

TOWN OF EMPIRE CITY, OKLAHOMA

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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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
Duncan, 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, Duncan, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2020, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Street & Alley Fund-Modified Cash Basis, 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 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, 2020. 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, 2020:

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 exceptions were found as a result of applying the procedure.

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 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 the Town's 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 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, 2020:

1. **Procedures Performed:** From the Town'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 exceptions were found as a result of applying the procedure.

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
January 20, 2021

TOWN OF EMPIRE CITY
Duncan, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
For The Year Ended June 30, 2020

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	\$ 55,916	\$ 44,819	\$ 39,534	\$ 61,201
Street & Alley Fund	108,493	8,930	4,975	112,448
Town Total	<u>\$ 164,409</u>	<u>\$ 53,749</u>	<u>\$ 44,509</u>	<u>\$ 173,649</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF EMPIRE CITY, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 55,916	\$ 55,916	\$ 55,916	\$ -
Resources (Inflow):				
Taxes:				
Alcohol beverage Tax	5,415	5,415	7,308	1,893
Total Taxes	5,415	5,415	7,308	1,893
Other Revenue:				
Grants	3,600	3,600	4,642	1,042
Fire Subscription Fees	16,515	16,515	23,780	7,265
Rental	1,035	1,035	575	(460)
Reimbursements	-	-	1,995	1,995
Donations	8,269	8,269	6,136	(2,133)
Miscellaneous	-	-	383	383
Total Other Revenue	29,419	29,419	37,511	8,092
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	34,834	34,834	44,819	9,985
Amounts available for appropriation	90,750	90,750	100,735	9,985
Charges to Appropriations (Outflows):				
Personal Services	8,100	8,100	5,530	2,570
Maintenance & Operations	82,650	82,650	34,004	48,646
Total Other	90,750	90,750	39,534	51,216
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	90,750	90,750	39,534	51,216
Unallocated (Restricted) Funds	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 61,201	\$ 61,201
Current Year Encumbrances			-	
Ending Fund Balance			\$ 61,201	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF EMPIRE CITY, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
STREET & ALLEY FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 108,493	\$ 108,493	\$ 108,493	\$ -
Resources (Inflow):				
Taxes:				
Motor Vehicle Tax	-	-	6,258	6,258
Gasoline Tax	-	-	1,577	1,577
Total Taxes	<u>-</u>	<u>-</u>	<u>7,835</u>	<u>7,835</u>
Other Revenue:				
Interest	-	-	1,095	1,095
Total Other Revenue	<u>-</u>	<u>-</u>	<u>1,095</u>	<u>1,095</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>-</u>	<u>-</u>	<u>8,930</u>	<u>8,930</u>
Amounts available for appropriation	<u>108,493</u>	<u>108,493</u>	<u>117,423</u>	<u>8,930</u>
Charges to Appropriations (Outflows):				
Maintenance & Operations	108,493	108,493	4,975	103,518
Total Other	<u>108,493</u>	<u>108,493</u>	<u>4,975</u>	<u>103,518</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	<u>108,493</u>	<u>108,493</u>	<u>4,975</u>	<u>103,518</u>
Unallocated (Restricted) Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>112,448</u>	\$ <u>112,448</u>
Current Year Encumbrances			<u>-</u>	
Ending Fund Balance			<u>\$ 112,448</u>	

See Independent Accountant's Report on Agreed-Upon Procedures.

**TOWN OF EMPIRE CITY
Duncan, Oklahoma**

**SCHEDULE OF GRANT ACTIVITY
MODIFIED CASH BASIS
For The Year Ended June 30, 2020**

	<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	\$ -	\$ 48	\$ -
Fire Operations Grant - FY20	4,642	-	-	-	4,642	4,642	-
Town Total	<u>\$ 8,642</u>	<u>\$ 4,000</u>	<u>\$ 3,952</u>	<u>\$ 48</u>	<u>\$ 4,642</u>	<u>\$ 4,690</u>	<u>\$ -</u>

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