

INDEPENDENT ACCOUNTANT'S REPORT
TOWN OF RUSH SPRINGS, OKLAHOMA
JULY 1, 2012 TO JUNE 20, 2013

BY





Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Rush Springs
Rush Springs, Oklahoma

Board of Trustees, Rush Springs Economic Development Authority
Rush Springs, 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 Town of Rush Springs, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Economic Development Authority Fund-Cash Basis, for the fiscal year ended June 30, 2013 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 Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Economic Development Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Rush Springs 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 Finding

As to the **Town of Rush Springs** as of and for the fiscal year ended June 30, 2013:

- 1. Procedures Performed:** From the Town'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: We found no instances of noncompliance.

- 2. Procedures Performed:** From the Town'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: The following departments exceeded their budgets within the General Fund: Fire - \$63,657, Library - \$2,118, Parks and Pools - \$35,228, Cemetery - \$11,376, Legal and Judicial - \$4,509 and General Government - \$11,476.

- 3. Procedures Performed:** From the Town'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 following departments exceeded their budgets within the EMS Fund: Ambulance - \$178,209.

4. Procedures Performed: We agreed the Town'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 any significant or unusual reconciling items.

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

Findings: We found no uninsured or uncollateralized deposits.

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 noncompliance.

7. Procedures Performed: We compared the accounting for the Town'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 noncompliance.

8. Procedures Performed: We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in bond indentures. We determined compliance with the requirements.

Findings: We found no instances of noncompliance.

As to the **Rush Springs Economic Development Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balance, 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: We found no instances of noncompliance.

2. Procedures Performed: We agreed the Town'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 any significant or unusual reconciling items.

3. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: We found no uninsured or uncollateralized deposits.

4. 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 noncompliance.

5. Procedures Performed: We compared the accounting for the Town'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 noncompliance.

6. Procedures Performed: We compared the Town'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: We found no instances of noncompliance.

As to the **Town of Rush Springs** and **Rush Springs Economic Development 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 compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: Form SA&I 2643 with copies of the agreed upon procedures should have been filed by December 31, 2013. Due to the request for Agreed upon Procedures in 2014 and inability to meet the deadline for filing SA&I 2643, the City had its gasoline tax suspended.

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

November 5, 2014

Town of Rush Springs, OK
Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Beginning of Year Fund	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 95,153	\$ 859,200	\$ 898,391	\$ 55,962
EMS	139,227	361,911	381,559	119,579
Cemetery Care	20,391	2,984	0	23,375
Court	1,618	15,336	15,140	1,814
Hampton House	1,752	102	0	1,854
Library	9,307	5,588	9,256	5,639
Park Improvement	106	0	0	106
Police Equipment	18,663	16,030	17,326	17,367
Rural Fire Dept. Equipment	9,335	9,588	14,039	4,884
Street and Alley	2,781	8,902	10,732	951
Town Totals	\$ 298,333	\$ 1,279,641	\$ 1,346,443	\$ 231,531
Economic Development Authority	13,323	9,849	0	23,172
Overall Totals	\$ 311,656	\$ 1,289,490	\$ 1,346,443	\$ 254,703

Please see accompanying Accountant's Report

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
General Fund
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	Original / Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Beginning Budgetary Fund Balance:	\$ 0	95,153	\$ 95,153
Resources (Inflows):			
Fines	432,730	386,880	(45,850)
Taxes	297,140	376,516	79,376
Miscellaneous Income	77,560	62,827	(14,733)
Rentals	7,200	450	(6,750)
Charges for Services	2,620	8,407	5,787
Licenses and Permits	930	1,303	373
Franchise Fees	0	22,817	22,817
Total Inflows	818,180	859,200	41,020
Amounts Available for Appropriation	818,180	954,353	136,173
Charges to Appropriations (Outflows):			
Police	392,130	352,364	(39,766)
Fire	148,450	212,107	63,657
General Government	102,660	114,136	11,476
Clerk	86,780	81,713	(5,067)
Library	34,490	36,608	2,118
Parks and Pools	23,340	58,568	35,228
Legal and Judicial	15,790	20,299	4,509
Cemetery	11,220	22,596	11,376
Total Charges to Appropriations	814,860	898,391	83,531
Excess (Deficit) of Inflows over Outflows before other Financing Sources (Uses)	3,320	55,962	52,642
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	(3,320)	0	3,320
Ending Budgetary Fund Balance:	\$ 0	\$ 55,962	\$ 55,962

Please see accompanying Accountant's Report

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
EMS
For the Fiscal Year Ended June 30, 2013
(Unaudited)

	<u>Original / Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Beginning Budgetary Fund Balance:	\$ 0	139,227	\$ 139,227
Resources (Inflows):			
Charges for Services	203,350	83,066	(120,284)
County 522 Taxes	0	119,915	119,915
Interest Income	0	378	378
Miscellaneous Income	0	158,552	158,552
Total Inflows	<u>203,350</u>	<u>361,911</u>	<u>158,561</u>
Amounts Available for Appropriation	<u>203,350</u>	<u>501,138</u>	<u>297,788</u>
Charges to Appropriations (Outflows):			
Ambulance	203,350	381,559	178,209
Total Charges to Appropriations	<u>203,350</u>	<u>381,559</u>	<u>178,209</u>
Excess (Deficit) of Inflows over Outflows before other Financing Sources (Uses)	<u>0</u>	<u>119,579</u>	<u>119,579</u>
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers Out	0	0	0
Ending Budgetary Fund Balance:	<u>\$ 0</u>	<u>\$ 119,579</u>	<u>\$ 119,579</u>

Please see accompanying Accountant's Report

Town of Rush Springs, OK
Oklahoma Department of Libraries
Revenue and Expenditures Compared with Budget
(Modified Cash Basis)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Cumulative 06/30/12</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State Grant	\$ 3,632	\$ 0	\$ 3,632	\$ 3,632	\$ 0
Total Income	3,632	0	3,632	3,632	0
<u>Expenditures</u>					
Library Materials	3,632	0	3,632	3,632	0
Total Expenditures	3,632	0	3,632	3,632	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Ref: 13
Department: 2000001
CFDA: 453109999

Please see accompanying notes to the financial statements