

Town of Ringling, Oklahoma

Independent Accountant's Report on Applying
Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2024

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, 2024. 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, 2024. 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.

The procedures and findings are as follows:

As to the **Town of Ringling** as of and for the fiscal year ended June 30, 2024:

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 General Fund's and Grant Fund's Transfers Out exceeded budget by \$10,134.*

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 Grant Fund did not have a Transfer In and Transfer Out recorded in the general ledger and were not shown as outstanding on the bank reconciliations.*

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, 2024.*

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 Library Fund, OWRB Emergency Grant Fund and the Town's Grant Fund. Of the 27 items tested, the Grant Fund had two items that were not allowable expenditures. Sales tax was paid on invoice and the payment exceeded the invoice amount on another.*

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, 2024:

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: No exceptions were found 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: The Town's deposits were fully insured or collateralized as of June 30, 2024.

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, 2024. No instances of noncompliance was noted.*

As to the **Town of Ringling** and **Ringling Municipal Authority**, as of and for the fiscal year ended June 30, 2024:

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, 2024.
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, 2024.
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 by the City of Ringling 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, 2024. 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.

Rakhal Henderson Willis, PLLC

Ardmore, Oklahoma
October 15, 2024

Town of Ringling
Summary of Changes in Fund Balance – Modified Cash Basis
For the Year Ended June 30, 2024

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
Town:				
General Fund	\$ 85,798	\$ 490,764	\$ 506,580	\$ 69,982
Grant Fund	12,178	134,153	131,929	14,402
Cemetery Fund	28,105	1,459	-	29,564
Street and Alley Fund	66,666	17,069	5,383	78,352
Emergency Fund	26,688	33,798	27,376	33,110
Capital Improvements Fund	5,166	21	-	5,187
Police Equipment Fund	3,946	1,192	1,850	3,288
OWRB Emergency Grant Fund	-	67,559	64,940	2,619
Library	<u>18,948</u>	<u>8,668</u>	<u>6,948</u>	<u>20,668</u>
 Total Town	 247,495	 754,683	 745,006	 257,172
 Municipal Authority:				
Municipal Authority Operating Accounting	3,535	348,751	329,478	22,808
Rural Development Debt Service Reserve	24,252	-	-	24,252
Meter Deposit	<u>51,412</u>	<u>10,273</u>	<u>7,675</u>	<u>54,010</u>
 Ringling Municipal Authority Subtotal	 <u>79,199</u>	 <u>359,024</u>	 <u>337,153</u>	 <u>101,070</u>
 Overall Totals	 <u><u>\$ 326,694</u></u>	 <u><u>\$ 1,113,707</u></u>	 <u><u>\$ 1,082,159</u></u>	 <u><u>\$ 358,242</u></u>

Town of Ringling
Budgetary Comparison Schedule – Modified Cash Basis
General Fund
For the Year Ended June 30, 2024

EXHIBIT B

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 48,000	\$ 48,000	\$ 85,798	\$ 37,798
Resources (Inflows):				
Police Fines	2,900	2,900	2,788	(112)
CleetOSBI Fees	350	350	330	(20)
Trash Fees	184,000	184,000	201,004	17,004
Licenses & Permits	500	500	230	(270)
Alcohol Beverage Tax	32,000	32,000	30,928	(1,072)
Franchise Tax	42,000	42,000	38,831	(3,169)
Use Tax	38,000	38,000	43,007	5,007
Sales Tax	115,000	115,000	118,294	3,294
Sales Tax Library	8,200	8,200	-	(8,200)
Cigar Tax	1,000	1,000	1,066	66
Interest Income	850	850	2,667	1,817
Cemetery-Cemetery Lot Sales	1,000	1,000	4,331	3,331
Swimming Pool Revenue	3,000	3,000	6,775	3,775
Fire Contract Fees	9,300	9,300	17,250	7,950
Cemetery-Grave Opening Revenue	8,700	8,700	4,988	(3,712)
Lease	925	925	10,134	9,209
Community Bldg Rentals	-	-	2,100	2,100
Miscellaneous Revenue	51,000	51,000	6,041	(44,959)
Expense Reimbursements	<u>75</u>	<u>75</u>	<u>-</u>	<u>(75)</u>
Total Inflows	498,800	498,800	490,764	(8,036)
Charges to Appropriations (Outflows):				
General Government	202,125	230,775	223,744	7,031
Administration	46,055	67,405	63,736	3,669
Legal & Judicial	14,500	14,500	13,500	1,000
Police	156,700	118,725	110,975	7,750
Fire	19,600	24,050	13,694	10,356
Cemetery	53,500	39,850	35,652	4,198
Pools	13,620	18,170	15,908	2,262
Library	<u>40,700</u>	<u>33,325</u>	<u>19,237</u>	<u>14,088</u>
Total Outflows	<u>546,800</u>	<u>546,800</u>	<u>496,446</u>	<u>50,354</u>
Excess of Inflows over Outflows before				
Other Financing Sources (Uses)	<u>(48,000)</u>	<u>(48,000)</u>	<u>(5,682)</u>	<u>42,318</u>
Other Financing Sources (Uses)				
Transfers Out	<u>-</u>	<u>-</u>	<u>(10,134)</u>	<u>(10,134)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(10,134)</u>	<u>(10,134)</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,982</u>	<u>\$ 69,982</u>

Town of Ringling
 Budgetary Comparison Schedule – Modified Cash Basis
 Grant Fund
 For the Year Ended June 30, 2024

EXHIBIT B-1

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ -	\$ 1,026	\$ 12,178	\$ 11,152
Resources (Inflows):				
Grants	21,031	131,752	123,774	(7,978)
Interest Income	<u>-</u>	<u>-</u>	<u>245</u>	<u>245</u>
Total Inflows	21,031	131,752	124,019	(7,733)
Charges to Appropriations (Outflows):				
Grant Expenditures	<u>21,031</u>	<u>132,778</u>	<u>121,795</u>	<u>10,983</u>
Total Outflows	21,031	132,778	121,795	10,983
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>-</u>	<u>(1,026)</u>	<u>2,224</u>	<u>3,250</u>
Other Financing Sources (Uses)				
Transfers In	-	-	10,134	10,134
Transfers Out	<u>-</u>	<u>-</u>	<u>(10,134)</u>	<u>(10,134)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,402</u>	<u>\$ 14,402</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, 2024

EXHIBIT C

Operating Revenues:	
Water	\$ 180,409
Sewer	138,760
Miscellaneous Fees	29,387
Total Operating Revenues	<u>348,556</u>
Operating Expenses	
Administration Department:	
Admin:Salaries & Wages	37,767
Admin:Employee Retirement	476
Admin:Payroll Taxes	7
Admin:Returned Checks	1,482
Admin:Materials & Supplies	13,496
Admin:Insurance - General	3,321
Admin:Insurance - Liability	3,365
Admin:Telephone	7,742
Admin:Workers Comp Insurance	6,252
Admin:Miscellaneous Expense	2,746
Admin:Ok Unemployment - OESC	730
Admin:Payroll Expenses	10,192
Admin:Health, Dental, Life & Vision	8,709
Total Administration Department	<u>96,285</u>
Water Department:	
Water Department:ANB Pickup Payment	7,444
Water Department:Fees & Permits	11,520
Water Department:Fuel	3,342
Water Department:Materials & Supplies	26,391
Water Department:Miscellaneous	11,358
Water Department:Health, Dental, Life & Vision	8,779
Water Department:Retirement	3,093
Water Department:Wages	44,933
Water Department:Repairs & Maintenance	1,031
Water Department:Utilities	10,460
Total Water Department	<u>128,351</u>
Sewer Department:	
Sewer Department:Fees & Permits	483
Sewer Department:Fuel	3,342
Sewer Department:Materials & Supplies	2,559
Sewer Department:Miscellaneous	1,165
Sewer Department:Health, Dental, Life & Vision	8,351
Sewer Department:Retirement	4,244
Sewer Department:Wages	50,607
Sewer Department:Capital Outlay:Rural Development Note	24,252
Sewer Department:Utilities	9,735
Sewer Department:Vehicle Maintenance	104
Total Sewer Department	<u>104,842</u>
Total Operating Expenses	<u>329,478</u>
Operating Income (Loss)	<u>19,078</u>
Nonoperating Revenue (Expense)	
Interest Income	195
Total Nonoperating Revenue (Expense)	<u>195</u>
Revenue Over (Under) Expenses	19,273
Fund Balance - Beginning	3,535
Fund Balance - Ending	<u>\$ 22,808</u>

Town of Ringling
Debt Covenant Compliance
Modified Cash Basis
Ringling Municipal Authority
For the Year Ended June 30, 2024

EXHIBIT D

Operating Revenues:

Sewer	\$ 138,760
Total Operating Revenue	138,760

Sewer Expenses:

104,842

Adjustments:

Less: Debt Service - USDA	24,252
Plus: Estimated One-third of Administration Expenses	30,811
Adjusted Sewer Expenses	<u>111,401</u>

Net Revenues Available for Debt Service	27,359
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Debt Service Requirements- Average Annual Payments USDA	<u>24,252</u>
Total Debt Service Requirement	<u>24,252</u>

Revenues Sufficient for Debt Service	<u><u>\$ 3,107</u></u>
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Maximum Annual Debt Service Requirements:

Cash in Reserve Account	<u>24,252</u>
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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, 2024

EXHIBIT E

Granting Agency	GRANT #/ CFDA #	Purpose of grant	Grant Award	Received PY	Received CY	Expended PY	Expended CY	Grant	Match
								Balance to be Spent 6/30/24	
<u>State Funds</u>									
Oklahoma Department of Agriculture	Fire	Fire Operation	\$ 9,994	\$ -	\$ 9,994	\$ -	\$ 9,994	\$ -	-
Oklahoma Department of Libraries	Library 2023	Library Materials	3,069	-	3,069	3,069	-	-	-
Oklahoma Department of Libraries	Library 2024	Library Materials	3,070	-	3,070	-	3,070	-	-
Oklahoma Department of Libraries	Library F-23-082	Health Literacy	2,363	1,337	-	1,337	1,026	-	-
Oklahoma Department of Libraries	Library F-23-188	Adult Online High School	6,278	6,278	-	3,300	2,978	-	-
Oklahoma Department of Libraries	Library F-24-086	Health Literacy	2,828	-	2,828	-	1,200	1,628	-
Oklahoma Department of Libraries	Library F-24-127	Technology Grant	440	-	440	-	-	440	-
Oklahoma Water Resource Board	FAP-24-0001-G	Emergency Sewer Repairs	57,425	-	57,425	-	55,199	2,226	9,741
<u>State Funds Passed Through Local Agencies</u>									
Association of South Central Oklahoma Governments	REAP 222217	Water Tower	45,000	-	-	-	-	45,000	-
			\$ 130,467	\$ 7,615	\$ 76,826	\$ 7,706	\$ 73,467	\$ 49,294	\$ 9,741