

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

**TOWN OF ROCKY, OKLAHOMA and  
ROCKY PUBLIC WORKS AUTHORITY**

**AS OF AND FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2022**

BY





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

To the Specified Users of the Report:

Town Council, Town of Rocky  
Rocky, Oklahoma

Rocky Public Works Authority  
Rocky, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

### **Report on Compiled Financial Statements and Schedules**

Management is responsible for the accompanying financial statements and schedules of the Town of Rocky and the related Public Works Authority, Rocky, Oklahoma, which are comprised of the Summary of Changes in Fund Balances - Cash Basis as of June 30, 2022, the Budgetary Comparison Schedule for the General Fund - Cash Basis, the Budgetary Comparison Schedule for the ARPA Fund - Cash Basis, the Budgetary Comparison Schedule for the Fire Department Fund - Cash Basis, the Budgetary Comparison Schedule for the Fire Department Special Fund - Cash Basis, the Rocky Public Works Authority - Statement of Revenues, Expenses and Changes in Fund Balance - Cash Basis, and Schedule of Grant Activity - Cash Basis for the fiscal year then ended June 30, 2022 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, which 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 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 accompanying financial statements and schedules 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 assurance on these financial statements and schedules.

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 and schedules prepared in accordance with the modified 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 Town's and Authority's assets, liabilities, fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

### **Report on Applying Agreed-Upon Procedures**

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 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 Rocky is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

The Town of Rocky has agreed to and acknowledges that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating the selected financial information and compliance requirements of the Town of Rocky for the fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures 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 Finding**

As to the **Town of Rocky** as of and for the fiscal year ended June 30, 2022:

- 1. Procedures Performed:** From the Town's trial balances and other accounting records, we compiled a cash basis schedule of changes in fund balances for each 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 one instance of non-compliance as a result of applying the procedure. The ARPA Fund bank account was over drafted from April 14, 2022 to May 8, 2022.

**2. Procedures Performed:** From the Town's trial balances and other accounting records, we prepared a cash basis budget and actual financial schedule for the General Fund and any other major funds and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations. A major fund is any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances and exceeds 5% of the entity-wide total revenues, expenditures or fund balances.

**Findings:** Due to the absence of official budgets, the General Fund, ARPA Fund, Fire Department Fund and Fire Department Special Fund did not comply with appropriation limitations.

**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 on a timely basis.

**Findings:** We found no instances of significant or unusual reconciling items that did not clear on a timely basis as a result of applying the procedure.

**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 does not apply. The Town's bank account balances did not exceed the FDIC limit of \$250,000.

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

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

**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 as a result of applying the procedure.

**7. Procedures Performed:** We performed a search for Town debt agreements to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

**Findings:** This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Town during the fiscal year ending June 30, 2022.

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

**1. Procedures Performed:** From the Authority's trial balances and other accounting records, we prepared a schedule of revenues, expenses, and changes in fund balances - cash basis for the Authority and compared the schedule results to the applicable trust prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** We found one instance of noncompliance as a result of applying the procedure. The PWA bank account was overdrawn on March 2, 2022.

**2. 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 on a timely basis.

**Findings:** We found two significant instances of reconciling items that did not clear on a timely basis as a result of applying the procedure. The Authority had one outstanding check from October 2017 in the amount of \$2,828 and one outstanding deposit from November 2010 in the amount of \$1,804 that have not cleared by June 30, 2022.

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

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

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

**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:** We found no instances of noncompliance as a result of applying the procedure.

**6. Procedures Performed:** We performed a search for Authority debt agreements to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purposes of determining contract compliance.

**Findings:** This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Authority during the fiscal year ending June 30, 2022.

As to the **Town of Rocky and Rocky Public Works Authority Grant Programs**, as of and for the fiscal year ended June 30, 2022:

- 1. Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

**Findings:** We found no instances of noncompliance as a result of applying the procedure.

As to the **Town of Rocky and Rocky Public Works Authority**, as of and for the fiscal year ended June 30, 2022:

- 1. Procedures Performed:** From the Town and Authority's trial balances and other accounting records, 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 noncompliance as a result of applying the procedure.

We were engaged by the Town of Rocky to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants to meet the 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, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. 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 Rocky 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 these specified parties.

*Furrh & Associates, PC*

FURRH & ASSOCIATES, PC

November 8, 2022

**Town of Rocky, 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>Interfund Transfers</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
<b>Town:</b>					
General Fund	\$ 47,611	\$ 52,259	\$ (25,600)	\$ (56,627)	\$ 17,643
ARPA Fund	0	0	13,274	(15)	13,259
Fire Department Fund	8,758	12,761	0	(9,521)	11,998
Fire Department Special Fund	9,326	14,763	0	(7,328)	16,761
Street and Alley Fund	4,916	1,298	0	0	6,214
Capital Funds Improvement	872	1,046	0	(142)	1,776
Federal Revenue Fund	721	2,000	0	(2,000)	721
<b>Town Total</b>	72,204	84,127	(12,326)	(75,633)	68,372
<b>Authority:</b>					
Public Works Authority	7,378	94,342	12,326	(106,355)	7,691
Water Meter Fund	8,985	1,125	0	0	10,110
<b>Authority Total</b>	16,363	95,467	12,326	(106,355)	17,801
<b>Entity-wide Total</b>	<u>\$ 88,567</u>	<u>\$ 179,594</u>	<u>\$ 0</u>	<u>\$ (181,988)</u>	<u>\$ 86,173</u>

Please see accompanying Accountant's Report.

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 0	\$ 0	\$ 47,611	\$ 47,611
<b>Resources (Inflows):</b>				
Taxes	0	0	31,320	31,320
Grant Revenue	0	0	13,274	13,274
Franchise Fees	0	0	3,886	3,886
Rental Revenue	0	0	2,066	2,066
Miscellaneous Revenue	0	0	1,596	1,596
Investment Revenue	0	0	117	117
Transfers In	0	0	0	0
Total Inflows	<u>0</u>	<u>0</u>	<u>52,259</u>	<u>52,259</u>
<b>Amounts Available for Appropriation</b>	0	0	99,870	99,870
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal Services	0	0	12,238	12,238
Maintenance, Operations & Repairs	0	0	21,859	21,859
Capital Outlay	0	0	22,530	22,530
Transfers Out	0	0	25,600	25,600
<b>Total Charges to Appropriations</b>	<u>0</u>	<u>0</u>	<u>82,227</u>	<u>82,227</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,643</u>	<u>\$ 17,643</u>

Please see accompanying Accountant's Report.



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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>Resources (Inflows):</b>				
Grant Revenue	0	0	0	0
Transfers In	0	0	13,274	13,274
Total Inflows	0	0	13,274	13,274
<b>Amounts Available for Appropriation</b>	0	0	13,274	13,274
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Maintenance, Operations & Repairs	0	0	15	15
Transfers Out	0	0	0	0
Total Charges to Appropriations	0	0	15	15
<b>Ending Budgetary Fund Balance</b>	\$ 0	\$ 0	\$ 13,259	\$ 13,259

Please see accompanying Accountant's Report.

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 0	\$ 0	\$ 8,758	\$ 8,758
<b>Resources (Inflows):</b>				
Grant Revenue	0	0	5,300	5,300
Donations	0	0	4,860	4,860
Meter Fund Revenue	0	0	2,576	2,576
Investment Revenue	0	0	25	25
Transfers In	0	0	0	0
Total Inflows	<u>0</u>	<u>0</u>	<u>12,761</u>	<u>12,761</u>
<b>Amounts Available for Appropriation</b>	0	0	21,519	21,519
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Personal Services	0	0	600	600
Maintenance, Operations & Repairs	0	0	8,921	8,921
Transfers Out	0	0	0	0
<b>Total Charges to Appropriations</b>	<u>0</u>	<u>0</u>	<u>9,521</u>	<u>9,521</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,998</u>	<u>\$ 11,998</u>

Please see accompanying Accountant's Report.

**Town of Rocky, Oklahoma**  
**Budgetary Comparison Schedule-Cash Basis**  
**Fire Department Special Fund**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 0	\$ 0	\$ 9,326	\$ 9,326
<b>Resources (Inflows):</b>				
Donations	0	0	10,000	10,000
Grant Revenue	0	0	4,763	4,763
Transfers In	0	0	0	0
Total Inflows	<u>0</u>	<u>0</u>	<u>14,763</u>	<u>14,763</u>
<b>Amounts Available for Appropriation</b>	0	0	24,089	24,089
<b>Charges to Appropriations (Outflows):</b>				
<b>General Government:</b>				
Maintenance, Operations & Repairs	0	0	7,328	7,328
Transfers Out	0	0	0	0
<b>Total Charges to Appropriations</b>	<u>0</u>	<u>0</u>	<u>7,328</u>	<u>7,328</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,761</u>	<u>\$ 16,761</u>

Please see accompanying Accountant's Report.

**Town of Rocky, Oklahoma**  
**Statement of Revenue, Expenses and Changes in Fund Balance-Cash Basis**  
**Public Works Authority**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

	<b>Total Rocky Public Works Authority</b>
<b>Operating Revenues</b>	
Utilities Income	\$ 93,527
Water Meter Deposits received	1,125
Miscellaneous Operating Revenue	815
Total Operating Revenues	95,467
 <b>Operating Expenses</b>	
Personal Services	39,709
Maintenance and Operations	66,646
Capital Outlay	0
Total Operating Expenses	106,355
 Operating Income / (Loss)	(10,888)
 <b>Non-Operating Revenues / (Expenses)</b>	
Total Non-Operating Revenues / (Expenses)	0
 <b>Net Income / (Loss) before Transfers</b>	(10,888)
 <b>Transfers In / (Out)</b>	
Transfers In	12,326
Transfers Out	0
Total Transfers In / (Out)	12,326
 <b>Change in Fund Balance</b>	1,438
 <b>Fund Balance - beginning</b>	16,363
 <b>Fund Balance - ending</b>	\$ 17,801

Please see accompanying Accountant's Report.

**Town of Rocky, Oklahoma**  
**South Western Oklahoma Development Authority**  
**Rural Economic Action Plan (REAP)**  
**Revenue and Expenditures Compared with Budget**  
**(Unaudited)**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<b><u>Revenue</u></b>				
Grant	\$ 21,950	\$ 21,950	\$ 0	\$ 0
Cost Share	580	0	580	0
Total Revenue	22,530	21,950	580	0
<b><u>Expenditures</u></b>				
Purchase of Storm Siren	22,530	0	22,530	0
Total Expenditures	22,530	0	22,530	0
<b><u>Revenue Over (Under) Expenditures</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 21,950</u></b>	<b><u>\$ (21,950)</u></b>	<b><u>\$ 0</u></b>

Contract No.: 21-WT-21001  
Contract Period: 12/02/2020 - 12/02/2021

Please see accompanying Accountant's Report.