

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF DILL CITY, OKLAHOMA &
DILL CITY PUBLIC WORKS AUTHORITY
JUNE 30, 2016**

**TOWN OF DILL CITY, OKLAHOMA &
DILL CITY PUBLIC WORKS AUTHORITY**

JUNE 30, 2016

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**TOWN OF DILL CITY, OKLAHOMA &
DILL CITY PUBLIC WORKS AUTHORITY**

TOWN OFFICIALS

JUNE 30, 2016

Board of Trustees

Mayor	Jimmy Linn
Member	David Harbuck
Member	Leon Williams
Member	Debby Green
Member	Glen Gathright

Town Clerk

Penny Reeve

Town Treasurer

Penny Reeve



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

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WEATHERFORD, OK 73096
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Specified Users of the Report:

Town Board, Town of Dill City
Dill City, Oklahoma

Trustees of the Dill City Public Works Authority
Dill City, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Hobart, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Dill City, Oklahoma and Dill City Public Works Authority, which are comprised of a Summary of Changes in Fund Balances - Modified Cash Basis as of June 30, 2016, and the related Budgetary Comparison Schedule of the General Fund - Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets - Modified Cash Basis of the Proprietary Fund, and the Statement of Cash Reserve Accounts of the Proprietary Fund for the fiscal year then ended, included in the accompanying prescribed form in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are prepared in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the modified 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 Dill City Public Works Authority in meeting their 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, 2016. Management of the Town of Dill City 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 and the additional requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. 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 Dill City, Oklahoma as of and for the fiscal year ended June 30, 2016:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit 2-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances noted.

3. 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: No instances noted.

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.

Findings: No instances noted.

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

6. 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: No instances noted.

7. 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: No instances noted.

As to the Dill City Public Works Authority as of and for the fiscal year ended June 30, 2016:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 3-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances noted.

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: No instances noted.

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: No instances noted.

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances noted.

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: No instances noted.

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: No instances noted.

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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
November 4, 2016

Town of Dill City, Oklahoma &
Dill City Public Works Authority
Summary of Changes in Fund Balances -
Modified Cash Basis
For the Year Ended June 30, 2016

<u>Town:</u>	<u>Beginning of Year Fund Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers & Adjustments</u>	<u>End of Year Fund Balance</u>
General Fund	\$ 398,703.31	\$ 209,246.44	\$ 201,480.42	\$ 0.00	\$ 406,469.33
Fire Equipment Fund	<u>24,948.78</u>	<u>550.00</u>	<u>3,780.98</u>	<u>0.00</u>	<u>21,717.80</u>
Town Subtotal	<u>423,652.09</u>	<u>209,796.44</u>	<u>205,261.40</u>	<u>0.00</u>	<u>428,187.13</u>
<u>Enterprise Funds:</u>					
Dill City Public Works Authority	<u>834,729.11</u>	<u>117,391.73</u>	<u>141,643.73</u>	<u>0.00</u>	<u>810,477.11</u>
Enterprise Funds Subtotal	<u>834,729.11</u>	<u>117,391.73</u>	<u>141,643.73</u>	<u>0.00</u>	<u>810,477.11</u>
Grand Total	<u>\$ 1,258,381.20</u>	<u>\$ 327,188.17</u>	<u>\$ 346,905.13</u>	<u>\$ 0.00</u>	<u>\$ 1,238,664.24</u>

See Accountant's Report.

Town of Dill City, Oklahoma
 Budgetary Comparison Schedule - Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2016

Revenues	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Sales Tax	\$ 34,587.63	\$ 34,587.63	\$ 30,092.82	\$ (4,494.81)
Garbage Disposal Fees	43,335.00	43,335.00	45,694.50	2,359.50
Interest	0.00	0.00	2,451.39	2,451.39
Alcoholic Beverage Tax	6,084.87	6,084.87	7,700.61	1,615.74
Franchise Tax	9,949.29	9,949.29	8,350.45	(1,598.84)
Miscellaneous	0.00	0.00	5.00	5.00
Royalty Income	0.00	0.00	570.78	570.78
City Fees	0.00	0.00	1,564.00	1,564.00
Use Tax	4,948.99	4,948.99	19,607.21	14,658.22
Cigar Tax	407.93	407.93	364.28	(43.65)
Gasoline Tax	945.51	945.51	1,054.50	108.99
Commercial Vehicle Tax	4,823.53	4,823.53	3,008.97	(1,814.56)
Rental Income	0.00	0.00	0.00	0.00
Donations	0.00	0.00	4,050.00	4,050.00
MODA Grant Income	0.00	0.00	5,000.00	5,000.00
SWODA REAP Grant Income	0.00	0.00	36,127.00	36,127.00
CDBG Grant Income	0.00	0.00	36,127.00	36,127.00
USFS Community Wildfire Grant	0.00	0.00	0.00	0.00
State Funding Revenue	0.00	0.00	4,289.96	4,289.96
Proceeds from Sale of Property	0.00	0.00	0.00	0.00
Insurance Reimbursements	0.00	0.00	3,187.97	3,187.97
Total Revenues	105,082.75	105,082.75	209,246.44	104,163.69
Expenditures				
Personal Services	42,000.00	42,000.00	30,236.57	11,763.43
Maintenance and Operations	110,000.00	110,000.00	91,899.85	18,100.15
Capital Outlay	346,786.06	346,786.06	79,344.00	267,442.06
Total Expenditures	498,786.06	498,786.06	201,480.42	297,305.64
Excess Revenues Over (Under) Total Expenditures	(393,703.31)	(393,703.31)	7,766.02	401,469.33
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	(5,000.00)	(5,000.00)	0.00	5,000.00
Adjustments to Prior Year				
Warrants Outstanding	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	(5,000.00)	(5,000.00)	0.00	5,000.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(398,703.31)	(398,703.31)	7,766.02	406,469.33
Budgetary Fund Balance, Beginning	398,703.31	398,703.31	398,703.31	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	406,469.33	\$ 406,469.33
Adjustments to Conform with GAAP: Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			\$ 406,469.33	

See Accountant's Report.

Dill City Public Works Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Modified Cash Basis
Proprietary Funds
For the Year Ended June 30, 2016

	<u>Enterprise Fund</u>
Operating Revenues:	
Water Sales	\$ 85,317.49
Sewer Fees	14,745.00
Penalties and Late Fees	3,780.44
SWODA REAP Grant	0.00
USDA Community Facilities Grant	0.00
Backhoe Fees	50.00
Rent	<u>1,820.00</u>
Total Operating Revenues	<u>105,712.93</u>
Operating Expenses:	
Personal Services	69,344.64
Maintenance and Operations	28,534.63
Depreciation	29,559.00
Rural Development:	
Interest Expense	<u>14,205.46</u>
Total Operating Expenses	<u>141,643.73</u>
Operating Income (Loss)	<u>(35,930.80)</u>
Non-Operating Revenues (Expenses):	
Interest Revenue	1,538.48
Miscellaneous	<u>10,140.32</u>
Total Non-Operating Revenues (Expenses)	<u>11,678.80</u>
Income (Loss) before Operating Transfers	<u>(24,252.00)</u>
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	<u>0.00</u>
Total Operating Transfers	<u>0.00</u>
Net Income (Loss)	(24,252.00)
Net Assets - Beginning of Year	834,729.11
Prior Period Adjustments	<u>0.00</u>
Net Assets - End of Year	<u>\$ 810,477.11</u>

See Accountant's Report.

Exhibit 4-00

Dill City Public Works Authority
Statement of Cash Reserve Accounts
Proprietary Funds
For the Year Ended June 30, 2016

	<u>USDA Rural Development Cash Reserve Account</u>
Balance 7-1-15	\$ 23,880.00
Additions	0.00
Payments	<u>0.00</u>
Balance 6-30-16	<u>\$ 23,880.00</u>

See Accountant's Report.