

**TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA**

Agreed Upon Procedures
June 30, 2011

With Independent Accountants' Report Thereon

JOHNSTON & BRYANT

Certified Public Accountants

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MEMBER
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

Independent Accountant's Report

Town Council
Town of Francis and Public Trusts
Francis, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Francis and Public Trusts, Francis, Oklahoma as of June 30, 2011 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 statement of Revenues, Expenses and changes in Fund Balance of the Public Facilities 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.

A compilation is limited to presenting information in the form of financial statements prescribed by 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; 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 and Public Facilities Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes 11 o.s. 17.105-.107 and 60 o.s. 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 Francis 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 o.s. 17.105-.107 and 60 o.s. 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 Francis** 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) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of non compliance.

Findings: None

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) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

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: None

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: None

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

Findings: None

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: None

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 non compliance.

Findings: None

As to the **Francis Public Works Authority and Francis Public Facilities 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 and 4) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

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 or reconciling items that have not cleared.

Findings: None

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: None

4. **Procedures Performed:** We compared the Authority's used of material-restricted revenues and resources to their restrictions to report any noted instances of compliance.

Findings: None

5. **Procedures Performed:** We compared the accounting for the Authorities activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

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: None

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

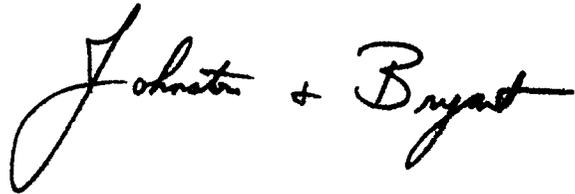
1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 5) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

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.

July 13, 2011

A handwritten signature in black ink, reading "Johnston + Bryant". The signature is written in a cursive style with a large initial 'J' and a large initial 'B'. The plus sign is clearly visible between the two names.

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
 Summary of Changes in Fund Balance – Cash Basis
 For the Fiscal Year Ended June 30, 2011
(UNAUDITED)

	<u>Fund Balance 6/30/2011</u>	<u>Current Year Receipts</u>	<u>Transfers</u>	<u>Current Year Disbursements</u>	<u>Fund Balance 6/30/2011</u>
Town:					
General	\$ 108,034	\$ 30,502	\$ (1,753)	\$ 14,357	\$ 122,426
Street and Alley	4,674	3,043	-	3,160	4,557
Capital Improvement	-	-	-	-	-
Fire Department	<u>31,565</u>	<u>30,112</u>	<u>6,060</u>	<u>38,123</u>	<u>29,614</u>
Town Sub-Totals	<u>144,273</u>	<u>63,657</u>	<u>4,307</u>	<u>55,640</u>	<u>156,597</u>
Public Works Authority:					
Utilities Fund	<u>27,997</u>	<u>130,759</u>	<u>(4,307)</u>	<u>119,270</u>	<u>35,179</u>
PUA Sub-Totals	<u>27,997</u>	<u>130,759</u>	<u>(4,307)</u>	<u>119,270</u>	<u>35,179</u>
Overall Totals	<u><u>\$ 172,270</u></u>	<u><u>\$ 194,416</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 174,910</u></u>	<u><u>\$ 191,776</u></u>

See Accompanying Accountants Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Fiscal Year Ended June 30, 2011
(UNAUDITED)

	Budgetary Amounts		Actual	Variance
	Original	Final		
Beginning Budgetary Fund Balance	\$ 90,000	\$ 90,000	\$ 108,034	\$ 18,034
Resources (Inflows):				
Sales and Use Tax	13,500	13,500	18,289	4,789
Alcohol Tobacco Tax	1,575	1,575	2,127	552
Franchise Tax	6,750	6,750	9,345	2,595
Grant Revenues	-	-	-	-
Miscellaneous	180	180	161	(19)
Total Resources	112,005	112,005	137,956	25,951
Investment Income	-	-	580	580
Amounts Available for Appropriations	112,005	112,005	138,536	26,531
Charges to Appropriation(Outflows):				
Personnel Services	5,000	5,000	2,054	2,946
Maintenance and Operations	60,000	60,000	12,303	47,697
Grant Expenditures	-	-	-	-
Total Expenditures	65,000	65,000	14,357	50,643
Other Uses:				
Transfer from other funds	10,900	10,900	10,832	(68)
Transfers to Other Funds	16,100	16,100	12,585	3,515
Total Other Uses	5,200	5,200	1,753	3,447
Total Charges to Appropriations	70,200	70,200	16,110	54,090
Ending Fund Balance	\$ 41,805	\$ 41,805	\$ 122,426	\$ 80,621

See Accompanying Accountants Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
 Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
 Francis Public Works Authority
 Year Ended June 30, 2011
(UNAUDITED)

Operating Revenue:		
Charges for Services	\$	90,442
Water and Sewer		17,478
Sanitation		22,725
Grant Revenues		<u>22,725</u>
Total Operating Revenue		<u>130,645</u>
Operating Expenses		
Personal Services		21,637
Contract Labor		47,658
Maintenance and Operations		22,725
Grant Expenses		<u>22,725</u>
Total Operating Expenses		<u>92,020</u>
Net Operating Income (Loss)		38,625
Non-operating Revenue (Expense):		
Interest Income		114
Debt Service		<u>(27,250)</u>
Net Non-Operating Revenue (Expense)		<u>(27,136)</u>
Net Income (Loss) Before Transfers		11,489
Other Financing Sources (Uses)		
Operating Transfers in		6,525
Operating Transfers (Out)		<u>(10,832)</u>
Total Other Financing Sources (Uses)		<u>(4,307)</u>
Net Income (Loss)		7,182
Fund Balance - Beginning		<u>27,997</u>
Fund Balances - Ending	\$	<u><u>35,179</u></u>

See Accompanying Accountants Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
Francis Public Facilities Authority
Year Ended June 30, 2011
(UNAUDITED)

Non-Operating Revenue (Expense):	
Bank Fees	\$ -
	<hr/>
Net Non-Operating Revenues	-
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Transfer to General Fund	-
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Total Other Financing Sources (Uses)	-
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Net Income (Loss)	-
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Fund Balance - Beginning	-
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Fund Balance - Ending	\$ -
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See accompanying Accountants Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
 Schedule of Grant Activity – Cash Basis
 Year Ended June 30, 2011
(UNAUDITED)

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
SODA	\$ -	\$ 22,725	\$ 22,725	\$ -
FEMA	-	25,603	25,603	-
State of Oklahoma (Fire Grant)	-	4,398	4,398	-
Overall Totals	\$ -	\$ 52,726	\$ 52,726	\$ -

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Schedule of Notes Payable
Year Ended June 30, 2011
(UNAUDITED)

	Ending Balance <u>6/30/2010</u>	Principal Payments	Ending Balance <u>6/30/2011</u>
A non-interest bearing note to the Oklahoma Department of Commerce, secured by certain equipment and revenues of the Francis Public Works Authority, payable in monthly installments of \$521 to May of 2025	<u>\$ 93,229</u>	<u>\$ 6,250</u>	<u>\$ 86,979</u>
A note to Citizens Bank and Trust, Ada, Oklahoma	<u>\$ 83,233</u>	<u>\$ 16,509</u>	<u>\$ 66,724</u>