

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

Agreed Upon Procedures
June 30, 2011

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 Public Trusts, Stratford, Oklahoma as of June 30, 2011 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, Statement of Revenues, Expenses, and Changes in Fund Balance of the Industrial Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis 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 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 the management. We 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; 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 and Public Trusts 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 Stratford 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 fieldwork and reporting standards applicable to attestation engagements as contained in *Government Auditing Standards* of the Comptroller General of the United States of America. 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 Stratford** 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 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 did not exceed FDIC limits.

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, 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: 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, 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 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, 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 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 compliance. 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.

June 8, 2012

A handwritten signature in cursive script that reads "Johnston & Bryson". 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, 2011
(Unaudited)

	<u>Fund Balance June 30, 2010</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Fund Balance June 30, 2011</u>
Town:				
General Fund	\$ 185,748	\$ 644,050	\$ 639,038	\$ 190,760
Library Fund	60,004	8,351	10,968	57,387
Cemetary Fund	9,859	1,895	-	11,754
Grant Fund	1,112	16,120	10,000	7,232
Town Sub-Totals	<u>256,723</u>	<u>670,416</u>	<u>660,006</u>	<u>267,133</u>
Public Works Authority:				
Gross Revenue Fund	297,778	357,157	334,403	320,532
Meter Deposit Fund	49,702	12,614	12,929	49,387
PWA Sub-Totals	<u>347,480</u>	<u>369,771</u>	<u>347,332</u>	<u>369,919</u>
Industrial Authority:				
General Fund	1,816	9,321	9,459	1,678
	<u>1,816</u>	<u>9,321</u>	<u>9,459</u>	<u>1,678</u>
Overall Totals	<u>\$ 606,019</u>	<u>\$ 1,049,508</u>	<u>\$ 1,016,797</u>	<u>\$ 638,730</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, 2011
 (Unaudited)

	Budgetary Amounts			
	Original	Final	Actual	Variance
Beginning Budgetary Fund Balance	\$ 225,000	\$ 225,000	\$ 185,748	\$ (39,252)
Resources (Inflows):				
Taxes:				
Sales and Use Tax	375,000	375,000	353,468	(21,532)
Other Misc. Taxes	-	-	590	590
Franchise Tax	41,000	41,000	42,070	1,070
Total Taxes	<u>416,000</u>	<u>416,000</u>	<u>396,128</u>	<u>(19,872)</u>
Intergovernmental:				
Gasoline and Motor Vehicle	14,000	14,000	14,400	400
Grant Income	-	-	10,000	10,000
Alcoholic Beverage	8,500	8,500	9,829	1,329
Total Intergovernmental	<u>22,500</u>	<u>22,500</u>	<u>34,229</u>	<u>11,729</u>
Fines and Forfeitures:				
Court Fines	<u>101,000</u>	<u>101,000</u>	<u>80,229</u>	<u>(20,771)</u>
Investment Income	<u>1,500</u>	<u>1,500</u>	<u>849</u>	<u>(651)</u>
Miscellaneous Income	<u>114,000</u>	<u>114,000</u>	<u>132,615</u>	<u>18,615</u>
Other Financing Sources				
Transfers From Other Funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts Available for Appropriations	<u>880,000</u>	<u>880,000</u>	<u>829,798</u>	<u>(50,202)</u>
Charges to Appropriations (Outflows):				
Personal Services	317,760	342,760	338,406	4,354
Maintenance and Operations	398,240	363,240	291,311	71,929
Total Expenditures	<u>716,000</u>	<u>706,000</u>	<u>629,717</u>	<u>76,283</u>
Other Financing Uses:				
Transfers to Other Funds	-	(10,000)	(9,321)	(679)
Total Uses Financing Sources	<u>-</u>	<u>(10,000)</u>	<u>(9,321)</u>	<u>(679)</u>
Total Charges to Appropriations	<u>716,000</u>	<u>716,000</u>	<u>639,038</u>	<u>76,962</u>
	<u>\$ 164,000</u>	<u>\$ 164,000</u>	<u>\$ 190,760</u>	<u>\$ 26,760</u>

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, 2011
(Unaudited)

Operating Revenues	
Charges for Service	
Water	\$ 150,925
Sewer	75,397
Sanitation	126,884
Other	-
Total Operating Revenue	<u>353,206</u>
Operating Expenses	
Personal Services	113,915
Maintenance & Operations	220,488
Total Operating Expenses	<u>334,403</u>
Net Operating Income (Loss)	<u>18,803</u>
Non-Operating Revenue (Expense):	
Sales of Assets	-
Interest Income	3,952
Debt Service	-
Net Non-Operating Revenue (Expense)	<u>3,952</u>
Net Income Before Transfers	<u>22,755</u>
Other Financing Sources (Uses)	
Operating Transfers In	-
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>-</u>
Net Income	<u>22,755</u>
Fund Balance- Beginning	<u>297,777</u>
Fund Balance- Ending	<u>\$ 320,532</u>

See accompanying accountants report
(9)

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, 2011
(Unaudited)

Operating Revenue:	
Charges for Services	
Rent	\$ -
Total Operating Revenue	<u>-</u>
Operating Expenses	
Personal Services	-
Maintenance & Operations	1,759
Total Operating Expenses	<u>1,759</u>
Net Operating Income (Loss)	(1,759)
Non-Operating Revenue (Expense):	
Miscellaneous	-
Debt Service Costs	(7,700)
Construction Costs	-
Net Non-Operating Revenue (Expense)	<u>(7,700)</u>
Net Income Before Transfers	(9,459)
Other Financing Sources (Uses)	
Operating Transfers In	9,321
Operating Transfers (Out)	-
Total Other Financing Sources (Uses)	<u>9,321</u>
Net Income	(138)
Fund Balance- Beginning	<u>1,816</u>
Fund Balance- Ending	<u>\$ 1,678</u>

See accompanying accountants report

Town of Stratford and Public Trusts
Stratford, Oklahoma
Schedule of Grant Activity-Cash Basis
Year Ended June 30, 2011
(Unaudited)

	Beginning of Year Unexpanded Grant Funds	Current Year Receipts	Current Year Disbursements	Beginning of Year Unexpanded Grant Funds
Town:				
Justic Assistance Grant				
Grant Number JR09-087	\$	\$ 10,000	\$ 10,000	\$
OHFA-Home-1347	-	6,120	6,120	-
Town Sub-Totals	-	16,120	16,120	-
Public Works Authority:				
None	-	-	-	-
PWA Sub-Totals	-	-	-	-
Industrial Authority				
None	-	-	-	-
Overall Totals	\$ -	\$ 16,120	\$ 16,120	\$ -

See accompanying accountants report.