

THE TOWN OF TERRAL, OKLAHOMA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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, 2023. 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, 2023. 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, 2023:

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: No instances of noncompliance were observed.

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, 2023, 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, 2023:

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, 2023, the Authority'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, 2023, 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, 2023.

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, 2023. 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 18, 2023

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, 2023
(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	\$ 73,191	\$ 87,922	\$ 86,896	\$ 74,217
Street & Alley Fund	645	2,377	2,372	650
REAP Grant Fund	-	46,595	46,595	-
ARPA Fund	343	33,950	24,300	9,993
Volunteer Fire Department Fund	14,472	35,188	28,042	21,618
Town Subtotal	<u>88,651</u>	<u>206,032</u>	<u>188,205</u>	<u>106,478</u>
TERRAL PUBLIC WORKS AUTHORITY				
PWA	124,330	232,517	226,644	130,203
TPWA Subtotal	<u>124,330</u>	<u>232,517</u>	<u>226,644</u>	<u>130,203</u>
Overall Totals	<u>\$ 212,981</u>	<u>\$ 438,549</u>	<u>\$ 414,849</u>	<u>\$ 236,681</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, 2023
(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>\$ 72,500</u>	<u>\$ 75,091</u>	<u>\$ 73,191</u>	<u>\$ (1,900)</u>
Resources (Inflows):				
Taxes:				
Sales tax	41,000	35,000	29,886	(5,114)
Use tax	-	8,750	8,960	210
Franchise tax	7,350	8,450	8,752	302
Total Taxes	<u>48,350</u>	<u>52,200</u>	<u>47,598</u>	<u>(4,602)</u>
Intergovernmental:				
Alcoholic beverage tax	12,500	10,000	10,554	554
Cigarette tax	260	220	240	20
Total Intergovernmental	<u>12,760</u>	<u>10,220</u>	<u>10,794</u>	<u>574</u>
Investment Income	<u>99</u>	<u>94</u>	<u>122</u>	<u>28</u>
Miscellaneous Income:				
Fireworks	2,000	-	-	-
Internet	7,200	7,200	7,000	(200)
Community Center Rental	1,600	2,600	2,300	(300)
Community Center Donations	-	1,500	1,830	330
Donations	-	500	670	170
Fundraiser	2,000	-	-	-
Miscellaneous	-	10,900	2,097	(8,803)
Total Miscellaneous Income	<u>12,800</u>	<u>22,700</u>	<u>13,897</u>	<u>(8,803)</u>
Other Financing Sources:				
Transfers from other funds	2,000	8,600	15,511	6,911
Total Other Financing Sources	<u>2,000</u>	<u>8,600</u>	<u>15,511</u>	<u>6,911</u>
Total Resources	<u>76,009</u>	<u>93,814</u>	<u>87,922</u>	<u>(5,892)</u>
Amounts available for appropriation	<u>148,509</u>	<u>168,905</u>	<u>161,113</u>	<u>(7,792)</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal services	38,000	34,050	31,971	2,079
Materials and supplies	11,234	20,500	7,800	12,700
Other services and charges	30,595	43,285	31,948	11,337
Total General Government	<u>79,829</u>	<u>97,835</u>	<u>71,719</u>	<u>26,116</u>
Community Center:				
Materials and supplies	8,000	8,000	6,605	1,395
Other services and charges	9,000	9,600	8,572	1,028
Total Community Center	<u>17,000</u>	<u>17,600</u>	<u>15,177</u>	<u>2,423</u>
Other Financing Uses - Transfers to other funds	7,500	8,000	-	8,000
Total Charges to Appropriations	<u>104,329</u>	<u>123,435</u>	<u>86,896</u>	<u>36,539</u>
Ending Budgetary Fund Balance	<u>\$ 44,180</u>	<u>\$ 45,470</u>	<u>\$ 74,217</u>	<u>\$ 28,747</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, 2023
(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>\$ 550</u>	<u>\$ 645</u>	<u>\$ 645</u>	<u>\$ -</u>
Resources (Inflows):				
Intergovernmental:				
Gas excise tax	2,800	1,800	1,877	77
Motor vehicle tax	<u>800</u>	<u>480</u>	<u>500</u>	<u>20</u>
Total Intergovernmental	3,600	2,280	2,377	97
Other Financing Sources:				
Transfers from other funds	-	430	-	(430)
Total Other Financing Sources	<u>-</u>	<u>430</u>	<u>-</u>	<u>(430)</u>
Total Resources	<u>3,600</u>	<u>2,710</u>	<u>2,377</u>	<u>(333)</u>
Amounts available for appropriation	<u>4,150</u>	<u>3,355</u>	<u>3,022</u>	<u>(333)</u>
Charges to Appropriations (Outflows):				
Streets	4,150	2,800	2,372	428
Total Charges to Appropriations	<u>4,150</u>	<u>2,800</u>	<u>2,372</u>	<u>428</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 555</u>	<u>\$ 650</u>	<u>\$ 95</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, 2023
(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:	\$ 9,000	\$ 12,803	\$ 14,472	\$ 1,669
Resources (Inflows):				
Sales Tax	5,500	6,000	5,491	(509)
Grant Revenue	-	10,685	10,687	2
Investment Income	70	65	67	2
Miscellaneous Income:				
Fire Run Dues	13,000	16,350	16,350	-
Donations	5,250	3,200	2,593	(607)
Total Miscellaneous Income	18,250	19,550	18,943	(607)
Total Resources	<u>23,820</u>	<u>36,300</u>	<u>35,188</u>	<u>(1,112)</u>
Amounts available for appropriation	<u>32,820</u>	<u>49,103</u>	<u>49,660</u>	<u>557</u>
Charges to Appropriations (Outflows):				
Fire	32,820	36,288	28,042	8,246
Total Fire	<u>32,820</u>	<u>36,288</u>	<u>28,042</u>	<u>8,246</u>
Other Financing Uses - Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>32,820</u>	<u>36,288</u>	<u>28,042</u>	<u>8,246</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 12,815</u>	<u>\$ 21,618</u>	<u>\$ 8,803</u>

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

TOWN OF TERRAL
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
REAP GRANT FUND
For the Fiscal Year Ended June 30, 2023
(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>46,595</u>	<u>46,595</u>	<u>-</u>
Other Financing Sources:				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>-</u>	<u>46,595</u>	<u>46,595</u>	<u>-</u>
Amounts available for appropriation	<u>-</u>	<u>46,595</u>	<u>46,595</u>	<u>-</u>
Charges to Appropriations (Outflows):				
Streets	<u>-</u>	<u>1,595</u>	<u>1,595</u>	<u>-</u>
Water	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total Charges to Appropriations	<u>-</u>	<u>46,595</u>	<u>46,595</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF TERRAL
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
ARPA FUND
For the Fiscal Year Ended June 30, 2023
(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>\$ 343</u>	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ -</u>
Resources (Inflows):				
Grant Revenue	<u>33,621</u>	<u>34,293</u>	<u>33,940</u>	<u>(353)</u>
Miscellaneous Income	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Total Resources	<u>33,621</u>	<u>34,293</u>	<u>33,950</u>	<u>(343)</u>
Amounts available for appropriation	<u>33,964</u>	<u>34,636</u>	<u>34,293</u>	<u>(343)</u>
Charges to Appropriations (Outflows):				
General Government:				
Personal services	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Materials and supplies	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Other services and charges	<u>-</u>	<u>10,355</u>	<u>10,355</u>	<u>-</u>
Total General Government	<u>-</u>	<u>12,605</u>	<u>12,605</u>	<u>-</u>
Streets:				
Materials and supplies	<u>-</u>	<u>1,378</u>	<u>1,378</u>	<u>-</u>
Total Streets	<u>-</u>	<u>1,378</u>	<u>1,378</u>	<u>-</u>
Public Works:				
Materials and supplies	<u>-</u>	<u>3,210</u>	<u>3,210</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>7,107</u>	<u>7,107</u>	<u>-</u>
Total Public Works	<u>-</u>	<u>10,317</u>	<u>10,317</u>	<u>-</u>
ARPA: Materials and supplies	<u>33,621</u>	<u>9,993</u>	<u>-</u>	<u>9,993</u>
Total Charges to Appropriations	<u>33,621</u>	<u>34,293</u>	<u>24,300</u>	<u>9,993</u>
Ending Budgetary Fund Balance	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ 9,993</u>	<u>\$ 9,650</u>

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, 2023
(Unaudited)****Operating Revenues:**

Charges for services:	
Utility revenues	\$231,754
Total Operating Revenues	<u>231,754</u>

Operating Expenses:

Personal services	61,361
Materials and Supplies	37,881
Other services and charges	76,041
Capital outlay	3,564
Total Operating Expenses	<u>178,847</u>
Operating Income	52,907

Non-Operating Revenues (Expenses):

Investment income	763
Debt service - principal	(22,424)
Debt service - interest	(9,862)
Total Non-Operating Revenues (Expenses)	<u>(31,523)</u>

Net Income Before Transfers 21,384Transfers out (15,511)**Change in fund balance** 5,873**Fund Balance - beginning** 124,330**Fund Balance - ending** \$130,203

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, 2023
(Unaudited)

	Fire Operational Grant	Fire Grant	2023 REAP Contract #232241	2023 REAP Contract #202223	Coronavirus State and Local Fiscal Recovery Funds
Awarding agency	Oklahoma Department of Agriculture	Southern Oklahoma Development Authority	Association of South-Central Oklahoma Governments	Association of South-Central Oklahoma Governments	U.S. Department of Treasury
ALN	N/A	N/A	N/A	N/A	21.027
Award Amount	\$ 10,053	\$ 634	\$ 45,000	\$ 1,595	\$ 67,563
Program Budget	10,053	634	45,000	1,595	67,563
Current Year Activity					
Current Year Receipts:					
Received from agency	10,053	634	45,000	1,595	33,940
Total current year receipts	10,053	634	45,000	1,595	33,940
Current Year Disbursements	10,053	634	45,000	1,595	24,295
Beginning of Year Unexpended Grant Funds	-	-	-	-	343
End of Year Unexpended Grant Funds	-	-	-	-	9,988
Program To-Date Activity					
Program To-Date Receipts:					
Received from agency	10,053	634	45,000	1,595	67,561
Total program To-Date Receipts	10,053	634	45,000	1,595	67,561
Program To-Date Disbursements	10,053	634	45,000	1,595	57,573
Program To-Date Unexpended Grant Funds	\$ -	\$ -	\$ -	\$ -	\$ 9,988

Note: In fiscal year 2021, the Town received REAP Contract #202223 in the amount of \$49,715. The project was completed under budget by \$1,595. In April 2023, the Town was contacted by ASOG stating they could use the remaining amount for street repairs or it will be de-obligated. The Town decided to use the remaining \$1,595.

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