



Town of Ringling, Oklahoma

Agreed-Upon Procedures Report

For the Fiscal Year Ended June 30, 2013

TOWN OF RINGLING, OKLAHOMA

Index

Agreed Upon Procedures	1
Exhibit A	6
Exhibit B	7
Exhibit B-1	8
Exhibit B-2	9
Exhibit C	10
Exhibit D	11



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

ASCOG
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, 2013, 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, 2013 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.

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.

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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, 2013. 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, 2013:

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, Cemetery and Parks Department and Culture and Recreation Department of the General Fund by \$48,276, \$435, and \$1,083, respectively. There was no budget adopted for the Grant Fund.

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:

Two of the invoices selected for testing could not be located. One invoice in the Emergency Fund for \$2,627, and one invoice in the Cemetery Care Fund for \$2,370.

The required 12.5% transfer of cemetery lot sales and intermits was not transferred to the Cemetery Care Fund. The amount transferred during the year was \$454 less than required.

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.

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

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, 2013:

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 \$1,500 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, 2013:

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.

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

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.

Rahel 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, 2013

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
CITY:				
General Fund	46,396	\$ 384,231	\$ 359,247	\$ 71,380
Court Fund	1,305	6	-	1,311
Grant Fund	4,873	45,007	45,002	4,878
Cemetery Fund	14,070	1,295	4,218	11,147
Street and Alley Fund	64,133	14,850	9,499	69,484
Emergency Fund	7,531	25,291	23,627	9,195
Library	16,489	11,180	8,249	19,420
 CITY Subtotal	 154,797	 481,860	 449,842	 186,815
 MUNICIPAL AUTHORITY:				
Municipal Authority	209,346	393,030	388,035	214,341
Meter Deposit	45,348	11,957	7,820	49,485
 Ringling Municipal Authority Subtotal	 254,694	 404,987	 395,855	 263,826
 Ringling Economic Development Authority	 5,202	 -	 -	 5,202
 Overall Totals	 \$ 414,693	 \$ 886,847	 \$ 845,697	 \$ 455,843

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2013

EXHIBIT B

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 15,000	\$ 15,000	\$ 46,396	\$ 31,396
Resources (Inflows):				
Police Fines	9,500	9,500	24,722	15,222
Garbage Fees	170,000	170,000	152,973	(17,027)
Licenses & Permits	200	200	241	41
Alcohol Beverage Tax	15,700	15,700	16,698	998
Franchise Tax	-	-	4,959	4,959
Use Tax	6,000	6,000	9,296	3,296
Sales Tax	37,300	37,300	38,187	887
Cigar Tax	1,700	1,700	1,685	(15)
Interest Income	400	400	182	(218)
Franchise Cable	-	-	5,206	5,206
Housing Authority Payment	-	-	3,366	3,366
Franchise Telephone	-	-	1,119	1,119
Franchise OGE	42,000	42,000	26,030	(15,970)
Cemetery Lot Sales	6,000	6,000	3,550	(2,450)
Swimming Pool Revenue	3,500	3,500	7,709	4,209
Fire Service	6,000	6,000	6,375	375
State of Oklahoma - Grant	-	-	-	-
Grave Opening Revenue	10,000	10,000	9,100	(900)
Lease	3,000	3,000	2,495	(505)
Miscellaneous Revenue	3,000	3,000	18,856	15,856
Expense Reimbursements	-	-	2,187	2,187
Total Inflows	<u>329,300</u>	<u>329,300</u>	<u>381,332</u>	<u>52,032</u>
Charges to Appropriations (Outflows):				
General Government Expense	96,605	96,605	144,881	(48,276)
Public Safety	120,525	120,525	62,127	58,398
Cemetery/parks	6,870	6,870	7,305	(435)
Culture and Recreation	23,300	23,300	24,383	(1,083)
Garbage	<u>128,000</u>	<u>128,000</u>	<u>120,551</u>	<u>7,449</u>
Total Outflows	<u>375,300</u>	<u>375,300</u>	<u>359,247</u>	<u>16,053</u>
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	(46,000)	(46,000)	22,085	68,085
Other Financing Sources (Uses)				
	<u>46,000</u>	<u>46,000</u>	<u>49,295</u>	<u>3,295</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,380</u>	<u>\$ 71,380</u>

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 Emergency Fund
 For the Year Ended June 30, 2013

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 10,000	\$ 10,000	\$ 7,531	\$ (2,469)
Resources (Inflows):				
Sales Tax	24,500	24,500	25,291	791
Total Inflows	34,500	34,500	32,822	(1,678)
Charges to Appropriations (Outflows):				
Maintenance and Operations	16,500	16,500	2,627	13,873
Capital Outlay	15,000	15,000	21,000	(6,000)
Total Outflows	31,500	31,500	23,627	7,873
Excess of Inflows over Outflows before Other Financing Sources (Uses)	3,000	3,000	9,195	6,195
Other Financing Sources (Uses)	(3,000)	(3,000)	-	3,000
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 9,195	\$ 9,195

See Accompanying Independent Accountant's Report

Town of Ringling
 Budgetary Comparison Schedule – Cash Basis
 Grant Fund
 For the Year Ended June 30, 2013

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 4,873	\$ 4,873
Resources (Inflows):				
Grant Revenue	-		45,000	45,000
Miscellaneous Revenue	-	-	7	7
Total Inflows	-	-	49,880	49,880
Charges to Appropriations (Outflows):				
Grant Expenditures	-	-	45,002	(45,002)
Total Outflows	-	-	45,002	(45,002)
Excess of Inflows over Outflows before Other Financing Sources (Uses)	-	-	4,878	4,878
Other Financing Sources (Uses)	-	-	-	-
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 4,878	\$ 4,878

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, 2013

EXHIBIT C

	<u>Ringling Municipal Authority</u>
Operating Revenues:	
Water	\$ 207,276
Sewer	133,597
Miscellaneous Fees	<u>1,469</u>
Total Operating Revenues	<u>342,342</u>
Operating Expenses	
Salaries & Wages	113,137
Employee Retirement	8,382
Payroll Taxes	11,474
Power & Fuel	25,735
Bad Debt Expenses	157
Repairs & Maintenance	2,772
Returned Checks	593
Materials & Supplies	39,759
Water Meter Reader	3,000
Insurance & Bond Expense	34,371
Fees & Permits	8,086
Telephone	3,488
Office Supplies & Expenses	8,606
Miscellaneous Expense	19,664
Debt Service	<u>57,558</u>
Total Operating Expenses	<u>336,782</u>
Operating Income (Loss)	5,560
Nonoperating Revenue (Expense)	
Sales Tax	50,583
Interest Income	106
Transfers Out	<u>(51,254)</u>
Total Nonoperating Revenue	<u>(565)</u>
Net Income	4,995
Fund Balance - Beginning	<u>209,346</u>
Fund Balance - Ending	<u>\$ 214,341</u>

See Accompanying Independent Accountant's Report

Town of Ringling
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2013

EXHIBIT D

<u>Agency</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Received Current Year</u>	<u>Expenditures Current Year</u>
ASCOG	REAP 13	\$ 45,000	\$ 45,000	\$ 45,000

See Accompanying Independent Accountant's Report