

Town of Lake Aluma

Independent Accountant's Compilation Report and Report on Agreed Upon Procedures

Year Ended June 30, 2023



Town of Lake Aluma, Oklahoma
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Independent Accountant's Compilation Report and Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Lake Aluma
Lake Aluma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balance – Cash Basis (Exhibit A) as the Town of Lake Aluma, Oklahoma, and the related Budgetary Comparison Schedule of General Fund – Cash Basis (Exhibit B) for the year ended June 30, 2023 and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements and schedules.

These financial statements and schedules have been prepared on the basis of accounting prescribed by the Oklahoma Statutes, that demonstrate 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared on 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 of Lake Aluma's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements 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 Title 11 – 17(105-107) and Title 60 – 180.1-.3 and are not intended to be a complete presentation of the Town of Lake Aluma's assets, liabilities, revenues, expenses and changes in fund balances.

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 of Lake Aluma in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Management of the Town of Lake Aluma 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 and the fieldwork and reporting standards applicable to attestation engagements as contained in *Government Auditing Standards* of the Comptroller of the United States of America. 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. We are required to be independent of the responsible party and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.

Procedures and Findings

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

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) 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 noncompliance were noted.*

2. **Procedures Performed:** From the City's trial balances, we prepared a cash basis budget and actual financial schedule for the General Fund (see accompanying Exhibit B) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: *The City's total expenditures in the General Fund exceeded authorized appropriations by \$12,943. Liability insurance, dues, and REAP grant expenses contributed most significantly to this overage, with specific amounts exceeding budget noted for each category (see Exhibit B). However, the City maintained adequate beginning reserves to cover these spending variances.*

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: *No instances of noncompliance were noted.*

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: *No instances of noncompliance were noted.*

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

Finding: *No instances of noncompliance were noted.*

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: *There were no legal or contractual requirements for separate funds. No instances of noncompliance were noted.*

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: *There were no contractual reserve requirements or debt service coverage requirements. No instances of noncompliance were noted.*

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.

A handwritten signature in black ink that reads "HBC CPAs & Advisors". The signature is stylized and cursive.

HBC CPAs & Advisors
Oklahoma City, Oklahoma
December 18, 2023

Town of Lake Aluma
Summary of Changes in Fund Balances - Cash Basis
Year Ended June 30, 2023

Fund Balance, beginning of year	\$ 60,804
Revenues:	
Sales Tax	20,855
Franchise Tax	2,347
Oklahoma County Mic Tax	1,648
City of Oklahoma City Revenue	438
Cigarette Tax	142
Gasoline Tax	62
Interest	52
Dog Licenses	300
REAP Grant Revenue	145,491
ARPA Funds Revenue	5,717
Miscellaneous Income	57
Total Revenues:	<u>177,109</u>
Expenditures:	
Road Maintenance	7,000
Legal/Accounting Fees	2,340
Liability Insurance	1,290
Bonds	280
Office Expense	460
OMAG Dues	1,128
ARPA Funds Expense	5,000
REAP Grant Expense	178,957
Road Remediation/Spillway Cons etc	
OML	429
Total Expenditures:	<u>196,885</u>
Revenues over (under) expenditures:	<u>(19,776)</u>
Fund Balance, end of year:	<u><u>\$ 41,028</u></u>

Town of Lake Aluma
Budgetary Comparison Schedule - Cash Basis
General Fund
Year Ended June 30, 2023

	Budgeted Amount	Actual	Variance Positive (Negative)
Beginning budgetary fund balance:	\$ 60,804	\$ 60,804	-
Resources (Inflows):			
Revenues:			
Sales Tax	12,500	20,855	8,355
Oil & Gas Royalties	20	-	(20)
Interest	75	52	(23)
Dog Licenses	900	300	(600)
Cigarette Tax	150	142	(8)
Franchise Tax	5,000	2,347	(2,653)
City of Oklahoma City Revenue	400	438	38
Miscellaneous Income	500	57	(443)
Oklahoma County Misc Tax	900	1,648	748
Gasoline Tax	170	62	(108)
REAP Grant Revenue	131,600	145,491	13,891
ARPA Funds Revenue	5,717	5,717	(0)
Total Inflows:	157,932	177,109	19,177
Charges to Appropriations (Outflows)			
Road Maintenance	7,000	7,000	-
Legal/Accounting Fees	13,500	2,340	11,160
Liability Insurance	1,200	1,290	(90)
Bonds	325	280	45
Office Expense	500	460	40
Miscellaneous Expense	2,500	-	2,500
OMAG Dues	1,100	1,128	(28)
ARPA Funds Expense	5,717	5,000	717
REAP Grant Expense	131,600	178,957	(47,357)
Road Remediation/Spillway Cons etc	20,000	-	20,000
OML	500	429	71
Total Outflows:	183,942	196,885	(12,943)
Ending Budgetary fund balance:	\$ 34,794	\$ 41,028	\$ 6,234