

TOWN OF EMPIRE CITY, OKLAHOMA

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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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

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Empire City, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2022, 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. 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, fund balances, 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 evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. 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 Town of Empire City has agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance requirements with specific legal or contractual requirements for the fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the **Town of Empire City** as of and for the fiscal year ended June 30, 2022:

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 instances of noncompliance were noted.

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: General Fund in total did not exceed appropriations. The Town underbudgeted expenses for maintenance and operations in the amount of \$3,351.

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: Bank reconciliations are not being prepared for certificates of deposit in the Street & Alley Fund.

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 instances of noncompliance were noted.

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 instances of noncompliance were noted.

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 instances of noncompliance were noted.

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, 2022:

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 instances of noncompliance were noted.

We were engaged by the Town of Empire City to perform this agreed-upon procedures engagement and conducted our engagement 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. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. 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.

We are required to be independent of the Town of Empire City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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
December 20, 2022

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES
 MODIFIED CASH BASIS
 For The Year Ended June 30, 2022
 (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	\$ 62,836	\$ 117,874	\$ 81,983	\$ 98,727
Street & Alley Fund	120,740	7,462	-	128,202
Town Total	<u>\$ 183,576</u>	<u>\$ 125,336</u>	<u>\$ 81,983</u>	<u>\$ 226,929</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, 2022
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 62,836	\$ 62,836	\$ 62,836	\$ -
Resources (Inflow):				
Taxes:				
Alcohol beverage tax	7,378	7,378	6,718	(660)
Total Taxes	<u>7,378</u>	<u>7,378</u>	<u>6,718</u>	<u>(660)</u>
Other Revenue:				
Grants	4,344	4,344	74,716	70,372
Fire subscription fees	22,945	22,945	5,625	(17,320)
Rent	180	180	400	220
Refunds & reimbursements	-	-	13,139	13,139
Donations	2,235	2,235	17,275	15,040
Total Other Revenue	<u>29,704</u>	<u>29,704</u>	<u>111,155</u>	<u>81,451</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>37,082</u>	<u>37,082</u>	<u>117,873</u>	<u>80,791</u>
Amounts available for appropriation	<u>99,918</u>	<u>99,918</u>	<u>180,709</u>	<u>80,791</u>
Charges to Appropriations (Outflows):				
Personal services	15,000	15,000	11,563	3,437
Maintenance & operations	50,000	50,000	53,351	(3,351)
Capital outlay	25,000	25,000	17,068	7,932
Total Other	<u>90,000</u>	<u>90,000</u>	<u>81,982</u>	<u>8,018</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	<u>90,000</u>	<u>90,000</u>	<u>81,982</u>	<u>8,018</u>
Ending Budgetary Fund Balance	<u>\$ 9,918</u>	<u>\$ 9,918</u>	<u>\$ 98,727</u>	<u>\$ 88,809</u>
Current year encumbrances			-	
Ending Fund Balance			<u>\$ 98,727</u>	

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, 2022
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 120,741	\$ 120,741	\$ 120,740	\$ (1)
Resources (Inflow):				
Taxes:				
Motor vehicle tax	-	-	5,957	5,957
Gasoline tax	-	-	1,317	1,317
Total Taxes	-	-	7,274	5,957
Other Revenue:				
Interest	-	-	188	188
Total Other Revenue	-	-	188	188
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	7,462	6,145
Amounts available for appropriation	120,741	120,741	128,202	6,144
Charges to Appropriations (Outflows):				
Personal services	5,000	5,000	-	5,000
Maintenance & operations	15,000	15,000	-	15,000
Capital outlay	10,000	10,000	-	10,000
Total Other	30,000	30,000	-	30,000
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	30,000	30,000	-	30,000
Ending Budgetary Fund Balance	\$ 90,741	\$ 90,741	\$ 128,202	\$ 36,144
Current year encumbrances			-	
Ending Fund Balance			\$ 128,202	

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

TOWN OF EMPIRE CITY
 Empire City, Oklahoma

SCHEDULE OF GRANT ACTIVITY
 MODIFIED CASH BASIS
 For The Year Ended June 30, 2022
 (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:							
OK Department of Agriculture Fire Operations Grant - FY21	\$ 4,763	\$ -	\$ -	\$ -	\$ 4,763	\$ 4,763	\$ -
OK Department of Agriculture Rural Fire Matching Grant 80/20	5,451	-	-	-	5,451	5,451	-
U.S. Department of the Treasury American Rescue Plan Act ALN #21.027	149,433	-	-	-	74,717	-	74,717
Town Total	<u>\$ 159,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,931</u>	<u>\$ 10,214</u>	<u>\$ 74,717</u>

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