



City of Elmore City, Oklahoma

Independent Accountants' Compilation Report and
Report on Applying Agreed-Upon Procedures
Year Ended June 30, 2018

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

Oklahoma Forestry Services
Oklahoma City, 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, 2018, and the Budgetary Comparison Schedule of General Fund and EMS Fund – Modified Cash Basis as of and for the year ending June 30, 2018 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 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.

The modified cash basis of accounting presents receipts received, expenditures paid and CD’s with an original maturity of over 90 days treated as cash in the Public Works Authority during the fiscal year. 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, 2018. 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, 2018:

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 instances of fund balance deficits were noted.

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.

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Finding: *The following department in the General Fund was over budget. Parks Department was over budget by \$5,212. This was due to donation monies received being recorded in an expense account instead of a revenue account.*

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: *Changes were made to 2017-2018 deposits and expenses after bank reconciliations were completed. The prior bank reconciliations were not corrected for those changes. This resulted in the following bank reconciliation changes: General Fund increased \$2,475, Bail Bond Fund decreased \$2,136, EMS Fund increased \$528 and Volunteer Fire decreased \$2,480. The City has credit card account that should be transferred not less than monthly to the appropriate funds, mainly Bail Bond Fund and PWA Fund. This procedure was delayed up to six months at a time and was not reconciled to receipt postings.*

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: *The Town's deposits were fully insured or collateralized as of June 30, 2018.*

5. ***Procedures Performed:*** We compared use of restricted revenues and resources exceeding \$750 to their restrictions to report any noted instances of noncompliance.

Finding: *Restricted revenues and resources that exceeded \$750 consisted of General Fund, EMS Fund and Volunteer Fire Fund. No instances of noncompliance were noted.*

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: *All required funds have been established.*

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, 2018:

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 instances of fund balance deficits were noted.*

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: *Changes were made to 2017-2018 deposits and expenses after bank reconciliations were completed. The prior bank reconciliations were not corrected for those changes. This resulted in the following bank reconciliation changes: PWA Fund increased \$3,311. The City has credit card account that should be transferred not less than monthly to the appropriate funds, mainly Bail Bond Fund and PWA Fund. This procedure was delayed up to six months at a time and was not reconciled to receipt postings.*

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: *The Authority's deposits were fully insured or collateralized as of June 30, 2018.*

4. **Procedures Performed:** We compared use of restricted revenues and resources exceeding \$750 to their restrictions to report any noted instances of noncompliance.

Finding: *There were no restricted revenues or resources that exceeded \$750.*

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: *All required funds have been established.*

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 debt service or reserve account requirements.*

As to the **City of Elmore City** and **Elmore City Public Works Authority** as of and for the fiscal year ended June 30, 2018:

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) 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:*** 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 instances of noncompliance were noted.*

We were not engaged to, and did not, conduct an audit or review, the objective of which would be the expression of an opinion or conclusion on the compliance. 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 those specified parties.



October 8, 2019
Ardmore, Oklahoma

City of Elmore City
 Summary of Changes in Fund Balances – Modified Cash Basis
 June 30, 2018

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	\$ 287,107	424,510	455,390	\$ 256,227
Bail Bond Fund	44,949	153,120	101,069	97,000
EMS Fund	29,567	349,815	253,142	126,240
T. Selby Cemetery Perpetual Care Fund	27,648	138	-	27,786
T. Selby Cemetery Operating Fund	6,839	3,909	-	10,748
T. Selby Cemetery Care Fund	39,431	412	-	39,843
Police Equipment Fund	-	2,561	-	2,561
Grant Fund	-	100	-	100
Volunteer Fire Fund	3,856	15,624	17,726	1,754
CITY Subtotal	439,397	950,189	827,327	562,259
PUBLIC WORKS AUTHORITY:				
PWA Fund	52,068	421,477	333,329	140,216
Meter Deposit	25,706	15,000	26,719	13,987
ECPWA Subtotal	77,774	436,477	360,048	154,203
Overall Totals	\$ 517,171	\$ 1,386,666	\$ 1,187,375	\$ 716,462

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City of Elmore City
 Budgetary Comparison Schedule – Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2018

EXHIBIT B

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Beginning Budgetary Fund Balance:	\$ -	0	\$ 287,106	\$ 287,106
Resources (Inflows):				
Taxes	202,650	298,250	314,381	16,131
Charges for Services	200	200	8	(192)
Grants	0	0	2,480	2,480
License and Permits	740	740	1,448	708
Fees	25,390	25,390	27,586	2,196
Miscellaneous	26,650	35,250	22,741	(12,509)
Total Inflows	255,630	359,830	655,750	295,920
Charges to Appropriations (Outflows):				
General Government	134,910	196,910	173,396	23,514
Police Department	200,100	200,100	194,341	5,759
Parks	9,910	35,910	41,122	(5,212)
Streets	8,750	11,250	9,568	1,682
Legal & Judicial	18,410	27,410	27,362	48
Total Outflows	372,080	471,580	445,789	25,791
Excess of Inflows over Outflows before Other Financing Sources (Uses)	(116,450)	(111,750)	209,961	321,711
Other Financing Sources (Uses)				
Transfers In	124,450	124,450	55,867	(68,583)
Transfers Out	(8,000)	(12,700)	(9,600)	3,100
Total Other Financing Sources (Uses)	116,450	111,750	46,267	(65,483)
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 256,228	\$ 256,228

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City of Elmore City
 Budgetary Comparison Schedule – Modified Cash Basis
 EMS Fund
 For the Year Ended June 30, 2018

EXHIBIT B-1

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 40,000	\$ 40,000	\$ 29,568	\$ (10,432)
Resources (Inflows):				
Sales Tax	143,300	143,300	266,322	123,022
Charges for Services	83,730	83,730	80,397	(3,333)
Miscellaneous	7,500	7,500	3,096	(4,404)
Total Inflows	274,530	274,530	379,383	104,853
Charges to Appropriations (Outflows):				
EMS	256,010	256,010	253,142	2,868
Total Outflows	256,010	256,010	253,142	2,868
Excess of Inflows over Outflows before Other Financing Sources (Uses)	18,520	18,520	126,241	107,721
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Ending Budgetary Fund Balance:	\$ 18,520	\$ 18,520	\$ 126,241	\$ 107,721

See Accompanying Accountant's Compilation Report

City of Elmore City
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Elmore City Public Works Authority - Operating Account
For the Year Ended June 30, 2018

EXHIBIT C

Operating Revenues:

Water	215,207
Sewer	104,151
Trash	82,971
Water/Sewer Taps	0
Late Fees/Penalties	8,707
Grant Revenue	-
Miscellaneous Fees	10,441
Total Operating Revenues	421,477

Operating Expenses:

Water Department	
Plant	
Salaries	37,748
Health Ins	484
Chemicals	6,968
Maint & Repair	3,359
Miscellaneous	301
Office Supplies	0
Supplies	44
Uniforms	1,210
Water Purchased	4,925
Water Well	5,736
Dues/Fees	872
Insurance	1,916
Professional Fees	0
Rent	625
Utilities	3,209
Water Analysis & Lab	3,575
Capital Outlay	33,465
Total Plant	104,437
Distribution	
Wages	23,574
Health Insurance	571
Fuel	3,979
Maint & Repair	5,820
Meters	146
Miscellaneous	533
Water Line Repairs	8,072
Dues/Fees	526
Insurance	1,179
Utilities	3,031
Capital Outlay	3,800
Total Distribution	51,231
Total Water Department	155,668

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City of Elmore City EXHIBIT C continued
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Elmore City Public Works Authority - Operating Account
For the Year Ended June 30, 2018

Operating Expenses continued:

Sewer Department	
Wages	27,680
Health Insurance	1,006
Chemicals	3,643
Fuel	2,714
Maint & Repair	1,392
Supplies	8,357
Tap Material	33
Uniforms	467
Vehicle Repair & Maintenance	575
Dues/Fees	550
Insurance	591
Utilities	1,903
Miscellaneous	1,076
Total Sewer Department	49,987
Garbage Department	
Garbage Contract Services	78,991
Total Garbage Department	78,991
Admin Department	
Salaries	19,752
Payroll Taxes	10,433
Office Supplies	1,629
Postage	2,555
Consulting	6,080
Dues/Fees	1,368
Insurance	5,197
Miscellaneous	1,669
Transfers Out	0
Total Admin Department	48,683
Total Operating Expenses	333,329
Operating Income (Loss)	88,148
Fund Balance - Beginning	52,068
Fund Balance - Ending	\$ 140,216

See Accompanying Accountant's Compilation Report

City of Elmore City
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2018

EXHIBIT D

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	PASS-THROUGH GRANTOR'S PROJECT NUMBER	AWARD AMOUNT	RECEIVED PRIOR YEARS	RECEIVED DURING 2017-2018	EXPENDED PRIOR YEARS	EXPENDED DURING 2017-2018	REMAINING TO BE EXPENDED
<i>State Funds</i>							
OKLAHOMA FORESTY SERVICES	FIRE OPERATIONAL	\$ 3,744	\$ -	\$ 3,744	\$ -	\$ 3,744	\$ -
<i>Other Grants</i>							
MIDSHIP PIPELINE	PIPELINE EMERGENCY RESPONSE	\$ 3,125	\$ -	\$ 3,125	\$ -	\$ 3,125	\$ -
REC	FIRE	600	-	600	-	600	-
Total Other Grants		3,725	-	3,725	-	3,725	-
<i>Total Grant Activity</i>		<u>\$ 7,469</u>	<u>\$ -</u>	<u>\$ 7,469</u>	<u>\$ -</u>	<u>\$ 7,469</u>	<u>\$ -</u>

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