

City of Kaw City, Oklahoma

Independent Accountant's Report on
Applying Agreed-Upon Procedures

Year Ended June 30, 2022

Kimberlye R. Mayer, CPA, P.C.

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Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the City of Kaw City
Kaw City, Oklahoma

Board of Trustees of the Kaw City Municipal Authority
Kaw City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the City of Kaw City and the related Public Trust for the year ended June 30, 2022, the Budgetary Comparison Schedule – Cash Basis – General Fund, the Statement of Revenues, Expenses and Changes in Net Position – Cash Basis – the Kaw City Municipal Authority and the Schedule of Grant Activity – Cash Basis for the year ended June 30, 2022, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-3. We have not audited or reviewed the aforementioned financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the form prescribed by Oklahoma Statutes, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the basis of accounting prescribed by Oklahoma Statutes. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated on pages 2-4 for the year ended June 30, 2022 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 City and the Authority 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 City of Kaw City and the related public trust is responsible for the City'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 additional requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-3. The Town and Authority have agreed to and acknowledged that the procedures performed are appropriate to meet these intended purposes. 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 many 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 City of Kaw City as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the City's trial balances, we compiled a cash basis schedule of changes in fund balances for each fund (see page 5) 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 noted.

2. **Procedures Performed:** From the City's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund (see page 7) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances of noncompliance noted.

3. **Procedures Performed:** We agreed the City'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 unusual reconciling items were noted that did not clear on a timely basis.

4. **Procedures Performed:** We compared the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits at the end of each month during the fiscal year ending June 30, 2022.

Findings: The City had no uninsured deposits at the end of each month during the fiscal year ending June 30, 2022.

5. **Procedures Performed:** We compared the City'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 City'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 noted.

7. **Procedures Performed:** A search for City debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: The City had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Kaw City Municipal Authority as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in fund balances - cash basis for the Authority (see page 6) and compared the schedule results to the applicable trust prohibitions for creating net asset deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance noted.

2. **Procedures Performed:** We agreed 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 unusual reconciling items were noted that did not clear on a timely basis.

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 at the end of each month during the fiscal year ended June 30, 2022.

Findings: The Authority had no uninsured deposits at the end of each month during the fiscal year ended June 30, 2022.

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: No instances of noncompliance were noted.

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 on noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** A search for the Authority's debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: No instances of noncompliance were noted.

As to the City of Kaw City and the Kaw City Municipal Authority grant programs, as of and for the fiscal year ended June 30, 2022:

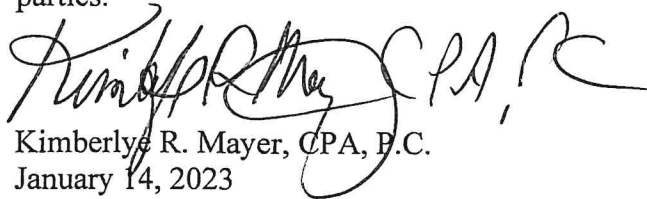
1. **Procedures Performed:** From the City and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see page 8) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: No instances of noncompliance were noted.

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. 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 City of Kaw City and Authority and to meet our other ethical responsibilities, in accordance with 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.



Kimberlys R. Mayer, CPA, P.C.
January 14, 2023

CITY OF KAW CITY, OKLAHOMA
STATEMENT OF CHANGES IN FUND BALANCES
CASH BASIS
YEAR ENDED JUNE 30, 2022

	Fund Balances <u>6/30/21</u>	<u>Change</u>	Fund Balances <u>6/30/22</u>
CITY:			
General Fund	\$ 447,286	\$ 152,982	\$ 600,268
Perpetual Care	58,960	(1,859)	57,101
REAP account		70,143	70,143
Cemetery Fund	(6,359)	17,057	10,698
CDBG funds	(51,912)	51,912	
Emergency Utilities Fund	95,477	21,917	117,394
Total City	<u>543,452</u>	<u>312,152</u>	<u>855,604</u>
KAW CITY MUNICIPAL AUTHORITY:			
Kaw City Municipal Authority	<u>816,473</u>	<u>(65,064)</u>	<u>751,409</u>
KCMA Subtotal	<u>816,473</u>	<u>(65,064)</u>	<u>751,409</u>
CITY TOTALS	<u><u>\$ 1,359,925</u></u>	<u><u>\$ 247,088</u></u>	<u><u>\$ 1,607,013</u></u>

CITY OF KAW CITY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - CASH BASIS
KAW CITY MUNICIPAL AUTHORITY
YEAR ENDED JUNE 30, 2022

Operating Revenues:	
Charges for services:	
Electric	\$ 31,040
Water	208,107
Sewer	58,687
Sanitation	88,414
Gas	89,139
Service charges	66,180
Late penalties	5,943
Other income	15,179
Total Operating Revenues	562,689
Operating Expenses:	
Administration	286,265
Water Department	85,890
Sewer Department	57,663
Sanitation Department	60,431
Gas	144,189
Parks	27,965
Total Operating Expenses	662,403
Operating income (loss)	(99,714)
Non-Operating Revenues (Expenses):	
Park grant	
Interest income	203
Total Non-Operating Revenues (Expenses)	203
Net Income (Loss) Before Transfers	(99,511)
Transfers in (out)	34,447
Net Position, beginning of year	816,473
Net Position, end of year	\$ 751,409

See accountant's report on agreed-upon procedures

CITY OF KAW CITY, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - CASH BASIS
 GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		\$
Beginning budgetary fund balance	\$ 447,286	\$ 447,286	\$ 447,286	\$
Resources (Inflows):				
Sales tax	65,000	115,000	124,754	9,754
Franchise taxes	23,100	23,100	28,044	4,944
Alcoholic beverage tax	2,000	2,000	2,628	628
Cigarette tax	600	850	1,004	154
Use tax	10,000	17,956	27,609	9,653
Motor vehicle tax	2,500	2,500	2,748	248
Gasoline tax	800	800	852	52
Municipal court	500			0
Emergency services	42,500	47,823	51,976	4,153
Other income	14,038	119,743	119,183	(560)
Total Resources	161,038	329,772	358,798	29,026
Charges (Outflows):				
General Government:	\$ 98,275	118,275	103,598	14,677
City attorney	11,000	11,000	4,901	6,099
Library	7,689	8,489	8,671	(182)
Municipal court	500	500		500
Police	5,000	5,000		5,000
Street	9,380	9,380	5,223	4,157
Community center	9,150	9,150	5,788	3,362
Emergency services	38,250	57,550	46,185	11,365
Total Charges	179,244	219,344	174,366	44,978
Total Resources				
Over (Under) Charges	(18,206)	110,428	184,432	74,004
Transfer in (out)	(25,000)	(25,000)	(31,450)	(6,450)
Ending Budgetary Fund Balance	\$ 404,080	\$ 532,714	\$ 600,268	\$ 67,554

See accountant's report on agreed-upon procedures.

CITY OF KAW CITY, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY
CASH BASIS
YEAR ENDED JUNE 30, 2022

<u>Grantor</u>	<u>Award Amount</u>	<u>Total Amount Received</u>	<u>Amount Disbursed</u>	<u>Amount Unexpended</u>
State Dept. of Agriculture	\$ 4,763	\$ 4,763	\$ 4,763	\$
 OWRB REAP FAP-22-0009	 \$ 99,999	 \$ 99,999	 \$ 30,000	 \$ 69,999
Passed through ODOC:				
17856 CDBG 20 14.228	\$ 167,400	158,155		
8/3/20 - 8/2/22				
06/30/21		\$ 69,727	121,639	
06/30/22		\$ 88,428	36,516	
 NODA REAP KA22-1	 \$ 89,000	 \$ 12,700	 \$ 12,700	 \$
1/10/22 - 1/10/23				