

AUDIT REPORT

TOWN OF STRINGTOWN, OKLAHOMA

JUNE 30, 2023



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TOWN OF STRINGTOWN, OKLAHOMA  
JUNE 30, 2023

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TOWN OF STRINGTOWN, OKLAHOMA  
JUNE 30, 2023

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TOWN OF STRINGTOWN, OKLAHOMA  
TOWN OFFICIALS  
JUNE 30, 2023

BOARD OF TRUSTEES

MAYOR	JOHN ELDROD
TRUSTEE	COLBY MCDONALD
TRUSTEE	BRANDON PUGH

TOWN CLERK/TREASURER

SUSIE MOORE

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Stringtown, Oklahoma

Report on the Audit of the Financial Statements

### *Qualified Opinions*

I have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stringtown, 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 Stringtown's basic financial statements as listed in the table of contents.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinions section of my report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Stringtown 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 accounting principles generally accepted in the United States of America.

### *Basis for Qualified 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 Stringtown 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 qualified audit opinions.

### *Matter Giving Rise to Qualified Opinions*

Accounting principles generally accepted in the United States of America, with the implementation of GASB Statement No 68, *Accounting and Financial Reporting for Pensions*, require net Pension Liability information to be

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included in the financial statements, note disclosures and Required Supplementary Information. The requirements of Statement No. 68 have not been implemented by the Town. The amount by which this departure would affect the assets, net position, expenditures/expenses of the Governmental & Business-Type Activities has not been determined.

## *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stringtown'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*

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

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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 Stringtown'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stringtown'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.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis and net Pension Liability Information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of

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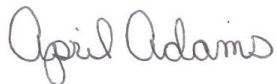
the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

## *Supplementary and Other Information*

The introductory and other supplementary information sections listed in the accompanying table of contents are presented for the purpose of additional analysis are not a required part of the basic financial statements of the Town. Such additional information has not be subjected to the auditing procedures applied in my audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on such information.

## *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 27, 2024, on my consideration of the Town of Stringtown'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 Stringtown'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 Stringtown's internal control over financial reporting and compliance.



April Adams CPA PLLC  
Ponca City, Oklahoma

June 27, 2024



TOWN OF STRINGTOWN, OKLAHOMA  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	2023 Total
<b><u>ASSETS</u></b>			
<b><u>Current Assets:</u></b>			
Cash and cash equivalents	\$ 494,662	\$ 796,782	\$ 1,291,444
Accounts Receivable	46,730	50,180	96,910
Prepaid Retirement	-	-	-
Due to (from) Funds	(51,271)	51,271	-
Total Current Assets	490,121	898,233	1,388,354
<b><u>Capital Assets:</u></b>			
Land, and improvements	-	3,564,168	3,564,168
Other Capital Assets	1,586,307	209,653	1,795,960
Construction in Progress	-	-	-
Less: Accumulated Depreciation	(978,317)	(2,069,822)	(3,048,139)
Total Capital Assets	607,990	1,703,999	2,311,989
<b>TOTAL ASSETS</b>	<b>1,098,111</b>	<b>2,602,232</b>	<b>3,700,343</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	66,362	34,280	100,642
Unearned Income	6,400	-	6,400
Unearned Traffic Bonds	6,822	-	6,822
Other Payable	-	36,770	36,770
Current Portion of Long-Term Debt	9,050	15,101	24,151
Total Current Liabilities	88,634	86,151	174,785
<b><u>Long-Term Liabilities:</u></b>			
Notes Payable	-	518,833	518,833
Capital Lease	27,943	-	27,943
Less: Current Portion of Long-Term Debt	(9,050)	(15,101)	(24,151)
Total Long-Term Liabilities	18,893	503,732	522,625
<b>TOTAL LIABILITIES</b>	<b>107,527</b>	<b>589,883</b>	<b>697,410</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	580,047	1,185,165	1,765,212
Restricted for:			
Debt Service	-	-	-
Other Purposes	-	51,619	51,619
Unrestricted	410,537	775,565	1,186,102
<b>TOTAL NET POSITION</b>	<b>\$ 990,584</b>	<b>\$ 2,012,349</b>	<b>\$ 3,002,933</b>

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

**TOWN OF STRINGTOWN, OKLAHOMA**  
**STATEMENT OF ACTIVITIES**  
**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	
<b>Governmental activities:</b>					
General Government	\$ 264,111	\$ -	\$ 110,057	\$ -	\$ (154,054)
Police Protection	399,678	389,695	-	-	(9,983)
Fire Protection	74,390	-	10,053	-	(64,337)
Highways & Streets	85,234	-	-	-	(85,234)
Total Governmental Activities	823,414	389,695	120,110	-	(313,609)
<b>Business-type activities:</b>					
Water	370,888	484,885	35,527	-	149,524
Sanitation	49,669	52,658	-	-	2,989
Sewer	49,354	52,545	-	-	3,191
Misc. Business-type activities	86,197	11,241	-	-	(74,956)
Total Business-type Activities	556,108	601,329	35,527	-	80,748
<b>Total</b>	<b>\$ 1,379,522</b>	<b>\$ 991,024</b>	<b>\$ 155,637</b>	<b>\$ -</b>	<b>\$ (232,861)</b>

## Changes in Net Position:

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	\$ (313,609)	\$ 80,748	\$ (232,861)
<b>General revenues:</b>			
Taxes:			
Franchise	22,637	-	22,637
Licenses	2,500	-	2,500
Water Sales	72,571	-	72,571
Intergovernmental:			
Alcohol Beverage Tax	20,863	-	20,863
Gasoline Excise Tax	794	-	794
Motor Vehicle Tax	3,314	-	3,314
Cigarette Tax	940	-	940
Sales Tax	133,485	-	133,485
Use Tax	59,250	-	59,250
Interest Income	3,062	1,298	4,360
Miscellaneous Income	24,397	-	24,397
Donations	85,100	-	85,100
Transfers	-	-	-
Total general revenues & transfers	428,913	1,298	430,211
Gain or Loss on Sale of Assets	43,121	-	43,121
Changes in net position	158,425	82,046	240,471
Net position - beginning	832,159	1,930,303	2,762,462
Net position - prior year adjustment	-	-	-
Net position - ending	\$ 990,584	\$ 2,012,349	\$ 3,002,933

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

**TOWN OF STRINGTOWN, OKLAHOMA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 443,539	\$ 51,123	\$ 494,662
Accounts Receivable	45,927	803	46,730
Prepays	-	-	-
Due to (from) Funds	(81,649)	30,378	(51,271)
<b>TOTAL ASSETS</b>	<b>\$ 407,817</b>	<b>\$ 82,304</b>	<b>\$ 490,121</b>
<b>LIABILITIES &amp; FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 66,362	\$ -	\$ 66,362
Unearned Income	6,400	-	6,400
Unearned Traffic Bonds	6,822	-	6,822
<b>TOTAL LIABILITIES</b>	<b>79,584</b>	<b>-</b>	<b>79,584</b>
<b>FUND BALANCES:</b>			
Nonspendable	-	-	-
Restricted	-	61,997	61,997
Committed	-	-	-
Assigned	176,219	-	176,219
Unassigned	152,014	20,307	172,321
<b>TOTAL FUND BALANCES</b>	<b>328,233</b>	<b>82,304</b>	<b>410,537</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 407,817</b>	<b>\$ 82,304</b>	

**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 \$1,586,307, net of accumulated depreciation of \$978,317, are not financial resources and, therefore, are not reported in the funds.	607,990
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.	(27,943)
<b>Net Position of Governmental Activities</b>	<b>\$ 990,584</b>

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

## EXHIBIT D

**TOWN OF STRINGTOWN, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES:</u></b>			
Taxes:			
Franchise	\$ 22,637	\$ -	22,637
Fines	338,181	-	338,181
Recovery of Old Police Fines	50,514	-	50,514
Impound Fees	1,000	-	1,000
Licenses	2,500	-	2,500
Intergovernmental:			
Alcohol Beverage Tax	20,863	-	20,863
Gasoline Excise Tax	-	794	794
Motor Vehicle Tax	-	3,314	3,314
Cigarette Tax	940	-	940
Sales Taxes	133,485	-	133,485
Use Tax	59,250	-	59,250
Grants	110,057	10,053	120,110
Miscellaneous Income	24,337	60	24,397
Water Sales	72,571	-	72,571
Donations	52,100	33,000	85,100
Interest Income	2,892	170	3,062
<b>TOTAL REVENUES</b>	<b>891,327</b>	<b>47,391</b>	<b>938,718</b>
<b><u>EXPENDITURES:</u></b>			
Current:			
General Government	255,654	-	255,654
Police Protection	361,858	-	361,858
Fire Protection	61,308	-	61,308
Highways & Streets	66,286	2,334	68,620
Debt Service	10,028	15,275	25,303
Capital Outlay	144,618	-	144,618
<b>TOTAL EXPENDITURES</b>	<b>899,753</b>	<b>17,609</b>	<b>917,362</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>(8,426)</b>	<b>29,782</b>	<b>21,356</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Capital Debt Proceeds	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sale of Asset	50,462	-	50,462
<b>NET CHANGES IN FUND BALANCES</b>	<b>42,036</b>	<b>29,782</b>	<b>71,818</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>286,197</b>	<b>52,522</b>	<b>338,719</b>
<b>FUND BALANCE - PRIOR YEAR ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 328,233</b>	<b>\$ 82,304</b>	<b>410,537</b>

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

**TOWN OF STRINGTOWN, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Reconciliation to Statement of Activities:**

Net change in fund balances - total governmental funds	\$	71,818
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**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		24,094

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		-

Transfers of Water Distribution System to Stringtown Public Works Authority, Paid for with CDBG funds in the last two years and not requiring use of current financial resources		-
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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		144,618
Depreciation expense		
General Government		(8,457)
Police Protection		(37,820)
Fire Protection		(13,082)
Highways & Streets		(15,405)
Basis in Assets Sold		(7,341)

Change in Net Position of Governmental Activities	\$	158,425
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The accompanying notes are an integral part of the basic financial statements.

**TOWN OF STRINGTOWN, OKLAHOMA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

**Stringtown  
Public Works  
Authority  
Enterprise Fund  
June 30, 2023**

**ASSETS****Current Assets:**

Cash and cash equivalents	\$ 796,782
Accounts Receivable	50,180
Due to (from) Funds	<u>51,271</u>
<b>Total Current Assets</b>	<b><u>898,233</u></b>

**Capital Assets:**

Land, and improvements	3,564,168
Other capital assets	209,653
Construction in Progress	-
Less: Accumulated Depreciation	<u>(2,069,822)</u>
<b>Total Capital Assets</b>	<b><u>1,703,999</u></b>

**TOTAL ASSETS**

**2,602,232**

**LIABILITIES & NET POSITION:****Current Liabilities:**

Accounts Payable	34,280
Other Payable	36,770
Current Portion of Long-Term Debt	<u>15,101</u>
<b>Total Current Liabilities</b>	<b><u>86,151</u></b>

**Noncurrent Liabilities:**

Notes Payable	518,833
Less: Current Portion of Long-Term Debt	<u>(15,101)</u>
<b>Total Noncurrent Liabilities</b>	<b><u>503,732</u></b>

**TOTAL LIABILITIES**

**589,883**

**NET POSITION:**

Net investment in capital assets	1,185,165
Restricted for debt service	-
Restricted for other purposes	51,619
Unrestricted	<u>775,565</u>

**TOTAL NET POSITION**

**\$ 2,012,349**

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

**TOWN OF STRINGTOWN, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Stringtown Public Works Authority Enterprise Fund June 30, 2023</b>
<b><u>OPERATING REVENUES:</u></b>	
Charges for Services:	
Water Sales	\$ 484,885
Sanitation Fees	52,658
Sewer Fees	52,545
Penalties	10,962
Miscellaneous Income	279
<b>TOTAL OPERATING REVENUES</b>	<b>601,329</b>
<b><u>OPERATING EXPENSES:</u></b>	
Water	370,888
Sanitation	49,669
Sewer	49,354
Miscellaneous	-
Depreciation	78,125
<b>TOTAL OPERATING EXPENSES</b>	<b>548,036</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>53,293</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Income	1,298
Interest Expense	(8,072)
Gain or Loss from Sale of Equipment	-
Grant Income	35,527
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>28,753</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<b>82,046</b>
Capital Contributions	-
Transfers in	-
Transfers out	-
<b>CHANGE IN NET POSITION</b>	<b>82,046</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>1,930,303</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 2,012,349</b>

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

## EXHIBIT G

**TOWN OF STRINGTOWN, OKLAHOMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>2023</u>
<b><u>Net Cash Flows from Operating Activities:</u></b>	
Cash Receipts from Customers	\$ 608,939
Other Cash Receipts	279
Payments to Suppliers for Goods & Services	(402,169)
Payments to Employees and Laborers	(70,328)
Net Cash Provided (Used) by Operating Activities	<u>136,721</u>
<b><u>Net Cash Flows from Non-Capital Financing Activities:</u></b>	
Transfers to other funds	-
Transfers from other funds	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>
<b><u>Net Cash Flows from Capital &amp; Related Financing Activities:</u></b>	
Capital grant received for construction/purchase of capital assets	35,527
Additions to Capital Assets	(44,510)
Proceeds from sale of Capital Assets	-
Loan Proceeds Received	-
Principal paid on Notes Payable	(14,785)
Interest Expense	(8,072)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(31,840)</u>
<b><u>Net Cash Flows from Investing Activities:</u></b>	
Interest Income	1,298
Net Cash Provided (Used) by Investing Activities	<u>1,298</u>
Net Increase (Decrease) in Cash and Cash Equivalents	106,179
Cash & Cash Equivalents, Beginning of Year	690,603
Cash & Cash Equivalents, Prior Year Adjustment	-
Cash & Cash Equivalents, End of Year	<u><u>\$ 796,782</u></u>
<b><u>Reconciliation of operating income (loss) to net cash provided</u></b>	
<b><u>operating activities:</u></b>	
Operating Income (Loss)	\$ 53,293
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation Expense	78,125
(Increase)Decrease in Accounts Receivable	7,663
(Increase)Decrease in Other Receivables	(591)
Increase(Decrease) in Other Payables	250
Increase(Decrease) in Accounts Payable	(2,019)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 136,721</u></u>

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



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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Town of Stringtown, Oklahoma, are summarized below.

A. FINANCIAL REPORTING ENTITY

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

Primary Government:	Town of Stringtown
Blended Component Units:	Stringtown Public Works Authority (SPWA)

PRIMARY GOVERNMENT

The reporting entity includes the primary government of the Town of Stringtown, Oklahoma (the Town) and its component unit, Stringtown Public Works Authority (the Authority). Financial information for the Stringtown Public Works Authority is blended with the financial information of the Town of Stringtown as an enterprise fund. The Board of Trustees of the Town and the Authority are identical in membership. The Authority operates water and sewer services of the town. The Town does not have component units other than the Authority.

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. Based on the foregoing criteria, the financial statements of the following component units are blended into the accompanying financial statements:

TOWN OF STRINGTOWN, OKLAHOMA  
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JUNE 30, 2023

Stringtown Public Works Authority. The SPWA is a separate legal entity from the Town, and is not governed by the same constitutional and statutory requirements applicable to the Town. However, for financial reporting purposes the Authority reports revenues, expenditures and related assets and obligations using the same basis of accounting as the Town.

**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, 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 summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purposes 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 one generic fund type and two broad fund categories 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 for in another fund.

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

Special Revenue Funds

(Street & Alley Fund and Volunteer Fire Fund)

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus: the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheets.

C. BASIS OF ACCOUNTING

The Town uses the accrual basis of accounting for governmental fund types. The accrual basis of accounting recognizes revenues when both measurable and available. Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

D. BUDGETARY DATA

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

The Statement of Revenues Collected, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund, Street & Alley Fund, D.A.R.E. Fund, Drug Fund, CDBG Fund and Volunteer Fire Fund present comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles.

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

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Unused appropriations of annually budgeted funds lapse at the end of the year.

E. FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

For the purposes 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 three months or less.

ACCOUNTS RECEIVABLE

The Town and Authority have accrued amounts using the basis of accounting notes in 1(C). The Town has accrued certain taxes to be received in July 2023 as accounts receivable. The Authority has accrued amounts due as of June 30, 2023 as a result of its operation of the water and sewer system. The Authority has not reduced the accounts receivable by an allowance for doubtful accounts because it believes the ultimate amount received will be materially similar to the amount accrued.

CAPITAL ASSETS

The capitalization threshold has been set at \$500.00. Assets purchased by the Town or PWA are recorded as assets at cost or if contributed property at the estimated fair market value at the time of contribution. Repairs and maintenance cost are recorded as expenses. The sale or disposition of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Assets are depreciated over their useful lives of 5 to 40 years using the straight-line method.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net position is classified and displayed in three components:

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

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.
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 Balance

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.

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

- 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.

There are no major special revenue funds for the current year. All special revenue funds are considered non-major.

F. REVENUES, EXPENDITURES AND EXPENSES

Property Tax

For the year ended June 30, 2023, the Town levied no property tax. Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and court-assessed judgments.

Expenditures/Expenses

For purposes of the combined operating statements, expenditures/expenses are classified as follows:

Governmental Fund Types	-By Character: Current (further classified by activity)Capital Outlay
Proprietary Fund Types	-By Operating and Non- Operating

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

Governmental fund types report expenditures of financial resources. Proprietary fund types normally report expenses relating to use of economic resources.

G. USE OF ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, 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.

Deficit Fund Balance or Retained Earnings

As indicated in the financial statements, there are no fund balance or retained earnings deficits for the Authority for this fiscal year.

Excess of Expenditures Over Appropriations

The Town's total charges to appropriations did not exceed budgeted amounts.

NOTE 3 - DEPOSITS, INVESTMENTS AND COLLATERAL

Custodial Credit Risk

At June 30, 2023, the Town held deposits of approximately \$1,291,444 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.

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

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.
- 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.

Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

NOTE 4 - RESTRICTED ASSETS

The loan agreement between USDA Rural Development and Stringtown Public Works Authority requires a reserve account be maintained with monthly contributions of \$34.30 until the balance equals total principal and interest payments for one year. The current reserve requirement balance is \$4,116.00. At June 30, 2023, the reserve balance was \$4,116.00.

A second loan agreement between USDA Rural Development and Stringtown Public Works Authority requires three reserve accounts for operation and maintenance, debt service, and short-lived asset replacement. The operation and maintenance reserve balance required is \$4,836. The debt service reserve account is to be established over a ten-year period at a monthly contribution rate of \$156.10 until the balance is equivalent to an annual debt service requirement of \$18,732. At June 30, 2023, the reserve



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

balance was \$14,175.88. The short-lived asset reserve requires monthly contributions in the amount of \$347.25. At June 30, 2023, the reserve balance was \$31,094.82.

Any expenditures from the reserve account require prior written approval from the lending agency.

NOTE 5 - PROPERTY AND EQUIPMENT

Governmental Activities:

Capital Assets of the Town are depreciated over the useful life of the asset using the straight-line method. Estimated useful lives are from 5 to 40 years.

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

	6/30/2022			6/30/2023
	Balance	Additions	Retirements	Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 9,000	\$ -	\$ -	\$ 9,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	9,000	-	-	9,000
Other capital assets:				
Administrative Capital Assets	348,223	55,561	-	403,784
Police Dept. Capital Assets	331,362	39,200	(27,817)	342,745
Fire Dept. Capital Assets	625,693	38,787	-	664,480
Street & Alley Capital Assets	155,228	11,070	-	166,298
Total other capital assets	1,460,506	144,618	(27,817)	1,577,307
Less: Accum. Depreciation for:				
Administrative Capital Assets	139,496	8,457	-	147,953
Police Dept. Capital Assets	180,764	37,820	(20,476)	198,108
Fire Dept. Capital Assets	538,518	13,082	-	551,600
Street & Alley Capital Assets	65,251	15,405	-	80,656
Total Accumulated Depreciation	924,029	74,764	(20,476)	978,317
Other capital assets, net	536,477	69,854	(7,341)	598,990
Governmental activities capital assets, net	\$ 545,477	\$ 69,854	\$ (7,341)	\$ 607,990

Depreciation expense for the year ended June 30, 2023, aggregating \$74,764, has been computed on assets with a cost basis totaling \$1,577,307.

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

The additions for the year included sidewalks for \$11,070.00, warning sirens for \$8,600.00, farmers market building for \$46,961.00, 2023 Durango for \$39,200.00, cargo trailer for \$5,000.00, med flight pad for \$5,000.00, cutter for \$10,917.00, spreader for \$12,192.00, attachments for \$4,447.00, laptop computer for \$1,231 totaling \$144,618.00.

The disposition for the year was a 2018 Charger, the cost was \$27,817.00 and depreciation totaled \$20,476.00 with a basis of \$7,341.00.

Business-Type Activities:

Property and equipment of the Authority is depreciated over the useful life of the asset using the straight-line method. Estimated useful lives are: system facilities 40 years and equipment 5 to 10 years.

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

	6/30/2022			6/30/2023	
<u>Business-Type Activities:</u>	Balance	Additions	Retirements	Balance	
Capital assets not being depreciated:					
Land	\$ 45,243	\$ -	\$ -	\$ 45,243	
Construction in progress	-	-	-	-	
Total capital assets not being depreciated	45,243	-	-	45,243	
Other capital assets:					
Water/Sewer Distribution Facilities	3,486,414	32,510	-	3,518,924	
Equipment	197,654	12,000	-	209,654	
Total other capital assets	3,684,068	44,510	-	3,728,578	
Less: Accum. Depreciation for:					
Water/Sewer Distribution Facilities	1,848,618	62,022	-	1,910,640	
Equipment	143,080	16,103	-	159,183	
Total Accumulated Depreciation	1,991,698	78,125	-	2,069,823	
Other capital assets, net	1,692,371	(33,615)	-	1,658,756	
Business-type activities capital assets, net	\$ 1,737,614	\$ (33,615)	\$ -	\$ 1,703,999	

Depreciation expense for the year ended June 30, 2023, aggregating \$78,125, has been computed on assets with a cost basis totaling \$3,728,578.

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

The additions for the year 50 meters in the amount of \$32,510.00 and dump trailer in the amount of \$12,000.00 for a total of \$44,510.00.

Depreciation expense was charged to functions as follows in the Statement Activities:

Primary Government:

Governmental Activities:

Administrative	\$ 8,457
Police	37,820
Fire Department	13,082
Street & Alley	15,405
Total depreciation expense for governmental activities	<u>\$ 74,764</u>

Business-Type Activities:

Water/Sewer	\$ 78,125
Total depreciation expense for business-type activities	<u>\$ 78,125</u>

NOTE 6 - ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

Accumulated unpaid vacation and sick leave benefits have not been shown as a liability in the financial statements. The Town's position is that any accrued benefits are not significant and would not materially affect the financial statements.

NOTE 7 - PENSION PLAN

1. Employee Pension Plan (Other Than Firemen)

The Town of Stringtown provides pension benefits for all of its full-time employees through a joint contributory, defined contribution plan in the state-wide Oklahoma Municipal Retirement System (OMRS), an agent multiple-employer public employee retirement system. The plan is a 403(B) defined contribution plan. The Town of Stringtown's volunteer firemen are covered by a separate pension plan (see note below); therefore, they are not included in the Oklahoma Municipal Retirement System plans.

The Town withheld 5.0% of gross wages from the employees payroll check and matched it at 5.0% for the year ended June 30, 2023. In addition to the 5.0% withheld from gross wages, the employees are permitted to contribute an additional amount up to an additional 5.0%.

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

2. Volunteer Firemen's Pension Plan

All of the Town's Voluntary Firemen are covered by the firemen's pension plan. This contributory plan is operated as a part of the Oklahoma Firefighters Pension and Retirement Fund and is administered by the Oklahoma Firefighters Pension and Retirement Board.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* took effect for governments in fiscal years beginning after June 30, 2014 (that is, for years ended June 30, 2015 or later). Management has determined that it would not be cost effective to compile the required information for implementing Statement No. 68 and the amounts are not expected to be material to the financial statements and therefore, the required information has not been included in the financial statements.

NOTE 8 - COMPONENT UNIT

Stringtown Public Works Authority is a "Public Trust" created under a special Oklahoma Law. The Trust is a vehicle used to obtain financing for water and sewer projects. The Trust is a self-supporting entity, but is considered to be a component unit of the Town of Stringtown. The Town of Stringtown incurs no liability in the case of default on loans obtained by the Trust.

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

NOTE 9 - GOVERNMENTAL LEASE PURCHASE PAYABLE

GOVERNMENTAL FUNDS:

Ameristate Bank

The Street and Alley Fund entered into a governmental lease purchase agreement with Ameristate Bank to purchase equipment to be used in the maintenance of streets and alleys. The lease purchase agreement is to be paid in an annual installment of \$15,275.00 with an interest rate at 4.00%. Principal balance at June 30, 2023 is \$0.00. This agreement was paid off.

The Town entered into a governmental lease purchase agreement with Ameristate Bank to do road repair and maintenance of streets. The lease purchase agreement is to be paid in an annual installment of \$10,028.11 with an interest rate at 3.50%. Principal balance at June 30, 2023 is \$27,943.04.

Changes in Long-Term Debt:

	2022	Additions	Retirements	2023
Lease Purchase AB #1	\$ 15,275	\$ -	\$ (15,275)	\$ -
Lease Purchase AB #2	\$ 36,762	\$ -	\$ (8,819)	\$ 27,943
Total Lease Purchase Payable	\$ 52,037	\$ -	\$ (24,094)	\$ 27,943

Debt Services Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2023, are as follows:

Governmental Lease Purchase Payable 2:

Year Ending

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,050	\$ 978	\$ 10,028
2025	9,367	661	10,028
2026	9,526	333	9,859
Total	\$ 27,943	\$ 1,972	\$ 29,915

NOTE 10 - LONG-TERM DEBT

PUBLIC WORKS AUTHORITY:

USDA Rural Development (RD)

The Trust is indebted to Rural Development under the terms of an installment note which is collateralized by the Trust's

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

distribution facilities and a pledge of revenues of the Trust. One note is payable in monthly installments of \$343.00 at an interest rate of 5.0% for forty years. Principal balance at June 30, 2023 is \$20,948.50. The other note is payable in monthly installments of \$1,561.00 with an interest rate at 1.375% for forty years. Principal balance at June 30, 2023 is \$497,885.10.

Changes in Long-Term Debt:

	2022	Additions	Retirements	2023
Note Payable - USDA RD 91-09	\$ 23,935	\$ -	\$ (2,986)	\$ 20,949
Note Payable - USDA RD 91-11	509,683	-	(11,798)	497,885
Total Long-Term Debt	<u>\$ 533,618</u>	<u>\$ -</u>	<u>\$ (14,784)</u>	<u>\$ 518,834</u>

Debt Services Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2023, are as follows:

Note Payable - USDA RD 91-09:

Year Ending	Principal	Interest	Total
June 30,			
2024	\$ 3,140	\$ 976	\$ 4,116
2025	3,301	815	4,116
2026	3,469	647	4,116
2027	3,647	469	4,116
2028	3,833	83	3,916
2029	3,559	85	3,644
Total	<u>\$ 20,949</u>	<u>\$ 3,075</u>	<u>\$ 24,024</u>

Note Payable - USDA RD 91-11:

Year Ending	Principal	Interest	Total
June 30,			
2024	\$ 11,961	\$ 6,771	\$ 18,732
2025	12,127	6,605	18,732
2026	12,295	6,437	18,732
2027	12,465	6,267	18,732
2028	12,637	6,095	18,732
2029-2033	65,858	27,802	93,660
2034-2038	70,542	23,118	93,660
2039-2043	75,559	18,101	93,660
2044-2048	80,934	12,726	93,660
2049-2053	86,690	6,970	93,660
2054-2057	56,818	1,252	58,070
Total	<u>\$ 497,885</u>	<u>\$ 122,144</u>	<u>\$ 620,030</u>

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

NOTE 11 - GOVERNMENTAL FUND BALANCES

Town of Stringtown  
Disclosure of Fund Balances Reported on Balance Sheet  
For Fiscal Year Ending June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>FUND BALANCES:</u>			
Restricted for:			
Road Maintenance	-	61,997	61,997
Assigned to:			
Fire Department	-	-	-
Police & Fire	176,219	-	176,219
Other purposes	-	-	-
Unassigned	152,014	20,307	172,321
Total	<u>\$ 328,233</u>	<u>\$ 82,304</u>	<u>\$ 410,537</u>

NOTE 12 - RISK MANAGEMENT

The Town's risk management of loss consists of commercial insurance for property and liability losses, employees' bonds for employee dishonesty, and worker's compensation through the State Insurance Fund. There have been no significant reductions in insurance coverage during the year ended June 30, 2023.

NOTE 13 - TOWN/PWA CONTRACT RELATED TO MACK ALFORD CORRECTIONAL CENTER

In FYE 2019, the Town entered into a contract to purchase water from the PWA for \$1 per 1,000 gallons over the purchase price paid by the PWA. The Town then entered into an agreement with the Oklahoma Department of Corrections to supply treated water to the Mack Alford Correctional Center for an amount that will not exceed \$2.00 per 1,000 gallons over the cost for which the Town of Stringtown purchases water from its supplier.

NOTE 14 - SUBSEQUENT EVENTS

The Town did not have any subsequent events through June 27, 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.

TOWN OF STRINGTOWN, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 249,435	\$ 249,435	\$ 286,197	\$ 36,762
<b><u>Resources (Inflows):</u></b>				
Taxes:				
Franchise Tax	15,000	15,000	22,637	7,637
Fines	390,000	390,000	338,181	(51,819)
Recovery of Old Police Fines	60,000	60,000	50,514	(9,486)
Impound Fees	-	-	1,000	1,000
Licenses	-	-	2,500	2,500
Intergovernmental:				
Alcoholic Beverage Tax	18,700	18,700	20,863	2,163
Gasoline Excise Tax	-	-	-	-
Motor Vehicle Tax	-	-	-	-
Cigarette Tax	800	800	940	140
Sales Tax	72,000	72,000	104,043	32,043
Sales Tax - County	36,000	36,000	29,442	(6,558)
Use Tax	42,000	42,000	59,250	17,250
Grants	36,000	36,000	110,057	74,057
Miscellaneous Income	-	-	24,337	24,337
Interest Income	-	-	2,892	2,892
Water Sales	75,000	75,000	72,571	(2,429)
Donations	-	-	52,100	52,100
Sale of Assets	-	-	50,462	50,462
Amounts available for appropriation	994,935	994,935	1,227,986	233,051
<b><u>Charges to Appropriations (Outflows):</u></b>				
General Government	265,150	265,150	255,654	9,496
Police Protection	463,250	463,250	361,858	101,392
Fire Protection	8,316	8,316	61,308	(52,992)
Highways & Streets	90,525	90,525	66,286	24,239
Debt Service	-	-	10,028	(10,028)
Capital Outlay	167,694	167,694	144,618	23,076
Transfers	-	-	-	-
Total Charges to Appropriations	994,935	994,935	899,753	95,182
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	-	-	328,233	328,233



TOWN OF STRINGTOWN, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 52,522	\$ 52,522	\$ 52,522	\$ -
<b><u>Resources (Inflows):</u></b>				
Taxes:				
Franchise Tax	-	-	-	-
Intergovernmental:				
Alcoholic Beverage Tax	-	-	-	-
Gasoline Excise Tax	-	-	794	794
Motor Vehicle Tax	-	-	3,314	3,314
Grants	4,000	4,000	10,053	6,053
Miscellaneous Income	-	-	60	60
Donations	-	-	33,000	33,000
Capital Debt Proceeds	44,000	44,000	-	(44,000)
Interest Income	-	-	170	170
Amounts available for appropriation	100,522	100,522	99,913	(609)
<b><u>Charges to Appropriations (Outflows):</u></b>				
General Government	-	-	-	-
Police Protection	-	-	-	-
Fire Protection	14,194	14,194	-	14,194
Highways & Streets	20,000	20,000	2,334	17,666
Debt Service	15,275	15,275	15,275	-
Capital Outlay	51,053	51,053	-	51,053
Transfers	-	-	-	-
Total Charges to Appropriations	100,522	100,522	17,609	82,913
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	-	-	82,304	82,304

Unaudited

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2023

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

The Statement of Revenues Collected, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund, Street & Alley Fund, and Volunteer Fire Fund present comparisons of legally adopted budgets with actual data on a budgetary basis. Accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. Unused appropriations of annually budgeted funds lapse at the end of the year

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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 Town Council  
Town of Stringtown, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stringtown, 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 Stringtown, Oklahoma's basic financial statements, and have issued my report thereon dated June 27, 2024, which was qualified because the Town has not implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Management has omitted the MD&A and Net Pension Liability Information required by accounting principles generally accepted in the United States of America.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Stringtown'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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stringtown's internal control. Accordingly, I do not express an opinion on the effectiveness of Town of Stringtown'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

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significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, 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 Item 2023-01 that I consider to be significant deficiencies.

## Compliance and Other Matters

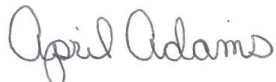
As part of obtaining reasonable assurance about whether the Town of Stringtown's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 Stringtown's Response to Findings

Town of Stringtown's response to the findings identified in my audit is described in the accompanying Schedule of Findings. Town of Stringtown'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

June 27, 2024

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

INTERNAL CONTROL FINDINGS:

Item 2023-01: Segregation of Duties

Criteria: A good system of internal control requires a proper segregation of duties to prevent one person from being in a position to authorize, execute, and record the same transaction. The segregation of duties is important to have adequate control over financial assets.

Condition: The Town has the same employees performing work normally segregated between two or more employees, including recording cash receipts and disbursements, maintaining the general ledger and payroll. Due to the size of the Town's major areas of internal control, that would be prevalent in a larger Town, such segregation of duties is not available for this size operation. Duties are concentrated in the hands of a few individuals, who are responsible for all phases of the accounting functions. Because of this lack of division of responsibility, internal control is determined to be weak.

Cause/Effect: Due to the limited number of personnel, a breach of internal controls could occur and not be detected in the normal course of operations.

Recommendation: The Board should continue to be actively involved in the operations of the organization.

Response: At this time, it is not economically feasible for the Town to hire additional employees. Therefore, direct oversight of incompatible activities by members of the Board can provide the necessary control.

COMPLIANCE FINDINGS:

None

## EXHIBIT J

TOWN OF STRINGTOWN, OKLAHOMA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	<u>SPECIAL REVENUE FUNDS</u>		Total Nonmajor Governmental Funds
	<u>Street &amp; Alley Fund</u>	<u>Fire Fund</u>	
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 30,816	\$ 20,307	\$ 51,123
Accounts Receivable	803	-	803
Due from General Fund	30,378	-	30,378
<b>TOTAL ASSETS</b>	<b><u>\$ 61,997</u></b>	<b><u>\$ 20,307</u></b>	<b><u>\$ 82,304</u></b>
<b><u>LIABILITIES &amp; FUND EQUITY</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to General Fund	-	-	-
Due to Drug Fund	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><u>FUND BALANCES:</u></b>			
Nonspendable	-	-	-
Restricted	61,997	-	61,997
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	20,307	20,307
<b>TOTAL FUND BALANCES</b>	<b><u>61,997</u></b>	<b><u>20,307</u></b>	<b><u>82,304</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 61,997</u></b>	<b><u>\$ 20,307</u></b>	<b><u>\$ 82,304</u></b>

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

## EXHIBIT K

**TOWN OF STRINGTOWN, OKLAHOMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>SPECIAL REVENUE FUNDS</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Street &amp; Alley Fund</b>	<b>Fire Fund</b>	
<b><u>REVENUES:</u></b>			
Taxes:			
Franchise Tax	\$ -	\$ -	\$ -
Intergovernmental:			
Alcoholic Beverage Tax	-	-	-
Gasoline Excise Tax	794	-	794
Motor Vehicle Tax	3,314	-	3,314
Grants	-	10,053	10,053
Miscellaneous Income	-	60	60
Donations	33,000	-	33,000
Interest Income	170	-	170
<b>TOTAL REVENUES</b>	<b>37,278</b>	<b>10,113</b>	<b>47,391</b>
<b><u>EXPENDITURES:</u></b>			
Current:			
Public Safety	-	-	-
Fire Protection	-	-	-
Highways & Streets	2,334	-	2,334
Debt Service	15,275	-	15,275
Capital Outlay	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>17,609</b>	<b>-</b>	<b>17,609</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,669</b>	<b>10,113</b>	<b>29,782</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Capital Debt Proceeds	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>19,669</b>	<b>10,113</b>	<b>29,782</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>42,328</b>	<b>10,194</b>	<b>52,522</b>
<b>FUND BALANCE - PRIOR YEAR ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 61,997</b>	<b>\$ 20,307</b>	<b>\$ 82,304</b>

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