

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

Agreed Upon Procedures
June 30, 2013

With Independent Accountant's Report Thereon

JOHNSTON & BRYANT

Certified Public Accountants

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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 related Public Trusts, the Budgetary Comparison Schedule-Cash Basis-General Fund, Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis-Stratford Public Works Authority, Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis- Stratford Industrial Authority and the Schedule of Grant Activity- Cash Basis for the year ended June 30, 2013. The financial statements and schedules have been prepared in a format and basis accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes 11-17-105.107 and 60-180-1-.3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and schedules in accordance with the cash basis of accounting and applicable Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and schedules.

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 and schedules, in order to meet the requirements of applicable Oklahoma Statutes, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

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 and Public Trusts in meeting its financial accountability requirements as prescribed by Oklahoma Law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. 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 60-180-1-3. 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, 2013:

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: No instances of noncompliance

2. **Procedures Performed:** From the Town's trial balances, we prepared a cash basis 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: The town spent \$9,735 in maintenance and operations in the general fund more than had been appropriated and did not file a budget supplement.

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: No significant or unusual reconciling items were noted that did not clear on a timely basis.

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: No instances of noncompliance were noted.

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 instances of noncompliance were noted.

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: No instances of noncompliance were noted.

As to the **Stratford Public Works Authority**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net position 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: No instances of noncompliance were noted.

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: No instances of noncompliance were noted.

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: No instances of noncompliance were noted.
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 instances of noncompliance were noted.
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: No instances of noncompliance were noted.

As to the **Stratford Industrial Authority**, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net position 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: No instances of noncompliance were noted.
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: No instances of noncompliance were noted.
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: No instances of noncompliance were noted.

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 instances of noncompliance were noted.

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, 2013:

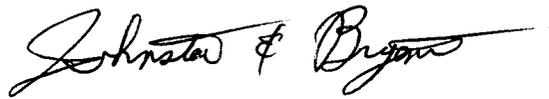
1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 5) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No instances of noncompliance were noted.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on compliance and an opinion on the related financial statements and schedules. 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.

February 7, 2014

A handwritten signature in black ink, appearing to read "Johnata & Bryan". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Town of Stratford and Public Trusts
Stratford, Oklahoma
 Summary of Changes in Fund Balance- Cash Basis
 For the Fiscal Year Ended June 30, 2013
 (Unaudited)

	Fund Balance <u>June 30, 2012</u>	Current Year Receipts	Current Year Disbursements	Fund Balance <u>June 30, 2013</u>
Town:				
General Fund	\$ 274,004	\$ 687,487 ✓	\$ 654,574	\$ 306,917
Library Fund	58,557	11,494 ✓	11,323	58,728
Cemetary Fund	16,045	2,083	-	18,128
Grant Fund	1,092	91,100	25,217	66,975
Town Sub-Totals	<u>349,698</u>	<u>792,164</u>	<u>691,114</u>	<u>450,748</u>
Public Works Authority:				
Gross Revenue Fund	385,353	483,344	386,446	482,251
Meter Deposit Fund	52,318	13,993	11,607	54,704
PWA Sub-Totals	<u>437,671</u>	<u>497,337</u>	<u>398,053</u>	<u>536,955</u>
Industrial Authority:				
General Fund	3,575	12,200	13,627	2,148
	<u>3,575</u>	<u>12,200</u>	<u>13,627</u>	<u>2,148</u>
Overall Totals	<u>\$ 790,944</u>	<u>\$ 1,301,701</u>	<u>\$ 1,102,794</u>	<u>\$ 989,851</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, 2013
(Unaudited)

	Budgetary Amounts			
	Original	Final	Actual	Variance
Beginning Budgetary Fund Balance	\$ 185,000	\$ 185,000	\$ 274,004	\$ 89,004
Resources (Inflows):				
Taxes:				
Sales and Use Tax	350,000	350,000	396,557	46,557
Other Misc. Taxes	-	-	25,094	25,094
Franchise Tax	46,000	46,000	40,852	(5,148)
Total Taxes	396,000	396,000	462,503	66,503
Intergovernmental:				
Gasoline and Motor Vehicle Grant Income	12,500	12,500	14,713	2,213
Alcoholic Beverage	9,000	9,000	11,224	2,224
Total Intergovernmental	21,500	21,500	25,937	4,437
Fines and Forfeitures:				
Court Fines	61,000	61,000	95,711	34,711
Investment Income	800	800	942	142
Miscellaneous Income	120,700	120,700	101,010	(19,690)
Other Financing Sources				
Transfers From Other Funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Amounts Available for Appropriations	785,000	785,000	960,107	175,107
Charges to Appropriations (Outflows):				
Personal Services	365,060	326,100	326,026	74
Maintainance and Operations	278,500	315,360	325,095	(9,735)
Total Expenditures	643,560	641,460	651,121	(9,661)
Other Financing Uses:				
Transfers to Other Funds	-	(2,100)	(2,069)	(31)
Total Uses Financing Sources	-	(2,100)	(2,069)	(31)
Total Charges to Appropriations	643,560	643,560	653,190	(9,630)
	\$ 141,440	\$ 141,440	\$ 306,917	\$ 165,477

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, 2013
(Unaudited)

Operating Revenues	
Charges for Service	
Water	\$ 241,825
Sewer	114,559
Sanitation	125,078
Other	966
Total Operating Revenue	<u>482,428</u>
Operating Expenses	
Personal Services	202,998
Maintenance & Operations	183,447
Total Operating Expenses	<u>386,445</u>
Net Operating Income (Loss)	95,983
Non-Operating Revenue (Expense):	
Sales of Assets	-
Interest Income	915
Debt Service	-
Net Non-Operating Revenue (Expense)	<u>915</u>
Net Income Before Transfers	96,898
Other Financing Sources (Uses)	
Operating Transfers In	-
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>-</u>
Net Income	96,898
Fund Balance- Beginning	<u>385,353</u>
Fund Balance- Ending	<u>\$ 482,251</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, 2013
(Unaudited)

Operating Revenue:	
Charges for Services	
Rent	\$ 12,000
Total Operating Revenue	<u>12,000</u>
Operating Expenses	
Personal Services	-
Maintenance & Operations	13,627
Total Operating Expenses	<u>13,627</u>
Net Operating Income (Loss)	<u>(1,627)</u>
Non-Operating Revenue (Expense):	
Miscellaneous	200
Debt Service Costs	-
Construction Costs	-
Net Non-Operating Revenue (Expense)	<u>200</u>
Net Income Before Transfers	<u>(1,427)</u>
Other Financing Sources (Uses)	
Operating Transfers In	-
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>-</u>
Net Income	<u>(1,427)</u>
Fund Balance- Beginning	<u>3,575</u>
Fund Balance- Ending	<u>\$ 2,148</u>

See accompanying accountants report

Town of Stratford and Public Trusts
Stratford, Oklahoma
 Schedule of Grant Activity-Cash Basis
 Year Ended June 30, 2013
 (Unaudited)

	<u>Beginning of Year Unexpanded Grant Funds</u>	<u>Current Year Reciepts</u>	<u>Current Year Disbursements</u>	<u>Beginning of Year Unexpanded Grant Funds</u>
Town:				
Private Donation for Library	\$ -	\$ 91,100	\$ 25,218	\$ 65,882
Town Sub-Totals	<u>-</u>	<u>91,100</u>	<u>25,218</u>	<u>65,882</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>\$ 91,100</u>	<u>\$ 25,218</u>	<u>\$ 65,882</u>

See accompanying accountants report.