

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

TOWN OF FOSTER, OKLAHOMA

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

BY





Independent Accountant's Compilation Report and
Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Foster
Foster, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements and schedules of the Town of Foster, Oklahoma, which are comprised of the Summary of Changes in Fund Balances - Cash Basis as of and for the year ended June 30, 2023, and the related Budgetary Comparison Schedule for the General Fund - Cash Basis, and the Schedule of Grant Activity - Cash Basis for the year ended June 30, 2023, and for determining that the cash basis of accounting is an acceptable financial reporting framework.

The financial statements and schedules 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 accounting principles generally accepted in the United States of America.

We 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 American Institute of Certified Public Accountants (AICPA). We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify 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 and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town of Foster's assets, liabilities, fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3 and are not intended to be a complete presentation of the Town of Foster's assets, liabilities, revenues, expenses, and changes in fund balances.

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 in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Management of the Town of Foster 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 of the United States of America. 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.

The Town of Foster has agreed to and acknowledges that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating the selected financial information and compliance requirements of the Town of Foster for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Procedures and Finding

As to the **Town of Foster** as of and for the fiscal year ended June 30, 2023:

- 1. Procedures Performed:** From the Town's trial balances and other accounting records, we compiled a cash basis schedule of changes in fund balances for each 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 non-compliance as a result of applying the procedure.

- 2. Procedures Performed:** From the Town's trial balances and other accounting records, we prepared a cash basis budget and actual financial schedule for the General Fund and any other major funds and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations. A major fund is any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances and exceeds 5% of the entity-wide total revenues, expenditures or fund balances.

Findings: We found the following instances of noncompliance as a result of applying the procedure: The General Fund was under budget in the following outflow category: Use Tax, and the General Fund was over budget in the following outflow category: Capital Outlay.

- 3. 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 on a timely basis.

Findings: We found no instances of significant or unusual reconciling items that did not clear on a timely basis as a result of applying the procedure.

- 4. 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 instances of uninsured and uncollateralized deposits as a result of applying the procedure.

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

Findings: We found no instances of noncompliance as a result of applying the procedure.

- 6. 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 as a result of applying the procedure.

- 7. Procedures Performed:** We performed a search for Town debt agreements to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Town during the fiscal year ending June 30, 2023.

As to the **Town of Foster Grant Programs**, as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town's trial balances and other accounting records, we prepared a schedule of grant activity for each major grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: We found no instances of noncompliance as a result of applying the procedure.

As to the **Town of Foster**, as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town's trial balances and other accounting records, we compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: We found no instances of noncompliance as a result of applying the procedure.

We are required to be independent of the Town of Foster and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 & Associates, PC

FURRH & ASSOCIATES, PC

December 20, 2023

Town of Foster, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
For the Fiscal year Ended June 30, 2023
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Interfund Transfers</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
Town:					
General Fund	\$ 702,569	\$ 287,670	28,253	\$ (249,368)	\$ 769,124
Grant Fund	14,140	14,193	(28,253)	0	80
Town Total	<u>\$ 716,709</u>	<u>\$ 301,863</u>	<u>\$ 0</u>	<u>\$ (249,368)</u>	<u>\$ 769,204</u>

Please see accompanying Accountant's Report.

Town of Foster, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 255,480	\$ 255,480	\$ 702,569	\$ 447,089
Resources (Inflows):				
Sales Tax	122,350	122,350	247,007	124,657
Use Tax	36,420	36,420	31,336	(5,084)
Alcohol Beverage Tax	3,130	3,130	3,508	378
Motor Vehicle Tax	1,720	1,720	1,785	65
Cigar Tax	940	940	1,561	621
Investment Revenue	520	520	1,313	793
Gas Excise Tax	410	410	439	29
Miscellaneous Revenue	0	0	721	721
Transfers In	0	0	28,253	28,253
Total Inflows	165,490	165,490	315,923	150,433
Amounts Available for Appropriation	420,970	420,970	1,018,492	597,522
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	0	0	0	0
Operations & Maintenance	255,840	255,840	59,469	(196,371)
Capital Outlay	155,000	155,000	189,899	34,899
Transfers Out	10,130	10,130	0	(10,130)
Total Charges to Appropriations	420,970	420,970	249,368	(171,602)
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 769,124</u>	<u>\$ 769,124</u>

Please see accompanying Accountant's Report.

Town of Foster, Oklahoma
Schedule of Grant Activity-Cash Basis
For the Fiscal year Ended June 30, 2023
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursement</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
Town:							
U.S. Department of the Treasury							
American Rescue Plan Act ALN #21.027	\$ 28,253	\$ 14,060	0	\$ 14,060	\$ 14,193	\$ 28,253	\$ 0
Town Total	<u>\$ 28,253</u>	<u>\$ 14,060</u>	<u>\$ 0</u>	<u>\$ 14,060</u>	<u>\$ 14,193</u>	<u>\$ 28,253</u>	<u>\$ 0</u>

Please see accompanying Accountant's Report.