

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

TOWN OF HEADRICK, OKLAHOMA

JULY 1, 2022 TO JUNE 30, 2023

BY





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

To the specified users of the report:

Town Council, Town of Headrick
Headrick, Oklahoma

Trustees of the Headrick Utility Trust Authority
Headrick, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements and schedules of the Town of Headrick and the related Headrick Utility Trust Authority, Headrick, Oklahoma, which are comprised of the Summary of Changes in Fund Balances - Cash Basis as of and for the year ended June 30, 2023, and the related Budgetary Comparison Schedule for the General Fund - Cash Basis, Budgetary Comparison Schedule for the Fire Department General Fund - Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance for the Headrick Utility Trust Authority, Headrick, Oklahoma - Cash Basis, and the Schedule of Grant Activity - Cash Basis for the year ended June 30, 2023, and for determining that the cash basis of accounting is an acceptable financial reporting framework. The financial statements and schedules 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 accounting principles generally accepted in the United States of America.

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 American Institute of Certified Public Accountants (AICPA). We did not audit or review the accompanying 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 and schedules.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with 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 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.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3 and are not intended to be a complete presentation of the Town of Headrick's and Headrick Utility Trust Authority's assets, liabilities, revenues, expenses, and changes in fund balances.

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 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, 2023. Management of the Town of Headrick is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

The Town of Headrick 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 Headrick for the fiscal year ended June 30, 2023. 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.

We were engaged by the Town of Headrick 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.

Procedures and Finding

As to the **Town of Headrick** as of and for the fiscal year ended June 30, 2023:

- 1. Procedures Performed:** From the Town's monthly ledgers 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 no instances of noncompliance as a result of applying the procedure.

- 2. Procedures Performed:** From the Town's monthly ledgers 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: We found the following instances of noncompliance as a result of applying the procedure:

- The General Fund was over budget in one outflow category: Operations & Maintenance.
- The Fire Department General Fund was under budget in one inflow category: Miscellaneous Revenue, and over budget in one outflow category: Operations & Maintenance.

- 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, 2023.

As to the **Headrick Utility Trust Authority**, as of and for the fiscal year ended June 30, 2023:

- 1. Procedures Performed:** From the Authority's monthly ledgers 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 no instances of noncompliance as a result of applying the procedure.

- 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 no instances of significant or unusual reconciling items that did not clear on a timely basis as a result of applying the procedure.

- 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, 2023.

As to the **Town of Headrick and Headrick Utility Trust Authority Grant Programs**, as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town and Authority's monthly ledgers and other accounting records, 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 Headrick and Headrick Utility Trust Authority**, as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town and Authority's monthly ledgers 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 are required to be independent of the Town of Headrick 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
FURRH & ASSOCIATES, PC
December 5, 2023

Town of Headrick, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
For the Fiscal Year Ended June 30, 2023
(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>
Town:					
General Fund	\$ 1,542	\$ 5,117	\$ 0	\$ (5,310)	\$ 1,349
Fire Department General Fund	23,204	5,610	0	(6,794)	22,020
ARPA Fund	7,685	7,758	(950)	0	14,493
Rainy Day Fund (CD)	8,455	441	0	0	8,896
Fire Department Operating Grant Fund	0	10,053	0	(6,280)	3,773
Community Center Insurance Reimb. Fund	158	0	0	(150)	8
REAP Manholes Fund	<u>0</u>	<u>30,256</u>	<u>0</u>	<u>(30,255)</u>	<u>1</u>
Town Total	41,044	59,235	(950)	(48,789)	50,540
Authority:					
Utility Trust Authority	<u>15,608</u>	<u>44,337</u>	<u>950</u>	<u>(43,154)</u>	<u>17,741</u>
Authority Total	15,608	44,337	950	(43,154)	17,741
Entity-wide Total	<u>\$ 56,652</u>	<u>\$ 103,572</u>	<u>\$ 0</u>	<u>\$ (91,943)</u>	<u>\$ 68,281</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)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 1,542	\$ 1,542	\$ 1,542	\$ 0
Resources (Inflows):				
Franchise Tax Income	1,363	1,363	1,814	451
Alcohol Beverage Tax	803	803	879	76
Miscellaneous Revenue	759	759	1,641	882
Motor Vehicle Tax	636	636	654	18
Gasoline Tax	123	123	129	6
Transfers In	0	0	0	0
Total Inflows	3,684	3,684	5,117	1,433
Amounts Available for Appropriation	5,226	5,226	6,659	1,433
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	1,089	1,089	1,089	0
Operations & Maintenance	2,595	2,595	4,221	1,626
Capital Outlay	0	0	0	0
Transfers Out	0	0	0	0
Total Charges to Appropriations	3,684	3,684	5,310	1,626
Ending Budgetary Fund Balance	\$ 1,542	\$ 1,542	\$ 1,349	\$ (193)

Please see accompanying Accountant's Report.

Town of Headrick, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Fire Department General Fund
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 23,204	\$ 23,204	\$ 23,204	\$ 0
Resources (Inflows):				
Fire Fees + Dues	4,839	4,839	4,875	36
Donations	630	630	635	5
Miscellaneous Revenue	117	117	100	(17)
Transfers In	0	0	0	0
Total Inflows	5,586	5,586	5,610	24
Amounts Available for Appropriation	28,790	28,790	28,814	24
Charges to Appropriations (Outflows):				
General Government:				
Personal Services	0	0	0	0
Operations & Maintenance	5,586	5,586	6,794	1,208
Transfers Out	0	0	0	0
Total Charges to Appropriations	5,586	5,586	6,794	1,208
Ending Budgetary Fund Balance	\$ 23,204	\$ 23,204	\$ 22,020	\$ (1,184)

Please see accompanying Accountant's Report.

Town of Headrick, Oklahoma
Statement of Revenue, Expenses and Changes in Fund Balance-Cash Basis
Headrick Utility Trust Authority
For the Fiscal Year Ended June 30, 2023
(Unaudited)

	Utility Trust Authority
Operating Revenues	
Water and Sewer Revenue	\$ 32,091
Garbage Revenue	11,246
Water Meter Deposits received	1,000
Total Operating Revenues	<u>44,337</u>
Operating Expenses	
Personal Services	9,837
Operations & Maintenance	33,317
Capital Outlay	0
Total Operating Expenses	<u>43,154</u>
Operating Income / (Loss)	1,183
Non-Operating Revenues / (Expenses)	
Total Non-Operating Revenues / (Expenses)	<u>0</u>
Net Income / (Loss) before Transfers	1,183
Transfers In / (Out)	
Transfers In	950
Transfers Out	0
Total Transfers In / (Out)	<u>950</u>
Change in Fund Balance	2,133
Fund Balance - beginning	<u>15,608</u>
Fund Balance - ending	<u><u>\$ 17,741</u></u>

Please see accompanying Accountant's Report.

Town of Headrick, Oklahoma
South Western Oklahoma Development Authority
Rural Economic Action Plan (REAP)
Revenue and Expenditures Compared with Budget
(Unaudited)
Year Ended June 30, 2023

	<u>Budget</u>	<u>Current Year</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>			
Grant	\$ 30,256	\$ 30,256	\$ 0
Cost Share	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	30,256	30,256	0
<u>Expenditures</u>			
Sewer Manhole Repairs	<u>30,256</u>	<u>30,255</u>	<u>1</u>
Total Expenditures	<u>30,256</u>	<u>30,255</u>	<u>1</u>
<u>Revenue Over (Under) Expenditures</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ (1)</u>

Contract No.: 22-JK-22001
Contract Period: 01/01/2022 - 01/01/2023

Please see accompanying Accountant's Report.