



Town of Ringling, Oklahoma

Independent Accountants' Compilation Report and
Report on Applying Agreed-Upon Procedures Report

For the Fiscal Year Ended June 30, 2014

TOWN OF RINGLING, OKLAHOMA

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**Independent Accountants' Compilation Report and
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

Trustees of the Ringling Economic Development Authority
Ringling, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

Oklahoma Department of Libraries
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Modified Cash Basis of the Town of Ringling, Oklahoma, Ringling Municipal Authority and Ringling Economic Development Authority, as of June 30, 2014, and the Budgetary Comparison Schedule of General Fund and Emergency Fund. 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 modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified 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

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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 supplementary information contained in Exhibits C and D is presented for purposes of supplementary analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

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, 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, 2014. 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, 2014:

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 and Emergency Fund listing separately each fund (see accompanying Exhibits B, and B-1) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

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

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.

Findings – Outstanding checks over one year old in the General Fund totaling \$2,751, need to be reversed.

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.

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

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** and **Ringling Economic Development Authority** as of and for the fiscal year ended June 30, 2014:

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.

Findings – Outstanding checks over one year old in the Municipal Fund totaling \$3,653 need to be reversed.

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, Ringling Municipal Authority, and Ringling Economic Development Authority** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Ringling Municipal Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the year ended June 30, 2014.

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

2. **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.

We were not engaged to and did not conduct an examination, 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 16, 2015
Ardmore, Oklahoma

Town of Ringling
 Summary of Changes in Fund Balances – Modified Cash Basis
 For the Year Ended June 30, 2014

EXHIBIT A

| | <u>Fund Balances Beginning</u> | <u>Inflows</u> | <u>Outflows</u> | <u>Fund Balances Ending</u> |
|---|------------------------------------|-------------------|---------------------|---------------------------------|
| City: | | | | |
| General Fund | 71,380 | 456,766 | \$ 438,437 | \$ 89,709 |
| Court Fund | 1,311 | 429 | - | 1,740 |
| Grant Fund | 4,878 | - | 4,495 | 383 |
| Cemetery Fund | 11,148 | 1,896 | - | 13,044 |
| Street and Alley Fund | 69,484 | 17,125 | 28,517 | 58,092 |
| Emergency Fund | 9,196 | 26,515 | 24,465 | 11,246 |
| Library | <u>19,420</u> | <u>17,624</u> | <u>13,401</u> | <u>23,643</u> |
| City Subtotal | <u>186,817</u> | <u>520,355</u> | <u>509,315</u> | <u>197,857</u> |
| Municipal Authority: | | | | |
| Municipal Authority | 214,341 | 368,858 | 482,341 | 100,858 |
| Meter Deposit | <u>49,485</u> | <u>10,650</u> | <u>25,220</u> | <u>34,915</u> |
| Ringling Municipal Authority Subtotal | <u>263,826</u> | <u>379,508</u> | <u>507,561</u> | <u>135,773</u> |
| Ringling Economic Development Authority | <u>5,202</u> | <u>-</u> | <u>96</u> | <u>5,106</u> |
| Overall Totals | <u>\$ 455,845</u> | <u>\$ 899,863</u> | <u>\$ 1,016,972</u> | <u>\$ 338,736</u> |

See Accountants' Compilation Report

Town of Ringling
 Budgetary Comparison Schedule – Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2014

EXHIBIT B

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------------|------------------|---|
| Beginning Budgetary Fund Balance: | \$ 36,000 | \$ 36,000 | \$ 71,380 | \$ 35,380 |
| Resources (Inflows): | | | | |
| Police Fines | 18,000 | 18,000 | 33,298 | 15,298 |
| Garbage Fees | 152,000 | 152,000 | 172,358 | 20,358 |
| Licenses & Permits | 200 | 200 | 250 | 50 |
| Alcohol Beverage Tax | 15,700 | 15,700 | 17,369 | 1,669 |
| Franchise Tax | - | - | 5,431 | 5,431 |
| Use Tax | 7,500 | 7,500 | 7,654 | 154 |
| Sales Tax | 38,300 | 78,073 | 132,577 | 54,504 |
| Cigar Tax | 1,525 | 1,525 | 1,573 | 48 |
| Interest Income | 190 | 190 | 190 | - |
| Franchise Cable | - | - | 4,914 | 4,914 |
| Housing Authority Payment | - | - | 3,603 | 3,603 |
| Franchise Telephone | - | - | 1,110 | 1,110 |
| Franchise OGE | 40,000 | 40,000 | 30,749 | (9,251) |
| Cemetery Lot Sales | 3,500 | 3,500 | 3,300 | (200) |
| Swimming Pool Revenue | 3,500 | 3,500 | 4,915 | 1,415 |
| Fire Service | 5,500 | 5,500 | 4,805 | (695) |
| State of Oklahoma - Grant | - | - | 4,474 | 4,474 |
| Grave Opening Revenue | 7,000 | 7,000 | 8,800 | 1,800 |
| Lease | 2,000 | 2,000 | 3,435 | 1,435 |
| Miscellaneous Revenue | 17,400 | 17,400 | 11,430 | (5,970) |
| Expense Reimbursements | 1,700 | 1,700 | 4,531 | 2,831 |
| Total Inflows | <u>314,015</u> | <u>353,788</u> | <u>456,766</u> | <u>102,978</u> |
| Charges to Appropriations (Outflows): | | | | |
| General Government | 59,271 | 53,771 | 53,771 | - |
| Administration | 33,345 | 28,615 | 28,554 | 61 |
| Legal & Judicial | 9,300 | 9,100 | 9,059 | 41 |
| Police | 104,200 | 104,700 | 104,050 | 650 |
| Fire | 37,675 | 41,875 | 41,731 | 144 |
| Cemetery | 7,300 | 8,500 | 8,350 | 150 |
| Pools | 2,813 | 10,913 | 10,542 | 371 |
| Library | 20,112 | 17,812 | 17,383 | 429 |
| Community Center | 3,200 | 3,400 | 3,396 | 4 |
| Contract Services | <u>121,400</u> | <u>119,937</u> | <u>119,937</u> | <u>-</u> |
| Total Outflows | <u>398,616</u> | <u>398,623</u> | <u>396,773</u> | <u>1,850</u> |
| Excess of Inflows over Outflows before | | | | |
| Other Financing Sources (Uses) | (48,601) | (8,835) | 131,373 | 140,208 |
| Transfers In | 50,500 | 50,500 | - | (50,500) |
| Transfers Out | <u>(1,899)</u> | <u>(41,665)</u> | <u>(41,664)</u> | <u>1</u> |
| Other Financing Sources (Uses) | <u>48,601</u> | <u>8,835</u> | <u>(41,664)</u> | <u>(50,499)</u> |
| Ending Budgetary Fund Balance: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 89,709</u> | <u>\$ 89,709</u> |

See Accountants' Compilation Report

Town of Ringling
 Budgetary Comparison Schedule – Modified Cash Basis
 Emergency Fund
 For the Year Ended June 30, 2014

EXHIBIT B-1

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|-----------|-----------|--|
| | Original | Final | | Final Budget Positive (Negative) |
| Beginning Budgetary Fund Balance: | \$ 10,000 | \$ 10,000 | \$ 9,196 | \$ (804) |
| Resources (Inflows): | | | | |
| Miscellaneous | - | - | - | - |
| Total Inflows | 10,000 | 10,000 | 9,196 | (804) |
| Charges to Appropriations (Outflows): | | | | |
| Maintenance and Operations | 14,500 | 14,500 | 5,215 | 9,285 |
| Capital Outlay | 20,000 | 20,000 | 19,250 | 750 |
| Total Outflows | 34,500 | 34,500 | 24,465 | 10,035 |
| Excess of Inflows over Outflows before Other Financing Sources (Uses) | (24,500) | (24,500) | (15,269) | 9,231 |
| Transfers In | 24,500 | 24,500 | 26,515 | 2,015 |
| Transfers Out | - | - | - | - |
| Other Financing Sources (Uses) | 24,500 | 24,500 | 26,515 | 2,015 |
| Ending Budgetary Fund Balance: | \$ - | \$ - | \$ 11,246 | \$ 11,246 |

Town of Ringling
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Ringling Municipal Authority
For the Year Ended June 30, 2014

EXHIBIT C

| | <u>Ringling Municipal Authority</u> |
|---------------------------------------|---|
| Operating Revenues: | |
| Water | \$ 219,990 |
| Sewer | 136,720 |
| Miscellaneous Fees | <u>12,060</u> |
| Total Operating Revenues | <u>368,770</u> |
| | |
| Operating Expenses | |
| Salaries & Wages | 129,200 |
| Employee Retirement | 4,445 |
| Payroll Taxes | 14,166 |
| Contract Services | 1,299 |
| Power & Fuel | 26,924 |
| Repairs & Maintenance | 15,659 |
| Returned Checks | 1,644 |
| Materials & Supplies | 58,170 |
| Truck Expense | 972 |
| Insurance & Bond Expense | 37,977 |
| Fees & Permits | 11,490 |
| Telephone | 2,980 |
| Office Supplies & Expenses | 8,022 |
| Accounting & Legal | 8,180 |
| Capital Outlay | 28,515 |
| Miscellaneous Expense | 14,127 |
| Debt Service | <u>107,461</u> |
| Total Operating Expenses | <u>471,231</u> |
| | |
| Operating Income (Loss) | (102,461) |
| | |
| Nonoperating Revenue (Expense) | |
| Interest Income | 87 |
| Transfers Out | <u>(11,109)</u> |
| Total Nonoperating Revenue | <u>(11,022)</u> |
| | |
| Revenue Over (Under) Expenses | (113,483) |
| | |
| Fund Balance - Beginning | <u>214,341</u> |
| | |
| Fund Balance - Ending | <u>\$ 100,858</u> |

See Accountants' Compilation Report

Town of Ringling
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2014

EXHIBIT D

| <u>Agency</u> | <u>Grant Number</u> | <u>Award Amount</u> | <u>Received Current Year</u> | <u>Expenditures Current Year</u> |
|-------------------------------------|-------------------------|-------------------------|----------------------------------|--------------------------------------|
| Oklahoma Department of Agricultures | Fire Operation | \$ 4,474 | \$ 4,474 | \$ 4,474 |
| Oklahoma Department of Libraries | Library Grant | <u>\$ 8,897</u> | <u>8,897</u> | <u>8,897</u> |
| Total Grant Activity | | <u>\$ 13,371</u> | <u>\$ 13,371</u> | <u>\$ 13,371</u> |

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