

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
Agreed Upon Procedures  
June 30, 2015  
With Independent Accountants' Report Thereon

# TOWN OF FRANCIS AND PUBLIC TRUSTS

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**JOHNSTON & BRYANT**

Certified Public Accountants

Pete Johnston, C.P.A.  
Allen Bryant, Jr., C.P.A.

P.O. Box 1564  
Ada, Oklahoma 74821-1564  
(580) 332-5549

MEMBER  
American Institute of Certified Public Accountants  
Oklahoma Society of Certified Public Accountants

**Independent Accountant's Report**

Town Council  
Town of Francis and Public Trusts  
Francis, Oklahoma

**Report on Compiled Financial Statements and Schedules**

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Francis and Public Trusts, Francis, Oklahoma for the year ended June 30, 2015 and the related Budgetary Comparison Schedule of General Fund-Cash Basis; Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis of the Francis Public Works Authority and Francis Public Facilities Authority and Schedule of Grant Activity-Cash Basis and Schedule of Notes Payable – Cash Basis for the year ended June 30, 2015. 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 applicable to municipalities and the presentation requirements prescribed by Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We have not audited or reviewed the aforementioned financial statements and schedules and accordingly, do not express an opinion or provide any assurance about whether the financial statements and schedules are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis and budget laws of the State of Oklahoma and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and schedules.

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 and schedules, in order to meet the requirements of applicable Oklahoma Statutes without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and schedules.

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

### **Report on Applying Agreed-Upon Procedures**

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 Law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2015. Management of the Town of Francis and the Francis Public Works Authority and the Francis Public Facilities Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual agreements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these procedures is solely the responsibility of those parties specified in the 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 Findings**

As to the **Town of Francis** as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of non compliance.

**Findings:** None noted

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

**Findings:** None noted

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.

**Findings:** None noted

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:** None noted

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

**Findings:** None noted

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:** None noted

7. **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 non-compliance.

**Findings:** None noted

As to the **Francis Public Works Authority and Francis Public Facilities Authority**, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenditures/expenses and changes in fund balances/cash basis for each fund (see accompanying Exhibit 3 and 4) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** None noted

2. **Procedures Performed:** We agreed the 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 or reconciling items that have not cleared.

**Findings:** None noted

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

**Findings:** None noted

4. **Procedures Performed:** We compared the Authority's used of material-restricted revenues and resources to their restrictions to report any noted instances of compliance.

**Findings:** None noted

5. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of notes payables/cash basis and compared the schedule results to lender outstanding balances as of June 30, 2015. (Exhibit 6)

**Findings:** None noted

6. **Procedures Performed:** We compared the accounting for the Authorities activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** None noted

7. **Procedures Performed:** We compared the Authority'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:** None noted

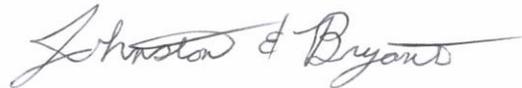
As to the **Town of Francis and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2015:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see accompanying Exhibit 5) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

**Findings:** None noted

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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 and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Johnston & Bryans". The signature is written in dark ink and is positioned in the center-right of the page.

November 30, 2015

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
Summary of Changes in Fund Balance – Cash Basis  
For the Fiscal Year Ended June 30, 2015

	Fund Balance 6/30/2014	Current Year Receipts	Transfers	Current Year Disbursements	Fund Balance 6/30/2015
<b>Town:</b>					
General	\$ 136,590	\$ 36,965	\$ (13,277)	\$ (30,080)	\$ 130,198
Street and Alley	3,447	3,025	-	(3,461)	3,011
Capital Improvement	-	-	-	-	-
Fire Department	41,314	5,534	8,277	(8,953)	46,172
Town Sub-Totals	<u>181,351</u>	<u>45,524</u>	<u>(5,000)</u>	<u>(42,494)</u>	<u>179,381</u>
<b>Public Works Authority:</b>					
Utilities Fund	<u>36,408</u>	<u>115,856</u>	<u>12,022</u>	<u>(122,515)</u>	<u>41,771</u>
PWA Sub-Totals	<u>36,408</u>	<u>115,856</u>	<u>12,022</u>	<u>(122,515)</u>	<u>41,771</u>
<b>Public Facilities Authority:</b>					
General Fund	<u>9,818</u>	<u>1,754</u>	<u>(7,022)</u>	<u>(4,550)</u>	<u>-</u>
PFA Subtotal	<u>9,818</u>	<u>1,754</u>	<u>(7,022)</u>	<u>(4,550)</u>	<u>-</u>
Overall Totals	<u><u>\$ 227,577</u></u>	<u><u>\$ 163,134</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (169,559)</u></u>	<u><u>\$ 221,152</u></u>

See Independent Accountants' Report on Agreed-Upon Procedures

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
 Budgetary Comparison Schedule – Cash Basis  
 Town of Francis General Fund  
 For the Fiscal Year Ended June 30, 2015

	Budgetary Amounts		Actual	Variance
	Original	Final		
Beginning Fund Balance	\$ 110,000	\$ 110,000	\$ 136,590	\$ 26,590
Resources (Inflows):				
Sales and Use Tax	18,000	18,000	16,545	(1,455)
Alcohol Tobacco Tax	2,000	2,000	1,996	(4)
Franchise Tax	8,500	8,500	9,976	1,476
Miscellaneous	2,000	2,000	8,073	6,073
	<u>140,500</u>	<u>140,500</u>	<u>173,180</u>	<u>32,680</u>
Total Resources				
Investment Income	-	-	375	375
	<u>140,500</u>	<u>140,500</u>	<u>173,555</u>	<u>33,055</u>
Amounts Available for Appropriations				
Charges to Appropriation(Outflows):				
Personnel Services	(3,500)	(3,500)	(3,002)	498
Maintenance and Operations	(40,000)	(26,000)	(25,338)	662
Other	-	(2,000)	(1,740)	260
	<u>(43,500)</u>	<u>(31,500)</u>	<u>(30,080)</u>	<u>1,420</u>
Total Expenditures				
Other Uses:				
Transfer from Other funds	-	-	-	-
Transfers to Other Funds	(6,000)	(18,000)	(13,277)	4,723
	<u>(6,000)</u>	<u>(18,000)</u>	<u>(13,277)</u>	<u>4,723</u>
Total Other Uses				
Total Charges to Appropriations	<u>(49,500)</u>	<u>(49,500)</u>	<u>(43,357)</u>	<u>6,143</u>
Ending Fund Balance	<u>\$ 91,000</u>	<u>\$ 91,000</u>	<u>\$ 130,198</u>	<u>\$ 39,198</u>

See Independent Accountants' Report on Agreed-Upon Procedures

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**

Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis  
Francis Public Works Authority  
For the Fiscal Year Ended June 30, 2015

Operating Revenue:	
Water and Sewer	\$ 88,209
Sanitation	19,043
Miscellaneous	8,476
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Total Operating Revenue	115,728
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Operating Expenses	
Personal Services	24,861
Sanitation Contract Costs	16,952
Maintenance and Operations	53,453
Grant Expenses	-
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Total Operating Expenses	95,266
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Net Operating Income (Loss)	20,462
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Non-operating Revenue (Expense):	
Interest Income	128
Debt Service	(27,249)
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Net Non-Operating Revenue (Expense)	(27,121)
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Net Income (Loss) Before Transfers	(6,659)
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Other Financing Sources (Uses)	
Operating Transfers in	12,022
Operating Transfers (Out)	-
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Total Other Financing Sources (Uses)	12,022
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Net Income (Loss)	5,363
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Fund Balance - Beginning	36,408
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Fund Balances - Ending	\$ 41,771
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See Independent Accountants' Report on Agreed-Upon Procedures

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis  
Francis Public Facilities Authority  
For the Fiscal Year Ended June 30, 2015

Revenue:	
Grant Revenue	\$ 1,740
Loan Proceeds	-
Interest	<u>14</u>
 Total Revenue and Loan Proceeds	 <u>1,754</u>
 Expenditures	
Grant Expenditures	(4,550)
Project Expenditures out of Loan Proceeds and Other	<u>-</u>
Total Expenditures	<u>(4,550)</u>
 Net Income (Loss) Before Transfers	 (2,796)
 Transfers Out	 <u>(7,022)</u>
 Net Income (Loss)	 (9,818)
 Fund Balance - Beginning	 <u>9,818</u>
 Fund Balance - Ending	 <u><u>\$ -</u></u>

See Independent Accountants' Report on Agreed-Upon Procedures

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
Schedule of Grant Activity – Cash Basis  
For the Fiscal Year Ended June 30, 2015

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
State of Oklahoma				
CDBG 15450 CDBG-12	\$ -	\$ 1,740	\$ 1,740	\$ -
Department of Agriculture	569	4,484	5,053	-
Overall Totals	<u>\$ 569</u>	<u>\$ 6,224</u>	<u>\$ 6,793</u>	<u>\$ -</u>

See Independent Accountants' Report on Agreed-Upon Procedures

**TOWN OF FRANCIS AND PUBLIC TRUSTS**  
**FRANCIS, OKLAHOMA**  
Schedule of Notes Payable  
For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance 6/30/2014</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Ending Balance 06/30/2015</u>
A non-interest bearing note to the Oklahoma Department of Commerce, secured by certain Equipment and revenues of the Francis Public Works Authority, payable in monthly installments of \$521 to May of 2025	<u>\$ 68,226</u>	<u>\$ -</u>	<u>\$ 6,250</u>	<u>\$ 61,976</u>
A 6% note to Citizens Bank and Trust, Ada, Oklahoma Payable \$1,750 per month	<u>\$ 114,556</u>	<u>\$ -</u>	<u>\$ 14,418</u>	<u>\$ 100,138</u>