



City of Elmore City, Oklahoma

Independent Accountants' Compilation Report and
Report on Applying Agreed-Upon Procedures
Year Ended June 30, 2015

CITY OF ELMORE CITY, 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 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

Rural Development
Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

S. O. D. A.
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Modified Cash Basis of the City of Elmore City, Oklahoma and Elmore City Public Works Authority, as of June 30, 2015, and the Budgetary Comparison Schedule of General Fund and EMS Fund – Modified Cash Basis as of and for the year ending 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 modified cash basis of accounting, and for designing, implementing, and

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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 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 Elmore City’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 EMS Fund – Modified Cash Basis, and Statement of Revenues, Expenses and Changes in Fund Balance of the Public Works Authority – Modified Cash Basis. 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 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, 2015. 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, 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.

Finding: *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.

Finding: *The General Government Department, Police Department, and the Parks Department were over budget by \$22,844, \$28,715, and \$463 respectively. EMS was over budget by \$19,336.*

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

Finding: *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.

Finding: *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 to report any noted instances of noncompliance.

Finding: *Our review of expenditures within the EMS fund noted one of six purchase orders reviewed lacked adequate support for the expenditure.*

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.

Finding: *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.

Finding: *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, 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.

Finding: *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 have not cleared.

Finding: *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.

Finding: *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.

Finding: *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.

Finding: *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.

Finding: 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, 2015:

1. ***Procedures Performed:*** From the Authority's trial balance, we prepared a schedule of revenues, expenses, and changes in fund balance (see accompanying Exhibit C).

Finding: 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.

Finding: 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 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 those specified parties.

Rahhel Henderson Johnson, PLLC

February 1, 2016
Ardmore, Oklahoma

EXHIBIT A

City of Elmore City
 Summary of Changes in Fund Balances – Modified Cash Basis
 June 30, 2015

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	\$ 121,194	\$ 494,754	\$ 351,859	\$ 264,089
Bail Bond Fund	82,105	143,207	165,338	59,974
EMS Fund	38,090	261,031	223,761	75,360
T. Selby Cemetery Perpetual Care Fund	27,560	-	-	27,560
T. Selby Cemetery Operating Fund	25,037	3,978	14,195	14,820
T. Selby Cemetery Care Fund	38,092	559	-	38,651
Volunteer Fire Fund	2,853	12,791	14,927	717
CITY Subtotal	334,931	916,320	770,080	481,171
PUBLIC WORKS AUTHORITY:				
PWA Fund	122,430	397,137	374,814	144,753
Meter Deposit	24,598	13,350	13,633	24,315
ECPWA Subtotal	147,028	410,487	388,447	169,068
Overall Totals	\$ 481,959	\$ 1,326,807	\$ 1,158,527	\$ 650,239

See Accompanying Independent Accountant's Report

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

EXHIBIT B

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 29,500	\$ 29,500	\$ 121,196	\$ 91,696
Resources (Inflows):				
Taxes	267,325	267,325	288,251	20,926
Charges for Services	1,250	1,250	427	(823)
Grants	-	-	42,638	42,638
Fees and Permits	440	440	2,030	1,590
Miscellaneous	3,125	3,125	20,144	17,019
Total Inflows	<u>301,640</u>	<u>301,640</u>	<u>474,686</u>	<u>173,046</u>
Charges to Appropriations (Outflows):				
General Government	101,980	101,980	124,824	(22,844)
Police Department	120,995	120,995	149,710	(28,715)
Parks	1,400	1,400	1,863	(463)
Streets	16,705	16,705	8,936	7,769
Legal & Judicial	23,315	23,315	18,888	4,427
Total Outflows	<u>264,395</u>	<u>264,395</u>	<u>304,221</u>	<u>(39,826)</u>
Excess of Inflows over Outflows before Other Financing Sources (Uses)	37,245	37,245	170,465	133,220
Other Financing Sources (Uses)	<u>26,300</u>	<u>26,300</u>	<u>93,626</u>	<u>67,326</u>
Ending Budgetary Fund Balance:	<u>\$ 63,545</u>	<u>\$ 63,545</u>	<u>\$ 264,091</u>	<u>\$ 200,546</u>

See Accompanying Independent Accountant's Report

City of Elmore City
 Budgetary Comparison Schedule – Modified Cash Basis
 EMS Fund
 For the Year Ended June 30, 2015

EXHIBIT B-1

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 24,500	\$ 24,500	\$ 38,090	\$ 13,590
Resources (Inflows):				
Sales Tax	167,700	167,700	199,884	145,684
# a ° BE ~ 1 # 1 9 # ~ 1 3 6 L ~ 1	54,200	54,200	61,148	(106,552)
Miscellaneous	400	400	-	(400)
Total Inflows	<u>246,800</u>	<u>246,800</u>	<u>299,122</u>	<u>52,322</u>
Charges to Appropriations (Outflows):				
EMS	204,425	204,425	223,761	(19,336)
Total Outflows	<u>204,425</u>	<u>204,425</u>	<u>223,761</u>	<u>(19,336)</u>
Excess of Inflows over Outflows before Other Financing Sources (Uses)	42,375	42,375	75,361	32,986
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance:	<u><u>\$ 42,375</u></u>	<u><u>\$ 42,375</u></u>	<u><u>\$ 75,361</u></u>	<u><u>\$ 32,986</u></u>

See Accompanying Independent Accountant's Report

City of Elmore City
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Elmore City Public Works Authority
For the Year Ended June 30, 2015

EXHIBIT C

	Elmore City Public Works Authority
Operating Revenues:	
Water	\$ 175,738
Sewer	101,372
Trash	76,903
Miscellaneous Fees	483
	354,496
Operating Expenses	
Salaries	108,442
Payroll Taxes	14,146
Office Supplies	4,712
Fuel	6,129
Maintenance & Repairs	21,056
Chemicals	11,654
Utilities	10,359
Miscellaneous	3,537
Contract Labor	-
Insurance/Bonds	4,175
Garbage Contract Services	68,407
Water Purchases	506
Dues/Fees	455
Water Department expenses	41,221
Lift Station	2,593
Capital Outlay	77,421
Total Operating Expenses	374,813
Operating Income (Loss)	(20,317)
Non-Operating Revenue (Expenses)	
Transfer from General Fund	42,638
Change in Fund Balance	22,321
Fund Balance - Beginning	122,432
Fund Balance - Ending	\$ 144,753

See Accompanying Independent Accountant's Report

City of Elmore City
 Schedule of Grant Activity
 Modified Cash Basis
 For the Year Ended June 30, 2015

EXHIBIT D

<u>Agency</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Received Current Year</u>	<u>Expenditures Current Year</u>
Oklahoma Dept. of Agriculture, Food & Forestry	Fire Grant	\$ 4,484	\$ 4,484	\$ 4,484
Southern Oklahoma Development Authority	REAP 11-089	\$ 40,000	\$ 18,521	\$ 18,521
Southern Oklahoma Development Authority	REAP 12-023	\$ 35,000	\$ 24,117	\$ 24,117
United States Department of Agriculture	42-025-73-0751100	\$ 30,000	\$	\$ 30,000

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