



City of Elmore City, Oklahoma

Agreed-Upon Procedures Report

For the Fiscal Year Ended June 30, 2012

CITY OF ELMORE CITY, 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 Elmore City
Elmore City, Oklahoma 73433

Trustees of the Elmore City Public Works Authority
Elmore City, Oklahoma 73433

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

S. O. D. A.
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the City of Elmore City, Oklahoma and Elmore City Public Works Authority, as of June 30, 2012, and the Budgetary Comparison Schedule of General Fund and EMS Fund – Cash Basis, and Statement of Revenues, Expenses and Changes in Fund Balance of the Public Works 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 accounting principles generally accepted in the United States of America.

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.

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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 City of Elmore City’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the City Council and Trustees of the City of Elmore City, 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 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 Findings

As to the **City of Elmore City** as of and for the fiscal year ended June 30, 2012:

1. ***Procedures Performed:*** From the City’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 City’s trial balances, we prepared a budget and actual financial schedule for the General Fund and the EMS 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 City'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.

4. ***Procedures Performed:*** We compared the City'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 \$1,500 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 City of Elmore City has no debt service or reserve account requirements.

As to the **Elmore City Public Works 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 \$1,500 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 \$1,500 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.

This procedure was not performed. Elmore City Public Works Authority has no bond indentures.

As to the **City of Elmore City** and **Elmore City Public Works Authority** as of and for the fiscal year ended June 30, 2012:

1. ***Procedures Performed:*** From the City'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 City'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. We agreed the trial balance amounts for utility billings to the billing system. We reconciled wages per the general ledger to IRS Forms 941.

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 25, 2013
Ardmore, Oklahoma

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

EXHIBIT A

	<u>Fund Balances</u> <u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Fund Balances</u> <u>Ending</u>
CITY:				
General Fund	\$ 251,836	\$ 377,280	\$ 411,308	\$ 217,808
Bail Bond Fund	6,292	104,290	57,493	53,089
EMS Fund	22,565	201,110	206,806	16,869
T. Selby Cemetery Perpetual Care Fund	27,560	-	-	27,560
T. Selby Cemetery Operating Fund	12,577	5,731	151	18,157
T. Selby Cemetery Care Fund	35,370	963	-	36,333
Volunteer Fire Fund	<u>26,164</u>	<u>11,481</u>	<u>21,405</u>	<u>16,240</u>
CITY Subtotal	<u>382,364</u>	<u>700,855</u>	<u>697,163</u>	<u>386,056</u>
PUBLIC WORKS AUTHORITY:				
PWA Fund	72,318	351,597	379,463	44,452
Meter Deposit	<u>13,399</u>	<u>9,949</u>	<u>4,656</u>	<u>18,692</u>
ECPWA Subtotal	<u>85,717</u>	<u>361,546</u>	<u>384,119</u>	<u>63,144</u>
Overall Totals	<u>\$ 468,081</u>	<u>\$ 1,062,401</u>	<u>\$ 1,081,282</u>	<u>\$ 449,200</u>

See Accompanying Independent Accountant's Report

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

EXHIBIT B

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 271,240	\$ 271,240	\$ 251,836	\$ (19,404)
Resources (Inflows):				
Sales Tax	227,000	227,000	251,605	24,605
Use Tax	13,500	13,500	24,187	10,687
Alcoholic Beverage Tax	5,000	5,000	4,938	(62)
Tobacco Tax	3,400	3,400	3,709	309
Franchise	25,000	25,000	28,001	3,001
Community Center	3,400	3,400	525	(2,875)
Grants	-	-	1,343	1,343
Fees and Permits	100	100	3,285	3,185
Interest	3,500	3,500	3,020	(480)
Miscellaneous	7,700	7,700	3,558	(4,142)
<i>Street & Alley</i>				
Commercial Vehicle	4,500	4,500	4,791	291
Gasoline Excise	1,200	1,200	1,318	118
Total Inflows	565,540	565,540	582,116	16,576
Charges to Appropriations (Outflows):				
City Clerk/Treasurer	5,000	5,000	3,600	1,400
General Government	155,000	125,000	80,361	44,639
Animal Control	500	500	218	282
Police Department	219,000	219,000	187,531	31,469
Court	5,100	5,100	4,800	300
Parks	500	500	417	83
Streets	9,000	9,000	7,988	1,012
Legal & Judicial	3,000	3,000	234	2,766
Total Outflows	397,100	367,100	285,149	81,951
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	168,440	198,440	296,967	98,527
Other Financing Sources (Uses)	(168,000)	(198,000)	(79,159)	118,841
Ending Budgetary Fund Balance:	\$ 440	\$ 440	\$ 217,808	\$ 217,368

See Accompanying Independent Accountant's Report

City of Elmore City
 Budgetary Comparison Schedule – Cash Basis
 EMS 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:	\$ 28,538	\$ 28,538	\$ 22,565	\$ (5,973)
Resources (Inflows):				
Run Fees	60,000	60,000	64,951	4,951
Total Inflows	88,538	88,538	87,516	(1,022)
Charges to Appropriations (Outflows):				
EMS	199,000	217,800	206,806	10,994
Total Outflows	199,000	217,800	206,806	10,994
Excess of Inflows over Outflows before Other Financing Sources (Uses)	(110,462)	(129,262)	(119,290)	9,972
Other Financing Sources (Uses)	111,000	111,000	136,159	25,159
Ending Budgetary Fund Balance:	\$ 538	\$ (18,262)	\$ 16,869	\$ 35,131

See Accompanying Independent Accountant's Report

City of Elmore City
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
Elmore City Public Works Authority
For the Year Ended June 30, 2012

EXHIBIT C

	Elmore City Public Works Authority
Operating Revenues:	
Water	\$ 172,695
Sewer	101,492
Trash	75,790
Miscellaneous Fees	1,620
Total Operating Revenues	351,597
Operating Expenses	
Salaries	146,640
Payroll Taxes	17,983
Office Supplies	2,408
Fuel	9,312
Maintenance & Repairs	8,751
Chemicals	7,193
Utilities	9,388
Miscellaneous	10,031
Contract Labor	522
Insurance/Bonds	2,212
Garbage Contract Services	56,672
Water Purchases	55,464
Dues/Fees	2,446
Water Department expenses	7,100
Lift Station	4,342
Capital Outlay - Grant Expenditures	36,440
Capital Outlay	2,559
Total Operating Expenses	379,463
Operating Income (Loss)	(27,866)
Fund Balance - Beginning	72,318
Fund Balance - Ending	\$ 44,452

See Accompanying Independent Accountant's Report

City of Elmore City
 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>	<u>Expenditures Current Year</u>
Oklahoma Department of Commerce	14293 CDBG 10	\$ 4,999	\$ 4,999	\$ 4,999
Oklahoma Department of Commerce	15076 CDBG 11	245,000	-	-
Oklahoma Dept. of Agriculture, Food & Forrestry	Fire Grant	4,422	4,422	4,422

See Accompanying Independent Accountant's Report