



Town of Ringling, Oklahoma

Agreed-Upon Procedures Report

For the Fiscal Year Ended June 30, 2012

TOWN OF RINGLING, OKLAHOMA

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Council, City of Ringling
Ringling, Oklahoma

Trustees of the Ringling Municipal Authority
Ringling, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma Department of Agriculture
Oklahoma Department of Libraries
Oklahoma Department of Federal Emergency Management
Oklahoma City, Oklahoma

A.S.C.OG.
Duncan, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Ringling, Oklahoma and Ringling Municipal Authority, as of June 30, 2012, and the Budgetary Comparison Schedule of General Fund, Emergency Fund and Grant Fund – Cash Basis, and Statement of Revenues, Expenses and Changes in Fund Balance of the Municipal Authority – Cash Basis for the fiscal year ended June 30, 2012 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 cash basis of accounting.

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Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis 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 Town of Ringling’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council and Trustees of the Ringling Municipal Authority, 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, 2012. Management of the Town of Ringling 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 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 **Town of Ringling** as of and for the fiscal year ended June 30, 2012:

1. ***Procedures Performed:*** From the Town’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.

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

2. ***Procedures Performed:*** From the Town’s trial balances, we prepared a budget and actual financial schedule for the General Fund, Emergency Fund and the Grant Fund listing separately each fund (see accompanying Exhibits B, B-1 and B-2) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings:

Expenditures exceeded budgeted amounts in the General Government Department of the General Fund by \$48,330. A budget was not adopted for the Grant Fund. The Grant Fund had expenditures of \$30,077.

3. ***Procedures Performed:*** We agreed the Town's bank account balances that exceed \$1,000 to bank statements and traced the timely clearance to report any reconciling items that have not cleared.

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.

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

5. ***Procedures Performed:*** We compared use of restricted revenues and resources that exceed \$1,000 to their restrictions to report any noted instances of noncompliance.

Findings:

We were unable to locate an invoice from the Emergency Fund in the amount of \$2,546, and we could not locate an invoice from the Grant Fund in the amount of \$30,077.

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.

Findings:

Oklahoma Statutes Title 68 Section 3003B, requires Grant revenues and expenditures should be recorded in a separate fund and tracked by individual grant. Not all grant funds were recorded in a separate grant fund, and grant expenditures were not identified separately.

7. ***Procedures Performed:*** Determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

This procedure was not performed. The Town of Ringling has no debt service or reserve account requirements.

As to the **Ringling Municipal Authority** as of and for the fiscal year ended June 30, 2012:

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.

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

2. ***Procedures Performed:*** We agreed the Authority's bank account balances that exceed \$1,000 to bank statements and traced the timely clearance to report any reconciling items that have not cleared.

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

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.

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

4. ***Procedures Performed:*** We compared use of restricted revenues and resources that exceed \$1,000 to their restrictions to report any noted instances of noncompliance.

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

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.

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

6. ***Procedures Performed:*** Determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

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

As to the **Town of Ringling** and **Ringling Municipal Authority** as of and for the fiscal year ended June 30, 2012:

1. ***Procedures Performed:*** From the Town'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.

Findings:

Grant files and supporting invoices could not be located. Grant revenues were recorded in the General Fund, but the grant expenditures were not separately identified. Exhibit D was prepared based on receipts received.

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

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

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

Rahhel Henderson Johnson, PLLC

March 17, 2014
Ardmore, Oklahoma

Town of Ringling
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2012

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	\$ 58,407	\$ 426,330	\$ 438,341	\$ 46,396
Court Fund	1,173	132	-	1,305
Grant Fund	376	34,575	30,077	4,874
Cemetery Fund	9,329	4,740	-	14,069
Street and Alley Fund	63,867	13,648	13,382	64,133
Emergency Fund	17,290	25,237	34,997	7,530
Library	14,836	11,439	9,786	16,489
 CITY Subtotal	 165,278	 516,101	 526,583	 154,796
 MUNICIPAL AUTHORITY:				
Municipal Authority	243,272	413,345	447,271	209,346
Meter Deposit	43,193	11,495	9,340	45,348
 Ringling Municipal Authority Subtotal	 286,465	 424,840	 456,611	 254,694
 Ringling Economic Development Authority	 5,202	 -	 -	 5,202
 Overall Totals	 \$ 456,945	 \$ 940,941	 \$ 983,194	 \$ 414,692

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2012

EXHIBIT B

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 61,000	\$ 61,000	\$ 58,407	\$ (2,593)
Resources (Inflows):				
Police Fines	14,500	14,500	9,275	(5,225)
Garbage Fees	170,000	170,000	170,649	649
Licenses & Permits	200	200	165	(35)
Alcohol Beverage Tax	15,500	15,500	16,459	959
Franchise Tax	-	-	4,403	4,403
Use Tax	5,000	5,000	7,309	2,309
Sales Tax	36,800	36,800	37,855	1,055
Cigar Tax	1,700	1,700	1,834	134
Interest Income	600	600	387	(213)
Franchise Cable	-	-	5,597	5,597
Housing Authority Payment	-	-	3,374	3,374
Franchise Telephone	-	-	4,474	4,474
Franchise OGE	33,000	33,000	29,741	(3,259)
Cemetery Lot Sales	2,000	2,000	6,900	4,900
Swimming Pool Revenue	2,500	2,500	6,074	3,574
Fire Service	3,500	3,500	11,525	8,025
State of Oklahoma - Grant	-	39,850	39,851	1
Grave Opening Revenue	7,000	7,000	11,400	4,400
Lease	2,400	2,400	3,160	760
Miscellaneous Revenue	2,000	2,000	2,976	976
Expense Reimbursements	-	1,395	2,124	729
Total Inflows	357,700	398,945	433,939	34,994
Charges to Appropriations (Outflows):				
General Government Expense	119,680	160,925	209,255	(48,330)
Public Safety	107,020	107,020	68,612	38,408
Cemetery/parks	12,350	12,350	7,405	4,945
Culture and Recreation	35,150	35,150	25,598	9,552
Garbage	130,000	130,000	127,471	2,529
Total Outflows	404,200	445,445	438,341	7,104
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	(46,500)	(46,500)	(4,402)	42,098
Other Financing Sources (Uses)				
	46,500	46,500	50,798	4,298
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 46,396	\$ 46,396

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 Emergency Fund
 For the Year Ended June 30, 2012

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 26,500	\$ 26,500	\$ 17,290	\$ (9,210)
Resources (Inflows):				
Sales Tax	24,500	24,500	25,237	737
Total Inflows	51,000	51,000	42,527	(8,473)
Charges to Appropriations (Outflows):				
Maintenance and Operations	17,000	17,000	9,136	7,864
Capital Outlay	31,000	31,000	22,861	8,139
Total Outflows	48,000	48,000	31,997	16,003
Excess of Inflows over Outflows before Other Financing Sources (Uses)	3,000	3,000	10,530	7,530
Other Financing Sources (Uses)	(3,000)	(3,000)	(3,000)	-
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 7,530	\$ 7,530

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 Grant Fund
 For the Year Ended June 30, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 376	\$ 376
Resources (Inflows):				
Grant Revenue	-		34,572	34,572
Miscellaneous Revenue	-	-	3	3
Total Inflows	-	-	34,951	34,951
Charges to Appropriations (Outflows):				
Grant Expenditures	-	-	30,077	(30,077)
Total Outflows	-	-	30,077	(30,077)
Excess of Inflows over Outflows before Other Financing Sources (Uses)	-	-	4,874	4,874
Other Financing Sources (Uses)	-	-	-	-
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 4,874	\$ 4,874

See Accompanying Independent Accountant's Report

Town of Ringling
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
Ringling Municipal Authority
For the Year Ended June 30, 2012

EXHIBIT C

	Ringling Municipal Authority
Operating Revenues:	
Water	\$ 215,039
Sewer	136,748
Miscellaneous Fees	10,833
Total Operating Revenues	362,620
 Operating Expenses	
Salaries & Wages	94,368
Employee Retirement	7,587
Payroll Taxes	10,256
Power & Fuel	25,917
Bad Debt Expenses	353
Repairs & Maintenance	3,266
Returned Checks	247
Materials & Supplies	27,949
Water Meter Reader	5,500
Truck Expense	1,490
Insurance & Bond Expense	31,552
Fees & Permits	8,020
Telephone	3,374
Office Supplies & Expenses	6,975
Accounting & Legal	5,823
Capital Outlay	120,931
Miscellaneous Expense	16,116
Debt Service	54,729
Total Operating Expenses	424,453
Operating Income (Loss)	(61,833)
 Nonoperating Revenue (Expense)	
Sales Tax	50,473
Interest Income	252
Transfers Out	(22,818)
Total Nonoperating Revenue	27,907
Net Income	(33,926)
Fund Balance - Beginning	243,272
Fund Balance - Ending	\$ 209,346

See Accompanying Independent Accountant's Report

Town of Ringling
Schedule of Grant Activity
Cash Basis
For the Year Ended June 30, 2012

EXHIBIT D

<u>Agency</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Received Current Year</u>
Oklahoma Department of Libraries	Operating	\$ 4,054	\$ 4,054
Oklahoma Department of Commerce	14174 CDBG 10	\$ 200,925	\$ 34,572
FEMA	Disaster Relief	\$ 3,385	\$ 3,385
REAP (ASCOG)		\$ 13,613	\$ 13,613
REAP (ASCOG)		\$ 22,853	\$ 22,853

See Accompanying Independent Accountant's Report