

AUDIT REPORT

TOWN OF STRINGTOWN, OKLAHOMA

JUNE 30, 2024



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TOWN OF STRINGTOWN, OKLAHOMA  
JUNE 30, 2024

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TOWN OF STRINGTOWN, OKLAHOMA  
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TOWN OF STRINGTOWN, OKLAHOMA  
TOWN OFFICIALS  
JUNE 30, 2024

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, 2024, 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, 2024, 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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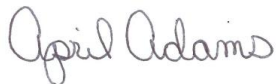
the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements 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 December 12, 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

December 12, 2024

**TOWN OF STRINGTOWN, OKLAHOMA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	2024 Total
<b><u>ASSETS</u></b>			
<b><u>Current Assets:</u></b>			
Cash and cash equivalents	\$ 442,774	\$ 857,199	\$ 1,299,973
Accounts Receivable	36,942	60,770	97,712
Grants Receivable	10,000	-	10,000
Due to (from) Funds	-	-	-
Total Current Assets	489,716	917,969	1,407,685
<b><u>Capital Assets:</u></b>			
Land, and improvements	-	3,566,968	3,566,968
Other Capital Assets	1,900,084	246,870	2,146,954
Construction in Progress	-	-	-
Less: Accumulated Depreciation	(1,067,416)	(2,149,823)	(3,217,239)
Total Capital Assets	832,668	1,664,015	2,496,683
<b>TOTAL ASSETS</b>	<b>1,322,384</b>	<b>2,581,984</b>	<b>3,904,368</b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	68,097	46,562	114,659
Unearned Income	-	-	-
Unearned Traffic Bonds	1,645	-	1,645
Other Payable	-	37,558	37,558
Current Portion of Long-Term Debt	9,350	15,101	24,451
Total Current Liabilities	79,092	99,221	178,313
<b><u>Long-Term Liabilities:</u></b>			
Notes Payable	-	503,733	503,733
Capital Lease	14,349	-	14,349
Less: Current Portion of Long-Term Debt	(9,350)	(15,101)	(24,451)
Total Long-Term Liabilities	4,999	488,632	493,631
<b>TOTAL LIABILITIES</b>	<b>84,091</b>	<b>587,853</b>	<b>671,944</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	818,319	1,160,282	1,978,601
Restricted for:			
Debt Service	-	-	-
Other Purposes	-	58,187	58,187
Unrestricted	419,974	775,662	1,195,636
<b>TOTAL NET POSITION</b>	<b>\$ 1,238,293</b>	<b>\$ 1,994,131</b>	<b>\$ 3,232,424</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, 2024**

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	\$ 268,421	\$ -	\$ 187,729	\$ -	\$ (80,692)
Police Protection	447,293	315,693	-	-	(131,600)
Fire Protection	42,103	-	9,994	-	(32,109)
Highways & Streets	100,848	-	-	-	(100,848)
Total Governmental Activities	858,665	315,693	197,723	-	(345,249)
<b>Business-type activities:</b>					
Water	456,405	515,280	-	-	58,875
Sanitation	55,019	54,972	-	-	(47)
Sewer	54,452	52,387	-	-	(2,065)
Misc. Business-type activities	87,734	10,591	-	-	(77,143)
Total Business-type Activities	653,610	633,230	-	-	(20,380)
<b>Total</b>	<b>\$ 1,512,275</b>	<b>\$ 948,923</b>	<b>\$ 197,723</b>	<b>\$ -</b>	<b>\$ (365,629)</b>

**Changes in Net Position:**

	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	\$ (345,249)	\$ (20,380)	\$ (365,629)
<b>General revenues:</b>			
Taxes:			
Franchise	23,159	-	23,159
Licenses	1,675	-	1,675
Water Sales	75,903	-	75,903
Intergovernmental:			
Alcohol Beverage Tax	20,288	-	20,288
Gasoline Excise Tax	751	-	751
Motor Vehicle Tax	3,051	-	3,051
Cigarette Tax	784	-	784
Sales Tax	125,570	-	125,570
Use Tax	119,000	-	119,000
Interest Income	3,302	2,162	5,464
Miscellaneous Income	36,139	-	36,139
Donations	120,920	-	120,920
Transfers	-	-	-
Total general revenues & transfers	530,542	2,162	532,704
Gain or Loss on Sale of Assets	62,417	-	62,417
Changes in net position	247,710	(18,218)	229,492
Net position - beginning	990,584	2,012,349	3,002,933
Net position - prior year adjustment	-	-	-
Net position - ending	\$ 1,238,293	\$ 1,994,131	\$ 3,232,424

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

TOWN OF STRINGTOWN, OKLAHOMA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 376,026	\$ 66,748	\$ 442,774
Accounts Receivable	36,207	735	36,942
Grants Receivable	10,000	-	10,000
Due to (from) Funds	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 422,233</b>	<b>\$ 67,483</b>	<b>\$ 489,716</b>
<b>LIABILITIES &amp; FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 62,965	\$ 5,132	\$ 68,097
Unearned Income	-	-	-
Unearned Traffic Bonds	1,645	-	1,645
<b>TOTAL LIABILITIES</b>	<b>64,610</b>	<b>5,132</b>	<b>69,742</b>
<b>FUND BALANCES:</b>			
Nonspendable	-	-	-
Restricted	-	32,050	32,050
Committed	-	-	-
Assigned	133,795	-	133,795
Unassigned	223,828	30,301	254,129
<b>TOTAL FUND BALANCES</b>	<b>357,623</b>	<b>62,351</b>	<b>419,975</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 422,233</b>	<b>\$ 67,483</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 \$1900,084, net of accumulated depreciation of \$1,067,416, are not financial resources and, therefore, are not reported in the funds.	832,668
Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,349)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 1,238,293</u></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, 2024**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Taxes:			
Franchise	\$ 23,159	\$ -	23,159
Fines	277,265	-	277,265
Recovery of Old Police Fines	36,568	-	36,568
Impound Fees	1,860	-	1,860
Licenses	1,675	-	1,675
Intergovernmental:			
Alcohol Beverage Tax	20,288	-	20,288
Gasoline Excise Tax	-	751	751
Motor Vehicle Tax	-	3,051	3,051
Cigarette Tax	784	-	784
Sales Taxes	125,570	-	125,570
Use Tax	119,000	-	119,000
Grants	187,729	9,994	197,723
Miscellaneous Income	36,139	-	36,139
Water Sales	75,903	-	75,903
Donations	120,920	-	120,920
Interest Income	2,904	398	3,302
<b>TOTAL REVENUES</b>	<b>1,029,764</b>	<b>14,194</b>	<b>1,043,958</b>
<b>EXPENDITURES:</b>			
Current:			
General Government	258,762	-	258,762
Police Protection	405,818	-	405,818
Fire Protection	11,714	-	11,714
Highways & Streets	75,913	10,120	86,033
Debt Service	14,347	-	14,347
Capital Outlay	323,109	24,027	347,135
<b>TOTAL EXPENDITURES</b>	<b>1,089,663</b>	<b>34,147</b>	<b>1,123,809</b>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>(59,899)</b>	<b>(19,953)</b>	<b>(79,851)</b>
<b>OTHER FINANCING SOURCES (USES):</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	89,289	-	89,289
<b>NET CHANGES IN FUND BALANCES</b>	<b>29,390</b>	<b>(19,953)</b>	<b>9,438</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>328,233</b>	<b>82,304</b>	<b>410,537</b>
<b>FUND BALANCE - PRIOR YEAR ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 357,623</b>	<b>\$ 62,351</b>	<b>419,974</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, 2024**

**Reconciliation to Statement of Activities:**

Net change in fund balances - total governmental funds	\$	9,438
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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		13,594
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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		-
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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		347,135
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Depreciation expense		
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General Government		(9,659)
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Police Protection		(41,475)
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Fire Protection		(30,389)
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Highways & Streets		(14,062)
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Basis in Assets Sold		(26,872)
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		-
Change in Net Position of Governmental Activities	\$	<u>247,710</u>

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

**TOWN OF STRINGTOWN, OKLAHOMA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024**

	<b>Stringtown Public Works Authority Enterprise Fund June 30, 2024</b>
<b><u>ASSETS</u></b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 857,199
Accounts Receivable	60,770
Due to (from) Funds	-
<b>Total Current Assets</b>	<b>917,969</b>
<b>Capital Assets:</b>	
Land, and improvements	3,566,968
Other capital assets	246,870
Construction in Progress	-
Less: Accumulated Depreciation	(2,149,823)
<b>Total Capital Assets</b>	<b>1,664,015</b>
<b>TOTAL ASSETS</b>	<b>2,581,984</b>
<b><u>LIABILITIES &amp; NET POSITION:</u></b>	
<b>Current Liabilities:</b>	
Accounts Payable	46,562
Other Payable	37,558
Current Portion of Long-Term Debt	15,101
<b>Total Current Liabilities</b>	<b>99,221</b>
<b>Noncurrent Liabilities:</b>	
Notes Payable	503,733
Less: Current Portion of Long-Term Debt	(15,101)
<b>Total Noncurrent Liabilities</b>	<b>488,632</b>
<b>TOTAL LIABILITIES</b>	<b>587,853</b>
<b>NET POSITION:</b>	
Net investment in capital assets	1,160,282
Restricted for debt service	-
Restricted for other purposes	58,187
Unrestricted	775,662
<b>TOTAL NET POSITION</b>	<b>\$ 1,994,131</b>

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, 2024**

	<b>Stringtown Public Works Authority Enterprise Fund June 30, 2024</b>
<b><u>OPERATING REVENUES:</u></b>	
Charges for Services:	
Water Sales	\$ 515,280
Sanitation Fees	54,972
Sewer Fees	52,387
Penalties	10,170
Miscellaneous Income	421
<b>TOTAL OPERATING REVENUES</b>	<b>633,230</b>
<b><u>OPERATING EXPENSES:</u></b>	
Water	456,405
Sanitation	55,019
Sewer	54,452
Miscellaneous	-
Depreciation	80,001
<b>TOTAL OPERATING EXPENSES</b>	<b>645,877</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(12,647)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Income	2,162
Interest Expense	(7,733)
Gain or Loss from Sale of Equipment	-
Grant Income	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(5,571)</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<b>(18,218)</b>
Capital Contributions	-
Transfers in	-
Transfers out	-
<b>CHANGE IN NET POSITION</b>	<b>(18,218)</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>2,012,349</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 1,994,131</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, 2024**

	<u>2024</u>
<b><u>Net Cash Flows from Operating Activities:</u></b>	
Cash Receipts from Customers	\$ 673,496
Other Cash Receipts	421
Payments to Suppliers for Goods & Services	(471,140)
Payments to Employees and Laborers	(81,671)
Net Cash Provided (Used) by Operating Activities	<u>121,106</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	-
Additions to Capital Assets	(40,017)
Proceeds from sale of Capital Assets	-
Loan Proceeds Received	-
Principal paid on Notes Payable	(15,101)
Interest Expense	(7,733)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(62,851)</u>
<b><u>Net Cash Flows from Investing Activities:</u></b>	
Interest Income	2,162
Net Cash Provided (Used) by Investing Activities	<u>2,162</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,417
Cash & Cash Equivalents, Beginning of Year	796,782
Cash & Cash Equivalents, Prior Year Adjustment	-
Cash & Cash Equivalents, End of Year	<u><u>\$ 857,199</u></u>
<b><u>Reconciliation of operating income (loss) to net cash provided</u></b>	
<b><u>operating activities:</u></b>	
Operating Income (Loss)	\$ (12,647)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation Expense	80,001
(Increase)Decrease in Accounts Receivable	(10,590)
(Increase)Decrease in Other Receivables	51,271
Increase(Decrease) in Other Payables	789
Increase(Decrease) in Accounts Payable	12,282
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 121,106</u></u>

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

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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, 2024

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, 2024

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 2024 as accounts receivable. The Authority has accrued amounts due as of June 30, 2024 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, 2024

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, 2024

- 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, 2024, 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, 2024

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, 2024, the Town held deposits of approximately \$1,299,973 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, 2024

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, 2024, 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, 2024, the reserve

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

balance was \$18,639.88. The short-lived asset reserve requires monthly contributions in the amount of \$347.25. At June 30, 2024, the reserve balance was \$35,431.43.

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, 2024, was as follows:

	6/30/2023			6/30/2024
	Balance	Additions	Retirements	Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 9,000	\$ 2,000	\$ -	\$ 11,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	9,000	2,000	-	11,000
Other capital assets:				
Administrative Capital Assets	403,784	2,517	-	406,301
Police Dept. Capital Assets	342,745	108,072	(33,358)	417,459
Fire Dept. Capital Assets	664,480	210,519	-	874,999
Street & Alley Capital Assets	166,298	24,027	-	190,325
Total other capital assets	1,577,307	345,135	(33,358)	1,889,084
Less: Accum. Depreciation for:				
Administrative Capital Assets	147,953	9,659	-	157,612
Police Dept. Capital Assets	198,108	41,475	(6,486)	233,097
Fire Dept. Capital Assets	551,600	30,389	-	581,989
Street & Alley Capital Assets	80,656	14,062	-	94,718
Total Accumulated Depreciation	978,317	95,585	(6,486)	1,067,416
Other capital assets, net	598,990	249,550	(26,872)	821,668
Governmental activities capital assets, net	\$ 607,990	\$ 251,550	\$ (26,872)	\$ 832,668

Depreciation expense for the year ended June 30, 2024, aggregating \$95,585, has been computed on assets with a cost basis totaling \$1,889,084.

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

The additions for the year included ice machine for \$2,517.00, survey for \$2,000.00, 2023 Dodge Durango for \$42,599.00, desk for \$750.00, equipment for 2023 Dodge Durango for \$31,609.00, motor rebuilt for \$12,700.00 4 body cams for \$3,174.00, 4 laptop computers for police cars for \$17,240.00, fire equipment for \$142,840.00, trailer for \$12,675.00, 1993 Freightliner for \$53,403.00, mower for \$13,554.00, brush hog for \$5,750.00, welding machine for \$2,206.00, ice machine for \$1,601.00 and ice machine for \$2,517.00 totaling \$347,135.00.

The disposition for the year was a 2022 Dodge Durango, the cost was \$33,358.00 and depreciation totaled \$6,486.00 with a basis of \$26,872.00.

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, 2024, was as follows:

	6/30/2023			6/30/2024	
<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	3,518,924	2,800	-	3,521,724	
Equipment	209,654	37,217	-	246,871	
Total other capital assets	3,728,578	40,017	-	3,768,595	
Less: Accum. Depreciation for:					
Water/Sewer Distribution Facilities	1,910,640	64,287	-	1,974,927	
Equipment	159,183	15,714	-	174,897	
Total Accumulated Depreciation	2,069,823	80,001	-	2,149,824	
Other capital assets, net	1,658,756	(39,984)	-	1,618,772	
Business-type activities capital assets, net	\$ 1,703,999	\$ (39,984)	\$ -	\$ 1,664,015	

Depreciation expense for the year ended June 30, 2024, aggregating \$80,001, has been computed on assets with a cost basis totaling \$3,813,838.00.

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

The additions for the year is a pump in the amount of \$2,800.00, brush hog (1/2 interest) \$5,750.00, 2017 Chevy for \$28,950.00 and ice machine \$2,517.00.

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

Primary Government:

Governmental Activities:

Administrative	\$ 9,659
Police	41,475
Fire Department	30,389
Street & Alley	14,062
Total depreciation expense for governmental activities	<u><u>\$ 95,585</u></u>

Business-Type Activities:

Water/Sewer	\$ 80,001
Total depreciation expense for business-type activities	<u><u>\$ 80,001</u></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, 2024. 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, 2024

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.

NOTE 9 - GOVERNMENTAL LEASE PURCHASE PAYABLE

GOVERNMENTAL FUNDS:

Ameristate Bank

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, 2024 is \$14,349.33.

Changes in Long-Term Debt:

	2023	Additions	Retirements	2024
Lease Purchase AB #2	\$ 27,943	\$ -	\$ (13,594)	\$ 14,349
Total Lease Purchase Payable	\$ 27,943	\$ -	\$ (13,594)	\$ 14,349

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

Debt Services Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, for long-term debt, as of June 30, 2024, are as follows:

Governmental Lease Purchase Payable 2:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 9,350	\$ 678	\$ 10,028
2026	4,999	175	5,174
Total	<u>\$ 14,349</u>	<u>\$ 853</u>	<u>\$ 15,202</u>

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 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, 2024 is \$17,808.78. 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, 2024 is \$485,924.01.

Changes in Long-Term Debt:

	2023	Additions	Retirements	2024
Note Payable - USDA RD 91-09	\$ 20,949	\$ -	\$ (3,140)	\$ 17,809
Note Payable - USDA RD 91-11	497,885	-	(11,961)	485,924
Total Long-Term Debt	<u>\$ 518,834</u>	<u>\$ -</u>	<u>\$ (15,101)</u>	<u>\$ 503,733</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, 2024, are as follows:

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

Note Payable - USDA RD 91-09:

Year Ending	Principal	Interest	Total
June 30,			
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>\$ 17,809</u>	<u>\$ 2,099</u>	<u>\$ 19,908</u>

Note Payable - USDA RD 91-11:

Year Ending	Principal	Interest	Total
June 30,			
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	12,812	5,920	18,732
2030-2034	66,769	26,891	93,660
2035-2039	71,518	22,142	93,660
2040-2044	76,605	17,055	93,660
2045-2049	82,053	11,607	93,660
2050-2054	87,890	5,770	93,660
2055-2056	38,753	585	39,338
Total	<u>\$ 485,924</u>	<u>\$ 115,374</u>	<u>\$ 601,298</u>

NOTE 11 - GOVERNMENTAL FUND BALANCES

Town of Stringtown  
Disclosure of Fund Balances Reported on Balance Sheet  
For Fiscal Year Ending June 30, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES:			
Restricted for:			
Road Maintenance	-	32,050	32,050
Assigned to:			
Fire Department	-	-	-
Police & Fire	133,795	-	133,795
Other purposes	-	-	-
Unassigned	209,479	30,301	239,780
Total	<u>\$ 343,274</u>	<u>\$ 62,351</u>	<u>\$ 405,625</u>

NOTE 12 - RISK MANAGEMENT

The Town's risk management of loss consists of commercial insurance for property and liability losses, employees' bonds for

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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, 2024.

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 December 12, 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, 2024.

TOWN OF STRINGTOWN, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 305,541	\$ 305,541	\$ 328,233	\$ 22,692
<b><u>Resources (Inflows):</u></b>				
Taxes:				
Franchise Tax	20,000	20,000	23,159	3,159
Fines	330,000	330,000	277,265	(52,735)
Recovery of Old Police Fines	45,000	45,000	36,568	(8,432)
Impound Fees	-	-	1,860	1,860
Licenses	-	-	1,675	1,675
Intergovernmental:				
Alcoholic Beverage Tax	18,700	18,700	20,288	1,588
Gasoline Excise Tax	-	-	-	-
Motor Vehicle Tax	-	-	-	-
Cigarette Tax	800	800	784	(16)
Sales Tax	80,000	80,000	83,713	3,713
Sales Tax - County	40,000	40,000	41,857	1,857
Use Tax	53,000	53,000	119,000	66,000
Grants	140,286	140,286	187,729	47,443
Miscellaneous Income	17,000	17,000	36,139	19,139
Interest Income	-	-	2,904	2,904
Water Sales	72,000	72,000	75,903	3,903
Donations	18,000	18,000	120,920	102,920
Sale of Assets	56,500	56,500	89,289	32,789
Amounts available for appropriation	1,196,827	1,196,827	1,447,286	250,459
<b><u>Charges to Appropriations (Outflows):</u></b>				
General Government	303,400	303,400	258,762	44,638
Police Protection	413,000	413,000	405,818	7,182
Fire Protection	29,000	29,000	11,714	17,286
Highways & Streets	111,923	111,923	75,913	36,010
Debt Service	-	-	14,347	(14,347)
Capital Outlay	339,504	339,504	323,109	16,395
Transfers	-	-	-	-
Total Charges to Appropriations	1,196,827	1,196,827	1,089,663	107,164
Prior Year Adjustments to Fund Balance	-	-	-	-
Ending Budgetary Fund Balance	-	-	357,623	357,623

TOWN OF STRINGTOWN, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 82,304	\$ 82,304	\$ 82,304	\$ -
<b><u>Resources (Inflows):</u></b>				
Taxes:				
Franchise Tax	-	-	-	-
Intergovernmental:				
Alcoholic Beverage Tax	-	-	-	-
Gasoline Excise Tax	-	-	751	751
Motor Vehicle Tax	-	-	3,051	3,051
Grants	4,000	4,000	9,994	5,994
Miscellaneous Income	-	-	-	-
Donations	-	-	-	-
Capital Debt Proceeds	35,000	35,000	-	(35,000)
Interest Income	-	-	398	398
	<u>121,304</u>	<u>121,304</u>	<u>96,498</u>	<u>(24,806)</u>
Amounts available for appropriation	121,304	121,304	96,498	(24,806)
<b><u>Charges to Appropriations (Outflows):</u></b>				
General Government	-	-	-	-
Police Protection	-	-	-	-
Fire Protection	24,307	24,307	-	24,307
Highways & Streets	20,000	20,000	10,120	9,880
Debt Service	15,275	15,275	-	15,275
Capital Outlay	61,722	61,722	24,027	37,696
Transfers	-	-	-	-
	<u>121,304</u>	<u>121,304</u>	<u>34,147</u>	<u>87,158</u>
Total Charges to Appropriations	121,304	121,304	34,147	87,158
Prior Year Adjustments to Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>62,351</u></u>	<u><u>62,352</u></u>

Unaudited

TOWN OF STRINGTOWN, OKLAHOMA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2024

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, 2024, 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 December 12, 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

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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, 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 2024-01 that I consider to be significant deficiencies.

## Compliance and Other Matters

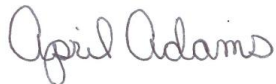
As part of obtaining reasonable assurance about whether the Town of Stringtown's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

December 12, 2024

TOWN OF STRINGTOWN, OKLAHOMA  
SCHEDULE OF FINDINGS  
JUNE 30, 2024

INTERNAL CONTROL FINDINGS:

Item 2024-01: 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, 2024

	<u>SPECIAL REVENUE FUNDS</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Street &amp; Alley Fund</u>	<u>Fire Fund</u>	
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 36,447	\$ 30,301	\$ 66,748
Accounts Receivable	735	-	735
Due from General Fund	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 37,182</u></b>	<b><u>\$ 30,301</u></b>	<b><u>\$ 67,483</u></b>
<b><u>LIABILITIES &amp; FUND EQUITY</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$ 5,132	\$ -	\$ 5,132
Due to General Fund	-	-	-
Due to Drug Fund	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>5,132</u></b>	<b><u>-</u></b>	<b><u>5,132</u></b>
<b><u>FUND BALANCES:</u></b>			
Nonspendable	-	-	-
Restricted	32,050	-	32,050
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	30,301	30,301
<b>TOTAL FUND BALANCES</b>	<b><u>32,050</u></b>	<b><u>30,301</u></b>	<b><u>62,351</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 37,182</u></b>	<b><u>\$ 30,301</u></b>	<b><u>\$ 67,483</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, 2024**

	<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	751	-	751
Motor Vehicle Tax	3,051	-	3,051
Grants	-	9,994	9,994
Miscellaneous Income	-	-	-
Donations	-	-	-
Interest Income	398	-	398
<b>TOTAL REVENUES</b>	<b>4,200</b>	<b>9,994</b>	<b>14,194</b>
<b><u>EXPENDITURES:</u></b>			
Current:			
Public Safety	-	-	-
Fire Protection	-	-	-
Highways & Streets	10,120	-	10,120
Debt Service	-	-	-
Capital Outlay	24,027	-	24,027
<b>TOTAL EXPENDITURES</b>	<b>34,147</b>	<b>-</b>	<b>34,147</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(29,947)</b>	<b>9,994</b>	<b>(19,953)</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>(29,947)</b>	<b>9,994</b>	<b>(19,953)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>61,997</b>	<b>20,307</b>	<b>82,304</b>
<b>FUND BALANCE - PRIOR YEAR ADJUSTMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 32,050</b>	<b>\$ 30,301</b>	<b>\$ 62,351</b>

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