

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING  
AGREED-UPON PROCEDURES  
TOWN OF DILL CITY, OKLAHOMA &  
DILL CITY PUBLIC WORKS AUTHORITY  
JUNE 30, 2011**

**TOWN OF DILL CITY, OKLAHOMA &  
DILL CITY PUBLIC WORKS AUTHORITY**

**JUNE 30, 2011**

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**TOWN OF DILL CITY, OKLAHOMA &  
DILL CITY PUBLIC WORKS AUTHORITY**

**TOWN OFFICIALS**

**JUNE 30, 2011**

**Board of Trustees**

Mayor	Jimmy Linn
Member	David Harbuck
Member	Stoney Hartronft
Member	Glen Knight
Member	Glen Gathright

**Town Clerk**

Penny Reeve

**Town Treasurer**

Penny Reeve





# BRITTON, KUYKENDALL, & MILLER

CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL  
RICK D. MILLER

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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 Dill City  
Dill City, Oklahoma

Trustees of the Dill City Public Works Authority  
Dill City, 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 Dill City, Oklahoma and Dill City Public Works 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 Cash Reserve Accounts 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 Dill City, Oklahoma and Dill City Public Works 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 Dill City Public Works 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 Dill City 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 Dill City, 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 Dill City Public Works 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.

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  
October 19, 2011



Town of Dill City, Oklahoma &  
Dill City Public Works Authority  
Summary of Changes in Fund Balances  
For the Year Ended June 30, 2011

<u>Town:</u>	<u>Beginning of Year Fund Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers &amp; Adjustments</u>	<u>End of Year Fund Balance</u>
General Fund	\$ 315,637.29	\$ 133,371.42	\$ 94,340.13	\$ 0.00	\$ 354,668.58
Fire Equipment Fund	11,759.58	6,662.00	4,262.46	0.00	14,159.12
Town Subtotal	<u>327,396.87</u>	<u>140,033.42</u>	<u>98,602.59</u>	<u>0.00</u>	<u>368,827.70</u>
<u>Enterprise Funds:</u>					
Dill City Public Works Authority	<u>829,398.24</u>	<u>128,937.77</u>	<u>124,063.35</u>	<u>0.00</u>	<u>834,272.66</u>
Enterprise Funds Subtotal	<u>829,398.24</u>	<u>128,937.77</u>	<u>124,063.35</u>	<u>0.00</u>	<u>834,272.66</u>
Grand Total	<u>\$ 1,156,795.11</u>	<u>\$ 268,971.19</u>	<u>\$ 222,665.94</u>	<u>\$ 0.00</u>	<u>\$ 1,203,100.36</u>

See Accountant's Report.

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

Revenues	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Sales Tax	\$ 50,665.18	\$ 50,665.18	\$ 53,431.02	\$ 2,765.84
Garbage Disposal Fees	37,849.14	37,849.14	43,075.95	5,226.81
Interest	0.00	0.00	2,768.59	2,768.59
Alcoholic Beverage Tax	5,626.37	5,626.37	6,471.92	845.55
Franchise Tax	7,997.86	7,997.86	9,128.66	1,130.80
Miscellaneous	0.00	0.00	472.52	472.52
Royalty Income	0.00	0.00	3,271.03	3,271.03
City Fees	0.00	0.00	1,401.00	1,401.00
Use Tax	1,710.80	1,710.80	2,322.80	612.00
Cigar Tax	713.44	713.44	777.93	64.49
Gasoline Tax	923.66	923.66	1,004.47	80.81
Commercial Vehicle Tax	3,384.95	3,384.95	3,768.14	383.19
Rental Income	0.00	0.00	0.00	0.00
Donations	0.00	0.00	0.00	0.00
SWODA REAP Grant Income	0.00	0.00	0.00	0.00
CDBG Grant Income	0.00	0.00	0.00	0.00
State Funding Revenue	0.00	0.00	4,397.12	4,397.12
Proceeds from Sale of Property	0.00	0.00	0.00	0.00
Insurance Reimbursements	0.00	0.00	1,912.45	1,912.45
<b>Total Revenues</b>	<b>108,871.40</b>	<b>108,871.40</b>	<b>134,203.60</b>	<b>25,332.20</b>
<b>Expenditures</b>				
Personal Services	36,000.00	36,000.00	29,891.84	6,108.16
Maintenance and Operations	110,000.00	110,000.00	61,774.04	48,225.96
Capital Outlay	269,306.42	269,306.42	2,674.25	266,632.17
<b>Total Expenditures</b>	<b>415,306.42</b>	<b>415,306.42</b>	<b>94,340.13</b>	<b>320,966.29</b>
Excess Revenues Over (Under) Total Expenditures	(306,435.02)	(306,435.02)	39,863.47	346,298.49
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	(5,000.00)	(5,000.00)	0.00	5,000.00
Adjustments to Prior Year				
Warrants Outstanding	0.00	0.00	0.00	0.00
<b>Net Other Financing Sources (Uses)</b>	<b>(5,000.00)</b>	<b>(5,000.00)</b>	<b>0.00</b>	<b>5,000.00</b>
Excess of Revenues and Other Sources over Expenditures and Other Uses	(311,435.02)	(311,435.02)	39,863.47	351,298.49
Budgetary Fund Balance, Beginning	311,435.02	311,435.02	311,435.02	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	351,298.49	\$ 351,298.49
Adjustments to Conform with GAAP: Revenue Accruals			3,370.09	
<b>Fund Balance, End of Year (GAAP Basis)</b>			<b>\$ 354,668.58</b>	

See Accountant's Report.



Dill City Public Works 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	\$ 100,761.37
Sewer Fees	16,102.00
Backhoe Fees	0.00
Rent	500.00
Total Operating Revenues	117,363.37
Operating Expenses:	
Personal Services	49,868.34
Maintenance and Operations	29,534.00
Depreciation	27,909.00
Rural Development:	
Interest Expense	16,752.01
Total Operating Expenses	124,063.35
Operating Income (Loss)	(6,699.98)
Non-Operating Revenues (Expenses):	
Interest Revenue	4,032.37
Miscellaneous	7,542.03
Total Non-Operating Revenues (Expenses)	11,574.40
Income (Loss) before Operating Transfers	4,874.42
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
Total Operating Transfers	0.00
Net Income (Loss)	4,874.42
Net Assets - Beginning of Year	829,398.24
Prior Period Adjustments	0.00
Net Assets - End of Year	\$ 834,272.66

See Accountant's Report.

Dill City Public Works Authority  
Statement of Cash Reserve Accounts  
Proprietary Funds  
For the Year Ended June 30, 2011

	<u>USDA Rural Development Cash Reserve Account</u>
Balance 7-1-10	\$ 23,880.00
Additions	0.00
Payments	<u>0.00</u>
Balance 6-30-11	<u><u>\$ 23,880.00</u></u>

See Accountant's Report.