

TOWN OF TUSKA, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2011

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State Auditor & Inspector

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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, 2011
(Unaudited)

	\$ 56,414	
Revenues		
Sales and use taxes	7,327	
Franchise taxes	25,042	
Alcoholic beverage tax	623	
Gasoline excise tax	7,171	
Motor vehicle tax	794	
Cigarette tax	210,550	
Fines and forfeitures	945	
Rent income	10,588	
Proceeds from insurance	434	
Interest income	174	
Other revenues	9,726	
Grant proceeds:	102,842	
District Attorney Council	-	
FEMA Disaster Relief	432,630	
Total revenues	<u>432,630</u>	
Expenditures		
General government	78,729	
Personal services	6,726	
Materials and supplies	19,801	
Capital expenditures	-	
Police department	84,594	
Personal services	12,355	
Materials and supplies	44,317	
Capital expenditures	-	
Fire department	-	
Personal services	-	
Materials and supplies	-	
Capital expenditures	-	
Street department	630	
Personal services	18,833	
Materials and supplies	66,884	
Capital expenditures	-	
Total expenditures	<u>332,869</u>	
Excess of revenues over (under) expenditures	99,761	
Transfers to Police Fund	(12,089)	
Transfers to Fire Department Fund	(12,089)	
Excess of revenues and transfers over (under) expenditures	75,583	
Beginning fund balance, adjusted to cash basis	68,954	
Ending fund balance	<u>\$ 144,537</u>	

See Accountant's Report

Town of Tushka, Oklahoma
Budgetary Comparison Schedule - Cash Basis
General Fund
For the Year Ended June 30, 2011
(Unaudited)

Variance	Positive	Actual	Final	Budget	Adjusts	Original	
(Negative)	Amounts						
							Revenues
							Sales and use taxes
							Franchise taxes
							Alcoholic beverage tax
							Gasoline excise tax
							Motor vehicle tax
							Cigarette tax
							Fines and forfeitures
							Rent income
							Proceeds from insurance
							Interest income
							Other revenues
							Grant proceeds:
							District Attorney Council
							FEMA Disaster Relief
							Total revenues
							Expenditures
							General government
							Personal services
							Materials and supplies
							Other charges and services
							Capital expenditures
							Total general government
							Police department
							Personal services
							Materials and supplies
							Other charges and services
							Capital expenditures
							Total fire department
							Personal services
							Materials and supplies
							Other charges and services
							Capital expenditures
							Total fire department
							Street department
							Personal services
							Materials and supplies
							Other charges and services
							Capital expenditures
							Total street department
							Total expenditures
							Excess of revenues over or (under) expenditures
							Transfers to other funds
							Excess of revenues and transfers over or (under) expenditures
							Beginning fund balance
							Ending fund balance

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Town of Tushka, Oklahoma
 Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis
 Special Revenue Funds
 For the Year Ended June 30, 2011
 (Unaudited)

	Police Fund	Fire Dept Fund	Development Trust Fund
Revenues			
County sales taxes	\$ -	34,162	-
Donations	-	-	-
Drug seizures	-	-	-
Charges and fees	49	956	-
Grant proceeds	-	161,940	-
Total revenues	49	197,058	-
Expenditures			
General & Administrative	-	-	176
Police department	4,501	-	-
Materials and supplies	3,431	-	-
Other charges and services	4,787	-	-
Fire department	-	2,675	-
Personal services	-	9,998	-
Materials and supplies	-	4,562	-
Other charges and services	-	271,248	-
Capital expenditures	-	-	-
Total expenditures	12,719	288,483	176
Excess of revenues over (under) expenditures	(12,670)	(91,425)	(176)
Transfers from General Fund	12,089	12,089	-
Excess of revenues and transfers over (under) expenditures	(581)	(79,336)	(176)
Beginning fund balance	1,407	125,655	183
Ending fund balance	\$ 826	46,319	7

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Town of Tushka, Oklahoma
 Budgetary Comparison Schedule - Cash Basis
 Police Department Fund
 For the Year Ended June 30, 2011
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Donations	-	-	-	-	-
Charges and fees	-	-	-	49	49
Grant proceeds	8,796	-	8,796	-	(8,796)
Total revenues	8,796	-	8,796	49	(8,747)
Expenditures					
Materials and supplies	6,000	-	6,000	4,501	1,499
Other charges and services	4,000	-	4,000	3,431	569
Capital expenditures	10,021	-	10,021	4,787	5,234
Total expenditures	20,021	-	20,021	12,719	7,302
Excess of revenues over or (under) expenditures	(11,225)	-	(11,225)	(12,670)	(1,445)
Transfers from General Fund	9,429	-	9,429	12,089	2,660
Excess of revenues and transfers over or (under) expenditures	(1,796)	-	(1,796)	(581)	1,215
Beginning fund balance	1,796	-	1,796	1,407	(389)
Ending fund balance	-	-	-	826	826

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Town of Tushka, Oklahoma
 Fire Department
 Budgetary Comparison Schedule - Cash Basis
 For the Year Ended June 30, 2011
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
County sales taxes	-	-	30,000	34,162	4,162
Donations	-	-	-	-	-
Charges and fees	-	-	-	956	956
Grant proceeds	5,100	157,542	162,642	161,940	(702)
Total revenues	5,100	187,542	192,642	197,058	4,416
Expenditures					
Personal services	3,000	-	3,000	2,675	325
Materials and supplies	17,500	-	17,500	9,998	7,502
Other charges and services	7,500	-	7,500	4,562	2,938
Capital expenditures	104,431	215,742	320,173	271,248	48,925
Total expenditures	132,431	215,742	348,173	288,483	59,690
Excess of revenues over or (under) expenditures	(127,331)	(28,200)	(155,531)	(91,425)	64,106
Transfers from General Fund	9,429	-	9,429	12,089	2,660
Temp loan from Development Trust	-	28,200	28,200	-	(28,200)
Excess of revenues and transfers over or (under) expenditures	(117,902)	-	(117,902)	(79,336)	38,566
Beginning fund balance	117,902	-	117,902	125,655	7,753
Ending fund balance	-	-	-	46,319	46,319

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Town of Tushka, Oklahoma
 Budgetary Comparison Schedule - Cash Basis
 Tushka Development Trust Authority
 For the Year Ended June 30, 2011
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Rental revenues	-	28,375	28,375	28,200	(175)
Loan proceeds	-	-	-	-	-
Total revenues	-	28,375	28,375	28,200	(175)
Expenditures					
General & administrative	-	176	176	176	-
Total expenditures	-	176	176	176	-
Excess of revenues over or (under) expenditures	-	28,199	28,199	28,024	(175)
Transfers to Fire Dept Fund	-	(28,200)	(28,200)	(28,200)	-
Excess of revenues and transfers over or (under) expenditures	-	(1)	(1)	(176)	(175)
Beginning fund balance	183	-	183	183	-
Ending fund balance	\$ 183	(1)	182	7	(175)

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Town of Tushka, Oklahoma
Schedule of Grant Activity -- Cash Basis
For the Fiscal Year Ended June 30, 2011
 (Unaudited)

Grant Program Agency and Description	Awarded	(Rev Receivable)	Receipts	Disbursements	(Rev Receivable)
Total	Year	Year	Year	Year	Year
the Year	Current	Current	Current	Current	Current
Beginning of	Unexpended	Unexpended	Unexpended	Unexpended	Unexpended
End of	the Year	the Year	the Year	the Year	the Year
Federal Award Programs					
U.S. Dept of Housing & Urban Development Passed through Okla Dept of Commerce Community Development Block Grant No. 14267-CDBG-CIP-10 (CFDA 14.228)	\$ 17,000	-	-	-	-
U.S. Dept of Justice Passed through Okla D.A. Council JAG-LE Equipment No. JR09-091 (CFDA 16.803)	\$ 8,796	-	8,796	-	-
BV Equipment No. JR09-154 (CFDA 16.803)	\$ 1,050	-	930	-	-
U.S. Dept of Homeland Security Passed through FEMA and ODEM Post disaster police dept security No. DR-1970-OK DRC (CFDA 97.xxx)	\$ 15,480	-	10,800	-	-
Post disaster right-of-way clean up No. DR-1970-OK-DRT-002 (CFDA 97.xxx)	\$ 45,504	-	30,336	-	-
Post disaster debris removal No. PA-06-OK-1970-PW-001 (CFDA 97.xxx)	\$ 246,305	-	61,706	-	-
U.S. Dept of Agriculture Passed through Rural Development Agency Community Facilities Grant - Truck Purchase No. OK-00-02 (CFDA 10.780)	\$ 157,542	-	157,542	-	-
Total Federal Award Programs	\$ 439,887	-	361,180	-	-
State Award Programs					
Oklahoma Dept of Agriculture Rural Fire Department Operational Assistance	\$ 4,398	-	4,398	-	-
Total State Award Programs	\$ 4,398	-	4,398	-	-

See Accountant's Report

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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, 2011 and the related budgetary comparison schedules—cash basis and the schedule of grant activity—cash basis for the year ended June 30, 2011, 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 *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, 2011. 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.

Procedures and Findings

As to the Town of Tushka as of and for the fiscal year ended June 30, 2011:

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: We noted no instances of noncompliance.

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: We noted no instances of noncompliance.

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, 2011 all of the Town's depository bank account balances were fully FDIC insured.

(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. In connection with this procedure, we did note the Town expended the \$58,520 of designated sales tax receipts from Aloka County remaining from the previous fiscal year ended June 30, 2010 for the purchase of a fire truck and other firefighting materials, supplies and equipment as allowed.

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.

Collins Fox & Moore P.C.

COLLINS, FOX & ASSOCIATES, P.C.

December 13, 2011