

Town of Milburn, Oklahoma  
Independent Accountants' Compilation Report and  
Report on Applying Agreed-Upon Procedures  
Year Ended June 30, 2022

*TOWN OF MILBURN, OKLAHOMA*  
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**Independent Accountant’s Compilation Report and  
Report on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Milburn  
Milburn, Oklahoma

Trustees of the Milburn Public Works Authority  
Milburn, Oklahoma

Oklahoma Department of Commerce  
Oklahoma City, OK

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

Southern Oklahoma Development Association  
Durant, Oklahoma

Management is responsible for the accompanying Summary of Changes in Fund Balances – Modified Cash Basis (Exhibit A) of the Town of Milburn, Oklahoma and Milburn Public Works Authority, the related Budgetary Comparison Schedule of General Fund - Modified Cash Basis (Exhibit B) and the Budgetary Comparison Schedule of Grant Fund - Modified Cash Basis (Exhibit B-1) for the year ended June 30, 2022, the accompanying supplementary information contained in Exhibits C, D, and E which are presented only for supplementary analysis reporting and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements and schedules.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by the Oklahoma Statutes, that demonstrate compliance with the modified cash basis and budget laws of the State of Oklahoma, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's assets, liabilities, fund balances, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed of such matters.

The modified cash basis of accounting presents receipts received, expenditures paid and CD's with an original maturity of over 90 days treated as cash in the Public Works Authority during the fiscal year.

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-3 and are not intended to be a complete presentation of the Town of Milburn's assets, liabilities, revenues, expenses and changes in fund balances.

We have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and 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 Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-3 evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Milburn is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards as contained in the Government Auditing Standards of the Comptroller of the United State of America and additional standards prescribed by the Oklahoma Statutes. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Procedures and Findings**

As to the **Town of Milburn** as of and for the fiscal year ended June 30, 2022:

1. ***Procedures Performed:*** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

***Findings: No instances of fund balance deficits were noted.***

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund (see accompanying Exhibit B) and Grant Fund (see accompanying Exhibit B-1) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** *No instances of unauthorized appropriations were noted.*

3. **Procedures Performed:** We agreed the Town's bank account balances to bank statements and traced the timely clearance to report any reconciling items that have not cleared.

**Findings:** *All bank accounts appeared properly reconciled without exception.*

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** *The Town's deposits were fully insured or collateralized as of June 30, 2022.*

5. **Procedures Performed:** We compared the Town's use of restricted revenues and resources exceeding \$500 to their restrictions to report any noted instances of noncompliance.

**Findings:** *Restricted revenues that exceeded \$500 consisted of General Fund's Street and Alley Department. No instances of noncompliance were noted regarding these restricted revenues.*

6. **Procedures Performed:** We compared 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 exceptions were found as a result of applying the procedure.*

7. **Procedures Performed:** From the debt documents, we compiled the debt service compliance schedule to determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

**Findings:** *This procedure was not performed. The Town of Milburn has no debt service or reserve account requirements.*

As to the **Milburn Public Works Authority** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances – modified cash basis for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

**Findings: No instances of fund balance deficits were noted.**

2. **Procedures Performed:** We agreed the Authority's bank account balances to bank statements and traced the timely clearance to report any reconciling items that have not cleared.

**Findings: All bank accounts appeared properly reconciled without exception.**

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings: The Authority's deposits were fully insured or collateralized as of June 30, 2022.**

4. **Procedures Performed:** We compared the Authority's use of restricted revenues and resources exceeding \$500 to their restrictions to report any noted instances of noncompliance.

**Findings: No instances of noncompliance were noted regarding restricted revenues.**

5. **Procedures Performed:** We compared 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: All required funds have been established.**

6. **Procedures Performed:** From the debt documents, we compiled the debt service compliance schedule (see accompanying Exhibit D) to determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

**Findings: No instances of noncompliance were noted.**

As to the **Town of Milburn and Milburn Public Works Authority**, as of and for the fiscal year ended June 30, 2022:

1. ***Procedures Performed:*** From the Authority's Operating Account trial balance, we prepared a statement of revenues, expenses and changes in fund balance – modified cash basis (see accompanying Exhibit C) for the year ended June 30, 2022.
2. ***Procedures Performed:*** From the Milburn Public Works Authority's Operating Account (Exhibit C), we determined the debt covenant compliance (see accompanying Exhibit D) for the year ended June 30, 2022.
3. ***Procedures Performed:*** From the Town's and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit E) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

***Findings: No instances of noncompliance were noted.***

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

*Rahhal Henderson Willis, PLLC*

Rahhal Henderson Willis PLLC  
Ardmore, Oklahoma  
February 6, 2023

Town of Milburn  
 Summary of Changes in Fund Balances – Modified Cash Basis  
 For the Year Ended June 30, 2022

EXHIBIT A

	Fund Balances			Fund Balances
	Beginning	Inflows	Outflows	Ending
<b><i>TOWN:</i></b>				
General Fund	\$ 115,738	\$ 63,220	\$ 66,736	\$ 112,222
Grant Fund	<u>8</u>	<u>27,859</u>	<u>-</u>	<u>27,867</u>
 Town Subtotal	 <u>\$ 115,746</u>	 <u>\$ 91,079</u>	 <u>\$ 66,736</u>	 <u>\$ 140,089</u>
 <b><i>PUBLIC WORKS AUTHORITY:</i></b>				
PWA Fund-Operating Fund	\$ 75,418	\$ 144,856	\$ 142,147	\$ 78,127
Meter Deposit	14,402	1,304	-	15,706
Reserve Fund	2,907	1	-	2,908
Emergency Fund	<u>9,485</u>	<u>1</u>	<u>-</u>	<u>9,486</u>
 Public Works Authority Subtotal	 <u>\$ 102,212</u>	 <u>\$ 146,162</u>	 <u>\$ 142,147</u>	 <u>\$ 106,227</u>
 Overall Totals	 <u>\$ 217,958</u>	 <u>\$ 237,241</u>	 <u>\$ 208,883</u>	 <u>\$ 246,316</u>

See Accountants' Compilation Report



Town of Milburn  
 Budgetary Comparison Schedule – Modified Cash Basis  
 General Fund  
 For the Year Ended June 30, 2022

EXHIBIT B

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 39,050	\$ 39,050	\$ 115,738	\$ 76,688
<b>Resources (Inflows):</b>				
Sales Tax	20,000	20,000	23,560	3,560
Use Tax	7,000	7,000	14,964	7,964
Franchise	7,000	7,000	6,998	(2)
Alcoholic Beverage Tax	7,000	7,000	7,722	722
Gasoline Excise	500	500	470	(30)
Tobacco Tax	200	200	182	(18)
Commercial Vehicle	2,200	2,200	2,304	104
Rent	1,000	1,000	1,300	300
Interest	50	50	14	(36)
Miscellaneous	1,000	1,000	5,706	4,706
Total Inflows	<u>85,000</u>	<u>85,000</u>	<u>178,958</u>	<u>93,958</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	85,000	85,000	66,735	18,265
Total Outflows	<u>85,000</u>	<u>85,000</u>	<u>66,735</u>	<u>18,265</u>
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Excess of Inflows over Outflows after Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>112,223</u>	<u>112,223</u>
<b>Ending Budgetary Fund Balance:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,223</u>	<u>\$ 112,223</u>

Town of Milburn  
 Budgetary Comparison Schedule – Modified Cash Basis  
 Grant Fund  
 For the Year Ended June 30, 2022

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 8	\$ 8
<b>Resources (Inflows):</b>				
ARPA Proceeds	-	-	27,858	27,858
Interest	-	-	1	1
Total Inflows	-	-	27,867	27,867
<b>Charges to Appropriations (Outflows):</b>				
ARPA Expenditures	-	-	-	-
Total Outflows	-	-	-	-
<b>Excess of Inflows over Outflows after Other Financing Sources (Uses)</b>	-	-	27,867	27,867
<b>Ending Budgetary Fund Balance:</b>	\$ -	\$ -	\$ 27,867	\$ 27,867

Town of Milburn  
Statement of Revenues, Expenses and Changes in Fund Balances  
Modified Cash Basis  
Milburn Public Works Authority-Operating Account  
For the Year Ended June 30, 2022

EXHIBIT C

	Milburn Public Works Authority <u>Operating Account</u>
<b>Operating Revenues :</b>	
Water Revenue	\$ 78,217
Sewer Revenue	26,072
Trash Revenue	37,660
Penalties	2,897
Interest	9
Total Operating Revenues	144,855
<b>Operating Expenses</b>	
Water Department	71,384
Sewer Department	27,424
Trash Department	40,434
Rural Development	2,904
Total Operating Expenses	142,146
Operating Income (Loss)	2,709
Fund Balance - Beginning	75,418
Fund Balance - Ending	\$ 78,127

Town of Milburn  
Debt Service Schedule  
Modified Cash Basis  
For the Year Ended June 30, 2022

***Debt Service Coverage Requirement***

Total Sewer Revenue	\$ 26,604
Sewer Expenditures	27,424
Less: Sewer Pump	<u>6,551</u>
Total Sewer Expenditures	20,873
Revenues in Excess of Debt Service Requirement	\$ 5,731

***Maximum Annual Debt Service Requirements:***

Loan 92-02	<u>2,904</u>
Total Debt Service Requirement	2,904
Excess over under required amount	<u><u>\$ 2,827</u></u>

***Reserve Account Funding:***

Required Balance of Reserve Account	
Loan 92-02	<u>2,904</u>
Total Required Reserve Balance	2,904
Actual Reserve Balance	<u><u>\$ 2,908</u></u>

Town of Milburn  
Schedule of Grant Activity  
Modified Cash Basis  
For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	PASS- THROUGH GRANTOR'S PROJECT NUMBER	AWARD AMOUNT	RECEIVED CURRENT YR	EXPENDED AMOUNT	GRANT BALANCE	MATCH
<u>Federal Funds Passed Through State Agency</u>						
OKLAHOMA DEPARTMENT OF COMMERCE	ARPA	\$ 27,858	\$ 27,858	\$ -	27,858	\$ -
TOTAL FEDERAL FUNDED		\$ 27,858	\$ 27,858	\$ -	27,858	\$ -
<u>State Funds Passed Through Local Agencies</u>						
SOUTHERN OKLAHOMA DEVELOPMENT ASSOCIATION	REAP 22-026	\$ 52,000	\$ -	\$ -	\$ 52,000	\$ -
TOTAL STATE FUNDED		\$ 52,000	\$ -	\$ -	\$ 52,000	\$ -
TOTAL GRANT ACTIVITY		\$ 79,858	\$ 27,858	\$ -	79,858	\$ -

See Accountants' Compilation Report