



TOWN OF SHATTUCK
STATE OF OKLAHOMA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2023

**THE TOWN OF SHATTUCK,
OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORTS**

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

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

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TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Shattuck, OK

OPINIONS

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shattuck, State of Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Shattuck's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Shattuck, State of Oklahoma, as of June 30, 2023, and the respective changes in modified cash basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1B.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Shattuck, State of Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER: BASIS OF ACCOUNTING

As discussed in Note 1B of the financial statements, which describes the basis of accounting, the financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

EMPHASIS OF MATTER: PRIMARY GOVERNMENT FINANCIAL STATEMENTS

As discussed in Note 1A, the financial statements referred to above include only the primary government of the Town of Shattuck, Oklahoma, which consists of all funds and trusts that comprise the Town's legal entity. These primary government financial statements do not include financial data for the Town's legally separate component unit, the Shattuck Hospital Authority (SHA). As a result, the Town's primary government financial statements do not include all component units of the financial reporting entity. The SHA issues separate audited financial statements which are presented in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Shattuck, State of Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Shattuck's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Shattuck, State of Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OTHER MATTERS

Supplementary Information

Management's discussion and analysis and budgetary comparison information, on pages 9 through 15 and pages 40 through 41, are presented to supplement the basic financial statements. We have applied certain limited procedures to the supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance, on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

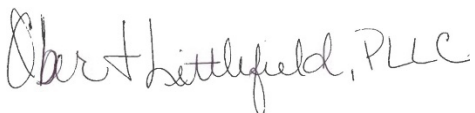
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Shattuck, State of Oklahoma's financial statements, as a whole. The introductory section, combining individual nonmajor fund financial statements, schedule of expenditures of federal and states awards, and schedule of debt service, on pages 43 through 46, are presented for purposes of additional analysis, and are not a required part of the financial statements.

The combining individual nonmajor fund financial statements are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, schedule of expenditures of federal and states awards, and schedule of debt service have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report, dated March 14, 2025, on our consideration of the Authority's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, on considering the Authority's internal control over financial reporting and compliance.



OBER & LITTLEFIELD, CPAS, PLLC
MIAMI, OKLAHOMA
MARCH 14, 2025

TOWN OF SHATTUCK, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023

The management of the Town of Shattuck is pleased to provide this annual financial report to its citizens, taxpayers and other report users to demonstrate its accountability and communicate the Town's financial condition and activities as of and for the year ended June 30, 2023. Management of the Town is responsible for the fair presentation of this annual report, for maintaining appropriate internal controls over financial reporting, and for complying with applicable laws, regulations, and provisions of grants and contracts. The Town reports its financial statements and schedules on a modified cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles. All of the financial analyses in this report must be considered within the context of the limitations of the modified cash basis of accounting.

FINANCIAL HIGHLIGHTS

- As reported on a modified cash basis, the Town's total net position increased by \$234,502, and the assets of the Town exceed its liabilities at June 30, 2023, by \$2,383,383.
- At June 30, 2023, the Town's governmental funds reported combined ending fund balances on a modified cash basis of \$1,243,618.
- At June 30, 2023, the Town's general fund reported an ending total fund balance on a modified cash basis of \$529,525.

ABOUT THE TOWN

The Town of Shattuck is a Town form of government with a population of approximately 1,274 located in Ellis County in northwestern Oklahoma. The Town is governed by a five-member council and operates under state law and Town ordinances through the three branches of democratic government.

- Legislative – the Town Council is five-member governing body elected by the citizens at large
- Executive – the Town Mayor is the Chief Executive Officer and is selected from among the Town Council by the Town Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the Town Council

The Town provides typical municipal services such as public safety, street and alley maintenance, parks and recreation, streets, cemetery, water, sewer, and sanitation services.

The Town's Financial Reporting Entity

Except as noted below, this annual report includes all activities for which the Town Council is financially accountable. These activities, defined as the Town's financial reporting entity, are operated within separate legal entities.

The Town's financial reporting entity includes the primary government (Town of Shattuck) and one blended component unit as follows.

- **The Town of Shattuck** – that operates the public safety, street and alley maintenance, parks and recreation, and cemetery services
- **The Shattuck Municipal Authority (SMA)** – public trust created June 10, 1996, pursuant to 60 O.S. § 176 that operates the water, sewer, and sanitation services of the Town

The Shattuck Hospital Authority is also a component unit of the Town that issues a separate financial statement report, but is not included in this financial statement report due to the Hospital Authority's use of a different financial reporting framework than the Town. The hospital primarily earns revenue by providing inpatient, outpatient and emergency care services in Shattuck, Oklahoma and also operates a home health agency in the same geographic area. Separate financial statements can be obtained by contacting: Shattuck Hospital Authority, 905 S. Main Street, Shattuck Ok, 73858.

For the included public trust, the Shattuck Municipal Authority (SMA), the Town of Shattuck is the beneficiary of the trust and the entire Town Council serves as the governing body of the trusts. In addition, as required by state law, all debt obligations incurred by the trust must be approved by two-thirds vote of the Town Council. This is considered sufficient imposition of will to include the trust within the Town's financial reporting entity. This public trust does not issue separate annual financial statements.

For the excluded public trust, the Shattuck Hospital Authority, the Town of Shattuck is also the beneficiary of the trust. The Town Council appointed the original Trustees of the Authority and selects the replacement Trustees from a list of names provided by the remaining Trustees of the Authority. In addition, all debt obligations incurred by the trust must be approved by two-thirds vote of the Town Council. Separate audited component unit financial statements are issued by the Shattuck Hospital Authority and may be obtained by contacting their administrative offices.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the primary government presented herein include all of the activities of the Town of Shattuck (the "Town"), and the Shattuck Municipal Authority (the "Municipal Authority"). Included in this report are government-wide statements for each of the two categories of activities - governmental and business-type.

The government-wide financial statements present the complete financial picture of the Town from the modified cash basis of accounting. These statements include all assets of the Town as well as all liabilities, resulting from modified cash basis transactions. They present governmental and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions to ask about the Town's finances is, "Has the Town's overall financial condition improved, declined or remained steady as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. You will need to consider other non-financial factors, however, such as changes in the Town's sales tax base, the condition of the Town's roads, and quality of service to assess the overall health of the Town. You will also need to keep in mind that these government-wide statements are prepared in accordance with the modified cash basis of accounting and include only those Town assets and liabilities resulting from cash transactions with selected modifications.

In the Statement of Net Position and the Statement of Activities, we divide the Town's primary government into two kinds of activities: *Governmental activities* - Most of the Town's basic services are reported here, including the police, fire, and streets. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities; and *Business-type activities* - Activities where the Town charges a fee to customers to help cover all or most of the cost of certain services it provides are reported here. The Town's water, sewer, and sanitation utilities are reported as business-type activities.

Reporting the Town's Most Significant Funds - Fund Financial Statements

Fund Financial Statements

The fund financial statements provide detailed information about the Town's most significant (major) funds -- not the Town as a whole. Some funds are required to be established by State law and by debt covenants. However, the Town Council may also establish certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds -- *governmental and proprietary* -- are described below.

Governmental funds - All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on a modified cash basis of accounting. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary funds - When the Town, through the Municipal Authority, charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are also reported on the modified cash basis of accounting. The Town's proprietary fund is the Shattuck Municipal Authority that accounts for the operation of the water, sewer, and sanitation activities.

TOWN OF SHATTUCK, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023

Notes to the Financial Statements

The notes provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 26-38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Budgetary Comparison Schedules for the General Fund, the Hospital Sales Tax Fund, and the Street and Alley Fund, combining and individual fund financial statements and schedules, a federal and state award schedule, and debt service coverage schedule.

THE TOWN AS A WHOLE

For the year ended June 30, 2023, net position on a modified cash basis for the governmental and business-type activities increased \$234,502.

Following is a summary of net position reported on a modified cash basis for the Town of Shattuck primary government.

Net Position (Modified Cash Basis)
June 30, 2023

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Total assets	\$ 1,244	\$ 1,138	9%	\$ 1,196	\$ 1,067	12%	\$ 2,440	\$ 2,205	11%
Total liabilities	-	-	-	57	57	0%	57	57	0%
Net position									
Restricted	1,121	961	17%	19	18	6%	1,140	979	16%
Unrestricted	122	178	-31%	1,121	992	13%	1,243	1,170	6%
Total net position	<u>\$ 1,243</u>	<u>\$ 1,139</u>	9%	<u>\$ 1,140</u>	<u>\$ 1,010</u>	13%	<u>\$ 2,383</u>	<u>\$ 2,149</u>	11%

The largest portion of the Town's total net position is restricted for use by the street department. For 2023, the amount restricted for streets was \$663,675. The Town also has \$22,825 restricted for community development, \$26,506 restricted for cemetery care, \$207,359 restricted for the fire truck and fire association, \$23,912 restricted for library, \$18,442 restricted for insurance and \$19,124 restricted for debt service, and \$158,797 restricted for specific governmental purposes. Monies restricted for specific governmental purposes are unspent ARPA funds.

The remaining balance in unrestricted net position of \$1,242,743 is available to meet the government's ongoing obligations to citizens and creditors.

TOWN OF SHATTUCK, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023

Changes in Net Position (Modified Cash Basis)
Year Ended June 30, 2023

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Revenues									
Charges for services	\$ 26	\$ 36	-28%	\$ 691	\$ 689	0%	\$ 717	\$ 725	-1%
Operating grants and contributions	21	15	40%	-	-	-	21	15	40%
Capital grants, contributions and debt proceeds	16	23	-30%	-	44	-100%	16	67	-76%
Taxes	976	971	1%	-	-	-	976	971	1%
Intergovernmental revenue	227	227	0%	-	-	-	227	227	0%
Investment income	14	8	75%	1	-	100%	15	8	88%
Miscellaneous	101	123	-18%	3	-	100%	104	123	-15%
Total revenues	<u>1,381</u>	<u>1,403</u>	-2%	<u>695</u>	<u>733</u>	-5%	<u>2,076</u>	<u>2,136</u>	-3%
Expenses									
General government	402	417	-4%	-	-	-	402	417	-4%
Public safety	181	167	8%	-	-	-	181	167	8%
Highways and streets	198	317	-38%	-	-	-	198	317	-38%
Cemetery	7	2	250%	-	-	-	7	2	250%
Culture and recreation	294	284	4%	-	-	-	294	284	4%
Water	-	-	-	341	299	14%	341	299	14%
Sewer	-	-	-	242	191	27%	242	191	27%
Sanitation	-	-	-	177	138	28%	177	138	28%
Total expenses	<u>1,082</u>	<u>1,187</u>	-9%	<u>760</u>	<u>628</u>	21%	<u>1,842</u>	<u>1,815</u>	1%
Excess (deficiency) before transfers	299	216	38%	(65)	105	-162%	234	321	-27%
Transfers	<u>(194)</u>	<u>(194)</u>	0%	<u>194</u>	<u>194</u>	0%	<u>-</u>	<u>-</u>	-
Change in net position	105	22	377%	129	299	-57%	234	321	-27%
Beginning net position	<u>1,138</u>	<u>1,116</u>	2%	<u>1,011</u>	<u>712</u>	42%	<u>2,149</u>	<u>1,828</u>	18%
Ending net position	<u>\$ 1,243</u>	<u>\$ 1,138</u>	9%	<u>\$ 1,140</u>	<u>\$ 1,011</u>	13%	<u>\$ 2,383</u>	<u>\$ 2,149</u>	11%

Governmental Activities

The Town's governmental activities had an increase in net position of \$105,319. The Town saw an increase in operating grants and contributions due to the receipt of the fire operating grant in the amount of \$10,053. Capital grants, contributions and debt proceeds decreased due to the city receiving an ARPA grant related to libraries in FY 22 that did not reoccur in FY23. The decrease in charges for service is due to fine revenue and cemetery lot sales being down. Public safety expense is up due to an increase in maintenance cost and expenses related to an operational grant. The highways and streets expenses is down due to the city doing significant street improvements in FY22 that did not repeat in 2023.

TOWN OF SHATTUCK, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2023

TABLE 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
General government	\$ 402	\$ 419	-4%	\$ (402)	\$ (418)	-4%
Public safety	181	167	8%	(163)	(149)	9%
Highways and streets	198	316	-37%	(186)	(306)	-39%
Cemetery	7	2	250%	(6)	2	-400%
Culture and recreation	294	284	4%	(262)	(243)	8%
Total	<u>\$ 1,082</u>	<u>\$ 1,188</u>	-9%	<u>\$ (1,019)</u>	<u>\$ (1,114)</u>	-9%

Business-type Activities

The business-type activities had an increase in net position of \$129,183. This increase is primarily due to the transfer of sales tax from the General Fund. The decrease in Operating Grants and Contributions is due to the one time receipt of a grant in the prior year that was not received in the current year. All BTA expenses are up due to an increase in operating costs.

TABLE 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Water	\$ 341	\$ 299	14%	\$ (8)	\$ 70	-111%
Sewer	242	191	27%	(54)	1	-5500%
Sanitation	177	138	28%	(7)	34	-121%
Total	<u>\$ 760</u>	<u>\$ 628</u>	21%	<u>\$ (69)</u>	<u>\$ 105</u>	-166%

A FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$1,243,618. For the year ended June 30, 2023, the General Fund's total fund balance increased by \$121,892 or 29.9% to a total fund balance of \$529,525. The Street and Alley Fund's total fund balance decreased by \$16,931 to a fund balance of \$663,675.

The Shattuck Municipal Authority Fund reported net position of \$1,139,765.

Budgetary Highlights

For the year ended June 30, 2023, the General Fund reported actual budgetary basis revenues under final estimates by \$375,890 or a 28% negative variance. General Fund actual expenditures were under final appropriations by \$503,319 or a 37% positive variance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following information outlines significant known factors that will affect subsequent year finances:

- The FY 2024 budget is relatively consistent to the prior year.

Contacting the Town's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's office at PO Box 670 or 405 S Main, Shattuck, Oklahoma 73858 or telephone at 580-938-2916.

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Statement of Net Position (Modified Cash Basis) – June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 555,938	\$ -	\$ 555,938
Restricted cash and equivalents	18,442	75,828	94,270
Investments	1,687,346	102,553	1,789,899
Internal Balances	(1,018,108)	1,018,108	-
Total assets	<u>1,243,618</u>	<u>1,196,489</u>	<u>2,440,107</u>
LIABILITIES			
Due to depositors	-	56,724	56,724
Total liabilities	<u>-</u>	<u>56,724</u>	<u>56,724</u>
NET POSITION			
Restricted by:			
Enabling legislation:			
Streets	663,675	-	663,675
Community development	22,825	-	22,825
Statutory requirements:			
Cemetery	26,506	-	26,506
External contracts:			
Fire	207,359	-	207,359
Insurance	18,442	-	18,442
Library	23,912	-	23,912
Debt service	-	19,124	19,124
Specific Governmental Purposes	158,797	-	158,797
Unrestricted	122,102	1,120,641	1,242,743
Total net position	<u>\$ 1,243,618</u>	<u>\$ 1,139,765</u>	<u>\$ 2,383,383</u>

See accompanying notes to the basic financial statements.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Statement of Activities (Modified Cash Basis) – Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 402,022	\$ -	\$ -	\$ -	\$ (402,022)	\$ -	\$ (402,022)
Public Safety	180,904	8,371	10,053	-	(162,480)	-	(162,480)
Highways and Streets	197,580	-	11,151	-	(186,429)	-	(186,429)
Cemetery	6,866	651	-	-	(6,215)	-	(6,215)
Culture and Recreation	294,467	16,789	-	15,720	(261,958)	-	(261,958)
Total governmental activities	1,081,839	25,811	21,204	15,720	(1,019,104)	-	(1,019,104)
Business-Type Activities:							
Water	340,803	332,598	-	-	-	(8,205)	(8,205)
Sewer	241,664	187,918	-	-	-	(53,746)	(53,746)
Sanitation	177,517	170,675	-	-	-	(6,842)	(6,842)
Total business-type activities	759,984	691,191	-	-	-	(68,793)	(68,793)
Total primary government	\$ 1,841,823	\$ 717,002	\$ 21,204	\$ 15,720	(1,019,104)	(68,793)	(1,087,897)
General revenues:							
Taxes:							
Sales and use taxes					900,359	-	900,359
Franchise taxes and public service taxes					76,162	-	76,162
Intergovernmental revenue not restricted to specific programs					227,359	-	227,359
Unrestricted investment earnings					13,779	877	14,656
Miscellaneous					100,740	3,123	103,863
Transfers					(193,976)	193,976	-
Total general revenues and transfers					1,124,423	197,976	1,322,399
Change in net position					105,319	129,183	234,502
Net position - beginning					1,138,299	1,010,582	2,148,881
Net position - ending					\$ 1,243,618	\$ 1,139,765	\$ 2,383,383

See accompanying notes to the basic financial statements.

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS – GOVERNMENTAL FUNDS

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Governmental Funds Balance Sheet (Modified Cash Basis) – June 30, 2023

	General Fund	Hospital Sales Tax Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 146,943	\$ -	\$ 385,171	\$ 42,266	\$ 574,380
Investments	1,651,436	-	27,758	8,152	1,687,346
Due from other funds	-	-	250,746	-	250,746
Total assets	<u>\$ 1,798,379</u>	<u>-</u>	<u>\$ 663,675</u>	<u>\$ 50,418</u>	<u>\$ 2,512,472</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 1,268,854	\$ -	\$ -	\$ -	\$ 1,268,854
Total liabilities	<u>1,268,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,268,854</u>
Fund balances:					
Restricted for:					
Streets	-	-	663,675	-	663,675
Cemetery	-	-	-	26,506	26,506
Fire	207,359	-	-	-	207,359
Insurance	18,442	-	-	-	18,442
Library	-	-	-	23,912	23,912
Community Development	22,825	-	-	-	22,825
Specific Governmental Purposes	158,797	-	-	-	158,797
Assigned to:					
Cemetery	8,895	-	-	-	8,895
Unassigned	113,207	-	-	-	113,207
Total fund balances	<u>529,525</u>	<u>-</u>	<u>663,675</u>	<u>50,418</u>	<u>1,243,618</u>
Total liabilities and fund balances	<u>\$ 1,798,379</u>	<u>\$ -</u>	<u>\$ 663,675</u>	<u>\$ 50,418</u>	<u>\$ 2,512,472</u>

See accompanying notes to the basic financial statements.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances
(Modified Cash Basis) – Year Ended June 30, 2023

	<u>General Fund</u>	<u>Hospital Sales Tax Fund</u>	<u>Street and Alley Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 622,957	\$ 193,976	\$ 164,880	\$ -	\$ 981,813
Intergovernmental	232,120	-	11,151	11,691	254,962
Charges for services	18,929	-	-	163	19,092
Fines and forfeitures	5,288	-	-	-	5,288
Licenses and permits	1,431	-	-	-	1,431
Investment income	13,096	-	477	206	13,779
Miscellaneous	102,069	-	2,700	-	104,769
Total revenues	<u>995,890</u>	<u>193,976</u>	<u>179,208</u>	<u>12,060</u>	<u>1,381,134</u>
EXPENDITURES					
Current:					
General government	208,046	193,976	-	-	402,022
Public safety	170,945	-	-	-	170,945
Highway and streets	1,441	-	170,999	-	172,440
Culture and recreation	262,231	-	-	11,691	273,922
Cemetery	6,855	-	-	11	6,866
Capital Outlay	30,504	-	25,140	-	55,644
Total expenditures	<u>680,022</u>	<u>193,976</u>	<u>196,139</u>	<u>11,702</u>	<u>1,081,839</u>
Excess (deficiency) of revenues over expenditures	<u>315,868</u>	<u>-</u>	<u>(16,931)</u>	<u>358</u>	<u>299,295</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(193,976)	-	-	-	(193,976)
Total other financing sources and uses	<u>(193,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,976)</u>
Net change in fund balances	<u>121,892</u>	<u>-</u>	<u>(16,931)</u>	<u>358</u>	<u>105,319</u>
Fund balances - beginning	<u>407,633</u>	<u>-</u>	<u>680,606</u>	<u>50,060</u>	<u>1,138,299</u>
Fund balances - ending	<u>\$ 529,525</u>	<u>\$ -</u>	<u>\$ 663,675</u>	<u>\$ 50,418</u>	<u>\$ 1,243,618</u>

See accompanying notes to the basic financial statements.

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS – PROPRIETARY FUND

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Proprietary Fund Statement of Net Position (Modified Cash Basis) – June 30, 2023

	Shattuck Municipal Authority
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 26,207
Investments	76,326
Restricted cash and cash equivalents	49,621
Restricted investments	26,227
Due from other funds	1,018,108
Total current assets	<u>1,196,489</u>
LIABILITIES	
Current liabilities:	
Deposits subject to refund	<u>56,724</u>
Total current liabilities	<u>56,724</u>
Total liabilities	<u>56,724</u>
NET POSITION	
Restricted for debt service	19,124
Unrestricted	<u>1,120,641</u>
Total net position	<u><u>\$ 1,139,765</u></u>

See accompanying notes to the basic financial statements.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position (Modified Cash Basis) – Year Ended June 30, 2023

	Shattuck Municipal Authority
Operating Revenues:	
Water charges	\$ 324,954
Sewer charges	183,599
Sanitation charges	170,675
Penalty charges	8,124
Reconnect fee	3,839
Total operating revenues	<u>691,191</u>
Operating Expenses:	
Administration	86,509
Sewer	157,819
Water	208,110
Sanitation	166,757
Total operating expenses	<u>619,195</u>
Net operating income	<u>71,996</u>
Non-Operating Revenues (Expenses):	
Investment income	877
Debt Service:	
Principal retirement	(38,957)
Interest expense and fees	(30,334)
Miscellaneous revenue	3,123
Capital Outlay	(71,498)
Total non-operating revenue (expenses)	<u>(136,789)</u>
Income (loss) before transfers	<u>(64,793)</u>
Transfers in	<u>193,976</u>
Change in net position	129,183
Total net position - beginning	1,010,582
Total net position - ending	<u>\$ 1,139,765</u>

See accompanying notes to the basic financial statements.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Proprietary Fund Statement of Cash Flows (Modified Cash Basis) – Year Ended June 30, 2023

	Shattuck Municipal Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 694,314
Payments to suppliers	(386,524)
Payments to employees	(232,671)
Interfund receipts/payments	(125,326)
Receipts of customer meter deposits	9,722
Refunds of customer meter deposits	(9,500)
Net cash provided by (used in) operating activities	(49,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	193,976
Net cash provided by noncapital financing activities	193,976
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(71,498)
Principal and interest expense paid on debt	(69,291)
Net cash provided by (used in) capital and related financing activities	(140,789)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	877
Net cash provided by investing activities	877
Net increase in cash and cash equivalents	4,079
Balances - beginning of year	174,302
Balances - end of year	\$ 178,381
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 26,207
Investments	76,326
Restricted cash and cash equivalents - current	49,621
Restricted cash and cash equivalents - noncurrent	26,227
Total cash and cash equivalents, end of year	\$ 178,381
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ 71,996
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Miscellaneous revenue	3,123
Change in assets and liabilities:	
Due from other funds	(125,326)
Deposits subject to refund	222
Net cash provided by (used in) operating activities	\$ (49,985)

See accompanying notes to the basic financial statements.

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Town's financial reporting entity consists of the primary government, one blended component unit, and one component unit that should be discretely-presented, but management has elected to exclude from the financial statements.

- **The Town of Shattuck** – that operates the public safety, highways and streets, culture and recreation, general government and cemetery, governed by the Town Council (primary government)
- **The Shattuck Municipal Authority (SMA)** – public trust created June 10, 1996, pursuant to 60 O.S. § 176 that operates the water, sewer, and sanitation services of the Town, governed by trustees comprised of the entire Town Council (blended component unit)

The Shattuck Hospital Authority (SHA) – public trust created August 6, 1964, pursuant to 60 O.S. § 176 that operates Newman Memorial Hospital, Inc. The hospital primarily earns revenue by providing inpatient, outpatient and emergency care services in Shattuck, Oklahoma and also operates a home health agency in the same geographic area. The Shattuck Hospital Authority issues a separate financial statement report, but management of the Town has elected to exclude the Authority in this financial statement report due to its use of a different financial reporting framework. Separate financial statements can be obtained by contacting: Shattuck Hospital Authority, 905 S. Main Street, Shattuck Ok, 73858.

In determining the financial reporting entity, the Town complies, with the exception of the omission of the Shattuck Hospital Authority, with the provisions of Governmental Accounting Standards Board Statement No. 14, *"The Financial Reporting Entity"*, as amended by Statement No. 61 *"The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 & No. 34"*, that requires all component units of which the Town is financially accountable be included in the financial report.

The component unit presented is a Public Trust established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authority is generally created to finance Town services through issuance of revenue bonds or other non-general obligation debt and to enable the Town Board to delegate certain functions to the governing body (Trustees) of the Authority. The Authority generally retains title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the Town has leased certain existing assets at the creation for the Authority to the Trustees on a long-term basis. The Town, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved. The Authorities are considered separate legal entities, and as such, any or all obligations from operations of these Authorities are solely the responsibility of the Authorities and are not considered obligations of, or operations of the Town.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statement of net position and activities are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

therein, and only recognizes revenues, expenses, assets and liabilities resulting from cash transactions adjusted for modifications that have substantial support in generally accepted accounting principles. These modifications include adjustments for the following balances arising from cash transactions:

- cash-based interfund receivables and payables
- other cash-based receivables/payables
- investments
- utility deposit liabilities

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Program revenues within the statement of activities are derived directly from each activity or from parties outside the Town's taxpayers. The Town has the following program revenues in each activity:

- General government: operating grants
- Public safety: Fine revenue
- Highways and streets: Gas excise taxes and commercial vehicle taxes
- Culture and recreation: Library fines, operating grants
- Cemetery: Lots sales, opening and closing fees

Governmental Funds:

General Fund – The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Project Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Fund:

Enterprise Fund – These funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Shattuck Municipal Authority enterprise fund. This fund accounts for activities of the public trust in providing water, sewer, and sanitation services to the public.

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The Town's governmental funds are comprised of the following:

Major Funds:

- General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except for those required to be accounted for in another fund. The major sources of revenue for this fund are sales and use taxes. For financial reporting purposes, the General Fund includes the fire truck account.
- Street and Alley Fund – A special revenue fund that accounts for state shared gasoline excise and commercial vehicle taxes and sales tax legally restricted for street and alley purpose.
- Hospital Sales Tax Fund – A special revenue fund that accounts for sales tax legally restricted for use by the Shattuck Hospital Authority

Non-Major Funds (Reported as Other Governmental Funds):

- Library Fund – A special revenue fund that accounts for grant proceeds for library activities, as well as book sales and donations to the library.
- Cemetery Care Fund – A capital project fund that accounts for 12.5% of cemetery revenue restricted by state law for cemetery capital improvements.

The governmental funds are reported on a modified cash basis of accounting. Only current financial assets and liabilities resulting from cash transactions are included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period.

Proprietary Fund:

The Town's proprietary fund is comprised of the following:

Enterprise Funds:

- Shattuck Municipal Authority – accounts for the operation of the water, sewer, and sanitation activities.

The proprietary funds are also reported on a modified cash basis, as defined above.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market accounts. Investments consist of long-term certificates of deposits and are reported at cost.

D. Capital Assets and Depreciation

Since the Town is reporting on the modified cash basis of accounting and is not modifying the cash basis for capital asset transactions, there are no capital assets recorded in the Statements of Net Position. Capital assets pledged for debt are disclosed in Note 10.

E. Long-Term Debt

Also due to the Town reporting on the modified cash basis of accounting without modifying for long-term debt transactions, the Town's long-term debt is instead disclosed as a commitment in Note 9 and is not recorded in the Statements of Net Position.

F. Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the Statements of Net Position. Expenditures/expenses related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid compensatory time that would be due to employees upon termination is reported as a commitment in Note 9.

G. Fund Balances and Net Position

Fund Balances:

Fund balances generally reported in the governmental funds financial statements are generally displayed in five components:

- a. *Nonspendable* – includes amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.
- b. *Restricted* – consists of fund balance with constraints placed on the use of resources either by (a) external groups such as creditor, grantors, contributors, or laws and regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- c. *Committed* – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. The Town's highest level of decision-making authority is made by ordinance.
- d. *Assigned* – includes amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by Town Trustees action or management decision when the Town Trustees have delegated that authority. Assignments for transfers and interest income for governmental funds are made through budgetary process.

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e. *Unassigned* – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the Town's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The Town's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Deficit Prohibition:

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund (excluding public trusts). The Town had no deficit fund balances for the year ended June 30, 2023.

Net Position:

Net position is displayed in two components:

- a. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- b. *Unrestricted net position* - All other net position that does not meet the definition of "restricted."

It is the Town's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

H. Internal and Interfund Balances and Transfers

The Town's policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

2. Deposits and Investments

For the year ended June 30, 2023, the Town recognized \$14,656 of investment income. Most of the Town's deposits are in demand and short-term time deposits.

At June 30, 2023, the primary government held the following deposits and investments:

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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Type of Deposits and Investments-Primary Government	Carrying Value
Deposits:	
Demand deposits	\$ 631,084
Time deposit	1,809,023
Total deposits	\$ 2,440,107
 Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 555,938
Restricted cash and cash equivalents	94,270
Investments	1,789,899
	\$ 2,440,107

Custodial Credit Risk

Exposure to custodial credit related to deposits exists when the Town holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Town's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the Town holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Town's name. The Town's policy as it relates to custodial credit risk is to comply with state law and secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. Acceptable collateral is defined in state statutes and includes U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Town must have a written collateral agreement approved by the board of directors or loan committee. At June 30, 2023, the Town had no custodial credit risk.

Investment Credit Risk

The Town has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in: (1) full faith and credit, direct obligations of the U.S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; (2) certificates of deposit or savings accounts that are either insured or secured with acceptable collateral; (3) negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; (4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district; and government money market funds regulated by the SEC. Title 60 public trusts are not limited by the same investment limitations of their municipal beneficiary. The investments held by the Town and Municipal Authority are certificates of deposits.

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Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town has no investment policy that limits based on maturity. The Town discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. As noted in the schedule of deposits and investments above, at June 30, 2023, the maturity dates of investments subject to interest rate risk have been disclosed.

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the Town (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The Town's has no investment policy regarding concentration of credit risk. At June 30, 2023, the Town had no concentration of credit risk as defined above.

Restricted cash and Investments – The amounts reported as restricted assets on the proprietary fund statement of net position are comprised of amounts restricted for water deposits and the OWRB loan account. The amount reported as restricted assets on the governmental funds statement of net position is the amount restricted for the deposit with insurance. The restricted assets as of June 30, 2023 are as follows:

	Cash and cash equivalents		Cash and cash equivalents
Governmental Activities:		Business-Type Activities and Proprietary Funds:	
Deposit with Insurance	\$ 18,442	Utility deposits	\$ 56,704
Total	<u>\$ 18,442</u>	SMA OWRB Loan Account	19,124
		Total	<u>\$ 75,828</u>

3. Sales Tax Revenue

Sales tax revenue represents a 4 cent local tax on each dollar of taxable sales within the Town, of which 1 cent is voter-restricted for debt service for the SMA, 1 cent is voter-restricted for use by the Shattuck Hospital Authority and .85 cents is recorded in the Street and Alley fund, with the remainder reported in the General fund.

4. Property Tax Levy

The Town presently levies no property tax. In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the Town.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

5. Transfers and Internal Balances

Interfund receivables and payables at June 30, 2023 were comprised of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
General Fund	Municipal Authority	\$ 1,018,108	To clear negative pooled cash balance
General Fund	Street & Alley Fund	250,746	To clear negative pooled cash balance
Total		<u>\$ 1,268,854</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ 250,746	\$ 1,268,854	\$ (1,018,108)
Proprietary Funds	1,018,108	-	\$ 1,018,108
Total	<u>\$ 1,268,854</u>	<u>\$ 1,268,854</u>	<u>\$ -</u>

Internal transfers between funds and activities for the year ended June 30, 2023, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	SMA	\$ 193,976	Sales tax transfer
Total		<u>\$ 193,976</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ -	\$ (193,976)	\$ (193,976)
Proprietary Funds	193,976	-	193,976
	<u>\$ 193,976</u>	<u>\$ (193,976)</u>	<u>\$ -</u>

6. Fund Equity

The following tables show the fund balance classifications as shown in the Governmental Funds Balance Sheet.

	<u>General Fund</u>	<u>Street and Alley Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balance:				
Restricted for:				
Fire truck	\$ 38,754	\$ -	\$ -	\$ 38,754
Fire association	168,605	-	-	168,605
Community development	22,825	-	-	22,825
Insurance	18,442	-	-	18,442
Streets and alleys	-	663,675	-	663,675
Library	-	-	23,912	23,912
Cemetery	-	-	26,506	26,506
Specific Governmental Purposes	158,797	-	-	158,797
Sub-total Restricted	<u>407,423</u>	<u>663,675</u>	<u>50,418</u>	<u>1,121,516</u>
Assigned to:				
Cemetery	8,895	-	-	8,895
Sub-total Assigned	<u>8,895</u>	<u>-</u>	<u>-</u>	<u>8,895</u>
Unassigned	<u>113,207</u>	<u>-</u>	<u>-</u>	<u>113,207</u>
Total Fund Balance	<u>\$ 529,525</u>	<u>\$ 663,675</u>	<u>\$ 50,418</u>	<u>\$ 1,243,618</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Restricted Net Position – Governmental and Business-type Activities:

The Town has restricted net position of \$1,140,640. Of that amount, \$686,500 is restricted by enabling legislation for the purpose of construction, maintenance, repair, improvement or lighting of streets and alleys and community development.

7. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. These risks are managed by securing commercial insurance for all risks, except for participation in the Oklahoma Municipal Assurance Group risk entity pool for worker's compensation and tort liability coverage. Management believes such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

8. Pension Plan Participation

The Town of Shattuck participates in two pension or retirement plans:

1. Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan.
2. Oklahoma Public Employees Retirement System (OPERS) – a state-wide cost-sharing plan.

OFPRS

The Town of Shattuck, as the employer, participates in a statewide cost-sharing multiple employer defined benefit pension plan through the Oklahoma Firefighter's Pension and Retirement System (OFPRS) as a result of the employment of full-time firefighters. The OFPRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Pursuant to the requirements of Title 11, section 22-102, the Town must participate in the plan if they employ fulltime or volunteer firefighters. OFPRS plan members are required to contribute 8% to the plan. The Town is required by state law to contribute 13% per year of covered payroll for paid firefighters. For volunteer firefighters, the Town is required to contribute \$60 per year per volunteer, while there is no required contribution by the volunteer. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. For 2023, the Town's annual required contribution was \$1,140 for the OFPRS plan and was equal to the Town's actual contribution.

Oklahoma Firefighter's Pension and Retirement System		
<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2021	\$ 1,200	100%
2022	1,200	100%
2023	1,140	100%

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

OFPRS
4545 N. Lincoln Blvd., Suite 265
Oklahoma Town, OK 73105-3414

Employee Plan:

The Town provides a defined-contribution pension benefit for all of its full-time employees with the exception of the fire department, through the Oklahoma Public Employees Retirement System (OPERS). The employee's contribution rate is 3.5%. The City's contribution is 16.5%. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

Oklahoma Public Employees Retirement System		
Fiscal Year	Required Contribution	Percentage Contributed
2021	\$ 73,943	100%
2022	66,723	100%
2023	65,707	100%

A copy of the OPERS financial statements can be obtained from Oklahoma Public Employees Retirement System, 2101 N. Lincoln Blvd., Room 580, Oklahoma City, OK 73105.

9. Commitments and Contingencies

Long-term Debt Commitments:

Shattuck Municipal Authority:

Note Payable (direct borrowing):

OWRB Drinking Water SRF Loan, issued in February 2013, original amount \$1,485,000, due in semi-annual installments each March 15 and September 15, final installment due September 15, 2042, fixed interest rate of 2.90%. Issued by the SMA and secured by pledged sales tax and net revenues. In the event of default on the OWRB loans, the lender may: 1) file suit to require any or all of the borrower covenants to be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement; 5) increase the interest rate to 14% on the defaulted payments.

\$ 1,038,071

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

<u>Year Ending June 30,</u>	<u>Notes Payable</u> <u>(Direct borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 40,029	\$ 30,316
2025	41,296	29,048
2026	42,520	27,825
2027	43,779	26,565
2028-2032	239,001	112,721
2033-2037	276,649	75,074
2038-2042	320,138	31,584
2043	34,659	514
Totals	<u>\$ 1,038,071</u>	<u>\$ 333,647</u>

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The Town has pledged one cent (or 25%) of future sales tax revenues and net water, sewer and sanitation revenues to repay the \$1,485,000 of the OWRB 2013 Drinking Water SRF Promissory Note. Proceeds from the note provided financing for construction improvements to capital assets. The note is payable from pledged sales tax revenues and net water, sewer and sanitation revenues of the SMA and is payable through 2042. The total principal and interest payable for the remainder of the life of the 2013 note is \$1,371,718. Pledged sales taxes and net water and sewer revenues received in the current year were \$352,597. Debt service payments of \$69,291 for the current fiscal year were 19.7% of pledged sales tax and net utility revenues.

Compensated Absences:

As a result of the Town's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation and comp leave) earned but unpaid at year-end are not reflected in the basic financial statements. The compensated absence commitment at June 30, 2023 is \$24,139.

Litigation:

The Town and its public trusts are parties to various legal proceedings or have threatened litigation which normally occurs in the course of municipal governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State Constitution and statutes provide for the levy of an ad valorem tax over a three-year period by a Sinking Fund for the payment of any court assessed judgment rendered against the Town. (This provision is not available to public trusts.) While the outcome of the above noted proceedings or threatened litigation cannot be predicted, due to the insurance coverage maintained by the Town and the State statute relating to judgments, the Town feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the Town.

Federal and State Award Programs:

The Town of Shattuck participates in various federal or state grant/loan programs from year to year. In 2023, the Town's involvement in federal and state award programs was not significant. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The Town has not been notified of any noncompliance with federal or state award requirements.

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

10. Capital Assets Pledged for Debt

At June 30, 2023 the roll forward schedule to report infrastructure assets pledged to Oklahoma Water Resources Board Series 2012 and related accumulated depreciation is as follows:

SMA ENTERPRISE FUND

<u>DEPARTMENT</u>	<u>BALANCE</u> <u>June 30, 2022</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>DETAIL</u> <u>BALANCE</u> <u>June 30, 2023</u>
SMA:				
Utility Property Improvements				
Water	\$ 3,176,539	\$ -	\$ -	\$ 3,176,539
Total Property, Plant, Equipment	<u>3,176,539</u>	<u>-</u>	<u>-</u>	<u>3,176,539</u>
Accumulated Depreciation				
Utility Property Improvements				
Water	<u>(1,143,444)</u>	<u>(73,743)</u>	<u>-</u>	<u>(1,217,187)</u>
Net Property, Plant, Equipment	<u>\$ 2,033,095</u>	<u>\$ (73,743)</u>	<u>\$ -</u>	<u>\$ 1,959,352</u>

11. Expenditures Not to Exceed Appropriations

The Town is required to adopt appropriations for all funds of the Town of Shattuck's legal entity. The level at which expenditures should not exceed appropriations is the department level within a fund as provided by the Municipal Budget Act. Transfers of appropriation may be approved by the Town management; however, supplemental appropriations must be approved by the Town Trustees and subsequently filed with the Oklahoma State Auditor's Office.

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

SUPPLEMENTARY AND OTHER INFORMATION

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Budgetary Comparison Schedules (Modified Cash Basis) – Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 269,343	\$ 282,997	\$ 369,074	\$ 86,077
Resources (Inflows):				
Taxes	893,850	981,810	622,957	(358,853)
Intergovernmental	216,771	221,021	222,067	1,046
Charges for services	19,100	17,720	18,929	1,209
Fines and forfeitures	5,526	5,526	5,288	(238)
Licenses and permits	2,030	2,030	1,431	(599)
Investment income	6,045	11,290	13,096	1,806
Miscellaneous	74,785	103,630	98,369	(5,261)
Transfers in	100,000	15,000	-	(15,000)
Total Resources (Inflows)	<u>1,318,107</u>	<u>1,358,027</u>	<u>982,137</u>	<u>(375,890)</u>
Amounts available for appropriation	<u>1,587,450</u>	<u>1,641,024</u>	<u>1,351,211</u>	<u>(289,813)</u>
Charges to Appropriations (Outflows):				
Police	106,600	106,600	102,741	3,859
Fire	65,360	61,360	58,591	2,769
Street	1,650	1,650	1,441	209
Parks	227,355	214,140	192,378	21,762
Animal Control	400	400	282	118
Library	88,100	88,100	80,490	7,610
Community Development	5,090	9,905	9,908	(3)
General Government	59,000	59,000	18,586	40,414
Administration	80,300	80,300	56,703	23,597
Attorney/Judge	20,000	20,000	9,103	10,897
Clerk-Treasurer	135,950	135,950	123,654	12,296
Cemetery	2,200	6,870	6,855	15
Transfers out	526,102	573,752	193,976	379,776
Total Charges to Appropriations	<u>1,318,107</u>	<u>1,358,027</u>	<u>854,708</u>	<u>503,319</u>
Ending Budgetary Fund Balance	<u>\$ 269,343</u>	<u>\$ 282,997</u>	<u>\$ 496,503</u>	<u>\$ 213,506</u>

	HOSPITAL SALES TAX FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	180,000	193,976	193,976	-
Total Resources (Inflows)	<u>180,000</u>	<u>193,976</u>	<u>193,976</u>	<u>-</u>
Amounts available for appropriation	<u>\$ 180,000</u>	<u>\$ 193,976</u>	<u>\$ 193,976</u>	<u>\$ -</u>
Charges to Appropriations (Outflows):				
General Government	180,000	193,976	193,976	-
Total Charges to Appropriations	<u>180,000</u>	<u>193,976</u>	<u>193,976</u>	<u>-</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Budgetary Comparison Schedules (Modified Cash Basis) – Year Ended June 30, 2023, (Cont.)

	STREET AND ALLEY FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 704,651	\$ 704,651	\$ 680,606	\$ (24,045)
Resources (Inflows):				
Taxes	154,270	154,270	164,880	10,610
Intergovernmental	9,000	9,000	11,151	2,151
Investment Income	680	680	477	(203)
Transfers In	-	-	-	-
Use of Fund Balance	60,828	60,828	2,700	(58,128)
Total Resources (Inflows)	<u>224,778</u>	<u>224,778</u>	<u>179,208</u>	<u>(45,570)</u>
Amounts available for appropriation	<u>\$ 929,429</u>	<u>\$ 929,429</u>	<u>\$ 859,814</u>	<u>\$ (69,615)</u>
Charges to Appropriations (Outflows):				
Streets	<u>224,778</u>	<u>224,778</u>	<u>196,139</u>	<u>28,639</u>
Total Charges to Appropriations	<u>224,778</u>	<u>224,778</u>	<u>196,139</u>	<u>28,639</u>
Ending Budgetary Fund Balance	<u><u>\$ 704,651</u></u>	<u><u>\$ 704,651</u></u>	<u><u>\$ 663,675</u></u>	<u><u>\$ (40,976)</u></u>

Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedules are reported on the same modified cash basis as governmental funds within the basic financial statements.
2. The legal level of appropriation control is the department level within a fund. Transfers and supplemental appropriations require Town Council approval.
3. The actual amounts on the budgetary comparison schedules differ from the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance due to a difference in the presentation of the general fund. In the governmental fund statements, the general fund includes the fire truck account. The detail of the differences is as follows:

Resources - Budgetary Comparison Schedule	\$ 982,137
fire truck account revenue	<u>13,753</u>
Revenue - Statement of Revenues, Expenditures, and Changes in Fund Balance	<u><u>\$ 995,890</u></u>
Charges to appropriations - Budgetary Comparison Schedule	\$ 854,708
fire truck account expenditures	<u>19,290</u>
Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balance	<u><u>\$ 873,998</u></u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts (Modified Cash Basis) – June 30, 2023

	<u>General Fund</u>	<u>Fire Truck Account</u>	<u>Total General Fund</u>
ASSETS			
Cash and cash equivalents	\$ 113,726	\$ 33,217	\$ 146,943
Investments	1,651,436	-	1,651,436
Total assets	<u>1,765,162</u>	<u>33,217</u>	<u>1,798,379</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	<u>\$ 1,268,854</u>	<u>\$ -</u>	<u>\$ 1,268,854</u>
Total liabilities	<u>1,268,854</u>	<u>-</u>	<u>1,268,854</u>
Fund balances:			
Restricted for:			
Fire	174,142	33,217	207,359
Community Development	22,825	-	22,825
Insurance	18,442	-	18,442
Specific Governmental Purposes	158,797	-	158,797
Assigned to:			
Cemetery	8,895	-	8,895
Unassigned	<u>113,207</u>	<u>-</u>	<u>113,207</u>
Total fund balances	<u>496,308</u>	<u>33,217</u>	<u>529,525</u>
Total liabilities and fund balances	<u>\$ 1,765,162</u>	<u>\$ 33,217</u>	<u>\$ 1,798,379</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts (Modified Cash Basis) – Year Ended June 30, 2023

	General Fund	Fire Truck Account	Total General Fund
REVENUES			
Taxes	\$ 622,957	\$ -	\$ 622,957
Intergovernmental	222,067	10,053	232,120
Charges for services	18,929	-	18,929
Fines and forfeitures	5,288	-	5,288
Licenses and permits	1,431	-	1,431
Investment earnings	13,096	-	13,096
Miscellaneous	98,369	3,700	102,069
Total revenues	<u>982,137</u>	<u>13,753</u>	<u>995,890</u>
EXPENDITURES			
Current:			
General government	208,046	-	208,046
Public Safety	151,655	19,290	170,945
Highways and streets	1,441	-	1,441
Cemetery	6,855	-	6,855
Culture and recreation	262,231	-	262,231
Capital Outlay	30,504	-	30,504
Total expenditures	<u>660,732</u>	<u>19,290</u>	<u>680,022</u>
Excess (deficiency) of revenues over expenditures	<u>321,405</u>	<u>(5,537)</u>	<u>315,868</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(193,976)	-	(193,976)
Total other financing sources and uses	<u>(193,976)</u>	<u>-</u>	<u>(193,976)</u>
 Net change in fund balances	 <u>127,429</u>	 <u>(5,537)</u>	 <u>121,892</u>
Fund balances - beginning	368,879	38,754	407,633
Fund balances - ending	<u>\$ 496,308</u>	<u>\$ 33,217</u>	<u>\$ 529,525</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Combining Balance Sheet – Non-Major Governmental Funds (Modified Cash Basis) – June 30, 2023

	SPECIAL REVENUE FUNDS		
	Cemetery Care Fund	Library Fund	Total - Other Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 18,354	\$ 23,912	\$ 42,266
Investments	8,152	-	8,152
Total assets	<u>\$ 26,506</u>	<u>23,912</u>	<u>\$ 50,418</u>
FUND BALANCES			
Fund balances:			
Restricted for:			
Cemetery	\$ 26,506	\$ -	\$ 26,506
Library	-	23,912	23,912
Total fund balances	<u>26,506</u>	<u>23,912</u>	<u>50,418</u>
Total fund balances	<u>\$ 26,506</u>	<u>\$ 23,912</u>	<u>\$ 50,418</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds (Modified Cash Basis) – Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS		
	Cemetery Care Fund	Library Fund	Total-Other Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 11,691	\$ 11,691
Charges for services	163	-	163
Investment earnings	206	-	206
Total revenues	<u>369</u>	<u>11,691</u>	<u>12,060</u>
EXPENDITURES			
Current:			
Cemetery	11	-	11
Culture and recreation	-	11,691	11,691
Total expenditures	<u>11</u>	<u>11,691</u>	<u>11,702</u>
Excess (deficiency) of revenues over expenditures	<u>358</u>	<u>-</u>	<u>358</u>
Net change in fund balances	<u>358</u>	<u>-</u>	<u>358</u>
Fund balances - beginning	<u>26,148</u>	<u>23,912</u>	<u>50,060</u>
Fund balances - ending	<u>\$ 26,506</u>	<u>\$ 23,912</u>	<u>\$ 50,418</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Schedule of Expenditures of Federal and State Awards (Modified Cash Basis) – Year Ended June 30, 2023

State Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Grant Number	Program or Award Amount	Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPARTMENT OF TREASURY</u>				
Passed through Office of Management Enterprise Services: American Rescue Plan	21.027		\$ 220,580	\$ 38,164
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
American Rescue Plan	45.310		2,000	2,000
TOTAL FEDERAL ASSISTANCE			<u>\$ 222,580</u>	<u>\$ 40,164</u>
STATE AWARDS:				
<u>OKLAHOMA DEPARTMENT OF LIBRARIES</u>				
State Aid	N/A	N/A	\$ 9,691	\$ 9,691
<u>OKLAHOMA DEPARTMENT OF AGRICULTURE:</u>				
Rural Fire Operational Grant	N/A	N/A	10,053	10,053
<u>OKLAHOMA ECONOMIC DEVELOPMENT AUTHORITY:</u>				
OEDA REAP (EL21-3)	N/A N/A	N/A	43,747	43,562
TOTAL STATE ASSISTANCE			<u>\$ 63,491</u>	<u>\$ 63,306</u>

TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Schedule of Debt Service Coverage Requirement – Year Ended June 30, 2023

	OWRB CWSRF NOTE
GROSS REVENUE AVAILABLE:	
Charges for services (water, sewer, sanitation systems)	\$ 691,191
Investment income	877
Pledged sales tax	<u>193,976</u>
Total Gross Revenues Available	<u>\$ 886,044</u>
OPERATING EXPENDITURES:	
Water	\$ 208,110
Sewer	157,819
Sanitation	<u>166,757</u>
Total Operating Expenditures	<u>\$ 532,686</u>
Net Revenue Available for Debt Service	<u><u>\$ 353,358</u></u>
Maximum Annual Debt Service on all Long-Term Debt Payable From Revenues of the System	<u>\$ 70,345</u>
Computed Coverage	<u><u>502%</u></u>
Coverage Requirement	<u><u>125%</u></u>

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

INTERNAL CONTROL AND COMPLIANCE

**TOWN OF SHATTUCK, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Town of Shattuck, OK

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, and each major fund of Town of Shattuck, State of Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the modified cash basis financial statements, which collectively comprise the Town of Shattuck, State of Oklahoma's basic financial statements, and have issued our report thereon, dated March 14, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits, contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning, and performing, our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Shattuck, State of Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Shattuck, State of Oklahoma's internal control over financial reporting.

A *deficiency in internal control* exists when the design, or operation, of a control does not allow management, or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct, and material, effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters, that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control, or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the entity's internal control, and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink, appearing to read "Ober & Littlefield, PLLC". The signature is written in a cursive, flowing style.

OBER & LITTLEFIELD, CPAS, PLLC
MIAMI, OKLAHOMA
MARCH 14, 2025