

TOWN OF ARAPAHO
AGREED UPON PROCEDURES
JUNE 30, 2022



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Arapaho
Arapaho, Oklahoma

Trustees of the Arapaho Public Works Authority
Arapaho, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below 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, 2022. Management of the Town of Arapaho and the Arapaho Public Works Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Arapaho and the Arapaho Public Works Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. 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 Arapaho as of and for the fiscal year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II, III and IV. See Schedule IV, finding not in compliance with budget although, fund balance was not exceeded. Restricted funds under Town control should be budgeted.

- III. **Procedures Performed:** Agree 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: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

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

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare 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 instances of noncompliance noted.

- VII. **Procedures Performed:** Compare 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: No such compliance requirements were identified that were applicable to the Town. No instances of noncompliance noted.

- VIII. **Procedures Performed:** For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances. Compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: See Exhibit VIII. No instances of noncompliance noted.

As to the Arapaho Public Works Authority, as of and for the year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit VI. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority'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 unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare 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 noted.

- VI. **Procedures Performed:** Compare 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 report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. **Procedures Performed:** Prepare a Balance Sheet for the Authority

Findings: See Exhibit V. No instance of noncompliance noted

- VIII. **Procedures Performed:** Prepare of Schedule of Debt for the Authority

Findings: See Exhibit VII. No instance of noncompliance noted

We were engaged by The Town of Arapaho and the Arapaho Public Works Authority to perform this agree-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in 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, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. 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 of Arapaho and the Arapaho Public Works Authority and to meet our 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.



rsmeacham
CPA+ADVISORS

Clinton, Oklahoma
November 15, 2022

rsmeacham
CPA+ADVISORS

TOWN OF ARAPAHO, OKLAHOMA
SUMMARY OF CHANGES IN UNRESTRICTED FUND BALANCES (MODIFIED CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Beginning of Year Fund Balances</u> | <u>Current Year Change</u> | <u>End of Year Fund Balances</u> |
|---|--|------------------------------------|--|
| TOWN: | | | |
| General Fund | \$ 543,852 | \$ (97,284) | \$ 446,568 |
| Street & Alley Fund | 66,040 | 18,802 | 84,842 |
| REAP | - | - | - |
| Arapaho Fire Department | 14,390 | (2,835) | 11,555 |
| Library Reading Room | 951 | (200) | 751 |
| CITY TOTAL | <u>625,233</u> | <u>(81,517)</u> | <u>543,716</u> |
| ARAPAHO PUBLIC WORKS AUTHORITY : | | | |
| APWA (unrestricted) | 383,174 | 86,789 | 469,963 |
| Water Fund | 36,430 | 1,101 | 37,531 |
| APWA TOTAL | <u>\$ 419,604</u> | <u>\$ 87,890</u> | <u>\$ 507,494</u> |

See accountant's report.

TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|----------------|----------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive (Negative) |
| Beginning Budgetary Fund Balance: | \$ 583,409 | \$ 583,409 | \$ 543,852 | \$ (39,557) |
| Resources (Inflows): | | | | |
| Taxes: | | | | |
| Sales tax | 93,770 | 93,770 | 88,633 | (5,137) |
| Use tax | 31,946 | 31,946 | 34,246 | 2,300 |
| Tobacco tax | 735 | 735 | 699 | (36) |
| Total Taxes | 126,451 | 126,451 | 123,578 | (2,873) |
| Intergovernmental: | | | | |
| Alcoholic beverage tax | 7,969 | 7,969 | 7,862 | (107) |
| Franchise tax | 15,141 | 15,141 | 15,707 | 566 |
| Total Intergovernmental | 23,110 | 23,110 | 23,569 | 459 |
| Permits, Fines and Forfeitures | 15,000 | 15,000 | 12,826 | (2,174) |
| Tech fees | 3,200 | 3,200 | 806 | (2,394) |
| Investment Income | 1,000 | 1,000 | 1,188 | 188 |
| Fire Grants | | | 5,000 | 5,000 |
| Miscellaneous Income | 3,127 | 43,127 | 23,625 | (19,502) |
| Royalties | 200 | 200 | 30 | (170) |
| ARPA | - | 70,124 | 70,124 | - |
| Total current year resources | 172,088 | 282,212 | 260,746 | (21,466) |
| Amounts available for appropriation | \$ 755,497 | \$ 865,621 | \$ 804,598 | \$ (61,023) |
| Charges to Appropriations (Outflows): | | | | |
| General government: | | | | |
| Personal services | 75,000 | 75,000 | 60,830 | 14,170 |
| Materials and supplies | 5,500 | 20,500 | 14,710 | 5,790 |
| Other services and charges | 45,000 | 70,000 | 34,743 | 35,257 |
| Capital outlay | 2,500 | 2,500 | 25,072 | (22,572) |
| Total General Government | 128,000 | 168,000 | 135,355 | 32,645 |
| Administration: | | | | |
| Personal services | 2,400 | 2,400 | 2,013 | 387 |
| Total Administration | 2,400 | 2,400 | 2,013 | 387 |
| Legislative/Judicial: | | | | |
| Personal services | 3,500 | 3,500 | 1,100 | 2,400 |
| Total Legislative/Judicial | 3,500 | 3,500 | 1,100 | 2,400 |
| Public Works-Street Dept: | | | | |
| Other services and charges | 2,000 | 2,000 | - | 2,000 |
| Total Public Works-Street Dept | 2,000 | 2,000 | - | 2,000 |
| Police: | | | | |
| Personal services | 54,100 | 54,100 | 51,106 | 2,994 |
| Materials and supplies | 8,000 | 9,000 | 8,703 | 297 |
| Other services and charges | 10,000 | 10,000 | 9,926 | 74 |
| Capital outlay | 5,000 | 5,000 | 6,735 | (1,735) |
| Total Police | 77,100 | 78,100 | 76,470 | 1,630 |
| Fire: | | | | |
| Personal services | 1,200 | 1,200 | 60 | 1,140 |
| Materials and supplies | 6,000 | 8,500 | 8,889 | (389) |
| Other services and charges | 7,200 | 13,200 | 16,760 | (3,560) |
| Capital outlay | 18,000 | 18,000 | 13,580 | 4,420 |
| Total Fire | 32,400 | 40,900 | 39,289 | 1,611 |
| Civil Emergency Management: | | | | |
| Personal services | 11,065 | 11,065 | - | 11,065 |
| Materials and supplies | 7,250 | 7,250 | 7,013 | 237 |
| Other services and charges | 5,250 | 5,250 | 3,060 | 2,190 |
| Capital outlay | 47,500 | 47,500 | 2,780 | 44,720 |
| Total Civil Emergency Management | 71,065 | 71,065 | 12,853 | 58,212 |
| Animal Control: | | | | |
| Materials and supplies | 1,700 | 1,700 | 131 | 1,569 |
| Other services and charges | 300 | 300 | - | 300 |
| Total Animal Control | 2,000 | 2,000 | 131 | 1,869 |
| Park: | | | | |
| Materials and supplies | 500 | 500 | - | 500 |
| Other services and charges | 500 | 500 | - | 500 |
| Total Park | 1,000 | 1,000 | - | 1,000 |
| Library: | | | | |
| Materials and supplies | - | 248 | 248 | - |
| Other services and charges | - | - | - | - |
| Total Library | - | 248 | 248 | - |
| Transfers to Other Funds | 20,000 | 90,124 | 90,571 | (447) |
| Transfers from Other Funds | - | - | - | - |
| Total Charges to Appropriations | 339,465 | 459,337 | 358,030 | 101,754 |
| Change In Fund Balance | (167,377) | (177,125) | (97,284) | 80,288 |
| Ending Budgetary Fund Balance | 416,032 | 406,284 | 446,568 | 40,731 |

ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
OTHER ACCRUALS

UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS) 446,568

TOWN OF ARAPAHO, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 STREET AND ALLEY FUND
 FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|------------------|------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive (Negative) |
| Beginning Budgetary Fund Balance: | \$ 66,040 | \$ 66,040 | \$ 66,040 | \$ - |
| Resources (Inflows): | | | | |
| Taxes: | | | | |
| Motor Vehicle tax | 4,990 | 4,990 | 5,547 | 557 |
| Gas Excise tax | 1,208 | 1,208 | 1,234 | 26 |
| Total Taxes | <u>6,198</u> | <u>6,198</u> | <u>6,781</u> | <u>583</u> |
| Investment Income | 30 | 30 | 127 | 97 |
| Transfers from other funds | 20,000 | 20,000 | 20,000 | - |
| Total current year resources | <u>26,228</u> | <u>26,228</u> | <u>26,908</u> | <u>680</u> |
| Amounts available for appropriation | <u>\$ 92,268</u> | <u>\$ 92,268</u> | <u>\$ 92,948</u> | <u>\$ 680</u> |
| Charges to Appropriations (Outflows): | | | | |
| General government: | | | | |
| Materials and supplies | 10,000 | 10,000 | 8,106 | 1,894 |
| Capital Outlay | 10,000 | 10,000 | - | 10,000 |
| Total General Government | <u>20,000</u> | <u>20,000</u> | <u>8,106</u> | <u>11,894</u> |
| Change in Fund Balance | 6,228 | 6,228 | 18,802 | (12,574) |
| Ending Budgetary Fund Balance | <u>72,268</u> | <u>72,268</u> | <u>84,842</u> | <u>(12,574)</u> |
| UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS) | | | <u>84,842</u> | |

TOWN OF ARAPAHO, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 FIRE DEPARTMENT
 FOR THE YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|------------------|------------------|---------------------|
| | Original | Final | Amounts | Final Budget |
| | | | | Positive (Negative) |
| Beginning Budgetary Fund Balance: | \$ - | \$ 14,390 | \$ 14,390 | \$ - |
| Resources (Inflows): | | | | |
| Donations | - | | 383 | 383 |
| Grants-Other | - | | 4,763 | 4,763 |
| Total current year resources | - | - | 5,146 | 5,146 |
| Amounts available for appropriation | <u>\$ -</u> | <u>\$ 14,390</u> | <u>\$ 19,536</u> | <u>\$ 5,146</u> |
| Charges to Appropriations (Outflows): | | | | |
| Materials and supplies | - | - | 748 | (748) |
| Other services and charges | - | - | 7,233 | (7,233) |
| Total General Government | - | - | 7,981 | (7,981) |
| Other Financing Uses: | | | | |
| Transfers to other funds | - | - | - | - |
| Total Charges to Appropriations | - | - | 7,981 | (7,981) |
| Change in Fund Balance | - | - | (2,835) | (2,835) |
| Ending Budgetary Fund Balance | <u>-</u> | <u>14,390</u> | <u>11,555</u> | <u>(2,835)</u> |
| UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS) | | | <u>11,555</u> | |

ARAPAHO PUBLIC WORKS AUTHORITY, ARAPAHO, OKLAHOMA
BALANCE SHEET-MODIFIED CASH BASIS
JUNE 30, 2022

| | <u>2022</u> |
|--|-------------------------|
| ASSETS | |
| Current assets: | |
| Cash, including time deposits | \$ 871,992 |
| Due from General Fund | <u>60,215</u> |
| Total current assets | <u>932,207</u> |
| Restricted assets: | |
| Cash, including time deposits | <u>99,561</u> |
| Total restricted assets | <u>99,561</u> |
| Non-current assets: | |
| Land | 30,910 |
| Capital assets (net of Accumulated Depreciation) | <u>583,074</u> |
| Total non-current assets | <u>613,984</u> |
| Total assets | <u>1,645,752</u> |
| LIABILITIES | |
| Liabilities, payable from restricted assets: | |
| Due to Water Fund | 290 |
| Accrued liabilities payable | 2,909 |
| Meter deposits payable | 36,430 |
| Interest payable | 137 |
| Notes payable, current | <u>24,678</u> |
| Total liabilities payable from restricted assets | <u>64,444</u> |
| Noncurrent liabilities: | |
| Notes payable, non-current | <u>372,410</u> |
| Total non-current liabilities | <u>372,410</u> |
| Total liabilities | <u>436,854</u> |
| FUND BALANCE | |
| Restricted for: | |
| Debt service CDs | 13,800 |
| Debt service-USDA | 49,331 |
| Meter | 36,430 |
| Grant | 639,374 |
| Unrestricted: | <u>469,963</u> |
| Total Liabilities and Fund Balance | <u>1,645,752</u> |

ARAPAHO PUBLIC WORKS AUTHORITY ARAPAHO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|--|------------------------------|
| Operating Revenues: | |
| Charges for services: | 2022 |
| Water | 426,523 |
| Sewer | 109,462 |
| Sanitation | 97,150 |
| Other | 14,129 |
| Total Operating Revenues | <u>647,264</u> |
| Operating Expenses: | |
| Administration | 41,864 |
| Water | 357,207 |
| Sewer | 75,229 |
| Sanitation | 65,702 |
| Depreciation | 88,776 |
| Interest | 14,054 |
| Total Operating Expenses | <u>642,832</u> |
| Operating Income | 4,432 |
| Non-Operating Revenues: | |
| Lease Income | 12,222 |
| Interest | 1,586 |
| Total Non-Operating Revenues | <u>13,808</u> |
| Net Income Before Contributions and Transfers | 18,240 |
| Capital contributions | - |
| Transfers in-ARPA | 70,124 |
| Transfers out-water fund | <u>(475)</u> |
| Change in fund balance | 87,889 |
| Fund Balance - beginning | <u>383,174</u> |
| Fund Balance - ending | <u><u>471,063</u></u> |
| ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES | |
| Restricted for Debt Service | - |
| Other adjustments | <u>(1,100)</u> |
| UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS) | <u><u>469,963</u></u> |

Town of Arapaho

Exhibit VII

Schedule of Debt For the Fiscal Year Ended June 30, 2022

LONG-TERM DEBT

The following is a summary of enterprise fund long-term debt for the year ended June 30, 2022:

NOTES PAYABLE

| | |
|--|--------|
| Loan payable to Oklahoma Bank & Trust Company, Clinton, Oklahoma. Original loan was issued April 15, 2021, for \$75,014. The loan carries an interest rate of 3.25% payable in monthly payments of \$1,357.99. Loan matures in April 2026. | 58,540 |
|--|--------|

| | |
|---|---------|
| Loan payable to the United States Department of Agriculture Rural Development originated in October 2000 for \$495,000. Loan carries an interest rate of 4.75% with a 40 year term, maturing October 2040. Loan proceeds were used for a major sewer lagoon renovation. | 338,548 |
|---|---------|

\$397,088

Exhibit VIII

**TOWN OF ARAPAHO, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Grant revenue Grant received from: | Funding period | Project description | Award | Amount received | Amount expended | Receipts less expenditures |
|---------------------------------------|----------------|----------------------|------------------|--------------------|--------------------|-------------------------------|
| Dept of Forestry | 2019-2020 | Fire Grant | 4,826 | 4,826 | 4,826 | - |
| ARPA | FY22-23 | American Rescue Plan | 70,124 | 70,124 | - | 70,124 |
| Marathon Communications | FY22 | | 5,000 | 5,000 | - | 5,000 |
| | | Total | \$ 79,950 | \$ 79,950 | \$ 4,826 | \$ 75,124 |

See accountant's report.