

TOWN OF EMPIRE CITY, OKLAHOMA
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

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

To the Specified Users of the Report:

Town Council, Town of Empire City
Empire City, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Empire City, Empire City, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2019, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis-Street & Alley Fund, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules 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 and schedules.

The financial statements and schedules 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 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 and schedules prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

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 in meeting its financial accountability requirements as prescribed by Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2019. Management of the Town of Empire City 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 attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed 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 Empire City** as of and for the fiscal year ended June 30, 2019:

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

2. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis 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: No instances of noncompliance noted.

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 instances of noncompliance noted.

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 instances of noncompliance noted.

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

Findings: No instances of noncompliance noted.

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 instances of noncompliance noted.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

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

As to the **Town of Empire City** grant programs, as of and for the fiscal year ended June 30, 2019:

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 instances of noncompliance noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. Accordingly, we do not express such an opinion or conclusion. 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 + Blasingame, P.C.

Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
November 5, 2019

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS
 For The Year Ended June 30, 2019

TOWN:	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 58,807	\$ 40,619	\$ 43,510	\$ 55,916
Street & Alley Fund	99,799	8,694	-	108,493
Town Subtotal	<u>158,606</u>	<u>49,313</u>	<u>43,510</u>	<u>164,409</u>

TOWN OF EMPIRE CITY
Empire City, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For The Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 58,807	58,807	\$ 58,807	\$ -
Resources (Inflow):				
Taxes:				
Alcohol beverage Tax	4,258	4,258	6,017	1,758
Total Taxes	<u>4,258</u>	<u>4,258</u>	<u>6,017</u>	<u>1,758</u>
Miscellaneous Revenue:				
Fire Subscription Fees	25,771	25,771	18,350	(7,421)
State Grants	3,369	3,369	4,000	631
Rental	1,607	1,607	1,150	(457)
Reimbursements	-	-	75	75
Donations	7,177	7,177	11,027	3,850
Total Miscellaneous Revenue	<u>37,924</u>	<u>37,924</u>	<u>34,602</u>	<u>(3,322)</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>42,182</u>	<u>42,182</u>	<u>40,619</u>	<u>(1,563)</u>
Amounts available for appropriation	<u>100,989</u>	<u>100,989</u>	<u>99,426</u>	<u>(1,563)</u>
Charges to Appropriations (Outflows):				
Personal Services	12,000	12,000	5,741	6,259
Maintenance & Operations	88,000	88,000	37,769	50,231
Capital Outlay	-	-	-	-
Total Other	<u>100,000</u>	<u>100,000</u>	<u>43,510</u>	<u>56,490</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	<u>100,000</u>	<u>100,000</u>	<u>43,510</u>	<u>56,490</u>
Unallocated (Restricted) Funds	<u>989</u>	<u>989</u>	<u>-</u>	<u>989</u>
Ending Budgetary Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>55,916</u>	\$ <u>(55,916)</u>
Current Year Encumbrances				
Ending Fund Balance			\$ <u>55,916</u>	

TOWN OF EMPIRE CITY
Empire City, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
STREET & ALLEY FUND
For The Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 99,799	\$ 99,799	\$ 99,799	\$ -
Resources (Inflow):				
Taxes:				
Motor Vehicle Tax	-	-	6,420	6,420
Gas Excise Tax	-	-	1,660	1,660
Total Taxes	-	-	8,080	8,080
Miscellaneous Revenue:				
Interest	-	-	614	614
Total Miscellaneous Revenue	-	-	614	614
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	8,694	8,694
Amounts available for appropriation	99,799	99,799	108,493	8,694
Charges to Appropriations (Outflows):				
Personal Service	5,000	5,000		5,000
Maintenance & Operations	90,000	90,000		90,000
Capital Outlay				-
Total Other	95,000	95,000	-	95,000
Other Financing Uses:				
Transfers to other funds	-	-		-
Total Charges to Appropriations (Outflows)	95,000	95,000	-	95,000
Unallocated (Restricted) Funds	4,799	4,799	-	4,799
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 108,493	\$ (108,493)
Current Year Encumbrances				
Ending Fund Balance			\$ 108,493	

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
 For The Year Ended June 30, 2019

	<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:							
OK Department of Agriculture - Fire Operations Grant - FY19	4,000	-	-	-	4,000	3,952	48
Town Subtotal	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 3,952</u>	<u>\$ 48</u>