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# **Town of Tushka, Oklahoma**

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Annual Financial Report  
June 30, 2012

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TOWN OF TUSHKA, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2012

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Town of Tushka, Oklahoma  
Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis  
General Fund  
For the Year Ended June 30, 2012  
(Unaudited)

Revenues	
Sales and use taxes	\$ 60,374
Franchise taxes	5,791
Alcoholic beverage tax	9,338
Gasoline excise tax	590
Motor vehicle tax	2,215
Cigarette tax	887
Fines and forfeitures	210,825
Rent income	140
Proceeds from insurance	38,033
Interest income	210
Other revenues	3,963
Grant proceeds:	
District Attorney Council	2,763
CDBG	17,000
REAP	50,000
FEMA / ODEM Disaster Relief	<u>367,089</u>
 Total revenues	 <u>769,218</u>
Expenditures	
General government	
Personal services	96,478
Materials and supplies	8,242
Other charges and services	30,667
Capital expenditures / CDBG Grant	17,000
 Police department	
Personal services	90,214
Materials and supplies	24,057
Other charges and services	38,631
Capital expenditures	-
 Fire department	
Personal services	2,026
Other charges and services	800
Capital expenditures	-
 Street department	
Personal services	-
Materials and supplies	5,089
Other charges and services	322,602
Capital expenditures	<u>10,202</u>
 Total expenditures	 <u>646,008</u>
 Excess of revenues over (under) expenditures	 123,210
 Transfers to Police Fund	 (12,937)
Transfers to Fire Department Fund	<u>(12,937)</u>
 Excess of revenues and transfers over (under) expenditures	 97,336
 Beginning fund balance, adjusted to cash basis	 <u>144,537</u>
 Ending fund balance	 \$ <u>241,873</u>

See Accountant's Report

Town of Tushka, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
General Fund  
For the Year Ended June 30, 2012  
(Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
Sales and use taxes	\$ 50,000	-	50,000	60,374	10,374
Franchise taxes	5,500	-	5,500	5,791	291
Alcoholic beverage tax	22,000	-	22,000	9,338	(12,662)
Gasoline excise tax	600	-	600	590	(10)
Motor vehicle tax	7,000	-	7,000	2,215	(4,785)
Cigarette tax	750	-	750	887	137
Fines and forfeitures	175,000	-	175,000	210,825	35,825
Rent income	1,000	-	1,000	140	(860)
Proceeds from insurance	-	-	-	38,033	38,033
Interest income	400	-	400	210	(190)
Other revenues	-	-	-	3,963	3,963
Grant proceeds:					
District Attorney Council	-	2,763	2,763	2,763	-
CDBG	-	17,000	17,000	17,000	-
REAP	30,000	20,000	50,000	50,000	-
FEMA Disaster Relief	183,000	184,089	367,089	367,089	-
<b>Total revenues</b>	<u>475,250</u>	<u>223,852</u>	<u>699,102</u>	<u>769,218</u>	<u>70,116</u>
<b>Expenditures</b>					
General government					
Personal services	43,917	60,000	103,917	96,478	7,439
Materials and supplies	15,000	-	15,000	8,242	6,758
Other charges and services	50,000	-	50,000	30,667	19,333
Capital expenditures	10,000	17,000	27,000	17,000	10,000
<b>Total general government</b>	<u>118,917</u>	<u>77,000</u>	<u>195,917</u>	<u>152,387</u>	<u>43,530</u>
Police department					
Personal services	90,534	-	90,534	90,214	320
Materials and supplies	17,500	2,763	20,263	24,057	(3,794)
Other charges and services	45,000	-	45,000	38,631	6,369
Capital expenditures	10,000	-	10,000	-	10,000
<b>Total police department</b>	<u>163,034</u>	<u>2,763</u>	<u>165,797</u>	<u>152,902</u>	<u>12,895</u>
Fire department					
Personal services	2,640	-	2,640	-	2,640
Materials and supplies	-	-	-	2,026	(2,026)
Other charges and services	-	1,000	1,000	800	200
Capital expenditures	-	-	-	-	-
<b>Total fire department</b>	<u>2,640</u>	<u>1,000</u>	<u>3,640</u>	<u>2,826</u>	<u>814</u>
Street department					
Personal services	64,943	-	64,943	-	64,943
Materials and supplies	9,000	-	9,000	5,089	3,911
Other charges and services	120,000	143,089	263,089	322,602	(59,513)
Capital expenditures	30,000	-	30,000	10,202	19,798
<b>Total street department</b>	<u>223,943</u>	<u>143,089</u>	<u>367,032</u>	<u>337,893</u>	<u>29,139</u>
<b>Total expenditures</b>	<u>508,534</u>	<u>223,852</u>	<u>732,386</u>	<u>646,008</u>	<u>86,378</u>
Excess of revenues over or (under) expenditures	(33,284)	-	(33,284)	123,210	156,494
Transfers to other funds	(21,428)	-	(21,428)	(25,874)	(4,446)
Excess of revenues and transfers over or (under) expenditures	(54,712)	-	(54,712)	97,336	152,048
Beginning fund balance - cash	54,842	-	54,842	144,537	89,695
Ending fund balance - cash	\$ 130	-	130	241,873	241,743

See Accountant's Report

Town of Tushka, Oklahoma  
Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis  
Special Revenue Funds  
For the Year Ended June 30, 2012  
(Unaudited)

	Police Fund	Fire Dept Fund	Development Trust Fund
<b>Revenues</b>			
County sales taxes	\$ -	39,592	-
Donations	-	5,100	-
Drug seizures	-	-	-
Charges and fees	427	8,120	7,200
Grant proceeds	-	4,413	-
<b>Total revenues</b>	<b>427</b>	<b>57,225</b>	<b>7,200</b>
<b>Expenditures</b>			
General & Administrative	-	-	50
Debt service payments	-	-	12,000
Police department			
Materials and supplies	5,700	-	-
Other charges and services	3,341	-	-
Capital expenditures	5,185	-	-
Fire department			
Personal services	-	-	-
Materials and supplies	-	4,010	-
Other charges and services	-	13,824	-
Capital expenditures	-	52,788	-
<b>Total expenditures</b>	<b>14,226</b>	<b>70,622</b>	<b>12,050</b>
Excess of revenues over (under) expenditures	(13,799)	(13,397)	(4,850)
Interfund Transfers	-	(8,810)	8,810
Transfers from General Fund	12,937	12,937	-
Excess of revenues and transfers over (under) expenditures	(862)	(9,270)	3,960
Beginning fund balance - cash	826	82,397	181
Ending fund balance - cash	\$ (36)	73,127	4,141

See Accountant's Report

Town of Tushka, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
Police Department Fund  
For the Year Ended June 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Adjusts</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues					
Donations	\$ -	-	-	-	-
Charges and fees	-	-	-	427	427
Grant proceeds	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>427</u>	<u>427</u>
Expenditures					
Materials and supplies	4,000	-	4,000	5,700	(1,700)
Other charges and services	4,000	-	4,000	3,341	659
Capital expenditures	<u>2,724</u>	<u>-</u>	<u>2,724</u>	<u>5,185</u>	<u>(2,461)</u>
Total expenditures	<u>10,724</u>	<u>-</u>	<u>10,724</u>	<u>14,226</u>	<u>(3,502)</u>
Excess of revenues over or (under) expenditures	(10,724)	-	(10,724)	(13,799)	(3,075)
Transfers from General Fund	<u>10,714</u>	<u>-</u>	<u>10,714</u>	<u>12,937</u>	<u>2,223</u>
Excess of revenues and transfers over or (under) expenditures	(10)	-	(10)	(862)	(852)
Beginning fund balance - cash	<u>10</u>	<u>-</u>	<u>10</u>	<u>826</u>	<u>816</u>
Ending fund balance - cash	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(36)</u>	<u>(36)</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Fire Department  
 For the Year Ended June 30, 2012  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
County sales taxes	\$ -	39,592	39,592	39,592	-
Donations	-	-	-	5,100	5,100
Charges and fees	-	-	-	8,120	8,120
Grant proceeds	4,398	-	4,398	4,413	15
Total revenues	<u>4,398</u>	<u>39,592</u>	<u>43,990</u>	<u>57,225</u>	<u>13,235</u>
Expenditures					
Personal services	3,000	-	3,000	-	3,000
Materials and supplies	15,000	-	15,000	4,010	10,990
Other charges and services	15,000	-	15,000	13,824	1,176
Capital expenditures	50,924	39,592	90,516	52,788	37,728
Total expenditures	<u>83,924</u>	<u>39,592</u>	<u>123,516</u>	<u>70,622</u>	<u>52,894</u>
Excess of revenues over or (under) expenditures	(79,526)	-	(79,526)	(13,397)	66,129
Transfers from General Fund	10,714	-	10,714	12,937	2,223
Transfers to Development Trust Fund	(4,398)	-	(4,398)	(8,810)	(4,412)
Excess of revenues and transfers over or (under) expenditures	(73,210)	-	(73,210)	(9,270)	63,940
Beginning fund balance - cash	73,210	-	73,210	82,397	9,187
Ending fund balance - cash	\$ -	-	-	73,127	73,127

See Accountant's Report

Town of Tushka, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
Tushka Development Trust Authority  
For the Year Ended June 30, 2012  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Adjusts</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
Revenues					
Rental revenues	\$ 7,200	-	7,200	7,200	-
Loan proceeds	-	-	-	-	-
Total revenues	<u>7,200</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Expenditures					
General & administrative	-	-	-	50	(50)
Debt service payments	<u>11,600</u>	<u>4,412</u>	<u>16,012</u>	<u>12,000</u>	<u>4,012</u>
Total expenditures	<u>11,600</u>	<u>4,412</u>	<u>16,012</u>	<u>12,050</u>	<u>3,962</u>
Excess of revenues over or (under) expenditures	(4,400)	(4,412)	(8,812)	(4,850)	3,962
Transfers from Fire Dept Fund	<u>4,398</u>	<u>4,412</u>	<u>8,810</u>	<u>8,810</u>	<u>-</u>
Excess of revenues and transfers over or (under) expenditures	(2)	-	(2)	3,960	3,962
Beginning fund balance - cash	<u>281</u>	<u>-</u>	<u>281</u>	<u>181</u>	<u>(100)</u>
Ending fund balance - cash	<u>\$ 279</u>	<u>-</u>	<u>279</u>	<u>4,141</u>	<u>3,862</u>

See Accountant's Report

Town of Tushka, Oklahoma  
Schedule of Grant Activity -- Cash Basis  
For the Fiscal Year Ended June 30, 2012  
(Unaudited)

Grant Program Agency and Description	Total Grant Awarded	Beginning of the Year Unexpended Funds (Rev Receivable)	Current Year Receipts	Current Year Disbursements	End of the Year Unexpended Funds (Rev Receivable)
<b><u>Federal Award Programs</u></b>					
<u>U.S. Dept of Housing &amp; Urban Development</u>					
<u>Passed through Okla Dept of Commerce</u>					
Community Development Block Grant No. 14267-CDBG-CIP-10 (CFDA 14.228)	\$ 17,000	-	17,000	17,000	-
<u>U.S. Dept of Justice</u>					
<u>Passed through Okla D.A. Council</u>					
JAG-LLE Equipment No. J09-10-088 (CFDA 16.803)	\$ 2,763	-	2,763	2,763	-
<u>U.S. Dept of Homeland Security</u>					
<u>Passed through FEMA and ODEM</u>					
Post disaster police dept security No. DR-1970-OK DRC (CFDA 97.036)	\$ 15,480	-	4,680	4,680	-
Post disaster right-of-way clean up No. DR-1970-OK-DRT-002 (CFDA 97.036)	\$ 92,254	-	61,918	61,918	-
Post disaster debris removal No. PA-06-OK-1970-PW-001(CFDA 97.036)	\$ 305,723	-	244,017	244,017	-
Total Federal Award Programs		-	330,378	330,378	-
<b><u>State &amp; Other Award Programs</u></b>					
<u>Oklahoma Dept of Emergency Management</u>					
Storm debris removal - non-federal share	\$ 56,474	-	56,474	56,474	-
<u>Oklahoma Dept of Agriculture</u>					
Rural Fire Department Operational Assitance	\$ 4,413	-	4,413	4,413	-
Rural Community Fire Assistance (80/20) Fire station construction / materials	\$ 30,000	-	-	30,000	(30,000)
<u>Southern Oklahoma Development Assoc</u>					
Rural Economic Action Plan Storm debris removal - REAP 11-093	\$ 50,000	-	50,000	50,000	-
Total State & Other Award Programs		\$ -	\$ 110,887	\$ 140,887	\$ (30,000)

See Accountant's Report

*Certified Public Accountants*

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Specified Users of the Report:

Town Council, Town of Tushka  
Tushka, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

We have compiled the accompanying statements of revenues, expenditures and changes in fund balances—cash basis of the Town of Tushka, Oklahoma for the year ended June 30, 2012 and the related budgetary comparison schedules—cash basis and the schedule of grant activity—cash basis for the year ended June 30, 2012, as listed in the table of contents.

These financial statements have been prepared in a format and basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which are comprehensive bases of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with such bases of accounting.

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with the selected bases of accounting and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balances, revenues and expenditures. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by such state laws and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Tushka is responsible for the Town's financial accountability and its compliance with those legal and contractual agreements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes (Sec 11-17.105 - .107). The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

(continued)

**Procedures and Findings**

As to the Town of Tushka as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances, we compiled a schedule of changes in fund balances for each fund (see accompanying Exhibits 1 and 3) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** The Police Fund ended the June 30, 2012 fiscal year with a deficit fund balance of \$36. This condition resulted from the issuance of expenditure payment checks at the end of June, 2012 without enough funds in the bank account to cover all such checks issued. As some of the checks were not mailed to the vendors until enough funds had been deposited to the bank account in July, 2012 to cover all payments, none of these checks were returned for insufficient funds. This appears to be a one-time isolated instance and the Town's treasurer has committed to ensuring that this condition does not re-occur.

2. **Procedures Performed:** From the Town's trial balances and officially adopted budget documents, we compiled a budget and actual financial schedule for the General Fund and any other significant funds (see accompanying Exhibits 2, 4, 5 and 6) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** Annual expenditures of the Police Fund for the fiscal year ended June 30, 2012 exceeded budget appropriations by \$3,502. This condition resulted from the Fund receiving additional revenue during the year but not making additional budget appropriations for such revenue. The Town's management indicated that more attention will be given to interim revenue and expenditure amounts in the future so that appropriate budget adjustment can be made on a timely basis.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** We noted no findings in regards to this procedure.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** We determined that at June 30, 2012 all of the Town's depository bank account balances were fully FDIC insured or properly collateralized.

(continued)

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** We noted no instances of noncompliance.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** We noted no instances of noncompliance.

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** The Town did not have any outstanding debt issues which carried reserve requirements or debt service coverage requirements.

8. **Procedures Performed:** From the Town's trial balances, we compiled a schedule of grant activity for each grant/contract (see accompanying Exhibit 7) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

**Findings:** We noted no instances of noncompliance.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

*Collier Fox & Assoc P.C.*

COLLIER, FOX & ASSOCIATES, P.C.  
December 13, 2012