

# TOWN OF COLE

June 30, 2016

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

To the Specified Users of the Report:

Town Council, Town of Cole  
Cole, Oklahoma

Trustees of the Cole Public Works Authority  
Cole, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

McClain County Clerk  
Purcell, Oklahoma

Association of South Central Oklahoma Governments  
Duncan, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Cole and Cole Public Works Authority as of and for the year ended June 30, 2016, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis-Street & Alley Fund, Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis-Cole Public Works Authority, and Schedule of Grant Activity-Modified Cash Basis for the year ended June 30, 2016, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. The financial statements and schedules 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 applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules 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 or schedules.

The financial statements and schedules are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the modified 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.

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, 2016. Management of the Town of Cole and Cole Public Works Authority is responsible for the Town's and Authority'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 by Oklahoma Statutes. 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 Cole** as of and for the fiscal year ended June 30, 2016:

1. **Procedures Performed:** From the Town's trial balances, we compiled 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 compiled 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.

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 exceptions were found as a result of applying the procedure.

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 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:** Town had no contractual or debt service requirements. This procedure does not apply.

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

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenditures and changes in fund balances 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 exceptions were found as a result of applying the procedure.

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 of reconciling items that have not cleared.

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

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

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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:** Authority had no contractual or debt service requirements. This procedure does not apply.

As to the **Town of Cole and Cole Public Works Authority** grant programs, as of and for the fiscal year ended June 30, 2016:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) 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 exceptions were found as a result of applying the procedure.

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.

*Angel, Johnston + Blasingame, P.C.*

Angel, Johnston and Blasingame, P.C.  
December 20, 2016

**TOWN OF COLE AND PUBLIC TRUST**  
Cole, Oklahoma

**SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS**  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
<b>TOWN:</b>				
General Fund	\$ 357,054	\$ 66,131	\$ 25,850	\$ 397,335 **
Street & Alley Fund	77,895	4,943	-	82,837
<b>Town Subtotal</b>	<u>434,949</u>	<u>71,074</u>	<u>25,850</u>	<u>480,172</u>
<b>PUBLIC TRUST:</b>				
Cole Public Works Authority	168,366	100,819	122,951	146,234 **
<b>Public Trust Subtotal</b>	<u>168,366</u>	<u>100,819</u>	<u>122,951</u>	<u>146,234</u>
<b>Overall Totals</b>	<u>\$ 603,315</u>	<u>\$ 171,893</u>	<u>\$ 148,802</u>	<u>\$ 626,406</u>

\*\*Beginning Fund Balances were restated for prior period adjustments.

TOWN OF COLE AND PUBLIC TRUST  
Cole, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS  
GENERAL FUND  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 358,006	\$ 358,006	\$ 357,054	\$ (952)
<b>Charges for Services:</b>				
Fire Runs	-	-	-	-
Total Charges for Services	-	-	-	-
<b>Intergovernmental-Local:</b>				
Franchise tax	28,607	28,607	26,700	(1,907)
Total Intergovernmental-Local	28,607	28,607	26,700	(1,907)
<b>Intergovernmental-State:</b>				
Sales tax	16,702	16,702	17,704	1,002
Alcohol beverage tax	2,152	2,152	2,357	206
Tobacco tax	194	194	215	21
Use tax	19,155	19,155	12,118	(7,037)
State grants	4,036	4,036	4,290	254
Total Intergovernmental-State	42,239	42,239	36,684	(5,555)
<b>Miscellaneous Revenue:</b>				
Interest	455	455	516	60
Rental	968	968	1,225	258
Donations	-	-	100	100
Miscellaneous	-	-	907	907
Total Miscellaneous Revenue	1,423	1,423	2,748	1,325
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	<b>430,274</b>	<b>430,274</b>	<b>423,185</b>	<b>(7,089)</b>
<b>Charges to Appropriations:</b>				
Personal Services	33,000	33,000	9,794	23,206
Maintenance & Operations	32,000	32,000	16,369	15,631
Capital Outlay	100,000	100,000	-	100,000
Debt Service	-	-	-	-
Total Other	165,000	165,000	26,163	138,837
<b>Other Financing Uses:</b>				
Transfers to other funds	265,274	265,274	-	265,274
<b>Total Charges to Appropriations</b>	<b>430,274</b>	<b>430,274</b>	<b>26,163</b>	<b>404,112</b>
<b>Unallocated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Budgetary Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 397,023</b>	<b>\$ 397,023</b>
Current Year Encumbrances			312	
<b>Ending Fund Balance</b>			<b>\$ 397,335</b>	

**TOWN OF COLE AND PUBLIC TRUST**  
Cole, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**STREET & ALLEY FUND**  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 77,895	\$ 77,895	\$ 77,895	\$ -
<b>Revenues</b>	-	-	4,943	4,943
<b>Non-Revenue Receipts:</b>				
Transfers from other funds	-	-	-	-
<b>Amounts available for appropriation</b>	77,895	77,895	82,837	4,943
<b>Charges to Appropriations:</b>				
Personal Services	10,000	10,000	-	10,000
Maintenance & Operations	20,000	20,000	-	20,000
Capital Outlay	10,000	10,000	-	10,000
Debt Service	37,895	37,895	-	37,895
Total Other	77,895	77,895	-	77,895
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	77,895	77,895	-	77,895
<b>Unallocated Fund Balance</b>	-	-	-	-
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 82,837	\$ 82,837
Current Year Encumbrances			-	
<b>Ending Fund Balance</b>			\$ 82,837	

**TOWN OF COLE AND PUBLIC TRUST**  
Cole, Oklahoma

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-MODIFIED CASH BASIS**  
**COLE PUBLIC WORKS AUTHORITY**  
For the Fiscal Year Ended June 30, 2016  
(Unaudited)

**Operating Revenues:**

Charges for services:	
Water Revenues	\$ 68,633
Water Taps	1,500
Penalties and Fees	2,828
Total Operating Revenue	<u>72,961</u>

**Operating Expenses:**

Personal Services	6,821
Maintenance & Operations	82,766
Total Operating Expenses	<u>89,586</u>

Operating Income (Loss)	<u>(16,626)</u>
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**Non-Operating Revenues (Expenses):**

Investment income	214
Miscellaneous income	1,395
Grant revenue	26,250
Capital outlay	(33,365)
Total Non-Operating Revenues (Expenses)	<u>(5,506)</u>

<b>Net Income (Loss) Before Contributions and Transfers</b>	<b>(22,132)</b>
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Capital contributions	-
Operating Transfers in	-
Operating Transfers out	-
	<u>-</u>

<b>Changes in Fund Balance</b>	<b>(22,132)</b>
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<b>Fund Balance - beginning, restated</b>	<b><u>168,366</u></b>
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<b>Fund Balance - ending</b>	<b>\$ <u><u>146,234</u></u></b>
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**TOWN OF COLE AND PUBLIC TRUST**  
**Cole, Oklahoma**  
**SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS**  
**For the Fiscal Year Ended June 30, 2016**  
**(Unaudited)**

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
<b>TOWN:</b>							
Department of Agriculture Fire Operations Grant	\$ 4,290	\$ -	\$ -	\$ -	\$ 4,290	\$ 4,290	\$ -
<b>Town Subtotal</b>	<u>4,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,290</u>	<u>4,290</u>	<u>-</u>
<b>PUBLIC WORKS AUTHORITY:</b>							
Association of South Central Oklahoma Governments REAP-COLE-12	41,200	-	-	-	26,250	26,250	-
<b>PWA Subtotal</b>	<u>41,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,250</u>	<u>26,250</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 45,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,540</u>	<u>\$ 30,540</u>	<u>\$ -</u>