

**TOWN OF TUSHKA, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2013

TOWN OF TUSHKA, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2013

TABLE OF CONTENTS

Exh. 1	Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis – General Fund .....	1
Exh. 2	Budgetary Comparison Schedule – Cash Basis – General Fund .....	2
Exh. 3	Statement of Revenues, Expenditure and Changes in Fund Balance – Cash Basis – Special Revenue Funds .....	3
Exh. 4	Budgetary Comparison Schedule – Cash Basis – Police Fund .....	4
Exh. 5	Budgetary Comparison Schedule – Cash Basis – Fire Department Fund .....	5
Exh. 6	Budgetary Comparison Schedule – Cash Basis – Development Trust Authority .....	6
Exh. 7	Schedule of Grant Activity – Cash Basis .....	7
-	Independent Accountant’s Report on Applying Agreed-Upon Procedures .....	8-10

Town of Tushka, Oklahoma  
Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis  
General Fund  
For the Year Ended June 30, 2013  
(Unaudited)

Revenues	
Sales and use taxes	\$ 63,828
Franchise taxes	5,677
Alcoholic beverage tax	23,259
Gasoline excise tax	578
Motor vehicle tax	6,079
Cigarette tax	737
Fines and forfeitures	217,754
Rent income	855
Proceeds from insurance	-
Interest income	241
Other revenues	579
Grant proceeds	-
	<u>                  -</u>
Total revenues	<u>319,587</u>
Expenditures	
General government	
Personal services	73,283
Materials and supplies	7,632
Other charges and services	23,409
Capital expenditures	-
Police department	
Personal services	94,751
Materials and supplies	16,812
Other charges and services	34,381
Capital expenditures	36,648
Fire department	
Personal services	5,310
Other charges and services	-
Capital expenditures	-
Street department	
Personal services	3,778
Materials and supplies	2,203
Other charges and services	5,587
Capital expenditures	<u>39,020</u>
Total expenditures	<u>342,814</u>
Excess of revenues over (under) expenditures	(23,227)
Sales Tax Transfers to Police Dept Fund	(13,647)
Sales Tax Transfers to Fire Dept Fund	(13,647)
Other Transfers to Fire Dept Fund	<u>(16,115)</u>
Excess of revenues and transfers over (under) expenditures	(66,636)
Beginning fund balance, cash basis	<u>241,873</u>
Ending fund balance, cash basis	<u>\$ 175,237</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund  
 For the Year Ended June 30, 2013  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
Sales and use taxes	\$ 68,000	-	68,000	63,828	(4,172)
Franchise taxes	6,500	-	6,500	5,677	(823)
Alcoholic beverage tax	9,400	-	9,400	23,259	13,859
Gasoline excise tax	590	-	590	578	(12)
Motor vehicle tax	2,600	-	2,600	6,079	3,479
Cigarette tax	900	-	900	737	(163)
Fines and forfeitures	200,000	-	200,000	217,754	17,754
Rent income	-	-	-	855	855
Proceeds from insurance	-	-	-	-	-
Interest income	100	-	100	241	141
Other revenues	-	-	-	579	579
Grant proceeds	79,000	-	79,000	-	(79,000)
<b>Total revenues</b>	<u>367,090</u>	<u>-</u>	<u>367,090</u>	<u>319,587</u>	<u>(47,503)</u>
<b>Expenditures</b>					
<b>General government</b>					
Personal services	44,517	30,000	74,517	73,283	1,234
Materials and supplies	15,000	(5,000)	10,000	7,632	2,368
Other charges and services	30,000	(5,000)	25,000	23,409	1,591
Capital expenditures	10,000	(10,000)	-	-	-
<b>Total general government</b>	<u>99,517</u>	<u>10,000</u>	<u>109,517</u>	<u>104,324</u>	<u>5,193</u>
<b>Police department</b>					
Personal services	92,687	5,000	97,687	94,751	2,936
Materials and supplies	25,000	(7,000)	18,000	16,812	1,188
Other charges and services	45,000	(6,000)	39,000	34,381	4,619
Capital expenditures	30,000	8,000	38,000	36,648	1,352
<b>Total police department</b>	<u>192,687</u>	<u>-</u>	<u>192,687</u>	<u>182,592</u>	<u>10,095</u>
<b>Fire department</b>					
Personal services	2,640	3,000	5,640	5,310	330
Materials and supplies	-	-	-	-	-
Other charges and services	-	-	-	-	-
Capital expenditures	-	-	-	-	-
<b>Total fire department</b>	<u>2,640</u>	<u>3,000</u>	<u>5,640</u>	<u>5,310</u>	<u>330</u>
<b>Street department</b>					
Personal services	6,000	-	6,000	3,778	2,222
Materials and supplies	5,000	-	5,000	2,203	2,797
Other charges and services	5,000	-	5,000	5,587	(587)
Capital expenditures	79,000	(13,000)	66,000	39,020	26,980
<b>Total street department</b>	<u>95,000</u>	<u>(13,000)</u>	<u>82,000</u>	<u>50,588</u>	<u>31,412</u>
<b>Total expenditures</b>	<u>389,844</u>	<u>-</u>	<u>389,844</u>	<u>342,814</u>	<u>47,030</u>
Excess of revenues over or (under) expenditures	(22,754)	-	(22,754)	(23,227)	(473)
Transfers to other funds	(29,143)	-	(29,143)	(43,409)	(14,266)
Excess of revenues and transfers over or (under) expenditures	(51,897)	-	(51,897)	(66,636)	(14,739)
Beginning fund balance - cash basis	127,890	-	127,890	241,873	113,983
Ending fund balance - cash basis	\$ 75,993	-	75,993	175,237	99,244

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, 2013  
(Unaudited)

	Police Fund	Fire Dept Fund	Development Trust Fund
Revenues			
County sales taxes	\$ -	39,025	-
Donations	-	-	-
Drug seizures	-	-	-
Charges, fees & rents	-	-	7,200
Grant proceeds	-	44,484	-
	<u>-</u>	<u>83,509</u>	<u>7,200</u>
Total revenues	<u>-</u>	<u>83,509</u>	<u>7,200</u>
Expenditures			
General & Administrative	-	-	33
Debt service payments	-	-	15,645
Police department			
Materials and supplies	4,299	-	-
Other charges and services	2,903	-	-
Capital expenditures	1,197	-	-
Fire department			
Professional services, grant contract	-	10,000	-
Materials and supplies	-	8,318	-
Other charges and services	-	12,822	-
Capital expenditures	-	17,484	-
	<u>8,399</u>	<u>48,624</u>	<u>15,678</u>
Total expenditures	<u>8,399</u>	<u>48,624</u>	<u>15,678</u>
Excess of revenues over (under) expenditures	(8,399)	34,885	(8,478)
Interfund Transfers	-	(4,484)	4,484
Transfers from General Fund	13,647	29,762	-
	<u>13,647</u>	<u>29,762</u>	<u>-</u>
Excess of revenues and transfers over (under) expenditures	5,248	60,163	(3,994)
Beginning fund balance - cash basis	(36)	73,127	4,141
	<u>(36)</u>	<u>73,127</u>	<u>4,141</u>
Ending fund balance - cash basis	\$ <u>5,212</u>	<u>133,290</u>	<u>147</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Police Department Fund  
 For the Year Ended June 30, 2013  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
Revenues					
Donations	\$ -	-	-	-	-
Charges and fees	-	-	-	-	-
Grant proceeds	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Materials and supplies	6,500	-	6,500	4,299	2,201
Other charges and services	3,500	-	3,500	2,903	597
Capital expenditures	4,500	-	4,500	1,197	3,303
Total expenditures	<u>14,500</u>	<u>-</u>	<u>14,500</u>	<u>8,399</u>	<u>6,101</u>
Excess of revenues over or (under) expenditures	(14,500)	-	(14,500)	(8,399)	6,101
Transfers from General Fund	14,571	-	14,571	13,647	(924)
Excess of revenues and transfers over or (under) expenditures	71	-	71	5,248	5,177
Beginning fund balance - cash basis	13	-	13	(36)	(49)
Ending fund balance - cash basis	<u>\$ 84</u>	<u>-</u>	<u>84</u>	<u>5,212</u>	<u>5,128</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Fire Department  
 For the Year Ended June 30, 2013  
 (Unaudited)

	Original <u>Budget</u>	Budget <u>Adjusts</u>	Final <u>Budget</u>	Actual <u>Amounts</u>	Variance Positive (Negative)
<b>Revenues</b>					
County sales taxes	\$ -	34,000	34,000	39,025	5,025
Donations	-	-	-	-	-
Charges and fees	-	-	-	-	-
Grant proceeds	<u>4,400</u>	<u>40,000</u>	<u>44,400</u>	<u>44,484</u>	<u>84</u>
Total revenues	<u>4,400</u>	<u>74,000</u>	<u>78,400</u>	<u>83,509</u>	<u>5,109</u>
<b>Expenditures</b>					
Personal & professional services	3,000	10,000	13,000	10,000	3,000
Materials and supplies	10,000	-	10,000	8,318	1,682
Other charges and services	15,000	-	15,000	12,822	2,178
Capital expenditures	<u>27,500</u>	<u>64,000</u>	<u>91,500</u>	<u>17,484</u>	<u>74,016</u>
Total expenditures	<u>55,500</u>	<u>74,000</u>	<u>129,500</u>	<u>48,624</u>	<u>80,876</u>
Excess of revenues over or (under) expenditures	(51,100)	-	(51,100)	34,885	85,985
Transfers from General Fund	14,571	-	14,571	29,762	15,191
Transfers to Development Trust Fund	<u>(4,400)</u>	<u>-</u>	<u>(4,400)</u>	<u>(4,484)</u>	<u>(84)</u>
Excess of revenues and transfers over or (under) expenditures	(40,929)	-	(40,929)	60,163	101,092
Beginning fund balance - cash basis	<u>40,959</u>	<u>-</u>	<u>40,959</u>	<u>73,127</u>	<u>32,168</u>
Ending fund balance - cash basis	<u>\$ 30</u>	<u>-</u>	<u>30</u>	<u>133,290</u>	<u>133,260</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Tushka Development Trust Authority  
 For the Year Ended June 30, 2013  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
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	-	-	-	33	(33)
Debt service payments	12,000	3,000	15,000	15,645	(645)
Total expenditures	<u>12,000</u>	<u>3,000</u>	<u>15,000</u>	<u>15,678</u>	<u>(678)</u>
Excess of revenues over or (under) expenditures	(4,800)	(3,000)	(7,800)	(8,478)	(678)
Transfers from Fire Dept Fund	4,400	-	4,400	4,484	84
Excess of revenues and transfers over or (under) expenditures	(400)	(3,000)	(3,400)	(3,994)	(594)
Beginning fund balance - cash basis	<u>4,018</u>	<u>3,000</u>	<u>7,018</u>	<u>4,141</u>	<u>(2,877)</u>
Ending fund balance - cash basis	\$ <u><u>3,618</u></u>	<u><u>-</u></u>	<u><u>3,618</u></u>	<u><u>147</u></u>	<u><u>(3,471)</u></u>

See Accountant's Report

Town of Tushka, Oklahoma  
Schedule of Grant Activity -- Cash Basis  
For the Fiscal Year Ended June 30, 2013  
(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>					
No Federal Award Programs This Year	\$ -	-	-	-	-
Total Federal Award Programs		-	-	-	-
<b><u>State &amp; Other Award Programs</u></b>					
<u>Oklahoma Dept of Agriculture</u>					
Rural Fire Department Operational Assistance	\$ 4,484	-	4,484	4,484	-
Rural Community Fire Assistance (80/20) Fire station construction / materials	\$ 30,000	(30,000)	30,000	-	-
Urban and Community Assistance Grant Community Wildfire Protection Plan	\$ 10,000	-	10,000	10,000	-
Total State & Other Award Programs		<u>\$ (30,000)</u>	<u>\$ 44,484</u>	<u>\$ 14,484</u>	<u>\$ -</u>

See Accountant's Report

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, 2013 and the related budgetary comparison schedules—cash basis and the schedule of grant activity—cash basis for the year ended June 30, 2013, 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, 2013. 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, 2013:

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:** There were no deficit fund balances at June 30, 2013.

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:** The Town was in compliance with all legal appropriation limitations.

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 & ASSOCIATES, P.C.  
December 10, 2013