



**TOWN OF WESTVILLE
STATE OF OKLAHOMA**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
JUNE 30, 2023

| | PAGE |
|---|-------|
| Introductory Section: | |
| List of Principal Officials | 1 |
| Independent Auditor's Report..... | 2-3 |
| Voluntary Supplementary Information: | |
| Management's Discussion and Analysis (Unaudited)..... | 4-8 |
| Basic Financial Statements: | |
| <i>Government-Wide Financial Statements</i> | |
| Statement of Net Position – Modified Cash..... | 9 |
| Statement of Activities – Modified Cash | 10 |
| <i>Fund Financial Statements</i> | |
| Balance Sheet - Governmental Funds – Modified Cash | 11 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds – Modified Cash..... | 12 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities – Modified Cash | 13 |
| Statement of Net Position – Proprietary Fund –Modified Cash..... | 14 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund – Modified Cash..... | 15 |
| Statement of Cash Flows – Proprietary Fund – Modified Cash..... | 16 |
| Notes to the Financial Statements | 17-33 |
| Voluntary Supplementary Information: | |
| Budget and Actual – Comparison Schedules – Modified Cash | 34-42 |
| Internal Control and Compliance: | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in | |
| Accordance with <i>Government Auditing Standards</i> | 43-44 |
| Schedule of Findings and Responses..... | 45 |

| <u>NAME</u> | <u>TITLE</u> |
|-------------------|--------------|
| Adam McKenzie | Mayor |
| Chris Null | Vice Mayor |
| Lonnie Coates | Member |
| Stefanie Mitchell | Member |
| Michael Leach | Member |



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the Town Council
Town of Westville, State of Oklahoma
Westville, Oklahoma

REPORT ON THE FINANCIAL STATEMENTS

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

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

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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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.

BASIS OF ACCOUNTING

We draw attention to Note 1C of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is 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'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 GAAS and *Government 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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'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'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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying introductory section, management's discussion and analysis, and budgetary comparison information as listed in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management, and was derived from, and relates 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 budgetary comparison information, is fairly stated, in all material respects, in relation to the basic financial statements, as a whole, on the basis of accounting described in Note I.C.

The introductory section and management's discussion and analysis has 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 it.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 11, 2024, on our consideration of the Town'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 Town of Westville'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*, in considering the Town's internal control over financial reporting and compliance.

Sincerely,



OBER & LITTLEFIELD, CPAS, PLLC

MIAMI, OKLAHOMA

APRIL 11, 2024

Management of the Town of Westville, State of Oklahoma (the "Town") provides this discussion and analysis of the Town of Westville's financial performance as an overview of the Town's financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the Town's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- Total assets for governmental and business-type activities exceed total liabilities by \$6,451,846, as of June 30, 2023. The total governmental activities net position is \$1,864,291, while the total business-type activities net position is \$4,587,555.
- Total net position of the Town increased by \$254,796, or 4.1%, from the prior year. This increase is primarily due an increase of operating grants and contributions and charges for services.
- The Town's net position of governmental activities increased by \$257,713, or 16%.
- Net position of the Industrial Development Authority, and Utility Authority, decreased by \$2,917 or 0.1%.
- The Town's fund balance, for the General Fund, as reflected in the statement of revenues, expenditures, and changes in fund balances, decreased by \$47,270, or 16.1%, largely due to capital expenditures.
- The Town's total governmental fund balance, as reflected in the statement of revenues, expenditures, and changes in fund balances, decreased by \$114,846, or 13.2%.
- The Town's governmental capital assets (net of depreciation) increased by \$439,184, or 50.9%, primarily due to the purchase of police equipment, park improvements, and street repavement, and the proprietary fund capital assets (net of depreciation) decreased by \$4,291, or 0.10%, mostly due to normal depreciation.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and a section that presents voluntary supplementary information. The basic financial statements include two kinds of statements that present different views of the Town.

- The first segment is government-wide financial statements, which provide both long-term and short-term information about the Town's overall financial status.
- The remaining statements are fund financial statements, which focus on individual parts of the Town's operations, in more detail, than the government-wide financial statements.
- The governmental funds statements tell how general government services, like public safety, were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains, and supports, the information in the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Government-Wide Statements

The government-wide statements report information about the Town, as a whole, using a modified cash basis of accounting. All of the current year's revenues are recorded as they are received and the expenses are recorded as they are paid.

The two government-wide statements report the Town's net position, and how it has changed. Net position – the difference between the Town's assets and liabilities – is one way to measure the Town's financial health, or position.

Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving, or deteriorating, respectively.

The government-wide financial statements of the Town are divided into categories:

Governmental activities – Most of the Town's basic services are included here, such as general administration, public safety, streets, and parks and recreation. Sales taxes, use taxes, and grants finance most of these activities.

Business-type activities – The Town charges a fee to customers to help it cover all, or most, of certain services it provides. The Town's water, sewer, and sanitation system is reported here, along with rental collections for the Industrial Development Authority.

Fund Financial Statements

The following two paragraphs summarize the major features of the Town's financial statements, including the portion of the Town government that they cover, and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Governmental Funds – Most 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 in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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 whether there are more, or fewer, financial resources that can be spent, in the near future, to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements of the governmental funds.

The Town maintains 9 individual governmental funds for financial reporting purposes. Information is presented separately in the governmental funds balance sheet, and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The governmental funds financial statements can be found on pages 11-13 of this report.

Proprietary Funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Proprietary Funds (continued) – Proprietary funds are reported in the same way that all activities are reported in the statement of net position, and the statement of activities. As of June 30, 2023, the Town of Westville had two proprietary funds, the Westville Industrial Development Authority (“WIDA”) and the Westville Utility Trust Authority (“WUA”).

Proprietary funds statements provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide information for WIDA and WUA. The proprietary fund financial statements can be found on pages 14-16 of this report.

Notes to the Financial Statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 17 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Town, the increase in net position, at the close of the current fiscal year, was \$254,796.

As shown on Table A-1, below, the largest portion of the Town's net position, \$5,400,027, reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Town's net position, \$184,921, represents cash that is legally restricted for special purposes.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net Position (See Table A-1)

TOWN OF WESTVILLE, STATE OF OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Table A-1

| | Summary of Net Position | | | | | |
|--|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current assets | \$ 757,997 | \$ 869,113 | \$ 367,251 | \$ 426,050 | \$ 1,125,248 | \$ 1,295,163 |
| Capital and other | 1,301,892 | 862,709 | 5,291,874 | 5,296,163 | 6,593,766 | 6,158,872 |
| Total assets | 2,059,889 | 1,424,441 | 5,659,125 | 5,877,179 | 7,719,014 | 7,454,035 |
| Deferred outflows of resources | - | - | - | - | - | - |
| Current liabilities | 160,319 | 46,717 | 227,751 | 237,129 | 388,070 | 283,846 |
| Long-term liabilities | 35,279 | 78,527 | 843,819 | 894,612 | 879,098 | 973,139 |
| Total liabilities | 195,598 | 169,482 | 1,071,570 | 1,285,984 | 1,267,168 | 1,256,985 |
| Deferred inflows of resources | - | - | - | - | - | - |
| Net position | | | | | | |
| Invested in capital assets, net of related debt | 1,112,230 | 739,673 | 4,287,797 | 4,235,784 | 5,400,027 | 4,975,457 |
| Restricted | 184,921 | 150,248 | 66,664 | 258,351 | 251,585 | 408,599 |
| Unrestricted | 567,140 | 716,658 | 233,094 | 96,337 | 800,234 | 812,995 |
| Total net position | \$ 1,864,291 | \$ 1,254,959 | \$ 4,587,555 | \$ 4,591,195 | \$ 6,451,846 | \$ 6,197,050 |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE (continued)

Changes in Net Position (See Table A-2)

| | Table A-2 Changes in Net Position | | | | | |
|--------------------------------------|--|--------------|--------------------------|--------------|--------------|--------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Program revenues | | | | | | |
| Charges for services | \$ 374,436 | \$ 456,475 | \$ 1,311,419 | \$ 1,211,031 | \$ 1,685,855 | \$ 1,667,506 |
| Operating and capital grants | 480,309 | 257,593 | 15,355 | 574 | 495,664 | 258,167 |
| General revenues | 1,039,370 | 956,125 | - | 32,790 | 1,039,370 | 988,915 |
| Total revenues | 1,894,115 | 1,670,192 | 1,326,774 | 1,383,571 | 3,220,889 | 2,914,588 |
| Expenses | | | | | | |
| General government/ administration | 324,679 | 293,253 | - | - | 324,679 | 293,253 |
| Public safety | 1,093,242 | 863,653 | - | - | 1,093,242 | 863,653 |
| Streets | 150,677 | 128,050 | - | - | 150,677 | 128,050 |
| Culture and recreation | 27,804 | 34,399 | - | - | 27,804 | 34,399 |
| Utilities | - | - | 1,358,747 | 1,230,989 | 1,358,747 | 1,230,989 |
| Industrial development | - | - | 17,414 | 17,420 | 17,414 | 17,420 |
| Total expenses | 1,596,402 | 1,319,356 | 1,376,161 | 1,235,521 | 2,972,562 | 2,567,764 |
| Increase/(decrease) in net position | 297,713 | 350,836 | (49,386) | (4,015) | 248,327 | 346,821 |
| Interest income | - | - | 6,221 | - | 6,221 | - |
| Transfers, net | (40,000) | 783 | 40,248 | - | 248 | 783 |
| Increase (decrease) in net assets | 257,713 | 351,619 | (2,917) | (4,015) | 254,796 | 347,604 |
| Net position, beginning | 1,606,578 | 1,254,959 | 4,590,472 | 4,594,487 | 6,197,050 | 5,849,446 |
| Prior period adjustment | - | - | - | - | - | - |
| Net position, beginning, as restated | 1,606,578 | 770,366 | 4,590,472 | 4,443,145 | 6,197,050 | 5,849,446 |
| Net position, ending | \$ 1,864,291 | \$ 1,606,578 | \$ 4,587,555 | \$ 4,590,472 | \$ 6,451,846 | \$ 6,197,050 |

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

General Fund Budgetary Highlights

The Town's budget is prepared according to Oklahoma law, and is based on the beginning surplus, plus ninety percent of the previous years' recurring revenues. The most significant budget fund is the General Fund. An annual appropriation budget is required for the General Fund. The Town Council is provided with a detailed line-item budget for the General Fund. Normally, several meetings are devoted to discussion, and explanation, of the proposed budget by staff. The Town Council may transfer appropriations from one line-item to another after the budget is adopted. The Town Council must approve any budget amendments that would alter total budget or make any interfund transfers of money. The Town Council closely monitors the budget through the year through use of monthly financial statements, comparing budget to actual revenue and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets, as of June 30, 2023, amounted to \$6,593,766 (net of accumulated depreciation). This investment, detailed in Table B, in a broad range of capital assets includes land, buildings and improvements, equipment, infrastructure, and water, sewer, and sanitation systems.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Capital Assets (continued)

| | Table B | | | |
|--------------------------------|-----------------------|-------------------|---------------------|---------------------|
| | Capital Assets | | | |
| | Governmental | | Business-Type | |
| | Activities | | Activities | |
| | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 129,465 | \$ 129,465 | \$ 153,555 | \$ 188,555 |
| Construction in progress | - | - | - | - |
| Buildings and improvements | 495,903 | 303,434 | 253,409 | 253,409 |
| Equipment | 583,451 | 294,678 | 1,716,440 | 1,527,405 |
| Infrastructure | 322,258 | 280,258 | 696,322 | 696,322 |
| Vehicles | 438,536 | 438,536 | - | - |
| Water system | - | - | 2,837,295 | 2,761,795 |
| Sewer system | - | - | 1,773,227 | 1,773,227 |
| Sewer plant | - | - | 3,375,141 | 3,342,519 |
| Less: accumulated depreciation | (667,721) | (583,662) | (5,513,517) | (5,247,069) |
| Capital assets, net | <u>\$1,301,892</u> | <u>\$ 862,709</u> | <u>\$ 5,291,872</u> | <u>\$ 5,296,163</u> |

Debt Administration

The Town's long-term debt decreased by \$66,626

or 54.20%, from the prior year, due to normal debt repayments and the refinancing of a loan. The proprietary fund debt decreased by \$56,302, 5.3%, mostly due to normal debt repayments.

Details concerning long-term debt notes are in Note 3.D. to the financial statements.

CONTACTING THE TOWN'S FINANCE DEPARTMENT

The management's discussion and analysis is designed to provide citizens, taxpayers, customers, and investors 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, or need additional financial information, please contact the Town of Westville at (918) 723-3988.

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF NET POSITION – GOVERNMENT-WIDE – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Primary Government | | |
|--|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 757,997 | \$ 300,587 | \$ 1,058,584 |
| Restricted assets - cash and investments | - | 66,664 | 66,664 |
| Total current assets | 757,997 | 367,251 | 1,125,248 |
| Non-current assets | | | |
| Capital assets, net of accumulated depreciation | 1,301,892 | 5,291,874 | 6,593,766 |
| Total assets | 2,059,889 | 5,659,125 | 7,719,014 |
| Liabilities | | | |
| Current liabilities | | | |
| Payroll taxes payable | \$ 5,151 | \$ 829 | \$ 5,980 |
| Deposits subject to refund | 785 | 66,664 | 67,449 |
| Current portion of long-term obligations | 154,383 | 160,258 | 314,641 |
| Total current liabilities | 160,319 | 227,751 | 388,070 |
| Non-current liabilities | | | |
| Notes and capital leases payable | 35,279 | 843,819 | 879,098 |
| Total non-current liabilities | 35,279 | 843,819 | 879,098 |
| Total liabilities | 195,598 | 1,071,570 | 1,267,168 |
| Net position | | | |
| Invested in capital assets, net of related debt | 1,112,230 | 4,287,797 | 5,400,027 |
| Restricted for: | | | |
| Capital improvements & other | 184,921 | - | 184,921 |
| Debt service | - | 66,664 | 66,664 |
| Unrestricted | 567,140 | 233,094 | 800,234 |
| Total net position | 1,864,291 | 4,587,555 | 6,451,846 |
| Total liabilities, deferred inflows of resources, and net position | \$ 2,059,889 | \$ 5,659,125 | \$ 7,719,014 |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF ACTIVITIES – GOVERNMENT-WIDE – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Program Revenues | | | | Governmental Activities | Business-Type Activities | Total |
|--------------------------------------|---------------------|-------------------------|--|--|----------------------------|-----------------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | | |
| Governmental activities | | | | | | | |
| General government | \$ 324,679 | \$ 725 | \$ 263,756 | \$ 206,500 | \$ 146,302 | | \$ 146,302 |
| Public safety | 1,093,242 | 367,787 | 10,053 | - | (715,402) | | (715,402) |
| Streets | 150,677 | 3,500 | - | - | (147,177) | | (147,177) |
| Cultural, parks, & recreation | 27,804 | 2,424 | - | - | (25,380) | | (25,380) |
| Total governmental activities | <u>1,596,402</u> | <u>374,436</u> | <u>273,809</u> | <u>206,500</u> | <u>(741,657)</u> | | <u>(741,657)</u> |
| Business-type activities | | | | | | | |
| Utilities | 1,358,747 | 1,291,419 | 15,355 | - | | \$ (51,972) | (51,972) |
| Industrial development | 17,414 | 20,000 | - | - | | 2,586 | 2,586 |
| Total business-type activities | <u>1,376,161</u> | <u>1,311,419</u> | <u>15,355</u> | <u>-</u> | | <u>(49,386)</u> | <u>(49,386)</u> |
| Total government | <u>\$ 2,972,563</u> | <u>\$ 1,685,855</u> | <u>\$ 289,164</u> | <u>\$ 206,500</u> | | <u>\$ (49,386)</u> | <u>\$ (791,043)</u> |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Net (expense)/revenue | | | | | <u>\$ (741,657)</u> | <u>\$ (49,386)</u> | <u>\$ (791,043)</u> |
| General revenues and transfers | | | | | | | |
| Sales tax | | | | | 612,454 | - | 612,454 |
| Use tax | | | | | 182,591 | - | 182,591 |
| Franchise tax | | | | | 127,248 | - | 127,248 |
| Other taxes | | | | | 54,506 | - | 54,506 |
| Miscellaneous | | | | | 41,621 | - | 41,621 |
| Transfer | | | | | (40,000) | 40,248 | 248 |
| Gain/(loss) on sale of assets | | | | | 1,000 | - | 1,000 |
| Special item - insurance proceeds | | | | | 14,465 | - | 14,465 |
| Interest income | | | | | 5,485 | 6,221 | 11,706 |
| Total general revenues and transfers | | | | | <u>999,370</u> | <u>46,469</u> | <u>1,045,839</u> |
| Change in net position | | | | | 257,713 | (2,917) | 254,796 |
| Net position, beginning | | | | | <u>1,606,578</u> | <u>4,590,472</u> | <u>6,197,050</u> |
| Net position, ending | | | | | <u>\$ 1,864,291</u> | <u>\$ 4,587,555</u> | <u>\$ 6,451,846</u> |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BALANCE SHEET – GOVERNMENTAL FUNDS – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Governmental Funds | | | | | | | | | |
|---|--------------------|------------------------|----------------------|----------------------|--------------------|---------------------------|-------------------|---------------------------|--------------------|--------------------------|
| | General Fund | Ambulance Service Fund | Fire Department Fund | General Streets Fund | Cemetery Care Fund | Cemetery Maintenance Fund | Court Fund | Emergency Management Fund | Swimming Pool Fund | Total Governmental Funds |
| Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 252,727 | \$ 30,438 | \$ 58,783 | \$ 7,329 | \$ 104,407 | \$ 13,704 | \$ 286,579 | \$ 229 | \$ 3,801 | \$ 757,997 |
| Due from other funds | - | - | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 252,727</u> | <u>\$ 30,438</u> | <u>\$ 58,783</u> | <u>\$ 7,329</u> | <u>\$ 104,407</u> | <u>\$ 13,704</u> | <u>\$ 286,578</u> | <u>\$ 229</u> | <u>\$ 3,801</u> | <u>\$ 757,997</u> |
| Liabilities | | | | | | | | | | |
| Deposits subject to refund | 785 | - | - | - | - | - | - | - | - | 785 |
| Payroll taxes payable | 4,750 | - | - | 401 | - | - | - | - | - | 5,151 |
| Total liabilities | <u>5,535</u> | <u>-</u> | <u>-</u> | <u>401</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,937</u> |
| Fund balances | | | | | | | | | | |
| Restricted | - | - | 59,653 | 6,928 | 104,407 | 13,704 | - | 229 | - | 184,921 |
| Assigned | - | 30,438 | - | - | - | - | 286,577 | - | 3,801 | 320,816 |
| Unassigned | 246,323 | - | - | - | - | - | - | - | - | 246,323 |
| Total fund balances | <u>246,323</u> | <u>30,438</u> | <u>59,653</u> | <u>6,928</u> | <u>104,407</u> | <u>13,704</u> | <u>286,577</u> | <u>229</u> | <u>3,801</u> | <u>752,060</u> |
| Total liabilities and fund balances | <u>\$ 251,858</u> | <u>\$ 30,438</u> | <u>\$ 59,653</u> | <u>\$ 7,329</u> | <u>\$ 104,407</u> | <u>\$ 13,704</u> | <u>\$ 286,577</u> | <u>\$ 229</u> | <u>\$ 3,801</u> | <u>\$ 757,997</u> |
| Total fund balances - Governmental Funds | | | | | | | | | | \$ 752,060 |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | | | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | | | | | | 1,301,892 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in funds: | | | | | | | | | | |
| Capital lease obligations | | | | | | | | | | (189,662) |
| Net position of governmental activities | | | | | | | | | | \$ 1,864,291 |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Governmental Funds | | | | | | | | | |
|---|--------------------|------------------------|----------------------|----------------------|--------------------|---------------------------|-------------------|---------------------------|--------------------|--------------------------|
| | General Fund | Ambulance Service Fund | Fire Department Fund | General Streets Fund | Cemetery Care Fund | Cemetery Maintenance Fund | Court Fund | Emergency Management Fund | Swimming Pool Fund | Total Governmental Funds |
| Revenues | | | | | | | | | | |
| Sales and use tax | \$ 509,233 | \$ 81,660 | \$ 65,328 | \$ 138,823 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 795,045 |
| Franchise taxes and NOPFA | 127,248 | - | - | - | - | - | - | - | - | 127,248 |
| Alcoholic beverage tax | 40,557 | - | - | - | - | - | - | - | - | 40,557 |
| Cigarette tax | 4,126 | - | - | - | - | - | - | - | - | 4,126 |
| Commercial vehicle tax | - | - | - | 9,823 | - | - | - | - | - | 9,823 |
| Grants | 388,871 | - | 13,553 | - | - | - | - | - | - | 402,424 |
| Donations | 67,810 | - | - | - | - | 10,075 | - | - | - | 77,885 |
| Fines and forfeitures | 335 | - | - | - | - | - | 322,405 | - | - | 322,740 |
| Fire runs | - | - | 1,000 | - | - | - | - | - | - | 1,000 |
| Charges for services | 725 | - | - | - | 349 | 1,350 | - | - | - | 2,424 |
| Ambulance services | - | 44,047 | - | - | - | - | - | - | - | 44,047 |
| Insurance proceeds | 14,465 | - | - | - | - | - | - | - | - | 14,465 |
| Other | 29,380 | 11,000 | 1,241 | 3,500 | - | - | - | - | - | 45,121 |
| Interest | 2,719 | 99 | 144 | 17 | 1,562 | 22 | 912 | - | 10 | 5,485 |
| Total revenues | <u>1,185,470</u> | <u>138,806</u> | <u>81,266</u> | <u>152,163</u> | <u>1,911</u> | <u>11,447</u> | <u>323,317</u> | <u>-</u> | <u>10</u> | <u>1,894,390</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 239,467 | - | - | - | - | - | - | - | - | 239,466 |
| Public safety | 731,391 | - | - | - | - | - | - | - | - | 731,391 |
| Cultural, parks, and recreation | 27,086 | - | - | - | - | - | - | - | - | 27,086 |
| Ambulance | - | 133,057 | - | - | - | - | - | - | - | 133,057 |
| Cemetery | - | - | - | - | - | 10,550 | - | - | - | 10,550 |
| Court | - | - | - | - | - | - | 55,420 | - | - | 55,420 |
| Emergency management | - | - | - | - | - | - | - | 1,286 | - | 1,286 |
| Fire | - | - | 48,373 | - | - | - | - | - | - | 48,373 |
| Streets | - | - | - | 146,504 | - | - | - | - | - | 146,504 |
| Debt service | 45,610 | - | 4,292 | 3,959 | - | - | - | - | - | 53,862 |
| Capital outlay | 514,186 | - | - | - | - | - | 9,055 | - | - | 523,241 |
| Total expenditures | <u>1,557,740</u> | <u>133,057</u> | <u>52,665</u> | <u>150,463</u> | <u>-</u> | <u>10,550</u> | <u>64,475</u> | <u>1,286</u> | <u>-</u> | <u>1,970,236</u> |
| Excess of revenues over/(under) expenditures | (372,270) | 5,749 | 28,601 | 1,700 | 1,911 | 897 | 258,842 | (1,286) | 10 | (75,846) |
| Other financing sources/(uses) | | | | | | | | | | |
| Sale of asset gain/loss | - | - | 1,000 | - | - | - | - | - | - | 1,000 |
| Transfers in/(out) | 325,000 | - | - | 1,851 | - | - | (366,851) | - | - | (40,000) |
| Total other financing sources/(uses) | <u>325,000</u> | <u>-</u> | <u>1,000</u> | <u>1,851</u> | <u>-</u> | <u>-</u> | <u>(366,851)</u> | <u>-</u> | <u>-</u> | <u>(39,000)</u> |
| Excess of revenues over/(under) expenditures and other financing sources/(uses) | (47,270) | 5,749 | 29,601 | 3,551 | 1,911 | 897 | (108,009) | (1,286) | 10 | (114,846) |
| Beginning fund balance | <u>293,593</u> | <u>24,689</u> | <u>30,052</u> | <u>3,377</u> | <u>102,496</u> | <u>12,807</u> | <u>394,586</u> | <u>1,515</u> | <u>3,791</u> | <u>866,905</u> |
| Ending fund balance | <u>\$ 246,323</u> | <u>\$ 30,438</u> | <u>\$ 59,653</u> | <u>\$ 6,928</u> | <u>\$ 104,407</u> | <u>\$ 13,704</u> | <u>\$ 286,577</u> | <u>\$ 229</u> | <u>\$ 3,801</u> | <u>\$ 752,060</u> |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | |
|--|---------------------|
| Net change in fund balances – total governmental funds | <u>\$ (114,846)</u> |
|--|---------------------|

Adjustments for the government-wide statement of activities:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of these assets are allocated over their estimated useful lives as a depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current reporting period.

| | |
|--|----------------|
| Capital outlay expenditures - general government | 509,967 |
| Capital outlay expenditures - public safety & judicial | 13,275 |
| Depreciation expense - general government | (10,782) |
| Depreciation expense - public safety & judicial | (54,438) |
| Depreciation expense - streets | (8,383) |
| Depreciation expense - cultural, parks, & recreation | (10,457) |
| | <u>439,183</u> |

Governmental funds report note and lease payments as expenditures. However, in the government-wide statement of activities, the principal paid on that liability is applied against the liability. This is the amount of principal recorded in the current period.

| | |
|---|-----------------|
| Principal payments on capital leases and debt | (66,625) |
| | <u>(66,625)</u> |

| | |
|---|--------------------------|
| Change in net position of governmental activities | <u><u>\$ 257,713</u></u> |
|---|--------------------------|

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF NET POSITION - PROPRIETARY FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Business-type Activities - Enterprise Funds | | |
|--|---|--|---------------------|
| | Westville Industrial Authority | Westville Utility Trust Authority | Total |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 35,761 | \$ 264,826 | \$ 300,587 |
| Restricted assets - cash and investments | - | 66,664 | 66,664 |
| Total current assets | 35,761 | 331,490 | 367,251 |
| Non-current assets | | | |
| Capital assets, net of accumulated depreciation | 391,681 | 4,900,193 | 5,291,874 |
| Total noncurrent assets | 391,681 | 4,900,193 | 5,291,874 |
| Total assets | <u>\$ 427,442</u> | <u>\$ 5,231,683</u> | <u>\$ 5,659,125</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Payroll taxes payable | \$ - | \$ 829 | \$ 829 |
| Customer deposits | - | 66,664 | 66,664 |
| Current portion of long-term obligations | 20,000 | 140,258 | 160,258 |
| Total current liabilities | 20,000 | 207,751 | 227,751 |
| Non-current liabilities | | | |
| Notes and capital leases payable | 66,666 | 777,153 | 843,819 |
| Total non-current liabilities | 66,666 | 777,153 | 843,819 |
| Total liabilities | <u>86,666</u> | <u>984,904</u> | <u>1,071,570</u> |
| Net position | | | |
| Invested in capital assets, net of related debt | 305,015 | 3,982,782 | 4,287,797 |
| Restricted for: | | | |
| Debt service | - | 66,664 | 66,664 |
| Unrestricted | 35,761 | 197,333 | 233,094 |
| Total net position | 340,776 | 4,246,779 | 4,587,555 |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 427,442</u> | <u>\$ 5,231,683</u> | <u>\$ 5,659,125</u> |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Business-type Activities - Enterprise Funds | | |
|--|---|--|--------------|
| | Westville Industrial Authority | Westville Utility Trust Authority | Total |
| Operating revenues | | | |
| Charges for services | | | |
| Water | \$ - | \$ 606,868 | \$ 606,868 |
| Wastewater/sewer | - | 277,105 | 277,105 |
| Sanitation | - | 316,143 | 316,143 |
| Late charges | - | 35,695 | 35,695 |
| Rent | 20,000 | - | 20,000 |
| Connection fees | - | 11,038 | 11,038 |
| Water & sewer taps | - | 7,225 | 7,225 |
| Other | - | 37,345 | 37,345 |
| Total operating revenues | 20,000 | 1,291,419 | 1,311,419 |
| Operating expenses | | | |
| Bank charges | - | 750 | 750 |
| Bad debt expense | - | 650 | 650 |
| Depreciation | 17,408 | 249,040 | 266,448 |
| Dues and memberships | - | 4,340 | 4,340 |
| Employee benefits | - | 92,303 | 92,303 |
| Insurance | - | 36,034 | 36,034 |
| Lab fees | - | 20,326 | 20,326 |
| Landfill expense | - | 53,115 | 53,115 |
| Miscellaneous | 6 | 1,597 | 1,603 |
| Office expense | - | 20,176 | 20,176 |
| Payroll taxes | - | 32,908 | 32,908 |
| Professional fees | - | 17,304 | 17,304 |
| Repairs and maintenance | - | 81,098 | 81,098 |
| Salaries and wages | - | 396,830 | 396,830 |
| Sewer chemicals | - | 14,246 | 14,246 |
| Telephone | - | 4,393 | 4,393 |
| Travel | - | 3,447 | 3,447 |
| Truck expense | - | 39,413 | 39,413 |
| Trustee fees | - | 4,100 | 4,100 |
| Uniforms | - | 3,675 | 3,675 |
| Utilities | - | 54,460 | 54,460 |
| Water costs | - | 194,249 | 194,249 |
| Total operating expenses | 17,414 | 1,324,454 | 1,341,868 |
| Net operating income/(loss) | 2,586 | (33,034) | (30,449) |
| Nonoperating revenues/(expenses) | | | |
| Interest income | 364 | 5,857 | 6,221 |
| Gain/Loss on Sale of Asset | - | 15,355 | 15,355 |
| Transfers in/(out) | - | 40,248 | 40,248 |
| Interest expense and fiscal charges | - | (34,293) | (34,293) |
| Total nonoperating revenues/(expenses) | 364 | 27,168 | 27,532 |
| Net income/(loss) | 2,950 | (5,867) | (2,917) |
| Net position, beginning | 337,826 | 4,252,646 | 4,590,472 |
| Net position, ending | \$ 340,776 | \$ 4,246,779 | \$ 4,587,555 |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Business-type Activities - Enterprise Funds | | |
|--|---|--|--------------|
| | Westville Industrial Authority | Westville Utility Trust Authority | Total |
| Cash flows from operating activities | | | |
| Receipts from customers | \$ 20,000 | \$1,291,419 | \$ 1,311,420 |
| Payments to suppliers and employees | (6) | (1,079,284) | (1,079,290) |
| Net cash provided/(used) by operating activities | 19,994 | 212,136 | 232,130 |
| Cash flows from noncapital financing activities | | | |
| Interfund transfers in (out) | - | 40,248 | 40,248 |
| Net cash provided (used) by noncapital financing activities | - | 40,248 | 40,248 |
| Cash flows from capital and related financing activities | | | |
| Principal paid on capital debt | (20,000) | (178,462) | (198,462) |
| Interest paid on capital debt | - | (34,293) | (34,293) |
| Purchase of fixed assets | - | (297,157) | (297,157) |
| Disposal of fixed assets | - | 35,000 | 35,000 |
| Proceeds from insurance | - | 15,355 | 15,355 |
| Proceeds from issuance of debt | - | 142,160 | 142,160 |
| Net cash provided/(used) by capital and related financing activities | (20,000) | (317,398) | (337,397) |
| Cash flows from investing activities | | | |
| Interest income | 364 | 5,857 | 6,220 |
| Net cash provided/(used) by investing activities | 364 | 5,857 | 6,220 |
| Net increase/(decrease) in cash and cash equivalents | 358 | (59,157) | (58,799) |
| Cash and cash equivalents, beginning | 35,403 | 390,647 | 426,050 |
| Cash and cash equivalents, ending | \$ 35,761 | \$ 331,490 | \$ 367,251 |

The accompanying notes are an integral part of these financial statements

TOWN OF WESTVILLE, STATE OF OKLAHOMA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND – MODIFIED CASH (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

| | | | |
|---|------------------|-------------------|-------------------|
| Reconciliation of operating income/(loss) to net cash provided/(used) by operating activities: | | | |
| Net income/(loss) | \$ 2,586 | \$ (33,035) | \$ (30,449) |
| Adjustments to reconcile operating income/(loss) to net cash provided (used) by operating activities: | | | |
| Depreciation and amortization | 17,408 | 249,040 | 266,448 |
| Changes in assets and liabilities: | | | |
| Increase/(decrease) in accounts payable | - | (3,869) | (3,869) |
| Net cash provided/(used) by operating activities | <u>\$ 19,994</u> | <u>\$ 212,136</u> | <u>\$ 232,130</u> |
| Reconciliation to the government-wide statement of net position: | | | |
| Cash and cash equivalents | \$ 35,761 | \$ 264,826 | \$ 300,587 |
| Restricted assets - cash and cash equivalents | <u>-</u> | <u>66,664</u> | <u>66,664</u> |
| Total cash and cash equivalents | <u>\$ 35,761</u> | <u>\$ 331,490</u> | <u>\$ 367,251</u> |

The accompanying notes are an integral part of these financial statements

Note 1- Summary of Significant Accounting Policies

The following notes to the financial statements are an integral part of the Town of Westville, State of Oklahoma (the “Town”)’s financial statements.

The Town’s financial statements are prepared on the modified cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (“FASB”) pronouncements, and Accounting Principles Board (“APB”) opinions, issued on or before November 30, 1989, have been applied unless those pronouncements conflict with, or contradict, GASB pronouncements, in which case, GASB prevails. For proprietary funds, GASB Statements No. 20 and 34 provide the Town the option of electing to apply FASB pronouncements issued after November 30, 1989. The Town has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. The Town is required to implement the new financial reporting requirements of GASB Statement Nos. 33 and 34, and as a result, an entirely new financial presentation format has been implemented.

1A. Financial Reporting Entity

The Town’s financial reporting entity is comprised of the following:

| | |
|-------------------------|--|
| Primary Government: | Town of Westville, State of Oklahoma |
| Blended Component Unit: | Westville Industrial Development Authority |
| Blended Component Unit: | Westville Utility Trust Authority |

In determining the financial reporting entity, the Town complies with the provisions of Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity,” and includes all component units of which the Town appointed a voting majority of the units’ board, and the Town is either able to impose its will on the unit, or a financial benefit or burden relationship exists.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria, described above, and whose governing body is the same, or substantially the same, as the Town Council, or the component unit provides services entirely to the Town. The component unit’s fund is blended into those of the Town’s, by appropriate activity type, to comprise the primary government presentation.

| Component Unit | Brief Description/Inclusion Criteria | Reporting |
|--|---|------------------|
| Westville Industrial Development Authority | Created to provide financing and capital for the Town. | Enterprise Fund |
| Westville Utility Trust Authority | Created to operate the water, sewer, and sanitation services of the Town. | Enterprise Fund |

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria, described above, but do not meet the criteria for blending.

Note 1- Summary of Significant Accounting Policies (continued)

1.B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government, as a whole. They include all funds of the reporting entity, except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, or governmental revenues, and other non-exchange revenues. Business-type activities are financed, in whole, or in part, by fees charged to external parties for goods and services. The Town of Westville has two business-type activities, Westville Industrial Development Authority (“WIDA”) and Westville Utility Trust Authority (“WUA”).

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town’s governmental activities. Direct expenses are those that are specifically associated with a program, or function, and, therefore, are clearly identifiable to a particular function

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town, or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental, or enterprise, fund are at least ten percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund, or enterprise fund, are at least five percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below.

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 activities except those legally, or administratively, required to be accounted for in other funds.

Proprietary Fund

Enterprise 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 measurements, similar to the private sector. The reporting entity includes the following enterprise funds:

| | |
|--|---|
| Westville Industrial Development Authority | Provides financing and capital for the Town. |
| Westville Utility Trust Authority | Operates the water, sewer, and sanitation services of the Town. |

Note 1- Summary of Significant Accounting Policies (continued)

1.C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus, as subsequently defined in items (a) and (b).

In the fund financial statements, the current financial resources measurement focus, or the economic resources measurement focus, is used, as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus. Only current financial assets, and liabilities, are generally included on their balance sheets. Their operating statements present sources, and uses, of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent, or financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis, both governmental activities and business-type activities are presented using the modified cash basis of accounting. Under the modified cash basis of accounting nearly all elements of the income statement are recorded using the cash basis, and accounts receivable and inventory are not recorded in the balance sheet.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred, or economic asset used.

Note 1- Summary of Significant Accounting Policies (continued)

1.C. Measurement Focus and Basis of Accounting (continued)

Basis of Accounting (continued)

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenditures, or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds, based upon the purposes for which they are to be spent, and the means by which the spending activities are controlled. The various funds are grouped into generic fund types and broad categories, in the financial statements of this report, as follows:

Governmental Funds

General Fund – The General Fund is the primary operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund. However, the General Fund has other supplemental funds that are funded by the General Fund, or are partially supported by the General Fund. These funds are as follows: City Court Fund and Swimming Pool Fund. All of the funds are subsidized by the General Fund, except the City Court Fund, which generates substantial revenue.

Special Revenue Funds – The special revenue funds account for revenues derived from specific taxes, or other earmarked revenue sources. The funds comprising the special revenue funds are as follows:

- a. Fire Department Fund – receives sales tax revenue, fire run revenue, grants, and other miscellaneous revenue for the operation and maintenance of the Westville Fire Department.
- b. General Streets Fund – used to account for revenue derived from the portion of motor vehicle tax, and gasoline tax, earmarked for cities and towns. It receives sales tax revenue, interest income revenue, grant revenue, and miscellaneous revenue.
- c. Cemetery Care Fund and Cemetery Maintenance Fund – used to maintain and operate the cemetery. The interest from investments of the Cemetery Care Fund can be used for maintenance. The principal of the fund is restricted to land acquisitions and capital improvements.

Note 1- Summary of Significant Accounting Policies (continued)

1.C. Measurement Focus and Basis of Accounting (continued)

Budget Basis of Accounting

Formal budgetary accounting is employed as a management control for the governmental funds of the Town. Annual operating budgets are adopted for all governmental funds. The basis of accounting for budgetary purposes, for all funds, is the cash basis; i.e., revenues are recognized when received, and expenditures are recognized when paid. The Westville Industrial Development Authority also adopts a budget, and revenues are recognized when earned and billed, and expenditures are recognized when incurred.

The budget method authorized by Oklahoma Statute, adopted by the Town for its general fund, places a limit on the amount that can be budgeted. The amount to be budgeted for the next fiscal year is the unreserved fund balance, at the end of the fiscal year, plus 90% of its revenues for the year just ended. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

1.D. Assets, Liabilities and Equity

Cash and cash equivalents

Oklahoma Statutes authorize the Town to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments, provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the Town can invest in direct debt securities of the United States.

For financial statement presentation, and for purposes of the statement of cash flows, the Town's cash, and cash equivalents, are considered to be cash on hand, demand deposits, and certificates of deposit, with a maturity date of three months or less. Debt instruments with a maturity date of more than three months from date of issue are considered investments.

Estimates

The preparation of financial statements, in conformity with the modified basis of accounting, requires management to make estimates, and assumptions, that affect certain reported amounts, and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations, or proprietary fund and similar discretely presented component unit operations, and whether they are reported in the government-wide, or fund, financial statements. For governmental fund operations, all capital items over \$5,000 are recorded as capital assets, to be depreciated. The proprietary funds use a capitalization threshold of \$3,000.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions, or events, are accounted for, as assets, in the statement of net position. All capital assets are valued at historical cost, or estimated historical cost, if actual is unavailable.

Note 1- Summary of Significant Accounting Policies (continued)

1. D. Assets, Liabilities and Equity (continued)

Government-Wide Statements (continued)

Depreciation of all exhaustible capital assets arising from cash transactions, or events, is recorded as an allocated expense, in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives, using the straight-line method of depreciation.

Depreciation is computed using the straight-line method, over the following estimated useful lives, in years:

| | |
|--------------------------------|---------|
| Buildings | 15 - 50 |
| Building Improvements | 5 - 60 |
| Infrastructure | 25 - 50 |
| Machinery and Equipment | 10 - 40 |
| Office Machinery and Equipment | 2 - 15 |
| Vehicles | 5 - 15 |

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions, or events, acquired for use in governmental fund operations are accounted for as capital outlay expenditures, of the governmental fund, upon acquisition.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. Restricted assets include funds on deposit required to be reserved by terms of promissory notes.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations, or proprietary fund operations, and whether they are reported in the government-wide, or fund, financial statements.

All long-term debt, to be repaid from governmental and business-type resources, are reported, as liabilities, in the government-wide statements. The long-term debt consists primarily of notes payable and capitalized lease obligations.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as revenue, and payments of principal and interest are reported as expenditures. The accounting for long-term debt of the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Note 1- Summary of Significant Accounting Policies (continued)

1. D. Assets, Liabilities and Equity (continued)

Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified, and displayed, in three components:

1. *Net investment in capital assets* – Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets, and adjusted for any deferred inflows, and outflows, of resources, attributable to capital assets and related debt.
2. *Restricted* – Consists of restricted assets, reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions, or enabling legislation.
3. *Unrestricted* – Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets, or the restricted component of net position.

Fund Financial Statements

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance, and classified as nonspendable, restricted, committed, assigned, and unassigned, based on the respective level of constraint. These constraints are defined as follows:

Nonspendable – Amounts that cannot be spent because they either are not in spendable form, or are legally, or contractually, required to be maintained intact.

Restricted – Amounts constrained, regarding use, from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by restrictions imposed by law through constitutional provisions, or enabling legislation.

Committed – Amounts constrained, regarding use, for specific purposes, pursuant to requirements imposed by formal action of the Town's highest level of decision-making authority.

Assigned – Amounts constrained by the Town's intent to be used for specific purposes, but that are neither restricted nor committed.

Unassigned – The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

When an expenditure is incurred for purposes for which amounts in any of the fund balance classifications of committed, assigned or unassigned could be used, the Town considers the expenditure spent out of the committed fund balance.

Note 1- Summary of Significant Accounting Policies (continued)

Note 1.E. Revenues, Expenditures, and Expenses

Sales tax

The Town presently levies a sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission, and remitted to the Town in the month following receipt by the Oklahoma Tax Commission. The Tax Commission receives the sales tax approximately one month after collection by vendors. The sales tax is recorded entirely in the General Fund.

Operating Revenue and Expenses

Operating revenues, and expenses, for proprietary funds result from providing services, and producing and delivering goods or services. They also include all revenues, and expenses, not related to capital and related financing, noncapital financing, or investing activities.

1.F. Expenditures/Expenses

In the government-wide financial statements, expenses are classified, by function, for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By character: Current (further classified by function), Debt Service, Capital Outlay

Proprietary Funds – By Operating and Non-Operating

1.G. Interfund Transfers

Permanent re-allocations of resources, between funds of the reporting entity, are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

1.H. Use of Estimates

The preparation of the financial statements, in accordance with the modified basis of accounting, requires management to make estimates, and assumptions, that affect reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance and Accountability

By its nature as a local government unit, the Town and its component units are subject to various federal, state, and local laws, and contractual regulations. An analysis of the Town's compliance with significant laws, regulations, grants, and contracts, and demonstration of its stewardship over the Town resources follows:

Note 2 - Stewardship, Compliance and Accountability (continued)

2.A. Fund Accounting Requirements

The Town complies with all state and local laws, and regulations, requiring the use of separate funds. The legally required funds used by the Town include the following:

| <u>Fund</u> | <u>Required By</u> |
|---------------------------------------|--------------------|
| Industrial Development Authority Fund | Trust Indenture |
| Utility Trust Authority Fund | Trust Indenture |

2.B. Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral, valued at the lower of market or par. Acceptable collateral includes certain U.S. Government, or Government agency, securities, certain State of Oklahoma or political subdivision debt obligations, or surety bonds. As required by 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. As reflected in Note 3.A., all deposits were fully insured, or collateralized, for the fiscal year ended June 30, 2023.

Investments of the Town (excluding Public Trusts) whose population exceeds 3,000, according to the latest census information, are limited, by state law, to the following:

1. Direct obligations of the U.S. Government, its agencies, or instrumentalities to the payment of which the full faith and credit of the Government of the United States is pledged, or obligations to the payment of which the full faith and credit of this state is pledged;
2. Certificates of deposit, or savings accounts, that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit, or savings, accounts in out-of-state financial institutions;
3. With certain limitations, negotiable certificates of deposit, prime bankers' acceptance, prime commercial paper, and repurchase agreements;
4. County, municipal, or school 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;
5. Notes or bonds secured by mortgage, or trust deed insured by the Federal Housing Administrator, and debentures issued by the Federal Housing Administrator, and in obligation of national mortgage associations;
6. Money market funds regulated by the SEC, and in which investments consist of the investments mentioned in the previous paragraphs 1., 2., 3., and 4.

Note 2 - Stewardship, Compliance and Accountability (continued)

2.B. Deposit and Investment Laws and Regulations (continued)

Public trusts created under O.S. Title 60 are not subject to the above noted investment limitations, and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2023, the Town, and its public trusts, complied, in all material respects, with these investment restrictions.

2. C. Debt Restrictions and Covenants

General Obligation Debt

Article 10, Sections 26 and 27, of the Oklahoma Constitution, limits the amount of outstanding general obligation bonded debt of the municipality for non-utility, or non-street, purposes to no more than 10% of net assessed valuation. For the year ended June 30, 2023, the Town has no outstanding general obligation debt.

Other Long-Term Debt

As required by the Oklahoma State Constitution, the Town (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2023, the Town incurred no such indebtedness.

2. D. Fund Equity Restrictions

Deficit Prohibition

Title 11, Section 17-211 of Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. The Town complied with this statute, in all material respects, for the year ended June 30, 2023.

2.E. Budgetary Accounting and Control

The Town operates under the Oklahoma Estimates of Needs (Title 68) budget law. A budget is legally adopted by the Board of Trustees for the General Fund of the Town. The budget is prepared using the cash basis and budget laws of the State of Oklahoma. The financial statements are prepared using the modified basis of accounting. The Board of Trustees can legally amend the budget, once it has been approved, by filing a supplemental appropriation with the state auditor and inspector, and town clerk. Budget transfers between funds have to be approved by the Board of Trustees. There were no supplemental appropriations made during the fiscal year. All appropriations lapse at year-end. The level of control at which expenditures may not legally exceed appropriations is the fund level for each legally adopted fiscal operating budget.

Note 3 - Detail Notes – Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. Cash and Investments

Authorized Investments

State statutes govern the Town's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts, or savings certificates, of savings and loan associations and trust companies. Collateral is required for demand deposits, and certificates of deposit, for all amounts not covered by federal deposit insurance. Investments are stated at cost. The Town invests entirely in certificates of deposit.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2023, none of the Town's investments were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3.B. Restricted Assets

The amounts reported as restricted assets are comprised of cash, held in trust, on behalf of the Westville Utility Trust Authority, for debt repayment and customer deposits.

The restricted assets, as of June 30, 2023, are as follows:

| | |
|---------------------------|------------------|
| Utility deposit liability | \$ 66,664 |
| Total restricted cash | <u>\$ 66,664</u> |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3 - Detail Notes – Transaction Classes/Accounts (continued)

3.C. Capital Assets

Capital Asset Activity

Capital asset activity, for the year ended June 30, 2023, was as follows:

| | Governmental Activities | | | | |
|--------------------------------------|-------------------------|-------------------|--------------|-------------|---------------------|
| | 6/30/2022 | Additions | Dispositions | Transfers | 6/30/2023 |
| Land | \$ 129,465 | \$ - | \$ - | \$ - | \$ 129,465 |
| Buildings and Improvements | 303,434 | 192,469 | - | - | 495,903 |
| Equipment | 294,678 | 288,773 | - | - | 583,451 |
| Vehicles | 438,536 | - | - | - | 438,536 |
| Infrastructure | 280,258 | 42,000 | - | - | 322,258 |
| Total Property, Plant, and Equipment | 1,446,371 | 523,242 | - | - | 1,969,613 |
| Accumulated Depreciation | (583,661) | (84,060) | - | - | (667,721) |
| Net Property, Plant, and Equipment | <u>\$ 862,710</u> | <u>\$ 439,182</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,301,892</u> |

| | Business Type Activities | | | | |
|--------------------------------------|--------------------------|------------------|--------------------|-------------|---------------------|
| | 6/30/2022 | Additions | Dispositions | Transfers | 6/30/2023 |
| Land | \$ 188,555 | \$ - | \$ (35,000) | \$ - | \$ 153,555 |
| Buildings | 253,409 | - | - | - | 253,409 |
| Equipment | 1,527,405 | 189,035 | - | - | 1,716,440 |
| Infrastructure | 696,322 | - | - | - | 696,322 |
| Water System | 2,761,795 | 75,500 | - | - | 2,837,295 |
| Sewer System | 1,773,227 | - | - | - | 1,773,227 |
| Sewer Plant | 3,342,519 | 32,622 | - | - | 3,375,141 |
| Total Property, Plant, and Equipment | 10,543,232 | 297,157 | (35,000) | - | 10,805,391 |
| Accumulated Depreciation | (5,247,069) | (266,448) | - | - | (5,513,517) |
| Net Property, Plant, and Equipment | <u>\$ 5,296,163</u> | <u>\$ 30,709</u> | <u>\$ (35,000)</u> | <u>\$ -</u> | <u>\$ 5,291,874</u> |

Depreciation of capital assets is included in total expenses, and is charged, or allocated, to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

| Functional Category | Amount |
|------------------------|------------------|
| General Government | \$ 20,521 |
| Culture and Recreation | 718 |
| Public Safety | 54,438 |
| Streets | 8,383 |
| Total | <u>\$ 84,060</u> |

Note 3 - Detail Notes – Transaction Classes/Accounts (continued)

3.D. Long-Term Debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities, and amounts to be repaid from business-type activities.

Governmental Activities

As of June 30, 2023, the long-term debt, payable from governmental fund resources, consisted of the following:

Government-type activities
Capital leases

| | | |
|--|----|----------------|
| Carson Community Bank, dated February 2018, in the amount of \$26,874, payable in monthly installments of \$423.52, with an interest rate of 4.25%, to purchase equipment for the fire department. Paid off as of June 30, 2023. | \$ | - |
| Carson Community Bank, dated June 2020, in the amount of \$11,080, payable in monthly installments of \$329.34, with an interest rate of 4.25%, to purchase a Big Dog mower for the street department. Paid off as of June 30, 2023. | | - |
| Carson Community Bank, dated July 2020, in the amount of \$184,022, payable in monthly installments of \$3,407.64, with an interest rate of 4.25%, to purchase two police vehicles and refinanced loan of three police vehicles in June 2020. See new note from Carson Community Bank. Paid off as of June 30, 2023. | | - |
| Carson Community Bank, dated July 2020, in the amount of \$184,022, payable in monthly installments of \$3,407.64, with an interest rate of 4.25%, to purchase two police vehicles and refinanced loan of three police vehicles in July 2023. | | 136,172 |
| Carson Community Bank, dated March 2023, in the amount of \$56,800, payable in monthly installments of \$1,145.36, with an interest rate of 8.25%, to purchase a 2023 Dodge Durango. | | 53,490 |
| Total governmental-type capital lease activities | \$ | <u>189,662</u> |

Long-term debt maturities, including interest, until retired, are as follows:

| Year Ending June 30, | Governmental Activities | |
|-------------------------|-------------------------------------|-----------------|
| | Capital Leases Payable Principal | Interest |
| 2024 | 154,589 | 1,373 |
| 2025 | 35,073 | 1,197 |
| Totals | <u>\$ 189,662</u> | <u>\$ 2,570</u> |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3 - Detail Notes – Transaction Classes/Accounts (continued)

3.D. Long-Term Debt (continued)

Business-Type Activities

As of June 30, 2023, the long-term debt, payable from proprietary fund resources, consisted of the following:

Business-type activities

Notes Payable

| | |
|---|-------------------|
| Department of Commerce, dated December 2007, in the amount of \$400,000, payable in monthly installments of \$1,666.67, with an interest rate of 0%, for the Westville Industrial Authority. | \$ 86,666 |
| Oklahoma Water Resources Board, dated November 2002, in the amount of \$368,094, payable in semi-annual installments of \$13,568.75, with an interest rate of 2.7%, to construct a lift station, for the Westville Utility Trust Authority. | - |
| Department of Commerce, with an interest rate of 0%, for the Westville Utility Trust Authority. | - |
| Carson Community Bank, dated 2018, in the amount of \$240,061, with an interest rate of 3.0%, for the Westville Utility Authority. | 116,890 |
| Carson Community Bank, dated April 2021, in the amount of \$32,419 with an interest rate of 5.25%, for the Westville Utility Authority. | - |
| Carson Community Bank, dated October 2020, in the amount of \$142,160 with an interest rate of 6.25%, for the Westville Utility Authority. | 130,958 |
| Total business-type notes payable | <u>\$ 334,514</u> |

Bonds Payable

| | |
|--|---------------------|
| Oklahoma Water Resources Board, dated in the year 2012, in the amount of \$1,350,000, payable monthly, with a variable rate of interest. During fiscal year 2020, the interest rate was 3%, for the Westville Utility Trust Authority. | 669,563 |
| Total business-type notes and bonds payable | <u>\$ 1,004,077</u> |

Long-term debt maturities, including interest, until retired, are as follows:

| Year Ending June 30, | Business-Type Activities | |
|-------------------------|--------------------------------------|-------------------|
| | Notes and Bonds Payable Principal | Interest |
| 2024 | 160,258 | 30,031 |
| 2025 | 232,629 | 24,550 |
| 2026 | 149,737 | 5,389 |
| Thereafter | 461,453 | 41,135 |
| Totals | <u>\$ 1,004,077</u> | <u>\$ 101,105</u> |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3 - Detail Notes – Transaction Classes/Accounts (continued)

3.D. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt, for all funds, for the year ended June 30, 2023:

| | Balance June 30, 2022 | Additions | Deductions | Transfers | Balance June 30, 2023 | Amount due in one year |
|---|--------------------------|------------|--------------|-----------|--------------------------|---------------------------|
| Governmental activities: | | | | | | |
| Lease/purchase obligations | | | | | | |
| Carson Community Bank - Tractor - Streets | - | - | - | - | - | - |
| Carson Community Bank - Fire Equipment | 4,210 | - | (4,210) | - | - | 4,210 |
| Carson Community Bank - (3) Police Vehicles | - | - | - | - | - | - |
| Carson Community Bank - Dodge Charger Police Car | 3,897 | - | (3,897) | - | - | 3,691 |
| Carson Community Bank - (5) Dodge Charger Police Cars | 114,930 | - | (3,028) | (111,902) | - | 36,609 |
| Carson Community Bank - Refiance of (5) Dodge Charger Police Cars | - | 58,834 | (34,564) | 111,902 | 136,172 | 136,172 |
| Carson Community Bank - Dodge Durango | - | 56,800 | (3,310) | - | 53,490 | 18,417 |
| Total governmental activities | 123,037 | 115,634 | (49,009) | (0) | 189,662 | 199,099 |
| Business-type activities: | | | | | | |
| WIDA: | | | | | | |
| Notes payable: | | | | | | |
| Department of Commerce | 106,666 | - | (20,000) | - | 86,666 | 20,000 |
| WUA: | | | | | | |
| OWRB 2002 | 27,388 | - | (27,388) | - | - | - |
| OWRB Bond Payable | 745,000 | - | (75,438) | - | 669,563 | 90,000 |
| Carson Community Bank | 146,019 | - | (29,129) | - | 116,890 | 32,805 |
| Carson Community Bank | 30,494 | - | (30,494) | - | - | - |
| Carson Community Bank | - | 142,160 | (11,202) | - | 130,958 | 17,453 |
| Department of Commerce | 4,812 | - | (4,812) | - | - | - |
| Total business-type activities | 1,060,379 | 142,160 | (198,463) | - | 1,004,077 | 160,258 |
| Total long-term debt | \$ 1,183,416 | \$ 257,794 | \$ (247,472) | \$ - | \$ 1,193,739 | \$ 359,357 |

Note 4 – Internal Interfund Balances and Transfers

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

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Nature of Transfer</u> |
|----------------------|---------------------|-------------------|---------------------------|
| Court Fund | General Fund | \$ 365,000 | Operating transfer |
| Court Fund | Street & Alley Fund | 1,851 | Operating transfer |
| | | <u>\$ 366,851</u> | |

Note 5 – Dedicated Tax Revenues and Pledges of Future Revenues

Sales and Use Tax

Sales tax revenue represents a 3.75 cents tax on each dollar of taxable sales, which is recorded as revenue within the respective funds. Upon receipt, the sales tax is recorded as follows:

- 2 cents is recorded in the General Fund
- 0.85 cents is recorded in the General Streets Fund
- 0.40 cents is recorded in the Fire Department Fund
- 0.50 cents is recorded in the Ambulance Service Fund

Use tax, in its entirety, is recorded in the General Fund.

Note 6 - Other Information (continued)

6.C. Risk Management

Internal Balances

In the process of aggregating the financial information for the government-wide statement of net position, and statement of activities, some amounts reported as interfund activity, and balances, in the fund financial statements have been eliminated, or reclassified.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disaster. The Town maintains insurance for claims and judgments through employee health, property and liability, workers' compensation, and unemployment insurance programs. These insurance programs are accounted for in the General Fund. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

6.D. Economic Dependency

The Town of Westville is highly dependent on its sales tax base for financial operations and economic stability. Sales and use tax provided 57.90% of the revenue during the year, with the exclusion of grants.

6.E. Risk and Uncertainties

The Town currently has lease purchase agreements on ambulance vehicles and equipment. These agreements are currently funded with sales tax collected and restricted for the purpose of providing ambulance services and membership dues paid by the population of the Town of Westville. The Town executed a service agreement on August 15, 2019 with Pafford EMS of Oklahoma to provide ambulance services to the population of Town of Westville. Per the agreement, the sales tax collected and the membership dues collected will be paid to Pafford EMS of Oklahoma and, as of June 30, 2023, the lease purchase agreements remain in effect.

6.F. Subsequent Events

Management has evaluated and disclosed subsequent events up to April 11, 2024, the date that the financials were available to be issued, and no additional disclosures are deemed necessary.

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – GENERAL FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | General Fund | | | | |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ 1,700 | \$ 1,700 | \$ 1,060 | \$ - | \$ (640) |
| Local sources | 488,600 | 488,600 | 456,681 | - | (31,919) |
| State sources | 723,345 | 723,345 | 681,164 | - | (42,181) |
| Miscellaneous | 6,830 | 6,830 | 46,564 | - | 39,734 |
| Total revenues | <u>1,220,475</u> | <u>1,220,475</u> | <u>1,185,470</u> | <u>-</u> | <u>(35,005)</u> |
| Expenditures | | | | | |
| General government | 268,980 | 268,980 | 239,467 | - | 29,513 |
| Public safety | 499,327 | 499,327 | 731,391 | - | (232,064) |
| Cultural, parks, and recreation | - | - | 27,086 | - | (27,086) |
| Debt service | - | - | 45,610 | - | (45,610) |
| Capital outlay | 457,700 | 457,700 | 514,186 | - | (56,486) |
| Total expenditures | <u>1,226,007</u> | <u>1,226,007</u> | <u>1,557,740</u> | <u>-</u> | <u>(331,733)</u> |
| Excess of revenues over/(under) expenditures before other sources/(uses) | <u>(5,532)</u> | <u>(5,532)</u> | <u>(372,270)</u> | <u>-</u> | <u>(366,738)</u> |
| Other financing sources/(uses) | | | | | |
| Capital lease proceeds | - | - | - | - | - |
| Transfers in/(out) | 210,000 | 210,000 | 325,000 | - | (115,000) |
| Total other financing sources/(uses) | <u>210,000</u> | <u>210,000</u> | <u>325,000</u> | <u>-</u> | <u>(115,000)</u> |
| Excess of revenues over/(under) expenditures | 204,468 | 204,468 | (47,270) | - | (481,738) |
| Fund balance, beginning of year | 294,758 | 294,758 | 293,593 | - | (1,165) |
| Fund balance, end of year | <u>\$ 499,226</u> | <u>\$ 499,226</u> | <u>\$ 246,322</u> | <u>\$ -</u> | <u>\$ (482,904)</u> |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – AMBULANCE SERVICE FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Ambulance Service Fund | | | | |
|--|------------------------|------------|-----------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ - | \$ - | \$ 44,047 | \$ - | \$ 44,047 |
| Local sources | 49,000 | 49,000 | - | - | (49,000) |
| State sources | 70,000 | 70,000 | 81,660 | - | 11,660 |
| Miscellaneous | 6,010 | 6,010 | 13,099 | - | 7,089 |
| Total revenues | 125,010 | 125,010 | 138,806 | - | 13,796 |
| Expenditures | | | | | |
| Ambulance | 119,000 | 119,000 | 133,057 | - | (14,057) |
| Debt service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 119,000 | 119,000 | 133,057 | - | (14,057) |
| Excess of revenues over/(under) expenditures before other sources/(uses) | 6,010 | 6,010 | 5,749 | - | (261) |
| Other financing sources/(uses) | | | | | |
| Transfers in/(out) | 19,000 | 19,000 | - | - | 19,000 |
| Excess of revenues over/(under) expenditures | 25,010 | 25,010 | 5,749 | - | 18,739 |
| Fund balance, beginning of year | 118,503 | 118,503 | 24,689 | - | (93,814) |
| Fund balance, end of year | \$ 143,513 | \$ 143,513 | \$ 30,438 | \$ - | \$ (75,075) |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – FIRE DEPARTMENT FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Fire Department Fund | | | | |
|--|----------------------|-----------|-----------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local sources | - | - | 14,553 | - | 14,553 |
| State sources | 56,000 | 56,000 | 65,328 | - | 9,328 |
| Miscellaneous | 10 | 10 | 2,385 | - | 2,375 |
| Total revenues | 56,010 | 56,010 | 82,266 | - | 26,256 |
| Expenditures | | | | | |
| Fire department | 57,640 | 57,640 | 48,373 | - | 9,267 |
| Debt service | - | - | 4,292 | - | (4,292) |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 57,640 | 57,640 | 52,665 | - | 4,975 |
| Excess of revenues over/(under) expenditures before other sources/(uses) | (1,630) | (1,630) | 29,601 | - | 31,231 |
| Other financing sources/(uses) | | | | | |
| Capital lease proceeds | - | - | - | - | - |
| Excess of revenues over/(under) expenditures | (1,630) | (1,630) | 29,601 | - | 31,231 |
| Fund balance, beginning of year | 31,189 | 31,189 | 30,052 | - | (1,137) |
| Fund balance, end of year | \$ 29,559 | \$ 29,559 | \$ 59,653 | \$ - | \$ 30,094 |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – GENERAL STREETS FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | General Streets Fund | | | | |
|--|----------------------|------------|------------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| State sources | \$ 140,200 | \$ 140,200 | \$ 148,646 | \$ - | \$ 8,446 |
| Local sources | - | - | - | - | - |
| Miscellaneous | 5 | 5 | 3,517 | - | 3,512 |
| Total revenues | 140,205 | 140,205 | 152,163 | - | 11,958 |
| Expenditures | | | | | |
| Streets | 154,472 | 154,472 | 146,504 | - | 7,968 |
| Debt service | 71,000 | 71,000 | 3,959 | - | 67,041 |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 225,472 | 225,472 | 150,463 | - | 75,009 |
| Excess of revenues over/(under) expenditures before other sources/(uses) | (85,267) | (85,267) | 1,700 | - | 86,967 |
| Other financing sources/(uses) | | | | | |
| Capital lease proceeds | - | - | - | - | - |
| Transfers in/(out) | 86,000 | 86,000 | 1,851 | - | 84,149 |
| Total other financing sources (uses) | 86,000 | 86,000 | 1,851 | - | 84,149 |
| Excess of revenues over/(under) expenditures | (85,267) | (85,267) | 3,551 | - | 171,116 |
| Fund balance, beginning of year | 89,057 | 89,057 | 3,377 | - | (85,680) |
| Fund balance, end of year | \$ 3,790 | \$ 3,790 | \$ 6,928 | \$ - | \$ 85,436 |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – CEMETERY CARE FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Cemetery Care Fund | | | | |
|--|--------------------|------------|------------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ 600 | \$ 600 | \$ 349 | \$ - | \$ (251) |
| Local sources | - | - | - | - | - |
| State sources | - | - | - | - | - |
| Miscellaneous | 1,320 | 1,320 | 1,562 | - | 242 |
| Total revenues | 1,920 | 1,920 | 1,911 | - | (9) |
| Expenditures | | | | | |
| Cemetery | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | - | - | - | - | - |
| Excess of revenues over/(under) expenditures before other sources/(uses) | 1,920 | 1,920 | 1,911 | - | (9) |
| Transfers in/(out) | - | - | - | - | 242 |
| Excess of revenues over/(under) expenditures | 1,920 | 1,920 | 1,911 | - | 233 |
| Fund balance, beginning of year | 101,974 | 101,974 | 102,496 | - | 522 |
| Fund balance, end of year | \$ 103,894 | \$ 103,894 | \$ 104,407 | \$ - | \$ 755 |

TOWN OF WESTVILLE, STATE OF OKLAHOMA

BUDGET AND ACTUAL – COMPARISON SCHEDULE – CEMETERY MAINTENANCE FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Cemetery Maintenance Fund | | | | |
|--|---------------------------|----------|-----------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ 2,800 | \$ 2,800 | \$ 1,350 | \$ - | \$ (1,450) |
| Local sources | 8,200 | 8,200 | 10,075 | - | 1,875 |
| State sources | - | - | - | - | - |
| Miscellaneous | 5 | 5 | 22 | - | 17 |
| Total revenues | 11,005 | 11,005 | 11,447 | - | 442 |
| Expenditures | | | | | |
| Cemetery | 11,689 | 11,689 | 10,550 | - | 1,139 |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 11,689 | 11,689 | 10,550 | - | 1,139 |
| Excess of revenues over/(under) expenditures before other sources/(uses) | (684) | (684) | 897 | - | 1,581 |
| Transfers in/(out) | - | - | - | - | 17 |
| Excess of revenues over/(under) expenditures | (684) | (684) | 897 | - | 1,598 |
| Fund balance, beginning of year | 4,931 | 4,931 | 12,807 | - | 7,876 |
| Fund balance, end of year | \$ 4,247 | \$ 4,247 | \$ 13,704 | \$ - | \$ 9,474 |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – COURT FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Court Fund | | | | |
|--|------------------|------------|------------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ 398,600 | \$ 398,600 | \$ 322,405 | \$ - | \$ (76,195) |
| Local sources | - | - | - | - | - |
| State sources | - | - | - | - | - |
| Miscellaneous | 80 | 80 | 912 | - | 832 |
| Total revenues | 398,680 | 398,680 | 323,317 | - | (75,363) |
| Expenditures | | | | | |
| Municipal Court | 55,000 | 55,000 | 64,475 | - | (9,475) |
| Capital outlay | - | - | - | - | - |
| Total expenditures | 55,000 | 55,000 | 64,475 | - | (9,475) |
| Excess of revenues over/(under) expenditures before other sources/(uses) | 343,680 | 343,680 | 258,842 | - | (84,838) |
| Transfers in/(out) | (217,000) | (217,000) | (366,851) | - | 832 |
| Excess of revenues over/(under) expenditures | 126,680 | 126,680 | (108,009) | - | (84,006) |
| Fund balance, beginning of year | 384,419 | 384,419 | 394,586 | - | 10,167 |
| Fund balance, end of year | \$ 511,099 | \$ 511,099 | \$ 286,577 | \$ - | \$ (73,839) |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – EMERGENCY MANAGEMENT FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Emergency Management Fund | | | | |
|--|---------------------------|----------|---------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Local sources | - | - | - | - | - |
| State sources | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total revenues | - | - | - | - | - |
| Expenditures | | | | | |
| Emergency management | - | - | 1,286 | - | (1,286) |
| Capital outlay | - | - | - | - | - |
| Total expenditures | - | - | 1,286 | - | (1,286) |
| Excess of revenues over/(under) expenditures before other sources/(uses) | - | - | (1,286) | - | (1,286) |
| Transfers in/(out) | - | - | - | - | - |
| Excess of revenues over/(under) expenditures | - | - | (1,286) | - | (1,286) |
| Fund balance, beginning of year | 1,715 | 1,715 | 1,515 | - | (200) |
| Fund balance, end of year | \$ 1,715 | \$ 1,715 | \$ 229 | \$ - | \$ (1,486) |

TOWN OF WESTVILLE, STATE OF OKLAHOMA
BUDGET AND ACTUAL – COMPARISON SCHEDULE – SWIMMING POOL FUND – MODIFIED CASH
FOR THE YEAR ENDED JUNE 30, 2023

| | Swimming Pool Fund | | | | |
|--|--------------------|----------|----------|-------------------|-----------------|
| | Budgeted Amounts | | Actual | Budget Variance | |
| | Original | Final | | Original to Final | Final to Actual |
| Revenues | | | | | |
| Local sources | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | 2 | - | 10 | (2) | 10 |
| Total revenues | 2 | - | 10 | (2) | 10 |
| Expenditures | | | | | |
| Swimming Pool | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Total expenditures | - | - | - | - | - |
| Excess of revenues over/(under) expenditures before other sources/(uses) | 2 | - | 10 | (2) | 10 |
| Transfers in/(out) | - | - | - | (2) | 10 |
| Excess of revenues over/(under) expenditures | 2 | - | 10 | (4) | 20 |
| Fund balance, beginning of year | 3,791 | 3,791 | 3,791 | - | - |
| Fund balance, end of year | \$ 3,793 | \$ 3,791 | \$ 3,801 | \$ (4) | \$ 20 |



Certified Public Accountants, PLLC

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**INDEPENDENT AUDITOR'S 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 Honorable Mayor and Members of the Town Council
Town of Westville, State of Oklahoma

We have audited, in accordance with the 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, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, as of and for the year ended June 30, 2023, which collectively comprise the Town of Westville, State of Oklahoma's modified cash basis basic financial statements, and have issued our report thereon, dated April 11, 2024. Our report includes a reference to another auditor who audited the financial statements of the Westville Utility Trust Authority as described in our report on the Town of Westville, State of Oklahoma's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by the other auditor.

Internal Control Over Financial Reporting

In planning, and performing our audit of the financial statements, we considered the Town of Westville, State of Oklahoma's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate, in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Westville, State of Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Westville, State of Oklahoma's internal control.

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 was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies, and therefore, material weaknesses, or significant deficiencies, may exist that were not identified. We did not identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Westville, State of Oklahoma's financial statements are free of 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 that reads "Ober & Littlefield, PLLC". The signature is written in a cursive, flowing style.

OBER & LITTLEFIELD, CPAS, PLLC
MIAMI, OKLAHOMA

APRIL 11, 2024

TOWN OF WESTVILLE, STATE OF OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

A. Audit Findings – Prior Year

No new findings.