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State Auditor & Inspector

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES

TOWN OF RANDLETT, OKLAHOMA
RANDLETT PUBLIC WORKS AUTHORITY

JUNE 30, 2011

Lisa Brooks
Certified Public Accountant

Town of Randlett, Oklahoma
Randlett Public Works Authority
June 30, 2011

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Certified Public Accountant

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Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Randlett
Randlett, Oklahoma

Trustees of the Randlett Public Works Authority
Randlett, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances of the Town of Randlett and Public Trust (Randlett, Oklahoma) as of June 30, 2011 and the related Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash basis, of the Randlett Public Works Authority, and Budgetary Comparison Schedule for the General and Other Significant Funds, 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 prescribed by Oklahoma Statutes and requested by the Office of State Auditor and Inspector, 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 as prescribed, that is the representation of 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. If the omitted disclosures were included, they might influence the user's conclusions about the Town's and Public Works Authority'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 this report, as identified above, and as defined within the applicable laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 for the fiscal year ended June 30, 2011. Management of the Town of Randlett is responsible for the Town's financial accountability and its compliance with those legal requirements. This agreed-upon procedures engagement was conducted in accordance with the

attestation standard 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, 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 Randlett:

The Town of Randlett had income of less than Twenty-five Thousand Dollars (\$25,000.00) to its general fund during the fiscal year and applicable official population of less than two thousand five hundred (2,500); therefore **no statutory agree-upon procedures were required.**

1. **Procedures Performed:** From the Town's trial balances, I 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 instances noted.

2. **Procedures Performed:** From the Town's trial balances and budgets, I prepared a budgetary comparison schedule for the General Fund and other significant funds (see accompanying Exhibit 3) listing separately each federal fund and comparing 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:** I 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:** I 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:** I compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances 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 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 noted.

As to the **Randlett Public Works Authority**, as of and for the fiscal year ended June 30, 2011:

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 2) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** Agreed 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: A deposit in the amount of \$1,496.10 was booked as of June 30th, but had still not cleared the bank as of the July 31, 2011 bank statement.

3. **Procedures Performed:** Compared 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:** Compared 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:** 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:** Compared the Authority's account balances in reserve accounts to contractually required balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted.

As to the Town of Randlett and Randlett Public Works Authority **Grant Programs**, as of and for the fiscal year ended June 30, 2010

1. **Procedures Performed:** From the Town's trial balances and bank statements, I prepared a schedule of grant activity for the REAP Grant (see accompanying Exhibit 4).

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.

Lisa Brooks, CPA

Lisa Brooks, CPA
November 22, 2011

Town of Randlett and PublicTrust
Randlett, Oklahoma

Exhibit 1

Summary of Changes in Fund Balance
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Beginning of Year Fund Balance	Current Year Receipts	Current Year Disbursements	End of Year Fund Balance
TOWN OF RANLETT:				
General Fund	\$ 25,209.91	\$ 6,726.05	\$ 8,786.99	\$ 23,148.97
Street and Alley Fund	\$ 10,103.50	\$ 4,343.57	\$ 7,641.14	\$ 6,805.93
Town Subtotal	<u>\$ 35,313.41</u>	<u>\$ 11,069.62</u>	<u>\$ 16,428.13</u>	<u>\$ 29,954.90</u>
PUBLIC WORKS AUTHORITY	<u>\$ 475,779.86</u>	<u>\$ 151,119.76</u>	<u>\$ 155,343.73</u>	<u>\$ 471,555.89</u>
TOTAL	\$ 511,093.27	\$ 162,189.38	\$ 171,771.86	\$ 501,510.79

Statement of Revenues, Expenses and Changes in Fund Balance
Randlett Public Works Authority
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Revenues	
Water Sales	\$ 108,000.54
Sewer Income	18,616.00
Garbage	24,207.50
Late Fees	5,335.00
Reconnect Fees	625.00
Billing Adjustments	(6,175.83)
Tap Sales	0.00
Total Utility Income	<u>150,608.21</u>
Total Revenues	150,608.21
Expenses	
Contract Labor	160.00
Depreciation	25,810.04
Insurance	2,914.98
Maintenance and Repairs	4,775.09
Memberships	1,388.90
Mileage	2,400.00
Office Expense and Postage	2,158.93
Payroll Taxes	1,772.40
Professional Fees	3,146.46
Returned Checks	1,461.10
Salaries	19,800.00
Utilities	2,912.91
Garbage Contract	23,643.00
Water Purchases	62,999.92
Total Expenditures	<u>155,343.73</u>
Net Ordinary Income from Operations	(4,735.52)
Other Income	
Interest Income	49.96
Miscellaneous Income	461.59
Total Other Income	<u>511.55</u>
Net Change in Fund Balance	(4,223.97)
Fund Balance - beginning of period	475,779.86
Fund Balance - end of period	<u><u>\$ 471,555.89</u></u>

Town of Randlett and Public Trust
Randlett, Oklahoma

Budgetary Comparison Schedule
General and Other Significant Funds
For the Fiscal Year Ended June 30, 2011
(Unaudited)

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Combined Budgetary Fund Balances	99,782.00	99,782.00	0.00
Resources (Inflows)			
Taxes:			
Alcoholic Beverage	8,000.00	7,077.00	(923.00)
Cigarette			0.00
Sales			0.00
Use			0.00
Gasoline Excise	900.00	917.00	17.00
Motor Vehicle	2,500.00	2,601.00	101.00
Total Taxes	11,400.00	10,595.00	(805.00)
PWA Charges	150,000.00	150,608.00	608.00
Other:			
Other Income	500.00	987.00	487.00
Total Current Year Receipts	161,900.00	162,190.00	290.00
Amounts available for Appropriation	261,682.00	261,972.00	290.00
Charges to Appropriations (Outflows):			
Utility Services:			
Maintenance and Operations	213,000.00	155,344.00	(57,656.00)
General Government:			
Personal Services	5,000.00	120.00	(4,880.00)
Maintenance and Operations	25,000.00	10,616.00	(14,384.00)
Capital Outlay	15,000.00	5,692.00	(9,308.00)
Total Charges to Appropriations	258,000.00	171,772.00	(86,228.00)
Ending Combined Budgetary Fund Balances	3,682.00	90,200.00	86,518.00

Town of Randlett and PublicTrust
Randlett, Oklahoma

Exhibit 4

Schedule of Grant Activity
For the Fiscal Year Ended June 30, 2010
(Unaudited)

	Beginning of Year Fund Balance	Current Year Receipts	Current Year Disbursements	End of Year Fund Balance
TOWN OF RANDLETT:				
REAP	\$0.00	\$22,500.00	\$22,500.00	\$0.00