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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:

Town Board, Town of Billings
Billings, Oklahoma

Trustees of the Billings Public Works Authority
Billings, 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 Town of Billings (the "Town") and the Billings Public Works 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, 2023. Management of the Town and the Authority are responsible for the Town's and 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 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 Town of Billings as of and for the fiscal year ended June 30, 2023

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances 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: 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. The Street department incurred \$187,187 in expenses in excess of the approved budget. These expenses were funded by grant revenue awarded during the fiscal year.

- III. **Procedures Performed:** Agree 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: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town'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, 2023.

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

Findings: The Town has restricted 1 cent of sales tax per a vote of the people to be used for the establishment and maintenance of the Police Department. The funds are tracked in a separate fund. For the year end June 30, 2023, restricted funds were spent in accordance with stipulated restrictions. No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare 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 instances of noncompliance noted.

- VII. **Procedures Performed:** Compare 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 such compliance requirements were identified that were applicable to the Town.

- VIII. **Procedures Performed:** Review the grant agreements for revenues received during the year. Prepare a schedule of grant receipts and expenditures.

Findings: Refer to Exhibit V.

As to the Billings Public Works Authority, as of and for the year ended June 30, 2023:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance- modified 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 instances of noncompliance noted.

- 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, 2023.

- 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 has an Oklahoma Water Resource Board (OWRB) loan with the United States Department of Agriculture (USDA).

This loan has two requirements:

First, an amount of \$35,000 should be deposited annually into a short-lived asset reserve account.

Second, an amount of \$36,204 should be deposited into the debt service reserve account to fully fund the debt service reserve. The Authority has restricted a portion of the certificate of deposit in the amount of \$71,204 to meet the debt requirement.

Additionally, refer to Exhibit IV. No instances of noncompliance were noted.

We were engaged by the Town of Billings and the Billings Public Works 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 Town of Billings and the Billings Public Works 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, ADVISOR

Clinton, Oklahoma
July 26, 2023

TOWN OF BILLINGS, OKLAHOMA
SUMMARY OF CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Beginning of Year Fund Balance</u>		<u>Current Year Change</u>		<u>End of Year Fund Balance</u>
TOWN OF BILLINGS, OK					
General Fund	\$ 541,836	*	113,689		\$ 655,525
Public Works Authority	\$ 1,422,807	*	305,998		\$ 1,728,805

* Beginning of Year Fund Balance was amended to reflect capital assets held by the municipality

TOWN OF BILLINGS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Approved Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 136,483	\$ 541,836	\$ 405,353
Resources (Inflows):			
Sales	138,368	161,208	22,840
Use	24,793	29,678	4,885
Franchise	13,864	24,157	10,293
Other Taxes	19,092	20,572	1,480
Other Revenue	55,814	233,800	177,986
Total current year resources	<u>251,931</u>	<u>469,415</u>	<u>217,484</u>
Amounts available for appropriation	<u>\$ 388,414</u>	<u>\$ 1,011,251</u>	<u>\$ 622,837</u>
Charges to Appropriations (Outflows):			
General Government:			
Personal services	\$ 50,682	\$ 47,779	\$ 2,903
Materials and supplies	7,500	3,287	4,213
Other charges and services	75,500	69,275	6,225
Capital Outlay	53,314	-	53,314
Total General Government	<u>186,996</u>	<u>120,341</u>	<u>66,655</u>
Street and Alley			
Materials and supplies	22,000	18,162	3,838
Other charges and services	15,500	11,354	4,146
Capital Outlay	-	195,171	(195,171)
Total Street and Alley	<u>37,500</u>	<u>224,687</u>	<u>(187,187)</u>
Fire Department			
Other charges and services	9,000	10,697	(1,697)
Total Fire Department	<u>9,000</u>	<u>10,697</u>	<u>(1,697)</u>
Total current year appropriations	<u>233,496</u>	<u>355,725</u>	<u>(122,229)</u>
Total charges to appropriations	<u>\$ 233,496</u>	<u>\$ 355,725</u>	<u>\$ (122,229)</u>
Change in Fund Balance	<u>18,435</u>	<u>113,690</u>	<u>(95,255)</u>
Ending Budgetary Fund Balance	<u><u>\$ 154,918</u></u>	<u><u>\$ 655,526</u></u>	<u><u>\$ 500,608</u></u>

BILLINGS PUBLIC WORKS AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Net Operating Income

Gas Revenue	\$ 121,034
Gas Expenses	132,290
Gas Operating Income	<u>(11,256)</u>

Water Revenue	95,866
Water Expenses	57,902
Water Operating Income	<u>37,964</u>

Sewer Revenue	78,109
Sewer Expenses	25,843
Sewer Operating Income	<u>52,266</u>

Trash Revenue	33,894
Trash Expenses	14,866
Trash Operating Income	<u>19,028</u>

Parks & Rec Revenue	1,429
Parks & Rec Expenses	11,826
Parks & Rec Operating Income	<u>(10,397)</u>

Total Operating Net Income/(Loss)	<u><u>87,605</u></u>
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Non-Operating Income

Administration Revenue	13,686
Administration Expenses	(89,705)
Grant Income	325,783
Grant Expense	(31,371)

Total Non-Operating Income/(Loss)	<u><u>218,393</u></u>
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Change in Fund Balance	305,998
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Beginning Modified Cash Fund Balance	1,422,807
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Ending Modified Cash Fund Balance	<u><u>\$ 1,728,805</u></u>
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Exhibit IV

**BILLINGS PUBLIC WORKS AUTHORITY
BALANCE SHEET - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

Assets	Total
Current Assets	
Cash and Cash Equivalents, unrestricted	\$ 57,269
Restricted Cash and Cash Equivalents	111,194
Accounts Receivable	9,769
Due from General Fund	326,048
Total Current Assets	<u>504,280</u>
Fixed Assets	
Construction in Progress	97,076
Property Plant & Equipment	2,828,709
Accumulated Depreciation	(990,624)
Total Fixed Assets	<u>1,935,161</u>
Total Assets	<u><u>\$ 2,439,441</u></u>
Liabilities & Equity	
Current Liabilities	
Accounts Payable	\$ 5,414
Sales Tax Payable	459
Notes Payable Current	17,421
Total Current Liabilities	<u>23,294</u>
Long Term Liabilities	
Notes Payable Long Term	656,077
Meter Liability	31,265
Total Long Term Liabilities	<u>687,342</u>
Total Liabilities	<u><u>710,636</u></u>
Equity	
Beginning Fund Balance	1,422,807
Net Income	305,998
Total Equity	<u>1,728,805</u>
Total Liabilities and Equity	<u><u>\$ 2,439,441</u></u>

Exhibit V

**TOWN OF Billings, OKLAHOMA
SCHEDULE OF GRANTS
FOR THE YEAR ENDED JUNE 30, 2023**

Grant revenue	Project description	Award	Amount received	Amount expended
<i>Grant received from:</i>				
REAP Grant	Central Street Resurfacing	\$ 159,807	\$ 159,807	\$ 195,171
ARPA Grant	Water Line Replacement	325,783	325,783	12,499
OWRB	Water Line Replacement	912,650	-	18,872
	Total	<u>\$ 1,398,240</u>	<u>\$ 485,590</u>	<u>\$ 226,542</u>