

TOWN OF EMPIRE CITY, OKLAHOMA
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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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

Association of South Central Oklahoma Governments
Duncan, 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, 2018, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis-Street and 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 or 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 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, 2018. Management of the Town of Empire City is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. 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, 2018:

1. **Procedures Performed:** From the Town's trial balances, we compiled 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 exceptions were found as a result of applying the procedure.

2. **Procedures Performed:** From the Town's trial balances, we compiled a budget and actual financial schedule for the General Fund and Street & Alley Fund (see accompanying Exhibit 2-1 & 2-2) 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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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

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

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 exceptions were found as a result of applying the procedure.

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

Findings: 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, 2018:

1. **Procedures Performed:** From the Town's trial balances, we compiled a schedule of grant activity for each grant/contract (see accompanying Exhibit 3) 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 exceptions were found as a result of applying the procedure.

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. 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, respectively, on the financial information and 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 these specified parties.

Angel, Johnston + Blasingame, P.C.

Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
September 25, 2018

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS
 For the Fiscal year ended June 30, 2018
 (Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund***	\$ 58,184	\$ 56,538	\$ 55,915	\$ 58,807
Street and Alley Fund	95,326	8,378	3,905	99,799
Town Total	<u>\$ 153,510</u>	<u>\$ 64,916</u>	<u>\$ 59,820</u>	<u>\$ 158,606</u>

***Beginning Fund Balance was adjusted.

TOWN OF EMPIRE CITY
Empire City, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
GENERAL FUND
For the Fiscal year ended June 30, 2018
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 54,545	\$ 54,545	\$ 58,184	\$ 3,638
Resources (Inflow):				
Taxes:				
Alcohol Tax	4,226	4,226	4,731	505
Total Taxes	<u>4,226</u>	<u>4,226</u>	<u>4,731</u>	<u>505</u>
Miscellaneous Revenue:				
Fire Subscription Fees	22,568	22,568	28,635	6,068
Grants - State	3,436	3,436	3,744	308
Grants - Local	-	-	8,000	8,000
Rent	2,768	2,768	1,785	(983)
Donations	12,251	12,251	9,569	(2,682)
Reimbursements	-	-	74	74
Total Miscellaneous Revenue	<u>41,022</u>	<u>41,022</u>	<u>51,807</u>	<u>10,785</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>45,247</u>	<u>45,247</u>	<u>56,538</u>	<u>11,291</u>
Amounts available for appropriation	<u>99,793</u>	<u>99,793</u>	<u>114,722</u>	<u>14,929</u>
Charges to Appropriations (Outflows):				
Personal Service	8,000	8,000	5,694	2,306
Maintenance & Operations	50,792	50,792	50,221	571
Capital Outlay	41,000	41,000	-	41,000
Total Other	<u>99,792</u>	<u>99,792</u>	<u>55,915</u>	<u>43,877</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	<u>99,792</u>	<u>99,792</u>	<u>55,915</u>	<u>43,877</u>
Unallocated (Restricted) Funds	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Ending Budgetary Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>58,807</u>	\$ <u>(58,807)</u>
Current Year Encumbrances			<u>-</u>	
Ending Fund Balance			<u>\$ 58,807</u>	

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

BUDGETARY COMPARISON SCHEDULE-MODIFIED CASH BASIS
 STREET & ALLEY FUND
 For the Fiscal year ended June 30, 2018
 (Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 95,326	\$ 95,326	\$ 95,326	\$ -
Revenues	-	-	8,378	8,378
Non-Revenue Receipts:				
Transfers from other funds	-	-	-	-
Amounts available for appropriation	95,326	95,326	103,704	8,378
Charges to Appropriations:				
Personal Services	-	-	-	-
Maintenance & Operations	52,976	52,976	3,905	49,071
Capital Outlay	40,350	40,350	-	40,350
Debt Service	-	-	-	-
Unallocated Fund Balance	-	-	-	-
Total Other	93,326	93,326	3,905	89,421
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	93,326	93,326	3,905	89,421
Unallocated (Restricted) Funds	2,000	2,000	-	2,000
Ending Budgetary Fund Balance	\$ 0	\$ 0	\$ 99,799	\$ 99,799
Current Year Encumbrances			-	
Ending Fund Balance			\$ 99,799	

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SCHEDULE OF GRANT ACTIVITY-MODIFIED CASH BASIS
 For the Fiscal year ended June 30, 2018
 (Unaudited)

	<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:							
Department of Agriculture							
Fire Operations Grant - FY17	\$ 3,817	\$ 3,817	\$ 3,464	\$ 353	\$ -	\$ 353	\$ -
Fire Operations Grant - FY18	\$ 3,744	\$ -	\$ -	\$ -	\$ 3,744	\$ 3,744	\$ -
Association of South Central Oklahoma Governments							
REAP 16-2256	\$ 55,000	\$ 47,000	\$ 51,361	\$ (4,361)	\$ 8,000	\$ 3,638	\$ -
Town Total	<u>\$ 62,561</u>	<u>\$ 50,817</u>	<u>\$ 54,826</u>	<u>\$ (4,008)</u>	<u>\$ 11,744</u>	<u>\$ 7,735</u>	<u>\$ -</u>