

INDEPENDENT ACCOUNTANT'S REPORT

TOWN OF ELMORE CITY, OKLAHOMA

JULY 1, 2019 TO JUNE 30, 2020

BY





Independent Accountant's Report

To the Specified Users of the Report:

City Council, City of Elmore City
Elmore City, Oklahoma

Oklahoma Forestry Services
Oklahoma City, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the City of Elmore City, Oklahoma as of June 30, 2020 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and EMS Fund-Cash Basis for the fiscal year ended June 30, 2020 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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 Finding

As to the **City of Elmore City** as of and for the fiscal year ended June 30, 2020:

- 1. Procedures Performed:** From the City's trial balances, we prepared a summary of changes in fund balances for each major fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: The Volunteer Fire Department's checking account was overdrawn for three days in December 2019.

- 2. Procedures Performed:** From the City's trial balances, we prepared a budget and actual financial schedule for the General Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: We found no instances of non-compliance.

- 3. Procedures Performed:** From the City's trial balances, we prepared a budget and actual financial schedule for the EMS Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The EMS Fund was over budget in the following other financing uses: Transfers Out.

- 4. Procedures Performed:** We agreed the City'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: We found no instances of non-compliance.

- 5. Procedures Performed:** We compared the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: This procedure was not performed. The City's bank account balances did not exceed the FDIC limit of \$250,000.

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

Findings: We found no instances of non-compliance.

- 7. 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.

Findings: We found no instances of non-compliance.

- 8. Procedures Performed:** We compared the City'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: This procedure was not performed because the City did not have any debt service requirements in the fiscal year ending June 30, 2020.

As to the **City of Elmore City** as of and for the fiscal year ended June 30, 2020:

- 1. Procedures Performed:** From the City's trial balances, we compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: We found one instance of non-compliance. The Form SA&I 2643 was due to the Oklahoma State Auditor on December 31, 2020. The form is being filed late and will put the gasoline tax at risk.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on 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 these specified parties.

Furrh & Associates, PC
FURRH & ASSOCIATES, PC
August 29, 2021

City of Elmore City, OK
Summary of Changes in Fund Balance - Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2020
(Unaudited)

	Balance as of 07/01/2019	Current Year Inflows	Transfers	Current Year Outflows	Balance as of 06/30/2020
General Fund	\$ 287,753	\$ 308,680	\$ 78,053	\$ (359,353)	\$ 315,133
EMS Fund	134,236	281,915	(4,410)	(304,149)	107,592
Bail Bond Fund	94,765	139,844	(181,072)	(21,850)	31,687
T. Selby Cemetery Care Fund	40,490	992	0	0	41,482
T. Selby Cemetery Perpetual Care Fund	27,981	195	0	0	28,176
T. Selby Cemetery Operating Care Fund	18,471	4,034	0	(1,198)	21,307
Police Equipment Fund	1,938	2,690	8,929	(13,089)	468
Grant Fund	100	118,873	88,500	(141,820)	65,653
Volunteer Fire Fund	4,285	6,037	10,000	(19,765)	557
Economic Development Authority Fund	0	6	0	(5)	1
Total	\$ 610,019	\$ 863,266	\$ 0	\$ (861,229)	\$ 612,056

City of Elmore City, OK
Budgetary Comparison Schedule
General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive
	Original Budget	Revised Budget		
<u>Resources (Inflows)</u>				
Taxes	\$ 257,860	\$ 257,860	\$ 264,806	\$ 6,946
Franchise Fees	25,980	25,980	23,854	(2,126)
Miscellaneous	30,590	30,590	16,418	(14,172)
Licenses and Permits	880	880	2,074	1,194
Lease Income	1,800	1,800	1,213	(587)
Charges for Services	10	10	315	305
Total Inflows	317,120	317,120	308,680	(8,440)
<u>Charges to Appropriations (Outflows)</u>				
General Government Department	190,420	144,920	136,385	8,535
Park Department	7,630	7,630	5,130	2,500
Street and Alley Department	8,050	10,550	9,994	556
Legal and Judicial Department	15,400	15,400	12,436	2,964
Police Department	216,600	216,600	195,408	21,192
Total Charges to Appropriations	438,100	395,100	359,353	35,747
Revenue Over (Under Expenditures)	(120,980)	(77,980)	(50,673)	27,307
<u>Other Financing Sources (Uses)</u>				
Transfers In/(Out)	170,100	127,100	78,053	(49,047)
Total Other Financing Sources (Uses)	170,100	127,100	78,053	(49,047)
Beginning Cash Balance, June 30, 2019	287,753	287,753	287,753	0
Ending Cash Balance, June 30, 2020	\$ 336,873	\$ 336,873	\$ 315,133	\$ (21,740)

Please see accompanying Accountant's Report.

City of Elmore City, OK
Budgetary Comparison Schedule
EMS Fund - Cash Basis
For the Fiscal Year Ended June 30, 2020
(Unaudited)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original Budget	Revised Budget		
<u>Resources (Inflows)</u>				
Taxes	\$ 183,200	\$ 183,200	\$ 170,271	\$ (12,929)
Charges for Services	104,910	104,910	100,417	(4,493)
Miscellaneous	110	110	11,227	11,117
Total Inflows	<u>288,220</u>	<u>288,220</u>	<u>281,915</u>	<u>(6,305)</u>
<u>Charges to Appropriations (Outflows)</u>				
EMS Department	329,310	329,310	304,149	25,161
Total Charges to Appropriations	<u>329,310</u>	<u>329,310</u>	<u>304,149</u>	<u>25,161</u>
<u>Revenue Over (Under Expenditures)</u>	(41,090)	(41,090)	(22,234)	18,856
<u>Other Financing Sources (Uses)</u>				
Transfers In/(Out)	0	0	(4,410)	(4,410)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,410)</u>	<u>(4,410)</u>
Beginning Cash Balance, June 30, 2019	134,236	134,236	134,236	0
Ending Cash Balance, June 30, 2020	<u>\$ 93,146</u>	<u>\$ 93,146</u>	<u>\$ 107,592</u>	<u>\$ 14,446</u>

Please see accompanying Accountant's Report.

City of Elmore City, Oklahoma
Schedule of Grant Activity
 Modified Cash Basis
 For the Year Ended June 30, 2020
 (Unaudited)

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Grantor's Project Number	Award Amount	Received		Expended		Expended During Current Year	Remaining to be Expended	Match		Match Remaining	
			Prior Years	Current Year	During Prior Years	During Current Year			Required	Expended		
<i>Federal Funds</i>												
USDA	Fire Radios	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Cares Act	EMS	3,125	0	3,125	0	0	3,125	0	0	0	0	
	Total Federal Funds	53,125	0	53,125	0	50,000	3,125	0	0	0	0	
<i>State Funds</i>												
OERSIRF	EMS	73,373	4,500	68,873	0	73,328	45	18,500	16,545	1,955		
Oklahoma Forestry Grant	Fire Operational	4,642	0	4,642	0	4,642	0	0	0	0		
TAP Grant	Sidewalks	0	0	0	0	0	0	20,000	6,302	13,698		
	Total State Funds	78,015	4,500	73,515	0	77,970	45	38,500	22,847	15,653		
<i>Other Grants</i>												
One OK	EMS	2,655	0	2,655	0	0	2,655	0	0	0		
REC	Fire Operational	650	0	650	0	650	0	0	0	0		
	Total Other Grants	3,305	0	3,305	0	650	2,655	0	0	0		
Total Grant Activity		\$ 134,445	\$ 4,500	\$ 129,945	\$ 0	\$ 128,620	\$ 5,825	\$ 38,500	\$ 22,847	\$ 15,653		