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State Auditor & Inspector

THE TOWN OF BYARS, OKLAHOMA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CRAWFORD & ASSOCIATES P.C.

Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Byars
Byars, Oklahoma

Trustees of the Byars Public Works Authority
Byars, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Water Resources Board
Oklahoma City, Oklahoma

United States Department of Agriculture
Duncan, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Byars and related Public Trust for the year ended June 30, 2011, the Budgetary Comparison Schedule- Cash Basis - General Fund, Budgetary Comparison Schedule - Cash Basis - Street and Alley Fund, Budgetary Comparison Schedule – Cash Basis – Capital Improvement Fund, Budgetary Comparison Schedule – Cash Basis - Volunteer Fire Fund, Budgetary Comparison Schedule – Cash Basis - Cemetery Perpetual Care Fund, and the Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis - Byars Public Works Authority for the 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 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.

This compilation is limited to presenting information in the form of financial statements prescribed by the above noted Oklahoma Statutes that is the representation of the 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 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 Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or

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contractual requirements for the fiscal year ended June 30, 2011. Management of the Town of Byars 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 Byars as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed**: From the Town's trial balances, we compiled a cash basis 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 noncompliance noted.

2. **Procedures Performed**: From the Town's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund, the Street and Alley Fund, the Capital Improvement Fund, the Volunteer Fire Fund, and the Cemetery Perpetual Care 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 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 reconciling items were noted that did not clear on a timely basis.

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 deposits were FDIC insured at June 30, 2011.

5. **Procedures Performed:** We compared the Town'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 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:** The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

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

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

   Findings: No instances of noncompliance 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: No significant or unusual reconciling items were noted that did not clear on a timely basis.

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: All deposits were FDIC insured at June 30, 2011.

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 of noncompliance were 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 of noncompliance were noted.

6. **Procedures Performed:** A search for Authority debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

   Findings: The Authority met its debt service reserve balance requirement at June 30, 2011.

As to the Town of Byars and Byars Public Works Authority grant programs, as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed:** From the Town 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 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.

Crawford & Associates, P.C.

Crawford & Associates, P.C.
September 29, 2011

EXHIBIT 1
TOWN OF BYARS AND PUBLIC TRUST
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN:			
General Fund	$ 30,995	$ (3,997)	$ 26,998
Street and Alley Fund	3,473	244	3,717
Capital Improvement Fund	22,148	(9,473)	12,675
Volunteer Fire Fund	19,449	(1,925)	17,524
Park Fund	860	500	1,360
Cemetery Care Fund	7,229	(1,253)	5,976
Cemetery Perpetual Care Fund	42,754	1,598	44,352
Town Subtotal	126,908	(14,306)	112,602
PUBLIC WORKS AUTHORITY:			
Byars Public Works Authority	14,444	3,596	18,040
PWA Subtotal	14,444	3,596	18,040
Overall Totals	$ 141,352	$ (10,710)	$ 130,642

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$ 22,640	$ 22,640	$ 30,995	$ 8,355
Resources (Inflows):				
Taxes:				
Sales tax	15,200	15,200	13,209	(1,991)
Use tax	-	-	530	530
Franchise tax	5,081	5,081	4,905	(176)
Cigarette tax	-	-	183	183
McClain 1/2 sales tax	4,315	4,315	3,200	(1,115)
Total Taxes	24,596	24,596	22,027	(2,569)
Investment Income	60	60	57	(3)
Miscellaneous Income:				
Rent	650	650	650	-
Meter taps	-	-	425	425
Permits	20	20	3,060	3,040
Other	1,600	1,600	1,500	(100)
Total Miscellaneous	2,270	2,270	5,635	3,365
Other Financing Sources:				
Transfers from other funds	26,080	26,080	27,826	1,746
Total Resources (Inflows)	53,006	53,006	55,545	2,539
Amounts available for appropriation	75,646	75,646	86,540	10,894

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Charges to Appropriations (Outflows):				
General Government:				
Personal services	$ 6,746	$ 6,746	$ 6,676	$ 70
Materials and supplies	22,000	22,000	5,875	16,125
Other services and charges	-	-	8,564	(8,564)
Capital outlay	2,000	2,000	5,523	(3,523)
Total General Government	30,746	30,746	26,638	4,108
Fire:				
Personal services	1,500	1,500	610	890
Total Fire	1,500	1,500	610	890
Utilities:				
Materials and supplies	-	-	4,410	(4,410)
Other services and charges	19,107	19,107	7,968	11,139
Total Utilities	19,107	19,107	12,378	6,729
Clerk/Treasurer:				
Personal services	15,000	15,000	10,623	4,377
Total Clerk/Treasurer	15,000	15,000	10,623	4,377
Other Financing Uses:				
Transfers to other funds	9,293	9,293	9,293	-
Total Charges to Appropriations	75,646	75,646	59,542	16,104
Ending Budgetary Fund Balance	$ -	$ -	$ 26,998	$ 26,998

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
STREET AND ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2011

	STREET AND ALLEY FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 3,498	$ 3,498	$ 3,473	$ (25)
Resources (Inflows):				
Taxes	4,140	4,140	3,959	(181)
Amounts available for appropriation	7,638	7,638	7,432	(206)
Charges to appropriations (outflows):				
Other services and charges	6,228	6,228	2,305	3,923
Total Streets	6,228	6,228	2,305	3,923
Other Financing Uses:				
Transfers to other funds	1,410	1,410	1,410	-
Total Charges to Appropriations	7,638	7,638	3,715	3,923
Ending Budgetary Fund Balance	$ -	$ -	$ 3,717	$ 3,717

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2011

	CAPITAL IMPROVEMENT FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 22,900	$ 22,900	$ 22,148	$ (752)
Resources (Inflows):				
Grant revenue	4,000	73,855	73,855	-
Miscellaneous revenue	-	-	4,193	4,193
Investment income	60	60	39	(21)
Total inflows	4,060	73,915	78,087	4,172
Other financing sources:				
Transfers from other funds	-	-	4,220	4,220
Amounts available for appropriation	26,960	96,815	104,455	7,640
Charges to appropriations (outflows):				
Materials and supplies	-	-	4,569	(4,569)
Other services and charges	26,960	26,960	4,686	22,274
Capital outlay	-	69,855	82,525	(12,670)
Total Capital Improvement	26,960	96,815	91,780	5,035
Total Charges to Appropriations	26,960	96,815	91,780	5,035
Ending Budgetary Fund Balance	$ -	$ -	$ 12,675	$ 12,675

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
VOLUNTEER FIRE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	VOLUNTEER FIRE FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 21,000	$ 21,000	$ 19,449	$ (1,551)
Resources (Inflows):				
Grant revenue	5,100	5,100	4,398	(702)
Donations	1,875	1,875	480	(1,395)
Investment income	50	50	40	(10)
Total inflows	7,025	7,025	4,918	(2,107)
Amounts available for appropriation	28,025	28,025	24,367	(3,658)
Charges to appropriations (outflows):				
Materials and supplies	28,025	28,025	4,131	23,894
Other services and charges	-	-	2,712	(2,712)
Total Fire	28,025	28,025	6,843	21,182
Total Charges to Appropriations	28,025	28,025	6,843	21,182
Ending Budgetary Fund Balance	$ -	$ -	$ 17,524	$ 17,524

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2
TOWN OF BYARS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CEMETERY PERPETUAL CARE FUND
FOR THE YEAR ENDED JUNE 30, 2011

	CEMETERY PERPETUAL CARE FUND			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance	$ 49,882	$ 49,882	$ 42,754	$ (7,128)
Resources (Inflows):				
Burial expense	1,000	1,000	1,200	200
Donations	1,620	1,620	-	(1,620)
Investment income	160	160	160	-
Total inflows	2,780	2,780	1,360	(1,420)
Other financing sources:				
Transfers from other funds	-	-	238	238
Amounts available for appropriation	52,662	52,662	44,352	(8,310)
Charges to appropriations (outflows):				
Other services and charges	35,967	35,967	-	35,967
Total Cemetery	35,967	35,967	-	35,967
Total Charges to Appropriations	35,967	35,967	-	35,967
Ending Budgetary Fund Balance	$ 16,695	$ 16,695	$ 44,352	$ 27,657

See independent accountant's report on agreed-upon procedures.

EXHIBIT 3
TOWN OF BYARS, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
BYARS PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating Revenues:	
Charges for services:	
Water	$ 29,318
Sewer	18,106
Garbage	17,311
Total Operating Revenues	64,735
Operating Expenses:	
Water:	
Personal services	3,761
Materials and supplies	2,081
Other services and charges	1,361
Total Water	7,203
Sewer:	
Personal services	2,323
Materials and supplies	1,276
Other services and charges	841
Debt service - principal	3,935
Total Sewer	8,375
Garbage:	
Personal services	2,221
Materials and supplies	1,219
Other services and charges	15,127
Total Garbage	18,567
Total Operating Expenses	34,145
Operating Income	30,590
Non-Operating Revenues (Expenses):	
Investment income	60
Interest expense	(5,797)
Total Non-Operating Revenues (Expenses)	(5,737)
Net Income Before Contributions and Transfers	24,853
Transfers in	9,293
Transfers out	(30,550)
Change in fund balance	3,596
Fund Balance - beginning	14,444
Fund Balance - ending	$ 18,040

See independent accountant's report on agreed-upon procedures.

EXHIBIT 4

TOWN OF BYARS , OKLAHOMA
SCHEDULE OF GRANT ACTIVITY - CASH BASIS
Year Ended June 30, 2011

	Rural Fire Grant	OWRB FAP-09-0015-R	ASCOG Byars 112255
Awarding agency	Oklahoma Department of Agriculture	Oklahoma Water Resources Board	Association of South Central Oklahoma Governments
CFDA #	N/A	N/A	N/A
Award Amount	$ 4,398	$ 73,855	$ 45,000
Program Budget	4,398	73,855	45,000
Current Year Activity:			
Current Year Receipts:			
Received from agency	4,398	73,855	-
Total current year receipts	4,398	73,855	-
Current Year Disbursements	4,398	73,855	-
Beginning of Year Unexpended Grant Funds	-	-	-
End of Year Unexpended Grant Funds	-	-	-
Program To-Date Activity:			
Program To-Date Receipts:			
Received from agency	4,398	73,855	-
Total program To-Date Receipts	4,398	73,855	-
Program To-Date Disbursements	4,398	73,855	-
Program To-Date Unexpended Grant Funds	$ -	$ -	$ -

See independent accountant's report on agreed-upon procedures.