

Town of Milburn, Oklahoma
Independent Accountant's Report on Applying
Agreed-Upon Procedures
For Fiscal Year Ended June 30, 2023

TOWN OF MILBURN, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Milburn
Milburn, Oklahoma

Trustees of the Milburn Public Works Authority
Milburn, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Southern Oklahoma Development Association
Durant, 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 City of Wilson (the Town) and the Wilson 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 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 Milburn** 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 Grant Fund (see accompanying Exhibit 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: The Town's Grant Fund expenditures exceeded budget by \$8.

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: All bank accounts appeared properly reconciled without exception.

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 the Town's use of restricted revenues and resources exceeding \$500 to their restrictions to report any noted instances of noncompliance.

Findings: Materially restricted revenues and expenditures that exceeded \$500 consisted of General Fund's Street and Alley Department. 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 Milburn has no debt service or reserve account requirements.

As to the **Milburn 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 – modified cash basis for each fund (see accompanying Exhibit C) 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: All bank accounts appeared properly reconciled without exception.

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 the Authority's use of restricted revenues and resources exceeding \$500 to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted regarding restricted revenues.

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:*** 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 Milburn has no debt service or reserve account requirements as of June 30, 2023.

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

1. ***Procedures Performed:*** From the 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 or 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
December 4, 2023

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

EXHIBIT A

	Fund Balances Beginning	Inflows	Outflows	Fund Balances Ending
<i>TOWN:</i>				
General Fund	\$ 112,222	\$ 65,788	\$ 61,306	\$ 116,704
Grant Fund	<u>27,867</u>	<u>80,433</u>	<u>52,008</u>	<u>56,292</u>
 Town Subtotal	 <u>\$ 140,089</u>	 <u>\$ 146,221</u>	 <u>\$ 113,314</u>	 <u>\$ 172,996</u>
 <i>PUBLIC WORKS AUTHORITY:</i>				
PWA Fund-Operating Fund	\$ 78,127	\$ 162,757	\$ 166,819	\$ 74,065
Meter Deposit	15,706	1,136	8	16,834
Reserve Fund	2,908	15	8	2,915
Emergency Fund	<u>9,486</u>	<u>-</u>	<u>9,486</u>	<u>-</u>
 Public Works Authority Subtotal	 <u>\$ 106,227</u>	 <u>\$ 163,908</u>	 <u>\$ 176,321</u>	 <u>\$ 93,814</u>
 Overall Totals	 <u><u>\$ 246,316</u></u>	 <u><u>\$ 310,129</u></u>	 <u><u>\$ 289,635</u></u>	 <u><u>\$ 266,810</u></u>

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Town of Milburn
 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:	\$ 63,580	\$ 63,580	\$ 112,222	\$ 48,642
Resources (Inflows):				
Sales Tax	22,000	22,000	26,759	4,759
Use Tax	15,000	15,000	18,779	3,779
Franchise	7,000	7,000	8,248	1,248
Alcoholic Beverage Tax	7,500	7,500	6,756	(744)
Gasoline Excise	500	500	454	(46)
Tobacco Tax	200	200	198	(2)
Commercial Vehicle	2,200	2,200	1,841	(359)
Rent	1,000	1,000	1,500	500
Interest	20	20	541	521
Miscellaneous	1,000	1,000	712	(288)
Total Inflows	120,000	120,000	178,010	58,010
Charges to Appropriations (Outflows):				
General Government	120,000	120,000	61,306	58,694
Total Outflows	120,000	120,000	61,306	58,694
Excess of Inflows over Outflows after Other Financing Sources (Uses)	-	-	116,704	116,704
Ending Budgetary Fund Balance:	\$ -	\$ -	\$ 116,704	\$ 116,704

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

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 27,867	\$ 27,867
Resources (Inflows):				
ARPA Proceeds	27,858	27,858	28,122	264
REAP Grant	52,000	52,000	52,000	-
Interest	-	-	311	311
Total Inflows	<u>79,858</u>	<u>79,858</u>	<u>108,300</u>	<u>28,442</u>
Charges to Appropriations (Outflows):				
REAP 22-026 Expenditures	52,000	52,000	52,000	-
ARPA Expenditures	27,858	27,858	-	27,858
Bank Fees	-	-	8	(8)
Total Outflows	<u>79,858</u>	<u>79,858</u>	<u>52,008</u>	<u>27,850</u>
Excess of Inflows over Outflows after Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>56,292</u>	<u>56,292</u>
Ending Budgetary Fund Balance:	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 56,292</u></u>	<u><u>\$ 56,292</u></u>

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

EXHIBIT C

	Milburn Public Works Authority Operating Account
Operating Revenues:	
Water Revenue	\$ 82,132
Sewer Revenue	27,077
Trash Revenue	39,112
Penalties	3,008
Miscellaneous	1,501
Interest	441
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Total Operating Revenues	153,271
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Operating Expenses	
Water Department	77,110
Sewer Department	24,712
Trash Department	41,632
Rural Development	23,365
Total Operating Expenses	166,819
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Operating Income (Loss)	(13,548)
	<hr/>
Other Sources (Uses):	
Transfers In	9,486
Transfers Out	-
Total Other Sources (Uses)	9,486
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Total Operating Income and Other Sources (Uses)	(4,062)
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Fund Balance - Beginning	78,127
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Fund Balance - Ending	\$ 74,065
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Town of Milburn
Schedule of Grant Activity
Modified Cash Basis
For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	PASS- THROUGH GRANTOR'S PROJECT NUMBER	AWARD AMOUNT	RECEIVED CURRENT YR	EXPENDED AMOUNT	GRANT BALANCE	IN-KIND MATCH
<i>State Funds Passed Through Local Agencies</i>						
Southern Oklahoma Development Association	REAP 22-026	\$ 52,000	\$ 52,000	\$ 52,000	\$ -	\$ 20,000
Total State Funded		\$ 52,000	\$ 52,000	\$ 52,000	\$ -	\$ 20,000
Total Grant Activity		\$ 52,000	\$ 52,000	\$ 52,000	\$ -	\$ 20,000

NOTE: In-kind match performed by Johnston County

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