Agreed Upon Procedures

Town of Medicine Park

Comanche County, Oklahoma

For Year Ending June 30, 2011

FILED
NOV 14 2011
Secretary of State

TOWN OF MEDICINE PARK
June 30, 2011

TABLE OF CONTENTS

	Page
Independent Accountant's Report	1-5
Summary of Changes in Fund Balance - Modified Cash Basis	6
Budgetary Comparison Schedule -Modified Cash Basis - General Fund	7
Budgetary Comparison Schedule -Modified Cash Basis - Police Department Fund	8
Statement of Revenues, Expenses and Changes in Fund Balance - Modified Cash Basis - Medicine Park Public Works Authority and Medicine Park Economic Development Authority	9
Schedule of Grant Activity - Modified Cash Basis	10

ANGEL, JOHNSTON & BLASINGAME, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 706 • 2700 SOUTH FOURTH
CHICKASHA, OKLAHOMA 73023
PHONE (405) 224-6363 • FAX (405) 224-6364
ajb-cpas.com

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Medicine Park
Medicine Park, Oklahoma

Trustees of the Medicine Park Public Works Authority
Medicine Park, Oklahoma

Trustees of the Medicine Park Economic Development Authority
Medicine Park, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Comanche County Clerk
Lawton, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Medicine Park and Public Trusts, Medicine Park, Oklahoma as of June 30, 2011 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Police Department Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Medicine Park Public Works Authority and Medicine Park Economic Development Authority-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2011. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis 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 the modified cost basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis and budget laws of the State of Oklahoma 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 financial statements prepared on the modified cash basis of accounting and budget laws of the State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. 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, Public Works Authority and Economic Development Authority in meeting its 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 Medicine Park 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 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 Medicine Park** 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: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Towns total revenues, expenditures or fund balances) 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: Expenditures exceeded total appropriations in two funds. In all other funds appropriations were exceeded at the legal level of control for the year ended June 30, 2011.
   - In the General Fund, the personal service budget was overspent $12,636 and the maintenance & operations budget was overspent $62,915. The total budget was overspent $50,492.
   - In the Street & Alley Fund, the maintenance & operations budget was overspent by $221. The total budget was overspent by the same.

- In the Fire Department Fund, the capital outlay budget was overspent by $45,807 and the transfer's budget was overspent $4,362. The total budget was overspent $5,326.
- In the Police Fund, the maintenance & operations budget was overspent by $43,190, the capital outlay budget was overspent by $12,500, and transfers budget was overspent by $17,434. The total budget was overspent $73,034.
- In the Police P&A Fund, the transfer's budget was overspent by $6,330. The total budget was overspent by the same.
- In the Police Bond Fund, the transfer's budget was overspent by $12,500. The total budget was overspent $11,096.
- In the Trout Fund, the personal service budget was overspent $114 and the maintenance & operations budget was overspent $3,531. The total budget was overspent $3,645.
- In the Planning and Preservation Fund, the maintenance & operations budget was overspent $5,040. The total budget was overspent $3,453.
- In the Community Center Fund, the maintenance & operations budget was overspent $6,020. The total budget was overspent the same.

Recommendation: The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments or appropriations have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must also be approved by the County Excise Board.

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 exceptions were found as a result of applying the 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: No exceptions were found as a result of applying the procedure.

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

   Findings: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 has no required reserves, this procedure was not performed.

As to the **Medicine Park Public Works Authority and Economic Development 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 compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

   Findings: The Public Works Authority Operating Fund had a negative fund balance at year end.

   Recommendation: The Town should closely monitor its revenue and expenses to ensure that expense do not exceed the revenue in any of its funds during the year.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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: The Authorities have no required reserves, this procedure was not performed.

As to the **Town of Medicine Park and Public Trust 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 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: The Town was required to return grant money in the amount of $53,400 to ASCOG during the fiscal year because it failed to comply with the regulations of the grant. This grant is still open and the Town may still draw upon it should they meet the requirements within the timeframe stipulated in the agreement.

Recommendation: The Town needs to ensure that it is monitoring all grants and that it understands each grants individual requirements for completion.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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.

Angel, Johnston & Blasingame PC

Angel, Johnston and Blasingame, P.C.
November 2, 2011

Exhibit 1

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODFIED CASH BASIS
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Beginning of Year Fund Balances	Current Year Receipts	Current Year Disbursements	End of Year Fund Balance
TOWN:				
General Fund	$ 115,202	$ 523,788	$ 538,016	$ 100,973
Street & Alley Fund	538	1,004	758	783
Police Bond Fund	4,744	10,710	13,500	1,955
Police P & A Fund	1,784	8,007	8,114	1,677
Police Department Fund	2,404	73,804	75,438	770
Fire Department Fund	57,523	14,305	62,849	8,979
Trout Fund	1,341	5,955	5,015	2,281
Planning and Preservation Fund	7,802	14,757	11,255	11,304
Christmas Fund	300	-	-	300
Community Center Fund	9,406	10,984	15,426	4,964
Town Subtotal	201,044	663,312	730,371	133,986
PUBLIC WORKS AUTHORITY:				
MPPWA Operating Fund	(153,256)	359,990	336,259	(129,525)
Utility Deposit Fund	5,589	715	6,200	104
ASCOG REAP - Water Fund	54,275	-	54,275	-
Public Works Subtotal	(93,392)	360,705	396,734	(129,421)
ECONOMIC DEVELOPMENT AUTHORITY:				
Marketing Fund	4,816	57,444	55,342	6,918
Trails Fund	5,453	60	1,447	4,067
Museum Fund	8,856	11,520	16,803	3,573
Revolving Fund	128,671	1,043	21,334	108,380
EDA Subtotal	147,796	70,068	94,926	122,938
Overall Totals	$ 255,449	$ 1,094,085	$ 1,222,031	$ 127,502

Exhibit 2

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	$ 108,973	$ 108,973	$ 115,202	$ 6,229
Charges for Services:				
Permit fees	5,107	5,107	9,813	4,706
Swimming fees	13,063	13,063	11,533	(1,530)
Total Charges for Services	18,170	18,170	21,346	3,176
Intergovernmental-Local:				
Franchise tax	3,410	3,410	2,056	(1,354)
Police fines	74,395	74,395	80,834	6,439
Total Intergovernmental-Local	77,805	77,805	82,890	5,084
Intergovernmental-State:				
Sales tax	269,385	269,385	335,382	65,997
Use tax	5,768	5,768	8,757	2,989
Alcohol beverage tax	688	688	980	292
State grants	-	-	37,784	37,784
Cigarette tax	3,538	3,538	4,774	1,236
Total Intergovernmental-State	279,379	279,379	387,677	108,298
Miscellaneous Revenue:				
Interest	822	822	649	(173)
Rental	2,376	2,376	2,420	44
Federal grants	-	-	19,196	19,196
Reimbursement	-	-	2,264	2,264
Miscellaneous	-	-	1,903	1,903
Total Miscellaneous Revenue	3,198	3,198	26,431	23,233
Non-Revenue Receipts:				
Transfers from other funds	-	-	5,443	5,443
Amounts available for appropriation	487,525	487,525	638,989	151,465
Charges to Appropriations:				
Other:				
Personal Services	165,000	165,000	177,636	(12,636)
Maintenance & Operations	102,525	102,525	165,439	(62,915)
Capital Outlay	20,000	20,000	-	20,000
Debt Service	-	-	-	0
Total Other	287,525	287,525	343,075	(55,551)
Other Financing Uses:				
Transfers to other funds	200,000	200,000	194,941	5,059
Total Charges to Appropriations	487,525	487,525	538,016	(50,492)
Ending Budgetary Fund Balance	$ -	$ -	$ 100,973	$ 100,973

Exhibit 2

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
POLICE DEPARTMENT FUND
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	$ 2,404	$ 2,404	$ 2,404	$ -
Revenues	-	-	3,849	3,849
Non-Revenue Receipts:				
Transfers from other funds	-	-	69,955	69,955
Amounts available for appropriation	2,404	2,404	76,208	73,804
Charges to Appropriations:				
Personal Services	-	-	-	-
Maintenance & Operations	2,404	2,404	45,595	(43,190)
Capital Outlay	-	-	12,500	(12,500)
Debt Service	-	-	-	-
Total Other	2,404	2,404	58,095	(55,690)
Other Financing Uses:				
Transfers to other funds	-	-	17,343	(17,343)
Total Charges to Appropriations	2,404	2,404	75,438	(73,034)
Ending Budgetary Fund Balance	$ -	$ -	$ 770	$ 770

Exhibit 3

TOWN OF MEDICINE PARK AND PUBLIC TRUSTS
Medicine Park, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
MEDICINE PARK PUBLIC WORKS AUTHORITY AND
MEDICINE PARK ECONOMIC DEVELOPMENT AUTHORITY
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	MPPWA	MPEDA
Operating Revenues:		
Charges for services:		
Water & Sewer Revenues	$ 230,410	$ -
Police Department Payroll Reimbursement	13,473	-
Unreserved Deposits	617	-
Loan Repayment Late Fees	-	27
Permits		6,096
Miscellaneous	525	694
Total Operating Revenue	245,025	6,817
Operating Expenses:		
Personal Services	76,486	9,614
Maintenance & Operations	228,402	61,809
Total Operating Expenses	304,888	71,424
Operating Income (Loss)	(59,864)	(64,606)
Non-Operating Revenues (Expenses):		
Donations	-	35,778
Interest income	99	1,016
Interest expense	(6,963)	-
Insurance Reimbursement	3,625	-
Grant revenue	-	-
Grant expenses	(53,275)	-
Loans Reissued/Written-Off	-	(21,334)
Capital outlay	(25,408)	-
Total Non-Operating Revenues (Expenses)	(81,922)	15,461
Net Income (Loss) Before Contributions and Transfers	(141,786)	(49,145)
Capital contributions		
Transfers in	111,956	26,456
Transfers out	(6,200)	(2,168)
Changes in Fund Balance	(36,030)	(24,858)
Fund Balance - beginning	(93,392)	147,796
Fund Balance - ending	$ (129,422)	$ 122,938

TOWN OF MEDICINE PARK AND PUBLIC TRUST
Medicine Park, Oklahoma
SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Award Amount	Prior Year(s) Receipts	Prior Year(s) Disbursements	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
TOWN:							
Department of Agriculture							
Operational Grants-10	$ 4,397	$ -	$ -	$ -	$ 4,398	$ 4,398	$ -
Oklahoma Arts Council 4059							
Red Dirt Ball Grant - 10	2,500	-	2,500	(2,500)	2,500	-	-
Red Dirt Ball Grant - 11	2,500	-	-	-		2,500	(2,500)
Blues Ball Grant - 10	2,500	-	-	-	2,500	2,500	-
OK Department of Commerce							
1334 CDBG 08	55,000	-	-	-	32,784	32,784	-
Association of Central Oklahoma Government							
Medicine Park-102275	45,000	45,000	-	45,000	-	45,000	-
FEMA							
PA-1718 Federal Portion	2,673	-	2,673	(2,673)	2,673	-	-
PA-1718 State Portion	446	-	446	(446)	-	-	(446)
1883-DR Federal Portion	68,555	60,325	68,555	(8,229)	8,229	-	-
1883-DR State Portion	11,426	-	11,426	(11,426)	11,426	-	-
Town Subtotal	194,997	105,325	85,600	19,726	64,510	87,181	(2,946)
PUBLIC WORKS AUTHORITY:							
Association of Central Oklahoma Government							
REAP - Sewer Grant	59,200	59,200	5,800	53,400	-	53,400	-
OK Department of Commerce							
13285 CDBG 08	10,433	-	-	-	-	-	-
PWA Subtotal	69,633	59,200	5,800	53,400	-	53,400	-
Overall Totals	$ 264,630	$ 164,525	$ 91,400	$ 73,126	$ 64,510	$ 140,581	$ (2,946)