

**TOWN OF THACKERVILLE, OKLAHOMA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

**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, 2023, 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, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am required to be independent of the Town, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated February 7, 2024, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Sincerely,



Rod L. Abbott, CPA PLLC
Tom Bean, Texas
February 7, 2024

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, 2023. 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 \$74,005 (13%) to \$629,853 in fiscal year 2023. A \$50,000 contribution from the Chickasaw Nation was a main contributor to this positive result.
- General revenues from governmental activities accounted for \$289,726 of 2023 revenue, or 62% of all revenues from governmental activities.
- The Town's General Fund unassigned fund balance at June 30, 2023 is \$333,659. This balance is equal to 9.4 months of the Town's 2023 expenditures and is a healthy fund balance. This metric was equal to 15.5 months in the prior year.

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.

**TOWN OF THACKERVILLE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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.

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 \$629,853 at June 30, 2023 and represented an increase of \$74,005 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 \$339,089 at June 30, 2023. This is a \$12,714 decrease from the prior year balance.

The following table presents a summary of the net position for the fiscal years ended June 30, 2023 and 2022:

	<u>Governmental Activities</u>	
	<u>FY23</u>	<u>FY22</u>
Current and other assets	\$ 449,062	\$ 418,601
Capital assets	192,901	159,158
Total assets	<u>641,963</u>	<u>577,759</u>
Deferred outflows of resources	-	-
Long-term liabilities	-	-
Other liabilities	12,110	21,912
Total liabilities	<u>12,110</u>	<u>21,912</u>
Deferred inflows of resources	-	-
Net position:		
Net investment in capital assets	192,901	159,158
Restricted	97,863	44,886
Unrestricted	<u>339,089</u>	<u>351,803</u>
Total net position	<u>\$ 629,853</u>	<u>\$ 555,847</u>

**TOWN OF THACKERVILLE, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

A portion of the Town's total net position, in the amount of \$192,901 in 2023 (31%), 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 \$74,005 in 2023. The total cost of all programs and services was \$391,594 in 2023. Governmental activities revenues increased from \$423,466 in 2022 to \$465,599 in 2023 due to a \$50,000 contribution from the Chickasaw Nation.

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and 2022:

	<u>Governmental Activities</u>	
	<u>FY23</u>	<u>FY22</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 70,073	\$ 86,831
Operating grants and contributions	10,487	9,627
Capital grants and contributions	95,312	44,886
General Revenues:		
Sales and use taxes	267,190	247,688
Other taxes	16,992	18,641
Investment income	248	151
Gain (loss) on disposed assets	2,300	11,550
Other	2,997	4,092
	<u>465,599</u>	<u>423,466</u>
Expenses:		
General government	165,548	144,324
Parks and recreation	27,413	18,893
Police	193,303	115,444
Streets and maintenance	5,330	3,401
Debt service - interest	-	-
	<u>391,594</u>	<u>282,062</u>
Excess (deficiency) of revenues over expenditures before transfers	74,005	141,404
Transfers In (Out)	-	-
Increase in net position	<u>74,005</u>	<u>141,404</u>
Net position - July 1	555,848	414,444
Net position - June 30	<u>\$ 629,853</u>	<u>\$ 555,848</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 decreased slightly from \$344,493 to \$333,659 in 2023, or \$10,834. General Fund expenditures increased significantly, from \$267,456 in 2022 to \$425,336 in 2023. This is an increase of \$157,880, or 59% in just one year. The Police department expenditures experienced a year over year increase of \$66,939. Capital outlays increased \$54,383 year over year due to a vehicle purchase.

The General Fund's budgeted total expenditures showed a negative variance of \$32,753. The General Fund's budgeted total revenues and other financing sources showed a positive variance of \$124,145, which allowed for the overall budget versus actual variances to net to a positive \$91,393 result.

CAPITAL ASSETS

The Town of Thackerville's investment in capital assets for its governmental fund as of June 30, 2023 amounts to \$192,901 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, and equipment. The Town's investment in capital assets increased \$33,743 or 21% from the prior year. The increase is attributable to a vehicle purchase in 2023.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town adopted a fiscal year 2024 expenditure budget of \$571,029, which is an increase of \$178,446, or 45% from the prior year budget. This factor and many other factors were considered in preparing the Town's budget for the 2024 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, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 391,383
Investments	2,158
Accounts receivables - net	55,521
Capital assets:	
Non-depreciable capital assets - Land	111,425
Depreciable capital assets (net)	81,476
Total assets	641,963
Liabilities	
Accounts payable	7,536
Accrued wages and payroll liabilities	4,574
Non-current liabilities:	
Due within one year:	-
Due in more than one year:	-
Total liabilities	12,110
Net Position	
Net investment in capital assets	192,901
Restricted for:	
American Rescue Plan Act	47,863
Chickasaw Nation	50,000
Unrestricted	339,089
Total net position	\$ 629,853

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

Town of Thackerville, Oklahoma
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary government:					
Governmental activities:					
Police	\$ 193,303	\$ 64,062	\$ 6,020	\$ 95,312	\$ (27,910)
General government	165,548	5,211	3,542	-	(156,795)
Streets and maintenance	5,330	-	-	-	(5,330)
Parks and recreation	27,412	800	925	-	(25,687)
Total governmental activities	\$ 391,593	\$ 70,073	\$ 10,487	\$ 95,312	(215,721)
General revenues:					
					267,190
					16,992
					248
					2,997
					2,300
				Total general revenues	289,726
				Change in net position	74,005
				Net position - beginning	555,848
				Net position - ending	\$ 629,853

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

Town of Thackerville, Oklahoma
Balance Sheet - Governmental Type Funds
June 30, 2023

	<u>General Fund</u>
Assets	
Cash	\$ 391,383
Certificates of deposit	2,158
Accounts receivable - net	<u>55,521</u>
Total assets	<u><u>\$ 449,062</u></u>
 Liabilities	
Current liabilities:	
Accounts payable	\$ 7,536
Other payroll liabilities	258
Accrued wages	<u>4,316</u>
Total current liabilities	<u><u>12,110</u></u>
 Deferred Inflows of Resources	
Unavailable revenue - Court fines	<u>5,430</u>
Total deferred inflows of resources	<u><u>5,430</u></u>
 Fund Balances	
Restricted for:	
American Rescue Plan Act	47,863
Chickasaw Nation	50,000
Unassigned	<u>333,659</u>
Total fund balances	<u><u>431,522</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 449,062</u></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, 2023

Fund balances of governmental funds	\$	431,522
 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.		192,901
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.		5,430
Net position of governmental activities	<u>\$</u>	<u>629,853</u>

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, 2023

	General Fund
Revenues	
Taxes:	
Sales and use	\$ 267,190
Other	16,992
Fines and forfeitures	65,943
Intergovernmental - A.R.P.A.	45,312
Intergovernmental - Chickasaw Nation	50,000
Building and other permits	5,165
Other revenue	14,330
Investment earnings	248
Total revenues	465,178
Expenditures	
Current:	
General government	164,650
Police	171,392
Streets and maintenance	5,330
Parks and recreation	26,077
Capital outlays	57,887
Debt service:	
Principal retirement	-
Interest and fees	-
Total expenditures	425,336
Excess of revenues over (under) expenditures	39,843
Other financing sources (uses)	
Proceeds from sold assets	2,300
Total other financing sources(uses)	2,300
Net changes in fund balances	42,143
Fund balances - beginning	389,379
Fund balances - ending	\$ 431,522

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, 2023

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

Net change in fund balances - total governmental funds	\$ 42,143
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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 capital outlay expense exceeded depreciation expense in the fiscal year.	33,743
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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 (\$1,881) decrease in deferred revenue.	(1,881)
Change in net position of governmental activities:	<u>\$ 74,005</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, 2023

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, 2023

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, 2023

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 not amend the original budget for fiscal year 2023.

B. Compliance and Accountability

For the year ended June 30, 2023, the Town expenditures at the departmental level exceeded budgeted amounts as follows:

<u>Department</u>	<u>Excess Expenditure Amount</u>
Parks	\$15,577
Police	\$28,016
Capital Outlays	\$5,887

For overall budgeted revenues and expenditures versus actual amounts, the Town experienced an overall positive budget versus actual variance of \$91,393 for fiscal year 2023.

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

III. – DETAILED NOTES ON ALL FUNDS

A. Cash and Certificates of Deposit

At June 30, 2023, the carrying amount of the Town's cash and certificates of deposit totaled \$393,541 and the bank balances totaled \$408,352. The Federal Depository Insurance Corporation insured \$252,158 of the Town's deposits at June 30, 2023, and the financial institution pledged additional securities to fully cover the remaining balance of \$156,194 at June 30, 2023.

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 for cash and up to \$250,000 for certificates of deposit.

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, 2023 is a \$2,158 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, 2023

III. – DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Receivables

Receivables as of June 30, 2023 are comprised of the following:

	General Fund
Use tax	\$ 17,822
Sales tax	29,480
Cigarette tax	209
Alcoholic beverage tax	2,453
Gas excise tax	126
Court fines	101,117
Gross receivables	151,207
Less: Allowance for uncollectables	(95,686)
Net receivables	<u>\$ 55,521</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, 2023 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	57,887	(16,142)	104,092
Furniture, fixtures, and equipment	57,948	-	-	57,948
Total capital assets being depreciated	500,693	57,887	(16,142)	542,438
Less accumulated depreciation for:				
Depreciable capital assets	452,960	24,144	(16,142)	460,962
Total accumulated depreciation:	452,960	24,144	(16,142)	460,962
Net assets being depreciated	47,733	33,743	-	81,476
Total governmental capital assets, net	<u>\$ 159,158</u>	<u>\$ 33,743</u>	<u>\$ -</u>	<u>\$ 192,901</u>

TOWN OF THACKERVILLE, OKLAHOMA
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

III. – DETAILED NOTES ON ALL FUNDS - CONTINUED

D. Capital Assets (continued)

Fiscal year 2023 depreciation expense was charged as a direct expense on the Statement of Activities to Town departments as follows:

<i>Governmental activities:</i>	
General government	\$ 898
Police	21,911
Parks and recreation	<u>1,335</u>
Total depreciation expense - governmental activities	<u>\$ 24,144</u>

E. Long-Term Debt

The Town had no outstanding long-term debt during fiscal year 2023.

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 two restricted equity balances at June 30, 2023. \$47,863 of the restricted balance represents unspent federal grant funds from the American Rescue Plan Act, and \$50,000 is restricted funds received from the Chickasaw Nation.

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, 2023, both the Town and its employees each contributed \$12,920 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, 2023

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 2023, the Town was covered under property, general liability, auto, 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 2023.

C. Subsequent Events

The Town had no material subsequent events. Subsequent events were evaluated through February 7, 2024, 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, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Taxes:			
Sales and use	\$ 211,988	\$ 267,190	\$ 55,202
Other	21,184	16,992	(4,192)
Fines and forfeitures	50,000	65,943	15,943
Intergovernmental - A.R.P.A.	44,886	45,312	426
Intergovernmental - Chickasaw Nation	-	50,000	50,000
Building and other permits	5,000	5,165	165
Other revenue	10,175	14,330	4,155
Investment earnings	100	248	148
Total revenues	<u>343,333</u>	<u>465,178</u>	<u>121,845</u>
Expenditures			
Current:			
General government	178,087	164,650	13,437
Police	143,376	171,392	(28,016)
Streets and maintenance	8,620	5,330	3,290
Parks and recreation	10,500	26,077	(15,577)
Capital outlays	52,000	57,887	(5,887)
Debt service:			
Principal retirement	-	-	-
Interest expense	-	-	-
Total expenditures	<u>392,583</u>	<u>425,336</u>	<u>(32,753)</u>
Excess of revenues over (under) expenditures	(49,250)	39,843	89,093
Other financing sources (uses)			
Proceeds from sold assets	-	2,300	2,300
Total other financing sources(uses)	<u>-</u>	<u>2,300</u>	<u>2,300</u>
Net changes in fund balances	(49,250)	42,143	\$ 91,393
Fund balances - beginning	389,379	389,379	
Fund balances - ending	<u>\$ 340,129</u>	<u>\$ 431,522</u>	

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

COMPLIANCE AND INTERNAL CONTROLS

Rod L. Abbott, CPA PLLC

Certified Public Accountant

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Town of Thackerville, Oklahoma (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated February 7, 2024.

Internal Control over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* as outlined in the *Findings and Responses* section of this report.

Findings and Responses

During my audit, I identified the following internal control matters that are less serious than a material weakness or significant deficiency, yet still merit reporting to management and the Town Council:

Findings

- Finding 2023-001 – Inaccurate Balances in Payroll Liability and Employee Benefits Expense Accounts

Before my audit adjustments, the Town had the following overstated accounts: payroll liability accounts, retirement expense, and health insurance expense. The way the Town’s payroll liabilities are set-up and processed in QuickBooks does not allow for the proper reduction of these liabilities. The Town should utilize a consultant to review the set-up of payroll tax and benefit transactions in QuickBooks and adjust the set-up as needed. This is a recurring finding.

- Finding 2023-002 – Inaccurate Bank Reconciliation for the Town’s Operating Checking Account

The Town’s June 30, 2023 bank reconciliation for this account showed a reconciled balance of \$359,318, but the QuickBooks’s balance was \$362,377, for a difference of \$3,059. When performing the monthly bank reconciliation, the Town should verify the “register balance” on the Reconciliation Report matches the Quickbooks cash balance on that date.

- Finding 2023-003 – Overspending of Budgeted Amounts

For fiscal year 2023 total expenditures, the Town over-expended budgeted amounts by \$32,753. The Town should amend its originally adopted budget as needed when actual expenditures will exceed the original budget amounts.

Responses

- The Town changed their consultant accountant during 2023 and fell behind on such types of balance sheet analyses, but will communicate findings 2023-001 and 2023-002 to the new consultant so that the findings will not recur.
- The Town’s administrative staff struggled with health and other issues during 2023 that did not allow the opportunity to amend the original budget. The Town intends to amend its 2024 budget as needed so that finding 2023-003 does not recur.

Town of Thackerville, Oklahoma’s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town’s response to the findings identified in my audit and described in the *Findings and Responses* section of this report. The Town’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’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 Town’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rod L. Abbott, CPA PLLC

Tom Bean, Texas
February 7, 2024