

**TOWN OF POCASSET
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 Pocasset
Pocasset, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Grady County Clerk
Chickasha, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Pocasset as of and for the year ended June 30, 2016, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, 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 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 Pocasset 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 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 Pocasset** 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 (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 **Town of Pocasset Grant Programs**, 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 grant activity for each grant/contract (see accompanying Exhibit 3) 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.
October 25, 2016

TOWN OF POCASSET
Pocasset, 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>
TOWN:				
General Fund	\$ 161,427	\$ 46,040	\$ 42,305	\$ 165,162
Grants and Donations Fund	-	-	-	-
Town Total	<u>\$ 161,427</u>	<u>\$ 46,040</u>	<u>\$ 42,305</u>	<u>\$ 165,162</u>

TOWN OF POCASSET
Pocasset, 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		
Beginning Fund Balance:	\$ 100,000	\$ 100,000	\$ 161,427	\$ 61,427
Intergovernmental-Local:				
Franchise tax	9,200	9,200	5,457	(3,743)
Total Intergovernmental-Local	9,200	9,200	5,457	(3,743)
Intergovernmental-State:				
Sales Tax	50,000	50,000	32,618	(17,382)
Gasoline Tax	500	500	380	(120)
Use Tax	28,000	28,000	3,894	(24,106)
Cigarette Tax	1,000	1,000	395	(605)
Alcohol beverage Tax	2,000	2,000	1,045	(955)
Motor Vehicle Tax	2,000	2,000	1,475	(525)
Total Intergovernmental-State	83,500	83,500	39,807	(43,693)
Miscellaneous Revenue:				
Interest	300	300	168	(132)
Rent	1,500	1,500	609	(891)
Grants	-	-	-	-
Total Miscellaneous Revenue	1,800	1,800	777	(1,023)
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	194,500	194,500	207,468	12,968
Charges to Appropriations:				
Maintenance & Operations	41,400	41,400	15,593	25,807
Other Services & Charges	31,700	31,700	24,530	7,170
Undesignated Expenses	30,000	30,000	-	30,000
Capital Equipment	74,000	74,000	2,183	71,817
Total Other	177,100	177,100	42,306	134,794
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	177,100	177,100	42,306	134,794
Unallocated Appropriations	17,400	17,400	-	17,400
Ending Fund Balance	\$ -	\$ -	\$ 165,162	\$ 165,162

TOWN OF POCASSET
Pocasset, 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>
TOWN:							
No Activity in the Current Year	-	-	-	-	-	-	-
Town Total	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>