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State Auditor & Inspector

TOWN OF MEAD, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2011

Exhibit 2

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

		Final Budget Amounts	Actual Amounts	Variance Positive (Negative)
Revenues				
Sales and use taxes	$	40,000	45,256	5,256
Franchise taxes		3,500	4,933	1,433
Alcoholic beverage tax		700	807	107
Cigarette tax		800	595	(205)
Gasoline excise tax		230	240	10
Motor vehicle tax		850	880	30
Miscellandous other revenues		2,000	-	(2,000)
Total revenues		48,080	52,711	4,631
Expenditures				
General government		19,600	11,926	7,674
Street department		37,000	28,719	8,281
Fire protection		17,000	16,034	966
Cemetery		9,000	-	9,000
Community services		24,000	12,562	11,438
Total expenditures		106,600	69,241	37,359
Excess of revenues over expenditures		(58,520)	(16,530)	41,990
Beginning fund balance		61,867	58,679	(3,188)
Ending fund balance	$	3,347	42,149	38,802

See Accountant's Report

Exhibit 3

Town of Mead, Oklahoma
Schedule of Grant Activity -- Cash Basis
General Fund
For the Year Ended June 30, 2011
(Unaudited)

Grant Program Agency and Description	Beginning of the Year Unexpended Funds	Current Year Receipts	Current Year Disbursements	End of the Year Unexpended Funds
Rural Economic Action Plan (REAP)				
Passed through S.O.D.A.				
(No grant receipts or disbursements this year)	-	-	-	-

See Accountant's Report

Collier, Fox & Associates, P.C.

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Council, Town of Mead
Mead, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the following accompanying financial statements of Town of Mead, Oklahoma – General Fund for the year ended June 30, 2011:

Statement of Revenues, Expenditures and Changes in Fund Balance – Cash Basis
Budgetary Comparison Schedule – Cash Basis
Schedule of Grant and Award Program Activity – Cash Basis

These financial statements have been prepared in a format and basis of accounting that demonstrates compliance with the cash basis, and budget laws of the State of Oklahoma, which are comprehensive bases of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with such bases of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the selected bases of accounting and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balance, revenues and expenditures. 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 in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011. Management of the Town of Mead is responsible for the Town's financial accountability and its compliance with those legal and contractual agreements. 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 (Sec 11-17.105-.107). 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.

(continued)

Procedures and Findings

As to the Town of Mead 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 noncompliance.

   Findings: We noted no instances of noncompliance.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General 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: We noted no instances of noncompliance as to expenditures exceeding appropriations at the legal level of control (department totals).

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: We noted no findings in regards to this procedure.

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 of the Town's depository accounts were fully insured.

(continued)

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

   Findings: We noted no instances of noncompliance.

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: We noted no instances of noncompliance.

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: The Town did not have any outstanding debt issues which carried reserve requirements or debt service coverage requirements.

8. **Procedures Performed:** From the Town's trial balances, we searched for grant activity for the year in order to compare the receipts and disbursements to grant agreements and supporting information and to report any noted instances of noncompliance with the grant agreement.

   Findings: The Town had no grant program revenues or disbursements

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.

Collier Fox & Assoc P.C

COLLIER, FOX & ASSOCIATES, P.C.
September 20, 2011