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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 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, 2023. 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, 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 and Exhibit III. The city incurred \$103,342 in expenses in excess of approved budget for the General Fund. This related to the purchase of a backhoe, building repairs, and a lawn mower purchase.

- 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.

- 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 findings 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.

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.

A handwritten signature in black ink, appearing to be 'JSA'.

rsmeacham
CPA - ADVISORS

Clinton, Oklahoma
August 28, 2023

EXHIBIT I

**TOWN OF SHARON, OKLAHOMA
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 SHARON, OK			
General Fund	\$ 100,059	\$ (4,837)	\$ 95,222
Utility Fund	\$ 110,696	\$ (1,290)	\$ 109,406

EXHIBIT II

TOWN OF SHARON, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 7,539	\$ 100,059	\$ 92,520
Resources (Inflows):			
Alcoholic Beverage Tax	2,438	2,647	210
Franchise Tax	4,862	4,806	(55)
Gas Excise Tax	220	230	10
Motor Vehicle Tax	959	914	(45)
Rental Revenues	160	-	(160)
Interest Income	20	615	595
Other Income	11,000	7,440	(3,560)
Grants	11,000	89,293	78,293
Transfer In	-	-	-
Total current year resources	<u>30,659</u>	<u>105,945</u>	<u>75,287</u>
Amounts available for appropriation	<u>\$ 38,198</u>	<u>\$ 206,004</u>	<u>\$ 167,807</u>
Charges to Appropriations (Outflows):			
General Government:			
Clerk/Treasurer Fees	300	200	100
Materials & Supplies	500	3,107	(2,607)
Other charges and services	6,000	11,602	(5,602)
Capital Outlay	-	95,133	(95,133)
Total General Government	<u>6,800</u>	<u>110,042</u>	<u>(103,242)</u>
Street and Alley			
Other charges and services	1,178	-	1,178
Total Street and Alley	<u>1,178</u>	<u>-</u>	<u>1,178</u>
Transfers Out	(11,000)	740	(11,740)
Total Charges to Appropriations	<u>(3,022)</u>	<u>110,782</u>	<u>(113,804)</u>
Change in Fund Balance	33,681	(4,837)	38,517
Ending Budgetary Fund Balance	<u><u>\$ 41,220</u></u>	<u><u>\$ 95,222</u></u>	

EXHIBIT III

**TOWN OF SHARON, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Amended Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 73,605	\$ 110,696	\$ 37,091
Resources (Inflows):			
Sewer Revenues	7,030	6,830	(201)
Water Revenues	26,685	28,168	1,483
Trash Revenues	18,074	17,775	(299)
Late Fees	480	1,871	1,391
Other Revenues	180	1,972	1,792
Total current year resources	<u>52,449</u>	<u>56,617</u>	<u>4,167</u>
Amounts available for appropriation	<u>\$ 126,054</u>	<u>\$ 167,313</u>	<u>\$ 41,258</u>
Charges for Appropriations (Outflows):			
Administrative Expenses			
Contract Labor	11,000	\$ 11,180	\$ (180)
Materials & Supplies	4,000	1,700	2,300
Other Services & Charges	15,000	15,025	(25)
Total Administrative Expenses	<u>30,000</u>	<u>27,905</u>	<u>2,095</u>
Sewer Department Expenses			
Contract Labor	-	-	-
Materials & Supplies	600	584	16
Other Services & Charges	5,000	5,000	-
Capital Outlay	-	-	-
Total Sewer Expenses	<u>5,600</u>	<u>5,584</u>	<u>16</u>
Water Department Expenses			
Materials & Supplies	500	752	(252)
Other Services & Charges	6,000	7,725	(1,725)
Capital Outlay	5,600	-	5,600
Total Water Expenses	<u>12,100</u>	<u>8,476</u>	<u>3,623</u>
Trash Department Expenses			
Other Services & Charges	15,117	16,681	(1,564)
Total Trash Expenses	<u>15,117</u>	<u>16,681</u>	<u>(1,564)</u>
Total Charges to Appropriations	<u>62,817</u>	<u>58,647</u>	<u>4,170</u>
Transfers In	11,000	740	10,260
Change in Fund Balance	632	(1,290)	1,922
Ending Budgetary Fund Balance	<u>\$ 74,237</u>	<u>\$ 109,406</u>	