

**TOWN OF STRATFORD and PUBLIC TRUSTS
STRATFORD, OKLAHOMA**

Agreed Upon Procedures
June 30, 2012

With Independent Accountant's Report Thereon

JOHNSTON & BRYANT

Certified Public Accountants

Pete Johnston, C.P.A.
Allen Bryant, Jr., C.P.A.

P.O. Box 1564
Ada, Oklahoma 74821-1564
(580) 332-5549

MEMBER
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

Independent Accountant's Report

Town Council
Town of Stratford and Public Trusts
Stratford, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Stratford and Public Trusts, Stratford, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund-Cash Basis; Statement of Revenues, Expenses and Changes in Fund Balance of the Public Works Authority-Cash Basis; and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2012. 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. 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 cash 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 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 the financial statements prepared on the cash basis of accounting and budget laws of the State of Oklahoma. If 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 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 Stratford 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 in Oklahoma Statutes 11-17 (105-107) and 60-80.1-3. The sufficiency of the procedures is solely the responsibility of those parties specified in the 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 Stratford** as of and for the fiscal year ended June 30, 2012:

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 non compliance.

Findings: None

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 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 limitations.

Findings: None.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items that have not cleared.

Findings: None

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: The Town's deposits were properly insured and collateralized.

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

Findings: None

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: None

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: None

As to the **Stratford Public Works Authority**, as of and for the fiscal year ended June 30, 2012:

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: None

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 or unusual instances or reconciling items that have not cleared.

Findings: None

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: The Authority's deposits in excess of FDIC Limits were properly collateralized.

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: None

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: None

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: None

As to the **Stratford Industrial Authority**, as of and for the fiscal year ended June 30, 2012:

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 4) and compared the schedule results to the applicable prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

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 or reconciling items that have not cleared.

Findings: None

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: The Authority's deposits did not exceed FDIC Limits.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of compliance.

Findings: None

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: None

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: N/A

As to the **Town of Stratford and Public Trusts Grant Programs**, as of and for the fiscal year ended June 30, 2012:

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 5) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

We were not engaged to and did not conduct an examination, the object 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.

January 24, 2013

A handwritten signature in cursive script that reads "Johnston & Bryant". The signature is written in black ink and is positioned to the right of the date.

Town of Stratford and Public Trusts
Stratford, Oklahoma

Summary of Changes in Fund Balance- Cash Basis
 For the Fiscal Year Ended June 30, 2012
 (Unaudited)

	<u>Fund Balance June 30, 2011</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Fund Balance June 30, 2012</u>
Town:				
General Fund	\$ 190,760	\$ 720,228	\$ 636,984	\$ 274,004
Library Fund	57,387	9,079	7,909	58,557
Cemetary Fund	11,754	4,291	-	16,045
Grant Fund	7,232	274,149	280,289	1,092
Town Sub-Totals	<u>267,133</u>	<u>1,007,747</u>	<u>925,182</u>	<u>349,698</u>
Public Works Authority:				
Gross Revenue Fund	320,532	395,038	330,217	385,353
Meter Deposit Fund	49,387	12,755	9,824	52,318
PWA Sub-Totals	<u>369,919</u>	<u>407,793</u>	<u>340,041</u>	<u>437,671</u>
Industrial Authority:				
General Fund	1,678	11,000	9,103	3,575
	<u>1,678</u>	<u>11,000</u>	<u>9,103</u>	<u>3,575</u>
Overall Totals	<u>\$ 638,730</u>	<u>\$ 1,426,540</u>	<u>\$ 1,274,326</u>	<u>\$ 790,944</u>

See accompanying accountants report.

**Town of Stratford and Public Trusts
Stratford, Oklahoma**

Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	Budgetary Amounts			
	Original	Final	Actual	Variance
Beginning Budgetary Fund Balance	\$ 185,000	\$ 185,000	\$ 190,760	\$ 5,760
Resources (Inflows):				
Taxes:				
Sales and Use Tax	350,000	350,000	423,178	73,178
Other Misc. Taxes	-	-	24,565	24,565
Franchise Tax	45,000	45,000	48,060	3,060
Total Taxes	395,000	395,000	495,803	100,803
Intergovernmental:				
Gasoline and Motor Vehicle Grant Income	12,500	12,500	12,098	(402)
Alcoholic Beverage	9,000	9,000	10,709	1,709
Total Intergovernmental	21,500	21,500	22,807	1,307
Fines and Forfeitures:				
Court Fines	60,000	60,000	81,928	21,928
Investment Income	800	800	1,221	421
Miscellaneous Income	95,000	95,000	118,469	23,469
Other Financing Sources				
Transfers From Other Funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Amounts Available for Appropriations	757,300	757,300	910,988	153,688
Charges to Appropriations (Outflows):				
Personal Services	368,260	355,760	336,909	18,851
Maintenance and Operations	290,000	297,500	295,343	2,157
Total Expenditures	658,260	653,260	632,252	21,008
Other Financing Uses:				
Transfers to Other Funds	-	(5,000)	(4,732)	(268)
Total Uses Financing Sources	-	(5,000)	(4,732)	(268)
Total Charges to Appropriations	658,260	658,260	636,984	21,276
	\$ 99,040	\$ 99,040	\$ 274,004	\$ 174,964

See accompanying accountants report.

Town of Stratford and Public Trusts
Stratford Public Works Authority
Stratford, Oklahoma

Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis
Year Ended June 30, 2012
(Unaudited)

Operating Revenues	
Charges for Service	
Water	\$ 182,317
Sewer	87,420
Sanitation	123,498
Other	621
Total Operating Revenue	<u>393,856</u>
Operating Expenses	
Personal Services	139,679
Maintenance & Operations	190,537
Total Operating Expenses	<u>330,216</u>
Net Operating Income (Loss)	63,640
Non-Operating Revenue (Expense):	
Sales of Assets	-
Interest Income	1,130
Debt Service	-
Net Non-Operating Revenue (Expense)	<u>1,130</u>
Net Income Before Transfers	64,770
Other Financing Sources (Uses)	
Operating Transfers In	51
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>51</u>
Net Income	64,821
Fund Balance- Beginning	<u>320,532</u>
Fund Balance- Ending	<u>\$ 385,353</u>

See accompanying accountants report

Town of Stratford and Public Trusts
Stratford Industrial Authority
Stratford, Oklahoma

Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis
Year Ended June 30, 2012
(Unaudited)

Operating Revenue:	
Charges for Services	
Rent	\$ 11,000
Total Operating Revenue	<u>11,000</u>
Operating Expenses	
Personal Services	-
Maintenance & Operations	493
Total Operating Expenses	<u>493</u>
Net Operating Income (Loss)	10,507
Non-Operating Revenue (Expense):	
Miscellaneous	-
Debt Service Costs	(8,610)
Construction Costs	-
Net Non-Operating Revenue (Expense)	<u>(8,610)</u>
Net Income Before Transfers	1,897
Other Financing Sources (Uses)	
Operating Transfers In	-
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>-</u>
Net Income	1,897
Fund Balance- Beginning	<u>1,678</u>
Fund Balance- Ending	<u>\$ 3,575</u>

See accompanying accountants report

Town of Stratford and Public Trusts
Stratford, Oklahoma
 Schedule of Grant Activity-Cash Basis
 Year Ended June 30, 2012
 (Unaudited)

	Beginning of Year Unexpanded Grant Funds	Current Year Receipts	Current Year Disbursements	Beginning of Year Unexpanded Grant Funds
Town:				
REAP GRANT CIP-10302	\$ -	\$ 30,000	\$ 30,000	\$ -
OHFA-Home-1347	-	235,485	235,485	-
Town Sub-Totals	<u>-</u>	<u>265,485</u>	<u>265,485</u>	<u>-</u>
Public Works Authority:				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PWA Sub-Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Industrial Authority				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ -</u>	<u>\$ 265,485</u>	<u>\$ 265,485</u>	<u>\$ -</u>