

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

**TOWN OF MANITOU, OKLAHOMA and
MANITOU PUBLIC WORKS AUTHORITY**

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

BY





**Independent Accountant's Compilation Report and
Report on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Manitou
Manitou, Oklahoma

Trustees of the Manitou Public Works Authority
Manitou, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements and schedules of the Town of Manitou and the related Manitou Public Works Authority, Manitou, Oklahoma, which are comprised of the Summary of Changes in Fund Balances - Cash Basis as of and for the year ended June 30, 2023, and the related Budgetary Comparison Schedule for the General Fund - Cash Basis, Budgetary Comparison Schedule for the Emergency Savings Fund - Cash Basis, Budgetary Comparison Schedule for the Capital Improvement Fund - Cash Basis, and the Statement of Revenues, Expenses and Changes in Fund Balance for the Manitou Public Works Authority, Manitou, Oklahoma - Cash Basis for the year ended June 30, 2023, and for determining that the cash basis of accounting is an acceptable financial reporting framework.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 American Institute of Certified Public Accountants (AICPA). We did not audit or review the accompanying financial statements 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 these financial statements and schedules.

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

The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3 and are not intended to be a complete presentation of the Town of Manitou's and Manitou Public Works Authority's assets, liabilities, revenues, expenses, and changes in fund balances.

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 in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2023. Management of the Town of Manitou is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the fieldwork and reporting standards applicable to attestation engagements as contained in Government Auditing Standards of the Comptroller of the United States of America. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Town of Manitou has agreed to and acknowledges that the procedures performed are appropriate to meet the intended purpose of assisting users in evaluating the selected financial information and compliance requirements of the Town of Manitou for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures 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.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on compliance, and an opinion or conclusion on the related financial statements and schedules. 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.

Procedures and Finding

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

- 1. Procedures Performed:** From the Town's trial balances and other accounting records, we compiled a cash basis schedule of changes in fund balances for each fund and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of non-compliance as a result of applying the procedure.

- 2. Procedures Performed:** From the Town's trial balances and other accounting records, we prepared a cash basis budget and actual financial schedule for the General Fund and any other major funds and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations. A major fund is any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances and exceeds 5% of the entity-wide total revenues, expenditures or fund balances.

Findings: We found the following instances of noncompliance as a result of applying the procedure:

- The General Fund was under budget in the following inflow categories: Taxes, Consumer Maintenance, and Investment Revenue.
- The General Fund was over budget in the following outflow category: Transfers Out.
- The Capital Improvement Fund was under budget in the following inflow category: General Fund Loan Payment.
- The Emergency Savings Fund was under budget in the following inflow category: Transfers In (Emergency Fund Deposits).
- The Emergency Savings Fund was over budget in the following outflow category: Transfers Out.

- 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 on a timely basis.

Findings: The Town does not have a formal reconciliation process for three bank accounts: Maintenance Department Savings, Fire Department Checking and Fire Department Savings account. Therefore, we were not able to determine if there are any significant or unusual reconciling items that have not cleared those bank accounts.

- 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: This procedure does not apply. The Town's bank account balances did not exceed the FDIC limit of \$250,000.

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

Findings: We found no instances of noncompliance 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: We found the following instances of noncompliance as a result of applying the procedure. For four out of the twelve months, the Gas Excise Taxes were deposited into the Fire Department Fund and the Cemetery Fund. The inflow from Gas Excise Taxes should be deposited into the General Fund due to the absence of a Street & Alley Fund.

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

Findings: This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Town during the fiscal year ending June 30, 2023.

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

1. Procedures Performed: From the Authority's trial balances and other accounting records, we prepared a schedule of revenues, expenses, and changes in fund balances - cash basis for the Authority and compared the schedule results to the applicable trust prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We found no instances of noncompliance 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 on a timely basis.

Findings: This procedure does not apply. The Authority does not have a separate bank account.

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: This procedure does not apply. The Authority does not have a separate bank account.

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: We found no instances of noncompliance 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: We found no instances of noncompliance as a result of applying the procedure.

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

Findings: This procedure does not apply. We did not identify any such compliance requirements that were applicable to the Authority during the fiscal year ending June 30, 2023.

As to the **Town of Manitou** and **Manitou Public Works Authority**, as of and for the fiscal year ended June 30, 2023:

1. Procedures Performed: From the Town and Authority's trial balances and other accounting records, we compiled the Annual Survey of City and City Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1.

Findings: We found one instance of noncompliance as a result of applying the procedure. The SA&I Form 2643 was due to the Oklahoma State Auditor on December 31, 2023. The form is being filed late and will put the gas excise tax at risk.

We are required to be independent of the Town of Manitou 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.

Furrh & Associates, PC
FURRH & ASSOCIATES, PC
January 22, 2024

Town of Manitou, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
For the Fiscal year Ended June 30, 2023
(Unaudited)

| | <u>Beginning of Year Fund Balances</u> | <u>Current Year Receipts</u> | <u>Interfund Transfers</u> | <u>Current Year Disbursements</u> | <u>End of Year Fund Balances</u> |
|------------------------------|---|---|---------------------------------------|--|---|
| Town: | | | | | |
| General Fund | \$ 67,584 | \$ 28,424 | 91,832 | \$ (132,751) | \$ 55,089 |
| Capital Improvement Fund | 209,659 | 9,301 | 0 | 0 | 218,960 |
| Emergency Savings Fund | 95,225 | 388 | (34,800) | 0 | 60,813 |
| Fire Department Savings Fund | 9,469 | 41 | 0 | 0 | 9,510 |
| Fire Department Fund | 4,070 | 15,637 | 2,200 | (15,451) | 6,456 |
| ARPA Grant Fund | 1,332 | 0 | 14,458 | (673) | 15,117 |
| Cemetery Fund | 874 | 31 | 0 | 0 | 905 |
| OWRB REAP Fund | 82 | 0 | 0 | 0 | 82 |
| Purchasing Fund | <u>77</u> | <u>0</u> | <u>3,100</u> | <u>(3,101)</u> | <u>76</u> |
| Town Total | 388,372 | 53,822 | 76,790 | (151,976) | 367,008 |
| Trust Authority: | | | | | |
| Public Works Authority | <u>0</u> | <u>322,624</u> | <u>(76,790)</u> | <u>(245,834)</u> | <u>0</u> |
| Authority Total | 0 | 322,624 | (76,790) | (245,834) | 0 |
| Entity-wide Total | <u><u>\$ 388,372</u></u> | <u><u>\$ 376,446</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ (397,810)</u></u> | <u><u>\$ 367,008</u></u> |

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Budgetary Comparison Schedule-Cash Basis
General Fund
For the Fiscal Year Ended June 30, 2023
(Unaudited)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|--------------|-----------------------|---------------------------------------|
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 67,584 | \$ 67,584 | \$ 67,584 | \$ 0 |
| Resources (Inflows): | | | | |
| Taxes | 6,773 | 6,773 | 6,697 | (76) |
| Consumer Maintenance | 4,200 | 4,200 | 2,025 | (2,175) |
| Miscellaneous Revenue | 2,257 | 2,257 | 3,622 | 1,365 |
| Investment Revenue | 525 | 525 | 7 | (518) |
| Grant Revenue | 0 | 0 | 14,547 | 14,547 |
| Franchise Fee | 0 | 0 | 1,226 | 1,226 |
| Rental Revenue | 0 | 0 | 300 | 300 |
| Transfers In | 0 | 0 | 121,790 | 121,790 |
| Total Inflows | 13,755 | 13,755 | 150,214 | 136,459 |
| Amounts Available for Appropriation | 81,339 | 81,339 | 217,798 | 136,459 |
| Charges to Appropriations (Outflows): | | | | |
| General Government: | | | | |
| Personal Services | 100,957 | 100,957 | 41,306 | (59,651) |
| Operations & Maintenance | 209,633 | 209,633 | 91,446 | (118,187) |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 29,957 | 29,957 |
| Total Charges to Appropriations | 310,590 | 310,590 | 162,709 | (147,881) |
| Ending Budgetary Fund Balance | \$ (229,251) | \$ (229,251) | \$ 55,089 | \$ 284,340 |

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Capital Improvement Fund
For the Fiscal Year Ended June 30, 2023
(Unaudited)

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| Beginning Budgetary Fund Balance: | \$ 209,659 | \$ 209,659 | \$ 209,659 | \$ 0 |
| Resources (Inflows): | | | | |
| Taxes | 8,505 | 8,505 | 9,301 | 796 |
| General Fund Loan Payment | 12,600 | 12,600 | 0 | (12,600) |
| Transfers In | 0 | 0 | 0 | 0 |
| Total Inflows | 21,105 | 21,105 | 9,301 | (11,804) |
| Amounts Available for Appropriation | 230,764 | 230,764 | 218,960 | (11,804) |
| Charges to Appropriations (Outflows): | | | | |
| General Government: | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operations & Maintenance | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Charges to Appropriations | 0 | 0 | 0 | 0 |
| Ending Budgetary Fund Balance | <u>\$ 230,764</u> | <u>\$ 230,764</u> | <u>\$ 218,960</u> | <u>\$ (11,804)</u> |

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Budgetary Comparison Schedule-Cash Basis
Emergency Savings Fund
For the Fiscal Year Ended June 30, 2023
(Unaudited)

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------------|-------------------|------------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| Beginning Budgetary Fund Balance: | \$ 95,225 | \$ 95,225 | \$ 95,225 | \$ 0 |
| Resources (Inflows): | | | | |
| Investment Revenue | 210 | 210 | 388 | 178 |
| Transfers In | 10,710 | 10,710 | 10,200 | (510) |
| Total Inflows | 10,920 | 10,920 | 10,588 | (332) |
| Amounts Available for Appropriation | 106,145 | 106,145 | 105,813 | (332) |
| Charges to Appropriations (Outflows): | | | | |
| General Government: | | | | |
| Personal Services | 0 | 0 | 0 | 0 |
| Operations & Maintenance | 0 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 45,000 | 45,000 |
| Total Charges to Appropriations | 0 | 0 | 45,000 | 45,000 |
| Ending Budgetary Fund Balance | <u>\$ 106,145</u> | <u>\$ 106,145</u> | <u>\$ 60,813</u> | <u>\$ (45,332)</u> |

Please see accompanying Accountant's Report.

Town of Manitou, Oklahoma
Statement of Revenue, Expenses and Changes in Fund Balance-Cash Basis
Public Works Authority
For the Fiscal Year Ended June 30, 2023
(Unaudited)

| | <u>Total Manitou Public Works Authority</u> |
|---|--|
| Operating Revenues | |
| Electric Revenue | \$ 172,062 |
| Trash Revenue | 41,576 |
| Water Revenue | 38,961 |
| Fuel Cost Adjustment | 31,034 |
| Sewer Revenue | 17,870 |
| LIHEP Program Revenue | 7,315 |
| Fire Truck Fee | 6,212 |
| Meter Charge Revenue | 5,954 |
| Miscellaneous Operating Revenue | 1,640 |
| Total Operating Revenues | <u>322,624</u> |
| Operating Expenses | |
| Personal Services | 73,433 |
| Operations & Maintenance | 172,401 |
| Capital Outlay | 0 |
| Total Operating Expenses | <u>245,834</u> |
| Operating Income / (Loss) | 76,790 |
| Non-Operating Revenues / (Expenses) | |
| Total Non-Operating Revenues / (Expenses) | <u>0</u> |
| Net Income / (Loss) before Transfers | 76,790 |
| Transfers In / (Out) | |
| Transfers In | 73,433 |
| Transfers Out | (150,223) |
| Total Transfers In / (Out) | <u>(76,790)</u> |
| Change in Fund Balance | 0 |
| Fund Balance - beginning | <u>0</u> |
| Fund Balance - ending | <u><u>\$ 0</u></u> |

Please see accompanying Accountant's Report.