

City of Wilson, Oklahoma
Agreed-Upon Procedures Report
For the Year Ended June 30, 2013

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CITY OF WILSON, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Council, City of Wilson
Wilson, Oklahoma 74878

Trustees of the Wilson Public Works Authority
Wilson, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Southern Oklahoma Development Association
Durant, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the City of Wilson, Oklahoma, as of June 30, 2013, and the related Budgetary Comparison Schedules –Cash Basis of the General Fund and Cemetery Fund, and Statement of Revenues, Expenses and Changes in Fund Balance-Cash Basis of the Wilson Public Works Authority for the fiscal year ended June 30, 2013 and the accompanying supplementary information contained in Exhibit D which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis accounting, and for 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.

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The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3. This is not intended to be a complete presentation of the City of Wilson’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the City Council and Trustees of the City of Wilson, and as defined within the applicable state laws of the State of Oklahoma solely to assist the City in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-.3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the City of Wilson is responsible for the City’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 Findings

As to the **City of Wilson** as of and for the fiscal year ended June 30, 2013:

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

Findings: No exceptions were noted as a result of applying the procedure.

2. ***Procedures Performed:*** From the City’s trial balances, we prepared a budget and actual financial schedule for the General Fund, Capital Projects Fund and CDBG Grant Fund listing separately each fund (see accompanying Exhibits B, B-1 and B-2) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No exceptions were noted as a result of applying the procedure.

3. ***Procedures Performed:*** We agreed all of the City’s bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

Findings: No exceptions were noted as a result of applying the procedure.

4. ***Procedures Performed:*** We compared the City’s uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No exceptions were noted as a result of applying the procedure.

5. ***Procedures Performed:*** We selected cash disbursements greater than \$500 from the Street Sales Tax, Special Sales Tax, REAP Grant and CDBG Grant Funds, and all disbursements for the Cemetery Fund. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes.

Findings: No exceptions were noted as a result of applying the procedure.

6. ***Procedures Performed:*** We compared the accounting for the City's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No exceptions were noted as a result of applying the procedure.

7. ***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.

This procedure is not applicable. The City of Wilson has no debt service or reserve account requirements.

As to the **Wilson Public Works Authority** as of and for the fiscal year ended June 30, 2013:

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

Findings: No exceptions were noted as a result of applying the procedure.

2. ***Procedures Performed:*** We agreed all of the Authority's bank account balances to bank statements and traced the timely clearance of all reconciling items to report any instances of reconciling items over one year old that have not cleared.

Findings: No exceptions were noted as a result of applying the procedure.

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 exceptions were noted as a result of applying the procedure.

4. ***Procedures Performed:*** We selected cash disbursements greater than \$500 for grants and restricted revenue sources. We examined invoices to determine that use of the resources complied with the fund's restriction or the grant purposes. We compared the receipts and disbursements to grant agreements and supporting information.

Findings: No exceptions were noted as a result of applying the procedure.

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 exceptions were noted as a result of applying the procedure.

6. ***Procedures Performed:*** We determined if there were requirements to maintain reserve accounts or debt service coverage requirements in debt contracts. We determined compliance with the requirements.

This procedure was not performed. Wilson Public Works Authority does not have any requirements for reserve accounts or debt service coverage.

As to the **City of Wilson and Wilson Public Works Authority** as of and for the fiscal year ended June 30, 2013:

1. ***Procedures Performed:*** From the City'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: No exceptions were noted as a result of applying the procedure.

We were not engaged to and did not conduct an audit, 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 those specified parties.

Rahel Henderson Johnson, PLLC

November 21, 2013
Ardmore, Oklahoma

City of Wilson, OKLAHOMA
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2013

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
CITY:				
General Fund	\$ 137,554	\$ 700,581	\$ 746,645	\$ 91,490
Parks	16,786	95,033	86,173	25,646
Street Sales Tax Fund	132,797	57,455	7,423	182,829
Special Sales Tax Fund	144,025	55,112	30,271	168,866
Wilson Police Car Fund	14,708	18,365	30,000	3,073
REAP Fund	10	25,000	25,000	10
Municipal Court Fund	12,353	89,988	94,559	7,782
Capital Projects Fund	285,535	112,978	35,643	362,870
CDBG Grant Fund	10	426,746	328,964	97,792
Fire Grant Fund	102	-	-	102
Senior Citizens	1,019	(36)	346	637
	<u>744,899</u>	<u>1,581,222</u>	<u>1,385,024</u>	<u>941,097</u>
City Subtotal				
	744,899	1,581,222	1,385,024	941,097
PUBLIC WORKS AUTHORITY:				
PWA Utilities Fund	267,074	452,740	605,325	114,489
Meter Deposit Fund	73,209	23,283	16,930	79,562
	<u>340,283</u>	<u>476,023</u>	<u>622,255</u>	<u>194,051</u>
	340,283	476,023	622,255	194,051
	<u>1,085,182</u>	<u>2,057,245</u>	<u>2,007,279</u>	<u>1,135,148</u>
Overall Totals	\$ 1,085,182	\$ 2,057,245	\$ 2,007,279	\$ 1,135,148

See Accompanying Accountant's Report

City of Wilson, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ 100,000	\$ 137,554	37,554
Resources (Inflows):				
Taxes	238,500	267,527	268,133	606
Franchise Tax	79,000	83,191	81,819	(1,372)
Charges for Services	162,600	155,889	170,982	15,093
PILOT Tax	20,000	20,428	20,428	-
Lease and Rentals	76,000	80,662	80,540	(122)
Fines and Forfeitures	47,920	43,424	35,210	(8,214)
Miscellaneous Income	19,400	25,371	24,273	(1,098)
Grants / Donations	-	6,544	6,199	(345)
Total Inflows	<u>643,420</u>	<u>683,036</u>	<u>687,584</u>	<u>4,548</u>
Charges to Appropriations (Outflows):				
Police	209,190	203,940	203,106	834
Street	127,600	179,200	174,156	5,044
Senior Citizens	18,350	22,850	15,763	7,087
Managerial	10,450	12,450	9,740	2,710
City Clerk	665	1,415	674	741
Judge	3,910	5,910	4,232	1,678
Fire	27,450	39,950	35,887	4,063
Sanitation	141,000	147,000	134,133	12,867
Library	650	2,650	1,967	683
General Government	51,810	67,510	59,850	7,660
Cemetery	-	300	300	-
Code Enforcement	32,345	28,345	21,424	6,921
Dispatch	20,000	22,934	21,194	1,740
Total Outflows	<u>643,420</u>	<u>734,454</u>	<u>682,426</u>	<u>52,028</u>
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	<u>-</u>	<u>48,582</u>	<u>142,712</u>	<u>94,130</u>
Other Financing Sources (Uses)	<u>-</u>	<u>(50,067)</u>	<u>(51,222)</u>	<u>(1,155)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ (1,485)</u>	<u>\$ 91,490</u>	<u>\$ 92,975</u>

See Accompanying Accountant's Report

City of Wilson, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 Capital Projects Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 285,160	\$ 285,160	\$ 285,535	\$ 375
Resources (Inflows):				
Interest	-	-	1,656	1,656
Total Inflows	-	-	1,656	1,656
Charges to Appropriations (Outflows):				
Operations	-	-	-	-
Total Outflows	-	-	-	-
Excess of Inflows over Outflows before other Financing Sources (Uses)	<u>285,160</u>	<u>285,160</u>	<u>287,191</u>	<u>2,031</u>
Other Financing Sources (Uses)	<u>(128,000)</u>	<u>(128,000)</u>	<u>75,679</u>	<u>203,679</u>
Excess of Inflows over Outflows and other Financing Sources (Uses)	<u>157,160</u>	<u>157,160</u>	<u>362,870</u>	<u>205,710</u>
Ending Budgetary Fund Balance:	<u>\$ 157,160</u>	<u>\$ 157,160</u>	<u>\$ 362,870</u>	<u>\$ 205,710</u>

See Accompanying Accountant's Report

City of Wilson, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 CDBG Grant Fund
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 10	\$ 10
Resources (Inflows):				
Grants	200,000	200,000	199,999	(1)
Total Inflows	200,000	200,000	199,999	(1)
Charges to Appropriations (Outflows):				
Sewer Improvements	400,000	400,000	328,964	71,036
Total Outflows	400,000	400,000	328,964	71,036
Excess of Inflows over Outflows before other Financing Sources (Uses)	(200,000)	(200,000)	(128,955)	71,045
Other Financing Sources (Uses)	200,000	200,000	226,747	26,747
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 97,792	\$ 97,792

See Accompanying Accountant’s Report

City of Wilson, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balances
Cash Basis
For the Year Ended June 30, 2013

	Public Works Authority
Operating Revenues:	
Water	267,374
Sewer	152,991
Water/Sewer Taps	650
Verizon Tower Rental	13,800
Penalties	12,827
Miscellaneous	5,098
Total Operating Revenues	452,740
 Operating Expenses	
Salaries	125,561
Retirement	10,743
Health Insurance	20,052
Payroll Tax	20,977
Worker Compensation Insurance	5,891
Office Supplies and Postage	13,842
Phone and Cable	7,885
Vehicle Expense	6,557
Vehicle Lease	6,106
Misc	1,029
Repair and Replacement	46,466
Materials and Supplies	27,455
Utilities	20,305
Insurance	22,346
Dues/fees	3,971
Purchased Water	6,084
Lab	14,609
Total Operating Expenses	359,879
Operating Income before Nonoperating Revenues and Other Financing Sources	92,861
 Nonoperating Revenues (Expenses):	
Interest Revenue	756
Income before Other Financing Sources	93,617
 Other Financing Sources (Uses):	
Transfers In - Sales Tax	27,187
Transfers Out	(273,389)
Total Other Financing Uses	(246,202)
Net Change in Fund Balance	(152,585)
Fund Balance - Beginning	267,074
Fund Balance - Ending	114,489

See Accompanying Accountant's Report

City of Wilson, OKLAHOMA
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2013

EXHIBIT D

<u>Awarding Agency</u>	<u>Grant #</u>	<u>Total Award</u>	<u>Amount Received This Period</u>	<u>Amount Expended This Period</u>	<u>Cash in Bank</u>
Southern Oklahoma Development Association	CENA	\$ 2,000	\$ 645	\$ 645	\$ -
Oklahoma State Department of Agriculture	Fire Grant	\$ 4,484	\$ 4,484	\$ 4,484	\$ -
Oklahoma Department of Commerce	15184 CDBG 12	\$ 199,999	\$ 199,999	\$ 199,999	\$ -
Southern Oklahoma Development Association	REAP 12-025	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
		<u>\$ 231,483</u>	<u>\$ 230,128</u>	<u>\$ 230,128</u>	<u>\$ -</u>

See Accompanying Accountant's Report