Town of Foster, Oklahoma

Independent Accountants' Compilation Report and
Report on Applying Agreed Upon Procedures
Year Ended June 30, 2014

TOWN OF FOSTER, OKLAHOMA
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RAHHAL HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Compilation Report and
Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Foster
Foster, Oklahoma 73434

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Foster, Foster, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis accounting, and for 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.

The supplementary information contained in Exhibit C is presented for purposes of supplementary analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion of provide any assurance on such supplementary information.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107). This is not intended to be a complete presentation of the Town of Foster's assets and liabilities.

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Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council and Trustees of the Town of Foster, 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 Title 11 – 17 (105-107) and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Foster 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 Findings

As to the **Town of Foster** as of and for the fiscal year ended June 30, 2014:

1. ***Procedures Performed***: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) 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 budget and actual financial schedule for the General Fund and any other significant funds listing separately each fund (see accompanying Exhibit B) and compared the actual expenditures of 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 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 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 determined compliance with reserve accounts and debt service coverage requirement of bond indenture.

   We did not perform this procedure since the Town of Foster has no debt or bond indentures.

As to the **Town of Foster** as of and for the fiscal year ended June 30, 2014:

1. ***Procedures Performed:*** From the Town of Foster's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit C) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

   Findings: There was no grant activity during the 2013-2014 fiscal year.

We were not engaged to and did not conduct an audit, 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 those specified parties.

Rahhal Henderson Johnson, PLLC

February 10, 2015
Ardmore, Oklahoma

EXHIBIT A

TOWN OF FOSTER, OKLAHOMA
Summary of Changes in Fund Balances – Modified Cash Basis
For the Year Ended June 30, 2014

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
ITY:				
General Fund	$ 10,982	$ 69,517	$ 2,652	$ 77,847
Total	$ 10,982	$ 69,517	$ 2,652	$ 77,847

See Accountants' Compilation Report.

EXHIBIT B

TOWN OF FOSTER, OKLAHOMA
Budgetary Comparison Schedule – Modified Cash Basis
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Beginning Budgetary Fund Balance:	$ 13,648	$ 13,648	$ 10,982	$ (2,666)
Resources (Inflows):				
Tobacco Tax	-	-	508	508
Gasoline Excise Tax	265	265	288	23
Sales Tax	1,000	1,000	58,767	57,767
Alcoholic Beverage Tax	1,080	1,080	1,232	152
Commercial Vehicle	1,025	1,025	1,222	197
Drilling Permits	1,500	1,500	7,500	6,000
Total Inflows	4,870	4,870	69,517	64,647
Charges to Appropriations (Outflows):				
General Government	18,518	18,518	2,652	15,866
Total Outflows	18,518	18,518	2,652	15,866
Excess of Inflows over Outflows before Other Financing Sources (Uses)	-	-	77,847	77,847
Ending Budgetary Fund Balance	$ -	$ -	$ 77,847	$ 77,847

See Accountants' Compilation Report.

EXHIBIT C

TOWN OF FOSTER, OKLAHOMA
Schedule of Grant Activity – Modified Cash Basis
For the Year Ended June 30, 2014

Awarding Agency	Grant Number	Total Award	Amount Received Current Year	Amount Expended Current Year
No grant activity in the current year.				

See Accountants' Compilation Report.