

**TOWN OF CLEO SPRINGS
CLEO SPRINGS, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT PRACTITIONER'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2023**

**TOWN OF CLEO SPRINGS, OKLAHOMA
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Public Accountants

Independent Practitioner’s Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Cleo Springs
Cleo Springs, Oklahoma

Trustees of the Cleo Springs Public Works Authority
Cleo Springs, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma Town, 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 of Cleo Springs (the “Town”) and the Cleo Springs Public Works Authority (the “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, 2023. Management of the Town of Cleo Springs and the Cleo Springs 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 Cleo Springs and the Cleo Springs Public Works Authority have 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 Cleo Springs as of and for the fiscal year ended June 30, 2023:

- 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. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and trace 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.

- 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.

As to the Cleo Springs 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 IV. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and trace 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.

- 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: The Authority had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

We were engaged by The Town of Cleo Springs and the Cleo Springs 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 Cleo Springs and the Cleo Springs 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
February 13, 2024

TOWN OF CLEO SPRINGS, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
TOWN OF CLEO SPRINGS, OK			
General Fund	\$ 6,443	\$ (6,402)	\$ 41
Street & Alley	172,700	(36,241)	136,459
Total Town:	<u>\$ 179,143</u>	<u>\$ (42,643)</u>	<u>\$ 136,500</u>
ENTERPRISE FUNDS			
Public Works Authority	\$ 70,321	\$ 94,541	\$ 164,862
Total Enterprise Funds:	<u>\$ 70,321</u>	<u>\$ 94,541</u>	<u>\$ 164,862</u>
TOTAL ALL FUNDS:	<u><u>\$ 249,464</u></u>	<u><u>\$ 51,898</u></u>	<u><u>\$ 301,362</u></u>

TOWN OF CLEO SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 1,534	\$ 6,443	(4,909)
Resources (Inflows):			
Sales Tax	39,000	40,289	(1,289)
Use Tax	28,000	29,168	(1,168)
Franchise Tax	10,122	10,573	(451)
Alcoholic Beverage Tax	13,200	14,059	(859)
Tobacco Tax	370	419	(49)
Licenses & Permits	125	149	(24)
Royalties	275	335	(60)
Rent Income	945	995	(50)
RV Rent Income	20	20	-
Fire Grant Income	11,000	11,053	(53)
Fire Donations	5,000	14,730	(9,730)
Fire Reimbursements	22,250	22,390	(140)
Fire Other Income	12,000	2,800	9,200
Grant Income	-	-	-
Other Income	-	4,533	(4,533)
Interest Income	150	161	(11)
Amounts available for appropriation	\$ 142,457	\$ 151,674	\$ (9,217)
General Government			
Personal Services	35,000	33,204	1,796
Materials & Supplies	6,000	3,618	2,382
Other Services and Charges	82,500	72,502	9,998
Capital Outlay	-	-	-
Total General Government	123,500	109,324	14,176
Fire Department			
Personal Services	20,000	16,720	3,280
Materials & Supplies	21,500	17,985	3,515
Other Services and Charges	20,000	18,255	1,745
Capital Outlay	-	-	-
Total Fire Department	61,500	52,960	8,540
Police Department			
Personal Services	-	-	-
Materials & Supplies	-	-	-
Other Services and Charges	4,800	4,400	400
Capital Outlay	-	-	-
Total Police Department	4,800	4,400	400
Other Financing Sources / Uses			
Transfers In	50,000	10,000	40,000
Transfers Out	(1,392)	(1,392)	-
Total Other Financing Sources	48,608	8,608	40,000
Total Charges to Appropriations	141,192	158,076	(16,884)
Change in Fund Balance	1,265	# (6,402)	7,667
Ending Fund Balance	\$ 2,799	\$ 41	\$ 2,758

TOWN OF CLEO SPRINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STREET & ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 150,677	\$ 172,700	(22,023)
Resources (Inflows):			
Sales Tax	20,000	20,145	(145)
Street & Alley revenue:Motor Vehicle Tax	2,000	2,028	(28)
Street & Alley revenue:Gas Excise tax	475	499	(24)
Grant Income	-	-	-
Interest Income	-	-	-
Miscellaneous Income	-	-	-
Amounts available for appropriation	<u>\$ 22,475</u>	<u>\$ 22,672</u>	<u>\$ (197)</u>
Street & Alley			
Personal Services	-	-	-
Materials & Supplies	4,000	3,059	941
Other Services and Charges	9,000	6,558	2,442
Capital Outlay	50,000	49,296	704
Total Charges to Appropriations	<u>\$ 63,000</u>	<u>\$ 58,913</u>	<u>\$ 4,087</u>
Net Transfers In/(Out)			
Transfers In/Out	-	-	-
Change in Fund Balance	(40,525)	(36,241)	(4,284)
Ending Budgetary Fund Balance	<u><u>\$ 110,152</u></u>	<u><u>\$ 136,459</u></u>	<u><u>\$ (26,307)</u></u>

CLEO SPRINGS PUBLIC WORKS AUTHORITY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Water Revenue	\$ 89,261
Sewer Revenue	50,598
Garbage Revenue	42,281
Grant Revenue	84,365
Miscellaneous Revenue	11,912
Total Operating Revenue:	<u>278,417</u>
PWA Administration	
Personal Services	-
Materials & Supplies	214
Other Services and Charges	868
Capital Outlay	-
Total PWA Administration	<u>1,082</u>
Water Department	
Personal Services	-
Materials & Supplies	15,034
Other Services and Charges	67,224
Capital Outlay	53,271
Total Water Department	<u>135,529</u>
Trash Department	
Other Services and Charges	38,657
Total Trash Department	<u>38,657</u>
Total Expenses	<u>175,268</u>
Total Operating Net Income	103,149
Net Transfers In/(Out)	
Transfers In/(Out)	(8,608)
Net Change in Fund Balance	<u>94,541</u>
Beginning Budgetary Fund Balance	70,321
Ending Budgetary Fund Balance	<u>\$ 164,862</u>