

Town of Taloga

Taloga, Oklahoma

Agreed Upon Procedures

And Accompanying

Independent Auditor's Report

For The Year Ended

June 30, 2016



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Taloga
Taloga, Oklahoma

Trustees of the Taloga Public Works Authority
Taloga, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Taloga and the Taloga Public Works Authority, which comprise the Statement of Changes in Unrestricted Fund Balances (Cash Basis), the Budgetary Comparison Schedule-Cash Basis for the General Fund, the Budgetary Comparison Schedule-Cash Basis for the Fire Fund, the Budgetary Comparison Schedule-Cash Basis for the Ambulance Fund, the Budgetary Comparison Schedule-Cash Basis for the REAP Grant Fund, the Budgetary Comparison Schedule Cash Basis for the OWRB Grant Fund, the Public Works Balance Sheet, and the Statement of Revenues, Expenses, and Changes in Fund Balance for the Taloga Public Works Authority, and The Schedule of Grants for the Town of Taloga, for the fiscal year ended June 30, 2016, in accordance with accounting principles accepted in the State of Oklahoma for municipalities meeting the criteria for Agreed Upon Procedures. 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 did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express, an opinion, a conclusion, nor provide any form of assurance on these financial statements.

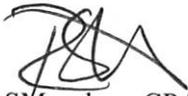
Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities,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

We have performed the procedures enumerated within Appendix A and Appendix B 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 of Taloga (the Town) and

the Taloga Public Works Authority (the Authority) 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, 2016. Management of the Town of Taloga 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 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, we make no representation regarding the sufficiency of the procedures described in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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.



RSMeacham CPAs & Advisors
October 28, 2016

**Town of Taloga, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Town of Taloga as of and for the fiscal year ended June 30, 2016:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I, no instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibits II-V, no instances of noncompliance noted.

- III. Agree 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 of noncompliance noted.

- IV. Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare 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 noted.

- VII. Compare 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 noted. The Town has no debt reserve requirements at this time.

- VIII. Prepare a schedule of grant receipts and expenditures.

Findings: See Exhibit IX. No instances of noncompliance noted.

**Taloga, Oklahoma Public Works Authority
Procedures and Findings
For the Year Ended June 30, 2016**

As to the Taloga Public Works Authority, as of and for the year ended June 30, 2016:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I, VI, & VII, no instances of noncompliance noted.

- II. Agree 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 of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. Compare 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 noted.

- V. Compare 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 noted.

- VI. Compare 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 noted. The PWA has no debt reserve requirements at this time.

- VII. Prepare a cash basis balance sheet for the Authority.

Findings: See Exhibit VI

- VIII. Prepare a schedule of grant receipts and expenditures.

Findings: See Exhibit IX. No instances of noncompliance noted.

**TOWN OF TALOGA, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES (CASH)
FOR THE YEAR ENDED JUNE 30, 2016**

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN (GAAP):			
General Fund	\$ 459,708	\$ (52,060)	\$ 407,648
Street & Alley Fund	18,865	984	19,849
Fire Fund	211,546	9,922	221,468
Ambulance Fund	185,589	(1,668)	183,921
Park Fund	2,492	(1,991)	501
Municipal Court Fund	340	105	445
Reap Fund	1	-	1
CDBG Fund	-	-	-
TOWN TOTAL	<u>878,541</u>	<u>(44,708)</u>	<u>833,833</u>
TALOGA PUBLIC WORKS AUTHORITY			
PWA	424,474	13,096	437,570
Meter Fund	12,723	(1,323)	11,400
Polycart Fund	4,305	250	4,555
PWA TOTAL	<u>441,502</u>	<u>12,023</u>	<u>453,525</u>

TOWN OF TALOGA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 212,622	\$ 212,622	\$ 459,708	\$ 247,086
Resources (Inflows):				
Taxes:				
Sales tax	36,614	36,614	41,234	4,620
Use tax	1,012	1,012	903	(109)
Tobacco tax	650	650	688	38
Total Taxes	<u>38,276</u>	<u>38,276</u>	<u>42,825</u>	<u>4,549</u>
Intergovernmental:				
Alcoholic beverage tax	10,644	10,644	11,599	955
Franchise tax	15,000	15,000	11,524	(3,476)
Total Intergovernmental	<u>25,644</u>	<u>25,644</u>	<u>23,123</u>	<u>(2,521)</u>
Fines and Forfeitures				-
Investment Income	-	-	8,591	8,591
Gas Tax	858	858	906	48
Miscellaneous Income	13,050	13,050	9,413	(3,637)
Transfers from other funds	82,800	82,800	82,800	-
Total current year resources	<u>160,628</u>	<u>160,628</u>	<u>167,658</u>	<u>7,030</u>
Amounts available for appropriation	<u>\$ 373,250</u>	<u>\$ 373,250</u>	<u>\$ 627,366</u>	<u>\$ 254,116</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	172,036	183,866	182,932	934
Materials and supplies	6,000	6,000	2,381	3,619
Other services and charges	34,500	29,500	31,234	(1,734)
Capital outlay	10,000	3,170	3,170	-
Total General Government	<u>222,536</u>	<u>222,536</u>	<u>219,718</u>	<u>2,818</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>222,536</u>	<u>222,536</u>	<u>219,718</u>	<u>2,818</u>
Change in Fund Balance	(61,908)	(61,908)	(52,060)	9,848
Ending Budgetary Fund Balance	<u>150,714</u>	<u>150,714</u>	<u>407,648</u>	<u>256,934</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>407,648</u>	

TOWN OF TALOGA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 FIRE FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 218,367	\$ 218,367	\$ 211,546	\$ (6,821)
Resources (Inflows):				
Taxes:				
Sales tax	10,299	10,299	10,281	(18)
Total Taxes	<u>10,299</u>	<u>10,299</u>	<u>10,281</u>	<u>(18)</u>
Fire Runs	-	-	-	-
Investment Income	15	15	1,228	1,213
Gas Tax	200	200	227	27
Miscellaneous Income	15,600	15,600	22,885	7,285
Grants-Other	-	-	4,290	4,290
Total current year resources	<u>26,114</u>	<u>26,114</u>	<u>38,911</u>	<u>12,797</u>
Amounts available for appropriation	<u>\$ 244,481</u>	<u>\$ 244,481</u>	<u>\$ 250,457</u>	<u>\$ 5,976</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	-	-	-	-
Materials and supplies	28,000	28,000	12,149	15,851
Other services and charges	17,800	17,800	16,840	960
Capital outlay	8,000	8,000	-	8,000
Total General Government	<u>53,800</u>	<u>53,800</u>	<u>28,989</u>	<u>24,811</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>53,800</u>	<u>53,800</u>	<u>28,989</u>	<u>24,811</u>
Change in Fund Balance	(27,686)	(27,686)	9,922	37,608
Ending Budgetary Fund Balance	<u>190,681</u>	<u>190,681</u>	<u>221,468</u>	<u>30,787</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>221,468</u>	

**TOWN OF TALOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
AMBULANCE FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 183,190	\$ 183,190	\$ 185,589	\$ 2,399
Resources (Inflows):				
Taxes:				
Sales tax	15,000	15,000	10,281	(4,719)
Total Taxes	<u>15,000</u>	<u>15,000</u>	<u>10,281</u>	<u>(4,719)</u>
Ambulance runs	5,000	5,000	8,286	3,286
Investment Income	-	-	1,103	1,103
Gas Tax	200	200	227	27
Miscellaneous Income	430	430	230	(200)
Total current year resources	<u>20,630</u>	<u>20,630</u>	<u>20,127</u>	<u>(503)</u>
Amounts available for appropriation	<u>\$ 203,820</u>	<u>\$ 203,820</u>	<u>\$ 205,716</u>	<u>\$ 1,896</u>
Charges to Appropriations (Outflows):				
General government:				
Other services and charges	18,800	18,800	15,731	3,069
Capital outlay	8,000	8,000	6,064	1,936
Total General Government	<u>26,800</u>	<u>26,800</u>	<u>21,795</u>	<u>5,005</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>26,800</u>	<u>26,800</u>	<u>21,795</u>	<u>5,005</u>
Change in Fund Balance	(6,170)	(6,170)	(1,668)	4,502
Ending Budgetary Fund Balance	<u>177,020</u>	<u>177,020</u>	<u>183,921</u>	<u>6,901</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>183,921</u>	

TOWN OF TALOGA, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 REAP FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1	\$ 1	\$ 1	\$ -
Resources (Inflows):				
Grants - OEDA 14-24A	56,460	56,460	49,156	(7,304)
Grants - OWRB FAP-13-003-R	95,000	95,000	95,000	-
Total Revenues	<u>151,460</u>	<u>151,460</u>	<u>144,156</u>	<u>(7,304)</u>
Total current year resources	<u>151,460</u>	<u>151,460</u>	<u>144,156</u>	<u>(7,304)</u>
Amounts available for appropriation	<u>\$ 151,461</u>	<u>\$ 151,461</u>	<u>\$ 144,157</u>	<u>\$ (7,304)</u>
Charges to Appropriations (Outflows):				
General government:				
Grant expenditures	151,460	151,460	144,156	7,304
Total General Government	<u>151,460</u>	<u>151,460</u>	<u>144,156</u>	<u>7,304</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>151,460</u>	<u>151,460</u>	<u>144,156</u>	<u>7,304</u>
Change in Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>1</u>	

**TOWN OF TALOGA, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
CDBG
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Grants-CDBG #15872	20,848	20,848	20,848	-
Total Revenues	<u>20,848</u>	<u>20,848</u>	<u>20,848</u>	<u>-</u>
Total current year resources	<u>20,848</u>	<u>20,848</u>	<u>20,848</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 20,848</u>	<u>\$ 20,848</u>	<u>\$ 20,848</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):				
General government:				
Grant expenditures	20,848	20,848	20,848	-
Total General Government	<u>20,848</u>	<u>20,848</u>	<u>20,848</u>	<u>-</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>20,848</u>	<u>20,848</u>	<u>20,848</u>	<u>-</u>
Change in Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	<u><u>1</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
OTHER ACCRUALS			-	
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u><u>-</u></u>	

Exhibit VII

TALOGA PUBLIC WORKS AUTHORITY, TALOGA, OKLAHOMA
 BALANCE SHEET-CASH BASIS
 JUNE 30, 2016

	<u>2016</u>
ASSETS	
Current assets:	
Cash, including time deposits	<u>\$ 437,570</u>
Total current assets	<u>437,570</u>
Total assets	<u><u>437,570</u></u>
LIABILITIES	
Total liabilities	<u>-</u>
FUND BALANCE	
Unrestricted	<u>437,570</u>
Fund Balance	<u><u>437,570</u></u>

See accountant's report.

**TALOGA PUBLIC WORKS AUTHORITY TALOGA, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016**

Operating Revenues:	<u>2016</u>
Charges for services:	
Water	99,290
Sewer	29,807
Sanitation	59,604
Gas	98,525
Other	8,169
Total Operating Revenues	<u>295,395</u>
Operating Expenses:	
Administration	57,290
Water	29,833
Sanitation	48,514
Gas	65,661
Total Operating Expenses	<u>201,298</u>
Operating Income	94,097
Non-Operating Revenues:	
Interest	1,799
Total Non-Operating Revenues	<u>1,799</u>
Net Income Before Contributions and Transfers	95,896
Transfers in	-
Transfers out	<u>(82,800)</u>
Change in fund balance	13,096
Fund Balance - beginning	424,474
Fund Balance - ending	<u><u>437,570</u></u>

Exhibit IX

TOWN OF TALOGA, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Grant received from:						
Dept of Agriculture	2015-2016	Fire Grant	4,290	4,290	4,290	-
OEDA REAP 14-24A	2015-2016	Move electric line	56,460	49,156	49,156	-
OWRB REAP Grant No. FAP-13-0003-R	2015-2016	Test well, new well, well house, controls, generator,	95,000	95,000	95,000	-
ODOC CDBG 15872	2015-2016	Water well	20,848	20,848	20,848	-
Total			176,598	169,293	169,293	-

See accountant's report.