

INDEPENDENT ACCOUNTANTS REPORT
ON APPLYING AGREED UPON PROCEDURES
TOWN OF SPARKS, OKLAHOMA
JUNE 30, 2023

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Independent Accountant's Report
On Applying Agreed Upon Procedures
To the Specified Users of the Report:

Town Council, Town of Sparks
Sparks, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Sparks, Sparks, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2023, and the related Budgetary Comparison Schedule-Modified Cash Basis-General Fund, Budgetary Comparison Schedule-Modified Cash Basis Police Fund for the year then ended in accordance with the modified cash basis of accounting, 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 the 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 accompanying financial statements and schedules 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.

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 modified 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.

Management has elected to omit substantially all of the disclosure ordinarily included in financial statements and schedules prepared in accordance with the modified 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's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

We have performed the procedures enumerated below 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 Sparks is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements.

Town of Sparks has agreed to and acknowledge 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 Sparks as of and 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 Sparks** as of and for the fiscal year ended June 30, 2023.

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

Findings: No instances of noncompliance noted.

2. **Procedures Performed:** Form the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the General Fund any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: The Town did not exceed the General Fund budget.

3. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the Police Fund and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with appropriate limitations.(see accompanying Exhibit 3).

Findings: The town did not exceed the police fund budget.

4. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced 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.

5. **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 instances of noncompliance noted.

6. 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: No instances of noncompliance noted.

7. 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 instances of noncompliance noted.

8. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Town had no contractual or debt service requirements. This procedure does not apply.

As to the Town of Sparks Grant Programs, as of and for the fiscal year ended June 30, 2023:

9. Procedures Performed: From the Town's trial balances, we prepared schedules of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant (see accompanying Exhibit 4).

Findings: The Town of Sparks obtained a \$38,938 REAP grant from COED, which was used to pay Bailey Paving. The Town of Sparks also obtained a \$15,003.37 ARPA grant, the funds were used to purchase 8 air conditioners, computer/printer and repair roof of the community center.

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.

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.

Sincerely,

Ralph Osborn, CPA LLP

Ralph Osborn CPA LLP
September 24, 2024

TOWN OF SPARKS
 SPARKS, OKLAHOMA
 SUMMARY OF CHANGES IN FUND BALANCE
 MODIFIED CASH BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (UNAUDITED)
 Exhibit 1

	Beginning of Year Fund <u>Balances</u>	Current Year <u>Receipts</u>	Interfund <u>Transfers</u>	Prior Year <u>Disbursements</u>	Current Year <u>Disbursements</u>	End of Year <u>Fund Balances</u>
General Fund	\$ 55,686	\$ 40,362	\$ -	\$ -	\$ (34,059)	\$ 61,989
Grant Fund	\$ 14,853	\$ 53,941	\$ -	\$ -	\$ (46,194)	\$ 22,599
Police Fund	\$ 5,676	\$ 400	\$ -	\$ -	\$ (4,610)	\$ 1,466
Overall Totals	<u>\$ 76,215</u>	<u>\$ 94,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,863)</u>	<u>\$ 86,054</u>

Please see accompanying Accountants Reports

TOWN OF SPARKS
SPARKS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)
Exhibit 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Beginning Budgetary Fund Balance:	\$ 55,686	\$ 55,686	\$ 55,686	\$ -
Resources (Inflows):				
Sales tax	28,000	28,000	26,163	(1,837)
Franchise tax	4,000	4,000	4,752	752
Other taxes	5,350	5,350	4,002	(1,348)
Miscellaneous	3,000	3,000	2,597	(403)
Rent	-	-	2,400	2,400
Interest income	-	-	448	448
Total Inflows	<u>40,350</u>	<u>40,350</u>	<u>40,362</u>	<u>12</u>
Amounts Available for Appropriation	<u>\$ 96,036</u>	<u>\$ 96,036</u>	<u>\$ 96,048</u>	<u>\$ 12</u>
Charges to Appropriations (Outflows):				
General Government:				
Contract labor	4,000	4,000	3,900	100
Maintenance, operations, repairs	24,000	24,000	30,159	(6,159)
Capital outlay	<u>9,376</u>	<u>9,376</u>	<u>-</u>	<u>9,376</u>
Total General Government	<u>37,376</u>	<u>37,376</u>	<u>34,059</u>	<u>3,317</u>
Total Charges to Appropriations	<u>37,376</u>	<u>37,376</u>	<u>34,059</u>	<u>3,317</u>
Ending Budgetary Fund Balance:	<u>\$ 58,660</u>	<u>\$ 58,660</u>	<u>\$ 61,988</u>	<u>\$ 3,328</u>

Please see accompanying Accountants Reports

TOWN OF SPARKS
SPARKS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
POLICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)
Exhibit 3

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Beginning Budgetary Fund Balance:	\$ 5,676	\$ 5,676	\$ 5,676	\$ -
Resources (Inflows):				
Fines and Forfeitures	<u>3,000</u>	<u>3,000</u>	<u>400</u>	<u>(2,600)</u>
Total Inflows	<u>3,000</u>	<u>3,000</u>	<u>400</u>	<u>(2,600)</u>
Amounts Available for Appropriation	<u>\$ 8,676</u>	<u>\$ 8,676</u>	<u>\$ 6,076</u>	<u>\$ (2,600)</u>
Charges to Appropriations (Outflows):				
Public Safety:				
Police expenses	<u>8,000</u>	<u>8,000</u>	<u>4,610</u>	<u>3,390</u>
Total Public Safety	<u>8,000</u>	<u>8,000</u>	<u>4,610</u>	<u>3,390</u>
Total Charges to Appropriations	<u>8,000</u>	<u>8,000</u>	<u>4,610</u>	<u>3,390</u>
Ending Budgetary Fund Balance:	<u>\$ 676</u>	<u>\$ 676</u>	<u>\$ 1,466</u>	<u>\$ 790</u>

Please see accompanying Accountants Reports

TOWN OF SPARKS
SPARKS, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
MODIFIED CASH BASIS
GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)
Exhibit 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
Beginning Budgetary Fund Balance:	\$ 14,853	\$ 14,853	\$ 14,853	\$ -
Resources (Inflows):				
REAP Grant	-	-	38,938	38,938
ARP Grant	-	-	15,003	15,003
Total Inflows	-	-	53,941	53,941
Amounts Available for Appropriation	<u>\$ 14,853</u>	<u>\$ 14,853</u>	<u>\$ 68,794</u>	<u>\$ 53,941</u>
Charges to Appropriations (Outflows):				
Grant Use:				
Chip and Seal			38,938	(38,938)
AC units/roof repair	-	-	7,257	(7,257)
Total Grant Use	-	-	46,195	(46,195)
Total Charges to Appropriations	-	-	46,195	(46,195)
Ending Budgetary Fund Balance:	<u>\$ 14,853</u>	<u>\$ 14,853</u>	<u>\$ 22,599</u>	<u>\$ 7,746</u>

Please see accompanying Accountants Reports