

TOWN OF FORT COBB
June 30, 2012

TABLE OF CONTENTS

	Page
Independent Accountant's Report	1-3
Summary of Changes in Fund Balance -Modified Cash Basis	4
Budgetary Comparison Schedule-Modified Cash Basis -General Fund	5
Budgetary Comparison Schedule-Modified Cash Basis -Fire Department Cash Fund	6
Budgetary Comparison Schedule-Modified Cash Basis -Capital Improvement Fund	7
Schedule of Grant Activity -Modified Cash Basis	8

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Fort Cobb
Fort Cobb, Oklahoma

Fort Cobb Economic Development Authority
Fort Cobb, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Caddo County Clerk
Anadarko, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Modified Cash Basis of the Town of Fort Cobb and Fort Cobb Economic Development Authority, Fort Cobb, Oklahoma as of June 30, 2012 and the related Budgetary Comparison Schedule of General Fund-Modified Cash Basis, Budgetary Comparison Schedule of Fire Department Cash Fund-Modified Cash Basis, Budgetary Comparison Schedule of Capital Improvement Fund-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the fiscal year ended June 30, 2012. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the modified 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 provide any assurance about whether the financial statements are in accordance with the modified cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified 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.

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 in accordance with the modified cash basis of accounting and budget laws of the State of Oklahoma. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. 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 Economic Development 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, 2012. Management of the Town of Fort Cobb 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 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, 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 Fort Cobb** as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances, we prepared a 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 noncompliance.

Findings: The REAP Fund had a negative fund balance of \$1950.31 at year end.

Recommendation: The Town should closely monitor its revenue and expenses to ensure that expense do not exceed the revenue in any of its funds during the year.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) 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: Expenditures exceeded total appropriations in one fund. In all other funds appropriations were exceeded at the legal level of control for the year ended June 30, 2012.

- ✚ In the Police Department Cash Fund, the capital outlay budget was overspent \$2,098. The total budget was overspent by \$1,829.
- ✚ In the Fire Department Cash Fund, the capital outlay budget was overspent \$10,000. The total budget was not overspent.

Recommendation: The Town should closely monitor each budget on a monthly basis and not approve any expenditure exceeding appropriation until additional amendments have been made and approved. The categories of each budgeted fund should be tracked in order to determine the remaining budget balance. Council can approve transfers between budgeted categories for each fund. Budget supplements must also be approved by the County Excise Board.

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: No exceptions were found 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: No exceptions were found as a result of applying the procedure.

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

Findings: No exceptions were found 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: No exceptions were found as a result of applying the procedure.

- 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 noncompliance.

Findings: Town had no contractually or debt service requirements. This procedure does not apply.

As to the **Fort Cobb Economic Development Authority**, as of and for the fiscal year ended June 30, 2012:

Fort Cobb Economic Development Authority was inactive during the fiscal year; therefore no testing procedures were performed.

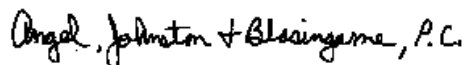
As to the **Town of Fort Cobb and Public Trust Grant Programs**, as of and for the fiscal year ended June 30, 2012:

- 1. Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: No exceptions were found as a result of applying the procedure.

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.



Angel, Johnston and Blasingame, P.C.
October 4, 2012

TOWN OF FORT COBB
Fort Cobb, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCE-MODIFIED CASH BASIS
For the Fiscal year ended June 30, 2012
(Unaudited)

TOWN:	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balance</u>
General Fund	\$ 35,795	\$ 403,719	\$ 387,956	\$ 51,558
Street and Alley Fund	9,207	5,644	6,366	8,485
Fire Department Cash Fund	23,469	30,066	22,261	31,273
Capital Improvement Cash Fund	14,492	13,953	11,287	17,158
CDBG Grant Fund	0	12,800	12,800	0
CENA Grant Fund	0	4,451	4,451	0
Park Fund	0	31,500	31,500	0
REAP Grants Fund	1,020	0	2,970	(1,950)
Police Department Cash Fund	1,099	18,262	15,271	4,091
Police Drug Enforcement Fund	1,167	0	688	480
Town Total	<u>\$ 86,249</u>	<u>\$ 520,396</u>	<u>\$ 495,550</u>	<u>\$ 111,095</u>
TRUST:				
EDA Fund - Inactive	\$ 0	\$ 0	\$ 0	\$ 0
Trust Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Overall Total	<u>86,249</u>	<u>520,396</u>	<u>495,550</u>	<u>111,095</u>

TOWN OF FORT COBB
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 35,794.61	\$ 35,794.61	\$ 35,794.61	\$ -
Charges for Services:				
Permit fees	548.10	548.10	951.00	402.90
Water utility revenues	203,577.62	224,586.58	253,264.05	28,677.47
Garbage fees	485.35	485.35	-	(485.35)
Total Charges for Services	<u>204,611.07</u>	<u>225,620.03</u>	<u>254,215.05</u>	<u>28,595.02</u>
Intergovernmental-Local:				
Franchise tax	16,171.76	16,171.76	18,214.19	2,042.43
Police fines	7,652.71	7,652.71	9,665.27	2,012.56
Payment in lieu of taxes	1,330.55	1,330.55	1,607.10	276.55
Total Intergovernmental-Local	<u>25,155.02</u>	<u>25,155.02</u>	<u>29,486.56</u>	<u>4,331.54</u>
Intergovernmental-State:				
Sales	81,103.41	89,673.03	96,280.02	6,606.99
Use Tax	12,177.21	12,177.21	11,517.20	(660.01)
Alcohol beverage tax	5,431.89	5,431.89	5,404.84	(27.05)
Tobacco Tax	1,508.16	1,508.16	1,635.38	127.22
State Grants	-	-	-	-
Total Intergovernmental-State	<u>100,220.67</u>	<u>108,790.29</u>	<u>114,837.44</u>	<u>6,047.15</u>
Intergovernmental-Federal:				
FEMA	-	-	-	-
Total Intergovernmental-Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenue:				
Interest	1,193.71	1,193.71	973.92	(219.79)
Rental	1,035.00	1,035.00	1,000.00	(35.00)
Refunds/Reimbursements	-	-	100.00	100.00
Miscellaneous	-	9,681.13	3,106.30	(6,574.83)
Total Miscellaneous Revenue	<u>2,228.71</u>	<u>11,909.84</u>	<u>5,180.22</u>	<u>(6,729.62)</u>
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	<u>368,010.08</u>	<u>407,269.79</u>	<u>439,513.88</u>	<u>32,244.09</u>
Charges to Appropriations:				
Personal Services	200,000.00	237,573.94	237,573.94	-
Maintenance & Operations	157,684.32	159,365.09	140,056.27	19,308.82
Capital Outlay	8,200.00	8,205.00	8,200.08	4.92
Debt Service	-	-	-	-
Unallocated	-	-	-	-
Total Other	<u>365,884.32</u>	<u>405,144.03</u>	<u>385,830.29</u>	<u>19,313.74</u>
Other Financing Uses:				
Transfers to other funds	2,125.76	2,125.76	2,125.76	-
Total Charges to Appropriations	<u>368,010.08</u>	<u>407,269.79</u>	<u>387,956.05</u>	<u>19,313.74</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,557.83</u>	<u>\$ 51,557.83</u>

TOWN OF FORT COBB
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
FIRE DEPARTMENT CASH FUND
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 23,468.81	\$ 23,468.81	\$ 23,468.81	\$ -
Revenues	-	14,032.10	30,065.86	16,033.76
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	23,468.81	37,500.91	53,534.67	16,033.76
Charges to Appropriations:				
Personal Services	900.00	900.00	900.00	-
Maintenance & Operations	22,568.81	29,619.87	9,912.24	19,707.63
Capital Outlay	-	1,448.94	11,448.94	(10,000.00)
Debt Service	-	-	-	-
Unallocated	-	5,532.10	-	5,532.10
Total Other	23,468.81	37,500.91	22,261.18	15,239.73
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	23,468.81	37,500.91	22,261.18	15,239.73
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 31,273.49	\$ 31,273.49

TOWN OF FORT COBB
Fort Cobb, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
CAPITAL IMPROVEMENT CASH FUND
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 14,491.91	\$ 14,491.91	\$ 14,491.91	\$ -
Revenues	-	-	13,953.10	13,953.10
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	14,491.91	14,491.91	28,445.01	13,953.10
Charges to Appropriations:				
Personal Services	-	-	-	-
Maintenance & Operations	-	-	-	-
Capital Outlay	14,491.91	14,491.91	11,287.06	3,204.85
Debt Service	-	-	-	-
Total Other	14,491.91	14,491.91	11,287.06	3,204.85
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	14,491.91	14,491.91	11,287.06	3,204.85
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 17,157.95	\$ 17,157.95

TOWN OF FORT COBB
Fort Cobb, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
For the Fiscal Year Ended June 30, 2012
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</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:							
Department of Agriculture Fire Operations	\$ 4,413	\$ -	\$ -	\$ -	\$ 4,413	\$ 4,413	\$ -
Association of South Central Oklahoma REAP-Fort Cobb-112262	45,000	18,383	17,363	1,020	-	2,970	(1,950)
14693 CENA 12	4,451	-	-	-	4,451	4,451	-
Oklahoma Highway Safety Office PT-12-03-98-02(D)	2,005	-	-	-	2,005	2,005	-
Oklahoma Department of Commerce 13789 CDBG-CIP-09	12,800	-	-	-	12,800	12,800	-
Town Total	<u>\$ 68,669</u>	<u>\$ 18,383</u>	<u>\$ 17,363</u>	<u>\$ 1,020</u>	<u>\$ 23,669</u>	<u>\$ 26,639</u>	<u>\$ (1,950)</u>