

TOWN OF TUSHKA, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

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Town of Tushka, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis
General Fund
For the Year Ended June 30, 2023
(Unaudited)

Revenues	
Sales and use taxes	\$ 110,458
Franchise taxes	9,926
Alcoholic beverage tax	20,760
Gasoline excise tax	790
Motor vehicle tax	3,190
Cigarette tax	678
Fines and forfeitures	274,340
Rent income	1,200
Interest income	2,426
Other revenues	1,422
Grant proceeds	<u>77,782</u>
Total revenues	<u>502,972</u>
Expenditures	
General government	
Personal services	100,321
Materials and supplies	12,758
Other charges and services	30,334
Capital expenditures	5,500
Police department	
Personal services	102,806
Materials and supplies	19,703
Other charges and services	58,433
Capital expenditures	68,760
Fire department	
Personal services	4,085
Materials and supplies	-
Capital Outlay	2,395
Street department	
Personal services	3,635
Materials and supplies	5,311
Other charges and services	7,466
Capital expenditures	<u>22,948</u>
Total expenditures	<u>444,455</u>
Excess of revenues over (under) expenditures	<u>58,517</u>
Sales Tax Transfers to Police Dept Fund	(21,323)
Sales Tax Transfers to Fire Dept Fund	<u>(21,324)</u>
Excess of revenues and transfers over (under) expenditures	15,870
Beginning fund balance, cash basis	<u>309,825</u>
Ending fund balance, cash basis	\$ <u>325,695</u>

See Accountant's Report

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

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Sales and use taxes	\$ 90,000		90,000	110,458	20,458
Franchise taxes	7,000	1,500	8,500	9,926	1,426
Alcoholic beverage tax	20,000		20,000	20,760	760
Gasoline excise tax	1,000		1,000	790	(210)
Motor vehicle tax	2,750		2,750	3,190	440
Cigarette tax	700		700	678	(22)
Fines and forfeitures	205,000	30,000	235,000	274,340	39,340
Rent income	500		500	1,200	700
Interest income	225		225	2,426	2,201
Other revenues	-		-	1,422	1,422
Grant proceeds	<u>165,748</u>	<u>38,940</u>	<u>204,688</u>	<u>77,782</u>	<u>(126,906)</u>
Total revenues	<u>492,923</u>	<u>70,440</u>	<u>563,363</u>	<u>502,972</u>	<u>(60,391)</u>
Expenditures					
General government					
Personal services	108,296	-	108,296	100,321	7,975
Materials and supplies	9,000	5,000	14,000	12,758	1,242
Other charges and services	30,000		30,000	30,334	(334)
Grant expenditures	180,000	-	180,000	5,500	174,500
Capital expenditures	<u>18,749</u>	<u>-</u>	<u>18,749</u>	<u>-</u>	<u>18,749</u>
Total general government	<u>346,045</u>	<u>5,000</u>	<u>351,045</u>	<u>148,913</u>	<u>202,132</u>
Police department					
Personal services	108,667	-	108,667	102,806	5,861
Materials and supplies	25,000	-	25,000	19,703	5,297
Other charges and services	55,000	7,000	62,000	58,433	3,567
Capital expenditures	<u>5,000</u>	<u>12,000</u>	<u>17,000</u>	<u>68,760</u>	<u>(51,760)</u>
Total police department	<u>193,667</u>	<u>19,000</u>	<u>212,667</u>	<u>249,702</u>	<u>(37,035)</u>
Fire department					
Personal services	6,000		6,000	4,085	1,915
Materials and supplies	-	-	-	-	-
Other charges and services	-	-	-	-	-
Capital expenditures	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>2,395</u>	<u>605</u>
Total fire department	<u>6,000</u>	<u>3,000</u>	<u>9,000</u>	<u>6,480</u>	<u>2,520</u>
Street department					
Personal services	6,000	-	6,000	3,635	2,365
Materials and supplies	7,000	-	7,000	5,311	1,689
Other charges and services	8,000	-	8,000	7,466	534
Capital expenditures	<u>-</u>	<u>22,948</u>	<u>22,948</u>	<u>22,948</u>	<u>-</u>
Total street department	<u>21,000</u>	<u>22,948</u>	<u>43,948</u>	<u>39,360</u>	<u>4,588</u>
Total expenditures	<u>566,712</u>	<u>49,948</u>	<u>616,660</u>	<u>444,455</u>	<u>172,205</u>
Excess of revenues over or (under) expenditures	(73,789)	20,492	(53,297)	58,517	111,814
Transfers to other funds	<u>(45,000)</u>	<u>(5,200)</u>	<u>(50,200)</u>	<u>(42,647)</u>	<u>7,553</u>
Excess of revenues and transfers over or (under) expenditures	(118,789)	15,292	(103,497)	15,870	119,367
Beginning fund balance - cash basis	<u>307,325</u>	<u>-</u>	<u>307,325</u>	<u>309,825</u>	<u>2,500</u>
Ending fund balance - cash basis	<u>\$ 188,536</u>	<u>15,292</u>	<u>203,828</u>	<u>325,695</u>	<u>121,867</u>

See Accountant's Report

Town of Tushka, Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis
Special Revenue Funds
For the Year Ended June 30, 2023
(Unaudited)

	Police Fund	Fire Dept Fund	Development Trust Fund
Revenues			
County sales taxes	\$ -	42,209	-
Loan Proceeds	-	-	-
Drug seizures	-	-	-
Charges, fees & donations	-	165	-
Grant proceeds	-	10,053	-
Total revenues	-	52,427	-
Expenditures			
Professional services, grant contract	-	-	-
Personal Services-Retirement	-	1,726	-
Materials and supplies	5,285	14,816	-
Other charges and services	7,494	3,465	-
Capital expenditures	-	7,335	-
Debt service payments	-	-	21,588
Total expenditures	12,779	27,342	21,588
Excess of revenues over (under) expenditures	(12,779)	25,085	(21,588)
Interfund Transfers		(21,324)	21,324
Transfers from General Fund	21,324	21,324	-
Excess of revenues and transfers over (under) expenditures	8,545	25,085	(264)
Beginning fund balance - cash basis	414	166,592	9,552
Ending fund balance - cash basis	\$ 8,959	191,677	9,288
Composition of ending fund balance			
Held by Town in local bank account	\$ 8,959	1,704	9,288
Held by County Treasurer, new account	-	180,790	-
Held by County Treasurer, old account	-	9,183	-
Total ending fund balance - cash basis	\$ 8,959	191,677	9,288

See Accountant's Report

Town of Tushka, Oklahoma
Budgetary Comparison Schedule - Cash Basis
Police Department Fund
For the Year Ended June 30, 2023
(Unaudited)

	<u>Original Budget</u>	<u>Budget Adjusts</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues					
Charges, fees & donations	\$ -	-	-	-	-
Grant proceeds	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
Materials and supplies	4,500	2,000	6,500	5,285	1,215
Other charges and services	5,500	1,000	6,500	7,494	(994)
Debt service payments	800	(800)	-	-	-
Total expenditures	<u>10,800</u>	<u>2,200</u>	<u>13,000</u>	<u>12,779</u>	<u>221</u>
Excess of revenues over or (under) expenditures	(10,800)	(2,200)	(13,000)	(12,779)	221
Transfers from General Fund	<u>22,500</u>	<u>2,200</u>	<u>24,700</u>	<u>21,324</u>	<u>(3,376)</u>
Excess of revenues and transfers over or (under) expenditures	11,700	-	11,700	8,545	(3,155)
Beginning fund balance - cash basis	<u>892</u>	-	<u>892</u>	<u>414</u>	<u>(478)</u>
Ending fund balance - cash basis	\$ <u>12,592</u>	-	<u>12,592</u>	<u>8,959</u>	<u>(3,633)</u>

See Accountant's Report

Town of Tushka, Oklahoma
Budgetary Comparison Schedule - Cash Basis
Fire Department
For the Year Ended June 30, 2023
(Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
County sales taxes	\$ 28,000	-	28,000	42,209	14,209
Charges, fees & donations	-	-	-	165	165
Grant proceeds	279,116	-	279,116	10,053	(269,063)
Total revenues	307,116	-	307,116	52,427	(254,689)
Expenditures					
Personal & professional services	2,500	-	2,500	1,726	774
Materials and supplies	10,000	3,000	13,000	14,816	(1,816)
Other charges and services	7,500	-	7,500	3,465	4,035
Capital expenditures	355,610	-	355,610	7,335	348,275
Total expenditures	375,610	3,000	378,610	27,342	351,268
Excess of revenues over or (under) expenditures	(68,494)	(3,000)	(71,494)	25,085	96,579
Transfers from General Fund	22,500	3,000	25,500	21,324	(4,176)
Transfers to Development Trust Fund	(22,400)	-	(22,400)	(21,324)	1,076
Excess of revenues and transfers over or (under) expenditures	(68,394)	-	(68,394)	25,085	93,479
Beginning fund balance - cash basis	137,550	-	137,550	166,592	29,042
Ending fund balance - cash basis	\$ 69,156	-	69,156	191,677	122,521

Town of Tushka, Oklahoma
Budgetary Comparison Schedule - Cash Basis
Tushka Development Trust Authority
For the Year Ended June 30, 2023
(Unaudited)

	<u>Original Budget</u>	<u>Budget Adjusts</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues					
Rental revenues	\$ -	-	-	-	-
Loan proceeds	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures					
Materials and supplies	-	-	-	-	-
Other charges and services	-	-	-	-	-
Debt service payments	22,400	-	22,400	21,588	812
Building construction	-	-	-	-	-
Total expenditures	22,400	-	22,400	21,588	812
Excess of revenues over or (under) expenditures	(22,400)	-	(22,400)	(21,588)	812
Transfers from Fire Dept Fund	22,400	-	22,400	21,324	(1,076)
Excess of revenues and transfers over or (under) expenditures	-	-	-	(264)	(264)
Beginning fund balance - cash basis	3,702	-	3,702	9,552	5,850
Ending fund balance - cash basis	\$ 3,702	-	3,702	9,288	5,586

See Accountant's Report

Town of Tushka, Oklahoma
Schedule of Grant Activity -- Cash Basis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Grant Program Agency and Description	Total Grant Awarded	Beginning of the Year Unexpended Funds (Rev Receivable)	Current Year Receipts	Current Year Disbursements	End of the Year Unexpended Funds (Rev Receivable)
<u>Federal Award Programs</u>					
<u>Cares Act American Rescue Plan</u>					
Corona Virus SLFRF	\$ 34,733	34,407	34,733	-	69,140
Total Federal Award Programs		34,407	34,733	-	69,140
<u>State & Other Award Programs</u>					
<u>Oklahoma Dept of Agriculture</u>					
Rural Fire Dept Assistance	\$ 10,053	18	10,053	10,071	-
Fire Dept	\$ 20,000		20,000	20,000	-
<u>Southern Oklahoma Development Association</u>					
REAP Grant	\$ 5,442		5,442	5,442	-
<u>Oklahoma Tobacco Settlement Trust (TSET)</u>					
Walking Track / Sidewalk Construction	\$ 36,000	29,850	-	-	29,850
<u>Oklahoma District Attorneys Council</u>	\$ 2,207		2,207	2,207	-
<u>Tushka Public Schools</u>					
On-site Police Resource Officer	\$ 15,400	-	15,400	15,400	-
Total State & Other Award Programs		\$ 29,868	\$ 53,102	\$ 53,120	\$ 29,850
Total Federal, State & Other Awards		\$ 64,275	\$ 87,835	\$ 53,120	\$ 98,990

See Accountant's Report

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Council, Town of Tushka
Tushka, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

The Town's management is responsible for the following accompanying financial statements of the Town of Tushka, Oklahoma for the year ended June 30, 2023:

Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Cash Basis

Budgetary Comparison Schedule – General Fund – Cash Basis

Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds – Cash Basis

Budgetary Comparison Schedules – Special Revenue Funds – Cash Basis

Schedule of Grant and Award Program Activity – Cash Basis

The Town's management is also responsible for determining that the cash basis of accounting is an acceptable financial reporting framework and for designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by the Town's management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of this report, as identified above, and as defined within the applicable state laws of the State of Oklahoma, solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes (Sec 11-17 (105-107)) and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2020. Management of the Town of Tushka is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed by Oklahoma Statutes. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

(continued)

Procedures and Findings

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

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibits 1 and 3) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: We noted no instances of fund balance deficits.

2. **Procedures Performed:** From the Town's trial balances and officially adopted budget documents, we prepared a budget and actual comparison schedule for the General Fund and all other significant funds (see accompanying Exhibits 2, 4, 5 and 6) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: We noted instances of expenditures exceeding authorized appropriation limits at the legal levels of control (department totals for the General Fund and fund totals for Special Revenue Funds). As indicated in Exhibits 2, 4, and 5, there were individual expenditure accounts within a department or fund that exceeded budgetary appropriation amounts as follows:

General Fund, General Fund, Other Charges & Services - \$334
General Fund, Police Dept, Capital Expenditures - \$51,760
Police Department Fund, Other Charges & Services - \$994
Fire Department Fund, Materials & Supplies - \$1,816

In addition to the individual expenditure accounts exceeding budgetary appropriation, the General Fund Police Department exceeded the overall budgetary appropriation.

General Fund, Police Department - \$37,035

As such, there was overspending within this segment of the General Fund.

This condition occurred because necessary budget adjustments were not made to increase the appropriation amounts for these expenditure accounts. At the time budget work was being conducted in May and June of 2023, these expenditures were not projected to exceed appropriations and thus budget adjustments did not appear to be necessary. The Town's management has been made aware of the overspending and will attempt to make necessary budget adjustments in future years to prevent this condition from occurring.

3. **Procedures Performed:** We agreed the Town's material bank account balances to the bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: The Town's reconciled bank account balances agreed with the year-end fund balances in the accounting records and all reconciling items were properly accounted for.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: We determined that the Town's depository bank account balances were fully FDIC insured or properly collateralized as of June 30, 2023.

(continued)

5. **Procedures Performed:** We compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance. Such revenues consisted of gasoline excise tax, motor vehicle tax, various designated sales taxes and grant proceeds.

Findings: We noted no instances of noncompliance regarding restricted revenues.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: All required funds have been established as required.

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

Findings: The Town did not have any outstanding debt issues which carried reserve requirements or debt service coverage requirements.

8. **Procedures Performed:** From the Town's trial balances, we searched for grant program activity, prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 7) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: We noted no instances of noncompliance.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA to meet the requirements prescribed in Oklahoma Statutes. 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 the financial information and compliance. 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.

Walker & Tisdale CPA's PLLC

WALKER & TISDALE CPA's PLLC
December 30, 2023