

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

TOWN OF DEVOL, OKLAHOMA

JULY 1, 2014 TO JUNE 30, 2015

BY





Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Devol
Devol, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Devol, Oklahoma as of June 30, 2015 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2015 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's

assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements 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, 2015. Management of the Town of Devol 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 Finding

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

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the General Fund for the year ended June 30, 2015. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the PWA Fund for the year ended June 30, 2015. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

- 4. 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: We found no instances of any significant or unusual reconciling items.

5. 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: We found no uninsured or uncollateralized deposits.

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

Findings: We found no instances of noncompliance.

7. 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: We found no instances of noncompliance.

8. 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: We found no instances of noncompliance.

As to the **Town of Devol Grant Programs**, 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 grant activity for each grant and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement(s).

Findings: We found no instances of noncompliance.

We were not engaged to and did not conduct an audit or examination, 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 these specified parties.

Furrh and Associates, PC

Furrh & Associates, PC

Lawton, Oklahoma

October 6, 2016

Town of Devol
Devol, Oklahoma

Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

TOWN:	Beginning of Year Fund Balances	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 23,917	\$ 5,397	\$ 7,035	\$ 22,279
Public Works Authority	1,831	53,907	52,340	3,398
Fire Department Fund	63,125	36,702	80,745	19,082
Cemetery Care Fund	1,501	5,090	2,821	3,770
Water/Waste Water Constr. Award	6,780	231,912	238,691	1
Water Tower Project	0	194,817	193,692	1,125
Grant - OWRB	202	0	0	202
Overall Totals	\$ 97,356	\$ 527,825	\$ 575,324	\$ 49,857

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund

For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 0	\$ 0	\$ 23,917	\$ 23,917
Resources (Inflows):				
Alcoholic Beverages Tax	0	0	2,304	2,304
Franchise Tax Income	0	0	1,874	1,874
Motor Vehicle Tax	0	0	1,046	1,046
Gasoline Tax	0	0	173	173
Other Revenue	0	0	0	0
Total Inflows	<u>0</u>	<u>0</u>	<u>5,397</u>	<u>5,397</u>
Amounts Available for Appropriations	<u>0</u>	<u>0</u>	<u>29,314</u>	<u>29,314</u>
Charges to Appropriations (Outflows):				
General Government:				
Maintenance, Operations, Repairs	0	0	35	(35)
Transfers to other Funds	0	0	7,000	(7,000)
Total General Government	<u>0</u>	<u>0</u>	<u>7,035</u>	<u>(7,035)</u>
Total Charges to Appropriations	<u>0</u>	<u>0</u>	<u>7,035</u>	<u>(7,035)</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,279</u>	<u>\$ 22,279</u>

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Public Works Authority Fund
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 0	\$ 0	\$ 1,831	\$ 1,831
Resources (Inflows):				
Water and Sewer Receipts	0	0	46,891	46,891
Transfer In	0	0	7,000	7,000
Other Revenue	0	0	16	16
Total Inflows	<u>0</u>	<u>0</u>	<u>53,907</u>	<u>53,907</u>
Amounts Available for Appropriation	<u>0</u>	<u>0</u>	<u>55,738</u>	<u>55,738</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	0	0	12,893	(12,893)
Maintenance, Operations, Repairs	0	0	39,447	(39,447)
Total General Government	<u>0</u>	<u>0</u>	<u>52,340</u>	<u>(52,340)</u>
Total Charges to Appropriations	<u>0</u>	<u>0</u>	<u>52,340</u>	<u>(52,340)</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,398</u>	<u>\$ 3,398</u>

Please see accompanying notes to financial statements.

Town of Devol
Devol, Oklahoma
REAP Grant 14-2260
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>				
ASCOG Grant	\$ 42,500	\$ 42,500	\$ 0	\$ 0
Total Revenue	42,500	42,500	0	0
<u>Expenditures</u>				
Fire Department Equipment	42,500	0	42,500	42,500
Total Expenditures	42,500	0	42,500	42,500
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 42,500</u>	<u>\$ (42,500)</u>	<u>\$ (42,500)</u>

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Oklahoma Dept. of Ag, Food and Forestry Grant
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Oklahoma Forestry Services Grant	\$ 4,484	\$ 4,484	\$ 0
Total Revenue	4,484	4,484	0
<u>Expenditures</u>			
Fire Department Operations	4,484	4,484	0
Total Expenditures	4,484	4,484	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Wichita Falls Area Community Foundation Grant
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Wichita Falls Area Comm. Foundation Grant	\$ 10,000	\$ 10,000	\$ 0
Total Revenue	10,000	10,000	0
<u>Expenditures</u>			
Fire Department Operations	10,000	10,000	0
Total Expenditures	10,000	10,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
CDBG Grant
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
CDBG Grant	\$ 159,820	\$ 159,820	\$ 0
Total Revenue	159,820	159,820	0
<u>Expenditures</u>			
Water Line Construction	142,000	142,000	0
Inspection/Engineering	6,570	6,570	0
Administration	11,250	10,125	1,125
Total Expenditures	159,820	158,695	1,125
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,125</u>	<u>\$ (1,125)</u>

ODOC CDBG
Contract # 15168 CDBG 12
CFDA # 14.228
Funding Period 8/10/2012 - 8/10/2014

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
REAP Grant - 12-2256
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>				
ASCOG Grant	\$ 45,000	\$ 6,780	\$ 38,220	\$ 0
Total Revenue	45,000	6,780	38,220	0
<u>Expenditures</u>				
Water Distribution Project	45,000	0	45,000	0
Total Expenditures	45,000	0	45,000	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 6,780</u>	<u>\$ (6,780)</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.