



Town of Ringling, Oklahoma

Independent Accountant's Report on Applying
Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2023

TOWN OF RINGLING, OKLAHOMA

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Ringling
Ringling, Oklahoma

Trustees of the Ringling Municipal Authority
Ringling, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

Oklahoma Department of Libraries
Oklahoma City, Oklahoma

Association of South Central Oklahoma Governments
Duncan, Oklahoma

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 Municipal Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Management of the City of Ringling (the Town) and the Ringling Municipal Authority (the Authority) are responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town and the Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of

this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the **Town of Ringling** as of and for the fiscal year ended June 30, 2023:

1. ***Procedures Performed:*** From the Town'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 instances of fund balance deficits were noted.

2. ***Procedures Performed:*** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and Grant Fund (see accompanying Exhibit B and B-1) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: The Town's General Fund's Police Department's expenditures exceeded budget by \$456.

3. ***Procedures Performed:*** We agreed the Town's bank account balances to bank statements and traced the timely clearance to report any reconciling items that have not cleared.

Findings: Checks outstanding for more than one year in the General Fund were not timely voided.

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: The Town's deposits were fully insured or collateralized as of June 30, 2023.

5. ***Procedures Performed:*** We compared Town's use of restricted revenues and resources exceeding \$750 to their restrictions to report any noted instances of noncompliance.

Findings: Materially restricted revenues and expenditures that exceeded \$750 consisted of the Street & Alley Fund, Town's donations and the Town's Grant Fund. No instances of noncompliance were noted regarding these restricted revenues.

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 exceptions were found as a result of applying the procedure.*

7. ***Procedures Performed:*** From the debt documents we compiled the debt service compliance schedule to determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

Findings: *This procedure was not performed. The Town of Ringling has no debt service or reserve account requirements.*

As to the **Ringling Municipal Authority** as of and for the fiscal year ended June 30, 2023:

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 instances of fund balance deficits were noted.*

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

Findings: *Checks outstanding for more than one year in the RMA's Operating Account were not timely voided.*

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: *The Town's deposits were fully insured or collateralized as of June 30, 2023.*

4. ***Procedures Performed:*** We compared use of restricted revenues and resources to their restrictions that exceeded \$750 to report any noted instances of noncompliance.

Findings: *This procedure was not performed. The Ringling Municipal Authority has no restricted revenues or resources.*

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 of noncompliance were noted regarding separate funds.*

6. ***Procedures Performed:*** From the debt documents we compiled the debt service compliance schedule (see accompanying Exhibit D) to determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

Findings: *All required accounts have been established and funded as of June 30, 2023. Sewer debt service compliance to USDA reflected insufficient net revenues of \$13,523 to cover the debt service requirements.*

As to the **Town of Ringling** and **Ringling Municipal Authority**, as of and for the fiscal year ended June 30, 2023:

1. ***Procedures Performed:*** From the Ringling Municipal Authority's Operating Account trial balance, we prepared a statement of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the year ended June 30, 2023.
2. ***Procedures Performed:*** From the Ringling Municipal Authority's Operating Account (Exhibit C) and the Debt Service Reserve Account, we determined the debt covenant compliance (see accompanying Exhibit D) for the year ended June 30, 2023.
3. ***Procedures Performed:*** From the Town's and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit E) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: *No instances of noncompliance were noted.*

We were engaged to perform this agreed-upon procedures engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed by Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town and the Authority meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Rahkal Henderson Willis, PLLC

Ardmore, Oklahoma
January 8, 2024

Town of Ringling
Summary of Changes in Fund Balance – Modified Cash Basis
For the Year Ended June 30, 2023

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
Town:				
General Fund	\$ 47,900	\$ 499,464	\$ 461,566	\$ 85,798
Grant Fund	10,452	103,000	101,274	12,178
Cemetery Fund	26,713	1,392	-	28,105
Street and Alley Fund	47,673	25,535	6,542	66,666
Emergency Fund	20,989	33,076	27,377	26,688
Capital Improvements Fund	5,150	16	-	5,166
Police Equipment Fund	7,008	1,250	4,312	3,946
Library	<u>20,116</u>	<u>8,269</u>	<u>9,437</u>	<u>18,948</u>
 Total Town	 186,001	 672,002	 610,508	 247,495
Municipal Authority:				
Municipal Authority Operating Accounting	19,830	345,621	361,916	3,535
Rural Development Debt Service Reserve	24,289	-	37	24,252
Meter Deposit	<u>50,460</u>	<u>30,610</u>	<u>29,658</u>	<u>51,412</u>
 Ringling Municipal Authority Subtotal	 <u>94,579</u>	 <u>376,231</u>	 <u>391,611</u>	 <u>79,199</u>
 Overall Totals	 <u>\$ 280,580</u>	 <u>\$ 1,048,233</u>	 <u>\$ 1,002,119</u>	 <u>\$ 326,694</u>

Town of Ringling
Budgetary Comparison Schedule – Modified Cash Basis
General Fund
For the Year Ended June 30, 2023

EXHIBIT B

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 52,000	\$ 52,000	\$ 47,900	\$ (4,100)
Resources (Inflows):				
Police Fines	6,650	6,650	3,275	(3,375)
CleetOSBI Fees	1,100	1,100	390	(710)
Garbage Fees	183,400	183,400	185,302	1,902
Licenses & Permits	2,150	2,150	560	(1,590)
Alcohol Beverage Tax	32,300	32,300	32,251	(49)
Franchise Tax	35,550	35,550	-	(35,550)
Use Tax	36,200	36,200	37,021	821
Sales Tax	101,600	101,600	115,766	14,166
Sales Tax Library	7,200	7,200	-	(7,200)
Cigar Tax	1,100	1,100	1,116	16
Interest Income	200	200	997	797
Franchise Cable	-	-	6,384	6,384
Housing Authority Payment	-	-	2,233	2,233
Franchise AT&T	-	-	124	124
Franchise OGE	-	-	34,399	34,399
Cemetery-Cemetery Lot Sales	4,100	4,100	1,050	(3,050)
Swimming Pool Revenue	2,400	2,400	5,183	2,783
Fire Contract Fees	10,900	10,900	7,920	(2,980)
Cemetery-Grave Opening Revenue	9,400	9,400	8,050	(1,350)
Cemetery-Other	-	-	5,000	5,000
Lease	1,200	1,200	-	(1,200)
Library Fines & Fees	500	500	-	(500)
Community Bldg Rentals	-	-	1,080	1,080
Miscellaneous Revenue	800	800	51,029	50,229
Expense Reimbursements	1,250	1,250	334	(916)
Total Inflows	438,000	438,000	499,464	61,464
Charges to Appropriations (Outflows):				
General Government	198,700	199,500	196,913	2,587
Administration	31,225	51,725	51,133	592
Legal & Judicial	14,000	13,400	13,200	200
Police	122,675	105,150	105,606	(456)
Fire	22,900	18,000	7,428	10,572
Cemetery	51,950	51,850	50,154	1,696
Pools	9,550	17,775	17,355	420
Library	39,000	32,600	19,777	12,823
Total Outflows	490,000	490,000	461,566	28,434
Excess of Inflows over Outflows before Other Financing Sources (Uses)	(52,000)	(52,000)	37,898	89,898
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 85,798	\$ 85,798

Town of Ringling
 Budgetary Comparison Schedule – Modified Cash Basis
 Grant Fund
 For the Year Ended June 30, 2023

EXHIBIT B-1

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 10,452	\$ 10,452
Resources (Inflows):				
Grants	96,386	116,266	102,794	(13,472)
Miscellaneous Other	2,000	2,000	-	(2,000)
Interest Income	<u>-</u>	<u>-</u>	<u>206</u>	<u>206</u>
Total Inflows	98,386	118,266	103,000	(15,266)
Charges to Appropriations (Outflows):				
Grant Expenditures	<u>98,386</u>	<u>118,266</u>	<u>101,274</u>	<u>16,992</u>
Total Outflows	98,386	118,266	101,274	16,992
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,726</u>	<u>1,726</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,178</u>	<u>\$ 12,178</u>

Town of Ringling
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Ringling Municipal Authority - Operating Account
For the Year Ended June 30, 2023

EXHIBIT C

Operating Revenues:

Water	\$ 181,769
Sewer	132,257
Miscellaneous Fees	31,424
Total Operating Revenues	<u>345,450</u>

Operating Expenses

Administration Department:

Admin:Salaries & Wages	49,005
Admin:Employee Retirement	73
Admin:Advertising/Publications	707
Admin:Payroll Taxes	11,153
Admin:Returned Checks	2,326
Admin:Materials & Supplies	14,431
Admin:Insurance - General	7,083
Admin:Insurance - Liability	6,852
Admin:Telephone	7,311
Admin:Workers Comp Insurance	5,892
Admin:Accounting & Legal	2,066
Admin:Miscellaneous Expense	2,958
Admin:Ok Unemployment - OESC	802
Admin:Health, Dental, Life & Vision	9,472
Total Administration Department	<u>120,131</u>

Water Department:

Water Department:ANB Pickup Payment	7,444
Water Department:Contracted Water Meter Reading	2,500
Water Department:Fees & Permits	10,213
Water Department:Fuel	4,062
Water Department:Materials & Supplies	19,744
Water Department:Miscellaneous	10,467
Water Department:Health, Dental, Life & Vision	8,090
Water Department:Retirement	4,345
Water Department:Wages	57,267
Water Department:Repairs & Maintenance	710
Water Department:Utilities	10,807
Total Water Department	<u>135,649</u>

Town of Ringling EXHIBIT C (continued)
Statement of Revenues, Expenses and Changes in Fund Balances
Modified Cash Basis
Ringling Municipal Authority - Operating Account
For the Year Ended June 30, 2023

Sewer Department:

Sewer Department:Fees & Permits	833
Sewer Department:Fuel	4,062
Sewer Department:Materials & Supplies	327
Sewer Department:Miscellaneous	985
Sewer Department:Health, Dental, Life & Vision	8,259
Sewer Department:Retirement	4,571
Sewer Department:Wages	52,484
Sewer Department:Capital Outlay:Rural Development Note Payments	24,252
Sewer Department:Utilities	10,030
Sewer Department:Vehicle Maintenance	333
Total Sewer Department	<u>106,136</u>

Total Operating Expenses	<u>361,916</u>
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Operating Income (Loss)	(16,466)
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Nonoperating Revenue (Expense)

Interest Income	<u>171</u>
Total Nonoperating Revenue (Expense)	171

Revenue Over (Under) Expenses	(16,295)
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Fund Balance - Beginning	<u>19,830</u>
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Fund Balance - Ending	<u><u>\$ 3,535</u></u>
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Town of Ringling
Debt Covenant Compliance
Modified Cash Basis
Ringling Municipal Authority
For Year Ended June 30, 2023

Exhibit D

Operating Revenues:

Sewer	\$ 132,257
Total Operating Revenue	<u>132,257</u>

Sewer Expenses:

106,136

Adjustments:

Less: Debt Service - USDA	24,252
Plus: Estimated One-third of Administration Expenses	<u>39,644</u>
Adjusted Sewer Expenses	<u>121,528</u>

Net Revenues Available for Debt Service	10,729
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Debt Service Requirements- Average Annual Payments USDA	<u>24,252</u>
Total Debt Service Requirement	<u><u>24,252</u></u>

Revenues Insufficient for Debt Service	<u><u>\$ (13,523)</u></u>
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Maximum Annual Debt Service Requirements:

Cash in Reserve Account	\$ 24,252
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Reserve Account Funding:

Required Balance of Reserve Account Annual Loan Pymt	<u>24,252</u>
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Over/(Under) Funding of Debt Service Reserve	<u><u>\$ -</u></u>
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Town of Ringling
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2023

EXHIBIT E

Granting Agency	GRANT #/ CFDA #	Purpose of grant	Grant Award	Revenue Received PY	Revenue Receivable 7/1/22	Revenue Received CY	Revenue Receivable 6/30/23	Expenditures PY	Grant Balance to be Spent 7/1/22	Expenditures CY	Grant Balance to be Spent 6/30/23
<u>Federal Funds Passed Through State Agencies</u>											
Office of Management and Enterprise Services		ARPA	\$ 167,411	\$ 83,311	\$ 84,100	\$ 84,100	\$ -	\$ 83,311	\$ 84,100	\$ 84,100	\$ -
<u>State Funds</u>											
Oklahoma Department of Agriculture	Fire	Fire Operation	10,053	-	-	10,053	-	-	-	10,053	-
Oklahoma Department of Libraries	Library	Library Materials	3,069	-	-	-	3,069	-	-	3,069	-
Oklahoma Department of Libraries	Library F-22-017	Health Literacy	1,700	1,700	-	-	-	1,142	558	558	-
Oklahoma Department of Libraries	Library F-23-082	Health Literacy	2,363	-	-	2,363	-	-	-	1,337	1,026
Oklahoma Department of Libraries	Adult Online HS		6,278	-	-	6,278	-	-	-	3,300	2,978
<u>State Funds Passed Through Local Agencies</u>											
Association of South Central Oklahoma Governments	REAP 182202	Sewer System Repairs	136,363	136,363	-	-	-	135,776	587	-	587
Association of South Central Oklahoma Governments	REAP 222217	Water Tower	45,000	-	45,000	-	45,000	-	45,000	-	45,000
			<u>\$ 372,237</u>	<u>\$ 221,374</u>	<u>\$ 129,100</u>	<u>\$ 102,794</u>	<u>\$ 48,069</u>	<u>\$ 220,229</u>	<u>\$ 130,245</u>	<u>\$ 102,417</u>	<u>\$ 49,591</u>