

**TOWN OF SENTINEL, OKLAHOMA
SENTINEL, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
PRACTITIONER'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 Sentinel
Sentinel, Oklahoma

Trustees of the Sentinel Public Works Authority
Sentinel, 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 Sentinel and the Sentinel 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 Sentinel and the Sentinel 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 Sentinel 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 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 City. 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 III. No instances of noncompliance noted.

As to the Sentinel 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 IV. 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: The Authority has outstanding debt with Rural Development. No instances of noncompliance noted.

We were engaged by The Town of Sentinel and the Sentinel Public Works Authority to perform this agreed-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 Sentinel and the Sentinel 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
CPAs • ADVISORS

Clinton, Oklahoma
January 3, 2024

rsmeacham
CPAs • ADVISORS

**TOWN OF SENTINEL, OKLAHOMA
SENTINEL PUBLIC WORKS AUTHORITY
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES
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 SENTINEL			
* General Fund	\$ 429,012	\$ 123,442	\$ 552,454
Street & Alley Fund	190,177	5,632	195,809
Cemetery Fund	248,929	105	249,034
TOWN TOTAL	<u>\$ 868,118</u>	<u>\$ 129,179</u>	<u>\$ 997,297</u>
** SENTINEL PUBLIC WORKS AUTHORITY	\$ 879,083	146,588	\$ 1,025,671

* Includes Community House

** Includes increase in beginning fund balance of 258,996 related to changes in capital asset and debt reporting.

TOWN OF SENTINEL, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
STREET & ALLEY FUND
CEMETERY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
GENERAL FUND			
Beginning Unrestricted Budgetary Fund Balance:	\$ 317,650	\$ 429,012	\$ 111,362
Resources (Inflows):			
Taxes:			
Sales tax	224,406	238,153	13,747
Use tax	41,283	45,114	3,831
Franchise tax	22,977	24,308	1,331
Cigarette tax	1,621	1,618	(3)
Total Taxes	<u>290,287</u>	<u>309,193</u>	<u>18,906</u>
Intergovernmental:			
Alcoholic Beverage tax	19,597	20,840	1,243
Fire Grants	10,053	10,053	-
Total Intergovernmental	<u>29,650</u>	<u>30,893</u>	<u>1,243</u>
Other Revenue:			
Rents	-	160	160
Fines & forfeitures	1,000	719	(281)
Donations	23,000	23,030	30
Community House Revenues	29,000	29,767	767
Swimming Pool Revenues	5,000	5,780	780
Grants	102,531	102,531	-
Miscellaneous other revenues	24,500	18,800	(5,700)
Total Other Revenue	<u>185,031</u>	<u>180,787</u>	<u>(4,244)</u>
Total current year resources	<u>504,968</u>	<u>520,873</u>	<u>15,905</u>
Amounts available for appropriation	<u>822,618</u>	<u>949,885</u>	<u>127,267</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal Services	1,916	1,626	290
Materials and Supplies	2,000	35,429	(33,429)
Other Services and Charges	50,000	16,228	33,772
Capital Outlay	85,000	79,200	5,800
Total General Government:	<u>138,916</u>	<u>132,483</u>	<u>6,433</u>

Exhibit II (continued)

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
City Hall			
Personal Services	55,276	53,463	1,813
Materials and Supplies	3,000	10,062	(7,062)
Other Services and Charges	10,000	2,059	7,941
Total City Hall	68,276	65,584	2,692
Swimming Pool			
Personal Services	14,912	9,311	5,601
Materials and Supplies	1,000	5,517	(4,517)
Other Services and Charges	8,000	-	8,000
Total Swimming Pool	23,912	14,828	9,084
Parks			
Other Services and Charges	850	771	79
Total Parks	850	771	79
Community House			
Personal Services	14,127	14,064	63
Materials and Supplies	5,688	4,460	1,228
Other Services and Charges	2,500	2,429	71
Capital Outlay	8,040	8,040	-
Total Community House	30,355	28,993	1,362
Library			
Other Services and Charges	2,500	2,342	158
Total Library	2,500	2,342	158
Police			
Personal Services	67,640	60,036	7,604
Materials and Supplies	8,000	11,435	(3,435)
Other Services and Charges	7,500	59,636	(52,136)
Capital Outlay	57,735	-	57,735
Total Police	140,875	131,107	9,768
Fire			
Personal Services	2,100	2,070	30
Materials and Supplies	5,000	1,114	3,886
Other Services and Charges	14,000	6,900	7,100
Capital Outlay	12,000	12,419	(419)
Total Fire	33,100	22,503	10,597
Total Charges to Appropriations	438,784	398,611	40,173
Other Financing Sources (Uses)			
Interest Income	-	7,180	7,180
Transfers-out	(6,000)	(6,000)	-
Total Other Financing Sources (Uses)	(6,000)	1,180	7,180
Change in Fund Balance	60,184	123,442	
Ending Budgetary Fund Balance	\$ 377,834	\$ 552,454	

Exhibit II (continued)

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
STREET & ALLEY FUND			
Beginning Unrestricted Budgetary Fund Balance:	\$ 171,879	\$ 190,177	\$ 18,298
Resources (Inflows):			
Operating Revenues			
Motor vehicle tax	5,284	5,508	224
Gas excise tax	1,254	1,355	101
Other Revenues	810	1,306	496
TOTAL OPERATING REVENUES	<u>7,348</u>	<u>8,169</u>	<u>821</u>
Total current year resources	<u>7,348</u>	<u>8,169</u>	<u>821</u>
Amounts available for appropriation	<u>179,227</u>	<u>198,346</u>	<u>19,119</u>
Charges to Appropriations (Outflows):			
Street & Alley Expenses			
Materials and Supplies	4,500	175	4,325
Other Services and Charges	8,500	8,362	138
Total Street & Alley Expenses	<u>13,000</u>	<u>8,537</u>	<u>4,463</u>
Other Financing Sources (Uses)			
Transfers-in	6,000	6,000	-
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Change in Fund Balance	348	5,632	
Ending Budgetary Fund Balance	<u>\$ 172,227</u>	<u>\$ 195,809</u>	

Exhibit II (continued)

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
CEMETERY FUND			
Beginning Unrestricted Budgetary Fund Balance:	\$ 139,238	\$ 248,929	\$ 109,691
Resources (Inflows):			
Operating Revenues			
Interments	3,900	4,500	600
Donations	6,720	7,830	1,110
Other Revenues	1,531	931	(600)
TOTAL OPERATING REVENUES	<u>12,151</u>	<u>13,261</u>	<u>1,110</u>
Total current year resources	<u>12,151</u>	<u>13,261</u>	<u>1,110</u>
Amounts available for appropriation	<u>151,389</u>	<u>262,190</u>	<u>110,801</u>
Charges to Appropriations (Outflows):			
Personal Services	8,556	8,718	(162)
Materials and Supplies	6,000	4,510	1,490
Other Services and Charges	1,000	2,095	(1,095)
Total Cemetery Expenses	<u>15,556</u>	<u>15,323</u>	<u>233</u>
Other Financing Sources (Uses)			
Interest Income	-	2,167	2,167
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,167</u>	<u>2,167</u>
Change in Fund Balance	(3,405)	105	
Ending Budgetary Fund Balance	<u><u>\$ 135,833</u></u>	<u><u>\$ 249,034</u></u>	

Exhibit III

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

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
<i>Grant received from:</i>						
Oklahoma Department of Ag, Food & Forestry	FY23	Fire Operations	10,053	10,053	7,213	2,840
OEAD REAP Fund #EL20-4	1/1/2022 - 7/1/2023	Waterline Replacement	75,000	9,487	9,487	-
SWODA/CENA Grant	July 1, 2022 - June 17, 2023	AC System	8,040	8,040	8,040	-
MODA	July 19, 2022 - December 19, 2023	Town Hall Building repairs	20,000	20,000	20,000	-
American Rescue Plan of 2021 (ARPA)	Revenue loss election	ARPA - revenue loss	148,283	74,491	74,491	-
		Total	<u>\$ 261,376</u>	<u>\$ 122,071</u>	<u>\$ 119,231</u>	<u>\$ 2,840</u>

See accountant's report

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

	Public Works Authority
Operating Revenues:	
Charges for services:	
Water	\$ 268,763
Sewer	127,913
Sanitation	117,490
Other	63,076
Total Operating Revenues	<u>577,242</u>
Operating Expenses:	
Administration	8,556
Water	274,649
Sewer	45,567
Sanitation	75,109
Depreciation Expense	30,526
Total Operating Expenses	<u>434,407</u>
Operating Income (Loss)	\$ 142,835
Non-Operating Revenues:	
Interest Income	3,753
Grant income	9,487
Grant expenses	(9,487)
Total Non-Operating Revenues	<u>3,753</u>
Net Income Before Contributions and Transfers	146,588
Change in fund balance	\$ 146,588
Fund Balance - beginning	** 879,083
Fund Balance - ending	<u>\$ 1,025,671</u>

** Includes increase of 258,996 related to changes in capital asset & debt reporting

Exhibit V

**TOWN OF SENTINEL, OKLAHOMA
PUBLIC WORKS AUTHORITY
BALANCE SHEET-MODIFIED CASH BASIS
JUNE 30, 2023**

	<u>2023</u>
ASSETS	
Current assets:	
Cash, including time deposits	\$ 673,022
Due from Street and Alley	5,000
Total current assets	<u>678,022</u>
Restricted assets:	
Cash, including time deposits	84,008
Total restricted assets	<u>84,008</u>
Non-current assets:	
Capital assets (net)	390,352
Total non-current assets	<u>390,352</u>
Total assets	<u><u>1,152,382</u></u>
LIABILITIES	
Liabilities, payable from restricted assets:	
Accounts Payable	14,150
Meter deposits payable	40,850
Interest payable	137
Current portion of long term debt	15,585
Total liabilities payable from restricted assets	<u>70,722</u>
Non-current liabilities:	
Notes payable, non-current	55,989
Total non-current liabilities	<u>55,989</u>
Total liabilities	<u>126,711</u>
FUND BALANCE	
Restricted	
Restricted for Debt Service	43,158
Restricted for Meter Liability	40,850
Investment in Capital Assets	390,352
Unrestricted	551,311
Total fund balance	<u>1,025,671</u>
Total Liabilities and Fund Balance	<u><u>1,152,382</u></u>

See accountant's report.