

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED
UPON PROCEDURES OF THE
TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY
JUNE 30, 2023

Prepared by:
Scott Northrip, CPA
Hobart, Oklahoma

TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY

June 30, 2023

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TOWN OF CHATTANOOGA, OKLAHOMA &
CHATTANOOGA PUBLIC WORKS AUTHORITY

June 30, 2023

Town Officials

Board of Trustees

Mayor.....Phil Humble
Trustee.....Russell Loftin
Trustee.....Alvie Claborn

Treasurer

Kim Fortney

Clerk

Jaime Fisher

Scott Northrip, CPA

P. O. Box 642, 311 S. Main St., Hobart, OK 73651
(580)726-5681

To the Board of Trustees of the
Town of Chattanooga and the
Chattanooga Public Works Authority
Chattanooga, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Chattanooga, Oklahoma and the Chattanooga Public Works Authority, which comprise the Summary of Changes in Fund Balances - Modified Cash Basis as of June 30, 2023, and the related Budgetary Comparison Schedule of the General Fund - Modified Cash Basis, and the Statement of Activities and Changes in Net Assets - Modified Cash Basis of the Proprietary Fund for the fiscal year then ended, included in the accompanying prescribed form in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, and for determining that the modified cash basis of accounting is an acceptable financial framework.

Our Responsibilities

The objective of our engagement is to prepare financial statements listed above based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We will perform the agreed-upon procedures listed below in accordance with the 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 are not engaged to and will not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town of Chattanooga, Oklahoma and the Chattanooga Public Works Authority meeting their financial accountability requirements as prescribed by Oklahoma Statutes 11-17 (105-107) and 60-180.1-.3 and evaluating compliance with specific legal or contractual requirements. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

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

The procedures and associated findings:

Town of Chattanooga, Oklahoma:

- a. Procedure Performed: We prepared a schedule of changes in fund balance 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: No exceptions were found as a result of the procedures.

- b. Procedure Performed: We prepared a budget and actual financial schedule for the General Fund and any significant funds listing separately each federal fund and compare the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitation.

Findings: No exceptions were found as a result of the procedures.

- c. Procedure Performed: We compared 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 exceptions were found as a result of the procedures.

- d. Procedure Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts uninsured or uncollateralized deposits.

Findings: While performing the applied procedures, we determined that the checking accounts for the Town were located in one bank and the total bank balance at June 30, 2023 was \$539,528 which is over the FDIC coverage of \$250,000. The Town also had CDARS of \$100,859 with the Frazer Bank and they indicated to us that they did not need to have any securities pledged to cover the balance over the FDIC coverage.

- e. Procedure Performed: We compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of the procedures.

- f. Procedure 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 the procedures.

- g. Procedure Performed: We compared 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 exceptions were found as a result of the procedures.

Chattanooga Public Works Authority:

- a. Procedure Performed: We prepared a schedule of changes in fund balance for each fund from the Authority's trial balances and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of the procedures.

- b. Procedure Performed: We compared the Authority'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 exceptions were found as a result of the procedures.

- b. Procedure Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts uninsured or uncollateralized deposits.

Findings: No exceptions were found as a result of the procedures.

- c. Procedure Performed: We compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of the procedures.

- d. Procedure 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 exceptions were found as a result of the procedures.

- e. Procedure Performed: We compared 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: No exceptions were found as a result of the procedures.

This agreed-upon procedures engagement was conducted in accordance with the 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, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town of Chattanooga, Oklahoma and Chattanooga Public Works Authority meeting their 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. 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.

This report is intended solely for the information and use of specified users and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,

Scott Northrip, CPA

Scott Northrip, CPA

October 23, 2023

TOWN OF CHATTANOOGA, OKLAHOMA

Summary of Changes in Fund Balance

(Modified Cash Basis)

For the Year Ended June 30, 2023

<u>Town:</u>	Fund Balance Beginning of Year	Receipts	Disbursement	Transfers & Adjustments	Fund Balance End of Year
General Fund	\$ 91,259.80	\$ 176,602.89	\$ 170,738.36	\$ (15,890.48)	\$ 81,233.85
Street & Alley Fund	23,285.92	4,123.02	2,142.36	-	25,266.58
CIP Sales Tax Fund	51,832.35			15,487.50	67,319.85
Fire & Rescue Fund	6,717.36	68,836.51	60,570.00	-	14,983.87
Airport Cash Fund	100,362.81	81,441.49	47,062.93	(600.00)	134,141.37
Airport Farm Fund	219,373.23	141,273.82	124,499.56	-	236,147.49
Airport Ins Recovery	26,487.21	389.75		-	26,876.96
Grant Fund	-	-	-	-	-
 Total Town	 \$ 519,318.68	 \$ 472,667.48	 \$ 405,013.21	 \$ (1,002.98)	 \$ 585,969.97
 <u>Enterprise Funds:</u>					
Public Works Authority	\$ 576,524.68	293,638.37	286,304.05	1,002.98	\$ 584,861.98
 GRAND TOTAL	 \$ 1,095,843.36	 \$ 766,305.85	 \$ 691,317.26	 \$ -	 \$ 1,170,831.95

See Accountant's Report

TOWN OF CHATTANOOGA, OKLAHOMA

Budgetary Comparison Schedule of General Fund-Modified Cash Basis

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues (Inflows):				
Permit Fee	\$ -	\$ -	\$ 70.00	\$ 70.00
Franchise Fee	-	-	-	-
Use Tax	33,338.21	33,338.21	25,962.73	(7,375.48)
Police Fines	2,119.50	2,119.50	6,186.18	4,066.68
Sales Tax	53,556.47	53,556.47	51,140.03	(2,416.44)
Alcohol Beverage Tax	2,331.03	2,331.03	1,970.69	(360.34)
Cigar Tax	428.86	428.86	341.37	(87.49)
Rental Income	3,000.00	3,000.00	5,825.00	2,825.00
Sale of Assets	-	-	-	-
Donation	-	-	100.00	100.00
Reimbursement	-	-	58,360.71	58,360.71
Grant Revenues	2,500.00	2,500.00	25,950.00	23,450.00
Miscellaneous Revenues	200.00	200.00	696.18	496.18
Total Revenues	\$ 97,474.07	\$ 97,474.07	\$ 176,602.89	\$ 79,128.82
Appropriation (Outflows):				
Police - M&O	\$ 15,000.00	\$ 15,000.00	\$ 8,856.57	\$ 6,143.43
Other - M&O	35,000.00	35,000.00	32,408.24	2,591.76
Personal Services	40,000.00	40,000.00	40,883.36	(883.36)
Capital Outlay	-	-	88,590.19	(88,590.19)
Total Appropriations	\$ 90,000.00	\$ 90,000.00	\$ 170,738.36	\$ (80,738.36)
TRANSFERS TO OTHER FUNDS	\$ -	\$ -	\$ 15,890.48	\$ (15,890.48)
EXCESS INFLOWS (OUTFLOWS)	\$ 7,474.07	\$ 7,474.07	\$ (10,025.95)	\$ (17,500.02)
Beginning Budgetary Fund Balance	37,029.36	37,029.36	91,259.80	-
ENDING BUDGETARY FUND BALANCE	\$ 44,503.43	\$ 44,503.43	\$ 81,233.85	\$ (17,500.02)

See Accountant's Report

TOWN OF CHATTANOOGA, OKLAHOMA
Proprietary Funds Statement of Activities & Net Position
(Modified Cash Basis)
For the Year Ended June 30, 2023

OPERATING REVENUES:

Water	\$ 151,712.42
Sewer	31,801.43
Sanitation	98,860.60
Service Charges	5,921.22
Connect, Reconnect & Transfer fees	3,591.16
Other Revenues	<u>1,650.88</u>

Total Operating Revenues **\$ 293,537.71**

OPERATING EXPENSES:

Personal Services	\$ 100,913.90
Maintenance & Operations	160,479.59
Sanitation - Maintenance & Operations	-
Interest Expense	1,198.49
Depreciation Expense	<u>23,712.07</u>

Total Operating Expenses **\$ 286,304.05**

OPERATING INCOME (LOSS) **\$ 7,233.66**

OTHER REVENUES (EXPENSES):

Interest Revenues	\$ 100.66
Gain (Loss) on the Sale of Assets	-
Total Other Revenues(Expenses)	<u>\$ 100.66</u>

NET INCOME (LOSS) BEFORE TRANSFERS **\$ 7,334.32**

Transfers In	1,002.98
Transfers Out	<u>-</u>

CHANGES IN NET POSITION **\$ 8,337.30**

Net Position - Beginning 576,524.68

NET POSITION - ENDING **\$ 584,861.98**

See accountant's report