

**TOWN OF FORT SUPPLY
FORT SUPPLY, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2018**



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**Members of American
Institute of Certified
Public Accountants**

**Members of Oklahoma
Society of Certified**

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Fort Supply
Fort Supply, Oklahoma

Trustees of the Fort Supply Public Works Authority
Fort Supply, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Fort Supply which comprises the Summary of Changes in Fund Balances (Modified Cash Basis) for the Town of Fort Supply, the Budgetary Comparison Schedule for the General Fund (Modified Cash Basis), and the Statement of Revenues, Expenses, and Changes in Fund Balance – Modified Cash Basis for the Fort Supply Public Works Authority for the fiscal year ended June 30, 2018, 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 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.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We have performed the procedures enumerated within Appendix A and Appendix B 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 of Fort Supply (the Town) and the Fort Supply Public Works Authority (the "Authority") in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2018. Management of the Town of Fort Supply 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 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 in Appendix A or B, either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on financial accountability and compliance with contractual requirements. 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.

A handwritten signature in black ink, appearing to be the initials 'RSM' followed by a stylized flourish.

RSMeacham CPAs & Advisors
Clinton, OK
October 29, 2018

**Town of Fort Supply, Oklahoma
Procedures and Findings
For the Year Ended June 30, 2018**

As to the Town of Fort Supply as of and for the fiscal year ended June 30, 2018:

- I. Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. Agree 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 instances of noncompliance noted.

- IV. Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Town of Fort Supply deposits were under collateralized by \$71,167.15 as of 6-30-2018. On August 10, 2018 an additional \$105,000 was pledged by the Stock Exchange Bank.

- V. Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. Compare 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.

- VII. Compare 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: No instances of noncompliance noted.

**TOWN OF FORT SUPPLY, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF FORT SUPPLY			
General Fund	\$ 13,056	\$ 32,648	\$ 45,704

**TOWN OF FORT SUPPLY, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 12,500	\$ 13,056	\$ 556
Resources (Inflows):			
Tax revenues	45,166	49,401	4,235
Licenses and permits	175	400	225
Other Revenue	49,084	49,987	903
Transfer in	41,500	30,262	(11,238)
Total current year resources	<u>135,925</u>	<u>130,051</u>	<u>(5,875)</u>
Amounts available for appropriation	<u>\$ 148,425</u>	<u>\$ 143,107</u>	<u>\$ (5,319)</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal services	39,500	39,296	204
Materials and supplies	9,000	4,655	4,345
Other charges and services	45,000	32,202	12,798
Capital Outlay	4,200	4,162	38
Total General Government	<u>97,700</u>	<u>80,315</u>	<u>17,386</u>
Fire Department:			
Personal Services	1,200	1,080	120
Materials and supplies	28,000	9,121	18,879
Other charges and services	4,000	1,877	2,123
Total Fire Department	<u>33,200</u>	<u>12,078</u>	<u>21,122</u>
Street and Alley			
Personal Services	-	1,000	(1,000)
Materials and supplies	4,000	2,830	1,170
Total Street and Alley	<u>4,000</u>	<u>3,830</u>	<u>170</u>
Cemetery			
Materials and supplies	500	400	100
Total Cemetery	<u>500</u>	<u>400</u>	<u>100</u>
Community Building			
Other Charges and Services	1,050	780	270
Total Community Building	<u>1,050</u>	<u>780</u>	<u>270</u>
Total Charges to Appropriations	136,450	97,403	39,048
Change in Fund Balance	(525)	32,648	(33,173)
Ending Budgetary Fund Balance	<u>\$ 11,975</u>	<u>\$ 45,704</u>	<u>\$ (32,617)</u>

**Fort Supply Public Works Authority
Procedures and Findings
For the Year Ended June 30, 2018**

As to the Fort Supply Public Works Authority, as of and for the year ended June 30, 2018:

- I. Prepare a schedule of revenues, expenditures and changes in fund balance for each fund from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit III. No instances of noncompliance noted.

- II. Agree 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: No instances of noncompliance noted.

- III. Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Town of Fort Supply deposits were under collateralized by \$71,167.15 as of 6-30-2018. On August 10, 2018 an additional \$105,000 was pledged by the Stock Exchange Bank. The Town and Public Works Authority operate using the same tax ID number.

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

Findings: No instances of noncompliance noted.

- V. Compare 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: No instances of noncompliance noted.

- VI. Compare the Authority'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: No instances of noncompliance noted.

FORT SUPPLY PUBLIC WORKS AUTHORITY FORT SUPPLY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Operating Revenues:

Charges for services:

Electric	\$	306,854
Water		78,194
Sewer		22,754
Sanitation		39,527
Grant income		40,000
Other		63,908
Total Operating Revenues		<u>551,237</u>

Operating Expenses:

Administration		77,872
Electric		217,548
Water		106,054
Sanitation		32,858
Sewer		21,869
Total Operating Expenses		<u>456,201</u>
Operating Income	\$	95,036

Non-Operating Revenues/(Expenses):

Interest Income		302
Net transfers to/(from) General Fund		<u>(30,262)</u>
Total Non-Operating Revenues/(Expenses)		<u>(29,960)</u>

Change in fund balance	\$	65,076
Fund Balance - beginning		<u>798,155</u>
Fund Balance - ending	\$	<u><u>863,231</u></u>