

**TOWN OF SPRINGER, OKLAHOMA  
AND  
SPRINGER PUBLIC WORKS AUTHORITY  
INDEPENDENT ACCOUNTANT'S REPORT  
As of and For the Year Ended June 30, 2016**



## 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

Management is responsible for 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, 2016, and the related Budgetary Comparison Schedule – Cash Basis – General Fund, Budgetary Comparison Schedule – Cash Basis –Street and Alley 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, 2016, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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. We did not audit or review the 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 themselves.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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, fund balance, 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, 2016.

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, 2016:

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 Street and Alley 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:** Oklahoma State Law requires the Town not to allow expenditures to exceed appropriations. The Town's General fund shows general government expenditures for materials and supplies exceeding appropriations by \$1,398 and expenditures for other services and charges exceeding appropriations by \$15,488 for General Government, and expenditures for personal services exceeding appropriations by \$20 for Fire. The Town is not in compliance with Oklahoma State Law.

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 and Street and Alley Fund. These accounts appeared properly reconciled; however, the Town reports deposits in transit of \$100 dating back to June of 2015. This appears stale and should be adjusted.

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, 2016.

**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 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, 2016:

**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; however, the Authority reports deposits in transit of \$605 dating back to October of 2013. The Authority also reports checks outstanding of \$1,341 dating back to October of 2013. These amounts appear stale and should be adjusted.

**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, 2016.

**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, 2016:

**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 examination, 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.*

June 1, 2017

**EXHIBIT 1**  
**TOWN OF SPRINGER AND PUBLIC TRUST**  
**SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	(Restated) Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
<b>TOWN:</b>			
General Fund	\$ 180,813	\$ (13,151)	\$ 167,662
Street and Alley Fund	11,432	2,268	13,700
<b>Town Subtotal</b>	<u>192,245</u>	<u>(10,883)</u>	<u>181,362</u>
<b>PUBLIC WORKS AUTHORITY:</b>			
Springer Public Works Authority	96,563	9,773	106,336
<b>PWA Subtotal</b>	<u>96,563</u>	<u>9,773</u>	<u>106,336</u>
<b>Overall Totals</b>	<u>\$ 288,809</u>	<u>\$ (1,110)</u>	<u>\$ 287,698</u>

Note: The General Fund was restated to clear a "due from other funds" of \$1,079, a "due to other funds" of \$3,422, the SPWA was restated to clear a "due to other funds" of \$1,505 and the Street and Alley Fund was restated to clear "due from other funds" of \$3,848 in order to present a pure cash basis.

EXHIBIT 2  
TOWN OF SPRINGER, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance, restated:</b>	\$ 177,020	\$ 177,020	\$ 180,813	\$ 3,793
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Sales tax	68,000	68,000	74,411	6,411
Use tax	10,000	10,000	11,022	1,022
Franchise tax	15,000	15,000	18,875	3,875
<b>Total Taxes</b>	<u>93,000</u>	<u>93,000</u>	<u>104,308</u>	<u>11,308</u>
<b>Intergovernmental:</b>				
Alcoholic beverage tax	3,000	3,000	3,017	17
Tobacco tax	750	750	910	160
Grant revenue	-	-	20,000	20,000
<b>Total Intergovernmental</b>	<u>3,750</u>	<u>3,750</u>	<u>23,927</u>	<u>20,177</u>
<b>Miscellaneous Income:</b>				
Permits	100	100	50	(50)
Miscellaneous	5,000	5,000	4,468	(532)
Oil Royalties	1,000	1,000	569	(431)
<b>Total Miscellaneous</b>	<u>6,100</u>	<u>6,100</u>	<u>5,087</u>	<u>(1,013)</u>
<b>Total Resources (Inflows)</b>	<u>102,850</u>	<u>102,850</u>	<u>133,322</u>	<u>30,472</u>
<b>Amounts available for appropriation</b>	<u>279,870</u>	<u>279,870</u>	<u>314,135</u>	<u>34,265</u>

(Continued)

See independent accountant's report on agreed-upon procedures.

**EXHIBIT 2**  
**TOWN OF SPRINGER, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal services	\$ 30,000	\$ 30,000	\$ 26,123	\$ 3,877
Materials and supplies	25,000	25,000	26,398	(1,398)
Other services and charges	25,000	25,000	40,488	(15,488)
Capital outlay	33,000	33,000	16,243	16,757
Total General Government	<u>113,000</u>	<u>113,000</u>	<u>109,252</u>	<u>3,748</u>
<b>Council:</b>				
Personal services	2,000	2,000	1,680	320
Total Council	<u>2,000</u>	<u>2,000</u>	<u>1,680</u>	<u>320</u>
<b>Maintenance:</b>				
Personal services	32,000	32,000	29,258	2,742
Total Maintenance	<u>32,000</u>	<u>32,000</u>	<u>29,258</u>	<u>2,742</u>
<b>Fire:</b>				
Personal services	1,600	1,600	1,620	(20)
Total Fire	<u>1,600</u>	<u>1,600</u>	<u>1,620</u>	<u>(20)</u>
<b>Attorney:</b>				
Personal services	5,000	5,000	4,663	337
Total Maintenance	<u>5,000</u>	<u>5,000</u>	<u>4,663</u>	<u>337</u>
<b>Total Charges to Appropriations</b>	153,600	153,600	146,473	7,127
Ending Budgetary Fund Balance	<u>\$ 126,270</u>	<u>\$ 126,270</u>	<u>\$ 167,662</u>	<u>\$ 41,392</u>

See independent accountant's report on agreed-upon procedures.



**EXHIBIT 2**  
**TOWN OF SPRINGER, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - CASH BASIS**  
**STREET AND ALLEY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance, restated	\$ 15,023	\$ 15,023	\$ 11,432	\$ (3,591)
Resources (Inflows):				
Gasoline excise tax	750	750	1,278	528
Motor vehicle tax	5,500	5,500	5,148	(352)
Grant revenue	40,000	40,000	40,000	0
Investment income	10	10	16	6
<b>Total Resource (Inflows)</b>	<u>46,260</u>	<u>46,260</u>	<u>46,442</u>	<u>182</u>
Amounts available for appropriation	<u>61,283</u>	<u>61,283</u>	<u>57,874</u>	<u>(3,409)</u>
Charges to appropriations (outflows):				
Streets	45,000	45,000	44,174	826
<b>Total Streets</b>	<u>45,000</u>	<u>45,000</u>	<u>44,174</u>	<u>826</u>
<b>Total Charges to Appropriations</b>	<u>45,000</u>	<u>45,000</u>	<u>44,174</u>	<u>826</u>
Ending Budgetary Fund Balance	<u>\$ 16,283</u>	<u>\$ 16,283</u>	<u>\$ 13,700</u>	<u>\$ (2,583)</u>

See independent accountant's report on agreed-upon procedures.

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, 2016

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**Operating Revenues:**

Charges for services:		
Sewer	\$	33,040
Total Operating Revenues		33,040

**Operating Expenses:**

Personal services		19,041
Materials and supplies		2,509
Other services and charges		2,021
Total Operating Expenses		23,571
Operating Income		9,469

**Non-Operating Revenues (Expenses):**

Investment income		304
Total Non-Operating Revenues (Expenses)		304

<b>Change in fund balance</b>		9,773
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<b>Fund Balance - beginning, restated</b>		96,563
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<b>Fund Balance - ending</b>	\$	106,336
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See independent accountant's report on agreed-upon procedures.

EXHIBIT 4

TOWN OF SPRINGER , OKLAHOMA  
 SCHEDULE OF GRANT ACTIVITY - CASH BASIS  
 Year Ended June 30, 2016

	<u>Tobacco Settlement Endowment Trust</u>	<u>REAP Grant #15-042</u>
Awarding agency	State of Oklahoma	Oklahoma Department of Commerce
Pass-thru agency	N/A	Southern Oklahoma Development Association
Award Amount	\$ 20,000	\$ 40,000
Program Budget	20,000	55,000
Current Year Activity:		
Current Year Receipts:		
Received from agency	20,000	40,000
Received from local funds	<u>-</u>	<u>14,568</u>
Total current year receipts	20,000	54,568
Current Year Disbursements	10,631	54,568
Beginning of Year Unexpended Grant Funds	<u>-</u>	<u>-</u>
End of Year Unexpended Grant Funds	<u><u>9,369</u></u>	<u><u>-</u></u>
Program To-Date Activity:		
Program To-Date Receipts:		
Received from agency	20,000	40,000
Received from local funds	<u>-</u>	<u>14,568</u>
Total program to-date receipts	20,000	54,568
Program To-Date Disbursements	<u>10,631</u>	<u>54,568</u>
Program To-Date Unexpended Grant Funds	<u><u>\$ 9,369</u></u>	<u><u>\$ -</u></u>

See independent accountant's report on agreed-upon procedures.