

INDEPENDENT ACCOUNTANT'S REPORT

TOWN OF ROCKY, OKLAHOMA

JULY 1, 2014 TO JUNE 30, 2015

BY





Independent Accountant's Report

To the Specified Users of the Report:

Town Council, Town of Rocky
Rocky, 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 Rocky, Oklahoma as of June 30, 2015 and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Public Works Authority Fund-Cash Basis, for the fiscal year ended June 30, 2015 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 Public Works 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, 2015. Management of the Town of Rocky 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 Rocky** as of and for the fiscal year ended June 30, 2015:

- 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 non-compliance.

- 2. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and for the PWA Fund and compared the actual expenditures and encumbrances for each reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: Due to the absence of official budget for the General Fund and PWA, we found this to be in noncompliance with appropriation limitations.

- 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: We found no instances of any significant or unusual reconciling items.

- 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: We found no uninsured or uncollateralized deposits.

5. 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.

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: We found no instances of noncompliance.

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: We found no instances of noncompliance.

As to the **Rocky Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

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 Rocky and Rocky Public Works Authority**, as of and for the fiscal year ended June 30, 2015:

- 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

February 22, 2016

**Town of Rocky
Rocky, Oklahoma**

**Summary of Changes in Fund Balance-Cash Basis
For the Fiscal year Ended June 30, 2015
(Unaudited)**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Interfund Transfers</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 39,400	\$ 48,830	\$ 0	\$ 49,443	\$ 38,787
Public Works Authority	29,118	82,603	12,468	95,590	28,599
Water Meter Fund	18,189	1,400	(1,411)	525	17,653
Street and Alley Fund	809	304	0	397	716
Federal Revenue Fund	447	6,257	1,000	7,088	616
Fire Department Special Fund	10,983	31,242	0	29,029	13,196
Fire Department Fund	8,310	4,975	5,026	12,824	5,487
Overall Totals	<u>\$ 107,256</u>	<u>\$ 175,611</u>	<u>\$ 17,083</u>	<u>\$ 194,896</u>	<u>\$ 105,054</u>

Please see accompanying Accountant's Report.

Town of Rocky, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Original/ Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Beginning Budgetary Fund Balance:	\$ 0	\$ 39,400	\$ 39,400
Resources (Inflows):			
Taxes	0	22,583	22,583
ODOT Revenue	0	9,626	
Franchise Fees	0	3,475	3,475
Rental Revenue	0	3,210	3,210
Miscellaneous Revenue	0	3,218	3,218
Investment Revenue	0	241	241
Transfer in from PWA	0	1,477	1,477
Total Inflows	<u>0</u>	<u>43,830</u>	<u>43,830</u>
 Amounts Available for Appropriation	 <u>0</u>	 <u>83,230</u>	 <u>83,230</u>
Charges to Appropriations (Outflows):			
General Government:			
Maintenance, Operations & Repairs	0	26,894	26,894
Transfer Out	0	12,274	12,274
Personal Services	0	10,275	10,275
Total Charges to Appropriations	<u>0</u>	<u>49,443</u>	<u>49,443</u>
 Ending Budgetary Fund Balance	 <u><u>0</u></u>	 <u><u>33,787</u></u>	 <u><u>33,787</u></u>

Please see accompanying Accountant's Report.

Town of Rocky, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Public Works Authority
For the Fiscal Year Ended June 30, 2015
(Unaudited)

	<u>Original/ Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Beginning Budgetary Fund Balance:	\$ 0	\$ 29,118	\$ 29,118
Resources (Inflows):			
Utilities Income	0	82,352	82,352
Transfers In	0	12,293	12,293
Miscellaneous Revenue	0	426	426
Total Inflows	<u>0</u>	<u>95,071</u>	<u>95,071</u>
Amounts Available for Appropriation	<u>0</u>	<u>124,189</u>	<u>124,189</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal Services	0	32,884	32,884
Maintenance, Operations & Repairs	0	62,706	62,706
Total Charges to Appropriations	<u>0</u>	<u>95,590</u>	<u>95,590</u>
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 28,599</u>	<u>\$ 28,599</u>

Town of Rocky, Oklahoma
Rocky, Oklahoma
Schedule of Federal and State Awards - Cash Basis
For the Fiscal Year Ended June 30, 2015
(Unaudited)

<u>Grantor / Program Title</u>	<u>Purpose</u>	<u>Award Amount</u>	<u>Contract Expenditures</u>
Department of Agricultural	Fire Dept. Operational	\$ 4,484	\$ 4,484
Southwest Ok Development Authority	CENA	<u>1,771</u>	<u>1,771</u>
	Total Grant Funds	<u>\$ 6,255</u>	<u>\$ 6,255</u>