 2011

Expenditures, (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Municipal Court:				
Personal Services	$ 3,750.00	$ 3,750.00	$ 3,590.58	$ 159.42
Maintenance & Operations	8,710.00	8,710.00	4,096.96	4,613.04
Capital Outlay	0.00	0.00	0.00	0.00
Total Municipal Court	12,460.00	12,460.00	7,687.54	4,772.46
Police:				
Personal Services	182,500.00	182,500.00	187,914.72	(5,414.72)
Maintenance & Operations	43,150.00	43,150.00	45,712.59	(2,562.59)
Capital Outlay	30,000.00	30,000.00	31,673.75	(1,673.75)
Total Police	255,650.00	255,650.00	265,301.06	(9,651.06)
Ambulance:				
Personal Services	39,800.00	39,800.00	44,244.27	(4,444.27)
Maintenance & Operations	19,200.00	19,200.00	14,492.55	4,707.45
Capital Outlay	0.00	0.00	0.00	0.00
Total Ambulance	59,000.00	59,000.00	58,736.82	263.18
Animal Control:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	6,100.00	6,100.00	4,825.44	1,274.56
Capital Outlay	0.00	0.00	0.00	0.00
Total Animal Control	6,100.00	6,100.00	4,825.44	1,274.56
Fire:				
Personal Services	900.00	900.00	565.18	334.82
Maintenance & Operations	12,900.00	12,900.00	12,546.06	353.94
Capital Outlay	0.00	0.00	0.00	0.00
Total Fire	13,800.00	13,800.00	13,111.24	688.76
Swimming Pool:				
Personal Services	15,000.00	15,000.00	16,184.29	(1,184.29)
Maintenance & Operations	10,800.00	10,800.00	9,285.92	1,514.08
Capital Outlay	0.00	0.00	0.00	0.00
Total Swimming Pool	25,800.00	25,800.00	25,470.21	329.79

See Accountant's Report.

Town of Burns Flat, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund, (Continued)
For the Year Ended June 30, 2011

Expenditures, (Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Community Center:				
Personal Services	$ 1,200.00	$ 1,200.00	$ 840.48	$ 359.52
Maintenance & Operations	5,730.00	5,730.00	7,373.92	(1,643.92)
Capital Outlay	500.00	500.00	0.00	500.00
Total Community Center	7,430.00	7,430.00	8,214.40	(784.40)
Summer Youth:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	1,550.00	1,550.00	485.00	1,065.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Summer Youth	1,550.00	1,550.00	485.00	1,065.00
Total Expenditures	537,490.00	537,490.00	535,427.39	2,062.61
Excess Revenues Over (Under) Total Expenditures	42,810.00	42,810.00	(118,634.95)	(161,444.95)
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	125,000.00	125,000.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Proceeds of Long-Term Debt	0.00	0.00	0.00	0.00
Reduction of Long-Term Debt	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	125,000.00	125,000.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	42,810.00	42,810.00	6,365.05	(36,444.95)
Prior Period Adjustments	0.00	0.00	0.00	0.00
Budgetary Fund Balance, Beginning	432,305.81	432,305.81	432,305.81	0.00
Budgetary Fund Balance, Ending	$ 475,115.81	$ 475,115.81	$ 438,670.86	$ (36,444.95)

See Accountant's Report.

Exhibit 3-00

Burns Flat Utilities Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Enterprise Fund
Operating Revenues:	
Water Sales	$ 282,917.41
Sewer Fees	138,528.39
Trash Fees	179,343.06
Service Charges	33,008.14
SWODA REAP Grant	0.00
MODA Grant	0.00
Miscellaneous Revenue	6,818.11
Total Operating Revenues	640,615.11
Operating Expenses:	
Water Department:	
Personal Services	56,263.61
Maintenance and Operations	65,130.35
Depreciation	86,656.00
Sewer Department:	
Personal Services	56,262.94
Maintenance and Operations	96,692.27
Trash Department:	
Maintenance and Operations	141,943.54
Rural Development:	
Interest Expense	29,885.51
Other	
Miscellaneous	57.88
Total Operating Expenses	532,892.10
Operating Income (Loss)	107,723.01
Non-Operating Revenues (Expenses):	
Interest Revenue	13,018.00
Total Non-Operating Revenues (Expenses)	13,018.00
Income (Loss) before Operating Transfers	120,741.01
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	(125,000.00)
Total Operating Transfers	(125,000.00)
Net Income (Loss)	(4,258.99)
Net Assets - Beginning of Year	1,906,286.68
Net Assets - End of Year	$ 1,902,027.69

See Accountant's Report.

Exhibit 4-00

Burns Flat Utilities Authority
Statement of Reserved Cash in Bank and Investments
For the Year Ended June 30, 2011

		USDA Rural Development Reserve Account
Balance 7-1-10	$	42,000.00
Monthly Deposits		8,400.00
Interest		0.00
Balance 6-30-11	$	50,400.00

See Accountant's Report.