

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

**TOWN OF HEADRICK, OKLAHOMA**

**JULY 1, 2021 TO JUNE 30, 2022**

BY





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**Independent Accountant's Report on Applying Agreed Upon Procedures**

Town Council, Town of Headrick  
Headrick, Oklahoma

Board of Trustees, Headrick Utility Trust Authority  
Headrick, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Headrick, Oklahoma as of June 30, 2022, and the related Budgetary Comparison Schedule of the General Fund-Cash Basis and the Utility Trust Authority Fund-Cash Basis, for the fiscal year ended June 30, 2022, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting information in the form of financial statements prescribed by Oklahoma Statutes that is the representation of the management. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

Management is responsible for the preparation and fair presentation of the accompanying statements in accordance with their comprehensive basis of accounting. Management is also responsible for the designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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, equity, 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 Utility Trust 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, 2022.

Management of the Town of Headrick is responsible for the Town'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. 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 Headrick** as of and for the fiscal year ended June 30, 2022:

- 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:** We found no instances of noncompliance.

- 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 was over budget in the Maintenance, Operations, and Repairs category.

- 3. 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.

**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:** This procedure was not performed. The Town's bank account balances did not exceed the FDIC limit of \$250,000.

**5. 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.

**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:** We found no instances of noncompliance.

**7. 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. The Town did not have any debt service requirements in the fiscal year ending June 30, 2022.

As to the **Headrick Utility Trust Authority**, as of and for the fiscal year ended June 30, 2022:

**1. Procedures Performed:** From the Authority's trial balance, 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:** We found no instances of non-compliance.

**2. Procedures Performed:** From the Authority's trial balances, we prepared a budget and actual financial schedule for the Public Works Authority and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriation limitations.

**Findings:** We found no instances of non-compliance.

**3. Procedures Performed:** We agreed 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:** We found no instances of non-compliance.

**4. 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:** This procedure was not performed. The Authority's bank account balances did not exceed the FDIC limit of \$250,000.

**5. 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 non-compliance.

**6. 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:** We found no instances of non-compliance.

**7. Procedures Performed:** We compared 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:** This procedure was not performed. The Authority did not have any debt service requirements in the fiscal year ending June 30, 2022.

As to the **Town of Headrick and Headrick Utility Trust Authority**, as of and for the fiscal year ended June 30, 2022:

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

**Findings:** We found no instances of non-compliance.

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 and 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

November 12, 2022

**Town of Headrick**  
**Headrick, Oklahoma**  
**Summary of Changes in Fund Balance-Cash Basis**  
**For the Fiscal year Ended June 30, 2022**  
**(Unaudited)**

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Transfers</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 4,911	\$ 4,093	\$ 0	\$ (7,462)	\$ 1,542
Public Works Authority	12,338	45,532	0	(42,262)	15,608
Fire Department General Fund	24,344	6,207	0	(7,347)	23,204
Fire Department Operating Grant	0	4,763	0	(4,763)	0
Community Center Insurance Reimb.	158	0	0	0	158
Rainy Day Fund (CD)	<u>8,455</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,455</u>
<b>Overall Totals</b>	<u>\$ 50,206</u>	<u>\$ 60,595</u>	<u>\$ 0</u>	<u>\$ (61,834)</u>	<u>\$ 48,967</u>

Please see accompanying Accountant's Report.

**Town of Headrick**  
**Headrick, Oklahoma**  
**Budgetary Comparison Schedule-Cash Basis**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 4,911	\$ 4,911	\$ 0
<b>Resources (Inflows):</b>			
Other Revenue	455	843	388
Franchise Tax Income	1,263	1,514	251
Alcoholic Beverages Tax	820	892	72
Motor Vehicle Tax	580	707	127
Gasoline Tax	135	137	2
Total Inflows	<u>3,253</u>	<u>4,093</u>	<u>840</u>
<b>Amounts Available for Appropriation</b>	<u>8,164</u>	<u>9,004</u>	<u>840</u>
<b>Charges to Appropriations (Outflows):</b>			
<b>General Government:</b>			
Maintenance, Operations & Repairs	2,794	6,472	(3,678)
Personal Services	990	990	0
Total General Government	<u>3,784</u>	<u>7,462</u>	<u>(3,678)</u>
<b>Total Charges to Appropriations</b>	<u>3,784</u>	<u>7,462</u>	<u>(3,678)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 4,380</u>	<u>\$ 1,542</u>	<u>\$ (2,838)</u>

Please see accompanying Accountant's Report.

**Town of Headrick**  
**Headrick, Oklahoma**  
**Budgetary Comparison Schedule-Cash Basis**  
**Public Works Authority Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Beginning Budgetary Fund Balance:</b>	\$ 12,338	\$ 12,338	\$ 0
<b>Resources (Inflows):</b>			
Water and Sewer Receipts	33,000	33,424	424
Garbage Receipts	11,500	11,508	8
Meter Deposits	1,000	600	(400)
Other Revenue	0	0	0
Total Inflows	45,500	45,532	32
<b>Transfers from Other Funds:</b>			
Transfer from Rainy Day Fund-CD	0	0	0
<b>Amounts Available for Appropriation</b>	<b>57,838</b>	<b>57,870</b>	<b>32</b>
<b>Charges to Appropriations (Outflows):</b>			
Maintenance, Operations, Repairs	33,800	33,770	30
Personal Services	8,500	8,492	8
Total General Government	42,300	42,262	38
<b>Transfers to Other Funds:</b>			
Transfer to Rainy Day Fund-CD	0	0	0
Total Charges to Appropriations	42,300	42,262	38
<b>Ending Budgetary Fund Balance</b>	<b>\$ 15,538</b>	<b>\$ 15,608</b>	<b>\$ 70</b>

Please see accompanying Accountant's Report.



**Town of Headrick**  
**Headrick, Oklahoma**  
**Fire Department Grant**  
**Statement of Functional Expenses - Budget to Actual**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>			
Grant Income	\$ 4,763	\$ 4,763	\$ 0
Total Revenue	4,763	4,763	0
<b><u>Expenditures</u></b>			
Fire Department Supplies	4,763	4,763	0
Total Expenditures	4,763	4,763	0
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Please see accompanying Accountant's report.