

Town of Wanette, Oklahoma  
Independent Accountants' Report on Applying  
Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2023

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

*To the Specified Users of the Report:*

Town Board, Town of Wanette  
Wanette, Oklahoma 74878

Trustees of the Wanette Public Works Authority  
Wanette, Oklahoma 74878

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, Oklahoma

Oklahoma Forestry Services  
Oklahoma City, Oklahoma

Oklahoma Water Resources Board  
Oklahoma City, Oklahoma

Oklahoma Rural Water Association  
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 Wanette (the Town) and Wanette Public Works Authority (the Authority) are responsible for the Town's and 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 Wanette** 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 determined compliance with the statutory prohibition of creating fund balance deficits and 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 B and B-1) 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: Checks outstanding more than one year were not voided in the General Fund. Not all deposits and checks were entered for the month before the bank reconciliations were completed. Therefore, the bank reconciliations were 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 \$500 to their restrictions to report any noted instances of noncompliance.

***Findings: Materially restricted revenues and expenditures consist of the General Fund Donation account and Street and Alley revenues, Grant Fund, and the Fire Fund. Two of the 20 items did not have invoices. Three of 20 items were overpaid. One of the opening/closing deposits was not properly allocated to the General Fund and Cemetery 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 determine compliance with requirements for separate funds.

***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.

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

As to the **Wanette 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 and determined compliance with the statutory prohibition of creating fund balance deficits and 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: Not all deposits and checks were entered for the month before the bank reconciliations were completed. Therefore, the bank reconciliations were not properly reconciled. No approved minutes were provided to show the approval of opening the OWRB REAP bank account or the RIG bank account.***

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 \$500 to their restrictions to report any noted instances of noncompliance.

***Findings: Materially restricted revenues and expenditures consisted of the OWRB REAP grant. No exceptions were found 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.

***Finding: 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.

***Findings: All required accounts have been established and funded as of June 30, 2023. Revenues exceeded expenditures adequately enough to fund debt service.***

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

1. ***Procedures Performed:*** From the Wanette Public Works Authority's Operating Account trial balance, a compiled a statement of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C).
2. ***Procedures Performed:*** From the Wanette Public Works Authority's Operating Account (Exhibit C), we determined the debt covenant compliance and cash reserve fund compliance (see accompanying Exhibit D and D-1).
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 not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the 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.

*Rahhal Henderson Willis, PLLC*

Rahhal Henderson Willis PLLC  
Ardmore, Oklahoma  
April 30, 2024

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

	Fund Balances			Fund Balances
	<u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Ending</u>
CITY:				
General Fund	\$ 142,203	\$ 102,784	\$ 70,539	\$ 174,448
Cemetery Care Fund	94,530	2,038	2,001	94,567
Fire Department Fund	6,160	10,553	12,678	4,035
Grant Fund	<u>18,572</u>	<u>107,702</u>	<u>89,939</u>	<u>36,335</u>
City Subtotal	<u>261,465</u>	<u>223,077</u>	<u>175,157</u>	<u>309,385</u>
PUBLIC WORKS AUTHORITY:				
Gross Revenue Fund	85,123	277,609	341,067	21,665
Debt Service Reserve	14,413	1,712	-	16,125
Short Lived Asset Reserve	10,102	5,001	-	15,103
Meter Deposit	<u>13,356</u>	<u>2,099</u>	<u>675</u>	<u>14,780</u>
Public Works Authority Subtotal	<u>122,994</u>	<u>286,421</u>	<u>341,742</u>	<u>67,673</u>
Overall Totals	<u>\$ 384,459</u>	<u>\$ 509,498</u>	<u>\$ 516,899</u>	<u>\$ 377,058</u>

TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 142,203	\$ 142,203
<b>Resources (Inflows):</b>				
Taxes	62,060	62,060	67,892	5,832
Franchise Tax	14,040	14,040	15,812	1,772
Cemetery Revenue	3,275	3,275	11,670	8,395
Miscellaneous	350	350	7,410	7,060
Total Inflows	79,725	79,725	244,987	165,262
<b>Charges to Appropriations (Outflows):</b>				
General Government	58,785	54,785	49,746	5,039
Fire Department	-	3,000	2,975	25
Cemetery	17,180	18,180	17,818	362
Total Outflows	75,965	75,965	70,539	5,426
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	3,760	3,760	174,448	170,688
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(3,760)	(3,760)	-	3,760
Total Other Financing Sources (Uses)	(3,760)	(3,760)	-	3,760
<b>Ending Budgetary Fund Balance:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,448</u>	<u>\$ 174,448</u>



TOWN OF WANETTE, OKLAHOMA  
 Budgetary Comparison Schedule – Modified Cash Basis  
 Grant Fund  
 For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ 18,785	18,572	\$ (213)
<b>Resources (Inflows):</b>				
Grant Revenue	<u>272,139</u>	<u>227,645</u>	<u>107,702</u>	<u>(119,943)</u>
Total Inflows	272,139	227,645	107,702	(119,943)
<b>Charges to Appropriations (Outflows):</b>				
Grant Expenditures	<u>272,139</u>	<u>246,430</u>	<u>89,939</u>	<u>156,491</u>
Total Outflows	272,139	246,430	89,939	156,491
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	-	-	36,335	36,335
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	-	-	-	-
<b>Ending Budgetary Fund Balance:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,335</u>	<u>\$ 36,335</u>

TOWN OF WANETTE, OKLAHOMA  
Statement of Revenues, Expenses and Changes in Fund Balances  
Modified Cash Basis  
Wanette Public Works Authority Operating Fund  
For the Year Ended June 30, 2023

**Operating Revenues**

Water	\$ 93,430
Sewer	49,770
Trash	33,421
Miscellaneous	88
Total Operating Revenues	<u>176,709</u>

**Operating Expenses**

Admin Department	27,951
Waste Disposal Service	26,840
Water Department	140,441
Sewer Department	15,865
Capital Outlay	106,133
Rural Development Debt Service Interest	8,604
Total Operating Expenses	<u>325,834</u>
Operating Income	<u>(149,125)</u>

**Non-operating Revenues (Expenses)**

Grant Revenue	100,900
Principal Payments RD Sewer	(8,520)
Transfer to Reserves & Short Lived Assets	(6,713)
Total Non-operating Revenues (Expenses)	<u>85,667</u>

Change in Fund Balance	(63,458)
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Fund Balance - Beginning	<u>85,123</u>
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Fund Balance - Ending	<u><u>\$ 21,665</u></u>
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TOWN OF WANETTE, OKLAHOMA  
Debt Covenant Compliance Schedule  
Modified Cash Basis  
Wanette Public Works Authority Operating Fund  
For the Year Ended June 30, 2023

## USDA Debt Covenant Compliance:

Total Sewer Revenue	\$ 49,770
Total Sewer Expenditures	15,865
Add 1/3 of Admin Expenditures	9,317
Add RD Sewer Interest	<u>8,604</u>
Adjusted Expenditures for Debt Compliance	33,786
Adjusted Revenues over Expenditures for Debt Service Compliance	15,984
Less RD Principal Payment	<u>8,520</u>
Expenditures in Excess of Debt Service Requirement	<u><u>\$ 7,464</u></u>

TOWN OF WANETTE, OKLAHOMA  
Debt Covenant Required Cash Accounts  
Modified Cash Basis  
Wanette Public Works Authority  
For the Year Ended June 30, 2023

Debt Service Account Funding

Beginning Cash	\$ 14,413
Required Transfers	<u>1,712</u>
Required Cash in Reserve Account as of 6/30/23	16,125
Cash in Reserve Account	<u>16,125</u>
Variance	<u><u>\$ -</u></u>

Short Lived Assets Account Funding

Beginning Cash	\$ 10,102
Required Transfers	<u>5,001</u>
Required Cash in Short Lived Assests Account as of 6/30/23	15,103
Cash in Short Lived Asset Account	<u>15,103</u>
Variance	<u><u>\$ -</u></u>

TOWN OF WANETTE, OKLAHOMA  
Schedule of Grant Activity  
Modified Cash Basis  
For the Year Ended June 30, 2023

EXHIBIT E

<b>GRANT AGENCY PROGRAM TITLE</b>	<b>PASS- THROUGH GRANTOR'S PROJECT NUMBER</b>	<b>AWARD AMOUNT</b>	<b>PRIOR YEARS RECEIVED</b>	<b>PRIOR YEARS EXPENDED</b>	<b>RECEIVED 2022-2023</b>	<b>EXPENDED AMOUNT 2022-2023</b>	<b>BALANCE</b>
<b><u>STATE GRANTS</u></b>							
OKLAHOMA DEPARTMENT OF COMMERCE	CDBG 17809 20	\$ 198,096	\$ 112,312	\$ 112,312	\$ 75,604	\$ 75,604	\$ 10,180
OKLAHOMA WATER RESOURCES BOARD	REAP FAP-21-0009R	110,300	-	-	100,900	100,900	9,400
OKLAHOMA RURAL WATER ASSOCIATION	RIG	78,317	-	-	-	-	78,317
OKLAHOMA FORESTRY SERVICES	FIRE GRANT	<u>10,053</u>	<u>-</u>	<u>-</u>	<u>10,053</u>	<u>10,053</u>	<u>-</u>
TOTAL STATE GRANTS		<u>\$ 396,766</u>	<u>\$ 112,312</u>	<u>\$ 112,312</u>	<u>\$ 186,557</u>	<u>\$ 186,557</u>	<u>\$ 97,897</u>