

**INDEPENDENT ACCOUNTANTS REPORT  
TOWN OF SCHULTER, OKLAHOMA  
JUNE 30, 2012**

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# Ralph Osborn

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## Independent Accountant's Report

To the specified Users of the Report:

Town Council, Town of Schulter  
Schulter, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances - Cash Basis of the Town of Schulter, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund - Cash Basis, for the fiscal year ended June 30, 2012 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 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, 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 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, 2012. Management of the Town of Schulter is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the

attestation standards established by the American Institute of Certified Public Accountants. 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 of for any other purpose.

#### Procedures and Finding

As to the Town of Schulter as and for the fiscal year ended June 30, 2012:

1. Procedures Performed: From the Town's trial balances, I prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: I found no instances of noncompliance.

2. Procedures Performed: From the Town's trial balances, I prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: I found no instances of noncompliance.

3. Procedures Performed: I agreed the Town's material bank account balances to bank statements, and traced timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not been cleared.

Findings: I found no instances of noncompliance.

4. Procedures Performed: I compared the Town's uninsured deposits to fair market value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: I found no uninsured or uncollateralized deposits.

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

Findings: I found no instances of noncompliance.

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: I found no instances of noncompliance.

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: I found no instances of noncompliance.

As to the Town of Schuller Grant Programs, as of and for the fiscal year ended June 30, 2012:

1. Procedures Performed: From the Town's trial balances, I prepared schedules of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

Findings: I found no instances of noncompliance.

I was not engaged to and did not conduct an examination, the object 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.

Sincerely,

*Ralph Osborn*

Ralph Osborn

TOWN OF SCHULTER  
SCHULTER, OKLAHOMA  
SUMMARY OF CHANGES IN FUND BALANCE  
CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)

	Beginning of Year Fund <u>Balances</u>	Current Year <u>Receipts</u>	Interfund <u>Transfers</u>	Prior Year <u>Disbursements</u>	Current Year <u>Disbursements</u>	End of Year <u>Fund Balances</u>
General Fund	\$ 114,179	\$ 18,140	\$ (3,449)	\$ -	\$ (12,254)	\$ 116,616
Street and Alley Fund	<u>-</u>	<u>26,056</u>	<u>3,449</u>	<u>-</u>	<u>(25,282)</u>	<u>4,223</u>
Overall Totals	<u>\$ 114,179</u>	<u>\$ 44,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,536)</u>	<u>\$ 120,839</u>

Please see accompanying Accountants Reports.

TOWN OF SCHULTER  
SCHULTER, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
CASH BASIS  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(UNAUDITED)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Beginning Budgetary Fund Balance:	\$ 114,179	\$ 114,179	\$ 114,179	\$ -
Resources (Inflows):				
Taxes	23,460	23,460	22,381	(1,079)
Grant	-	-	18,883	18,883
Miscellaneous	-	-	2,695	2,695
Interest Income	-	-	237	237
Total Inflows	23,460	23,460	44,196	20,736
Amounts Available for Appropriation	\$ 137,639	\$ 137,639	\$ 158,375	\$ 20,736
Charges to Appropriations (Outflows):				
General Government:				
Maintenance, Operations, Repairs	37,200	37,200	15,205	21,995
Capital Outlay	22,000	22,000	22,331	(331)
Total General Government	59,200	59,200	37,536	21,664
Total Charges to Appropriations	59,200	59,200	37,536	21,664
Ending Budgetary Fund Balance:	\$ 78,439	\$ 78,439	\$ 120,839	\$ 42,400

Please see accompanying Accountants Reports.

TOWN OF SCHULTER, OKLAHOMA  
 EASTERN OKLAHOMA DEVELOPMENT DISTRICT GRANT  
 REVENUE AND EXPENDITURES COMPARED WITH BUDGET  
 CASH BASIS  
 YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Cumulative 06/30/11</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
EODD Funds	\$ 18,883	\$ -	\$ 18,883	\$ 18,883	\$ -
Matching Funds	<u>3,449</u>	<u>-</u>	<u>3,449</u>	<u>3,449</u>	<u>-</u>
Total Income	22,332	-	22,332	22,332	-
<u>Expenditures</u>					
Street Improvements	<u>22,332</u>	<u>-</u>	<u>22,332</u>	<u>22,332</u>	<u>-</u>
Total Expenditures	22,332	-	22,332	22,332	-
<u>Revenue Over (Under) Expenditures</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Please see accompanying Accountants Reports.