

**CITY OF KAW CITY OKLAHOMA  
KAW CITY, OKLAHOMA**

**AGREED UPON PROCEDURES  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2021**



801 Frisco, Clinton, OK 73601  
580.323.1766 | 580.323.1768 fax

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:

City Council, City of Kaw City  
Kaw City, Oklahoma

Trustees of the Kaw City Municipal Authority  
Kaw City, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the City of Kaw City (the “City”) and the Kaw City Municipal Authority (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, 2021. Management of the City of Kaw City and the Kaw City Municipal Authority are responsible for the City’s and Authority’s financial accountability and its compliance with those legal and contractual requirements.

The City of Kaw City and the Kaw City Municipal Authority have 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 City of Kaw City as of and for the fiscal year ended June 30, 2021:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the City’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. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree 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 instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the City's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2021.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

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

- VI. **Procedures Performed:** Compare 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.

- VII. **Procedures Performed:** Compare the City'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 City.

As to the Kaw City Municipal Authority, as of and for the year ended June 30, 2021:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures, and changes in fund balance-cash basis from the Authority'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 III. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree 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 unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare 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 noted. All deposits were insured or collateralized at June 30, 2021.

IV. **Procedures Performed:** Compare 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 noted.

V. **Procedures Performed:** Compare 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 noted.

VI. **Procedures Performed:** Compare 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:** The Authority had no debt; therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

We were engaged by The City of Kaw City and the Kaw City Municipal Authority 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 City of Kaw City and the Kaw City Municipal Authority 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.



 **rsmeacham**  
CPA+ ADVISORS

Clinton, Oklahoma  
February 14, 2022

**CITY OF KAW CITY, OKLAHOMA  
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>Beginning of Year Fund Balance</u>	<u>Current Year Change</u>	<u>End of Year Fund Balance</u>
<b>CITY OF KAW CITY</b>			
General Fund	\$ 301,885	\$ 145,401	\$ 447,286
Perpetual Care Fund	56,601	2,359	58,960
<b>CITY TOTAL</b>	<u>358,486</u>	<u>147,760</u>	<u>506,246</u>
 Municipal Authority	 \$ 724,372	 \$ 92,101	 \$ 816,473

**CITY OF KAW CITY, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 246,638	\$ 301,885	
<b>Resources (Inflows):</b>			
Tax revenues	104,000	175,880	71,880
Other Revenue	58,435	80,378	21,943
<b>Total current year resources</b>	<u>162,435</u>	<u>256,258</u>	<u>93,823</u>
<b>Amounts available for appropriation</b>	<u>\$ 409,073</u>	<u>\$ 558,143</u>	<u>\$ 93,823</u>
<b>Charges to Appropriations (Outflows):</b>			
General Government	64,494	50,861	13,633
City Attorney	11,000	5,624	5,376
Library	10,251	10,251	-
Municipal Court	500	-	500
Street	11,718	11,718	-
Community Center	11,650	5,643	6,007
Emergency Services	40,947	26,760	14,187
<b>Total Charges to Appropriations</b>	<u>150,560</u>	<u>110,857</u>	<u>39,703</u>
<b>Transfers in/(out)</b>			
Transfer in	25,000	-	(25,000)
<b>Net transfers</b>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<b>Changes in Fund Balance</b>	36,875	145,401	
<b>Ending Budgetary Fund Balance</b>	<u>\$ 283,513</u>	<u>\$ 447,286</u>	

**CITY OF KAW CITY, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS  
PERPETUAL CARE FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 56,601	\$ 56,601	
<b>Resources (Inflows):</b>			
Lot Sales	400	1,021	621
Perpetual Care Burials	600	1,338	738
<b>Total current year resources</b>	<u>1,000</u>	<u>2,359</u>	<u>1,359</u>
<b>Amounts available for appropriation</b>	<u>\$ 57,601</u>	<u>\$ 58,960</u>	<u>\$ 1,359</u>
<b>Changes in Fund Balance</b>	1,000	2,359	
<b>Ending Budgetary Fund Balance</b>	<u><u>\$ 57,601</u></u>	<u><u>\$ 58,960</u></u>	

**KAW CITY MUNICIPAL AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND BALANCE - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Garbage Revenues	\$	87,678
Gas Revenues		185,513
Garbage/Gas Expenses		(193,882)
Garbage & Gas Operating Income		79,309
Water Revenues		203,181
Sewer Revenues		61,773
Water/Sewer Expenses		(140,264)
Water & Sewer Operating Income		124,690
Parks Revenues		-
Parks Expenses		(9,717)
Parks Operating Income		(9,717)
Total Operating Income		194,282
Administration Revenues		69,141
Administration Expenses		(171,322)
Administration & Other Income/Expense		(102,181)
<b>Change in Fund Balance</b>		92,101
Beginning Budgetary Fund Balance		724,372
<b>Ending Budgetary Fund Balance</b>	\$	816,473