

***CITY OF ELMORE CITY, OKLAHOMA
List of Elected and Appointed Officials
June 30, 2011***

Elected Officials

Council Member
Council Member
Council Member
Council Member

Mayor
City Clerk/Treasurer

Jim Tadlock
Randal McFadden
Keith Jackson
David Schmidt

Larry Dale Cleveland
Lisa Rollings

CITY OF ELMORE CITY, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Council, City of Elmore City
Elmore City, Oklahoma 73433

Trustees of the Elmore City Public Works Authority
Elmore City, Oklahoma 73433

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

S. O. D. A.
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the City of Elmore City, Oklahoma and Elmore City Public Works Authority, as of June 30, 2011, and the Budgetary Comparison Schedule of General Fund and EMS Fund – Cash Basis, and Statement of Revenues, Expenses and Changes in Fund Balance of the Public Works Authority – Cash Basis for the fiscal year ended June 30, 2011 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. 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, which is a comprehensive basis of accounting other than generally accepted accounting principles.

100 E Street S.W., Suite 200 | Ardmore, OK 73401

Telephone (580) 223-6454 | FAX 1-800-858-9329

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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 Elmore City’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the City Council and Trustees of the City of Elmore City, and 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, 2011. Management of the City of Elmore City 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 Elmore City** as of and for the fiscal year ended June 30, 2011:

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 the EMS 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.

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

3. ***Procedures Performed:*** We agreed the City's bank account balances to bank statements and traced the timely clearance of items larger than \$300 to report any reconciling items 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.

Findings – At June 30, 2011, Elmore City had uninsured deposits.

5. ***Procedures Performed:*** We compared use of restricted revenues and resources to their restrictions 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 Elmore City has no debt service or reserve account requirements.

As to the **Elmore City Public Works Authority** as of and for the fiscal year ended June 30, 2011:

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 of items larger than \$400 to report any reconciling items 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 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. Elmore City Public Works Authority has no bond indentures.

As to the **City of Elmore City** and **Elmore City Public Works Authority** as of and for the fiscal year ended June 30, 2011:

1. **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.

Procedures Performed: From the City's and Authority's trial balances, we compiled the Annual Survey of City and Town Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1. We agreed the trial balance amounts for utility billings to the billing system. We reconciled wages per the general ledger to IRS Forms 941.

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

We were not engaged to, and did not, conduct an audit, 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.

Rahhal Henderson Johnson, P.L.L.C.

January 26, 2012
Ardmore, Oklahoma

City of Elmore City
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2011

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	\$ 241,295	\$ 606,444	\$ 595,902	\$ 251,837
Bail Bond Fund	20,782	136,022	150,512	6,292
EMS Fund	33,626	326,691	337,752	22,565
T. Selby Cemetery Perpetual Care Fund	27,560	-	-	27,560
T. Selby Cemetery Operating Fund	7,702	5,926	1,052	12,576
T. Selby Cemetery Care Fund	34,372	998	-	35,370
Volunteer Fire Fund	28,320	19,853	22,009	26,164
ODWC License Fund	354	565	919	-
CITY Subtotal	394,011	1,096,499	1,108,146	382,364
PUBLIC WORKS AUTHORITY:				
PWA Fund	62,241	341,364	331,287	72,318
Meter Deposit	9,776	8,198	4,576	13,398
ECPWA Subtotal	72,017	349,562	335,863	85,716
Overall Totals	\$ 466,028	\$ 1,446,061	\$ 1,444,009	\$ 468,080

See Accompanying Independent Accountant's Report

City of Elmore City
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2011

EXHIBIT B

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 247,547	\$ 247,547	\$ 241,295	\$ (6,252)
Resources (Inflows):				
Sales Tax	154,236	154,236	225,228	70,992
Use Tax	-	-	13,745	13,745
Alcoholic Beverage Tax	-	-	5,041	5,041
Tobacco Tax	-	-	3,239	3,239
Franchise	26,594	26,594	25,209	(1,385)
Community Center	-	-	4,078	4,078
Grants	11,935	11,935	20,592	8,657
Fees and Permits	650	650	3,406	2,756
Interest	2,500	2,500	4,061	1,561
Miscellaneous	5,731	5,731	19,387	13,656
<i>Street & Alley</i>				
Commercial Vehicle	-	-	5,408	5,408
Gasoline Excise	-	-	1,434	1,434
Total Inflows	449,193	449,193	572,123	122,930
Charges to Appropriations (Outflows):				
City Clerk/Treasurer	30,000	30,000	21,700	8,300
General Government	131,619	124,619	124,583	36
Animal Control	1,500	500	261	239
Police Department	215,000	212,000	196,153	15,847
Court	5,100	5,100	4,800	300
Civil Defense	1,000	1,000	60	940
Parks	4,000	2,000	1,721	279
Streets	10,000	8,000	7,713	287
Legal & Judicial	2,000	2,000	1,368	632
Total Outflows	400,219	385,219	358,359	26,860
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	48,974	63,974	213,764	149,790
Other Financing Sources (Uses)	(48,973)	(111,437)	38,073	149,510
Ending Budgetary Fund Balance:	\$ 1	\$ (47,463)	\$ 251,837	\$ 299,300

See Accompanying Independent Accountant's Report

City of Elmore City
 Budgetary Comparison Schedule – Cash Basis
 EMS Fund
 For the Year Ended June 30, 2011

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 29,919	\$ 29,919	\$ 33,626	\$ 3,707
Resources (Inflows):				
Run Fees	48,000	48,000	70,270	22,270
Miscellaneous	143,900	143,900	143,806	(94)
Total Inflows	221,819	221,819	247,702	25,883
Charges to Appropriations (Outflows):				
EMS	333,614	352,414	337,752	14,662
Total Outflows	333,614	352,414	337,752	14,662
Excess of Inflows over Outflows before Other Financing Sources (Uses)	(111,795)	(130,595)	(90,050)	40,545
Other Financing Sources (Uses)	111,795	111,795	112,615	820
Ending Budgetary Fund Balance:	\$ -	\$ (18,800)	\$ 22,565	\$ 41,365

See Accompanying Independent Accountant's Report

City of Elmore City
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
Elmore City Public Works Authority
For the Year Ended June 30, 2011

EXHIBIT C

	Elmore City Public Works Authority
Operating Revenues:	
Water	\$ 162,182
Sewer	97,339
Trash	69,614
Penalties	8,902
Miscellaneous Fees	<u>3,327</u>
Total Operating Revenues	<u>341,364</u>
Operating Expenses	
Salaries	115,549
Payroll Taxes	12,911
Office Supplies	3,055
Fuel	4,625
Maintenance & Repairs	5,627
Chemicals	9,637
Utilities	8,713
Miscellaneous	11,821
Contract Labor	1,971
Insurance/Bonds	1,819
Garbage Contract Services	68,681
Water Purchases	67,860
Dues/Fees	1,971
Water Department expenses	7,833
Lift Station	521
Capital Outlay	<u>8,693</u>
Total Operating Expenses	<u>331,287</u>
Operating Income (Loss)	10,077
Fund Balance - Beginning	<u>62,241</u>
Fund Balance - Ending	<u><u>\$ 72,318</u></u>

See Accompanying Independent Accountant's Report

City of Elmore City
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2011

EXHIBIT D

<u>Agency</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Received Current Year</u>	<u>Expenditures Current Year</u>
Southern Oklahoma Development Association	CDBG 10-028	45,000	-	-
Southern Oklahoma Development Association	05 CENA 11	6,000	4,657	6,000
Southern Oklahoma Development Association	REAP 10-027	32,944	11,935	11,935
Oklahoma Department of Commerce	13788 CDBG 09	8,000	4,000	4,000
Oklahoma Dept. of Agriculture, Food & Forrestry	Fire Grant	4,398	4,398	4,398
Oklahoma State Department of Health	OERSSIRF	143,900	143,806	143,806

See Accompanying Independent Accountant's Report