

INDEPENDENT ACCOUNTANT'S REPORT
TOWN OF RUSH SPRINGS, OKLAHOMA
JULY 1, 2013 TO JUNE 30, 2014

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, 2014 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, 2014 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, 2014. 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, 2014:

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: The Town was in violation of statutory prohibition of creating fund balance deficits. General Fund had a balance of (\$42,818).

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: Due to the absence of official budget, General Fund did not comply with appropriation limitations.

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: Due to the absence of official budget, EMS Fund did not comply with appropriation limitations.

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

- 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 Authority'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 Authority'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 Authority'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 Authority'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, 2014:

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: We found no instances of noncompliance.

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 6, 2014

Town of Rush Springs, OK
Summary of Changes in Fund Balances-Cash Basis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	Beginning of Year Fund	Current Year Receipts	Current Year Disbursements	End of Year Fund Balances
General Fund	\$ 55,962	\$ 832,823	\$ 931,603	\$ (42,818)
Cemetery Care	23,376	3,577	63	26,890
Court	1,814	17,287	16,464	2,637
Credit Card	0	185,824	174,204	11,620
EMS	119,580	229,592	232,610	116,562
Hampton House	1,854	1,500	0	3,354
Library	5,639	5,330	6,634	4,335
Park Improvement	106	0	106	0
Police Equipment	17,367	16,954	14,259	20,062
Rural Fire Dept. Equipment	4,884	17,143	7,450	14,577
Street and Alley	951	9,514	8,512	1,953
Town Totals	\$ 231,533	\$ 1,319,544	\$ 1,391,905	\$ 159,172
Economic Development Authority	23,173	6,767	25,030	4,910
Overall Totals	\$ 254,706	\$ 1,326,311	\$ 1,416,935	\$ 164,082

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, 2014
(Unaudited)

	<u>Original / Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Beginning Budgetary Fund Balance:	\$ 0	\$ 55,962	\$ 55,962
Resources (Inflows):			
Fines	0	373,572	373,572
Taxes	0	351,031	351,031
Miscellaneous Income	0	52,911	52,911
Franchise Fees	0	25,155	25,155
Charges for Services	0	15,270	15,270
Grants	0	9,864	9,864
Rentals	0	3,583	3,583
Licenses and Permits	0	1,331	1,331
Total Inflows	<u>0</u>	<u>832,717</u>	<u>832,717</u>
Amounts Available for Appropriation	<u>0</u>	<u>888,679</u>	<u>888,679</u>
Charges to Appropriations (Outflows):			
Police	0	389,253	389,253
Fire	0	171,474	171,474
General Government	0	105,436	105,436
Clerk	0	95,265	95,265
Parks and Pools	0	92,377	92,377
Legal and Judicial	0	34,515	34,515
Library	0	33,461	33,461
Cemetery	0	9,803	9,803
Capital Outlay	0	0	0
Total Charges to Appropriations	<u>0</u>	<u>931,584</u>	<u>931,584</u>
Excess (Deficit) of Inflows over Outflows before other Financing Sources (Uses)	<u>0</u>	<u>(42,905)</u>	<u>(42,905)</u>
Other Financing Sources (Uses)			
Transfer In	0	106	106
Transfer Out	0	(19)	(19)
Ending Budgetary Fund Balance:	<u>\$ 0</u>	<u>\$ (42,818)</u>	<u>\$ (42,818)</u>

Please see accompanying Accountant's Report.

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
EMS
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Original / Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
Beginning Budgetary Fund Balance:	\$ 0	\$ 119,580	\$ 119,580
Resources (Inflows):			
Charges for Services	0	104,992	104,992
County 522 Taxes	0	113,967	113,967
Interest Income	0	100	100
Miscellaneous Income	0	10,533	10,533
Total Inflows	0	229,592	229,592
Amounts Available for Appropriation	0	349,172	349,172
Charges to Appropriations (Outflows):			
Ambulance	0	232,610	232,610
Total Charges to Appropriations	0	232,610	232,610
Excess (Deficit) of Inflows over Outflows before other Financing Sources (Uses)	0	116,562	116,562
Ending Budgetary Fund Balance:	\$ 0	\$ 116,562	\$ 116,562

Please see accompanying Accountant's Report.

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
Oklahoma State Department of Health
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant	\$ 4,474	\$ 4,474	\$ 0
Total Income	4,474	4,474	0
<u>Expenditures</u>			
Operating Expenses	4,474	4,474	0
Total Expenditures	4,474	4,474	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Operational Grant FY-14
Food & Forestry Services

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
Oklahoma Department of Libraries
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant	\$ 3,631	\$ 3,631	\$ 0
Total Income	3,631	3,631	0
<u>Expenditures</u>			
Operating Expenses	3,631	3,631	0
Total Expenditures	3,631	3,631	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Budget Ref: 14
Department 2000001
CFDA: 453109999

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
District Attorney's Council
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant	\$ 9,864	\$ 9,864	\$ 0
Total Income	9,864	9,864	0
<u>Expenditures</u>			
Police Department Cameras	9,864	9,864	0
Total Expenditures	9,864	9,864	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying notes to the financial statements

Town of Rush Springs, OK
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
Oklahoma State Department of Health
For the Fiscal Year Ended June 30, 2014
(Unaudited)

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant	\$ 4,240	\$ 3,240	\$ 1,000
Total Income	4,240	3,240	1,000
<u>Expenditures</u>			
EMS Non-Hospital HPP	4,240	4,240	0
Total Expenditures	4,240	4,240	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>

OSDH Purchase Order No: 3409018293