

TOWN OF FOSS
AGREED UPON PROCEDURES REPORT
AND FINANCIAL STATEMENTS

JUNE 30, 2011



Hunter & Gibbins, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Amy Patrick, CPA
J.L. Gibbins, CPA

Honorable Mayor and City Commissioners
Town of Foss, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances of the Town of Foss, Oklahoma as of June 30, 2011 and the related Budgetary Comparison Schedules for the fiscal year ended June 30, 2011. 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. 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.

The management of the Town of Foss, Oklahoma, is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by Oklahoma Statutes 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 the management of the Town of Foss, Oklahoma, 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.

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 of Foss 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, 2011. Management of the Town of Foss 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.



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Procedures and Findings

As to the **Town of Foss** as of and for the fiscal year ended June 30, 2011:

1. **Procedure Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying schedule "1") 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 items not in compliance with the aforementioned statutory prohibition.

2. **Procedure 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 federal fund (see accompanying schedules "2" and "3") and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: We found no instances of items exceeding appropriation limitations.

3. **Procedure 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 that year end bank account balances agreed to reconciliations which agreed to the accounting records and no instances of reconciling items not reflected in the Town's records were detected.

4. **Procedure 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 that the Town's deposits were fully insured at year end.

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

Findings: No instances of noncompliance with restriction on revenues and resources noted.

6. **Procedure 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 instances of noncompliance with restrictions by legal or contractual requirements were noted.



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7. Procedure 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: No instances of noncompliance with requirements were noted.

We were not engaged to and did not conduct an examination, 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 used by anyone other than these specified parties.

Hunter & Gibbins, P.C.

Elk City, Oklahoma
October 18, 2011



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TOWN OF FOSS, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

Schedule "1"

<u>CITY:</u>	<u>BEGINNING OF THE YEAR FUND BALANCES</u>	<u>INCREASE (DECREASE) IN FUND BALANCE</u>	<u>END OF THE YEAR FUND BALANCES</u>
General Fund	\$ 188,330.35	\$ 32,432.07	\$ 220,762.42
Grant Fund	15,973.69	(5,750.00)	10,223.69
Cemetery Fund	9,728.42	2,440.82	12,169.24
Youth Fund	362.34	-	362.34
Meter Fund	2,418.50	-	2,418.50
TOTAL	<u>\$ 216,813.30</u>	<u>\$ 29,122.89</u>	<u>\$ 245,936.19</u>

See accountant's compilation report.

TOWN OF FOSS, OKLAHOMA
 BUDGETARY COMPARISON OF GENERAL FUND-CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2011

Schedule "2"

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH BUDGETED AMOUNTS POSITIVE (NEGATIVE)
Beginning Fund Balance	\$ 188,330.35	\$ 188,330.35	\$ -
RESOURCES:			
TAXES:			
Sales Tax	51,568.04	48,842.90	(2,725.14)
Franchise Tax	2,048.41	3,115.40	1,066.99
Use Tax	4,807.52	8,277.74	3,470.22
Other Taxes	1,388.94	653.14	(735.80)
TOTAL TAXES	59,812.91	60,889.18	1,076.27
INTERGOVERNMENTAL:			
Alcoholic Beverage Tax	1,745.33	894.38	(850.95)
Cigar Tax	692.12	807.14	115.02
TOTAL INTERGOVERNMENTAL	2,437.45	1,701.52	(735.93)
INVESTMENT INCOME	784.93	1,073.01	288.08
OTHER FINANCING SOURCES:			
Water Utility Revenue	28,014.32	24,650.52	(3,363.80)
Garbage Disposal Fees	11,032.38	11,629.60	597.22
Sewer Fees	5,263.20	5,920.00	656.80
Fire Department Fees	9,522.90	3,550.00	(5,972.90)
Royalty Income	-	592.55	592.55
Other Revenue	1,617.44	3,209.49	1,592.05
TOTAL OTHER FINANCING SOURCES	55,450.24	49,552.16	(5,898.08)
AMOUNT AVAILABLE FOR APPROPRIATION	306,815.88	301,546.22	(5,269.66)
EXPENDITURES:			
Personal Services	60,000.00	23,637.85	36,362.15
Maintenance and Operations	160,000.00	57,145.95	102,854.05
Capital Outlay	86,815.88	-	86,815.88
TOTAL EXPENDITURES	306,815.88	80,783.80	226,032.08
ENDING FUND BALANCE	\$ -	\$ 220,762.42	\$ 220,762.42

See accountant's compilation report.

TOWN OF FOSS, OKLAHOMA
 BUDGETARY COMPARISON OF GRANT FUND-CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2011

Schedule "3"

	BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH BUDGETED AMOUNTS POSITIVE (NEGATIVE)
Beginning Fund Balance	\$ 15,973.69	\$ 15,973.69	\$ -
RESOURCES:			
INTERGOVERNMENTAL:			
SWODA REAP Grant	-	7,500.00	7,500.00
AMOUNT AVAILABLE FOR APPROPRIATION	<u>15,973.69</u>	<u>23,473.69</u>	<u>7,500.00</u>
EXPENDITURES:			
Capital Outlay-CDBG	-	5,750.00	(5,750.00)
Capital Outlay-REAP	-	7,500.00	(7,500.00)
TOTAL EXPENDITURES	<u>-</u>	<u>13,250.00</u>	<u>(13,250.00)</u>
ENDING FUND BALANCE	<u>\$ 15,973.69</u>	<u>\$ 10,223.69</u>	<u>\$ (5,750.00)</u>

See accountant's compilation report.