

**TOWN OF FORT COBB, OKLAHOMA**  
**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING**  
**AGREED-UPON PROCEDURES**  
**AS OF AND FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2018**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent Accountant's Report</b>	<b>1-4</b>
<b><u>Exhibits</u></b>	
<b>Exhibit 1</b> <b>Summary of Changes in Fund Balances-Modified Cash Basis</b>	<b>5</b>
<b>Exhibit 2-1</b> <b>Budgetary Comparison Schedule-Modified Cash Basis</b> <b>-General Fund</b>	<b>6</b>
<b>Exhibit 2-2</b> <b>Budgetary Comparison Schedule-Modified Cash Basis</b> <b>-Capital Improvement Cash Fund</b>	<b>7</b>
<b>Exhibit 3</b> <b>Schedule of Grant Activity-Modified Cash Basis</b>	<b>8</b>

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

To the Specified Users of the Report:

Town Council, Town of Fort Cobb  
Fort Cobb, Oklahoma

Fort Cobb Economic Development Authority  
Fort Cobb, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Association of South Central Oklahoma Governments  
Duncan, Oklahoma

**Report On Compiled Financial Statements And Schedules**

Management is responsible for the accompanying financial statements and schedules of the Town of Fort Cobb and Fort Cobb Economic Development Authority, Fort Cobb, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2018, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis-Capital Improvement Cash Fund, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. 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 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 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.

**Report On Applying Agreed-upon Procedures**

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 Economic Development 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, 2018. Management of the Town of Fort Cobb and Fort Cobb Economic Development Authority is responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements. 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 Fort Cobb** as of and for the fiscal year ended June 30, 2018:

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(s) 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.

**Condition: The Town did not have any collateral pledged at Washita Valley Bank to cover all monies deposited in this bank at year end. Uncollateralized deposits totaled \$40,346. This is the second year for this comment.**

**Cause:** The Town did not monitor the balances of its bank accounts and ensure there was sufficient collateral to cover all funds over the \$250,000 FDIC limit.

**Criteria:** O.S. Title 62, section 511-516 requires deposits of public funds in excess of FDIC limits to be secured by proper collateral.

**Recommendation:** The Town should increase the amount of collateral pledged with Washita Valley Bank to cover all uninsured and uncollateralized deposits. The Town also needs to monitor the balance of all bank accounts and investments each month to ensure there is sufficient collateral to cover all funds.

**Management's Corrective Action Plan:** The Town will monitor the balances of all accounts and contact the bank to have the collateral pledged increased to cover all funds as needed.

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

**Condition: The Town's required transfer of police fines to the Police Cash Fund was short \$2,135. This is the second year for this comment.**

**Cause:** The Town did not review the total fines collected before year end and ensure the required transfers were made.

**Criteria:** The Town is required to deposit 25% of all police fines collected, after fees, into the Police Department Cash Fund to be used for police operations per board approval in November 2007.

**Recommendation:** The Town should correct the shortage by transferring \$2,135 from the Court Fund to Police Department Cash Fund. The Town should also review the total fines collected each month and make the required transfer, as well as verify total transfers at year end are correct.

**Management's Corrective Action Plan:** The Town has made the necessary transfer and now reviews fine collections and makes transfers monthly.

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 **Fort Cobb Economic Development Authority**, as of and for the fiscal year ended June 30, 2018:

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:** The Authority is inactive; therefore this procedure is not applicable.

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:** The Authority is inactive; therefore this procedure is not applicable.

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 is inactive; therefore this procedure is not applicable.

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:** The Authority is inactive; therefore this procedure is not applicable.

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:** The Authority is inactive; therefore this procedure is not applicable.

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:** The Authority is inactive; therefore this procedure is not applicable.

As to the **Town of Fort Cobb and Fort Cobb Economic Development Authority** grant programs, as of and for the fiscal year ended June 30, 2018:

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.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial information and compliance. Accordingly, we do not express such an opinion or conclusion. 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 14, 2018

TOWN OF FORT COBB AND PUBLIC TRUST  
Fort Cobb, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS  
For the Fiscal year ended June 30, 2018  
(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	\$ 266,145	\$ 419,597	\$ 445,333	\$ 240,409
Street and Alley Fund	11,345	5,636	6,540	10,440
Police Department Cash Fund	716	5,444	2,907	3,254
Fire Department Cash Fund	29,565	19,759	28,428	20,896
Capital Improvement Cash Fund	36,107	24,447	15,130	45,424
REAP Fund	-	-	-	-
Meter Deposit Fund	-	-	-	-
Court Fund	-	-	-	-
Air Evac Fund	-	-	-	-
<b>Town Total</b>	<u>\$ 343,877</u>	<u>\$ 474,883</u>	<u>\$ 498,337</u>	<u>\$ 320,424</u>
<b>TRUST:</b>				
Fort Cobb Economic Development Authority - Inactive	\$ -	\$ -	\$ -	\$ -
<b>Trust Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Overall Total</b>	<u>343,877</u>	<u>474,883</u>	<u>498,337</u>	<u>320,424</u>

**TOWN OF FORT COBB AND PUBLIC TRUST**  
Fort Cobb, Oklahoma

**BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 258,996	\$ 258,996	\$ 258,996	\$ -
<b>Resources (Inflow):</b>				
<b>Service Revenue:</b>				
Utilities	208,952	208,952	208,098	(854)
Utility Penalties & Fees	5,654	5,654	4,703	(951)
<b>Total Services</b>	<u>214,606</u>	<u>214,606</u>	<u>212,801</u>	<u>(951)</u>
<b>Taxes:</b>				
Franchise tax	14,152	14,152	18,149	3,997
Sales Tax	134,649	134,649	127,580	(7,068)
Alcohol beverage Tax	5,652	5,652	6,325	674
Use Tax	81,934	81,934	23,281	(58,653)
Tobacco Tax	1,630	1,630	1,872	242
Pilot	1,745	1,745	1,918	172
<b>Total Taxes</b>	<u>239,761</u>	<u>239,761</u>	<u>179,125</u>	<u>(60,636)</u>
<b>Miscellaneous Revenue:</b>				
Fines & Forfeitures	13,963	13,963	12,701	(1,263)
Licenses & Permits	419	419	1,506	1,087
Grants	-	-	5,000	5,000
Interest	1,588	1,588	2,085	496
Rent	180	180	75	(105)
Miscellaneous	-	-	6,306	6,306
<b>Total Miscellaneous Revenue</b>	<u>16,151</u>	<u>16,151</u>	<u>27,672</u>	<u>11,521</u>
<b>Other Financing Sources:</b>				
Transfers from other funds	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Resources (Inflows)</b>	<u>470,517</u>	<u>470,517</u>	<u>419,597</u>	<u>(50,066)</u>
<b>Amounts available for appropriation</b>	<u>729,514</u>	<u>729,514</u>	<u>678,594</u>	<u>(50,066)</u>
<b>Charges to Appropriations (Outflows):</b>				
Personal Services	250,500	250,500	294,077	(43,577)
Maintenance & Operations	404,014	404,014	166,036	237,978
Capital Outlay	75,000	75,000	-	75,000
<b>Total Other</b>	<u>729,514</u>	<u>729,514</u>	<u>460,113</u>	<u>269,401</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations (Outflows)</b>	<u>729,514</u>	<u>729,514</u>	<u>460,113</u>	<u>269,401</u>
<b>Unallocated (Restricted) Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Budgetary Fund Balance</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>218,481</u>	\$ <u>(218,481)</u>
Current Year Encumbrances			<u>21,929</u>	
<b>Ending Fund Balance</b>			<u>\$ 240,409</u>	

TOWN OF FORT COBB AND PUBLIC TRUST  
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS  
CAPITAL IMPROVEMENT CASH FUND  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 36,107	\$ 36,107	\$ 36,107	\$ -
<b>Resources (Inflow):</b>				
<b>Taxes:</b>				
Sales Tax	-	-	24,447	24,447
Total Taxes	-	-	24,447	24,447
<b>Other Financing Sources:</b>				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
<b>Total Resources (Inflows)</b>	-	-	24,447	24,447
<b>Amounts available for appropriation</b>	36,107	36,107	60,554	24,447
<b>Charges to Appropriations (Outflows):</b>				
Capital Outlay	20,907	20,907	-	20,907
Debt Service	15,200	15,200	15,130	70
Total Other	36,107	36,107	15,130	20,977
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations (Outflows)</b>	36,107	36,107	15,130	20,977
<b>Unallocated (Restricted) Funds</b>	-	-	-	-
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 45,424	\$ (45,424)
Current Year Encumbrances			-	
<b>Ending Fund Balance</b>			\$ 45,424	



TOWN OF FORT COBB AND PUBLIC TRUST  
Fort Cobb, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS  
For the Fiscal Year Ended June 30, 2018  
(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 - FY17	\$ 3,817	\$ 3,817	\$ 2,216	\$ 1,601	\$ -	\$ 1,601	\$ -
Fire Operations - FY18	3,744	-	-	-	3,744	2,526	1,217
Association of South Central Oklahoma							
Fort Cobb REAP 16-2257	45,000	33,660	33,660	-	11,340	11,340	-
OMAG							
Equipment Grant	5,000	-	-	-	5,000	5,000	-
<b>Town Total</b>	<u>\$ 57,561</u>	<u>\$ 37,477</u>	<u>\$ 35,876</u>	<u>\$ 1,601</u>	<u>\$ 20,084</u>	<u>\$ 20,468</u>	<u>\$ 1,217</u>