

# **TOWN OF CORNISH**

Independent Accountants' Report on Applying Agreed  
Upon Procedures  
Year Ended June 30, 2023

**TOWN OF CORNISH, OKLAHOMA**  
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## **Independent Accountants' Report on Applying Agreed-Upon Procedures**

### *To the Specified Users of the Report:*

Town Board, Town of Cornish  
Cornish, Oklahoma

Trustees of the Cornish Public Works Authority  
Cornish, Oklahoma

Oklahoma Office of State Auditor and Inspector  
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 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 Cornish (the Town) and the Cornish 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 Cornish** 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 Exhibits) 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 of unauthorized appropriations were noted.***

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: The material bank accounts are the General Fund and Grant Fund. In the General Fund checking account, checks outstanding more than one year were not voided and the General Fund's CD account's interest was not recorded at the proper amount. The Grant Fund was not properly reconciled.***

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 as of June 30, 2023.***

5. ***Procedures Performed:*** We compared the Town's use of restricted revenues and resources that exceeded \$250 to their restrictions to report any noted instances of noncompliance.

***Findings: Materially restricted revenues and expenditures that exceeded \$250 consisted of the 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: All required funds have been established.***

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 determine compliance with reserve account and debt service coverage requirements of bond indentures.

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

As to the **Cornish 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 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 of reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

***Findings: The material bank account is the Public Works Authority Operating Fund's checking account. Deposits and checks outstanding more than one year were not 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 Authority's deposits were fully insured as of June 30, 2023.***

4. ***Procedures Performed:*** We compared use of restricted revenues and resources that exceeded \$250 to their restrictions to report any noted instances of noncompliance.

***Findings: No restricted revenue and resources exceeded \$250. This procedure was not performed.***

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: All required funds have been established.***

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 determine compliance with reserve account and debt service coverage requirements of bond indentures as required by Rural Development (see accompanying Exhibit D).

***Findings: All required accounts have been established and funded as of June 30, 2023.***

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

1. ***Procedures Performed:*** From the Town's and Authority's trial balances, we compiled 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.***

2. ***Procedures Performed:*** From the Authority's trial balances, we compiled a schedule of revenues, expenses, and changes in fund balances for each fund (see accompanying Exhibit C).

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*

Ardmore, Oklahoma  
June 24, 2024

**TOWN OF CORNISH, OKLAHOMA**  
**Summary of Changes in Fund Balances – Modified Cash Basis**  
**For the Year Ended June 30, 2023**

	Fund Balances Beginning	Revenue	Expenditures	Fund Balances Ending
<b><i>CITY:</i></b>				
General Fund	\$ 40,477	\$ 39,962	\$ 48,987	\$ 31,452
Street & Alley Fund	4,961	-	4,961	-
Grant Fund	1,326	53,797	53,003	2,120
Town Fund Balance	<u>\$ 46,764</u>	<u>\$ 93,759</u>	<u>\$ 106,951</u>	<u>\$ 33,572</u>
 <b><i>PUBLIC WORKS AUTHORITY:</i></b>				
PWA Fund	<u>\$ 22,519</u>	<u>\$ 55,381</u>	<u>\$ 46,453</u>	<u>\$ 31,447</u>
 Overall Totals	<u>\$ 69,283</u>	<u>\$ 149,140</u>	<u>\$ 153,404</u>	<u>\$ 65,019</u>

**TOWN OF CORNISH, OKLAHOMA**  
**Budget Comparison Schedule – Modified Cash Basis**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ 16,880	40,477	\$ 23,597
<b>Resources (Inflows):</b>				
Sales Tax	19,640	19,640	19,404	(236)
Use Tax	1,170	1,170	1,510	340
Alcoholic Beverage Tax	5,250	5,250	4,412	(838)
Cigarette Tax	160	160	133	(27)
Gasoline Excise Tax	1,050	1,050	195	(855)
Motor Vehicle Tax	160	160	1,161	1,001
Franchise Tax	3,090	3,090	3,035	(55)
Loan Proceeds	5,000	5,000	4,725	(275)
Miscellaneous Income	-	-	427	427
Total Inflows	<u>35,520</u>	<u>35,520</u>	<u>35,002</u>	<u>(518)</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government Department	25,190	37,990	36,291	1,699
Street & Alley Department	3,480	3,480	2,470	1,010
Capital Outlay	<u>9,810</u>	<u>9,810</u>	<u>8,226</u>	<u>1,584</u>
Total Outflows	<u>38,480</u>	<u>51,280</u>	<u>46,987</u>	<u>4,293</u>
<b>Excess of Inflows over Outflows before</b>				
<b>Other Financing Sources (Uses)</b>	<u>(2,960)</u>	<u>1,120</u>	<u>28,492</u>	<u>27,372</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	4,960	4,960	4,960	-
Transfers Out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,960</u>	<u>2,960</u>	<u>2,960</u>	<u>-</u>
<b>Ending Budgetary Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,080</u></u>	<u><u>\$ 31,452</u></u>	<u><u>\$ 27,372</u></u>



**TOWN OF CORNISH, OKLAHOMA**  
**Budget Comparison Schedule – Modified Cash Basis**  
**Grant Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 1,326	\$ 1,326
<b>Resources (Inflows):</b>				
ARPA Proceeds	13,540	17,050	13,664	(3,386)
Grants	<u>51,660</u>	<u>51,660</u>	<u>38,133</u>	<u>(13,527)</u>
Total Inflows	<u>65,200</u>	<u>68,710</u>	<u>51,797</u>	<u>(16,913)</u>
<b>Charges to Appropriations (Outflows):</b>				
Grant Expenditures	<u>67,200</u>	<u>67,200</u>	<u>49,497</u>	<u>17,703</u>
Total Outflows	<u>67,200</u>	<u>67,200</u>	<u>49,497</u>	<u>17,703</u>
<b>Excess of Inflows over Outflows before     Other Financing Sources (Uses)</b>	<u>(2,000)</u>	<u>1,510</u>	<u>3,626</u>	<u>2,116</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,000	2,000	2,000	-
Transfers Out	<u>-</u>	<u>(3,510)</u>	<u>(3,506)</u>	<u>4</u>
Total Other Financing Sources (Uses)	2,000	(1,510)	(1,506)	4
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120</u>	<u>\$ 2,120</u>

**Statement of Revenues, Expenses and Changes in Fund Balances**  
**Modified Cash Basis**  
**Cornish Public Works Authority**  
**For the Year Ended June 30, 2023**

**REVENUES:**

Water	\$ 23,161
Sewer	10,502
Trash	13,695
Penalty Income	2,626
Miscellaneous Income	<u>1,732</u>
Total Revenues	<u>51,716</u>

**OPERATING EXPENDITURES:*****Administration Dept****Personal Services*

Payroll/Contract Labor	<u>5,800</u>
Total Personal Services	5,800

*Materials & Supplies*

Office Supplies	98
Postage	<u>221</u>
Total Materials & Supplies	319

*Other Services & Charges*

Fees	2
Miscellaneous Exp	568
Returned Checks	79
Publications	<u>12</u>
Total Other Services & Charges	<u>661</u>

*Total Administration Dept* 6,780

***Water Dept****Personal Services*

Payroll/Contract Labor	<u>7,700</u>
Total Personal Services	7,700

*Material & Supplies*

Water Purchased	<u>13,511</u>
Total Materials & Supplies	13,511

*Other Services & Charges*

Contract Labor	3,250
Utilities	<u>166</u>
Total Other Services & Charges	<u>3,416</u>

*Total Water Dept Expenditures* 24,627

**EXHIBIT C (continued)**

**Statement of Revenues, Expenses and Changes in Fund Balances**  
**Modified Cash Basis**  
**Cornish Public Works Authority**  
**For the Year Ended June 30, 2023**

***Sewer Dept****Personal Services*

Payroll/Contract Labor	250
Total Personal Services	250

*Material & Supplies*

Maintenance & Operations	2,168
Materials & Supplies	1,868
Supplies	247
Total Materials & Supplies	4,283
<i>Total Sewer Dept Expenditures</i>	<u>4,533</u>

***Garbage Dept****Other Services & Charges*

Trash Services	8,989
Total Other Services & Charges	8,989
<i>Total Garbage Dept Expenditures</i>	<u>8,989</u>

<b>Total Operating Expenditures</b>	<u>44,929</u>
<b>Operating Income</b>	<u>6,787</u>

**NON-OPERATING REVENUES (EXPENSES):**

Interest Income	159
Principal Payment to RD	(1,232)
Interest Expense to RD	(292)
Total Non-Operating Revenues (Expenses)	<u>(1,365)</u>

**OTHER SOURCES:**

Transfers In	3,506
Transfers Out	<u>-</u>
Total Other Sources (Uses)	<u>3,506</u>
Revenue Over (Under) Expenditures	8,928

Beginning Cash Balance	22,519
Ending Cash Balance	<u><u>\$ 31,447</u></u>

**Debt Covenant Compliance Schedule  
Modified Cash Basis  
Cornish Public Works Authority Operating Fund  
For the Year Ended June 30, 2023**

***Debt Service Coverage Requirement***

Total Water and Sewer Revenue	\$ 33,663
Total Water and Sewer Expenditures	30,684
Plus: 2/3 Admin Expenditures	4,520
Less: One Time Sewer Repair & Maintenance	(3,450)
Less: Debt Service Payment	<u>(1,524)</u>
Total Water & Sewer Expenditures	30,230
Revenues in Excess (Deficit) of Debt Service Requirement	3,433

***Maximum Annual Debt Service Requirements:***

Loan 92-01	<u>1,524</u>
Total Debt Service Requirement	1,524
Excess over (under) required amount	<u>\$ 1,909</u>

***Reserve Account Funding:***

Required Balance of Reserve Account	
Loan 92-01	<u>\$ 1,524</u>
Total Required Reserve Balance	<u>\$ 1,524</u>

Actual Reserve Balance	<u>\$ 1,599</u>
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**TOWN OF CORNISH, OKLAHOMA**  
**Schedule of Grant Activity – Modified Cash Basis**  
**For the Year Ended June 30, 2023**

Grantor	Project	Grant Amount	Received Prior Years	Expended Prior Years	Received Current Year	Expended Current Year	De- obligated	Grant Balance	Match
<i><u>State Grants Passed Through Local Agencies</u></i>									
Associations of South Central Oklahoma Governments	REAP 202207	\$ 45,000	\$ 29,298	\$ 33,954	\$ 15,506	\$ -	\$ 196	\$ 10,850	\$ -
Associations of South Central Oklahoma Governments	REAP 222209	45,000	-	-	12,618	11,726	-	33,274	2,000
Associations of South Central Oklahoma Governments	REAP232231	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>10,009</u>	<u>23,459</u>	<u>-</u>	<u>21,541</u>	<u>-</u>
<i>Total State Grants</i>		<u>\$ 135,000</u>	<u>\$ 29,298</u>	<u>\$ 33,954</u>	<u>\$ 38,133</u>	<u>\$ 35,185</u>	<u>\$ 196</u>	<u>\$ 65,665</u>	<u>\$ 2,000</u>