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State Auditor & Inspector

AGREED-UPON PROCEDURES REPORT

Town of Howe

RECEIPT #
16897

Leflore County, Oklahoma

July 1, 2010 to June 30, 2011

Prepared By:

John D. Turrentine CPA, P.C.
607 East Main Street
Stigler Oklahoma 74462

Town of Howe
Agreed-Upon Procedures Report
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Town of Howe
Leflore County, Oklahoma

Town Officials

As of June 30, 2011

Town Board of Trustees:

Jeff Dodd	Chairman
Winston Johnson	Vice-Chairman
Bobby Cox	Board Member
Matt Blake	Board Member
Harvey Young	Board Member

Other Town Positions:

J.D. Ford	Town Clerk/Treasurer
Beverly Wheeler	Secretary

John David Turrentine
Certified Public Accountant, P.C.
607 East Main Street
Stigler Oklahoma 74462
(918)967-2551

Independent Accountant's Report on Applying Agreed-Upon Procedures that includes an Accountant's Compilation Report on Accompanying Financial Statements Compiled by the Accountant

To the Specified Users of the Report:

Town Board, Town of Howe
Howe, Oklahoma

Oklahoma Office of the State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying summary of Changes in Fund Balance-Cash Basis of the Town Howe, Howe, Oklahoma as of June 30, 2011 and the related Budgetary Comparison Schedule of the General Fund-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, and demonstrate 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. I 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, I 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 of Howe in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the year ended June 30, 2011.

Management of the Town of Howe 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 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, I 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 Howe** as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed**: From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (See Accompanying Exhibit A) 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, I prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) 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 of Noncompliance noted.

3. **Procedures Performed**: I agreed the Town's material bank account balances to the 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 to be reported noted.

4. **Procedures Performed**: I compared the Town's uninsured deposits to fair value of pledged collateral to report any noted instances of noncompliance.

   Findings: No instances of Noncompliance noted.

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

   Findings: No instances of Noncompliance noted.

6. **Procedures Performed**: I 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 noted.

7. **Procedures Performed**: I 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 noted.

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

1. **Procedures Performed**: From the Town trial balances, I prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) 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 noted.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my 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.

October 20, 2011

EXHIBIT A

Town of Howe
Leflore County, Oklahoma
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 of Howe:			
General Fund	$60,791	($18,715)	$42,076
Police Savings	$2,767	$13	$2,780
Town Subtotal	$63,559	($18,703)	$44,856

See Accountant's Agreed-Upon Procedures Report

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

EXHIBIT B

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Beginning Budgetary Fund Balance:	$63,559	$63,559	$63,559	$0
Resources (Inflows):				
Charges for Services:				
Misc. Charges for Services	($1,283)	($1,283)	($1,189)	$95
Total Charges for Services	($1,283)	($1,283)	($1,189)	$95
Intergovernmental - Local Sources:				
Police Fines	$79,775	$79,775	$73,142	($6,632)
Other Miscelleaneous Local Sources	$477	$477	$225	($252)
Total Local Sources	$80,252	$80,252	$73,367	($6,884)
Intergovernmental - State Sources:				
Sales Tax	$79,513	$79,513	$98,880	$19,366
Motor Vehicle Collections	$7,473	$7,473	$7,055	($418)
Alcoholic Beverage Tax	$4,385	$4,385	$5,044	$659
State Grants	$4,590	$4,590	$4,398	($192)
Tobacco Tax	$1,111	$1,111	$1,452	$341
Other State Sources	$0	$0	$3,853	$3,853
Total Intergovernmental - State Sources	$97,072	$97,072	$120,681	$23,609
Intergovernmental - Federal Sources:				
Other Federal Sources	$0	$0	$888	$888
Federal Grants	$4,590	$4,590	$0	($4,590)
Total Intergovernmental - Federal Sources:	$4,590	$4,590	$888	($3,702)
Miscellaneous Revenue:				
Investment Income	$423	$423	$429	$6
Insurance Recoveries	$22,305	$22,305	$0	($22,305)
Sale of Property	$900	$900	$0	($900)
Franchise Taxes	$19,094	$19,094	$19,416	$322
Other Miscellaneous Revenue	$5,457	$5,457	$0	($5,457)
Total Miscellaneous Revenues:	$48,179	$48,179	$19,845	($28,334)
Amounts Available for Appropriation	$292,368	$292,368	$277,152	($15,216)

See Accountant's Agreed-Upon Procedures Report

Town of Howe, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Funds
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	$47,645	$47,645	$44,276	$3,369
Maintenance and Operations	$48,673	$48,673	$36,148	$12,525
Travel	$1,579	$1,579	$1,348	$230
Other Services and Charges	$15,468	$15,468	$21,840	($6,371)
Intergovernmental	$0	$0	$0	$0
Capital Outlays	$14,596	$3,596	$1,556	$2,040
Total General Government	$127,961	$116,961	$105,167	$11,794
Police Department:				
Personal Services	$58,264	$58,264	$58,831	($567)
Maintenance and Operations	$60,093	$60,093	$31,614	$28,479
Other Services and Charges	$1,184	$1,184	$752	$432
Capital Outlays	$17,299	$17,299	$3,254	$14,045
Total Police Department	$136,841	$136,841	$94,451	$42,390
Fire Department:				
Personal Services	$2,173	$2,173	$6,734	($4,561)
Maintenance and Operations	$19,084	$19,084	$10,603	$8,481
Other Services and Charges	$880	$880	$0	$880
Capital Outlays	$5,781	$16,781	$15,515	$1,266
Total Fire Department	$27,918	$38,917	$32,851	$6,066
Other Uses	$0	$0	$0	$0
Total Charges to Appropriations	$292,719	$292,719	$232,469	$60,249
Cash Balance Trans. from Prior Years/Adj. to Appropriations			$173	
Ending Budgetary Fund Balance	($351)	($351)	$44,856	

See Accountant's Agreed-Upon Procedures Report

EXHIBIT D

Town of Howe
Leflore County, Oklahoma
Schedule of Grant Activity - Cash Basis
For the Year Ended June 30, 2011

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
Town of Howe:				
State of OK, Dept. of AG Rural Fire Dept Grant - KEDDO	$0	$4,398	$4,398	$0
District Attorneys Council Local Law Enforcement Grant	$0	$2,860	$2,860	$0
Town Subtotal	$0	$7,258	$7,258	$0
Overall Totals	$0	$7,258	$7,258	$0

See Accountant's Agreed-Upon Procedures Report