

**TOWN OF FORT COBB, OKLAHOMA and  
FORT COBB ECONOMIC DEVELOPMENT AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

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**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

Trustees of the 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

US Department of Agriculture – Rural Development  
Hobart, 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, 2020, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Capital Improvement Cash Fund-Modified Cash Basis, REAP Grant Fund-Modified Cash Basis, 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 assurance on these financial statements and 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 and Authority'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 law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2020. 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. 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. 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, 2020:

1. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis 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 modified cash basis 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: (1) General Fund in total did not exceed appropriations. The Town underbudgeted expenses for transfers to other funds. (2) REAP Grant Fund in total did not exceed appropriations. The Town underbudgeted expenses for personal services. (3) No other funds met the requirements as a significant fund.*

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: The General Fund, Police Department Cash Fund, Fire Department Cash Fund, Capital Improvement Cash Fund, REAP Grant Fund, and Air Evac Fund are all accounted for in the pooled cash bank account. The bank statements for the pooled cash accounts were not reconciled to their individual financial statements, cleared checks were not removed and the outstanding check list omitted a check.*

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 the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

*Findings: In November 2007, the town council approved to transfer 25% of police fines collected from the Court Fund to the Police Department Cash Fund. The required 25% of police fines was not transferred for the fiscal year or prior year. The amount remaining to be transferred totals \$1,172.*

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: Per 68 O.S. §2701, sales tax approved by the voters and levied for a limited purpose shall be deposited in a limited purpose fund and used only in accordance with authorizing ordinance. Fund must be interest bearing and retain the interest. One-half percent sales tax is restricted and recorded in the Capital Improvement Cash Fund. The cash for the fund is pooled with the General Fund, but none of the interest income earned in the checking account is allocated to the Capital Improvement Cash Fund.*

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

*Findings: The 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, 2020:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances - modified cash basis 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 reserve balances and debt service 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, 2020:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared 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 examination or review, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. 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.  
Chickasha, Oklahoma  
December 7, 2020

TOWN OF FORT COBB AND FORT COBB ECONOMIC DEVELOPMENT AUTHORITY  
Fort Cobb, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES  
MODIFIED CASH BASIS  
For The Year Ended June 30, 2020

	<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	\$ 261,543	\$ 477,541	\$ 428,012	\$ 311,072
Street & Alley Fund	11,602	5,485	5,227	11,860
Cemetery M & O Fund	18,483	9,348	19,720	8,111
Cemetery Improvement Fund	23,155	880	-	24,035
Police Department Cash Fund	(2,660)	10,619	6,554	1,405
Fire Department Cash Fund	17,238	18,262	8,529	26,971
Capital Improvement Cash Fund	60,743	20,594	-	81,337
REAP Grant Fund	-	92,212	92,212	-
<b>Town Subtotal</b>	<u>390,104</u>	<u>634,941</u>	<u>560,254</u>	<u>464,791</u>
<b>AUTHORITY:</b>				
Fort Cobb Economic Development Authority - Inactive	-	-	-	-
<b>Authority Subtotal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 390,104</u>	<u>\$ 634,941</u>	<u>\$ 560,254</u>	<u>\$ 464,791</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

**TOWN OF FORT COBB, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND-MODIFIED CASH BASIS**  
**For The Year Ended June 30, 2020**

	<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>	\$ 253,785	\$ 253,785	\$ 253,785	\$ -
<b>Resources (Inflow):</b>				
<b>Taxes:</b>				
Franchise tax	15,395	15,395	16,386	991
Sales Tax	127,454	127,454	144,157	16,703
Alcohol Beverage Tax	7,226	7,226	9,772	2,546
Tobacco Tax	1,257	1,257	1,533	276
Use Tax	31,589	31,589	35,285	3,696
Total Taxes	<u>182,921</u>	<u>182,921</u>	<u>207,133</u>	<u>24,212</u>
<b>Other Revenue:</b>				
Permits & Fees	99	99	910	811
Utility Revenue	189,659	189,659	230,507	40,848
Utility Penalties	3,409	3,409	4,355	946
Fines & Forfeitures	-	-	14,636	14,636
Payment in Lieu of Taxes	1,826	1,826	1,834	8
Interest	2,700	2,700	3,649	949
Rental	225	225	100	(125)
Sale of Property	-	-	1,750	1,750
Reimbursements	-	-	50	50
Miscellaneous	-	-	12,617	12,617
Total Other Revenue	<u>197,918</u>	<u>197,918</u>	<u>270,408</u>	<u>72,490</u>
<b>Other Financing Sources:</b>				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Resources (Inflows)</b>	<u>380,839</u>	<u>380,839</u>	<u>477,541</u>	<u>96,702</u>
<b>Amounts available for appropriation</b>	<u>634,624</u>	<u>634,624</u>	<u>731,326</u>	<u>96,702</u>
<b>Charges to Appropriations (Outflows):</b>				
Personal Services	423,083	423,083	240,969	182,114
Maintenance & Operations	211,541	211,541	157,951	53,590
Capital Outlay	-	-	-	-
Total Other	<u>634,624</u>	<u>634,624</u>	<u>398,920</u>	<u>235,704</u>
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	29,572	(29,572)
<b>Total Charges to Appropriations (Outflows)</b>	<u>634,624</u>	<u>634,624</u>	<u>428,492</u>	<u>206,132</u>
<b>Unallocated Funds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,834</u>	<u>\$ (302,834)</u>
Current Year Encumbrances			<u>8,238</u>	
<b>Ending Fund Balance</b>			<u>\$ 311,072</u>	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF FORT COBB, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENT CASH FUND-MODIFIED CASH BASIS**  
**For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 60,743	\$ 60,743	\$ 60,743	\$ -
<b>Resources (Inflow):</b>				
<b>Taxes:</b>				
Sales Tax	-	-	20,594	20,594
Total Taxes	-	-	20,594	20,594
<b>Other Financing Sources:</b>				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
<b>Total Resources (Inflows)</b>	-	-	20,594	20,594
<b>Amounts available for appropriation</b>	60,743	60,743	81,337	20,594
<b>Charges to Appropriations (Outflows):</b>				
Capital Outlay	-	-	-	-
Debt Service	60,743	60,743	-	60,743
Total Other	60,743	60,743	-	60,743
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations (Outflows)</b>	60,743	60,743	-	60,743
<b>Unallocated Funds</b>	-	-	-	-
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 81,337	\$ (81,337)
Current Year Encumbrances			-	
<b>Ending Fund Balance</b>			\$ 81,337	

See Independent Accountant's Report on Agreed-Upon Procedures.

**TOWN OF FORT COBB, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**REAP GRANT FUND-MODIFIED CASH BASIS**  
**For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflow):</b>				
<b>Other Revenue:</b>				
Grants	-	115,300	70,300	(45,000)
Total Other Revenue	-	115,300	70,300	(45,000)
<b>Other Financing Sources:</b>				
Transfers from other funds	-	-	21,912	21,912
Total Other Financing Sources	-	-	21,912	21,912
<b>Total Resources (Inflows)</b>	-	115,300	92,212	(23,088)
<b>Amounts available for appropriation</b>	-	115,300	92,212	(23,088)
<b>Charges to Appropriations (Outflows):</b>				
Personal Services	-	42,925	92,212	(49,287)
Capital Outlay	-	72,375	-	72,375
Total Other	-	115,300	92,212	23,088
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations (Outflows)</b>	-	115,300	92,212	23,088
<b>Unallocated Funds</b>	-	-	-	-
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
Current Year Encumbrances			-	
<b>Ending Fund Balance</b>			\$ -	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF FORT COBB AND FORT COBB ECONOMIC DEVELOPMENT AUTHORITY  
Fort Cobb, Oklahoma

SCHEDULE OF GRANT ACTIVITY  
MODIFIED CASH BASIS  
For The Year Ended June 30, 2020

	<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>							
OK Department of Agriculture							
Fire Operations Grant - FY2019	\$ 4,000	\$ 4,000	\$ 2,556	\$ 1,444	\$ -	\$ 1,444	\$ -
Fire Operations Grant - FY2020	4,642	-	-	-	4,642	4,642	-
Association of South Central Oklahoma Governments							
Fort Cobb REAP 19-2212	44,500	1,575	1,575	-	42,925	42,925	-
Association of South Central Oklahoma Governments							
Fort Cobb REAP 2020	45,000	-	-	-	-	-	-
US Department of Agriculture							
USDA Rural Development 10.766	30,000	-	-	-	27,375	27,375	-
<b>Town Subtotal</b>	<u>128,142</u>	<u>5,575</u>	<u>4,131</u>	<u>1,444</u>	<u>74,942</u>	<u>76,386</u>	<u>-</u>
<b>AUTHORITY:</b>							
No Activity in Current Year	-	-	-	-	-	-	-
<b>Authority Subtotal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 128,142</u>	<u>\$ 5,575</u>	<u>\$ 4,131</u>	<u>\$ 1,444</u>	<u>\$ 74,942</u>	<u>\$ 76,386</u>	<u>\$ -</u>

See Independent Accountant's Report on Agreed-Upon Procedures.