

**TOWN OF SPRINGER, OKLAHOMA
AND
SPRINGER PUBLIC WORKS AUTHORITY
INDEPENDENT ACCOUNTANT'S REPORT
As of and For the Year Ended June 30, 2017**



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, 2017, 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, 2017, 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, 2017.

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, 2017:

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 personnel exceeding appropriations by \$1,174 and expenditures for other services and charges exceeding appropriations by \$3,618.

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 \$146 in the General Fund and \$125 in the Street and Alley Fund dating back to 2015 and 2013, respectively. These appear 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, 2017.

5. Procedures Performed: We compared the 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, 2017:

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 \$631 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, 2017.

4. Procedures Performed: We compared the 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, 2017:

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 of 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.

Arlidge & Associates, P.C.

March 19, 2018

EXHIBIT 1
TOWN OF SPRINGER AND PUBLIC TRUST
SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Change</u>	<u>End of Year Fund Balances</u>
TOWN:			
General Fund	\$ 167,662	\$ (54,070)	\$ 113,592
Street and Alley Fund	13,700	2,331	16,031
Town Subtotal	<u>181,362</u>	<u>(51,739)</u>	<u>129,623</u>
PUBLIC WORKS AUTHORITY:			
Springer Public Works Authority	106,336	9,073	115,409
PWA Subtotal	<u>106,336</u>	<u>9,073</u>	<u>115,409</u>
Overall Totals	<u>\$ 287,698</u>	<u>\$ (42,666)</u>	<u>\$ 245,032</u>

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 177,930	\$ 177,930	\$ 167,662	\$ (10,268)
Resources (Inflows):				
Taxes:				
Sales tax	78,000	78,000	53,010	(24,990)
Use tax	11,500	11,500	7,262	(4,238)
Franchise tax	20,500	20,500	18,989	(1,511)
Total Taxes	<u>110,000</u>	<u>110,000</u>	<u>79,261</u>	<u>(30,739)</u>
Intergovernmental:				
Alcoholic beverage tax	3,250	3,250	3,243	(7)
Tobacco tax	1,000	1,000	622	(378)
Grant revenue	-	-	-	-
Total Intergovernmental	<u>4,250</u>	<u>4,250</u>	<u>3,865</u>	<u>(385)</u>
Miscellaneous Income:				
Permits	100	100	50	(50)
Miscellaneous	5,000	5,000	87	(4,913)
Oil Royalties	1,000	1,000	729	(271)
Total Miscellaneous	<u>6,100</u>	<u>6,100</u>	<u>866</u>	<u>(5,234)</u>
Total Resources (Inflows)	<u>120,350</u>	<u>120,350</u>	<u>83,992</u>	<u>(36,358)</u>
Amounts available for appropriation	<u>298,280</u>	<u>298,280</u>	<u>251,654</u>	<u>(46,626)</u>

(Continued)

EXHIBIT 2
TOWN OF SPRINGER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Personal services	\$ 33,000	\$ 33,000	\$ 34,174	\$ (1,174)
Materials and supplies	32,000	32,000	21,328	10,672
Other services and charges	34,450	34,450	38,068	(3,618)
Capital outlay	15,000	15,000	-	15,000
Total General Government	<u>114,450</u>	<u>114,450</u>	<u>93,570</u>	<u>20,880</u>
Council:				
Personal services	2,000	2,000	1,751	249
Total Council	<u>2,000</u>	<u>2,000</u>	<u>1,751</u>	<u>249</u>
Maintenance:				
Personal services	49,000	49,000	36,861	12,139
Total Maintenance	<u>49,000</u>	<u>49,000</u>	<u>36,861</u>	<u>12,139</u>
Fire:				
Personal services	1,700	1,700	1,080	620
Total Fire	<u>1,700</u>	<u>1,700</u>	<u>1,080</u>	<u>620</u>
Attorney:				
Personal services	6,000	6,000	4,800	1,200
Total Attorney	<u>6,000</u>	<u>6,000</u>	<u>4,800</u>	<u>1,200</u>
Total Charges to Appropriations	<u>173,150</u>	<u>173,150</u>	<u>138,062</u>	<u>35,088</u>
Ending Budgetary Fund Balance	<u>\$ 125,130</u>	<u>\$ 125,130</u>	<u>\$ 113,592</u>	<u>\$ (11,538)</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 18,182	\$ 18,182	\$ 13,700	\$ (4,482)
Resources (Inflows):				
Gasoline excise tax	1,500	1,500	1,818	318
Motor vehicle tax	5,500	5,500	4,736	(764)
Investment income	10	10	15	5
Total Resource (Inflows)	<u>7,010</u>	<u>7,010</u>	<u>6,569</u>	<u>(441)</u>
Amounts available for appropriation	<u>25,192</u>	<u>25,192</u>	<u>20,269</u>	<u>(4,923)</u>
Charges to appropriations (outflows):				
Streets	5,000	5,000	4,238	762
Total Streets	<u>5,000</u>	<u>5,000</u>	<u>4,238</u>	<u>762</u>
Total Charges to Appropriations	<u>5,000</u>	<u>5,000</u>	<u>4,238</u>	<u>762</u>
Ending Budgetary Fund Balance	<u>\$ 20,192</u>	<u>\$ 20,192</u>	<u>\$ 16,031</u>	<u>\$ (4,161)</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, 2017

Operating Revenues:

Charges for services:		
Sewer	\$	35,206
Total Operating Revenues		35,206

Operating Expenses:

Personal services		19,064
Materials and supplies		375
Other services and charges		6,721
Total Operating Expenses		26,160
Operating Income		9,046

Non-Operating Revenues (Expenses):

Investment income		27
Total Non-Operating Revenues (Expenses)		27

Change in fund balance		9,073
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Fund Balance - beginning		106,336
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Fund Balance - ending	\$	115,409
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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, 2017

	<u>Tobacco Settlement Endowment Trust</u>
Awarding agency	State of Oklahoma
Pass-thru agency	N/A
Award Amount	\$ 20,000
Program Budget	20,000
Current Year Activity:	
Current Year Receipts:	
Received from agency	-
Received from local funds	-
Total current year receipts	-
Current Year Disbursements	1,817
Beginning of Year Unexpended Grant Funds	<u>9,369</u>
End of Year Unexpended Grant Funds	<u><u>7,552</u></u>
Program To-Date Activity:	
Program To-Date Receipts:	
Received from agency	20,000
Received from local funds	-
Total program to-date receipts	20,000
Program To-Date Disbursements	<u>12,448</u>
Program To-Date Unexpended Grant Funds	<u><u>\$ 7,552</u></u>

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