



Town of Cement, Oklahoma

Independent Accountants' Report on Applying
Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2023

TOWN OF CEMENT, OKLAHOMA

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Cement
Cement, Oklahoma

Trustees of the Cement Public Works Authority
Cement, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Oklahoma Department of Agriculture
Oklahoma City, Oklahoma

Oklahoma Water Resources Board
Oklahoma City, 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 Public Works 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 Town of Cement (the Town) and the Cement Public Works 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 have 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 Cement** 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 (see accompanying Exhibit B) and Fire Department Fund (see accompanying Exhibit 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 General Fund's Capital Outlay exceeded budget by \$3,271 and Transfers to Other Funds exceeded budget by \$1,326.*

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 more than one year were not voided for the General Fund, Municipal Court Fund, Fire Department Fund and Fire Dept Grant & Donation Fund.*

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 General Fund, Fire Department Fund, Street & Alley Fund, Capital Improvement Fund, Cemetery Care Fund and Fire Grant & Donations Fund. Of the 26 items selected, one was not allowable expenditures due to paying by statement instead of invoice, one was overpaid by \$61.02. All cemetery lot sales were all deposited into the Cemetery Care Fund.*

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 Cement has no debt service or reserve account requirements.

As to the **Cement Public Works 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 more than one year were not voided for the Public Works Authority Fund.

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 Authority'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: There were no materially restricted revenues and expenditures.

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 to determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

Findings: This procedure was not performed. The Cement Public Works Authority has no debt service or reserve account requirements.

As to the **Town of Cement** and **Cement Public Works Authority**, as of and for the fiscal year ended June 30, 2023:

1. ***Procedures Performed:*** From the Cement Public Works 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 Town's and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) 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.

Rahhal Henderson Willis, PLLC

Rahhal Henderson Willis PLLC
Ardmore, Oklahoma
May 16, 2024

EXHIBIT A

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

FUND	BEGINNING CASH BALANCE	INFLOWS	OUTFLOWS	ENDING CASH BALANCE
General Fund	\$ 166,467	\$ 192,233	\$ 249,695	\$ 109,005
Fire Department Fund	25,527	44,948	40,500	29,975
Street & Alley Fund	(509)	5,470	4,686	275
Municipal Court Fund	2,213	436	149	2,500
Capital Improvement Fund	21,600	7,722	10,000	19,322
Cemetery Care Fund	3,827	2,108	1,942	3,993
Fire Dept Grant & Donations Fund	26,009	12,212	30,357	7,864
CDBG Grant Fund	1	-	-	1
REAP Fund	1	-	-	1
Reserve Police Fund	<u>1,937</u>	<u>250</u>	<u>-</u>	<u>2,187</u>
CITY TOTAL	<u>\$ 247,073</u>	<u>\$ 265,379</u>	<u>\$ 337,329</u>	<u>\$ 175,123</u>
Cement Public Works Authority	51,814	364,739	389,463	27,090
Meter Deposit Fund	27,135	4,663	2,610	29,188
OWRB REAP Fund	<u>76,653</u>	<u>9,095</u>	<u>-</u>	<u>85,748</u>
PWA TOTAL	<u>\$ 155,602</u>	<u>\$ 378,497</u>	<u>\$ 392,073</u>	<u>\$ 142,026</u>
OVERALL TOTAL	<u>\$ 402,675</u>	<u>\$ 643,876</u>	<u>\$ 729,402</u>	<u>\$ 317,149</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Beginning Budgetary Fund Balance:	\$ 162,770	\$ 162,770	\$ 166,467	\$ 3,697
Resources (Inflows):				
Taxes:				
Franchise Tax	10,281	10,281	13,716	3,435
Sales Tax	87,466	87,466	84,052	(3,414)
Alcohol Beverage Tax	7,158	7,158	7,726	568
Tobacco Tax	907	907	742	(165)
Use Tax	<u>22,121</u>	<u>22,121</u>	<u>22,911</u>	<u>790</u>
Total Taxes	127,933	127,933	129,147	1,214
Other Revenue:				
Grants				
Licenses, Permits & Fees	1,219	1,219	1,000	(219)
Animal Control Fees	5,461	5,461	5,669	208
Lot Sales	1,529	1,529	-	(1,529)
Fines & Forfeitures	7,097	7,097	-	(7,097)
Rental	-	-	100	100
Royalty	6,448	6,448	8,303	1,855
Reimbursements	-	-	1,427	1,427
Miscellaneous	<u>-</u>	<u>-</u>	<u>46,588</u>	<u>46,588</u>
Total Other Revenue	<u>21,754</u>	<u>21,754</u>	<u>63,087</u>	<u>41,333</u>
Total Resources (Inflows)	149,687	149,687	192,234	42,547
Charges to Appropriations (Outflows):				
Personal Services	105,000	105,000	64,934	40,066
Maintenance & Operations	207,457	207,457	180,165	27,292
Capital Outlay	<u>-</u>	<u>-</u>	<u>3,271</u>	<u>(3,271)</u>
Total Charges to Appropriations (Outflows):	312,457	312,457	248,370	64,087
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>110,331</u>	<u>110,331</u>
Other Financing Uses:				
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>(1,326)</u>	<u>(1,326)</u>
Total Other Financing Uses	-	-	(1,326)	(1,326)
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,005</u>	<u>\$ 109,005</u>

Town of Cement
 Budgetary Comparison Schedule – Modified Cash Basis
 Fire Department Fund
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 24,142	\$ 24,142	\$ 25,527	\$ 1,385
Resources (Inflows):				
Taxes:				
Sales Tax	-	15,299	15,299	-
County Sales Tax	-	12,155	12,154	(1)
Total Taxes	-	27,454	27,453	(1)
Other Revenue:				
Rural Fire Dues	-	-	100	100
Donations	-	250	250	-
Interest	-	70	70	-
Miscellaneous	-	-	775	775
Total Other Revenue	-	320	1,195	875
Total Resources (Inflows)	-	27,774	28,648	874
Charges to Appropriations (Outflows):				
Maintenance & Operations	24,142	63,862	37,229	26,633
Capital Outlay	-	4,000	3,271	729
Total Outflows	24,142	67,862	40,500	27,362
Excess of Inflows over Outflows before Other Financing Sources (Uses)	-	(15,946)	13,675	29,621
Other Financing Sources (Uses)				
Transfers from Other Funds	-	16,300	16,300	-
Transfers to Other Funds	-	(354)	-	354
Total Other Financing Sources (Uses)	-	15,946	16,300	354
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,975</u>	<u>\$ 29,975</u>

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

	Cement Public Works Authority Operating Account
Operating Revenues:	
Water Revenue	\$ 147,381
Sewer Revenue	45,192
Solid Waste Revenue	78,198
Sale of Property	865
Penalties	3,371
ODOT Water/Sewer Line Project	84,392
Miscellaneous	5,340
Total Operating Revenues	364,739
Operating Expenses	
Personal Services	68,408
Maintenance and Operations	
Water	232,376
Sewer	4,134
Solid Waste	80,755
Capital Outlay	3,790
Total Operating Expenses	389,463
Net Change in Fund Balance	(24,724)
Fund Balance - Beginning	51,814
Fund Balance - Ending	\$ 27,090

Town of Cement
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2023

Grant Agency		<u>Award Amount</u>	<u>Received Prior Year</u>	<u>Expended Prior Year</u>	<u>June 30, 2022 End Balance</u>	<u>Received Current Year</u>	<u>Expended Current Year</u>	<u>Match</u>	<u>June 30, 2023 Balance</u>
<i>State Funds</i>									
Oklahoma Water Resources Board	FAP-20-001-R	\$ 99,999	\$ 99,999	\$ 14,252	\$ 85,747	\$ -	\$ -	\$ -	\$ 85,747 *
Oklahoma State Department of Agriculture	Fire Grant	10,053	-	-	-	10,053	10,053	-	-
American Rescue Plan Act	ALN #21.027	83,355	41,481	18,460	23,021	41,874	62,228	-	2,667
Oklahoma Water Resources Board	Fire 80/20 Grant	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,060</u>	<u>5,765</u>	<u>(23,060)</u>
Total Grants		<u>\$ 223,407</u>	<u>\$ 141,480</u>	<u>\$ 32,712</u>	<u>\$ 108,768</u>	<u>\$ 51,927</u>	<u>\$ 95,341</u>	<u>\$ 5,765</u>	<u>\$ 65,354</u>

* - PRIOR YEARS ENDING BALANCE CORRECTED DUE TO CHECK BEING VOIDED AND NOT REISSUED