

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

TOWN OF DEVOL, OKLAHOMA

JULY 1, 2015 TO JUNE 30, 2016

BY





Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Devol
Devol, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Devol, Oklahoma as of June 30, 2016 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2016 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's

assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, 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 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 Devol 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 Finding

As to the **Town of Devol** as of and for the fiscal year ended June 30, 2016:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the General Fund for the year ended June 30, 2016. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the PWA Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the PWA Fund for the year ended June 30, 2016. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

4. 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: We found no instances of any significant or unusual reconciling items.

5. 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: We found no uninsured or uncollateralized deposits.

6. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance.

7. 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: We found no instances of noncompliance.

8. Procedures Performed: We 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: We found no instances of noncompliance.

We were not engaged to and did not conduct an audit or examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such and 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.

Furrh and Associates, PC

Furrh & Associates, PC

Lawton, Oklahoma

October 7, 2016

Town of Devol
Devol, Oklahoma

Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

TOWN:	Beginning of Year Fund Balances	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 22,279	\$ 6,086	\$ 17,398	\$ 10,967
Public Works Authority	3,398	51,382	42,297	12,483
Fire Department Fund	19,082	16,226	14,292	21,016
Cemetery Care Fund	3,770	2,425	4,788	1,407
Water/Waste Water Constr. Award	1	0	0	1
Water Tower Project	1,125	0	0	1,125
Grant - OWRB	202	0	0	202
Overall Totals	\$ 49,857	\$ 76,119	\$ 78,775	\$ 47,201

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund

For the Fiscal Year Ended June 30, 2016
(Unaudited)

	Budgeted Amounts			Actual		Variance with
	Original	Final	\$	Amounts	\$	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 0	\$ 0	\$	22,279	\$	22,279
Resources (Inflows):						
Alcoholic Beverages Tax	0	0		2,265		2,265
Franchise Tax Income	0	0		2,225		2,225
Motor Vehicle Tax	0	0		924		924
Gasoline Tax	0	0		272		272
Other Revenue	0	0		400		400
Total Inflows	0	0		6,086		6,086
Amounts Available for Appropriations	0	0		28,365		28,365
Charges to Appropriations (Outflows):						
General Government:						
Maintenance, Operations, Repairs	0	0		13,398		(13,398)
Transfers to other Funds	0	0		4,000		(4,000)
Total General Government	0	0		17,398		(17,398)
Total Charges to Appropriations	0	0		17,398		(17,398)
Ending Budgetary Fund Balance	\$ 0	\$ 0		\$ 10,967		\$ 10,967

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Public Works Authority Fund
For the Fiscal Year Ended June 30, 2016
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
	\$	\$	\$	Positive
				(Negative)
Beginning Budgetary Fund Balance:	0	0	3,398	3,398
Resources (Inflows):				
Water and Sewer Receipts	0	0	47,382	47,382
Transfer In	0	0	4,000	4,000
Total Inflows	0	0	51,382	51,382
Amounts Available for Appropriation	0	0	54,780	54,780
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	0	0	14,165	(14,165)
Maintenance, Operations, Repairs	0	0	28,132	(28,132)
Total General Government	0	0	42,297	(42,297)
Total Charges to Appropriations	0	0	42,297	(42,297)
Ending Budgetary Fund Balance	\$ 0	\$ 0	\$ 12,483	\$ 12,483

Please see accompanying notes to financial statements.

Town of Devol
Devol, Oklahoma
Oklahoma Dept of Ag, Food and Forestry Grant
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Oklahoma Forestry Services Grant	\$ 4,290	\$ 4,290	\$ 0
Total Revenue	4,290	4,290	0
<u>Expenditures</u>			
Fire Department Operations	4,290	4,290	0
Total Expenditures	4,290	4,290	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements.

Town of Devol
Devol, Oklahoma
CDBG Grant
Grant Revenue and Expenditures Compared with Budget-Cash Basis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

	<u>Budget</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>				
CDBG Grant	\$ 159,820	\$ 159,820	\$ 0	\$ 0
Total Revenue	159,820	159,820	0	0
<u>Expenditures</u>				
Water Line Construction	142,000	142,000	0	0
Inspection/Engineering	6,570	6,570	0	0
Administration	11,250	10,125	1,125	0
Total Expenditures	159,820	158,695	1,125	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1,125</u>	<u>\$ (1,125)</u>	<u>\$ 0</u>

ODOC CDBG
Contract # 15168 CDBG 12
CFDA # 14.228
Funding Period 8/10/2012 - 8/10/2014

Please see accompanying notes to the financial statements.