

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

**TOWN OF ELDORADO, OKLAHOMA &
ELDORADO PUBLIC WORKS AUTHORITY**

JUNE 30, 2016

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Agreed-Upon Procedures**

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**TOWN OF ELDORADO, OKLAHOMA &
ELDORADO PUBLIC WORKS AUTHORITY**

TOWN OFFICIALS

JUNE 30, 2016

Board of Trustees

Mayor	James Crozier
Vice Mayor	John Henderson
Trustee	Collins Miller
Trustee	Scott Goss
Trustee	Dora S. Weddle

Town Clerk

Janice Miller



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Specified Users of the Report:

Town Board, Town of Eldorado
Eldorado, Oklahoma

Trustees of the Eldorado Public Works Authority
Eldorado, 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 Eldorado, Oklahoma and Eldorado 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 Schedules of the General Fund and Emergency Services 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 Reserved Cash in Bank and Investments 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 Eldorado 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 Eldorado 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 Eldorado, 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 3-00) 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 Eldorado 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 4-00) 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
September 21, 2016

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

<u>Town:</u>	Beginning of Year Fund Balance	Receipts	Disbursements	Transfers & Adjustments	End of Year Fund Balance
General Fund	\$ 35,379.76	\$ 42,512.06	\$ 60,180.14	\$ 0.00	\$ 17,711.68
Emergency Services Fund	<u>26,468.62</u>	<u>34,922.20</u>	<u>35,897.83</u>	<u>0.00</u>	<u>25,492.99</u>
Town Subtotal	<u>61,848.38</u>	<u>77,434.26</u>	<u>96,077.97</u>	<u>0.00</u>	<u>43,204.67</u>
<u>Enterprise Funds:</u>					
Eldorado Public Works Authority	<u>3,178,945.96</u>	<u>256,298.22</u>	<u>352,698.36</u>	<u>0.00</u>	<u>3,082,545.82</u>
Enterprise Funds Subtotal	<u>3,178,945.96</u>	<u>256,298.22</u>	<u>352,698.36</u>	<u>0.00</u>	<u>3,082,545.82</u>
Grand Total	<u>\$ 3,240,794.34</u>	<u>\$ 333,732.48</u>	<u>\$ 448,776.33</u>	<u>\$ 0.00</u>	<u>\$ 3,125,750.49</u>

See Accountant's Report.

Town of Eldorado, 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	\$ 29,794.07	\$ 29,794.07	\$ 24,019.29	\$ (5,774.78)
Interest	0.00	0.00	90.13	90.13
Alcoholic Beverage Tax	2,130.81	2,130.81	2,332.91	202.10
Franchise Tax	3,129.82	3,129.82	2,634.91	(494.91)
Late Fees	2,502.59	2,502.59	3,816.50	1,313.91
Miscellaneous	0.00	0.00	644.42	644.42
Use Tax	1,779.55	1,779.55	2,706.10	926.55
Gasoline Tax	739.31	739.31	819.10	79.79
Commercial Vehicle Tax	2,981.95	2,981.95	3,175.71	193.76
Rental Income	0.00	0.00	300.00	300.00
Cigarette Tax	358.14	358.14	290.53	(67.61)
Oil and Gas Royalties	0.00	0.00	303.17	303.17
Donations	0.00	0.00	0.00	0.00
Community Wildfire Protection Plan Grant	0.00	0.00	0.00	0.00
FEMA Disaster Assistance	0.00	0.00	0.00	0.00
SWODA REAP Grant	0.00	0.00	0.00	0.00
CENA Grant	0.00	0.00	4,783.00	4,783.00
Cemetery Income	0.00	0.00	500.00	500.00
Proceeds from Sale of Property	0.00	0.00	0.00	0.00
Total Revenues	43,416.24	43,416.24	46,415.77	2,999.53
Expenditures				
Administration:				
Personal Services	16,000.00	16,000.00	8,936.10	7,063.90
Maintenance & Operations	24,692.29	26,692.29	26,404.50	287.79
Capital Outlay	6,000.00	0.00	0.00	0.00
Total Administration	46,692.29	42,692.29	35,340.60	7,351.69
Street and Alley:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	4,000.00	4,200.00	4,009.95	190.05
Capital Outlay	0.00	0.00	0.00	0.00
Total Street and Alley	4,000.00	4,200.00	4,009.95	190.05
Civil Defense:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Civil Defense	0.00	0.00	0.00	0.00
Police Department:				
Personal Services	22,000.00	22,000.00	14,917.50	7,082.50
Maintenance & Operations	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Police Department	22,000.00	22,000.00	14,917.50	7,082.50

See Accountant's Report.

Town of Eldorado, Oklahoma
 Budgetary Comparison Schedule - Modified Cash Basis
 General Fund, (Continued)
 For the Year Ended June 30, 2016

Expenditures, (Continued)	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Fire Department:				
Personal Services	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Maintenance & Operations	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Fire Department	0.00	0.00	0.00	0.00
Cemetery:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	0.00	0.00	0.00	0.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Cemetery	0.00	0.00	0.00	0.00
Community Building:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	2,200.00	6,000.00	5,912.09	87.91
Capital Outlay	0.00	0.00	0.00	0.00
Total Community Building	2,200.00	6,000.00	5,912.09	87.91
Total Expenditures	74,892.29	74,892.29	60,180.14	14,712.15
Excess Revenues Over (Under)				
Total Expenditures	(31,476.05)	(31,476.05)	(13,764.37)	17,711.68
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(31,476.05)	(31,476.05)	(13,764.37)	17,711.68
Prior Period Adjustments	0.00	0.00	0.00	0.00
Budgetary Fund Balance, Beginning	31,476.05	31,476.05	31,476.05	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	17,711.68	\$ 17,711.68
Adjustments to Conform with GAAP:				
Revenue Accruals			0.00	
Fund Balance, End of Year (GAAP Basis)			\$ 17,711.68	

See Accountant's Report.

Town of Eldorado, Oklahoma
 Budgetary Comparison Schedule - Modified Cash Basis
 Emergency Services Fund
 For the Year Ended June 30, 2016

Revenues	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Interest	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Police Fines	0.00	0.00	328.73	328.73
Fire User Fees	0.00	2,900.00	7,076.82	4,176.82
Fire Rural Memberships	0.00	0.00	4,800.00	4,800.00
State Funding Revenue	0.00	0.00	4,289.96	4,289.96
Emergency Management User Fees	0.00	0.00	3,350.87	3,350.87
Police Department Fees	0.00	6,000.00	6,991.82	991.82
Donations	0.00	5,800.00	6,500.00	700.00
Insurance Reimbursements	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Rural Community Fire Protection Grant	0.00	0.00	1,584.00	1,584.00
Total Revenues	0.00	14,700.00	34,922.20	20,222.20
Expenditures				
Civil Defense:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	6,852.21	6,852.21	2,366.21	4,486.00
Capital Outlay	0.00	0.00	0.00	0.00
Total Civil Defense	6,852.21	6,852.21	2,366.21	4,486.00
Police Department:				
Personal Services	0.00	0.00	0.00	0.00
Maintenance & Operations	1,347.92	6,547.92	6,385.80	162.12
Capital Outlay	0.00	800.00	699.99	100.01
Total Police Department	1,347.92	7,347.92	7,085.79	262.13
Fire Department:				
Personal Services	1,600.00	1,600.00	1,532.00	68.00
Maintenance & Operations	8,668.49	8,668.49	8,271.85	396.64
Capital Outlay	8,000.00	16,700.00	16,641.98	58.02
Total Fire Department	18,268.49	26,968.49	26,445.83	522.66
Total Expenditures	26,468.62	41,168.62	35,897.83	5,270.79
Excess Revenues Over (Under) Total Expenditures	(26,468.62)	(26,468.62)	(975.63)	25,492.99
Other Financing Sources (Uses)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(26,468.62)	(26,468.62)	(975.63)	25,492.99
Prior Period Adjustments	0.00	0.00	0.00	0.00
Budgetary Fund Balance, Beginning	26,468.62	26,468.62	26,468.62	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	\$ 25,492.99	\$ 25,492.99

See Accountant's Report.

Eldorado 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>
Income:	
Electric Revenue	\$ 292,397.00
Water Sales	73,187.96
Sewer Fees	39,080.13
Trash Fees	66,139.76
Power Cost Adjustment	34,186.24
Excess Power Buy Back	0.00
Homeguard Revenue	<u>121.40</u>
Total Income	<u>505,112.49</u>
Cost of Goods Sold:	
Electric Purchases	194,381.66
Water Purchases	46,793.15
Trash Service	<u>21,898.42</u>
Total Cost of Goods Sold	<u>263,073.23</u>
Gross Profit	<u>242,039.26</u>
Operating Expenses:	
Electric Department:	
Maintenance and Operations	15,369.63
Water Department:	
Maintenance and Operations	6,273.72
Sewer Department:	
Maintenance and Operations	2,585.92
Trash Department:	
Maintenance and Operations	2,996.61
General Operations:	
Personal Services	159,883.05
Maintenance and Operations	79,149.32
Depreciation	64,521.00
Rural Development:	
Interest Expense	<u>21,919.11</u>
Total Operating Expenses	<u>352,698.36</u>
Operating Income (Loss)	<u>(110,659.10)</u>
Non-Operating Revenues (Expenses):	
DEQ Wastewater Upgrade Grant Revenue	0.00
SWODA REAP Grant Revenue	0.00
CDBG Grant Revenue	0.00
Oklahoma Municipal Power Authority Certification Award	0.00
FEMA Disaster Assistance	0.00
Lagoon Settlement (Net)	0.00
Rental Income	10,500.00
Oil & Gas Income	0.00
Miscellaneous Revenue	444.09
Interest Revenue	<u>3,314.87</u>
Total Non-Operating Revenues (Expenses)	<u>14,258.96</u>
Income (Loss) before Operating Transfers	<u>(96,400.14)</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)	(96,400.14)
Net Assets - Beginning of Year	3,178,945.96
Prior Period Adjustments	<u>0.00</u>
Net Assets - End of Year	<u>\$ 3,082,545.82</u>

See Accountant's Report.

Eldorado Public Works Authority
Statement of Reserved Cash in Bank and Investments
For the Year Ended June 30, 2016

	USDA Rural Development Reserve Account
Balance 7-1-15	\$ 33,063.94
Monthly Deposits	0.00
Interest	116.19
	<hr/>
Balance 6-30-16	\$ <u>33,180.13</u>

See Accountant's Report.

Town of Eldorado, Oklahoma &
 Eldorado Public Works Authority
 Schedule of Grant Activity
 Modified Cash Basis
 For the Year Ended June 30, 2016

Town:	Award Amount	Prior Year(s) Receipts	Prior Year(s) Disbursements	Beginning of Year Balance	Current Year Receipts	Current Year Disbursements	End of Year Balance
General Fund:							
USFS Community Wildfire Protection Plan Grant	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
SWODA CENA Grant 260 CENA 16	5,640.00	0.00	0.00	0.00	4,783.00	4,783.00	0.00
Emergency Services Fund:							
Rural Community Fire Protection Grant	1,584.00	0.00	0.00	0.00	1,584.00	1,584.00	0.00
Town Subtotal	7,224.00	0.00	0.00	0.00	6,367.00	6,367.00	0.00
Enterprise Funds:							
Eldorado Public Works Authority:							
SWODA REAP Grant 14-JK-14010	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ODOC CDBG Grant 15412 CDBG 12	318,000.00	315,900.00	318,000.00	(2,100.00)	0.00	0.00	(2,100.00)
Enterprise Funds Subtotal	318,000.00	315,900.00	318,000.00	(2,100.00)	0.00	0.00	(2,100.00)
Grand Total	\$ 325,224.00	\$ 315,900.00	\$ 318,000.00	\$ (2,100.00)	\$ 6,367.00	\$ 6,367.00	\$ (2,100.00)

See Accountant's Report.