

City of Cedar Valley

Independent Accountant's Compilation Report and Report on Agreed Upon Procedures

Year Ended June 30, 2020



City of Cedar Valley, Oklahoma
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Independent Accountant's Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

City Council, City of Cedar Valley
Cedar Valley, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balance – Cash Basis (Exhibit A) as the City of Cedar Valley, Oklahoma and the related Budgetary Comparison Schedule of General Fund – Cash Basis (Exhibit B) for the year ended June 30, 2020 and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements and schedules.

These financial statements and schedules have been prepared on the basis of accounting prescribed by the Oklahoma Statutes, that demonstrate compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the City of Cedar Valley's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-.3 and are not intended to be a complete presentation of the City of Cedar Valley's assets, liabilities, revenues, expenses and changes in fund balances.

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 City of Cedar Valley in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2020. Management of the City of Cedar Valley is responsible for the City's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards applicable to attestation engagements as contained in *Government Auditing Standards* of the Comptroller of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **City of Cedar Valley** as of and for the fiscal year ended June 30, 2020:

1. **Procedures Performed:** From the City'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 noncompliance were noted.*

2. **Procedures Performed:** From the City's trial balances, we prepared a cash basis budget and actual financial schedule for the General Fund (see accompanying Exhibit B) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: *The City paid an insurance premium for the 2020/2021 budget year in the 2019/2020 fiscal year causing the current year expenditures to exceed the insurance budget line item. The City's total expenditures however did not exceed total appropriations in FY 2020.*

3. **Procedures Performed:** We agreed the City's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: *No instances of noncompliance were noted.*

4. **Procedures Performed:** We compared the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: *No instances of noncompliance were noted.*

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Finding: *No instances of noncompliance were noted.*

6. **Procedures Performed:** We compared the accounting for the City's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: *There were no legal or contractual requirements for separate funds. No instances of noncompliance were noted.*

7. **Procedures Performed:** We compared the City's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: *There were no contractual reserve requirements or debt service coverage requirements. 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 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 these specified parties.



HBC CPAs & Advisors
Oklahoma City, Oklahoma
December 28, 2020

City of Cedar Valley
Summary of Changes in Fund Balances - Cash Basis
Year Ended June 30, 2020

Fund Balance, beginning of year	\$	54,744
Revenues:		
Sales Tax		8,328
Use Tax		8,172
FEMA Grant		4,813
Cedar Valley RV Park		4,646
Alcohol Tax		4,567
OEM Grant		3,592
Motor Vehicle Tax		2,265
Donations		1,150
GEX/Gas Excise		574
MM Interest		221
Cigar Tax		81
	Total Revenues:	38,409
Expenditures:		
Road Maintenance		19,989
FEMA Grant (storm shelters)		4,813
Emergency Siren Maintenance		4,073
Insurance and Bonds		3,644
Weed, Grass and Tree Control		1,350
Printing & Misc		467
Memberships		280
Contract Services		250
Office Supplies		321
Professional Fees (Legal, Bank Charges, etc)		155
	Total Expenditures:	35,342
	Revenues over (under) expenditures:	3,067
	Fund Balance, end of year:	\$ 57,811

City of Cedar Valley
Budgetary Comparison Schedule - Cash Basis
General Fund
Year Ended June 30, 2020

	Budgeted Amount	Actual	Variance Positive (Negative)
Beginning budgetary fund balance:	\$ 54,744	\$ 54,744	\$ -
Resources (Inflows):			
Revenues:			
Sales Tax	8,000	8,328	328
Use Tax	9,000	8,172	(828)
FEMA Grant	4,813	4,813	-
Cedar Valley RV Park	3,500	4,646	1,146
Alcohol Tax	4,500	4,567	67
OEM Grant	3,592	3,592	-
Motor Vehicle Tax	2,300	2,265	(35)
Donations	-	1,150	1,150
GEX/Gas Excise	600	574	(26)
MM Interest	-	221	221
Cigar Tax	90	81	(9)
Total Inflows:	<u>36,395</u>	<u>38,409</u>	<u>2,014</u>
Charges to Appropriations (Outflows)			
Road Maintenance	19,992	19,989	3
FEMA Grant (storm shelters)	4,813	4,813	-
Emergency Siren Maintenance	4,500	4,073	427
Insurance and Bonds	2,000	3,644	(1,644)
Weed, Grass and Tree Control	1,350	1,350	-
Printing & Misc	750	467	283
Office Supplies	500	321	179
Memberships	300	280	20
Contract Services	400	250	150
Professional Fees	900	155	745
Travel and Mileage	500	-	500
Training	250	-	250
Total Outflows:	<u>36,255</u>	<u>35,342</u>	<u>913</u>
Ending Budgetary fund balance:	<u>\$ 54,884</u>	<u>\$ 57,811</u>	<u>\$ 2,927</u>