

INDEPENDENT ACCOUNTANT'S REPORTS
AS OF AND FOR THE
FISCAL YEAR ENDED JUNE 30, 2016

TOWN OF TERRAL, OKLA.
AND
PUBLIC TRUSTS

Lisa Brooks
Certified Public Accountant

Town of Terral, Oklahoma
Terral Public Works Authority

June 30, 2016

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Form SA&I 2643 with Compilation Report

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Certified Public Accountant

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Independent Accountant's Report on
Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Board of Trustees, Town of Terral and Public Trusts
Terral, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture, Rural Development
Hobart, Oklahoma

ASCOG
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

I have performed the procedures enumerated below which were agreed to by the specified users of this report, as identified above, and as defined within the applicable 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, 2016. Management of the Town of Terral 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, 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 Terral, Oklahoma**, as of and for the fiscal year ended June 30, 2016:

1. **Procedures Performed:** From the Town's trial balances, I prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** From the Town's trial balances, I prepared a financial schedule for the General Fund and other significant governmental funds (see accompanying Exhibit 2) to compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: Because no budget of governmental funds was adopted for the FYE June 30, 2016, the intended comparisons could not be made.

3. **Procedures Performed:** Agreed 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 noted.

4. **Procedures Performed:** Compared 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:** Compared Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

6. **Procedures Performed:** 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 noted.

7. **Procedures Performed:** Compared the Town's account balances in reserve accounts to contractually required balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No instances noted.

8. **Procedures Performed:** From bank statements, prepared schedule of grant activity (see accompanying Exhibit 3) to compare receipts and disbursements to supporting information provided by ASCOG to report any noted instances of noncompliance with the grant agreement.

Findings: No instances noted.

As to the **Terral Public Works Authority**, as of and for the fiscal year ended June 30, 2016:

1. **Procedures Performed:** From the Authority's trial balances, I prepared a schedule of revenues, expenses and changes in fund balance-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: No instances noted.

2. **Procedures Performed:** Agreed 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 noted.

3. **Procedures Performed:** Compared Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances noted.

4. **Procedures Performed:** Compared Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

5. **Procedures Performed:** 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: No instances noted.

6. **Procedures Performed:** Compared the Authority's account balances in reserve accounts to contractually required balances and debt service requirements to report any noted instances of noncompliance.

Findings: No instances noted.

7. **Procedures Performed:** From the Authority's trial balances, I prepared USDA Form RD 442-3 (see accompanying Exhibit 5).

The accompanying Summary of Changes in Fund Balances - Cash Basis for Town of Terral and Terral Public Works Authority as of and for the fiscal year ended June 30, 2016; Budgetary Comparison Schedule - Cash Basis for the General Fund and Other Significant Governmental Funds of Town of Terral as of and for the fiscal year ended June 30, 2016; Schedule of Grant Activity – Cash Basis as of and for the fiscal year ended June 30, 2016; Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis of Terral Public Works Authority as of and for the fiscal year ended June 30, 2016; and prescribed USDA Form RD 442-3 - regulatory basis for Terral Public Works Authority as of June 30, 2016 are presented as prescribed by Oklahoma Statutes and USDA Rural Development requirements and were not audited or reviewed by me. Accordingly, I do not express an opinion or any other form of assurance on them.

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 my 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.

Lisa Brooks, CPA

Lisa Brooks, CPA
Granite, Oklahoma
February 13, 2017

LISA BROOKS

Certified Public Account

Management is responsible for the preparation and fair presentation of the accompanying selected financial statements which comprise a schedule of changes in fund balances - cash basis for each fund of Town of Terral and related public trusts as of and for the fiscal year ended June 30, 2016; a budget and actual financial schedule - cash basis for the General Fund and any other significant funds of Town of Terral as of and for the fiscal year ended June 30, 2016; schedule of grant activity – cash basis for the fiscal year ended June 30, 2016; statement of revenues, expenses, and changes in fund balance – cash basis of Terral Public Works Authority as of and for the fiscal year ended June 30, 2016; and prescribed USDA Form RD 442-3 - regulatory basis for Terral Public Works Authority as of June 30, 2016; and for determining that the cash basis of accounting is an acceptable financial reporting framework for the purposes these statements are to serve. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, 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 the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included, they might influence the users' conclusions about the entities' assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Lisa Brooks, CPA

Lisa Brooks, CPA
Granite, Oklahoma
February 13, 2017

Town of Terral and Public Trusts
Summary of Changes in Fund Balances - Cash Basis
For the Fiscal Year Ended June 30, 2016

Exhibit 1

	Beginning Balances	Receipts	Disbursements	Ending Balances
CASH ACCOUNTS				
General Fund				
FST Ckg 4105045	322.40	53,599.81	53,428.45	493.76
Certificates of Deposit				
FSB 8045 PWA Reserve	14,336.44	42.29		14,378.73
FSB 7298 on PWA stmts	16,433.71	57.76		16,491.47
FSB 9346 on PWA stmts	39,192.80	78.68		39,271.48
Peoples 116151 PWA	15,328.95	77.04		15,405.99
Peoples 115909 PWA	16,375.65	82.10		16,457.75
	101,667.55	337.87	0.00	102,005.42
Internet				
FSB Internet 1124	4,516.15	3,004.18	5,999.08	1,521.25
Community Center				
FSB Community Center 4093953	993.66	5,027.73	4,603.16	1,418.23
Fireworks				
FSB Fireworks 233	652.22	786.30	1,050.00	388.52
Total General Fund	108,151.98	62,755.89	65,080.69	105,827.18
Volunteer Fire Departments				
FSB Volunteer Fire Dept 4105184	961.19			587.86
FSB Rural Fire Dept 4105141	11,032.24			8,648.36
Total Fire Dept Fund	11,993.43	9,407.47	12,164.68	9,236.22
Street & Alley Fund				
FST Street & Alley 4105010	134.17	4,034.29	3,798.35	370.11
REAP Grant Fund				
FST REAP 4103234	0.00	38,597.19	38,597.19	0.00
Public Works Authority				
FSB PWA Ckg 4104915	6,442.87	145,201.75	151,433.65	210.97
FSB PWA Svgs 377	706.02	1.42		707.44
	7,148.89	145,203.17	151,433.65	918.41
PWA Meter Deposit				
FSB Savings 969	4,247.04	828.25	2,560.00	2,515.29
Total Public Works Authority	11,395.93	146,031.42	153,993.65	3,433.70
Grand Total				
	131,675.51	260,826.26	273,634.56	118,867.21
Prior year overstatement	1,926.49			
FYE 2015 as Reported	<u>133,602.00</u>			

Town of Terral
Budgetary Comparison Schedule - Cash Basis
General and Other Significant Governmental Funds
For the Fiscal Year Ended June 30, 2016

Exhibit 2

	Budget	General	Fire Dept.	S & A
Budgetary Fund Balance, Beginning	No Budget	108,151.98	11,993.43	134.17
Tax Revenues	No Budget			
Sales	No Budget	31,146.50		
Use	No Budget	2,572.62		
Cigar	No Budget	371.16		
Alcohol	No Budget	6,505.44		
Franchise	No Budget	6,399.30		
Motor Vehicle	No Budget			3,213.68
Gasoline Excise	No Budget			820.61
Internet Sales	No Budget	3,000.00		
Fireworks Donations	No Budget	785.00		
Community Center Donations	No Budget	3,486.00		
Community Center Rent	No Budget	1,540.00		
Fire Dept Donations	No Budget		1,500.00	
Fire Dept Grant	No Budget		4,602.46	
Firemen's Dinner	No Budget		3,301.00	
Interest Income	No Budget	346.72	4.01	
Total Current Year Receipts Available for Appropriation	No Budget	<u>56,152.74</u>	<u>9,407.47</u>	<u>4,034.29</u>
		164,304.72	21,400.90	4,168.46
Cash Expenditures				
Personal Services				
Trustee Fees	No Budget	1,200.00		
Professional Fees - Accounting	No Budget	1,700.00	1,000.00	
Contract Labor	No Budget	500.00		
Payroll	No Budget	35,806.48		
Total Personal Services		<u>39,206.48</u>	1,000.00	0.00
Operating				
Community Center	No Budget	4,103.16		
Fireworks	No Budget	1,900.00		
Street Lights	No Budget			3,798.35
Fire Dept Operating	No Budget		11,164.68	
Allocated General Operating	No Budget	13,267.90		
Total Operating		<u>19,271.06</u>	11,164.68	3,798.35
Total Expenditures	No Budget	<u>58,477.54</u>	12,164.68	3,798.35
Budgetary Fund Balance, Ending		105,827.18	9,236.22	370.11

Town of Terral
Schedule of Grant Activity - Cash Basis
For the Fiscal Year Ended June 30, 2016

Exhibit 3

	<u>Beginning Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Ending Unexpended Grant Funds</u>
REAP 15-2267	0.00	38,597.19	38,597.19	0.00

Town of Terral
Public Works Authority
Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis
For the Fiscal Year Ended June 30, 2016

Cash Revenues

Credit Card Fees	20.18
Connect Fees	824.45
Penalties	4,426.76
Water	73,336.43
Sewer	13,548.34
Trash	60,816.89
Interest Income	14.85
Total Revenues	<u>152,987.90</u>

Cash Expenditures

Personal Services

Professional Fees - Accounting	1,500.00
Contract Labor	860.00
Payroll	<u>49,220.63</u>
Total Personal Services	51,580.63

Operating

Water & Lab	11,693.26
Trash Contractors	48,494.68
Rural Development Loan Pmts	28,080.00
Truck Note Pmts	3,487.38
Allocated General Operating	<u>17,614.18</u>
Total Operating	109,369.50

Total Expenditures

Total Expenditures	<u>160,950.13</u>
Net Income (Loss)	(7,962.23)
Fund Balance - Beginning	11,395.93
Fund Balance - Ending	3,433.70

Balance Sheet - Modified Cash Basis (Regulatory)

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
ASSETS		
CURRENT ASSETS		
1. Cash on hand in Banks	3,434	Not Available
2. Time deposits and short-term investments	0	Not Available
3. Accounts receivable	0	Not Available
4. Less: Allowance for doubtful accounts	0	Not Available
5. Inventories	0	Not Available
6. Prepayments	0	Not Available
7.		
8.		
9. Total Current Assets	<u>3,434</u>	Not Available
FIXED ASSETS		
10. Land	0	Not Available
11. Buildings	0	Not Available
12. Furniture and equipment	0	Not Available
13. Capital Assets	1,586,173	Not Available
14. Less: Accumulated depreciation	<u>(913,419)</u>	Not Available
15. Net Total Fixed Assets	<u>672,754</u>	Not Available
OTHER ASSETS		
16.		
17.		
18. Total Assets	<u><u>676,188</u></u>	Not Available
LIABILITIES AND EQUITIES		
CURRENT LIABILITIES		
19. Accounts Payable	0	Not Available
20. Notes payable	0	Not Available
21. Current portion of USDA notes	14,000	Not Available
22. Customer deposits	2,515	Not Available
23. Taxes payable		
24. Interest payable		
25.		
26.		
27. Total Current Liabilities	<u>16,515</u>	Not Available
LONG-TERM LIABILITIES		
28. Notes payable USDA	270,210	Not Available
29. Notes payable		
30.		
31. Total Long-Term Liabilities	<u>270,210</u>	Not Available
32. Total Liabilities	<u>286,725</u>	Not Available
EQUITY		
33. Retained earnings	389,463	Not Available
34. Memberships		
35. Total Equity	<u>389,463</u>	Not Available
36. Total Liabilities and Equity	<u><u>676,188</u></u>	Not Available