

**TOWN OF FORT SUPPLY
WOODWARD COUNTY, OKLAHOMA**

**AGREED UPON PROCEDURES
AND
ACCOUNTANT'S
REPORT**

**FISCAL YEAR ENDED
JUNE 30, 2011**

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF FORT SUPPLY
WOODWARD COUNTY, OKLAHOMA
BOARD OF TRUSTEES AND OFFICERS**

Gordon Ridings
Susie Hunter
Betty Winters
Ted Harvey

Mindy Branson-Albino

Chairman
Trustee
Trustee
Trustee

Town Clerk/Treasurer

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CERTIFIED PUBLIC ACCOUNTANT

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Honorable Town Council
Town of Fort Supply
For Supply, Oklahoma

Accountant's Report

I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within applicable state laws of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by such state laws (HB 1670) and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011. 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 fieldwork and reporting standards applicable to attestation engagements as contained in Government Auditing Standards of the Comptroller General of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I 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 Supply as of and for the Fiscal Year ended June 30, 2011:

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 to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted

2. **Procedures Performed:** From the Town's trial balance, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit B) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: No instances noted

3. **Procedures Performed:** I 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:

1. Check or warrant numbers used more than once or duplicated
2. Check or warrant date of issuance shows that items did not clear in a timely manner

4. **Procedures Performed:** I compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted

5. **Procedures Performed:** I compared use of materially-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings:

1. A majority funds, were deposited into the Town's General Fund.
2. Commingled funds were not appropriately booked.
3. Customer deposits were not properly segregated or deposited into its separate fund during the fiscal year

6. **Procedures Performed:** I 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:

1. A majority funds, were deposited into the Town's General Fund.
2. Commingled funds were not appropriately booked.

7. **Procedures Performed:** I 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: No instances noted

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to our attention that would have been reported to you.

Other Findings:

1. Utility billings were not properly booked, not recorded in books.
2. Collections from billing deposited into General Fund not Public Works Authority, collections records as a credit to accounts receivable.
3. Gross Billings for Fiscal year for utility services provided were \$419,207, total collections per software was \$362,649, and total deposits accounted for as utility revenue was Electricity \$0, Water \$0, Sewer \$0, and Waste Removal \$0.
4. No monthly utility files made available or found in Town's Office
5. Clerk resigned prior to start of engagement.
6. Cash balances are down drastically from prior years
7. Unpaid bills found upon visit to Town's Office.

This report is intended solely for the informational 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.



January 24, 2013

Exhibit A
Town of Fort Supply
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2011

	Beginning of Year	Fund Balances	Additions	Deletions	End of Year	Fund Balances
TOWN:						
General Fund	\$ 98,362	\$ 407,440	\$ 407,917	\$ 97,885	\$ (89,084)	\$ 97,885
Pending Claims	-	-	89,084	-	-	-
Capital Assets	5,000	-	-	-	-	5,000
Total General Fund	103,362	407,440	497,001	13,801	13,801	13,801
Activity Fund	11,550	7,324	4,983	-	-	13,891
Cemetery Fund	9,342	176	-	-	-	9,518
Street & Alley Fund	8,446	13	-	-	-	8,459
Municipal Court Fund	5,225	20,300	1,215	-	-	24,310
Grant Fund	-	14,000	3,200	-	-	10,800
Town Subtotal	137,925	449,253	506,399	80,779	80,779	80,779
Public Works Authority						
Utilities Fund	104,021	69,298	165,197	-	-	8,122
Customer Deposit Fund	2,120	27	-	-	-	2,147
Capital Assets	186,772	-	-	-	-	186,772
PWA Subtotal	292,913	69,325	165,197	197,041	197,041	197,041
Overall Totals	\$ 430,838	\$ 518,578	\$ 671,596	\$ 277,820	\$ 277,820	\$ 277,820

EXHIBIT B
TOWN OF FORT SUPPLY, Oklahoma
 Budgetary Comparison Schedule General Fund - Modified Cash Basis
 For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 98,362	\$ 98,362	\$ 98,362	\$ -
Resources (Inflows):				
Taxes:				
Sales Tax	28,196	28,196	33,211	5,015
Franchise Tax	3,146	3,146	3,260	114
Use Tax	-	-	-	-
Tobacco Tax	118	118	-	(118)
Total Taxes	31,460	31,460	36,471	5,011
Intergovernmental:				
Alcoholic Beverage Tax	1,233	1,233	1,425	192
Motor Vehicle Tax	1,062	1,062	1,133	71
Gas Excise Tax	496	496	468	(28)
State Grants	4,590	4,590	14,000	9,410
Investment Income	185	185	171	(14)
Miscellaneous Income				
Police Fires	-	-	-	-
Garbage Disposal	45,000	45,000	25,530	(19,470)
Rental	-	-	-	-
Sale of Property	-	-	-	-
Permits	113	113	75	(38)
Miscellaneous	-	-	-	-
Other Financing Sources:				
Transfer from Other Funds	31,401	31,401	295,324	263,923
Amounts available for appropriations	213,902	213,902	472,959	259,057
General Government				
Personal Services	120,000	154,593	154,593	-
Maintenance and Operations	95,000	60,407	47,085	(13,322)
Capital Outlay	10,000	10,000	-	(10,000)
	225,000	225,000	201,678	(23,322)
Other Financing Uses:				
Transfers to other funds	-	-	262,481	262,481
Total Charges to Appropriations	225,000	225,000	464,158	239,158
Ending Budgetary Fund Balance	<u>(11,098.16)</u>	<u>(11,098.16)</u>	<u>\$ 8,801</u>	<u>\$ 19,899</u>

EXHIBIT C
TOWN OF FORT SUPPLY, Oklahoma
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
CASH BASIS
PROPRIETARY FUNDS
(Unaudited)

	Public Works Authority	Meter Deposit	Total
Revenues:			
Charges for services:			
Electricity	\$ 218,364	\$ -	\$ 218,364
Water	60,591	-	60,591
Sewer	16,369	-	16,369
Other	12,800	-	12,800
Total Revenues	308,124	-	308,124
Expenses:			
Personnel Services	-	-	-
Electricity	98,673	-	98,673
Water	41,072	-	41,072
Sewer	-	-	-
Trash	25,341	-	25,341
Other	-	-	-
Total Expenses	165,085	-	165,085
Operating Income (Loss)	143,039	-	143,039
Non-operating revenues (expenses):			
Investment income	66	27	93
Grant Proceeds	-	-	-
Other revenue	-	-	-
Transfers In	-	-	-
Transfers Out	(239,003)	-	(239,003)
Total Non-operating Revenues (Expenses)	(238,938)	27	(238,910)
Changes in Net Assets	(95,899)	27	(95,872)
Net Assets - Beginning	290,793	2,120	292,913
Net Assets - Ending	\$ 194,894	\$ 2,147	\$ 197,041

See Accompanying notes to the basic financial statements.