

**INDEPENDENT ACCOUNTANT'S
AGREED UPON PROCEDURES REPORT**

TOWN OF TATUMS, OKLAHOMA

JULY 1, 2020 TO JUNE 30, 2021

BY





Independent Accountant's Agreed Upon Procedures Report

To the Specified Users of the Report:

Town Council, Town of Tatums
Tatums, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balances – Cash Basis, of the Town of Tatums as of and for the year ended June 30, 2021, and the related Budgetary Comparison Schedule – Cash Basis – General Fund, Budgetary Comparison Schedule – Cash Basis – Street and Alley Fund for the fiscal year ended June 30, 2021, and for determining that the cash basis of accounting is an acceptable financial reporting framework. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17 (105-107) and §60-180.1-3. 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements themselves.

The financial statements are prepared in accordance with the cash basis of accounting, which is a 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 prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balance, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, 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 Oklahoma Statutes §11-17 (105-107) and §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2021.

Management of the Town of Tatums is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agree-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. 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 Finding

As to the **Town of Tatums** as of and for the fiscal year ended June 30, 2021:

- 1. Procedures Performed:** From the Town's trial balances, we prepared a summary of changes in fund balances for each major fund 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 compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the General Fund for the year ended June 30, 2021. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

- 3. Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the Street & Alley Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

Findings: The Town had not prepared a budget for the Street & Alley Fund for the year ended June 30, 2021. Therefore, they were noncompliant with budget laws of the State of Oklahoma.

- 4. Procedures Performed:** We agreed the Town'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: We found no instances of any significant or unusual reconciling items.

- 5. 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: We found no uninsured or uncollateralized deposits.

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

Findings: We found no instances of noncompliance.

- 7. 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: For three out of the twelve months, the Motor Vehicle Taxes were deposited into the General Fund. The inflow from Motor Vehicles Taxes should be deposited into the Street & Alley Fund. Additionally, for two out of the twelve months, the Alcohol Beverage Taxes were deposited into the Street & Alley Fund. The inflow from Alcohol Beverages Taxes should be deposited into the General Fund. Therefore, they were noncompliant with legal and contractual requirements.

- 8. 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 report any noted instances of noncompliance.

Findings: This procedure was not performed. We are not aware of any debt service coverage or reserve account requirements of the Town as of June 30, 2021.

- 9. Procedures Performed:** From the Town's and the Street & Alley's trial balances, we compiled the Annual Survey of City & Town Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: We found one instance of noncompliance. The SA&I Form 2643 was due to the Oklahoma State Auditor on December 31, 2021. The form is being filed late and will put the gasoline tax at risk.

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.

Furrh & Associates, PC

FURRH & ASSOCIATES, PC

Lawton, Oklahoma

September 16, 2022

Town of Tatums
Tatums, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
Fiscal Year Ended June 30, 2021
(Unaudited)

	<u>Balance as of 07/01/2020</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>Balance as of 06/30/2021</u>
General Fund	\$ 2,940	\$ 27,033	\$ (24,199)	\$ 5,774
Street & Alley Fund	<u>536</u>	<u>1,117</u>	<u>(971)</u>	<u>682</u>
Totals	<u>\$ 3,476</u>	<u>\$ 28,150</u>	<u>\$ (25,170)</u>	<u>\$ 6,456</u>

Please see accompanying Accountant's Report.

Town of Tatums
Tatums, Oklahoma
General Fund
Budgetary Comparison Schedule-Cash Basis
Fiscal Year Ended June 30, 2021
(Unaudited)

	Budgeted	Actual	Variance
	Amounts	Amounts	with Final
			Budget
Beginning Budgetary Fund Balance:	\$ 0	\$ 2,940	\$ (2,940)
Resources (Inflows):			
Sales Tax	0	14,384	(14,384)
Rent	0	5,580	(5,580)
Franchise Tax	0	3,976	(3,976)
Sewer Income	0	1,644	(1,644)
Alcohol Beverage Tax	0	1,049	(1,049)
Motor Vehicle Tax	0	267	(267)
Cigarette Tax	0	133	(133)
Total Inflows	<u>0</u>	<u>27,033</u>	<u>(27,033)</u>
Amounts Available for Appropriation	<u>0</u>	<u>29,973</u>	<u>(29,973)</u>
Charges to Appropriations (Outflows):			
Maintenance, Operations & Repairs	0	21,924	(21,924)
Personnel Expense	0	2,275	(2,275)
Total Outflows	<u>0</u>	<u>24,199</u>	<u>(24,199)</u>
Ending Budgetary Fund Balance:	<u>\$ 0</u>	<u>\$ 5,774</u>	<u>\$ (5,774)</u>

Please see accompanying Accountant's Report.

Town of Tatums
Tatums, Oklahoma
Street and Alley Fund
Budgetary Comparison Schedule-Cash Basis
Fiscal Year Ended June 30, 2021

	(Unaudited)		
	Budgeted Amounts	Actual Amounts	Variance with Final Budget
Beginning Budgetary Fund Balance:	\$ 0	\$ 536	\$ (536)
Resources (Inflows):			
Motor Vehicle Tax	0	803	(803)
Alcohol Beverage Tax	0	163	(163)
Gasoline Excise Tax	0	151	(151)
Total Inflows	0	1,117	(1,117)
Amounts Available for Appropriation	0	1,653	(1,653)
Charges to Appropriations (Outflows):			
Maintenance, Operations & Repairs	0	971	(971)
Total Outflows	0	971	(971)
Ending Budgetary Fund Balance:	\$ 0	\$ 682	\$ (682)

Please see accompanying Accountant's Report.