

AUDIT REPORT
TOWN OF HELENA, OKLAHOMA
JUNE 30, 2023



April Adams CPA PLLC
PO Box 1355
Ponca City, Oklahoma 74602
Phone: (580) 762-1040
Fax: (580) 762-1047

TOWN OF HELENA, OKLAHOMA
JUNE 30, 2023

Table of Contents

Introductory Section:

List of Board Members	3
Independent Auditor's Report.....	3-5

Basic Financial Statements:

Government-Wide Financial Statements:

Exhibit A Statement of Net Position – Modified Cash Basis.....	6
Exhibit B Statement of Activities – Modified Cash Basis	7

Fund Financial Statements:

Exhibit C Balance Sheet – Governmental Funds – Modified Cash Basis.....	8
Exhibit D Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund – Modified Cash Basis.....	9-10
Exhibit E Statement of Net Position – Proprietary Fund – Modified Cash Basis ..	11
Exhibit F Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund – Modified Cash Basis.....	12
Exhibit G Statement Cash Flows – Proprietary Fund – Modified Cash Basis	13

Notes to Financial Statements	14-28
-------------------------------------	-------

Report Required by *Government Auditing Standards*:

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 <i>Government Auditing Standards</i>	29-30
Schedule of Findings.....	31-32

April Adams CPA PLLC

PO Box 1355

Ponca City, Oklahoma 74602

Phone: (580) 762-1040

Fax: (580) 762-1047

Email: cpa@apriladamscpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Helena, Oklahoma

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Helena, Oklahoma and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

April Adams CPA PLLC

PO Box 1355

Ponca City, Oklahoma 74602

Phone: (580) 762-1040

Fax: (580) 762-1047

Email: cpa@apriladamscpa.com

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Helena'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,

April Adams CPA PLLC

PO Box 1355

Ponca City, Oklahoma 74602

Phone: (580) 762-1040

Fax: (580) 762-1047

Email: cpa@apriladamscpa.com


as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Helena's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 29, 2024, on my consideration of the Town of Helena's internal control over financial reporting and my 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 my 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 Town of Helena'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 Town of Helena's internal control over financial reporting and compliance.



April Adams CPA PLLC
Ponca City, Oklahoma

February 29, 2024

TOWN OF HELENA, OKLAHOMA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>2023 Total</u>
<u>ASSETS</u>			
<u>Current Assets:</u>			
Cash in bank	\$ 763,179	\$ 1,362,578	\$ 2,125,757
Investments	-	6,017	6,017
Restricted cash	-	28,490	28,490
Internal balances	-	-	-
Total Current Assets	<u>763,179</u>	<u>1,397,085</u>	<u>2,160,265</u>
<u>Noncurrent Assets:</u>			
Non-depreciable capital assets	33,505	108,715	142,220
Capital Assets, net of Accum. Depreciation	<u>648,175</u>	<u>1,114,983</u>	<u>1,763,159</u>
Total Noncurrent Assets	<u>681,680</u>	<u>1,223,698</u>	<u>1,905,378</u>
TOTAL ASSETS	<u>1,444,860</u>	<u>2,620,783</u>	<u>4,065,643</u>
<u>LIABILITIES</u>			
<u>Current Liabilities:</u>			
Current Portion of Long-Term Debt	-	20,000	20,000
Meter Deposits	-	13,010	13,010
Total Current Liabilities	<u>-</u>	<u>33,010</u>	<u>33,010</u>
<u>Long-Term Liabilities:</u>			
Long-Term Notes Payable	-	185,000	185,000
Plus: Premium on Long-Term Debt	-	1,196	1,196
Less: Current Portion of Long-Term Debt	-	(20,000)	(20,000)
Total Long-Term Liabilities	<u>-</u>	<u>166,196</u>	<u>166,196</u>
TOTAL LIABILITIES	<u>-</u>	<u>199,206</u>	<u>199,206</u>
<u>NET POSITION</u>			
Net investment in capital assets	681,680	1,057,502	1,739,182
Restricted for:			
Debt Service	-	15,480	15,480
Other Purposes	-	-	-
Unrestricted	<u>763,179</u>	<u>1,348,595</u>	<u>2,111,775</u>
TOTAL NET POSITION	<u>\$ 1,444,860</u>	<u>\$ 2,421,577</u>	<u>\$ 3,866,437</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General Government	\$ 118,084	\$ -	\$ -	\$ 164,859	\$ 46,776
Public Safety	102,519	331	13,738	-	(88,450)
Street & Alley	69,096	-	-	-	(69,096)
Parks & Recreation	29,000	-	-	-	(29,000)
Total Governmental Activities	318,699	331	13,738	164,859	(139,771)
Business-type activities:					
Water	112,200	221,958	-	-	109,758
Sanitation	68,155	56,845	-	-	(11,310)
Sewer	147,632	171,132	-	-	23,500
Administration	90,055	-	-	-	(90,055)
Total Business-type Activities	418,041	449,935	-	-	31,893
Total	\$ 736,740	\$ 450,266	\$ 13,738	\$ 164,859	\$ (107,877)

Changes in Net Position:

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	\$ (139,771)	\$ 31,893	\$ (107,877)
General revenues:			
Taxes:			
Sales Tax	160,314	-	160,314
Franchise Tax	24,566	-	24,566
Use Tax	19,162	-	19,162
Tobacco Tax	1,110	-	1,110
Intergovernmental:			
Alcoholic Beverage Tax	61,552	-	61,552
Motor Vehicle Tax	10,260	-	10,260
Gasoline Excise Tax	2,799	-	2,799
Licenses & Permits	195	-	195
Rental Income	1,925	-	1,925
Royalties	10,292	-	10,292
Miscellaneous Income	1,873	34,184	36,057
Interest Income	1,020	2,429	3,449
Transfers - Internal Activity	(111,539)	111,539	-
Total general revenues & transfers	183,529	148,151	331,680
Changes in net position	43,758	180,045	223,803
Net position - beginning	1,401,101	2,241,532	3,642,634
Net position - prior year adjustment	-	-	-
Net position - ending	\$ 1,444,860	\$ 2,421,577	\$ 3,866,437

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF HELENA, OKLAHOMA
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash in bank	\$ 763,179	\$ -	\$ -	\$ 763,179
Investments	-	-	-	-
Restricted cash	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 763,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,179</u>
<u>LIABILITIES & FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	763,179	-	-	763,179
TOTAL FUND BALANCES	<u>763,179</u>	<u>-</u>	<u>-</u>	<u>763,179</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 763,179</u>	<u>\$ -</u>	<u>\$ -</u>	

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities of \$2,200,281, net of accumulated depreciation of \$1,518,601, are not financial resources and, therefore, are not reported in the funds.	681,680
---	---------

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.	-
--	---

Net Position of Governmental Activities	<u>\$ 1,444,860</u>
---	----------------------------

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes:				
Sales Tax	\$ 160,314	\$ -	\$ -	\$ 160,314
Franchise Tax	24,566	-	-	24,566
Use Tax	19,162	-	-	19,162
Tobacco Tax	1,110	-	-	1,110
Intergovernmental:				
Alcoholic Beverage Tax	61,552	-	-	61,552
Motor Vehicle Tax	10,260	-	-	10,260
Gasoline Excise Tax	2,799	-	-	2,799
Grant Income	178,597	-	-	178,597
Police Fines	331	-	-	331
Licenses & Permits	195	-	-	195
Rental Income	1,925	-	-	1,925
Royalties	10,292	-	-	10,292
Miscellaneous Income	1,873	-	-	1,873
Interest Income	1,020	-	-	1,020
TOTAL REVENUES	473,996	-	-	473,996
<u>EXPENDITURES:</u>				
Current:				
General Government	98,852	-	-	98,852
Public Safety - Police	63,413	-	-	63,413
Public Safety - Fire	35,073	-	-	35,073
Street & Alley	32,228	-	-	32,228
Parks & Recreation	2,202	-	-	2,202
Debt Service	-	-	-	-
Capital Outlay	5,405	-	-	5,405
TOTAL EXPENDITURES	237,173	-	-	237,173
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	236,823	-	-	236,823
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(111,539)	-	-	(111,539)
Capital Debt Proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(111,539)	-	-	(111,539)
NET CHANGES IN FUND BALANCES	125,284	-	-	125,284
FUND BALANCE - BEGINNING OF YEAR	637,896	-	-	637,896
FUND BALANCE - PRIOR YEAR ADJUSTMENT	-	-	-	-
FUND BALANCE - END OF YEAR	\$ 763,179	\$ -	\$ -	763,179

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Reconciliation to Statement of Activities:

Net change in fund balances - total governmental funds	\$	125,284
--	----	---------

Amounts reported for governmental activities in the Statement of Activities are different because:

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Capital debt obligation principal payments		-
--	--	---

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of assets. Thus the change in net position differs from the change in fund balance by the basis of the asset sold.

-

Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Position:

Capital Debt Proceeds

-

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized		5,405
Depreciation expense		(86,931)

	\$	43,758
--	----	--------

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
JUNE 30, 2023

	Helena Public Works Authority Enterprise Fund June 30, 2023
<u>ASSETS</u>	
Current Assets:	
Cash in bank	\$ 1,362,578
Investments	6,017
Restricted cash	28,490
Due from other funds	-
Total Current Assets	1,397,085
Noncurrent Assets:	
Non-depreciable capital assets	108,715
Other capital assets, net of accumulated depreciation	1,114,983
Total Noncurrent Assets	1,223,698
TOTAL ASSETS	2,620,783
<u>LIABILITIES & FUND EQUITY</u>	
Current Liabilities:	
Current Portion of Long-Term Debt	20,000
Payroll liabilities	-
Meter Deposits	13,010
Total Current Liabilities	33,010
Noncurrent Liabilities:	
Long-Term Notes Payable	185,000
Plus: Premium on Long-Term Debt	1,196
Less: Current Portion of Long-Term Debt	(20,000)
Total Noncurrent Liabilities	166,196
TOTAL LIABILITIES	199,206
NET POSITION:	
Net investment in capital assets	1,057,502
Restricted for debt service	15,480
Unrestricted	1,348,595
TOTAL NET POSITION	\$ 2,421,577

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Helena Public Works Authority Enterprise Fund June 30, 2023
<u>OPERATING REVENUES:</u>	
Water Income	\$ 221,958
Sanitation Income	56,845
Sewer Income	171,132
Other Income	34,184
TOTAL OPERATING REVENUES	484,118
<u>OPERATING EXPENSES:</u>	
Water	106,140
Sanitation	68,155
Sewer	147,632
Administration	90,055
TOTAL OPERATING EXPENSES	411,982
NET OPERATING INCOME (LOSS)	72,137
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	2,429
Interest Expense	(6,060)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(3,631)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	68,506
Capital Contributions	-
Transfers in	111,539
Transfers out	-
CHANGE IN NET POSITION	180,045
TOTAL NET POSITION - BEGINNING	2,241,532
TOTAL NET POSITION - PRIOR YEAR ADJUSTMENT	-
TOTAL NET POSITION - ENDING	\$ 2,421,577

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>June 30, 2023</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Receipts from Customers	\$ 484,118
Payments to Suppliers, Employees & Laborers	(349,284)
Receipts of Customer Utility Deposits, Net of Refunds	122
Net Cash Provided (Used) by Operating Activities	<u>134,956</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Operating Transfers in	111,539
Operating Transfers Out	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>111,539</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Additions to Capital Assets	(111,539)
Loan Proceeds	-
Principal paid on Long-Term Debt	(15,000)
Interest Expense	(6,201)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(132,739)</u>
<u>Cash Flows from Investing Activities:</u>	
(Increase)Decrease in Investments	(51)
(Increase)Decrease in Restricted Cash	(2,740)
Interest Income	2,429
Net Cash Provided (Used) by Investing Activities	<u>(362)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	113,394
Cash & Cash Equivalents, Beginning of Year	1,249,184
Cash & Cash Equivalents, Prior Year Adjustment	-
Cash & Cash Equivalents, End of Year	<u><u>\$ 1,362,578</u></u>
<u>Reconciliation of operating income (loss) to net cash provided</u>	
<u>operating activities:</u>	
Operating Income (Loss)	\$ 72,137
Adjustments to reconcile operating income (loss) to net cash	
provided (used) by operating activities	
Depreciation Expense	62,698
increase(Decrease) in Payroll Liabilities	-
Increase(Decrease) in Meter Deposits	122
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 134,956</u></u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 1.C, these financial statements are presented 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 (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash-basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

A. FINANCIAL REPORTING ENTITY

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

Primary Government:	Town of Helena
Blended Component Units:	Helena Public Authority (HPWA)

PRIMARY GOVERNMENT

The Town operates under the "Town Board of Trustees" form of government and provides the following services: public safety (police and fire), highways and streets, public improvements, planning and zoning, sanitation, sewer, water, parks and recreation and general administrative services. The following is a summary of the more significant accounting policies of the Town.

BLENDED COMPONENT UNITS

A blended component unit is a separate legal entity for which the elected officials of the primary government are financially accountable and that meets the blended component unit criteria. A blended component unit meets at least one of the following criteria: (a) the blended component unit's governing body is the same or substantially the same as the Town Council, and there is a financial benefit or burden relationship with the Town, or Town management has operational responsibility for the component unit; (b) the component unit provides services entirely or almost entirely to the Town; or (c) the component unit's debt is expected to be repaid entirely or almost entirely with resources of the Town. The blended component unit's funds are blended into those of the Town by appropriate fund type to constitute the primary government presentation. The Town's blended component unit is presented subsequently:

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Helena Public Works Authority

The Helena Public Works Authority (HPWA) is a public trust created under authority of and pursuant to Oklahoma Statutes. The Trust has as its purpose to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control and regulate utility facilities whether water, sewage, garbage, trash disposal recreation and industrial facilities, or other forms or types of public and municipal services within the boundaries of the Helena Public Works Authority.

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 within the limitations of the modified cash basis of accounting. 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, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed, in whole or in part, by fees charges to external parties for goods or services.

Fund Financial Statements

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

GOVERNMENTAL FUND TYPES

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted in another fund.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Special Revenue Funds

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

PROPRIETARY FUND TYPES

Enterprise Funds

Enterprise funds are used to account for the acquisition, operation and maintenance of Town facilities which are financed primarily by user charges. The Enterprise funds are accounted for similar to activities of the private sector. The measurement focus is upon determination of net income, financial position and changes in financial position. The Helena Public Works Authority is accounted for as the Town's Enterprise Fund.

Helena Public Works Authority	Accounts for the activities of the public trust in providing water and sewer services to the public.
-------------------------------	--

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide State of Net Position and Statement of Activities, both governmental and business-like activities are presented used the economic resources measurement focus, within the limitations of the modified cash basis of accounting, subsequently defined in item (b).

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. 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.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

These funds use fund balance as their measure of available spendable financial resources at the end of the period.

- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determinations 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 generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the Town utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

D. FINANCIAL POSITION

CASH AND CASH EQUIVALENTS:

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of 3 months or less.

INVESTMENTS:

Investments classified in the financial statements consist entirely of certificates of deposit acquired with cash whose original maturity term exceeds three months. Investments are carried at cost, which approximates fair value.

CAPITAL ASSETS:

The Town's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. 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.

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.

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. A capitalization threshold of \$2,500 is used to report capital assets. The range of estimates useful lives by type of asset is as follows:

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

<u>Asset</u>	<u>Years</u>
Buildings	30
Equipment	5-30
Utility systems	20-40

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. Capital assets acquired for use in proprietary fund operations are accounted for the same as in the government-wide statements.

LONG-TERM DEBT

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

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 (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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

Fund Financial Statements

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board.
- Unassigned - Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Government does not have a formal minimum fund balance policy.

The purposes of each major special revenue fund and revenue source is listed below:

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
None	N/A

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting used by the Town requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from these estimates.

NOTE 2 - CASH AND INVESTMENTS

Custodial Credit Risk

At June 30, 2023, the Town held deposits of approximately \$2,160,265 at financial institutions. The Town's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Town or by its agent in the Town's name.

Investment Interest Rate Risk

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.

Investment Credit Risk

The Town has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits 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.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school Town 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 Town.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

- e. 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 obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

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

Type	Weighted Average Maturity (Months)	Credit Rating	Total Carrying Value
Deposits:			
Demand deposits			\$ 2,154,247
Investments:			
Certificates of deposit	2.50	N/A	\$ 6,017
Total Investments			
Total deposits and investments			<u>\$ 2,160,265</u>

Reconciliation to Statement of Net Position	
Governmental activities - Unrestricted Cash	\$ 763,179
Business-type activities - Unrestricted Cash	\$ 1,362,578
Business-type activities - Restricted Cash	\$ 28,490
Business-type activities - Investments	\$ 6,017
Total Deposits and Investments	<u>\$ 2,160,265</u>

Concentration of Investment Credit Risk

The Town places no limit on the amount it may invest in any one issuer. The Town has the following credit risk: 100% in Certificates of Deposit (\$6,017).

NOTE 3 - RESTRICTED CASH

Under the terms of the Oklahoma Water Resource Board loan, the Town must fund a debt service account at a trustee bank by making monthly payments in amounts determined by the OWRB. Loan payments are made as required by the note from that account by the trustee. The balance of that account at June 30 was \$15,480.

An amount equal to the meter deposit liability of \$13,009.86 is also considered restricted cash.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Governmental activities:

	Balance 7/1/22	Additions	Deductions	Balance 6/30/23
Capital assets not being depreciated:				
Land	\$ 33,505	\$ -	\$ -	\$ 33,505
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>33,505</u>	<u>-</u>	<u>-</u>	<u>33,505</u>
Other capital assets:				
Buildings	750,261	-	-	750,261
Equipment	871,320	5,405	-	876,725
Infrastructure	539,790	-	-	539,790
Total depreciable capital assets	<u>2,161,371</u>	<u>5,405</u>	<u>-</u>	<u>2,166,776</u>
Less: Accum. Depreciation for:				
Buildings	447,436	21,043	-	468,479
Equipment	648,400	38,365	-	686,765
Infrastructure	335,834	27,522	-	363,357
Total Accumulated Depreciation	<u>1,431,670</u>	<u>86,931</u>	<u>-</u>	<u>1,518,601</u>
Governmental Activities Capital Assets, Net	<u>\$ 763,206</u>	<u>\$ (81,525)</u>	<u>\$ -</u>	<u>\$ 681,680</u>

Business-type Activities:

	Balance 7/1/22	Additions	Deductions	Balance 6/30/23
Capital assets not being depreciated:				
Land	\$ 106,715	\$ -	\$ -	\$ 106,715
Construction in progress	2,000	-	-	2,000
Total capital assets not being depreciated	<u>108,715</u>	<u>-</u>	<u>-</u>	<u>108,715</u>
Other capital assets:				
Office Equipment	3,968	-	-	3,968
Equipment	101,708	-	-	101,708
Sewer System	1,542,085	-	-	1,542,085
Water System	1,276,303	111,539	-	1,387,842
Total depreciable capital assets	<u>2,924,064</u>	<u>111,539</u>	<u>-</u>	<u>3,035,603</u>
Less: Accum. Depreciation for:				
Office Equipment	3,968	-	-	3,968
Equipment	100,787	368	-	101,155
Sewer System	1,236,081	33,187	-	1,269,269
Water System	517,086	29,142	-	546,228
Total Accumulated Depreciation	<u>1,857,922</u>	<u>62,698</u>	<u>-</u>	<u>1,920,620</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,174,857</u>	<u>\$ 48,841</u>	<u>\$ -</u>	<u>\$ 1,223,698</u>

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Depreciation expense was charged to functions as follows:

<i>Governmental activities:</i>		<i>Business-type activities:</i>	
General government	\$ 19,232	Sewer department	\$ 33,187
Police department	645	Water department	29,511
Fire department	3,388	Total depreciation	<u>\$ 62,698</u>
Parks & recreation	26,798		
Street & alley department	36,868		
Total depreciation	<u>\$ 86,931</u>		

NOTE 5 - LONG-TERM DEBT

PUBLIC WORKS AUTHORITY

On December 21, 2016, the Authority issued promissory note FAP-17-0001-L to the Oklahoma Water Resources Board in the amount of \$270,000.00 for water system improvements. Payments of principal and interest will be calculated on the amount advanced rather than the approved amount of the promissory note. The term of the loan is fifteen years with a variable term rate ranging from 2.200% initially and 3.450% at maturity on September 15, 2031. The note is secured by all water and sewer revenues and a mortgage on the utility systems.

Changes in Long-Term Debt

The following is a summary of long-term debt additions and deductions for the year ended June 30, 2023:

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023
OWRB FAP-17-0001-L	\$ 200,000	\$ -	\$ (15,000)	\$ 185,000
	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ (15,000)</u>	<u>\$ 185,000</u>

Debt Service Requirements to Maturity

A summary of future maturities of principal and interest are as follows:

Year Ending June 30,	OWRB FAP17-0001-L		
	Principal	Interest	Total
2024	\$ 20,000	\$ 5,638	\$ 25,638
2025	20,000	4,998	24,998
2026	20,000	4,358	24,358
2027	20,000	4,358	24,358
2028	20,000	3,718	23,718
2029-2032	85,000	8,300	93,300
Total	<u>\$ 185,000</u>	<u>\$ 31,368</u>	<u>\$ 216,368</u>

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 - PENSION PLAN PARTICIPATION

OKLAHOMA MUNICIPAL RETIREMENT FUND:

The Town employees participate in the Oklahoma Municipal Retirement System as authorized by Town ordinance. Title 11, Oklahoma Statutes 1981, section 48-101 et. Seq. assigns the authority to establish and amend the benefit provisions of the plans to participate in the System to respective employer entities. All full-time and part-time employees of the Town are eligible to participate in the System and full-time employees are fully vested after 10 years. Covered employees are required to contribute from 0% to 3% of their gross payroll which the Town must match. Employee contributions over 3% are optional and are not matched by the Town. The payroll for Town employees for the year was \$149,415. The payroll for Town employees covered by the Fund for the year was \$38,491. Actual Town and employee contributions for the year were \$1,155 each, equal to the required contributions for the year.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, OK 73105.

OKLAHOMA FIREFIGHTER'S PENSION AND RETIREMENT SYSTEM (OFPRS):

Description of the Plan

The Town participates in the Oklahoma Firefighter's Pension and Retirement System (OFPRS), a statewide cost-sharing, multiple-employer, defined benefit plan, on behalf of volunteer firefighters. Participation in the System is open to all full-time or volunteer firefighters of a participating municipality hired before age 45. Contribution rates for full-time and volunteer firefighters are set by state statute. The System is supported by employee contributions, municipal contributions, and state appropriations.

Benefits under the System are vested after 10 years of credited service. Volunteers may receive benefits after obtaining 20 years of credited service. Benefits are determined at the rate of \$5.46 per month per year of credited service, with a maximum of 30 years considered. The Oklahoma Firefighter's Pension and Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the fund. That report may be obtained by writing to Oklahoma Firefighters Pension and Retirement System, 4545 North Lincoln Blvd., Suite 265, Oklahoma City, Oklahoma 73105-3414, or by calling 1-800-525-7461.

Funding Policy

OFPRS plan members that are volunteer firefighters are not required to contribute to the plan. The Town is required by state law to

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

contribute \$60 per year for each volunteer firefighter. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriation, as necessary.

The OFPRS contributions for 2023, 2022 and 2021, respectively, were \$1,140.00, \$1,140.00, and \$1,140.00.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

GRANT PROGRAMS

The Town participates in certain federal and state grant programs as available; currently the town is not participating in any ongoing programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grant. The amount of expenditures that may be disallowed by the granting agency cannot be determined at this time, although it is believed by the Town that the amount, if any, would not be significant.

LITIGATION

The Town may be party to various legal proceedings that normally occur in the course of governmental operations. As a result of the Town's use of the modified cash basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a Town "Sinking Fund" for the payment of any court-assessed judgment rendered against the Town. Although the outcome of the previously noted proceedings cannot be predicted due to the insurance coverage maintained by the Town and the State statute relating to judgments, the Town believes that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the Town.

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - OPERATING TRANSFERS

Interfund operating transfers for the year ended June 30, 2023, were as follows:

OPERATING TRANSFERS:	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL:		
Helena Public Works Authority	\$ -	\$ 111,538.99
Total General Fund	<u>\$ -</u>	<u>\$ 111,538.99</u>
ENTERPRISE FUNDS		
Helena Public Works Authority:		
General Fund	\$ 111,538.99	\$ -
Total Enterprise Funds	<u>\$ 111,538.99</u>	<u>\$ -</u>
	<u>\$ 111,538.99</u>	<u>\$ 111,538.99</u>

NOTE 9 - COUNTY FIRE DEPARTMENT SALES TAX REVENUE

County sales tax funds restricted for the Town's fire department are not reported in the Town's financial statements. The County spends the fund for Town operations at the Town's request and title for all equipment purchased with these funds resides with the County. The fund had the following activity during the current year:

6/30/22 Balance	\$161,574
Decrease Lapsed Approp. (40,380)	
Sales Tax Appropriations	91,167
Warrants Issued	(110,351)
Transfers	<u>(-0-)</u>
6/30/23 Balance	\$102,010

NOTE 10 - WORKERS' COMPENSATION PLAN

The Town participates in the Oklahoma Municipal Assurance Group (OMAG) Workers' Compensation Plan (the Plan). The Plan became effective October 1, 1984. The purpose of the Plan is to provide workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the Plan year. A plan year normally begins at 12:01 a.m. July 1 in any year and ends at midnight June 30 the following year. The Plan, or its designated agent, has a right to audit at all reasonable times such books and records of the participant as necessary to determine the monies owed for benefits provided to the municipality or its employees.

Plan participants have the responsibility to pay fees set by the Plan and to pay those fees from funds appropriated for that purpose

TOWN OF HELENA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

according to the established payment schedule. In addition, participants are responsible for complying with all requirements of the Oklahoma Workers' Compensation Act. Participants have the right to the return of any loss funds set aside for claims which have not been paid out as benefits. Losses are limited to amounts set aside by the Plan. Town funds on deposit with OMAG at yearend were \$6,023.

NOTE 11 - GRANT INCOME

The Town of Helena was approved for ARPA Coronavirus State and Local Fiscal Record Funds from the U.S. Department of the Treasury in the amount of \$123,568.64, \$589.44 & \$124,150.67. As of June 30, 2023, \$123,568.64 has been received and \$142,081.27 has been expended and there is a remaining balance of \$0 to be received.

The Town of Helena was approved for REAP Grant AL22-3 from Northern Oklahoma Development Authority (NODA) in the amount of \$136,363.63. As of June 30, 2023, \$16,500.00 has been received and \$16,500.00 has been expended and there is a remaining balance of \$119,863.63 to be received.

The Town of Helena was approved for CDBG Grant 18051 CDBG 17 from Department of Commerce (DOC) in the amount of \$136,363.63. As of June 30, 2023, \$3,000.00 has been received and \$3,000.00 has been expended and there is a remaining balance of \$133,363.63 to be received.

NOTE 12 - SUBSEQUENT EVENTS

The Town did not have any subsequent events through February 29, 2024, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2023.

April Adams CPA PLLC

PO Box 1355

Ponca City, Oklahoma 74602

Phone: (580) 762-1040

Fax: (580) 762-1047

Email: cpa@apriladamscpa.com

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 Board of Trustees
Town of Helena, Oklahoma

I 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, and in accordance with Oklahoma Statutes, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Helena, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, which collectively comprise the Town of Helena, Oklahoma's basic financial statements, and have issued my report thereon dated February 29, 2024.

Internal Control Over Financial Reporting

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

My 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. Given these limitations,

April Adams CPA PLLC

PO Box 1355

Ponca City, Oklahoma 74602

Phone: (580) 762-1040

Fax: (580) 762-1047

Email: cpa@apriladamscpa.com

during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control described in the accompanying Schedule of Findings as Items 2023-01 & 2023-02 that I consider to be significant deficiencies.

Compliance and Other Matters


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

Town of Helena's Response to Findings

Town of Helena's response to the findings identified in my audit is described in the accompanying Schedule of Findings. Town of Helena's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



April Adams CPA PLLC
Ponca City, Oklahoma

February 29, 2024

TOWN OF HELENA, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2023

INTERNAL CONTROL FINDINGS:

Item 2023-01: Segregation of Duties

Criteria: The segregation of duties is important to have adequate control over financial assets.

Condition: The Town of Helena has the same employees performing work normally segregated between two or more employees.

Cause/Effect: The Town of Helena's small size limits the amount of staffing needed to properly segregate accounting functions. The lack of segregation of duties could increase the risk that misstatements material to the financial statements could occur and not be detected within a timely manner.

Recommendation: The lack of segregation of duties is a common deficiency in Town's the size of Helena. The governing body should be aware of the increased risk and develop policies and procedures to reduce the effect of the internal control deficiency.

Response: The Board continues to be actively involved in the operations of the Town.

Item 2023-02: Internal Control over Financial Reporting

Criteria: Per government auditing and accounting standards management must designate an individual or individuals that possess skill, knowledge and experience to the extent they can perform year-end closing adjustments and evaluate any non-attest services or audit adjustments performed by the independent auditor.

Condition: Material adjusting journal entries were required to arrive at the final adjusted trial balance.

Cause/Effect: The Town relied on the auditor to propose entries after audit procedures. The Town was not able to report accurate financial information without the required adjustments.

Recommendation: The Town should consider making required yearend adjusting entries without auditor assistance when preparing the financial statements.

TOWN OF HELENA, OKLAHOMA
SCHEDULE OF FINDINGS
JUNE 30, 2023

Response: Management will take into consideration the Auditor's recommendation and will work to improve performance in this area.

COMPLIANCE FINDINGS:

None