

**TOWN OF LOYAL
LOYAL, OKLAHOMA**

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

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

**TOWN OF LOYAL, OKLAHOMA
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Independent Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Loyal
Loyal, 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 Loyal (the "Town") 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 Loyal is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

The Town of Loyal has 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 Loyal 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. 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: At 6/30/23, cash exceeded FDIC coverage by \$103,835. At 6/30/23, the bank did not hold any additional pledged collateral for the Town.

- 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.

- VIII. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis 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 III & Exhibit IV. No instances of noncompliance noted.

We were engaged by The Town of Loyal 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 Loyal 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 16, 2024

TOWN OF LOYAL, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - 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 LOYAL, OK			
General Fund	\$ 206,430	\$ 118,900	\$ 325,330
Utility Fund	23,852	(749)	23,103
TOTAL TOWN OF LOYAL, OK	<u>\$ 230,282</u>	<u>\$ 118,151</u>	<u>\$ 348,433</u>

TOWN OF LOYAL, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND AND UTILITY FUND-COMBINED
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Approved Estimate of Needs*</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 183,007	\$ 230,282	\$ 47,276
Resources (Inflows):			
Tax Revenue	30,249	123,670	93,421
Street & Alley Revenue	-	623	623
Fire Department Revenue	-	29,808	29,808
Utility Revenue	-	29,622	29,622
Other Revenue	80	256	176
Grant Income	-	33,617	33,617
Transfer In from Fire Department	-	-	-
Total current year resources	<u>30,329</u>	<u>217,596</u>	<u>187,267</u>
Amounts available for appropriation	<u>\$ 213,336</u>	<u>\$ 447,878</u>	<u>\$ 234,543</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal Services	12,000	17,850	(5,850)
Maintenance & Operations	126,336	62,728	63,608
Capital Outlay	75,000	18,867	56,133
Total General Government	<u>213,336</u>	<u>99,445</u>	<u>113,891</u>
Transfers Out	-	-	-
Total Charges to Appropriations	213,336	99,445	113,891
Change in Fund Balance	(183,007)	118,151	(301,158)
Ending Budgetary Fund Balance	<u>\$ 0</u>	<u>\$ 348,433</u>	<u>\$ (253,882)</u>

*Obtained from Estimate of Needs Report filed with the Oklahoma State Auditor and Inspector.

TOWN OF LOYAL, OKLAHOMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - CASH BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

Beginning Budgetary Fund Balance:	\$ 206,430
Resources (Inflows):	
Tax Revenue	123,670
Street & Alley Revenue	623
Fire Department Revenue	29,808
Other Revenue	235
Grant Income	7,317
Transfer In from Fire Department	-
Total current year resources	<u>161,653</u>
Amounts available for appropriation	<u>\$ 368,083</u>
Charges to Appropriations (Outflows):	
General Government:	
Personal Services	10,290
Maintenance & Operations	15,630
Total General Government	<u>25,920</u>
Street and Alley:	
Personal Services	-
Maintenance & Operations	-
Capital Outlay	-
Total Street and Alley	<u>-</u>
Fire Department:	
Personal Services	1,560
Maintenance & Operations	15,273
Capital Outlay	-
Total Fire Department	<u>16,833</u>
Transfers Out	-
Total Charges to Appropriations	42,753
Change in Fund Balance	118,900
Ending Budgetary Fund Balance	<u><u>\$ 325,330</u></u>

TOWN OF LOYAL, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues	
Utility Revenue	\$ 29,622
Grant Income	26,300
Total Operating Revenues	<u>55,922</u>
Operating Expenses	
Water Expenses	41,366
Trash Expenses	15,326
Total Operating Expenses	<u>56,692</u>
Total Operating Net Income	<u>\$ (770)</u>
Non-Operating Net Income	
Interest Income	\$ 21
Total Non-Operating Net Income	<u>21</u>
Transfers In/Out	<u>-</u>
Total Change in Fund Balance	<u>(749)</u>
Beginning Budgetary Fund Balance	23,852
Ending Budgetary Fund Balance	<u><u>\$ 23,103</u></u>