

Town of Forgan, Oklahoma

**Independent Accountant's Report on
Applying Agreed Upon Procedures**

For the Year Ended June 30, 2015

PUTNAM & COMPANY, PLLC

**Certified Public Accountants
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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Forgan
Forgan, Oklahoma

Trustees of the Forgan Public Works Authority
Forgan, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Rural Development
Woodward, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balance-Modified Cash Basis of the Town of Forgan and Public Trust, Forgan, Oklahoma as of June 30, 2015, and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Fund-Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Forgan Public Works Authority-Modified Cash Basis, Schedule of Grant Activity-Modified Cash Basis, and Combined Balance Sheet-Modified Cash Basis, for the fiscal year ended June 30, 2015. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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 modified cashbasis 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 modified 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 financial statements prepared in accordance with the modified cash basis of accounting and budget laws of the State of Oklahoma. If the 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 and Public Works 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, 2015. Management of the Town of Forgan 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 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 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 Forgan as of and for the fiscal year ended June 30, 2015:

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 noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) 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 appropriation limitations.

Findings: No exceptions were found as a result of applying the procedure.

Recommendation: The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must also be approved by the County Excise Board.

3. **Procedures Performed:** We agreed 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 exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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

Findings: No instances of non-compliance 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: The Town will prepare and file formal budgets in the future. No other instances of non-compliance 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 non-compliance 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 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.

Putnam & Company

Putnam & Company, PLLC
June 30, 2016

TOWN OF FORGAN, OKLAHOMA
STATEMENT OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Fund Balance 06/30/14	Revenues	Disbursements	Fund Balance 06/30/15
TOWN:				
General Fund	\$48,383	292,664	256,130	84,917
Fire Equipment Fund	7,052	5,484	5,370	7,166
Meter Fund	11,633	2,100	1,350	12,383
Grant Fund #2	0	9,800	9,800	0
Town Subtotal	<u>67,068</u>	<u>310,048</u>	<u>272,650</u>	<u>104,466</u>
PUBLIC TRUST:				
Enterprise Fund - Public Works Authority	266,918	175,714	200,184	242,448
FmHA Reserve of 1978	9,432	0	0	9,432
FmHA Reserve of 1990	4,704	0	0	4,704
Savings Fund	912	1	0	913
Public Trust Subtotal	<u>281,966</u>	<u>175,715</u>	<u>200,184</u>	<u>257,497</u>
Overall Totals	<u>\$349,034</u>	<u>485,763</u>	<u>472,834</u>	<u>361,963</u>

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THE TOWN OF FORGAN, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND AND FIRE EQUIPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund			Fire Equipment Fund		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Taxes	\$106,442	120,766	14,324			0
Licenses and Permits	95	1	(94)			0
Intergovernmental	3,799	3,802	3			0
Charges for Service	51,055	55,249	4,194			0
Fines and Forfeitures	8,670	4,699	(3,971)			0
Interest	0	94	94			0
Grants			0			0
Miscellaneous	8,861	26,925	18,064		5,484	5,484
Total Revenues	178,922	211,536	32,614	0	5,484	5,484
EXPENDITURES :						
Personal Services	118,000	99,028	18,972			0
Maintenance and Operation	165,688	150,749	14,939	7,120	5,438	1,682
Capital Outlay	11,000	9,834	1,166			0
Total Expenditures	294,688	259,611	35,077	7,120	5,438	1,682
Revenues Over/(Under) Expenditures	(115,766)	(48,075)	67,691	(7,120)	46	7,166
OTHER FINANCING SOURCES/(USES):						
Deobligation of Prior Year Funds		3,480	3,480			0
Transfer from Public Works Authority	67,383	81,129	13,746			0
Total Other Financing Sources/(Uses)	67,383	84,609	17,226	0	0	0
Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures	(48,383)	36,534	84,917	(7,120)	46	7,166
Fund Balance, Beginning Balance	48,383	48,383	0	7,120	7,120	0
Fund Balance, Ending Balance	\$0	84,917	84,917	0	7,166	7,166

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**FORGAN PUBLIC WORKS AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - - PROPRIETARY FUND TYPE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

REVENUE:	
Charges for Service:	
Water	\$119,297
Sewer	52,199
Penalties	2,911
Reconnect Fees	350
Meter Tampering Fines	300
Lagoon Fees	0
Interest	108
Miscellaneous	549
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Total Revenue	175,714
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EXPENDITURES:	
Personal Services	64,406
Maintenance & Operation	111,059
Depreciation	8,939
Interest Expense	4,380
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Total Expenditures	188,784
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Excess of Revenue Over (Under) Expenditures	(13,070)
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OTHER FINANCING SOURCES (USES):	
Deobligation of Prior Year Funds	
Principal Retirement	(11,400)
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Total Other Financing Sources (Uses)	(11,400)
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Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(24,470)
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Fund Balance, Beginning of Year	266,918
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Fund Balance, End of Year	<u><u>\$242,448</u></u>

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**TOWN OF FORGAN, OKLAHOMA
 (INCLUDING THE FORGAN PUBLIC WORKS AUTHORITY)
 SCHEDULE OF GRANT ACTIVITY - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2015**

<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Cash/ Beginning Balance at July 1, 2014</u>	<u>Federal Receipts</u>	<u>Federal Expenditures</u>	<u>Cash/ Ending Balance at June 30, 2015</u>
<u>Oklahoma Economic Development Authority OEDA/REAP Contract # 13-10</u>	<u>\$56,460</u>	<u> </u>	<u>9,800</u>	<u>9,800</u>	<u>0</u>
Total Federal Assistance	<u><u>\$56,460</u></u>	<u><u>0</u></u>	<u><u>9,800</u></u>	<u><u>9,800</u></u>	<u><u>0</u></u>

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**THE TOWN OF FORGAN, OKLAHOMA
COMBINED BALANCE SHEET
MODIFIED CASH BASIS - ALL FUND TYPES
AS OF JUNE 30, 2015**

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPE	GOVERNMENTAL FUND TYPE	TOTALS (Memorandum Only)	
	General	Special Revenue	Trust and Agency	Enterprise	Debt Service	2015	2014
ASSETS							
Cash and Cash Equivalents	\$99,855	7,169	12,383	120,581	14,136	254,124	381,732
Plant & Equipment				446,035		446,035	446,035
Accumulated Depreciation				(300,922)		(300,922)	(291,986)
Net Plant & Equipment	0	0	0	145,113	0	145,113	154,049
Total Assets	99,855	7,169	12,383	265,694	14,136	399,237	535,781
LIABILITIES							
Warrants Outstanding	14,938	3		22,332		37,273	32,697
Encumbrances Outstanding						0	0
Refundable Meter Deposits			12,383			12,383	11,633
Long Term Debt							
FmHA Loan of 1978				0		0	8,486
FmHA Loan of 1990				56,577		56,577	59,514
Total Liabilities	14,938	3	12,383	78,909	0	106,233	112,330
FUND EQUITY							
Reserved for Debt Service					14,136	14,136	14,136
Unreserved Fund Equity	84,917	7,166	0	186,785		278,868	409,315
Total Fund Equity	84,917	7,166	0	186,785	14,136	293,004	423,451
Total Liabilities and Fund Equity	\$99,855	7,169	12,383	265,694	14,136	399,237	535,781

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