

**TOWN OF THACKERVILLE, OKLAHOMA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022**

**TOWN OF THACKERVILLE, OKLAHOMA
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Rod L. Abbott, CPA PLLC

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Mayor, Town Council, and Management
of the Town of Thackerville, Oklahoma

Opinions

I have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Thackerville, Oklahoma (the "Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Thackerville, Oklahoma as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. 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, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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'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 management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 our 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 any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. Abbott', followed by a long horizontal line extending to the right.

Rod L. Abbott, CPA PLLC
Tom Bean, Texas
November 21, 2022

TOWN OF THACKERVILLE, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Thackerville, Oklahoma (the Town) we offer readers of the Town of Thackerville's financial statements this narrative overview and analysis of the financial activities of the Town of Thackerville for the fiscal year ended June 30, 2022. Please consider this information in conjunction with the accompanying financial statements that begin on page 8.

FINANCIAL HIGHLIGHTS

- The Town's total net position for governmental activities increased \$141,404 (34%) to \$555,848 in fiscal year 2022. A year over year increase in sales/use taxes of \$83,076 was a main contributor to this positive result.
- General revenues from governmental activities accounted for \$282,122 of 2022 revenue, or 67% of all revenues from governmental activities.
- The Town's General Fund unassigned fund balance at June 30, 2022 is \$344,493. This balance is equal to over one year's worth of Town expenditures and is a healthy fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview the Town's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred inflows and outflows of resources, and liabilities. All of these balances are reported whether they are current or long-term balances. The net difference in these balances is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type). The governmental activities of the Town of Thackerville include general government, public safety, parks and recreation, and streets and improvements. The Town of Thackerville has no business-type activities. The government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Thackerville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Town only utilizes governmental type funds.

TOWN OF THACKERVILLE, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental type funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

The Town maintains only one governmental fund, which is the General Fund. The governmental fund financial statements may be found on pages 10 and 12. The Town also adopts an annual budget for the General Fund. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Comparison – General Fund is reported on page 21.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements begin on page 14 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$555,848 at June 30, 2022 and represented an increase of \$141,404 over the prior year net position. Unrestricted net position - the part of net position which may be used to finance day-to-day operations, totaled \$351,803 at June 30, 2022. This is a \$108,306 increase from the prior year balance.

The following table presents a summary of the net position for the fiscal years ended June 30, 2022 and 2021:

	Governmental Activities	
	FY22	FY21
Current and other assets	\$ 418,601	\$ 250,906
Capital assets	159,158	170,947
Total assets	577,759	421,853
Deferred outflows of resources	-	-
Long-term liabilities	-	-
Other liabilities	21,912	7,409
Total liabilities	21,912	7,409
Deferred inflows of resources	-	-
Net position:		
Net investment in capital assets	159,158	170,947
Restricted	44,886	-
Unrestricted	351,803	243,497
Total net position	\$ 555,848	\$ 414,444

TOWN OF THACKERVILLE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS

A portion of the Town's total net position, in the amount of \$159,158 in 2022 (29%), reflects its investment in capital assets, (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's total net position increased by \$141,404 in 2022. The total cost of all programs and services was \$282,062 in 2022. Governmental activities revenues increased from \$243,220 in 2021 to \$423,466 in 2022 as sales and use tax revenues increased sharply.

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021:

	Governmental Activities	
	FY22	FY21
Revenues:		
Program Revenues:		
Charges for services	\$ 86,831	\$ 52,101
Operating grants and contributions	9,627	6,575
Capital grants and contributions	44,886	-
General Revenues:		
Sales and use taxes	247,688	164,612
Other taxes	18,641	18,806
Investment income	151	26
Gain (loss) on disposed assets	11,550	1,100
Other	4,092	-
	<u>423,466</u>	<u>243,220</u>
Expenses:		
General government	144,324	94,167
Parks and recreation	18,893	10,486
Police	115,444	63,101
Streets and maintenance	3,401	1,460
Debt service - interest	-	-
	<u>282,062</u>	<u>169,214</u>
Excess (deficiency) of revenues over expenditures before transfers	141,404	74,006
Transfers In (Out)	-	-
Increase in net position	141,404	74,006
Net position - July 1	414,444	340,438
Net position - June 30	<u>\$ 555,848</u>	<u>\$ 414,444</u>

TOWN OF THACKERVILLE, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND ANALYSIS

The unassigned fund balance may serve as a useful measure of the fund's health and shows the amount of resources available for the Town's spending needs. The General Fund's unassigned fund balance increased from \$234,117 to \$344,493 in 2022, or \$110,376. A key contributing factor in this increase can be traced to a \$83,076 increase in sales and use tax revenues.

The General Fund's final amended budget versus actual results showed positive variances of \$5,325 and \$2,340 for police department and general government expenditures, respectively. Total revenues showed a positive variance of \$49,699, which allowed for the overall budget versus actual variances to net to a positive \$68,865 result.

CAPITAL ASSETS

The Town of Thackerville's investment in capital assets for its governmental funds as of June 30, 2022 amounts to \$159,158 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, and equipment. The Town's investment in capital assets decreased (\$11,789) or 7% from the prior year. The decrease is attributable to depreciation expense exceeding new asset purchases in 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town adopted a fiscal year 2022-2023 expenditure budget of \$393,333, which is an increase of \$118,262 from the prior year amended budget. The Town budgeted for fiscal year 2022-2023 revenues of \$393,333, which is an increase of \$31,864 from the prior year amended budget. These factors and many other factors were considered in preparing the Town's budget for the 2022-2023 fiscal year.

CONTACTING THE TOWN OF THACKERVILLE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Thackerville's business office, at P.O. Box 126, Thackerville, Oklahoma 73459 or Highway 77 South, Thackerville, Oklahoma 75459.

Town of Thackerville, Oklahoma
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 356,282
Investments	2,147
Accounts receivables - net	60,172
Capital assets:	
Non-depreciable capital assets - Land	111,425
Depreciable capital assets (net)	47,733
Total assets	<u>577,759</u>
Liabilities	
Accounts payable	14,605
Accrued wages and payroll liabilities	7,307
Non-current liabilities:	
Due within one year:	-
Due in more than one year:	-
Total liabilities	<u>21,912</u>
Net Position	
Net investment in capital assets	159,158
Restricted for:	
American Rescue Plan Act	44,886
Unrestricted	351,803
Total net position	<u>\$ 555,848</u>

The accompanying notes are an integral part of these financial statements.

Town of Thackerville, Oklahoma
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	
Primary government:						
Governmental activities:						
Police	\$ 115,445	\$ 66,114	\$ 6,207	\$ 44,886	\$	1,763
General government	144,324	20,265	1,352	-		(122,707)
Streets and maintenance	3,401	-	-	-		(3,401)
Parks and recreation	18,893	452	2,068	-		(16,373)
Total governmental activities	\$ 282,063	\$ 86,831	\$ 9,627	\$ 44,886		(140,719)
General revenues:						
Sales and use taxes						
						247,688
Other taxes						
						18,641
Investment interest						
						151
Miscellaneous						
						4,092
Gain on sale of assets						
						11,550
Total general revenues						282,122
Change in net position						141,404
Net position - beginning						424,764
Prior period adjustments						(10,320)
Net position - ending						\$ 555,848

The accompanying notes are an integral part of these financial statements.

Town of Thackerville, Oklahoma
Balance Sheet - Governmental Type Funds
June 30, 2022

	General Fund
Assets	
Cash	\$ 356,282
Certificates of deposit	2,147
Accounts receivable - net	60,172
Total assets	<u>\$ 418,601</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 14,605
Other payroll liabilities	4,264
Accrued wages	3,043
Total current liabilities	<u>21,912</u>
Deferred Inflows of Resources	
Unavailable revenue - Court fines	7,310
Total deferred inflows of resources	<u>7,310</u>
Fund Balances	
Restricted for:	
American Rescue Plan Act	44,886
Unassigned	344,493
Total fund balances	<u>389,379</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 418,601</u>

The accompanying notes are an integral part of these financial statements.

Town of Thackerville, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
at June 30, 2022

Fund balances of governmental funds	\$	389,379
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		159,158
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Court fines and other receivables not received within sixty days after fiscal year-end are deferred income on the fund financial statements, but these amounts are realized as income on the government-wide financials.		7,311
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Net position of governmental activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">555,848</div>
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The accompanying notes are an integral part of these financial statements.

Town of Thackerville, Oklahoma
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2022

	General Fund
Revenues	
Taxes:	
Sales and use	\$ 247,688
Other	18,641
Fines and forfeitures	65,366
Intergovernmental - A.R.P.A.	44,886
Building and other permits	20,194
Other revenue	14,242
Investment earnings	151
Total revenues	<u>411,168</u>
Expenditures	
Current:	
General government	140,608
Police	104,453
Streets and maintenance	3,401
Parks and recreation	15,490
Capital outlays	3,504
Debt service:	
Principal retirement	-
Interest and fees	-
Total expenditures	<u>267,456</u>
Excess of revenues over (under) expenditures	<u>143,713</u>
Other financing sources (uses)	
Proceeds from sold assets	<u>11,550</u>
Total other financing sources(uses)	<u>11,550</u>
Net changes in fund balances	155,263
Fund balances - beginning (restated)	<u>234,117</u>
Fund balances - ending	<u><u>\$ 389,379</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Thackerville, Oklahoma
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ 155,263
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay expense in the fiscal year.	(11,789)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This includes recognizing a \$748 increase in deferred revenue.	748
Other modifications are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. The net effect of these adjustments is to decrease net position.	(2,818)
Change in net position of governmental activities:	<u>\$ 141,404</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Town of Thackerville, Oklahoma (the Town), is a municipality which has incorporated as a town in accordance with the laws of Oklahoma. The Town is governed by a Mayor and Town Council that are elected.

The Town's services include, but are not limited to, the traditional local government responsibilities of public safety, street maintenance, and parks and recreation. The respective fund financial statements and budgets (where legally adopted) of these services are all included in the Town's financial "reporting entity" as more fully described in the immediately subsequent section of this Note and the Town's government-wide financial statements.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for the local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants, in the publication entitled, "Audits of State and Local Governmental Units", and by the Financial Accounting Standards Board (FASB) when applicable.

B. Government-Wide and Fund Financial Statements

Funds are ordered into two distinct categories: governmental and proprietary. Information in the fund financial statements is reported on a major fund basis. The Town conducts the calculation of major funds each year under the methods outlined in GASS Statement No. 34. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the aggregate and separately reported in the combining fund financial statements. The various funds are summarized by type in the fund financial statements.

The Town reports the following major governmental fund:

General Fund is the primary operating fund of the Town. This fund is used to account for all financial resources of the general government, except those that are required to be accounted for in another fund.

The Town has no proprietary or fiduciary type funds.

C. Measurement Focus and Basis of Accounting

Governmental Funds

The Town uses the modified accrual basis of accounting and the flow of current financial resources measurement focus for all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when both "measurable and available." Measurable means knowing, or being capable of calculating or estimating, the amount to be received. Available means collectible within the current period or soon enough thereafter to pay current liabilities (generally sixty days). Also, expenditures are in the period in which the related fund liability is incurred, except for principal and interest on debt service, which is recorded when due.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets and Fund Balances

Deposits and Investments

The Town's cash on hand and demand deposits with financial institutions are considered to be cash equivalents. Certificates of deposits are cash equivalents if they have original maturities of three months or less. The Town operates under a depository contract in accordance with State law.

Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, and infrastructure are reported in the applicable governmental-type activities column in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Assets subject to depreciation are depreciated using the straight-line method. The estimated useful lives of all depreciable assets are as follows:

Buildings, systems, and improvements	15-50 years
Streets and improvements	15-50 years
Furniture, plant, and equipment	3-20 years

Fund Balance

The Town has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

- Nonspendable-Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted-Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- Committed-Amounts that can be used only for specific purposes determined by a formal action by Town Council policy or resolution. This includes the budget reserve account.
- Assigned-Amounts that are designated by the Town for a specific purpose but are not spendable until a budget ordinance is passed by the Town Council.
- Unassigned - All amounts not included in other spendable classifications.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purpose for which restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned, and lastly unassigned fund balance.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unused vacation or sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Policies

The Town's fiscal year begins on July 1 and ends on June 30 of the following calendar year. Prior to the beginning of each fiscal year, the Town Secretary submits to the Town Council a proposed budget for all Town departments, divisions, and offices for the fiscal year beginning on the following July 1. The operating budget, which represents the financial plan of the ensuing fiscal year, includes proposed expenditures or expenses and the means of financing them. Public hearings are conducted at which all interested persons are encouraged to comment concerning the proposed budget.

The budget for the subsequent fiscal year, as well as the current year revised budget, is legally enacted by the Town Council through passage of an ordinance prior to July 1 each year. Adjustments to the original adopted budget must be either approved on an individual item basis or through the overall revised budget. The Town Council did amend the original budget for fiscal year 2022.

B. Compliance and Accountability

For the year ended June 30, 2022, the Town expenditures at the departmental level exceeded amended budget amounts as follows:

<u>Department</u>	<u>Excess Expenditure Amount</u>
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Streets and Maintenance	\$401
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For overall budgeted revenues and expenditures versus actual amounts, the Town experienced an overall positive budget versus actual variance of \$68,865 for fiscal year 2022.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

III. – DETAILED NOTES ON ALL FUNDS

A. Cash and Certificates of Deposit

At June 30, 2022, the carrying amount of the Town's cash and certificates of deposits totaled \$358,429 and the bank balances totaled \$361,354. The Federal Depository Insurance Corporation insured \$250,000 of the Town's deposits at June 30, 2022, and the financial institution pledged additional securities to fully cover the remaining balance of \$111,354 at June 30, 2022.

Custodial Credit Risk - During the audit period, the Town had concentrated its credit risk for cash by maintaining deposits in one bank located within the local geographic region. The Federal Deposit Insurance Corporation (FDIC) insures the balances at each financial institution up to \$250,000.

Interest Rate Risk - Risk that occurs when changes in market interest rates adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Concentration of Credit Risk - Under GASB 40, Concentration of Credit risk is exposure to loss attributable to the magnitude of a local government's investments in the securities of a single issuer. The only Town investment at June 30, 2022 is a \$2,147 certificate of deposit.

Investment Credit Risk – The Town's investment policy limits its investment choices to the limitations 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 of 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 are fully insured certificates of deposits or savings accounts in out-of-state financial institutions.
- c) With certain limitations, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements.
- d) County, municipal, or school district 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 district.
- e) Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administration and debentures insured by the Federal Housing Administration, and in obligations of the National Mortgage Association.
- f) Money market funds regulated by the Securities and Exchange Commission and in which investments consist of the investments in paragraphs a through d.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

III. – DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Receivables

Receivables as of June 30, 2022 are comprised of the following:

	General Fund
Use tax	\$ 19,109
Sales tax	30,530
Cigarette tax	210
Alcoholic beverage tax	2,882
Gas excise tax	131
Court fines	52,389
Gross receivables	105,251
Less: Allowance for uncollectables	(45,079)
Net receivables	<u>\$ 60,172</u>

C. Interfund Balances and Transfers

The Town has only one fund, so there are no interfund balances or transfers to disclose.

D. Capital Assets

Governmental fund type capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	and Reclasses	Ending Balance
Nondepreciable assets:				
Land	\$ 111,425	\$ -	\$ -	\$ 111,425
Depreciable assets:				
Buildings and improvements	380,398	-	-	380,398
Vehicles	62,347	-	-	62,347
Furniture, fixtures, and equipment	54,444	3,504	-	57,948
Total capital assets being depreciated	497,189	3,504	-	500,693
Less accumulated depreciation for:				
Depreciable capital assets	437,667	15,293	-	452,960
Total accumulated depreciation:	437,667	15,293	-	452,960
Net assets being depreciated	59,522	(11,789)	-	47,733
Total governmental capital assets, net	<u>\$ 170,947</u>	<u>\$ (11,789)</u>	<u>\$ -</u>	<u>\$ 159,158</u>

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

III. – DETAILED NOTES ON ALL FUNDS - CONTINUED

D. Capital Assets (continued)

Fiscal year 2022 depreciation expense was charged as a direct expense on the Statement of Activities to Town departments as follows:

<i><u>Governmental activities:</u></i>	
General government	\$ 898
Police	10,992
Parks and recreation	3,403
Total depreciation expense - governmental activities	<u>\$ 15,293</u>

E. Long-Term Debt

The Town had no outstanding long-term debt during fiscal year 2022.

F. Restricted Fund Balances and Net Position

It is the Town's policy to spend funds available from restricted sources prior to unrestricted sources. The Town has one \$44,886 restricted equity balance at June 30, 2022. The balance represents unspent federal grant funds from the American Rescue Plan Act.

G. Pension Plan

The Town provided a defined contribution plan (the “Plan”) administered by the Oklahoma Municipal Retirement System (OkMRF). OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The Plan is administered by Bank One of Oklahoma City. The defined contribution plan is available to all full-time employees except those participating in the state fire or police programs. Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment and are required to make contributions to the Plan of 7.5% (not to exceed 10%). The Town, as employer, also contributes 7.5%. Voluntary nondeductible contributions by employees shall be allowed under the provisions of the Plan. The Town's contributions are immediately 100% vested. The authority to establish and amend the provisions of the Plan rest with the Town Council.

For the year ended June 30, 2022, both the Town and its employees each contributed \$9,396 to the Plan.

The Plan is accounted for and reported under the requirements of GASB Statement No. 73 because no assets are accumulated in a trust that meets all of the following criteria:

- Contributions from the employer and any non-employer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing pensions to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, non-employer contributing entities, and the plan administrator.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

III. – DETAILED NOTES ON ALL FUNDS – CONTINUED

G. Pension Plan (continued)

The Plan does not meet the required criteria because the Town's contributions are not irrevocable.

OkMRF issues separate financial statements which may be obtained by contacting OkMRF at 100 N. Broadway, Oklahoma City, Ok. 73102.

IV. – OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. During fiscal year 2022, the Town was covered under property, general liability, and other insurance policies to reduce exposure to such risks.

B. Contingent Liabilities

From time to time, the Town may be the defendant in various lawsuits. Such lawsuits have the potential to have a material adverse effect on the Town's financial condition and the outcome of on-going lawsuits may not be readily determinable. The Town has represented that there are no such lawsuits at fiscal year-end 2022.

C. Prior Period Adjustment

The Town's equity balances at June 30, 2021 were restated as follows:

<u>Governmental Fund Types</u>	
General Fund balance - beginning	\$ 244,437
Prior period adjustment for overstated court receivables	(10,320)
General Fund balance - beginning as restated	<u>\$ 234,117</u>
<u>Governmental-Type Activities Net Position</u>	
Net position - beginning	\$ 424,764
Prior period adjustment for overstated court receivables	(10,320)
Net position - beginning as restated	<u>\$ 414,444</u>

D. Subsequent Events

The Town had no material subsequent events. Subsequent events were evaluated through November 21, 2022, which is the financial statement issuance date.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Thackerville, Oklahoma
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes:				
Sales and use	\$ 120,842	\$ 211,988	\$ 247,688	\$ 35,700
Other	14,786	21,184	18,641	(2,543)
Fines and forfeitures	45,500	52,013	65,366	13,353
Intergovernmental - A.R.P.A.	-	44,886	44,886	0
Building and other permits	-	19,693	20,194	501
Other revenue	6,400	11,587	14,242	2,655
Investment earnings	-	118	151	33
Total revenues	<u>187,528</u>	<u>361,469</u>	<u>411,168</u>	<u>49,699</u>
Expenditures				
Current:				
General government	89,808	142,948	140,608	2,340
Police	87,720	109,778	104,453	5,325
Streets and maintenance	1,500	3,000	3,401	(401)
Parks and recreation	6,500	15,750	15,490	260
Capital outlays	2,000	3,595	3,504	91
Debt service:				
Principal retirement	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>187,528</u>	<u>275,071</u>	<u>267,456</u>	<u>7,615</u>
Excess of revenues over (under) expenditures	-	86,398	143,713	57,315
Other financing sources (uses)				
Proceeds from sold assets	-	-	11,550	11,550
Total other financing sources(uses)	-	-	11,550	11,550
Net changes in fund balances	-	86,398	155,263	\$ 68,865
Fund balances - beginning (restated)	234,117	234,117	234,117	
Fund balances - ending	<u>\$ 234,117</u>	<u>\$ 320,515</u>	<u>\$ 389,379</u>	

The accompanying notes are an integral part of these financial statements.