

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING
AGREED-UPON PROCEDURES
TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY
JUNE 30, 2023**

**TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY**

JUNE 30, 2023

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**TOWN OF BUTLER, OKLAHOMA,
BUTLER PUBLIC WORKS AUTHORITY, &
FRONTIER DEVELOPMENT AUTHORITY**

TOWN OFFICIALS

JUNE 30, 2023

Board of Trustees

Mayor	Jimmy Fieselman
Trustee	Randy Kelley
Trustee	Vacant



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Specified Users of the Report:

Town Board, Town of Butler
Butler, Oklahoma

Trustees of the Butler Public Works Authority
Butler, Oklahoma

Trustees of the Frontier Development Authority
Butler, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

United States Department of Agriculture
Rural Development
Hobart, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority, which comprise the Summary of Changes in Fund Balances - Modified Cash Basis as of June 30, 2023, and the related Budgetary Comparison Schedule of the General Fund - Modified Cash Basis, Statement of Revenues, Expenses and Changes in Fund Net Assets - Modified Cash Basis of Butler Public Works Authority and Frontier Development Authority, and the Statement of Reserved Cash in Bank and Investments of Butler Public Works Authority and Frontier Development Authority for the fiscal year then ended, included in the accompanying prescribed form in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do

not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are prepared in accordance with the basis of accounting prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and are not intended to be a complete presentation of Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority's assets and liabilities. As a result, the financial statements may not be suitable for another purpose.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Additionally, 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 Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority in meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements as of and for the fiscal year ended June 30, 2023. Management of the Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority are responsible for the Town's and the Authorities financial accountability and its compliance with those legal and contractual requirements.

The Town of Butler, Oklahoma, Butler Public Works Authority, and Frontier Development Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3. Additionally, the other specified users of the report, as identified above, have agreed that the procedures performed are appropriate for their 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 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.

The procedures and associated findings are as follows:

As to the Town of Butler, Oklahoma as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (See accompanying Exhibit 1-00) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (See accompanying Exhibit 2-00) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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 noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

7. Procedures Performed: We compared 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 exceptions were found as a result of applying the procedure.

As to the Butler 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, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 3-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

6. Procedures Performed: We compared 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. (See accompanying Exhibit 5-00).

Findings: No exceptions were found as a result of applying the procedure.

As to the Frontier Development 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, expenditures/expenses and changes in fund balances/net assets for each fund (See accompanying Exhibit 4-00) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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: No exceptions were found as a result of applying the procedure.

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 exceptions were found as a result of applying the procedure.

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 of noncompliance.

Findings: No exceptions were found as a result of applying the procedure.

6. Procedures Performed: We compared 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. (See accompanying Exhibit 6-00).

Findings: No exceptions were found as a result of applying the procedure.

We were engaged by the Town of Butler, Oklahoma, Butler Public Works Authority and Frontier Development Authority to perform this agreed-upon procedures engagement and we conducted our 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 of Butler, Oklahoma, Butler Public Works Authority and Frontier Development Authority meeting their financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements. 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 Town of Butler, Oklahoma, Butler Public Works Authority and Frontier Development 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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL, AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
February 12, 2024

Town of Butler Oklahoma, Butler Public Works Authority,
and Frontier Development Authority
Summary of Changes in Fund Balances -
Modified Cash Basis
For the Year Ended June 30, 2023

<u>Town:</u>	<u>Beginning of Year Fund Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u>	<u>End of Year Fund Balance</u>
General Fund	\$ 205,924.43	\$ 179,849.61	\$ 149,135.79	\$ 0.00	\$ 236,638.25
Grant Fund	0.00	0.00	0.00	0.00	0.00
Fire Department Fund	68,182.22	108,257.32	51,394.53	0.00	125,045.01
Penalty Assessment Fund	321.08	0.00	0.00	0.00	321.08
Park Fund	3,441.46	766.90	311.10	0.00	3,897.26
Town Subtotal	<u>277,869.19</u>	<u>288,873.83</u>	<u>200,841.42</u>	<u>0.00</u>	<u>365,901.60</u>
<u>Enterprise Funds:</u>					
Butler Public Works Authority	386,718.57	122,142.75	154,117.95	0.00	354,743.37
Frontier Development Authority	580,183.86	421,400.18	386,892.70	0.00	614,691.34
Enterprise Funds Subtotal	<u>966,902.43</u>	<u>543,542.93</u>	<u>541,010.65</u>	<u>0.00</u>	<u>969,434.71</u>
Grand Total	<u>\$ 1,244,771.62</u>	<u>\$ 832,416.76</u>	<u>\$ 741,852.07</u>	<u>\$ 0.00</u>	<u>\$ 1,335,336.31</u>

See Accountant's Report.

Town of Butler, Oklahoma
 Budgetary Comparison Schedule - Modified Cash Basis
 General Fund
 For the Year Ended June 30, 2023

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Sales Tax	\$ 29,918.84	\$ 29,918.84	\$ 31,926.20	\$ 2,007.36
Interest	0.00	0.00	1,190.67	1,190.67
Alcohol Beverage Tax	2,312.12	2,312.12	2,326.73	14.61
Franchise Tax	5,160.74	5,160.74	6,541.57	1,380.83
Police Fines	0.00	0.00	0.00	0.00
Donations	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	3,111.64	3,111.64
Royalty Income	0.00	0.00	184.35	184.35
Use Tax	9,865.89	9,865.89	13,645.77	3,779.88
Cigar Tax	240.45	240.45	213.64	(26.81)
Gasoline Tax	358.13	358.13	361.32	3.19
Commercial Vehicle Tax	1,638.98	1,638.98	1,471.93	(167.05)
Rental Income	18,351.43	18,351.43	20,869.90	2,518.47
SWODA REAP Grant	0.00	0.00	72,000.00	72,000.00
Coronavirus State & Local Fiscal Recovery	0.00	0.00	26,005.89	26,005.89
FEMA Disaster Assistance	0.00	0.00	0.00	0.00
CDBG CIP Grant	0.00	0.00	0.00	0.00
Proceeds from Sale of Property	0.00	0.00	0.00	0.00
Insurance Refund	0.00	0.00	0.00	0.00
Total Revenues	67,846.58	67,846.58	179,849.61	112,003.03
<u>Expenditures</u>				
Personal Services	75,000.00	65,000.00	19,805.40	45,194.60
Maintenance and Operations	123,771.01	123,771.01	45,763.73	78,007.28
Capital Outlay	75,000.00	85,000.00	83,566.66	1,433.34
Total Expenditures	273,771.01	273,771.01	149,135.79	124,635.22
Excess Revenues Over (Under)				
Total Expenditures	(205,924.43)	(205,924.43)	30,713.82	236,638.25
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Net Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Excess of Revenues and Other Sources over Expenditures and Other Uses	(205,924.43)	(205,924.43)	30,713.82	236,638.25
Budgetary Fund Balance, Beginning	205,924.43	205,924.43	205,924.43	0.00
Budgetary Fund Balance, Ending	\$ 0.00	\$ 0.00	236,638.25	\$ 236,638.25
Adjustments to Conform with the Modified Cash Basis:				
Revenue Accruals			0.00	
Fund Balance, End of Year (Modified Cash Basis)			\$ 236,638.25	

See Accountant's Report.

Butler Public Works Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Modified Cash Basis
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund
Operating Revenues:	
Water Revenue	\$ 70,443.72
Sewer Revenue	14,244.59
Penalties	3,223.24
Royalty Income	5,079.10
Garbage Revenue	26,155.09
Water Taps	350.00
Rental Income	1,500.00
Mowing Income	520.00
Insurance Reimbursements	0.00
SWODA REAP Grant	0.00
FEMA Public Assistance Grant	0.00
Miscellaneous Revenue	174.09
Total Operating Revenues	121,689.83
Operating Expenses:	
Water	51,581.32
Sewer	844.98
Garbage	27,686.67
Maintenance and Operations	40,887.26
Personal Services	29,091.72
Depreciation	4,026.00
Interest Expense	0.00
Total Operating Expenses	154,117.95
Operating Income (Loss)	(32,428.12)
Non-Operating Revenues (Expenses):	
Interest Revenue	452.92
Gain on Sale of Equipment	0.00
Total Non-Operating Revenues (Expenses)	452.92
Income (Loss) before Operating Transfers	(31,975.20)
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
Total Operating Transfers	0.00
Net Income (Loss)	(31,975.20)
Net Assets - Beginning of Year	386,718.57
Prior Period Adjustment	0.00
Net Assets - End of Year	\$ 354,743.37

See Accountant's Report.

Frontier Development Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Modified Cash Basis
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund
Operating Revenues:	
Water Revenue	\$ 409,819.37
Penalties	5,071.57
Connection Fees	85.00
Water Taps	4,560.00
FEMA Public Assistance Grant	0.00
OWRB REAP Grant	0.00
OWRB Water for 2060 Drought Grant	0.00
Miscellaneous Revenue	641.19
Total Operating Revenues	420,177.13
Operating Expenses:	
Water	159,796.40
Maintenance and Operations	103,684.34
Personal Services	86,262.40
Returned Unused OWRB REAP Grant Funds	0.00
Depreciation	24,501.00
Interest Expense	12,648.56
Total Operating Expenses	386,892.70
Operating Income (Loss)	33,284.43
Non-Operating Revenues (Expenses):	
Interest Revenue	1,223.05
Gain on Sale of Equipment	0.00
Total Non-Operating Revenues (Expenses)	1,223.05
Income (Loss) before Operating Transfers	34,507.48
Operating Transfers:	
Operating Transfers In	0.00
Operating Transfers Out	0.00
Total Operating Transfers	0.00
Net Income (Loss)	34,507.48
Net Assets - Beginning of Year	580,183.86
Prior Period Adjustment	0.00
Net Assets - End of Year	\$ 614,691.34

See Accountant's Report.

Butler Public Works Authority
Statement of Reserved Cash in Bank
For the Year Ended June 30, 2023

	Reserve for Replacement Cash Reserve Account	Meter Deposit Cash Reserve Account	Total
Balance 7-1-22	\$ 72,188.26	\$ 12,621.54	\$ 84,809.80
Monthly Deposits	2,736.00	0.00	2,736.00
Interest	150.90	0.00	150.90
Bank Charges	0.00	0.00	0.00
Change in Deposit Restrictions	0.00	445.54	445.54
Balance 6-30-23	\$ <u>75,075.16</u>	\$ <u>13,067.08</u>	\$ <u>88,142.24</u>

See Accountant's Report.

Exhibit 6-00

Frontier Development Authority
Statement of Reserved Cash in Bank
For the Year Ended June 30, 2023

	Meter Deposit Cash Reserve Account
Balance 7-1-22	\$ 41,746.39
Monthly Deposits	0.00
Interest	0.00
Change in Deposit Restrictions	775.00
Balance 6-30-23	\$ 42,521.39

Statement of Reserved Investments
For the Year Ended June 30, 2023

	USDA Rural Development Reserve Account
Balance 7-1-22	\$ 47,760.00
Monthly Deposits	0.00
Interest	0.00
Balance 6-30-23	\$ 47,760.00

See Accountant's Report.