



**TOWN OF CALUMET,
OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report on Financial Statements	A 1-3
Management Discussion and Analysis	MDA 1-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	1
Statement of Activities - Modified Cash Basis	2-3
Government Funds Financial Statements:	
Balance Sheet - Modified Cash Basis	4
Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis	5
Proprietary Funds Financial Statements:	
Statement of Net Position - Modified Cash Basis	6
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis	7
Statement of Cash Flows - Modified Cash Basis	8
Footnotes to Basic Financial Statements	FN 1-10
Supplementary and Other Information:	
Budgetary Comparison Information	
Budgetary Comparison Schedule (Modified Cash Basis) - General Fund	RSI - 1
Debt Service Coverage Information	
Schedule of Debt Service Coverage Requirements - CPWA	OSI - 1
Schedule of Expenditures of Federal Awards Information	
Schedule of Expenditures of Federal Awards - Modified Cash Basis	OSI - 2
Schedule of State Awards - Modified Cash Basis	OSI - 3
Internal Control and Compliance Information	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with <i>Government Auditing Standards</i>	IC - 1-2

INDEPENDENT AUDITOR'S REPORT



DILLON & ASSOCIATES, PC
Certified Public Accountants

1401 S. Douglas Blvd., Suite A
Midwest City, OK 73130
Phone: 405-732-1800

INDEPENDENT AUDITOR'S REPORT

To the Users of the Town of Calumet, Oklahoma, Annual Financial Report

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Calumet, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT - Continued

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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Calumet, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Calumet, Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information and schedule of debt coverage requirements but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

INDEPENDENT AUDITOR'S REPORT - Continued

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Dillon & Associates, PC

Midwest City, Oklahoma
July 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023

The management of the Town of Calumet is pleased to provide this annual financial report to its citizens, taxpayers, and other report users to demonstrate its accountability and communicate the Town's financial condition and activities as of and for the year ended June 30, 2023. The management of the Town is responsible for the fair presentation of this annual report, for maintaining appropriate internal controls over financial reporting, and for complying with applicable laws, regulations, and provisions of grants and contracts. The Town reports its financial statements and schedules on a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. All of the financial analyses in this report must be considered within the context of the limitations of the modified cash basis of accounting.

FINANCIAL HIGHLIGHTS

- As reported on a modified cash basis, the Town's total net position decreased by \$416,450, and the assets of the Town exceed its liabilities on June 30, 2023, by \$4,559,566 (net position). Of this amount, \$3,865,697 (unrestricted net position) is available to meet the government's ongoing needs.
- On June 30, 2023, the Town's governmental funds reported combined ending fund balances on a modified cash basis of \$4,297,263.
- At the end of fiscal year 2023, unassigned fund balance on a modified cash basis for the General Fund was \$3,548,310 or 601% of General Fund revenues.

ABOUT THE TOWN

The Town of Calumet is an incorporated municipality with a population of approximately 487 located in Canadian County in central Oklahoma. The Town is a Board of Trustees form of government.

The Town provides typical municipal services such as public safety, streets and public works, culture and recreation, utility services including water, wastewater, sanitation, and economic development activities.

The Town's Financial Reporting Entity

With the exceptions noted below, this annual report includes all activities for which the Town Council is financially accountable. These activities, defined as the Town's financial reporting entity, are operated within separate legal entities. The Town's financial reporting entity consists of the following separate legal entities.

- The Town of Calumet - that operates the public safety, cemetery, streets and public works, health and welfare, culture and recreation, and administrative activities
- The Calumet Public Works Authority (CPWA) - that operates the water, wastewater, and sanitation services of the Town - blended as a proprietary fund - considered part of the primary government presentation for reporting purposes

Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

With the exceptions noted above, the financial statements of the reporting entity presented herein include all of the activities of the Town of Calumet (the "Town"), the Calumet Public Works Authority (the "Authority"). Included in this report are government-wide statements for each of the two categories of activities - governmental and business-type.

The government-wide financial statements present the complete financial picture of the Town as applicable to the modified cash basis of accounting. They present governmental and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions to ask about the Town's finances is, "Has the Town's overall financial condition improved, declined, or remained steady as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. You will need to consider other non-financial factors, however, such as changes in the Town's sales tax base, the condition of the Town's roads, and quality of service to assess the overall health of the Town. You will also need to keep in mind that these governmentwide statements are prepared in accordance with the modified cash basis of accounting and include only those Town assets and liabilities resulting from cash transactions with selected modifications.

In the Statement of Net Position and the Statement of Activities, we divide the Town's primary government into three kinds of activities:

- Governmental activities - Most of the Town's basic services are reported here, including the police, fire, administration, parks, and streets. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities; and
- Business-type activities - Activities where the Town charges a fee to customers to help cover all or most of the cost of certain services it provides are reported here. The Town's water, wastewater and sanitation utilities are reported as business-type activities.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Town's most significant (major) funds -- not the Town as a whole. Some funds are required to be established by State law and by debt covenants. However, the Town Council may also establish certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Town utilizes two kinds of funds - governmental and proprietary.

Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023

Governmental funds - All of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on a modified cash basis of accounting. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Proprietary funds - When the Town, through the Public Works Authority, charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are also reported on the modified cash basis of accounting. The Town's proprietary fund is the Calumet Public Works Authority that accounts for the operation of the water and wastewater activities.

Notes to the Financial Statements

The notes provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages FN 1-10 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents Budgetary Comparison Schedules for the General Fund, a federal and state award schedule, and the debt service coverage schedule.

THE TOWN AS A WHOLE

For the year ended June 30, 2023, net position on a modified cash basis for the governmental and business-type activities decreased \$416,450.

Net Position (Modified Cash Basis)

	Governmental Activities	Business-type Activities	Total
Beginning net position	\$ 4,641,819	334,197	4,976,016
Change in net position	(418,322)	1,872	(416,450)
Ending net position	<u>\$ 4,223,497</u>	<u>336,069</u>	<u>4,559,566</u>

Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023

The following is a summary of net position reported on a modified cash basis for the Town of Calumet primary government.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
Assets	4,351,374	4,716,090	370,173	380,890	4,721,547	5,096,980	-7.4%
Total assets	\$ 4,351,374	4,716,090	370,173	380,890	4,721,547	5,096,980	-7.4%
Liabilities							
Total liabilities	127,877	74,271	34,298	46,693	162,175	120,964	34.1%
	127,877	74,271	34,298	46,693	162,175	120,964	34.1%
Net position:							
Restricted	675,187	667,365	18,488	-	693,675	667,365	3.9%
Unrestricted	3,548,310	3,974,454	317,387	334,197	3,865,697	4,308,651	-10.3%
Total net position	\$ 4,223,497	4,641,819	335,875	334,197	4,559,372	4,976,016	-6.3%

Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023

A portion of the Town's net position, \$693,675, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$3,865,697, may be used to meet the government's ongoing needs.

	Governmental Activities		Business-type Activities		Total		Total Percentage
	2023	2022	2023	2022	2023	2022	Change
Revenues:							
Program revenues:							
Charge for services	\$ 64,446	37,632	305,839	241,793	370,285	279,425	132.5%
Grants & contributions	45,330	110,338	-	-	45,330	110,338	41.1%
General revenues:							
Sales & use tax	386,962	301,397	-	-	386,962	301,397	128.4%
Other taxes	28,583	39,804	-	-	28,583	39,804	71.8%
Other general revenues	67,925	49,184	2,593	6,426	70,518	55,610	126.8%
Total Revenues	593,246	538,355	308,432	248,219	901,678	786,574	114.6%
Program Expenses:							
General government	744,350	550,035	174,499	101,562	918,849	651,597	141.0%
Public safety	118,030	151,955	-	-	118,030	151,955	77.7%
Public works	3,172	9,510	-	-	3,172	9,510	33.4%
Cultural & recreation	147,816	8,580	-	-	147,816	8,580	1722.8%
Water & sewer	-	-	36,078	36,877	36,078	36,877	97.8%
Sanitation	-	-	58,319	53,807	58,319	53,807	108.4%
Debt service	-	-	35,864	35,864	35,864	35,864	100.0%
Total Program Expenses	1,013,368	720,080	304,760	228,110	1,318,128	948,190	6.0%
Excess (Deficiency)	(420,122)	(181,725)	3,672	20,109	(416,450)	(161,616)	257.7%
Net Transfers	1,800	1,800	(1,800)	(1,800)	-	-	0.0%
Change in Net Position	(418,322)	(179,925)	1,872	18,309	(416,450)	(161,616)	257.7%
Beginning Net Position	4,641,819	4,821,744	334,197	315,888	4,976,016	5,137,632	-96.9%
Ending Net Position	\$ 4,223,497	4,641,819	336,069	334,197	4,559,566	4,976,016	91.6%

**Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023**

Governmental Activities

The Town's governmental activities had a decrease in net position of \$418,322. The decrease is due in part to an increase in general government expenses.

	Total Expense of Services		% Increase (Decrease)	Net Revenue (Expenses) of Services		% Increase (Decrease)
	2023	2022		2023	2022	
General government	\$ 744,350	550,035	35.3%	(721,965)	(533,055)	35.4%
Public safety	118,030	151,955	-22.3%	(58,290)	(126,540)	-53.9%
Public works	3,172	9,510	-66.6%	24,479	96,065	-74.5%
Cultural & recreation	147,816	8,580	1622.8%	(147,816)	(8,580)	1622.8%
Total	\$ 1,013,368	720,080	40.7%	(903,592)	(572,110)	57.9%

Business-type Activities

The business-type activities had an increase in net position of \$1,872.

	Total Expense of Services		% Increase (Decrease)	Net Revenue (Expenses) of Services		% Increase (Decrease)
	2023	2022		2023	2022	
General government	\$ 174,499	137,426	27.0%	(164,813)	(137,426)	19.9%
Water & sewer	36,078	1,013	3461.5%	164,820	158,512	4.0%
Sanitation	58,319	53,807	8.4%	36,936	28,461	29.8%
Debt service	35,864	35,864	0.0%	(35,864)	(35,864)	0.0%
Total	\$ 304,760	228,110	33.6%	1,079	13,683	-92.1%

A FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$4,223,497. For the year ended June 30, 2023, the General Fund's total fund balance decreased by \$419,308 to \$4,169,386 or 601% of annual revenues.

Budgetary Highlights

For the year ended June 30, 2023, the General Fund reported actual budgetary basis revenues over final estimates by \$225,014 or a 61.7% positive variance. General Fund actual expenditures were under final appropriations by \$310,824 or a 23.6% positive variance.

**Management's Discussion and Analysis
Town of Calumet, Oklahoma
June 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

One of the primary responsibilities of Town management is to prepare and submit in the Town Council an annual budget for the upcoming year that is balanced, meets the needs and expectations of the Town, and is appropriate to the economic conditions of the Town. This management is committed to the fiduciary responsibility that we have in managing public resources.

The fact that the Town has an aging infrastructure, and, as there are more government issued unfunded mandates, leads the Town to look at its' priorities and budget accordingly. Additional capital improvements have been budgeted for parks, streets, fire, and police in FY 2023-2024.

The FY 2022-2023 sales tax remained steady, and the Town is optimistic that sales tax remains steady through FY 2023-2024.

Contacting the Town's Financial Management

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's office at 118 W. 2nd St., Calumet, Oklahoma 73014, or telephone at 405-893-2323.

BASIC FINANCIAL STATEMENTS

Town of Calumet, Oklahoma
Statement of Net Position (Modified Cash Basis)
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,005,652	336,647	1,342,299
Investments	2,564,543	-	2,564,543
Restricted assets:			
Restricted cash and investments	781,179	33,526	814,705
Total assets	<u>4,351,374</u>	<u>370,173</u>	<u>4,721,547</u>
LIABILITIES			
Current liabilities:			
Due to others	21,885	19,260	41,145
Deferred grants - ARPA	105,992	-	105,992
Due depositors	-	15,038	15,038
Total liabilities	<u>127,877</u>	<u>34,298</u>	<u>162,175</u>
NET POSITION			
Restricted for:			
Other purposes	675,187	18,488	693,675
Unrestricted	3,548,310	317,387	3,865,697
Total net position	<u>\$ 4,223,497</u>	<u>335,875</u>	<u>4,559,372</u>

See Independent Auditor's Report.
See accompanying notes to these financial statements.

Town of Calumet, Oklahoma
Statement of Activities (Modified Cash Basis)
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
PRIMARY GOVERNMENT					
Governmental activities:					
General government	\$ 744,350	14,759	-	7,626	(721,965)
Public safety	118,030	49,687	10,053	-	(58,290)
Public works	3,172	-	27,651	-	24,479
Culture and recreation	147,816	-	-	-	(147,816)
Total government activities	1,013,368	64,446	37,704	7,626	(903,592)
Business-type activities:					
Administration	210,363	-	-	-	(210,363)
Water and sewer	36,078	200,898	-	-	164,820
Sanitation	58,319	95,255	-	-	36,936
Other	-	9,686	-	-	9,686
Total business-type activities	304,760	305,839	-	-	1,079
Total primary government	1,318,128	370,285	37,704	7,626	(902,513)

Town of Calumet, Oklahoma
Statement of Activities (Modified Cash Basis)
For the Year Ended June 30, 2023

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Change in Net Position:			
Net (expense) revenue	\$ (903,592)	1,079	(902,513)
General revenues:			
Taxes:			
Sales and use	386,962	-	386,962
Franchise	22,316	-	22,316
Other	6,267	-	6,267
Unrestricted investment income	25,573	2,288	27,861
Miscellaneous	42,352	305	42,657
Transfers - internal activity	1,800	(1,800)	-
Total general revenues and transfers	485,270	793	486,063
Change in net position	(418,322)	1,872	(416,450)
Net position - beginning	4,641,819	334,197	4,976,016
Net position - ending	\$ 4,223,497	336,069	4,559,566

See Independent Auditor's Report.
See accompanying notes to the basic financial statement.

Town of Calumet, Oklahoma
Governmental Funds
Balance Sheet (Modified Cash Basis)
June 30, 2023

	General Fund	Cemetery Fund	Vehicle Implement Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,732,720	11,188	42,923	1,786,831
Investments	2,564,543	-	-	2,564,543
Total assets	4,297,263	11,188	42,923	4,351,374
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to others	21,885	-	-	21,885
Deferred grants - ARPA	105,992	-	-	105,992
Total liabilities	127,877	-	-	127,877
Fund balances:				
Restricted for:				
Emergency reserve fund	570,453	-	-	570,453
Special projects	50,623	-	-	50,623
Assigned to:				
Cemetery	-	11,188	-	11,188
Capital projects	-	-	42,923	42,923
Unassigned	3,548,310	-	-	3,548,310
Total fund balances	4,169,386	11,188	42,923	4,223,497
Total liabilities and fund balances	\$ 4,297,263	11,188	42,923	4,351,374

See Independent Auditor's Report.
See accompanying notes to these financial statements.

Town of Calumet, Oklahoma
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (Modified Cash Basis)
For the Year Ended June 30, 2023

	General Fund	Cemetery Fund	Vehicle Implement Fund	Total Governmental Funds
CASH RECEIPTS				
Taxes	\$ 415,545	-	-	415,545
Intergovernmental	49,212	-	-	49,212
Licenses and permits	3,033	-	-	3,033
Charge for services	4,494	3,350	-	7,844
Fines and forfeitures	49,687	-	-	49,687
Interest	25,345	47	181	25,573
Miscellaneous	42,352	-	-	42,352
Total cash receipts	<u>589,668</u>	<u>3,397</u>	<u>181</u>	<u>593,246</u>
CASH DISBURSEMENTS				
Current:				
General government	744,350	-	-	744,350
Public safety	78,836	-	-	78,836
Public works	3,172	-	-	3,172
Culture and recreation	141,624	6,192	-	147,816
Capital outlay	39,194	-	-	39,194
Total cash disbursements	<u>1,007,176</u>	<u>6,192</u>	<u>-</u>	<u>1,013,368</u>
Excess (deficiency) of receipts over disbursements	<u>(417,508)</u>	<u>(2,795)</u>	<u>181</u>	<u>(420,122)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,600	3,600
Transfers out	(1,800)	-	-	(1,800)
Total other financing sources and uses	<u>(1,800)</u>	<u>-</u>	<u>3,600</u>	<u>1,800</u>
Net change in fund balances	(419,308)	(2,795)	3,781	(418,322)
Fund balance - beginning	4,588,694	13,983	39,142	4,641,819
Fund balance - ending	<u>\$ 4,169,386</u>	<u>11,188</u>	<u>42,923</u>	<u>4,223,497</u>

See Independent Auditor's Report.
See accompanying notes to these financial statements.

Town of Calumet, Oklahoma
Proprietary Funds
Statement of Net Position (Modified Cash Basis)
June 30, 2023

	Calumet Public Works <u>Authority</u>	Meter Deposit <u>Fund</u>	Total Enterprise <u>Funds</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 324,233	12,414	336,647
Restricted assets - cash and investments	18,488	15,038	33,526
Internal balances	12,414	(12,414)	-
Total assets	<u>355,135</u>	<u>15,038</u>	<u>370,173</u>
<u>LIABILITIES</u>			
Current liabilities:			
Due to others	19,260	-	19,260
Due to depositors	-	15,038	15,038
Total liabilities	<u>19,260</u>	<u>15,038</u>	<u>34,298</u>
<u>NET POSITION</u>			
Restricted for:			
Debt service	18,488	-	18,488
Unrestricted	<u>317,387</u>	<u>-</u>	<u>317,387</u>
Total net position	<u>\$ 335,875</u>	<u>-</u>	<u>335,875</u>

See Independent Auditor's Report.
See accompanying notes to these financial statements.

Town of Calumet, Oklahoma
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position - (Modified Cash Basis)
For the Year Ended June 30, 2023

	Calumet Public Works <u>Authority</u>	Meter Deposit <u>Fund</u>	Total Enterprise <u>Funds</u>
<u>OPERATING CASH RECEIPTS:</u>			
Charges for services			
Water	\$ 152,911	-	152,911
Sewer	47,987	-	47,987
Sanitation	95,255	-	95,255
Other	9,686	-	9,686
Total operating cash receipts	<u>305,839</u>	<u>-</u>	<u>305,839</u>
<u>OPERATING CASH DISBURSEMENTS:</u>			
General and administration	268,682	-	268,682
Water and sewer	214	-	214
Total operating cash disbursements	<u>268,896</u>	<u>-</u>	<u>268,896</u>
Operating income (loss)	<u>36,943</u>	<u>-</u>	<u>36,943</u>
<u>NONOPERATING RECEIPTS (DISBURSEMENTS):</u>			
Miscellaneous revenues	305	-	305
Interest income	2,288	-	2,288
Debt service:			
Principal retirement	(20,118)	-	(20,118)
Interest expense and fees	(15,746)	-	(15,746)
Total nonoperating receipts (disbursements)	<u>(33,271)</u>	<u>-</u>	<u>(33,271)</u>
<u>OPERATING TRANSFERS</u>			
Transfers in	-	-	-
Transfers out	(1,800)	-	(1,800)
Total operating transfers	<u>(1,800)</u>	<u>-</u>	<u>(1,800)</u>
Change in net position	1,872	-	1,872
Net position - beginning	334,003	-	334,003
Net position - ending	<u>\$ 335,875</u>	<u>-</u>	<u>335,875</u>

See Independent Auditor's Report.
See accompanying notes to these financial statements.

Town of Calumet, Oklahoma
Proprietary Funds
Statement of Cash Flows - (Modified Cash Basis)
For the Year Ended June 30, 2023

	Calumet Public Works <u>Authority</u>	Meter Deposit <u>Fund</u>	Total Enterprise <u>Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers	\$ 305,839	-	305,839
Payments to suppliers	(281,117)	-	(281,117)
Payments to employees	-	-	-
Payment of customer meter deposits	-	(63)	(63)
Net cash provided (used) by operating activities	<u>24,722</u>	<u>(63)</u>	<u>24,659</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Operating transfers In (out)	(1,800)	-	(1,800)
Net cash provided (used) by noncapital financing activities	<u>(1,800)</u>	<u>-</u>	<u>(1,800)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Debt service	(35,864)	-	(35,864)
Net cash provided (used) by capital and related financing activities	<u>(35,864)</u>	<u>-</u>	<u>(35,864)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received	2,288	-	2,288
Net cash provided (used) by investing activities	<u>2,288</u>	<u>-</u>	<u>2,288</u>
Net increase (decrease) in cash and cash equivalents	(10,654)	(63)	(10,717)
Balances, beginning of the year	353,375	27,515	380,890
Balances, end of the year	<u>\$ 342,721</u>	<u>27,452</u>	<u>370,173</u>
RECONCILIATION TO STATEMENT OF NET POSITION:			
Cash and cash equivalents	\$ 324,233	12,414	336,647
Restricted cash and cash equivalents	<u>18,488</u>	<u>15,038</u>	<u>33,526</u>
Total cash and cash equivalents, end of year	<u>\$ 342,721</u>	<u>27,452</u>	<u>370,173</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>			
Operating income (loss)	36,943	-	-
Adjustments to reconcile operating income to net cash provided by operating activities:			
Miscellaneous income	305	-	305
Change in assets and liabilities:			
Due from Meter Fund	(12,414)	-	(12,414)
Due to others	<u>(112)</u>	<u>-</u>	<u>(112)</u>
Net cash provided by (used in) operating activities	<u>\$ 24,722</u>	<u>-</u>	<u>(12,221)</u>

See Independent Auditor's Report.
See accompanying notes to these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

In determining the financial reporting entity, the Town of Calumet (the “Town”) complies with the provisions of Governmental Accounting Standards Board (GASB) Statement Nos. 14, *The Financial Reporting Entity*, and Statement No. 61, *The Financial Reporting Entity: Omnibus*, that require the primary government and all component units of which the primary government is financially accountable be included in the financial report. The Town’s financial reporting entity includes two separate legal entities reported as the primary government and component units.

- The Town of Calumet, Oklahoma (the Town) was established in 1893 and operates under Title 11 of the *Oklahoma Statutes* - 12-101 - Statutory Town Board of Trustees. The Town provides the following services to its citizens: public safety (police and fire), public works (streets and cemetery), culture and recreation, general government and administration, along with utility services to include water, wastewater, and sanitation.
- The Calumet Public Works Authority (CPWA) serves all the citizens of the Town and is governed by a board comprised of the Town’s elected council (Trustees). The rates for user charges and debt authorization are approved by the town council. The CPWA was created May 28, 1986, to finance, develop, and operate the water, wastewater, and solid waste activities of the Town. The CPWA is reported as an enterprise fund type.

For the above public trust, the Town is the beneficiary of the trust and the Town Council either serves as the governing body of the trust or appoints the trustees. In addition, as required by state law, all debt obligations incurred by the trust must be approved by two-thirds vote of the Town Council. This is considered sufficient imposition of will to include the trust within the Town’s financial reporting entity.

Basis of Accounting and Presentation

The Town’s basic financial statements consist of government-wide statements, including a statement of net position, and a statement of activities, and fund financial statements, which provide a more detailed level of financial statement information. The basis of accounting determines when transactions are recorded in financial records and reported on financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Government-wide Financial Statements - The statement of net position and the statement of activities are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions adjusted for modifications that have substantial support in generally accepted accounting principles. These modifications include adjustments for the following balances arising from cash transactions:

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting and Presentation - Continued

- Long-term debt
- Cash-based interfund receivables and payables
- Other cash-based receivables/payables

As a result of the use of this modified cash basis of accounting, certain assets, and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected, and accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements. In addition, property, equipment, and infrastructure assets are not recorded or depreciated, nor is debt reflected as a liability.

Program revenues within the statement of activities that are derived directly from each activity or from parties outside the Town's taxpayers are reported as program revenues. The Town has the following program revenues in each activity:

- General government: License and permits, cemetery fees, operating and capital grants and contributions
- Public safety: Fine revenue, operating and capital grants and contributions
- Administration: Operating and capital grants and contributions
- Water and sewer: Utility charges
- Sanitation: Utility charges

Governmental Funds:

The Town's governmental funds comprise of the following:

Major Fund:

- General Fund - accounts for all activities not accounted for in other special-purpose funds.
- Cemetery Fund - accounts for cemetery revenues and expenses.
- Vehicle Implement Fund - accounts for capital expenditures related to vehicles and machinery.

The governmental funds are reported on a modified cash basis of accounting. Only current financial assets and liabilities resulting from cash transactions are generally included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. The fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period.

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Accounting and Presentation - Continued

Proprietary Fund:

The Town's proprietary fund is comprised of the following:

- Calumet Public Works Authority (CPWA) - accounts for the operation of the water, sewer, and sanitation activities.

The proprietary fund is reported on a modified cash basis, as defined above.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of twelve months or less, and money market accounts. Investments consist of long-term certificates of deposits and are reported at cost.

Capital Assets

Due to the use of the modified cash basis of accounting, capital assets and related depreciation are not reported in the financial statements.

Long-Term Debt

The Town has the following long-term debt -

- The Oklahoma Water Resource Board Note - Series 2018 dated July 27, 2018. The maximum proceeds of the loan are \$1,100,000 of which \$200,000 will be provided as loan forgiveness by the U.S. Environmental Protection Agency. The proceeds of the financing were used to upgrade the sanitary sewer system. The loan has an interest rate of 2.58% with semi-annual debt service payments of \$17,932 and matures on September 15, 2044. The loan is secured by the 2017 Sales Tax Agreement pledging 2 cents of collections and by the utility system net revenues.

Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to compensated absences are not recorded in the financial statements. Expenditures related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid compensatory time that would be due employees upon termination is not considered material due to the limited number of employees.

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Management's Review of Subsequent Events

The Town's management has evaluated subsequent events through July 27, 2023, the date which financial statements were available to be issued and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

Fund Balances and Net Position

Fund Balances:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. The Town's highest level of decision-making authority is made by ordinance while the CPWA's highest level of decision-making authority is made by resolution.
- Assigned - includes amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by Town Board action or management decision when the Town Board has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- Unassigned - represents a fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purpose within the general fund.

It is the Town's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available. The Town's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Balances and Net Position - Continued

Net position:

Net position is displayed in two components:

- *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Internal and Interfund Balances and Transfers

The Town’s policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide financial statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

NOTE 2 - DEPOSITS

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

	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 2,157,004
Time deposits	<u>2,564,543</u>
Total deposits	<u>\$ 4,721,547</u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 1,342,299
Investments - CDs	2,564,543
Restricted cash and investments	<u>814,705</u>
	<u>\$ 4,721,547</u>

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 2 - DEPOSITS - Continued

Custodial Credit Risk

On June 30, 2023, the City held deposits of approximately \$4,727,772 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with the securities held by the Town or by its agent in the City's name.

The Town's policy as it relates to custodial credit risk is to comply with state law and secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds or certain letters of credit. As required by 12 U.S.C.A., Section 1823e, all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or the loan committee. As reflected in Note 3, the City's uninsured deposited were sufficiently collateralized in accordance with these provisions for the year ended on June 30, 2023.

Restricted Cash and Cash Equivalents

The amounts reported as restricted net position on the statement of net position are comprised of amounts restricted for Town projects, public safety, debt service payments, and asset maintenance purposes. The restricted assets as of June 30, 2023, were as follows:

Emergency reserve	\$ 570,453
Special projects	50,623
Federal grant - ARPA	105,992
Cemetery	11,188
Capital projects	42,923
Debt service - BOK	18,488
Customer deposits - Meter Fund	<u>15,038</u>
Total restricted assets	<u><u>\$ 814,705</u></u>

NOTE 3 - SALES TAX REVENUE

Sales tax revenue represents a four-cent local tax on each dollar of taxable sales within the Town. Sales tax revenue is recorded in the General Fund for general operations. Two-cents of the sales tax is pledged as collateral on the Oklahoma Water Resources Board - Series 2018 Clean Water SRF Promissory Note.

NOTE 4 - PROPERTY TAX REVENUE

The Town presently levies no property tax. In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the Town.

Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023

NOTE 5 - INTERNAL TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

Interfund transactions:

	Transfers In			Total
	General Fund	Nonmajor Governmental	Calumet Public Works Authority	
Transfer out:				
General fund	\$ -	1,800	-	1,800
Calumet Public Works Auth.	-	1,800	-	1,800
Totals	\$ -	3,600	-	3,600

NOTE 6 - 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; injuries to employees; and natural disasters. The Town has insurance for the major risks such as property, general liability, and worker's compensation. Judgments against the Town may be paid by a property tax assessment over a three-year period.

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Torts, error, and omissions	Purchased commercial insurance	None
Workers' compensation	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Long-Term Debt

\$1,100,000 Clean Water SRF Series 2018 loan payable to the Oklahoma Water Resource Board (OWRB), dated August 18, 2018, payable in semi-annual installments with a final payment due September 15, 2044; interest rate of 2.08% and administrative fee of 0.5%; secured by a pledge of a two cent sales tax and water, sewer and sanitation revenues.

	\$ 586,758
Less current maturities	<u>20,859</u>
Long-term debt, less current maturities	<u><u>\$ 565,899</u></u>

Changes in Long-term Debt

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities					
Note payable					
OWRB Series 2018	\$ 606,875	-	20,117	586,758	20,859
Total Business-type Activities	<u>\$ 606,875</u>	<u>-</u>	<u>20,117</u>	<u>586,758</u>	<u>20,859</u>

Annual Debt Service Requirements

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 20,859	15,005
2025	21,401	14,463
2026	21,957	13,907
2027	22,527	13,337
2028	23,112	12,752
2029-2033	124,949	54,369
2034-2038	142,034	37,284
2039-2043	161,559	17,561
2044-2048	48,360	1,013
Totals	<u>\$ 586,758</u>	<u>179,691</u>

**Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023**

NOTE 7 - COMMITMENTS AND CONTINGENCIES - Continued

Litigation

The Town is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a 3-year period by the Town "Sinking Fund" for the payment of any court-assessed judgment rendered against the Town. These statutory provisions do not apply to the Town's public trust authority. While the outcome of the above noted proceedings cannot be predicted, due to insurance coverage maintained by the Town and the state statute relating to judgments, the Town believes that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the Town.

Federal and State Award Programs

The Town participates in various federal and/or state grant programs from year to year. The grant programs are subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant.

NOTE 8 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

The Town participates in three employee pension systems as follows:

<u>Names of Plan/System</u>	<u>Type of Plan</u>
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OkMRF)	Agent Multiple Employer - Defined Contribution Plan

Oklahoma Police Pension and Retirement System (OPPRS)

Plan Summary - The Town of Calumet, as the employer, participates in the Police Pension & Retirement - a cost-sharing multi-employer defined benefit pension plan administered by the Oklahoma Police Pension & Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/opprs.

Notes to Basic Financial Statements
Town of Calumet, Oklahoma
June 30, 2023

NOTE 8 - EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN - Continued

Funding Policy - The Town of Calumet contributes the following:

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Amount Contributed</u>
2021	\$ 561	561
2022	\$ 10,340	10,340
2023	\$ 8,913	8,913

Oklahoma State Firefighters' Pension and Retirement System (OFPRS)

Plan Summary - The OFPRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The ability to establish and amend benefit provisions is delegated to the administrators of the OFPRS. The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information for the firefighting employees of the Town. That report may be obtained by writing to the Oklahoma State Firefighters' Pension and Retirement System, 4545 North Lincoln Boulevard, Suite 265, Oklahoma Town, Oklahoma 73105, or by calling 1-405-525-7813.

Funding Policy - The Town of Calumet contributes \$60 per volunteer firefighter.

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Amount Contributed</u>
2021	\$ 1,020	1,020
2022	\$ 1,140	1,140
2023	\$ 1,200	1,200

Defined Contribution Plan - OkMRF

The Town has provided effective September 1, 2018, a defined contribution plan and trust known as the Employee Retirement System of Town of Calumet, Oklahoma Defined Contribution Plan (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). OkMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase of Oklahoma City. The OkMRF Plan issues a separate financial report that may be obtained from OkMRF. The defined contribution plan is available to the nonunion employees of the Town. The Town, as the employer, contributes an amount equal to 8% of the employees' gross wages and employees contribute 4%. The authority to establish and amend the provisions of the Plan rests with the Town Board of Trustees. For the year ended June 30, 2023, the required contributions to be made was \$20,883 for the employer portion and eligible employees contributed 9,099.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Calumet, Oklahoma
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Modified Cash Basis)
For the Year Ended June 30, 2023

	Budget				Variance with Final Budget Over (Under)
	Original	Revisions	Final	Actual	
REVENUES					
Taxes	\$ 310,841	-	310,841	415,545	104,704
Intergovernmental	4,286	-	4,286	49,212	44,926
Licenses and permits	2,438	-	2,438	3,033	595
Charge for services	3,365	-	3,365	4,494	1,129
Fines and forfeitures	18,586	-	18,586	49,687	31,101
Interest	6,700	-	6,700	25,345	18,645
Miscellaneous	18,438	-	18,438	42,352	23,914
Total revenues	364,654	-	364,654	589,668	225,014
EXPENDITURES					
General government	672,000	78,000	750,000	744,350	5,650
Police	165,000	-	165,000	59,621	105,379
Fire	125,000	-	125,000	19,215	105,785
Streets	186,000	(118,000)	68,000	3,172	64,828
Parks	170,000	-	170,000	141,624	28,376
Capital outlay	-	40,000	40,000	39,194	806
Total expenditures	1,318,000	-	1,318,000	1,007,176	310,824
Excess (deficiency) of revenues over (under) expenditures	(953,346)	-	(953,346)	(417,508)	535,838
OTHER FINANCING SOURCES (USES)					
Transfers	20,000	-	20,000	(1,800)	(21,800)
Net change in fund balances	(933,346)	-	(933,346)	(419,308)	514,038
Fund balances - beginning	4,588,694	-	4,588,694	4,588,694	-
Fund balances - ending	\$ 3,655,348	-	3,655,348	4,169,386	514,038

FOOTNOTES TO BUDGETARY COMPARISON SCHEDULES:

1. The budgetary comparison schedule is reported on the same modified cash basis as governmental funds within the basic financial statements.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the Town Mayor's approval, while supplemental appropriations require Town Council approval.

**OTHER
SUPPLEMENTARY
INFORMATION**

Town of Calumet, Oklahoma
Calumet Public Works Authority
Debt Service Coverage Schedule - (Modified Cash Basis)
For the Year Ended June 30, 2023

	OWRB 2018 CWSRF Note
Gross Revenue Available For Debt Service:	
Pledged sales tax (2 cents)	\$ 152,997
System-wide (water, sewer and sanitation) gross revenues	<u>305,839</u>
Total Gross Revenues Available	<u>458,836</u>
System-wide operating expense - Exclusive of capital improvements and debt service	<u>264,391</u>
Net Revenues Available for Debt Service	\$ <u><u>194,445</u></u>
Debt Service Requirements:	
Maximum annual debt service - OWRB	\$ <u><u>35,864</u></u>
Coverage	<u><u>5.42</u></u>
Coverage requirement	<u><u>1.25</u></u>

Town of Calumet, Oklahoma
Schedule of Expenditures of Federal Awards - Modified Cash Basis
For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS - THROUGH GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
<u>FEDERAL PROGRAMS</u>				
<u>U.S. Federal Emergency Management Agency:</u>				
Passed through Okla. Dept of Emergency Management:				
Emergency Management Assistance	97.036	FEMA-PA-DR-4575 PW56	\$ 6,926	6,926
Emergency Management Assistance	97.036	FEMA-PA-DR-4575 PW42	20,725	20,725
Total Federal Assistance			27,651	27,651

Town of Calumet, Oklahoma
Schedule of Expenditures of State Awards - Modified Cash Basis
For the Year Ended June 30, 2023

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE		STATE <u>EXPENDITURES</u>
STATE ASSISTANCE		
<u>State of Oklahoma</u>		
Passed through the Oklahoma Dept. of Agriculture,		
Food and Forestry Services:		
Rural Fire Defense Program	2022-05-27	\$ 7,626
Rural Fire Defense Program	2022-09-06	<u>10,053</u>
Total State of Oklahoma		<u>17,679</u>
Total State Assistance		<u>\$ 17,679</u>



DILLON & ASSOCIATES, PC
Certified Public Accountants

1401 S. Douglas Blvd., Suite A
Midwest City, OK 73130
Phone: 405-732-1800

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 Users of the Town of Calumet, Oklahoma, Annual Financial Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Calumet, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Calumet, Oklahoma's basic financial statements, and have issued our report thereon dated July 27, 2023. Our report includes a paragraph which notes that the financial statements were prepared on the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States. Our report also includes a paragraph which disclaims an opinion on budgetary comparison information - modified cash.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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* - Continued

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dillon & Associates, PC

Midwest City, Oklahoma
July 27, 2023