

Town of Arapaho, Oklahoma

Arapaho, Oklahoma

Agreed Upon Procedures

And Accompanying

Independent Auditor's Report

For The Year Ended

June 30, 2023



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Arapaho
Arapaho, Oklahoma

Trustees of the Arapaho Public Works Authority
Arapaho, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, 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 and Public Works 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 Arapaho and the Arapaho 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 Arapaho and the Arapaho Public Works Authority 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 Arapaho 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 and IV. See Schedule IV. Budgets were adopted at the department level and the Fire Department was not in compliance with the adopted budget. Fund balance was not exceeded.

- III. **Procedures Performed:** Agree 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 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. All deposits were insured or collateralized at June 30, 2023.

- 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. No instances of noncompliance noted.

- VIII. **Procedures Performed:** For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances. Compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: See Exhibit VIII. No instances of noncompliance noted.

As to the Arapaho Public Works Authority, as of and for the year ended June 30, 2023:

- 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 VI. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree 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.

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. All deposits were insured or collateralized at June 30, 2023.

- 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: No instances of noncompliance noted.

- VII. **Procedures Performed:** Prepare a Balance Sheet for the Authority

Findings: See Exhibit V. No instance of noncompliance noted

- VIII. **Procedures Performed:** Prepare of Schedule of Debt for the Authority

Findings: See Exhibit VII. No instance of noncompliance noted

We were engaged by The Town of Arapaho and the Arapaho 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 Arapaho and the Arapaho 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
December 5, 2023

rsmeacham
CPA • ADVISORS

**TOWN OF ARAPAHO, OKLAHOMA
SUMMARY OF CHANGES IN UNRESTRICTED FUND BALANCES (MODIFIED CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	Beginning of Year Fund Balances	Current Year Change	End of Year Fund Balances
TOWN:			
General Fund	\$ 446,568	\$ (121,614)	\$ 324,954
Street & Alley Fund	84,842	12,468	97,310
REAP	-	-	-
Arapaho Fire Department	11,555	6,060	17,615
Library Reading Room	751	836	1,587
CITY TOTAL	<u>543,716</u>	<u>(102,250)</u>	<u>441,466</u>
ARAPAHO PUBLIC WORKS AUTHORITY :			
APWA (unrestricted)	469,963	133,285	603,248
Water Fund	37,531	(3,578)	33,953
APWA TOTAL	<u>\$ 507,494</u>	<u>\$ 129,707</u>	<u>\$ 637,201</u>

See accountant's report.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 462,144	\$ 446,568	\$ 446,568	\$ -
Resources (Inflows):				
Taxes:				
Sales tax	80,844	89,844	89,527	(317)
Use tax	31,993	31,993	31,972	(21)
Tobacco tax	631	631	635	4
Total Taxes	<u>113,468</u>	<u>122,468</u>	<u>122,134</u>	<u>(334)</u>
Intergovernmental:				
Alcoholic beverage tax	7,200	7,200	7,479	279
Franchise tax	14,450	17,450	19,181	1,731
Total Intergovernmental	<u>21,650</u>	<u>24,650</u>	<u>26,660</u>	<u>2,010</u>
Permits, Fines and Forfeitures	15,500	15,500	18,801	3,301
Tech fees	1,000	1,000	110	(890)
Investment Income	1,000	1,300	4,061	2,761
Fire Grants	-	-	-	-
Miscellaneous Income	2,627	17,627	20,220	2,593
Donations-Fire	-	-	2,000	2,000
Income-Fire	-	-	4,280	4,280
Royalties	200	200	-	(200)
ARPA	70,124	71,589	71,589	-
Transfers from Other funds	-	-	300	300
Total current year resources	<u>225,569</u>	<u>254,334</u>	<u>270,155</u>	<u>15,821</u>
Amounts available for appropriation	<u>\$ 687,713</u>	<u>\$ 700,902</u>	<u>\$ 716,723</u>	<u>\$ 15,821</u>
Charges to Appropriations (Outflows):				
General government:				
Personal services	75,000	80,000	80,804	(804)
Materials and supplies	5,500	10,500	9,662	838
Other services and charges	45,000	50,000	50,142	(142)
Capital outlay	2,500	2,500	-	2,500
Total General Government	<u>128,000</u>	<u>143,000</u>	<u>140,608</u>	<u>2,392</u>
Administration:				
Personal services	2,400	2,400	1,813	587
Total Administration	<u>2,400</u>	<u>2,400</u>	<u>1,813</u>	<u>587</u>
Legislative/Judicial:				
Personal services	3,500	3,500	1,613	1,887
Total Legislative/Judicial	<u>3,500</u>	<u>3,500</u>	<u>1,613</u>	<u>1,887</u>
Public Works-Street Dept:				
Other services and charges	2,000	2,000	-	2,000
Total Public Works-Street Dept	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Police:				
Personal services	54,100	54,600	55,256	(656)
Materials and supplies	8,000	8,000	8,888	(888)
Other services and charges	10,000	10,000	11,603	(1,603)
Capital outlay	5,000	5,000	-	5,000
Total Police	<u>77,100</u>	<u>77,600</u>	<u>75,747</u>	<u>1,853</u>
Fire:				
Personal services	1,200	1,700	780	920
Materials and supplies	6,000	9,000	7,503	1,497
Other services and charges	7,200	22,200	20,835	1,365
Capital outlay	18,000	18,000	16,296	1,704
Total Fire	<u>32,400</u>	<u>50,900</u>	<u>45,414</u>	<u>5,486</u>
Civil Emergency Management:				
Personal services	11,065	11,065	26,673	(15,608)
Materials and supplies	7,250	7,250	6,636	614
Other services and charges	5,250	5,250	1,029	4,221
Capital outlay	47,500	47,500	-	47,500
Total Civil Emergency Management	<u>71,065</u>	<u>71,065</u>	<u>34,338</u>	<u>36,727</u>
Animal Control:				
Materials and supplies	1,700	1,700	-	1,700
Other services and charges	300	300	182	118
Total Animal Control	<u>2,000</u>	<u>2,000</u>	<u>182</u>	<u>1,818</u>
Park:				
Materials and supplies	500	500	-	500
Other services and charges	500	500	-	500
Total Park	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Library:				
Materials and supplies	-	500	465	35
Other services and charges	-	500	465	35
Total Library	<u>-</u>	<u>1,000</u>	<u>930</u>	<u>70</u>
Transfers to Other Funds	20,000	91,589	91,589	-
Total Charges to Appropriations	<u>339,465</u>	<u>445,554</u>	<u>391,769</u>	<u>53,785</u>
Change in Fund Balance	(113,896)	(191,220)	(121,614)	69,606
Ending Budgetary Fund Balance	<u>348,248</u>	<u>255,348</u>	<u>324,954</u>	<u>69,606</u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
OTHER ACCRUALS				
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			<u>324,954</u>	

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
STREET AND ALLEY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 85,215	\$ 84,842	\$ 84,842	\$ -
Resources (Inflows):				
Taxes:				
Motor Vehicle tax	5,017	5,017	4,746	(271)
Gas Excise tax	1,116	1,116	1,165	49
Total Taxes	<u>6,133</u>	<u>6,133</u>	<u>5,911</u>	<u>(222)</u>
Investment Income	80	80	543	463
Transfers from other funds	20,000	20,000	20,000	-
Total current year resources	<u>26,213</u>	<u>26,213</u>	<u>26,454</u>	<u>241</u>
Amounts available for appropriation	<u>\$ 111,428</u>	<u>\$ 111,055</u>	<u>\$ 111,296</u>	<u>\$ 241</u>
Charges to Appropriations (Outflows):				
General government:				
Materials and supplies	10,000	10,000	7,312	2,688
Capital Outlay	10,000	10,000	6,674	3,326
Total General Government	<u>20,000</u>	<u>20,000</u>	<u>13,986</u>	<u>6,014</u>
Change in Fund Balance	6,213	6,213	12,468	(6,255)
Ending Budgetary Fund Balance	<u>91,428</u>	<u>91,055</u>	<u>97,310</u>	<u>(6,255)</u>
 UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			<u>97,310</u>	

**TOWN OF ARAPAHO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
FIRE DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ -	\$ 11,555	\$ 11,555	\$ -
Resources (Inflows):				
Donations	-		7,600	7,600
Grants-Other	-	4,000	10,053	6,053
Interest income	-		13	13
Total current year resources	<u>-</u>	<u>4,000</u>	<u>17,666</u>	<u>13,666</u>
Amounts available for appropriation	<u>\$ -</u>	<u>\$ 15,555</u>	<u>\$ 29,221</u>	<u>\$ 13,666</u>
Charges to Appropriations (Outflows):				
Materials and supplies	-	1,500	814	686
Other services and charges	-	8,000	10,792	(2,792)
Total General Government	<u>-</u>	<u>9,500</u>	<u>11,606</u>	<u>(2,106)</u>
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>9,500</u>	<u>11,606</u>	<u>(2,106)</u>
Change in Fund Balance	-	(5,500)	6,060	11,560
Ending Budgetary Fund Balance	<u>-</u>	<u>6,055</u>	<u>17,615</u>	<u>11,560</u>
UNRESTRICTED FUND BALANCE AT END OF YEAR (MODIFIED CASH BASIS)			<u>17,615</u>	

ARAPAHO PUBLIC WORKS AUTHORITY, ARAPAHO, OKLAHOMA
BALANCE SHEET-MODIFIED CASH BASIS
JUNE 30, 2023

	2023
ASSETS	
Current assets:	
Cash, including time deposits	\$ 1,045,102
Due from General Fund	<u>55,720</u>
Total current assets	<u>1,100,822</u>
Restricted assets:	
Cash, including time deposits	<u>95,891</u>
Total restricted assets	<u>95,891</u>
Non-current assets:	
Land	30,910
Capital assets (net of Accumulated Depreciation)	<u>517,801</u>
Total non-current assets	<u>548,711</u>
Total assets	<u>1,745,424</u>
LIABILITIES	
Liabilities, payable from restricted assets:	
Due to Water Fund	3,663
Meter deposits payable	32,760
Interest payable	127
Notes payable, current	<u>27,120</u>
Total liabilities payable from restricted assets	<u>63,670</u>
Noncurrent liabilities:	
Notes payable, non-current	<u>343,241</u>
Total non-current liabilities	<u>343,241</u>
Total liabilities	<u>406,911</u>
FUND BALANCE	
Restricted for:	
Debt service CDs	13,800
Debt service-USDA	49,331
Meter	32,760
Grant	639,374
Unrestricted:	<u>603,248</u>
Total Liabilities and Fund Balance	<u>1,745,424</u>

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

Operating Revenues:	
Charges for services:	2023
Water	485,753
Sewer	105,802
Sanitation	99,997
Other	40,461
Total Operating Revenues	<u>732,013</u>
Operating Expenses:	
Administration	61,466
Water	346,240
Sewer	90,873
Sanitation	70,159
Depreciation	89,039
Interest	17,493
Total Operating Expenses	<u>675,270</u>
Operating Income	56,743
Non-Operating Revenues:	
Grant Revenue	62,231
Grant Expense	(79,426)
Lease Income	16,296
Interest	10,499
Total Non-Operating Revenues	<u>9,600</u>
Net Income Before Contributions and Transfers	66,343
Capital contributions	-
Transfers in-ARPA	71,589
Transfers out-water fund	<u>(1,300)</u>
Change in fund balance	136,632
Fund Balance - beginning	<u>469,963</u>
Fund Balance - ending	<u><u>606,595</u></u>
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	
Restricted for Debt Service	-
Other adjustments	(3,347)
UNRESTRICTED FUND BALANCE AT END OF YEAR (GAAP BASIS)	<u><u>603,248</u></u>

Town of Arapaho

Exhibit VII

**Schedule of Debt
For the Fiscal Year Ended June 30, 2023**

LONG-TERM DEBT

The following is a summary of enterprise fund long-term debt for the year ended June 30, 2023:

NOTES PAYABLE

Loan payable to Oklahoma Bank & Trust Company, Clinton, Oklahoma. Original loan was issued April 15, 2021, for \$75,014. The loan carries an interest rate of 3.25% payable in monthly payments of \$1,357.99. Loan matures in April 2026.	43,916
Loan payable to the United States Department of Agriculture Rural Development originated in October 2000 for \$495,000. Loan carries an interest rate of 4.75% with a 40 year term, maturing October 2040. Loan proceeds were used for a major sewer lagoon renovation.	326,445

\$370,361

Exhibit VIII

TOWN OF ARAPAHO, OKLAHOMA
 SCHEDULE OF GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Grant revenue Grant received from:	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
Dept of Forestry	2022-2023	Fire Grant	10,053	10,053	10,053	-
ARPA	FY22-23	American Rescue Plan	71,589	71,589	71,589	-
SWODA	Jan 1, 2022- Jan 1, 2023	Clear well pumps #22-CU- 22011	62,231	62,231	62,231	-
		Total	\$ 143,873	\$ 143,873	\$ 143,873	\$ -

See accountant's report.