

**TOWN OF SHARON  
SHARON, OKLAHOMA**

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

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**TOWN OF SHARON, OKLAHOMA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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Society of Certified  
Public Accountants

## Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Sharon  
Sharon, 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 Sharon (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, 2022. Management of the Town is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

The Town 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 Sharon as of and for the fiscal year ended June 30, 2022:

- 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 and Exhibit 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 findings noted. See recommendation below.

**Recommendation:** The Town is required to spend restricted funds from motor vehicle tax and gas excise tax on specified street and alley expenses. The Town had remaining, unspent funds from motor vehicle and gas excise tax revenues of \$3,581 as of June 30, 2022. The Town should implement a method of tracking restricted unspent funds.

- 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:** The Town is required to hold adequate cash in a restricted meter deposit cash account equal to the Town's meter deposit liability. On June 30, 2022, the meter deposit liability was \$6,443. The Town did not specifically designate a cash account to cover the outstanding liability balance. However, the Town had sufficient cash on hand to cover the meter deposit liability.

**Recommendation:** The Town currently holds three CDs with combined balances totaling \$118,879 as of June 30, 2022. The Town Board should make a motion to restrict \$6,443 of the existing CD balances to fully cover the outstanding meter deposit liability.

- 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.

We were engaged by the Town of Sharon 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 Sharon 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  
August 1, 2022

**EXHIBIT I**

**TOWN OF SHARON, OKLAHOMA  
SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
<b>TOWN OF SHARON, OK</b>			
General Fund	\$ 88,328	\$ 11,731	\$ 100,059
Utility Fund	\$ 103,415	\$ 7,281	\$ 110,696

EXHIBIT II

TOWN OF SHARON, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2022

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 7,539	\$ 88,328	\$ 80,789
<b>Resources (Inflows):</b>			
Alcoholic Beverage Tax	2,462	2,649	187
Franchise Tax	4,762	4,330	(432)
Gas Excise Tax	223	237	14
Motor Vehicle Tax	756	1,048	292
Rental Revenues	160	325	165
Miscellaneous Revenues	-	143	143
Interest Income	70	137	67
Grants	-	11,702	11,702
<b>Total current year resources</b>	<u>8,433</u>	<u>20,571</u>	<u>12,138</u>
<b>Amounts available for appropriation</b>	<u>\$ 15,972</u>	<u>\$ 108,899</u>	<u>\$ 92,927</u>
<b>Charges to Appropriations (Outflows):</b>			
<b>General Government:</b>			
Clerk/Treasurer Fees	300	200	100
Materials & Supplies	3,500	362	3,138
Other charges and services	5,800	8,089	(2,289)
<b>Total General Government</b>	<u>9,600</u>	<u>8,651</u>	<u>949</u>
<b>Street and Alley</b>			
Other charges and services	1,000	-	1,000
<b>Total Street and Alley</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Transfers Out</b>	-	189	(189)
<b>Total Charges to Appropriations</b>	<u>10,600</u>	<u>8,840</u>	<u>1,760</u>
<b>Change in Fund Balance</b>	(2,167)	11,731	(13,898)
<b>Ending Budgetary Fund Balance</b>	<u>\$ 5,372</u>	<u>\$ 100,059</u>	

EXHIBIT III

TOWN OF SHARON, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 UTILITY FUND  
 FOR THE YEAR ENDED JUNE 30, 2022

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 73,605	\$ 103,415	\$ 29,810
<b>Resources (Inflows):</b>			
Sewer Revenues	6,250	7,400	1,150
Water Revenues	23,431	29,491	6,060
Trash Revenues	15,375	18,320	2,945
Late Fees	1,839	370	(1,469)
Other Revenues	600	377	(223)
<b>Total current year resources</b>	<u>47,495</u>	<u>55,958</u>	<u>8,463</u>
<b>Amounts available for appropriation</b>	<u>\$ 121,100</u>	<u>\$ 159,373</u>	<u>\$ 38,273</u>
<b>Charges for Appropriations (Outflows):</b>			
<b>Administrative Expenses</b>			
Contract Labor	\$ 11,000	\$ 10,800	\$ 200
Materials & Supplies	5,000	1,299	3,701
Other Services & Charges	16,000	12,294	3,706
<b>Total Administrative Expenses</b>	<u>32,000</u>	<u>24,393</u>	<u>7,607</u>
<b>Sewer Department Expenses</b>			
Materials & Supplies	-	-	-
Other Services & Charges	5,000	5,000	-
<b>Total Sewer Expenses</b>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b>Water Department Expenses</b>			
Contract Labor	-	280	(280)
Materials & Supplies	-	1,120	(1,120)
Other Services & Charges	5,000	3,600	1,400
<b>Total Water Expenses</b>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b>Trash Department Expenses</b>			
Other Services & Charges	15,000	14,473	527
<b>Total Trash Expenses</b>	<u>15,000</u>	<u>14,473</u>	<u>527</u>
<b>Total Charges to Appropriations</b>	<u>57,000</u>	<u>48,866</u>	<u>8,134</u>
<b>Transfers In</b>	-	189	(189)
<b>Change in Fund Balance</b>	(9,505)	7,281	(16,786)
<b>Ending Budgetary Fund Balance</b>	<u>\$ 64,100</u>	<u>\$ 110,696</u>	

EXHIBIT IV

TOWN OF SHARON, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

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<b>Operating Revenues:</b>	
Alcoholic Beverage Tax	\$ 2,649
Franchise Tax	4,330
Gas Excise Tax	237
Motor Vehicle Tax	1,048
Rental Revenues	325
Miscellaneous Revenues	143
Grant Revenue	11,702
<b>Total Operating Revenues</b>	<u>\$ 20,434</u>
<b>Operating Expenses</b>	
General Government	\$ 8,651
<b>Total Operating Expenses</b>	<u>\$ 8,651</u>
<b>Non-Operating Revenues/Expenses:</b>	
Interest Income	\$ 137
Transfer Out	(189)
<b>Total Non-Operating Revenues/Expenses</b>	<u>\$ (52)</u>
<b>Change in Fund Balance</b>	\$ 11,731
<b>Fund Balance - Beginning</b>	<u>88,328</u>
<b>Fund Balance - Ending</b>	<u>\$ 100,059</u>



EXHIBIT V

TOWN OF SHARON, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
UTILITY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

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<b>Operating Revenues:</b>	
Sewer Revenues	\$ 7,400
Water Revenues	29,491
Trash Revenues	18,320
Late Fees	370
Other Revenues	377
<b>Total Operating Revenues</b>	<u>\$ 55,958</u>
<b>Operating Expenses:</b>	
Administrative	\$ 24,393
Sewer	5,000
Water	5,000
Trash	14,473
<b>Total Operating Expenses</b>	<u>\$ 48,866</u>
<b>Non-Operating Revenues/(Expenses):</b>	
Transfer In	189
<b>Total Non-Operating Revenues/(Expenses)</b>	<u>\$ 189</u>
<b>Change in Fund Balance</b>	\$ 7,281
<b>Fund Balance - Beginning</b>	<u>103,415</u>
<b>Fund Balance - Ending</b>	<u>\$ 110,696</u>