

TOWN OF FORT COBB, OKLAHOMA
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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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

Fort Cobb Economic Development Authority
Fort Cobb, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

ASCOG
Duncan, OK

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, 2019, 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 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 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 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, 2019. Management of the Town of Fort Cobb and Fort Cobb Economic Development Authority is responsible for the Town 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, 2019:

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: The Police Department Cash Fund ended the fiscal year with a deficit fund balance total of \$2,660.

Recommendation: The Town should be aware of spending more than the available cash balance per fund. Since the noted fund is part of the pooled cash accounts, the Town may want to separate the pooled cash accounts to individual bank accounts in order to prevent this type of overspending in the future.

Management's Corrective Action Plan: The Town will try to separate the accounts to a user friendly system and watch each fund to avoid overspending.

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: Police Department Cash Fund maintenance and operations expenditure category exceeded appropriations by \$5,185 and the total budget was overspent by the same amount. REAP Grant Fund personal services expenditure category exceeded appropriations by \$1,575 and the total budget was overspent by the same amount.

Cemetery M&O Fund maintenance and operations expenditure category exceeded appropriations by \$1,289 and the total budget was overspent by the same amount.

Recommendation: We recommend that each fund breakdown all expenses according to the budget categories per the Estimate of Needs in order to compare actual expenditures reported to the approved appropriations during the year. Amendments to the budget should be board approved when needed to prevent overspending.

Management's Corrective Action Plan: Current clerk will watch each fund and, according to the rules, bring before the council any changes to be approved.

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 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, and cleared checks were not removed.

Recommendation: The pooled cash bank account should be balanced and reconciled to the individual financial statements monthly. All cleared and uncleared checks should be accounted for as necessary during the reconciliation process.

Management's Corrective Action Plan: Each account will be reconciled each month by the current clerk.

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 instances of noncompliance noted.

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: The required 25% of police fines was not transferred from the Court Fund to the Police Cash Fund for the fiscal year. The amount remaining to be transferred totaled \$415. This is a re-occurring finding.

Recommendation: The Town should make the required transfer of \$415 from the Court Fund to the Police Cash Fund.

Management's Corrective Action Plan: \$415 will be transferred to Police Fund by the current clerk.

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 instances of noncompliance noted.

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, 2019:

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, 2019:

1. **Procedures Performed:** From the Town'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 instances of noncompliance noted.

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
January 30, 2020

TOWN OF FORT COBB AND PUBLIC TRUST
Fort Cobb, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS
For The Year Ended June 30, 2019

	<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	\$ 240,409	\$ 426,184	\$ 405,050	\$ 261,543
Street & Alley Fund	10,440	5,637	4,475	11,602
Police Department Cash Fund	3,254	2,525	8,439	(2,660)
Fire Department Cash Fund	20,896	5,200	8,858	17,238
Capital Improvement Cash Fund	45,424	20,231	4,912	60,743
Cemetery M&O Fund	-	18,772	289	18,483
Cemetery Improvement Fund	-	23,155	-	23,155
REAP Fund	-	1,575	1,575	-
Meter Deposit Fund	-	-	-	-
Court Fund	-	-	-	-
Air Evac Fund	-	-	-	-
Town Subtotal	<u>320,423</u>	<u>503,279</u>	<u>433,598</u>	<u>390,104</u>
PUBLIC TRUST:				
Fort Cobb Economic Development Authority – Inactive	-	-	-	-
Public Trust Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 320,423</u>	<u>\$ 503,279</u>	<u>\$ 433,598</u>	<u>\$ 390,104</u>

TOWN OF FORT COBB AND PUBLIC TRUST
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For The Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 218,481	\$ 218,481	\$ 218,481	\$ -
Resources (Inflow):				
Service Revenue:				
Utilities	187,288	187,288	210,732	(23,444)
Utility Penalties & Fees	4,233	4,233	3,787	446
Total Services	<u>191,521</u>	<u>191,521</u>	<u>214,519</u>	<u>(22,998)</u>
Taxes:				
Franchise tax	16,334	16,334	17,105	(771)
Sales Tax	114,822	114,822	141,615	(26,793)
Alcohol beverage Tax	5,693	5,693	8,029	(2,336)
Tobacco Tax	1,685	1,685	1,396	289
Use Tax	20,953	20,953	35,099	(14,146)
Pilot	1,726	1,726	2,029	(303)
Total Taxes	<u>161,213</u>	<u>161,213</u>	<u>205,273</u>	<u>(44,060)</u>
Miscellaneous Revenue:				
Fines & Forfeitures	11,430	11,430	-	11,430
Licenses, Permits & Fees	1,355	1,355	110	1,245
Grants	-	-	-	-
Interest	1,876	1,876	3,001	(1,125)
Rent	67	67	250	(183)
Reimbursement	-	-	160	(160)
Miscellaneous	-	-	2,870	(2,870)
Total Miscellaneous Revenue	<u>14,728</u>	<u>14,728</u>	<u>6,391</u>	<u>8,337</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>367,462</u>	<u>367,462</u>	<u>426,183</u>	<u>(58,721)</u>
Amounts available for appropriation	<u>585,943</u>	<u>585,943</u>	<u>644,664</u>	<u>(58,721)</u>
Charges to Appropriations (Outflows):				
Personal Services	310,000	310,000	231,479	78,521
Maintenance & Operations	275,943	275,943	159,400	116,543
Capital Outlay	-	-	-	-
Total Other	<u>585,943</u>	<u>585,943</u>	<u>390,879</u>	<u>195,064</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	<u>585,943</u>	<u>585,943</u>	<u>390,879</u>	<u>195,064</u>
Unallocated (Restricted) Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>253,785</u>	\$ <u>(253,785)</u>
Current Year Encumbrances			<u>7,758</u>	
Ending Fund Balance			\$ <u>261,543</u>	

TOWN OF FORT COBB AND PUBLIC TRUST
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT CASH FUND
For The Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 45,424	\$ 45,424	\$ 45,424	\$ -
Resources (Inflow):				
Taxes:				
Sales Tax	-	-	20,231	20,231
Total Taxes	-	-	20,231	20,231
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	20,231	20,231
Amounts available for appropriation	45,424	45,424	65,655	20,231
Charges to Appropriations (Outflows):				
Capital Outlay	-	-	-	-
Debt Service	45,424	45,424	4,912	40,512
Total Other	45,424	45,424	4,912	40,512
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	45,424	45,424	4,912	40,512
Unallocated (Restricted) Funds	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 60,743	\$ 60,743
Current Year Encumbrances			-	
Ending Fund Balance			\$ 60,743	

TOWN OF FORT COBB AND PUBLIC TRUST
Fort Cobb, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For The Year Ended June 30, 2019

	<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:							
OK Department of Agriculture - Fire Operations Grant - F18	3,744	3,744	2,526	1,217	-	1,217	-
Fire Operations Grant - F19	4,000	-	-	-	4,000	2,556	1,444
Association of South Central Oklahoma Fort Cobb REAP 19-2212	44,500	-	-	-	1,575	1,575	-
Town Subtotal	<u>\$ 52,244</u>	<u>\$ 3,744</u>	<u>\$ 2,526</u>	<u>\$ 1,217</u>	<u>\$ 5,575</u>	<u>\$ 5,348</u>	<u>\$ 1,444</u>
PUBLIC TRUST:							
No Activity in Current Year	-	-	-	-	-	-	-
Trust Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Overall Totals	<u>\$ 52,244</u>	<u>\$ 3,744</u>	<u>\$ 2,526</u>	<u>\$ 1,217</u>	<u>\$ 5,575</u>	<u>\$ 5,348</u>	<u>\$ 1,444</u>