

**TOWN OF COLE, OKLAHOMA and
COLE PUBLIC WORKS AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cole
Cole, Oklahoma

Trustees of the Cole Public Works Authority
Cole, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Cole and Cole Public Works Authority, Cole, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2022, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Street & Alley Fund-Modified Cash Basis, Cole Public Works Authority-Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, 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 the AICPA. We did not audit or review the accompanying financial statements and schedules 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 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 Oklahoma Statutes, that demonstrates 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 and Authority's assets, liabilities, fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

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 the Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Cole and the Cole Public Works Authority is responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Cole and the Cole Public Works Authority has agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance requirements with specific legal or contractual requirements for the fiscal year ended June 30, 2022. 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 Cole** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) 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 noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) 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 noncompliance were noted.

3. **Procedures Performed:** We agreed 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: In the General Fund money market savings account at McClain Bank, there was a \$3 difference between the June 30, 2022 bank reconciliation and the general ledger. This was due to the April interest not being recorded. However, the Town has since recorded this interest.

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: No instances of noncompliance were noted.

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

Findings: No instances of noncompliance were noted.

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 instances of noncompliance were noted.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Town had no contractual or debt service requirements. This procedure does not apply.

As to the **Cole 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 3) 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 noncompliance were noted.

2. **Procedures Performed:** We agreed 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 instances of noncompliance were noted.

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: No instances of noncompliance were noted.

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

Findings: The Authority did not have sufficient cash on hand to cover the amount of meter deposits due to customers upon termination of service. The amount of cash needed to be in compliance was \$236. However, the Town has since determined that a \$250 customer deposit should be removed from the deposits outstanding list due to repayment of their deposit before year end.

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: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required reserve balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority had no contractual or debt service requirements. This procedure does not apply.

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

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) 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 engaged by the Town of Cole and the Cole 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 to meet the 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, on the Town and the Public Works Authority meeting their 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. 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 Cole and the Cole Public Works Authority and to meet our other 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 these specified parties.

Angel, Johnston + Blasingame, P.C.

Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
November 14, 2022

TOWN OF COLE AND COLE PUBLIC WORKS AUTHORITY
Cole, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund	\$ 805,183	\$ 165,674	\$ 49,320	\$ 921,537
Street & Alley Fund	111,445	6,264	-	117,709
Town Subtotal	<u>916,628</u>	<u>171,938</u>	<u>49,320</u>	<u>1,039,246</u>
AUTHORITY:				
Cole Public Works Authority	218,914	106,879	105,623	220,170
Authority Subtotal	<u>218,914</u>	<u>106,879</u>	<u>105,623</u>	<u>220,170</u>
Overall Totals	<u>\$ 1,135,542</u>	<u>\$ 278,817</u>	<u>\$ 154,943</u>	<u>\$ 1,259,416</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF COLE, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 800,809	\$ 800,809	\$ 800,809	\$ -
Resources (Inflow):				
Taxes:				
Franchise tax	23,530	23,530	29,455	5,925
Sales tax	28,312	28,312	38,286	9,974
Alcohol beverage tax	3,951	3,951	4,336	385
Tobacco tax	273	273	293	20
Use tax	25,704	25,704	30,699	4,995
Total Taxes	<u>81,770</u>	<u>81,770</u>	<u>103,069</u>	<u>21,299</u>
Other Revenue:				
Grants	4,344	4,344	57,072	52,728
Interest	4,400	4,400	2,008	(2,392)
Rental	410	410	550	140
Fire Runs	-	-	2,775	2,775
Miscellaneous	-	-	200	200
Total Other Revenue	<u>9,154</u>	<u>9,154</u>	<u>62,605</u>	<u>53,451</u>
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources (Inflows)	<u>90,924</u>	<u>90,924</u>	<u>165,674</u>	<u>74,750</u>
Amounts available for appropriation	<u>891,733</u>	<u>891,733</u>	<u>966,483</u>	<u>74,750</u>
Charges to Appropriations (Outflows):				
Personal services	25,000	25,000	14,629	10,371
Maintenance & operations	200,000	200,000	39,227	160,773
Capital outlay	300,000	300,000	-	300,000
Total Other	<u>525,000</u>	<u>525,000</u>	<u>53,856</u>	<u>471,144</u>
Other Financing Uses:				
Transfers to other funds	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Total Charges to Appropriations (Outflows)	<u>875,000</u>	<u>875,000</u>	<u>53,856</u>	<u>821,144</u>
Ending Budgetary Fund Balance	\$ <u><u>16,733</u></u>	\$ <u><u>16,733</u></u>	\$ <u><u>912,627</u></u>	\$ <u><u>895,894</u></u>
Current year encumbrances			<u>8,910</u>	
Ending Fund Balance			\$ <u><u>921,537</u></u>	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF COLE, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
STREET & ALLEY FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 111,445	\$ 111,445	\$ 111,445	\$ -
Resources (Inflow):				
Taxes:				
Motor vehicle tax	-	-	4,880	4,880
Gasoline tax	-	-	1,110	1,110
Total Taxes	-	-	5,990	5,990
Other Revenue:				
Interest	-	-	274	274
Total Other Revenue	-	-	274	274
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	6,264	6,264
Amounts available for appropriation	111,445	111,445	117,709	6,264
Charges to Appropriations (Outflows):				
Personal services	10,000	10,000	-	10,000
Maintenance & operations	50,000	50,000	-	50,000
Capital outlay	50,000	50,000	-	50,000
Total Other	110,000	110,000	-	110,000
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	110,000	110,000	-	110,000
Ending Budgetary Fund Balance	\$ 1,445	\$ 1,445	\$ 117,709	\$ 116,264
Current year encumbrances			-	
Ending Fund Balance			\$ 117,709	

See Independent Accountant's Report on Agreed-Upon Procedures.

COLE PUBLIC WORKS AUTHORITY
Cole, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

		<u>Cole Public Works Authority</u>
Operating Revenues:		
Water revenue	\$	95,367
Water tap fees		7,000
Penalties and fees		3,936
Miscellaneous revenue		50
Total Operating Revenue		<u>106,353</u>
Operating Expenses:		
Personal services		9,042
Maintenance and operations		96,580
Total Operating Expenses		<u>105,622</u>
Operating Income (Loss)		<u>731</u>
Non-Operating Revenues (Expenses):		
Interest revenue		<u>525</u>
Total Non-Operating Revenues (Expenses)		<u>525</u>
Net Income (Loss) Before Transfers		1,256
Transfers in		-
Transfers out		<u>-</u>
Changes in Fund Balance		1,256
Fund Balance - beginning		<u>218,914</u>
Fund Balance - ending	\$	<u><u>220,170</u></u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF COLE AND COLE PUBLIC WORKS AUTHORITY
Cole, Oklahoma

SCHEDULE OF GRANT ACTIVITY
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
Oklahoma Department of Agriculture Fire Operational Grant - FY21	\$ 4,826	\$ 4,826	\$ 1,655	\$ 3,171	\$ -	\$ 3,171	\$ -
Fire Operational Grant - FY22	4,763	-	-	-	4,763	4,763	-
U.S. Department of the Treasury American Rescue Plan Act ALN #21.027	105,118	-	-	-	52,309	-	52,309
Town Subtotal	<u>114,707</u>	<u>4,826</u>	<u>1,655</u>	<u>3,171</u>	<u>57,072</u>	<u>7,934</u>	<u>52,309</u>
AUTHORITY:							
No Activity in Current Year	-	-	-	-	-	-	-
Authority Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 114,707</u>	<u>\$ 4,826</u>	<u>\$ 1,655</u>	<u>\$ 3,171</u>	<u>\$ 57,072</u>	<u>\$ 7,934</u>	<u>\$ 52,309</u>

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