

THE TOWN OF TERRAL, OKLAHOMA

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

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

Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees, Town of Terral
Terral, Oklahoma

Trustees of the Terral Public Works Authority
Terral, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

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 Public Works 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 Town of Terral (the Town) and the Terral Public Works Authority (the Authority) are responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town and the Authority have agreed to and acknowledged 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 with specified 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 Terral as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we prepared a 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 observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

Town of Terral and Terral Public Works Authority
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2. **Procedures Performed:** From the Town's trial balances, we prepared a cash basis budget and actual financial schedule for the General Fund, Street and Alley Fund, Volunteer Fire Department Fund, REAP Grant Fund and ARPA Fund (see accompanying Exhibit 2) and compared the actual expenditures reported to the authorized appropriations to report any observed instances of noncompliance with the appropriation limitations.

Findings: The City Treasurer has the authority to transfer funds from one appropriation to another within the fund, therefore the department level is used. The Town exceeded the approved budget in the following area largely due to the activity from the Rural Fire bank account not being appropriated in the budget:

<u>Volunteer Fire Department Fund</u>	
Rural Fire	\$2,762

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: There were no significant or unusual reconciling items observed that did not clear in a timely manner.

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: At June 30, 2022, the Town's deposits were fully insured.

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

Findings: No instances of noncompliance observed.

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 observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

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

Findings: The Town had no debt, therefore no debt service coverage requirements of bond indentures were applicable.

Town of Terral and Terral Public Works Authority
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As to the Terral 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 – cash basis for the Authority (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

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: There were no significant or unusual reconciling items observed for the PWA account that did not clear in a timely manner.

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: At June 30, 2022, the Town's deposits were fully insured.

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

Findings: No instances of noncompliance were observed.

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 observed instances of noncompliance.

Findings: No instances of noncompliance were observed.

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

Findings: At June 30, 2022, the Authority met its debt service reserve balance requirements and has no debt service coverage requirement.

Town of Terral and Terral Public Works Authority
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As to the Town of Terral and Terral 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 observed instances of noncompliance with the grant agreement.

Findings: No instances of noncompliance were observed.

We were engaged to conduct this agreed-upon procedures engagement in accordance with the 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 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 and the 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.



Crawford & Associates, P.C.
October 28, 2022

EXHIBIT 1

TOWN OF TERRAL AND TERRAL PUBLIC WORKS AUTHORITY
Terral, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES - CASH BASIS
For the Fiscal Year Ended June 30, 2022
(Unaudited)

TOWN	<u>Beginning of Year Fund Balances</u>	<u>Current Year Revenues</u>	<u>Current Year Expenditures</u>	<u>End of Year Fund Balances</u>
General Fund	\$ 86,717	\$ 78,597	\$ 92,123	\$ 73,191
Street & Alley Fund	760	3,617	3,732	645
REAP Grant Fund	-	52,430	52,430	-
ARPA Fund	-	33,621	33,278	343
CDBG Grant Fund	657	-	657	-
Volunteer Fire Department Fund (Including Rural Fire Activity)	30,291	26,113	41,932	14,472
Town Subtotal	<u>118,425</u>	<u>194,378</u>	<u>224,152</u>	<u>88,651</u>
TERRAL PUBLIC WORKS AUTHORITY				
PWA	104,756	218,875	199,301	124,330
KUA Subtotal	<u>104,756</u>	<u>218,875</u>	<u>199,301</u>	<u>124,330</u>
Overall Totals	<u>\$ 223,181</u>	<u>\$ 413,253</u>	<u>\$ 423,453</u>	<u>\$ 212,981</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2

TOWN OF TERRAL
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	<u>\$ 78,745</u>	<u>\$ 89,095</u>	<u>\$86,717</u>	<u>(\$2,378)</u>
Resources (Inflows):				
Taxes:				
Sales tax	29,006	29,006	27,200	(1,806)
Use tax	6,994	6,994	7,031	37
Franchise tax	6,600	6,600	7,720	1,120
Total Taxes	<u>42,600</u>	<u>42,600</u>	<u>41,951</u>	<u>(649)</u>
Intergovernmental:				
Alcoholic beverage tax	13,500	13,500	12,941	(559)
Cigarette tax	275	275	275	-
Total Intergovernmental	<u>13,775</u>	<u>13,775</u>	<u>13,216</u>	<u>(559)</u>
Investment Income	<u>95</u>	<u>95</u>	<u>125</u>	<u>30</u>
Miscellaneous Income:				
Fireworks	2,000	2,000	-	(2,000)
Internet	6,000	6,000	7,200	1,200
Community Center Rental	1,500	1,500	1,850	350
Community Center Donations	-	-	50	50
Donations	-	-	1,055	1,055
Fundraiser	2,500	2,500	-	(2,500)
Miscellaneous	-	-	973	973
Total Miscellaneous Income	<u>12,000</u>	<u>12,000</u>	<u>11,128</u>	<u>(872)</u>
Other Financing Sources:				
Transfers from other funds	2,000	2,000	12,777	10,777
Total Other Financing Sources	<u>2,000</u>	<u>2,000</u>	<u>12,777</u>	<u>10,777</u>
Total Resources	<u>70,470</u>	<u>70,470</u>	<u>79,197</u>	<u>8,727</u>
Amounts available for appropriation	<u>149,215</u>	<u>159,565</u>	<u>165,914</u>	<u>6,349</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal services	33,000	28,000	34,032	(6,032)
Materials and supplies	15,000	31,339	22,059	9,280
Other services and charges	24,540	21,040	23,539	(2,499)
Total General Government	<u>72,540</u>	<u>80,379</u>	<u>79,630</u>	<u>749</u>
Community Center:				
Materials and supplies	3,000	3,000	1,820	1,180
Other services and charges	5,800	6,488	6,706	(218)
Total Community Center	<u>8,800</u>	<u>9,488</u>	<u>8,526</u>	<u>962</u>
Fire:				
Personal services	2,000	2,000	-	2,000
Other Financing Uses - Transfers to other funds	6,000	7,800	4,567	3,233
Total Charges to Appropriations	<u>89,340</u>	<u>99,667</u>	<u>92,723</u>	<u>6,944</u>
Ending Budgetary Fund Balance	<u>\$ 59,875</u>	<u>\$ 59,898</u>	<u>\$73,191</u>	<u>\$13,293</u>

See independent accountant's report on agreed-upon procedures.

TOWN OF TERRAL
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
STREET AND ALLEY FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	<u>\$ 871</u>	<u>\$ 871</u>	<u>\$760</u>	<u>\$ (111)</u>
Resources (Inflows):				
Intergovernmental:				
Gas excise tax	-	-	800	800
Motor vehicle tax	<u>2,900</u>	<u>2,900</u>	<u>2,817</u>	<u>(83)</u>
Total Intergovernmental	2,900	2,900	3,617	717
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>2,900</u>	<u>2,900</u>	<u>3,617</u>	<u>717</u>
Amounts available for appropriation	<u>3,771</u>	<u>3,771</u>	<u>4,377</u>	<u>606</u>
Charges to Appropriations (Outflows):				
Streets	3,771	3,771	3,732	39
Total Charges to Appropriations	<u>3,771</u>	<u>3,771</u>	<u>3,732</u>	<u>39</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$645</u>	<u>645</u>

See independent accountant's report on agreed-upon procedures.

TOWN OF TERRAL

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
VOLUNTEER FIRE DEPARTMENT FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 25,000	\$ 25,000	\$ 30,291	\$ 5,291
Resources (Inflows):				
Sales Tax	3,800	5,759	6,239	480
Grant Revenue	5,000	5,247	5,247	-
Investment Income	45	68	68	-
Miscellaneous Income:				
Fire Run Dues	4,000	9,325	9,325	-
Donations	-	5,264	5,264	-
Total Miscellaneous Income	4,000	14,589	14,589	-
Total Resources	<u>12,845</u>	<u>25,663</u>	<u>26,143</u>	<u>480</u>
Amounts available for appropriation	<u>37,845</u>	<u>50,663</u>	<u>56,434</u>	<u>5,771</u>
Charges to Appropriations (Outflows):				
Fire	15,245	39,200	41,962	(2,762)
Total Fire	<u>15,245</u>	<u>39,200</u>	<u>41,962</u>	<u>(2,762)</u>
Other Financing Uses - Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>15,245</u>	<u>39,200</u>	<u>41,962</u>	<u>(2,762)</u>
Ending Budgetary Fund Balance	<u>\$ 22,600</u>	<u>\$ 11,463</u>	<u>\$14,472</u>	<u>\$3,009</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2

TOWN OF TERRAL
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
REAP GRANT FUND
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Resources (Inflows):				
Grant Revenue	<u>-</u>	<u>52,361</u>	<u>52,361</u>	<u>-</u>
Other Financing Sources:				
Transfers from other funds	<u>-</u>	<u>69</u>	<u>69</u>	<u>-</u>
Total Resources	<u>-</u>	<u>52,430</u>	<u>52,430</u>	<u>-</u>
Amounts available for appropriation	<u>-</u>	<u>52,430</u>	<u>52,430</u>	<u>-</u>
Charges to Appropriations (Outflows):				
Capital outlay - lift station	<u>-</u>	<u>52,430</u>	<u>52,430</u>	<u>-</u>
Total Charges to Appropriations	<u>-</u>	<u>52,430</u>	<u>52,430</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent accountant's report on agreed-upon procedures.

EXHIBIT 2

TOWN OF TERRAL

BUDGETARY COMPARISON SCHEDULE - CASH BASIS

ARPA FUND

For the Fiscal Year Ended June 30, 2022

(Unaudited)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Grant Revenue	-	33,621	33,621	-
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Resources	-	33,621	33,621	-
Amounts available for appropriation	-	33,621	33,621	-
Charges to Appropriations (Outflows):				
General Government:				
Personal services	-	3,500	3,500	-
Materials and supplies	-	23,661	5,773	17,888
Other services and charges	-	6,460	24,005	(17,545)
Total General Government	-	33,621	33,278	343
Other Financing Uses - Transfers to other funds	-	-	-	-
Total Charges to Appropriations	-	33,621	33,278	343
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 343	\$ 343

See independent accountant's report on agreed-upon procedures.

EXHIBIT 3**TERRAL PUBLIC WORKS AUTHORITY
Terral, Oklahoma****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CASH BASIS
(TPWA Fund)****For the Fiscal Year Ended June 30, 2022
(Unaudited)****Operating Revenues:**

Charges for services:

Utility revenues \$216,107

Total Operating Revenues 216,107**Operating Expenses:**

Personal services 50,836

Materials and Supplies 30,843

Other services and charges 70,625

Capital outlay 5,203

Total Operating Expenses 157,507

Operating Income 58,600

Non-Operating Revenues (Expenses):

Investment income 280

Debt service - principal (20,943)

Debt service - interest (10,742)

Total Non-Operating Revenues (Expenses) (31,405)**Net Income Before Transfers** 27,195

Transfers in 1,592

Transfers out (9,213)**Change in fund balance** 19,574**Fund Balance - beginning** 104,756**Fund Balance - ending** \$124,330

See independent accountant's report on agreed-upon procedures.

TOWN OF TERRAL
Terral, Oklahoma

SCHEDULE OF GRANT ACTIVITY - CASH BASIS
For the Fiscal Year Ended June 30, 2022
(Unaudited)

	Fire Operational Grant	Fire Grant	2022 REAP Contract #222216	Coronavirus State and Local Fiscal Recovery Funds
Awarding agency	Oklahoma Department of Agriculture	Southern Oklahoma Development Authority	Association of South-Central Oklahoma Governments	U.S. Department of Treasury
ALN	N/A	N/A	N/A	21.027
Award Amount	\$ 4,763	\$ 484	\$ 52,361	\$ 67,563
Program Budget	4,763	484	52,361	67,563
Current Year Activity				
Current Year Receipts:				
Received from agency	4,763	484	52,361	33,621
Total current year receipts	4,763	484	52,361	33,621
Current Year Disbursements	4,763	484	52,361	33,278
Beginning of Year Unexpended Grant Funds	-	-	-	-
End of Year Unexpended Grant Funds	-	-	-	343
Program To-Date Activity				
Program To-Date Receipts:				
Received from agency	4,763	484	52,361	33,621
Total program To-Date Receipts	4,763	484	52,361	33,621
Program To-Date Disbursements	4,763	484	52,361	33,278
Program To-Date Unexpended Grant Funds	\$ -	\$ -	\$ -	\$ 343

See independent accountant's report on agreed-upon procedures.