

City of Wilson, Oklahoma

Independent Accountants' Compilation
Report and Report on Applying Agreed-
Upon Procedures

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CITY OF WILSON, OKLAHOMA
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Independent Accountants' Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Council, City of Wilson
Wilson, Oklahoma 74878

Trustees of the Wilson Public Works Authority
Wilson, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

Southern Oklahoma Development Authority
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Modified Cash Basis of the City of Wilson, Oklahoma and Wilson Public Works Authority, as of June 30, 2015, and the Budgetary Comparison Schedule of General Fund and CDBG Grant Fund - Modified Cash Basis as of and the year ended June 30, 2015, and the accompanying supplementary information contained in Exhibits C and D which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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 of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis accounting, 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

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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.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the City of Wilson’s assets and liabilities.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the City's Summary of Changes in Fund Balances – Modified Cash Basis, Budgetary Comparison Schedule of General Fund and CDBG Grant Fund – Modified Cash Basis, and the accompanying supplementary information contained in Exhibits C and D which are presented only for supplementary analysis purposes . Accordingly, the financial statement is not designed for those who are not informed of such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Board of the City of Wilson and Trustees of the Wilson Public Works Authority, as defined within the applicable state laws of the State of Oklahoma solely to assist the City in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2015. Management of the City of Wilson is responsible for the City’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.

Procedures and Findings

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

1. ***Procedures Performed:*** From the City’s trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

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

2. ***Procedures Performed:*** From the City’s trial balances, we prepared a budget and actual financial schedule for the General Fund and Emergency Fund listing separately each fund (see accompanying Exhibits B, and B-1) and compared the actual expenditures of

encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Finding: The General Government Department, Street Department, Senior Citizens Department and Sanitation Department exceeded their budget by \$58,141, \$5,424, \$3,359 and \$540 respectively.

3. ***Procedures Performed:*** We agreed the City's bank account balances to bank statements and traced the timely clearance to report any reconciling items exceeding \$500 that have not cleared.

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

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

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

5. ***Procedures Performed:*** We compared use of restricted revenues and resources to their restrictions that exceeded \$500 to report any noted instances of noncompliance.

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

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

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

7. ***Procedures Performed:*** Determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

This procedure was not performed. The City of Wilson has no debt service or reserve account requirements.

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

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

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

2. **Procedures Performed:** We agreed the Authority's bank account balances to bank statements and traced the timely clearance to report any reconciling items that exceed \$500 that have not cleared.

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

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.

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

4. **Procedures Performed:** We compared use of restricted revenues and resources to their restrictions that exceeded \$500 to report any noted instances of noncompliance.

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

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

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

6. **Procedures Performed:** Determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

This procedure was not performed. The Wilson Public Works Authority has no debt service or reserve account requirements.

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

1. **Procedures Performed:** From the Wilson Public Works Authority's Operating Account trial balance, we prepared a statement of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the year ended June 30, 2015.

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

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

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

We were not engaged to and did not conduct an examination, 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 those specified parties.

Rahhel Henderson Johnson, PLLC

February 25, 2016
Ardmore, Oklahoma

CITY OF WILSON, OKLAHOMA
 Summary of Changes in Fund Balances – Modified Cash Basis
 For the Year Ended June 30, 2015

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
CITY:				
General Fund	\$ 126,973	\$ 825,161	\$ 836,456	\$ 115,678
Parks	8,841	65,740	28,034	46,547
Street Sales Tax Fund	243,162	69,341	5,092	307,411
Special Sales Tax Fund	223,345	69,232	97,300	195,277
Wilson Police Car Fund	11,218	12,308	13,968	9,558
REAP Fund	5	-	5	-
Municipal Court Fund	4,957	74,961	63,133	16,785
Capital Projects Fund	436,851	33,247	58,395	411,703
CDBG Grant Fund	50	428,751	397,031	31,770
Fire Grant Fund	97	4,484	4,478	103
City Subtotal	1,055,499	1,583,226	1,503,892	1,134,833
PUBLIC WORKS AUTHORITY:				
PWA Utilities Fund	115,379	458,354	483,398	90,335
Meter Deposit Fund	-	19,734	15,677	4,057
PWA Sales Tax	58,427	34,241	74,395	18,273
	<u>173,806</u>	<u>512,330</u>	<u>573,470</u>	<u>112,666</u>
Overall Totals	<u>\$ 1,229,305</u>	<u>\$ 2,095,556</u>	<u>\$ 2,077,361</u>	<u>\$ 1,247,499</u>

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City of Wilson, OKLAHOMA
 Budgetary Comparison Schedule – Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 120,000	\$ 120,000	\$ 126,978	6,978
Resources (Inflows):				
Taxes	274,804	324,834	335,380	10,546
Franchise Tax	82,990	82,990	109,808	26,818
Charges for Services	196,535	196,535	206,569	10,034
PILOT Tax	-	-	20,428	20,428
Lease and Rentals	82,609	82,609	78,270	(4,339)
Fines and Forfeitures	45,719	45,719	49,192	3,473
Miscellaneous Income	8,526	8,526	23,396	14,870
Interest	-	-	222	222
Grants / Donations	3,304	5,304	1,890	(3,414)
Total Inflows	694,487	746,517	825,155	78,638
Charges to Appropriations (Outflows):				
General Government	87,280	113,880	172,021	(58,141)
Managerial	11,850	22,250	21,566	684
City Clerk	700	700	665	35
Pool	18,000	39,000	20,946	18,054
Streets	127,746	108,746	114,170	(5,424)
Court	5,370	5,370	5,276	94
Police	237,715	238,216	230,419	7,797
Fire	48,600	48,600	46,157	2,443
Code Enforcement	38,327	33,927	29,919	4,008
Dispatch	24,300	24,300	22,154	2,146
Cemetery	300	300	300	-
Senior Citizens	67,548	29,548	32,907	(3,359)
Library	4,900	10,400	9,717	683
Sanitation Pickup	134,300	129,700	130,240	(540)
Total Outflows	806,936	804,937	836,457	(31,520)
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	7,551	61,580	115,676	54,096
Transfers In	-	-	-	-
Transfers Out	-	(52,000)	-	52,000
Other Financing Sources (Uses)	-	(52,000)	-	52,000
Ending Budgetary Fund Balance	<u>\$ 7,551</u>	<u>\$ 9,580</u>	<u>\$ 115,676</u>	<u>\$ 158,096</u>

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CITY OF WILSON, OKLAHOMA
 Budgetary Comparison Schedule – Modified Cash Basis
 CDBG Grant Fund
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 50	\$ 50	\$ 50	\$ -
Resources (Inflows):				
Grants	<u>199,999</u>	<u>199,999</u>	<u>189,184</u>	<u>(10,815)</u>
Total Inflows	199,999	199,999	189,184	(10,815)
Charges to Appropriations (Outflows):				
Sewer Improvements	<u>439,615</u>	<u>439,615</u>	<u>397,031</u>	<u>42,584</u>
Total Outflows	439,615	439,615	397,031	42,584
Excess of Inflows over Outflows before other Financing Sources (Uses)	<u>(239,566)</u>	<u>(239,566)</u>	<u>(207,797)</u>	<u>31,769</u>
Other Financing Sources (Uses)	<u>239,567</u>	<u>239,567</u>	<u>239,567</u>	<u>-</u>
Excess of Inflows over Outflows and other Financing Sources (Uses)	<u>1</u>	<u>1</u>	<u>31,770</u>	<u>31,769</u>
Ending Budgetary Fund Balance:	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 31,770</u>	<u>\$ 31,769</u>

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CITY OF WILSON, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
For the Year Ended June 30, 2015

	Public Works Authority <u>Operating Account</u>
Operating Revenues:	
Water	\$ 275,463
Sewer	154,354
Water/Sewer Taps	700
Verizon Tower Rental	14,145
Penalties	11,767
Miscellaneous	<u>1,926</u>
Total Operating Revenues	458,355
Operating Expenses	
Salaries	155,345
Retirement	11,152
Health Insurance	19,850
Payroll Tax	22,178
Worker Compensation Insurance	5,003
Office Supplies and Postage	9,374
Phone and Cable	12,666
Vehicle Expense	5,651
Vehicle Lease	-
Misc	3,051
Repair and Replacement	56,654
Materials and Supplies	10,744
Utilities	22,533
Insurance	32,395
Accounting	-
Dues/fees	13,623
Purchased Water	5,616
Lab	<u>13,506</u>
Total Operating Expenses	<u>399,341</u>
Operating Income before Nonoperating Revenues and Other Financing Sources	59,014
Nonoperating Revenues (Expenses):	
Interest Revenue	<u>393</u>
Income before Other Financing Sources	59,407
Other Financing Sources (Uses):	
Transfers In - Sales Tax	(6,451)
Transfers Out	<u>(78,000)</u>
Total Other Financing Uses	(84,451)
Net Change in Fund Balance	(25,044)
Fund Balance - Beginning	<u>115,379</u>
Fund Balance - Ending	<u>\$ 90,335</u>

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CITY OF WILSON, OKLAHOMA
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2015

EXHIBIT D

<u>Awarding Agency</u>	<u>Grant #</u>	<u>Total Award</u>	<u>Amount Received This Period</u>	<u>Amount Expended This Period</u>
Oklahoma State Department of Agriculture	Fire Grant	\$ 4,474	\$ 4,474	\$ 4,474
Oklahoma Department of Commerce	15966 CDBG 14	199,999	189,184	189,184
Southern Oklahoma Development Authority	53 CENA 15	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>
		<u>\$ 206,363</u>	<u>\$ 195,548</u>	<u>\$ 195,548</u>

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