

Town of Foster, Oklahoma

Independent Accountants' Compilation Report and
Report on Applying Agreed Upon Procedures
Year Ended June 30, 2015

TOWN OF FOSTER, OKLAHOMA
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Independent Accountants' Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Foster
Foster, Oklahoma 73434

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Foster, Foster, Oklahoma as of June 30, 2015 and the related Budgetary Comparison Schedule of General Fund - Modified Cash Basis for the year ended June 30, 2015. 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 cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis accounting, 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.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107). This is not intended to be a complete presentation of the Town of Foster's assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Board and specified users, 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 Title 11 – 17 (105-107) and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30,

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2015. Management of the Town of Foster 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. 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 Foster** 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 A) 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 listing separately each fund (see accompanying Exhibit B) and compared the actual expenditures of 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.

3. ***Procedures Performed:*** We agreed the Town's 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 restricted revenues and resources exceeding \$500 to their restrictions to report any noted instances of noncompliance.

Findings: There were no restricted revenues during fiscal year 2014-2015.

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 exceptions were found as a result of applying the procedure.

7. ***Procedures Performed:*** We determined compliance with reserve accounts and debt service coverage requirement of bond indenture.

We did not perform this procedure since the Town of Foster has no debt or bond indentures.

As to the **Town of Foster** as of and for the fiscal year ended June 30, 2015:

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

Findings: There was no grant activity during the 2014-2015 fiscal year.

We were not engaged to, and did not, conduct an audit, the objective 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 those specified parties.

Rahhel Henderson Johnson, PLLC

February 9, 2016
Ardmore, Oklahoma

EXHIBIT A

TOWN OF FOSTER, OKLAHOMA
Summary of Changes in Fund Balances – Modified Cash Basis
June 30, 2015

	<u>Fund Balances Beginning</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balances Ending</u>
TOWN:				
General Fund	\$ 77,847	\$ 409,313	\$ 7,982	\$ 479,178
Total	\$ 77,847	\$ 409,313	\$ 7,982	\$ 479,178

See Accompanying Independent Accountants' Report

EXHIBIT B

**TOWN OF FOSTER, OKLAHOMA
 Budgetary Comparison Schedule – Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 62,812	\$ 62,812	\$ 77,847	\$ 15,035
Resources (Inflows):				
Motor Vehicle	1,100	1,100	1,212	112
Alcohol Beverage	1,100	1,100	1,275	175
Sales Tax	42,000	42,000	391,232	349,232
Cigar Tax	380	380	4,360	3,980
Gas Tax	260	260	296	36
Interest on Investments	-	-	437	437
Drilling Permits	6,000	6,000	10,500	4,500
Total Inflows	50,840	50,840	409,312	358,472
Charges to Appropriations (Outflows):				
General Government	113,652	113,652	7,982	105,670
Total Outflows	113,652	113,652	7,982	105,670
Excess of Inflows over Outflows before Other Financing Sources (Uses)	-	-	479,177	267,837
Other Financing Sources (Uses)	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 479,177	\$ 267,837

See Accompanying Independent Accountants' Report