

**TOWN OF SPRINGER, OKLAHOMA
AND
SPRINGER PUBLIC WORKS AUTHORITY
INDEPENDENT ACCOUNTANT'S REPORT
As of and For the Year Ended June 30, 2014**

Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Springer
Springer, Oklahoma

Trustees of the Springer Public Works Authority
Springer, 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 Springer (the “Town”) as of and for the year ended June 30, 2014, and the related Budgetary Comparison Schedule – Cash Basis – General Fund, Budgetary Comparison Schedule – Cash Basis – Restricted Sales Tax Fund, Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis – Springer Public Works Authority, and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2014, in accordance with Statement 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 applicable to municipalities and the presentation requirements prescribed in 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 accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis or accounting.

Management is responsible for the preparation and fair presentation of the financial statements prescribed by the above noted 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 management in presenting financial information in the form of financial statements prescribed by Oklahoma Statutes 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 Utility 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, 2014. Management of the Town 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 prescribed by Oklahoma Statutes. 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 Springer, Oklahoma as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we obtained 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: No instances of fund balance deficits were noted.

2. **Procedures Performed:** From the Town's trial balances, we obtained a budget and actual financial schedule for the General Fund and Restricted Sales Tax 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: The Town's General fund shows general government expenditures for materials and supplies exceeding appropriations by \$56,865 and expenditures for personal services exceeding appropriations by \$3,086. The Town's Street & Alley fund shows street expenditures exceeding appropriations by \$3,132.

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: Material bank accounts included the general fund, restricted sales tax fund, street and alley fund and fire department fund. These accounts appeared properly reconciled without exception.

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: The Town's deposits were fully insured or collateralized as of June 30, 2014.

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

Findings: Materially restricted revenues consist of restricted sales tax, fire, street and alley funds, and the Town's grants. No instances of noncompliance were noted regarding these restricted revenues.

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: All required funds have been established.

As to the Springer Public Works Authority, as of and for the year ended June 30, 2014:

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

Findings: No instances of fund balance deficits were 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 of reconciling items that have not cleared.

Findings: The accounts appeared properly reconciled without exception.

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: The Authority's deposits were fully insured or collateralized as of June 30, 2014.

4. **Procedures 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 were noted regarding restricted revenues.

5. **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: All required funds have been established.

As to the Town of Springer and Springer Public Works Authority, as of and for the year ended June 30, 2014:

1. **Procedures Performed:** From the Town's and Authority's trial balances, we compiled 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 on noncompliance with the grant agreements.

Findings: No instances of noncompliance were noted.

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

Arledge & Associates, P.C.

September 28, 2015

EXHIBIT 1
TOWN OF SPRINGER AND PUBLIC TRUST
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 230,729	\$ (54,200)	\$ 176,529
Street and Alley Fund	15,599	(2,472)	13,127
Town Subtotal	<u>246,328</u>	<u>(56,672)</u>	<u>189,656</u>
PUBLIC WORKS AUTHORITY:			
Springer Public Works Authority	67,880	18,999	86,879
PWA Subtotal	<u>67,880</u>	<u>18,999</u>	<u>86,879</u>
Overall Totals	<u>\$ 314,208</u>	<u>\$ (37,673)</u>	<u>\$ 276,535</u>

See accompanying accountant's report.

EXHIBIT 2
TOWN OF SPRINGER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 223,832	\$ 223,832	\$ 230,729	\$ 6,897
Resources (Inflows):				
Taxes:				
Sales tax	63,000	63,000	99,807	36,807
Use tax	5,000	5,000	14,546	9,546
Franchise tax	20,000	20,000	13,942	(6,058)
Total Taxes	88,000	88,000	128,295	40,295
Intergovernmental:				
Alcoholic beverage tax	2,500	2,500	2,967	467
Tobacco tax	700	700	1,308	608
Grant revenue	-	-	20,000	20,000
Total Intergovernmental	3,200	3,200	24,275	21,075
Miscellaneous Income:				
Permits	100	100	-	(100)
Miscellaneous	100	100	2,297	2,197
Rent	400	400	125	(275)
Oil Royalties	1,000	1,000	7,454	6,454
Oil Drilling			2,500	2,500
Total Miscellaneous	1,600	1,600	12,376	10,776
Other Financing Uses:				
Transfers in from other funds	-	-	-	-
Total Resources (Inflows)	92,800	92,800	164,946	72,146
Amounts available for appropriation	316,632	316,632	395,675	79,043

(Continued)

EXHIBIT 2
TOWN OF SPRINGER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$ 13,000	\$ 30,900	\$ 33,986	\$ (3,086)
Materials and supplies	21,000	22,014	78,879	(56,865)
Other services and charges	36,000	36,000	29,498	6,502
Capital outlay	-	42,744	42,702	42
Total General Government	<u>70,000</u>	<u>131,658</u>	<u>185,065</u>	<u>(53,407)</u>
Council:				
Personal services	2,100	2,100	1,726	374
Total Council	<u>2,100</u>	<u>2,100</u>	<u>1,726</u>	<u>374</u>
Maintenance:				
Personal services	17,000	33,500	31,155	2,345
Total Maintenance	<u>17,000</u>	<u>33,500</u>	<u>31,155</u>	<u>2,345</u>
Fire:				
Personal services	2,500	2,500	1,200	1,300
Other services and charges	275	275	-	275
Total Fire	<u>2,775</u>	<u>2,775</u>	<u>1,200</u>	<u>1,575</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	91,875	170,033	219,146	(49,113)
Ending Budgetary Fund Balance	<u>\$ 224,757</u>	<u>\$ 146,599</u>	<u>\$ 176,529</u>	<u>\$ 29,930</u>

See accompanying accountant's report.

EXHIBIT 2
TOWN OF SPRINGER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
STREET AND ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 16,788	\$ 16,788	\$ 15,599	\$ (1,189)
Resources (Inflows):				
Gasoline excise tax	1,000	1,000	753	(247)
Motor vehicle tax	4,500	4,500	5,390	890
Investment income	25	25	12	(13)
Total Resource (Inflows)	<u>5,525</u>	<u>5,525</u>	<u>6,155</u>	<u>630</u>
Amounts available for appropriation	<u>22,313</u>	<u>22,313</u>	<u>21,754</u>	<u>(559)</u>
Charges to appropriations (outflows):				
Streets	5,495	5,495	8,627	(3,132)
Total Streets	<u>5,495</u>	<u>5,495</u>	<u>8,627</u>	<u>(3,132)</u>
Total Charges to Appropriations	<u>5,495</u>	<u>5,495</u>	<u>8,627</u>	<u>(3,132)</u>
Ending Budgetary Fund Balance	<u>\$ 16,818</u>	<u>\$ 16,818</u>	<u>\$ 13,127</u>	<u>\$ (3,691)</u>

See accompanying accountant's report.

EXHIBIT 3
TOWN OF SPRINGER, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
SPRINGER PUBLIC WORKS AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Operating Revenues:	
Charges for services:	
Sewer	\$ 36,750
Total Operating Revenues	<u>36,750</u>
Operating Expenses:	
Personal services	6,732
Materials and supplies	3,521
Other services and charges	7,645
Total Operating Expenses	<u>17,898</u>
Operating Income	18,852
Non-Operating Revenues (Expenses):	
Investment income	147
Total Non-Operating Revenues (Expenses)	<u>147</u>
Change in fund balance	18,999
Fund Balance - beginning	<u>67,880</u>
Fund Balance - ending	<u>\$ 86,879</u>

See accompanying accountant's report.

EXHIBIT 4

TOWN OF SPRINGER , OKLAHOMA
 SCHEDULE OF GRANT ACTIVITY - CASH BASIS
 Year Ended June 30, 2014

	<u>CIP 10-307</u>
Awarding agency	Oklahoma Department of Commerce
Pass-thru agency	Southern Oklahoma Development Association
Award Amount	\$ 20,000
Program Budget	20,000
Current Year Activity:	
Current Year Receipts:	
Received from agency	20,000
Current Year Disbursements	20,000
Beginning of Year Unexpended Grant Funds	<u>-</u>
End of Year Unexpended Grant Funds	<u><u>-</u></u>
Program To-Date Activity:	
Program To-Date Receipts:	
Received from agency	20,000
Program To-Date Disbursements	<u>20,000</u>
Program To-Date Unexpended Grant Funds	<u><u>\$ -</u></u>

See accompanying accountant's report.