

**TOWN OF TUSHKA, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

TOWN OF TUSHKA, OKLAHOMA  
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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, 2016  
(Unaudited)

Revenues	
Sales and use taxes	\$ 70,729
Franchise taxes	5,571
Alcoholic beverage tax	8,794
Gasoline excise tax	569
Motor vehicle tax	2,208
Cigarette tax	793
Fines and forfeitures	210,631
Rent income	1,275
Proceeds from insurance	-
Interest income	291
Other revenues	11,862
Grant proceeds	-
	<u>312,723</u>
Total revenues	
Expenditures	
General government	
Personal services	82,348
Materials and supplies	7,554
Other charges and services	29,303
Capital expenditures	-
Police department	
Personal services	93,082
Materials and supplies	9,040
Other charges and services	27,944
Capital expenditures	-
Fire department	
Personal services	1,950
Other charges and services	-
Capital expenditures	-
Street department	
Personal services	7,340
Materials and supplies	6,842
Other charges and services	6,599
Capital expenditures	<u>63,275</u>
Total expenditures	
	<u>335,277</u>
Excess of revenues over (under) expenditures	(22,554)
Sales Tax Transfers to Police Dept Fund	(14,086)
Sales Tax Transfers to Fire Dept Fund	(14,086)
Other Transfers to Fire Dept Fund	-
	<u>(50,726)</u>
Excess of revenues and transfers over (under) expenditures	(50,726)
Beginning fund balance, cash basis	<u>222,549</u>
Ending fund balance, cash basis	\$ <u>171,823</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 General Fund  
 For the Year Ended June 30, 2016  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
Sales and use taxes	\$ 69,000	-	69,000	70,729	1,729
Franchise taxes	6,000	-	6,000	5,571	(429)
Alcoholic beverage tax	8,700	-	8,700	8,794	94
Gasoline excise tax	600	-	600	569	(31)
Motor vehicle tax	2,000	-	2,000	2,208	208
Cigarette tax	800	-	800	793	(7)
Fines and forfeitures	210,000	-	210,000	210,631	631
Rent income	450	-	450	1,275	825
Proceeds from insurance	-	-	-	-	-
Interest income	200	-	200	291	91
Other revenues	-	-	-	11,862	11,862
Grant proceeds	-	-	-	-	-
<b>Total revenues</b>	<b>297,750</b>	<b>-</b>	<b>297,750</b>	<b>312,723</b>	<b>14,973</b>
<b>Expenditures</b>					
<b>General government</b>					
Personal services	76,917	7,000	83,917	82,348	1,569
Materials and supplies	18,000	-	18,000	7,554	10,446
Other charges and services	25,000	3,000	28,000	29,303	(1,303)
Capital expenditures	5,000	(5,000)	-	-	-
<b>Total general government</b>	<b>124,917</b>	<b>5,000</b>	<b>129,917</b>	<b>119,205</b>	<b>10,712</b>
<b>Police department</b>					
Personal services	95,687	-	95,687	93,082	2,605
Materials and supplies	20,000	-	20,000	9,040	10,960
Other charges and services	35,000	-	35,000	27,944	7,056
Capital expenditures	20,000	-	20,000	-	20,000
<b>Total police department</b>	<b>170,687</b>	<b>-</b>	<b>170,687</b>	<b>130,066</b>	<b>40,621</b>
<b>Fire department</b>					
Personal services	3,000	-	3,000	1,950	1,050
Materials and supplies	-	-	-	-	-
Other charges and services	-	-	-	-	-
Capital expenditures	-	-	-	-	-
<b>Total fire department</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>1,950</b>	<b>1,050</b>
<b>Street department</b>					
Personal services	6,000	2,000	8,000	7,340	660
Materials and supplies	7,000	-	7,000	6,842	158
Other charges and services	8,000	-	8,000	6,599	1,401
Capital expenditures	70,000	(7,000)	63,000	63,275	(275)
<b>Total street department</b>	<b>91,000</b>	<b>(5,000)</b>	<b>86,000</b>	<b>84,056</b>	<b>1,944</b>
<b>Total expenditures</b>	<b>389,604</b>	<b>-</b>	<b>389,604</b>	<b>335,277</b>	<b>54,327</b>
Excess of revenues over or (under) expenditures	(91,854)	-	(91,854)	(22,554)	69,300
Transfers to other funds	(26,300)	-	(26,300)	(28,172)	(1,872)
Excess of revenues and transfers over or (under) expenditures	(118,154)	-	(118,154)	(50,726)	67,428
Beginning fund balance - cash basis	218,623	-	218,623	222,549	3,926
Ending fund balance - cash basis	\$ 100,469	-	100,469	171,823	71,354

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, 2016  
(Unaudited)

	Police Fund	Fire Dept Fund	Development Trust Fund
Revenues			
County sales taxes	\$ -	43,385	-
Loan Proceeds	-	-	89,400
Drug seizures	-	-	-
Charges, fees & rents	279	-	-
Grant proceeds	-	54,290	-
	<u>279</u>	<u>97,675</u>	<u>89,400</u>
Total revenues			
Expenditures			
Professional services, grant contract	-	-	-
Materials and supplies	5,901	12,918	325
Other charges and services	3,875	5,565	1,520
Capital expenditures	-	52,739	89,400
	<u>9,776</u>	<u>71,222</u>	<u>91,245</u>
Total expenditures			
Excess of revenues over (under) expenditures	(9,497)	26,453	(1,845)
Interfund Transfers			
Transfers from General Fund	-	-	-
	<u>14,086</u>	<u>14,086</u>	<u>-</u>
Excess of revenues and transfers over (under) expenditures			
	4,589	40,539	(1,845)
Beginning fund balance - cash basis	<u>14,522</u>	<u>193,637</u>	<u>7,585</u>
Ending fund balance - cash basis	\$ <u>19,111</u>	<u>234,176</u>	<u>5,740</u>
Composition of ending fund balance			
Held by Town in local bank account	\$ 19,111	82,135	5,740
Held by County Treasurer, small account	-	10,503	-
Held by County Treasurer, large account	-	141,538	-
	<u>19,111</u>	<u>234,176</u>	<u>5,740</u>
Total ending fund balance - cash basis			
	\$ <u>19,111</u>	<u>234,176</u>	<u>5,740</u>

See Accountant's Report

Town of Tushka, Oklahoma  
Budgetary Comparison Schedule - Cash Basis  
Police Department Fund  
For the Year Ended June 30, 2016  
(Unaudited)

	<u>Original Budget</u>	<u>Budget Adjusts</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Donations	\$ -	-	-	-	-
Charges and fees	-	-	-	279	279
Grant proceeds	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>279</u>
<b>Expenditures</b>					
Materials and supplies	8,000	-	8,000	5,901	2,099
Other charges and services	4,000	-	4,000	3,875	125
Capital expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>27,000</u>	<u>-</u>	<u>27,000</u>	<u>9,776</u>	<u>17,224</u>
Excess of revenues over or (under) expenditures	(27,000)	-	(27,000)	(9,497)	17,503
Transfers from General Fund	<u>13,150</u>	<u>-</u>	<u>13,150</u>	<u>14,086</u>	<u>936</u>
Excess of revenues and transfers over or (under) expenditures	(13,850)	-	(13,850)	4,589	18,439
Beginning fund balance - cash basis	<u>14,242</u>	<u>-</u>	<u>14,242</u>	<u>14,522</u>	<u>280</u>
Ending fund balance - cash basis	<u>\$ 392</u>	<u>-</u>	<u>392</u>	<u>19,111</u>	<u>18,719</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Fire Department  
 For the Year Ended June 30, 2016  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
County sales taxes	\$ 34,000	-	34,000	43,385	9,385
Donations	-	-	-	-	-
Charges and fees	-	-	-	-	-
Grant proceeds	54,484	-	54,484	54,290	(194)
Total revenues	<u>88,484</u>	<u>-</u>	<u>88,484</u>	<u>97,675</u>	<u>9,191</u>
<b>Expenditures</b>					
Personal & professional services	-	-	-	-	-
Materials and supplies	15,000	-	15,000	12,918	2,082
Other charges and services	15,000	-	15,000	5,565	9,435
Capital expenditures	247,981	-	247,981	52,739	195,242
Total expenditures	<u>277,981</u>	<u>-</u>	<u>277,981</u>	<u>71,222</u>	<u>206,759</u>
Excess of revenues over or (under) expenditures	(189,497)	-	(189,497)	26,453	215,950
Transfers from General Fund	13,150	-	13,150	14,086	936
Transfers to Development Trust Fund	-	-	-	-	-
Excess of revenues and transfers over or (under) expenditures	(176,347)	-	(176,347)	40,539	216,886
Beginning fund balance - cash basis	<u>176,347</u>	<u>-</u>	<u>176,347</u>	<u>193,637</u>	<u>17,290</u>
Ending fund balance - cash basis	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>234,176</u>	<u>234,176</u>

See Accountant's Report

Town of Tushka, Oklahoma  
 Budgetary Comparison Schedule - Cash Basis  
 Tushka Development Trust Authority  
 For the Year Ended June 30, 2016  
 (Unaudited)

	Original Budget	Budget Adjusts	Final Budget	Actual Amounts	Variance Positive (Negative)
<b>Revenues</b>					
Rental revenues	\$ -	-	-	-	-
Loan proceeds	650,000	-	650,000	89,400	(560,600)
Total revenues	<u>650,000</u>	<u>-</u>	<u>650,000</u>	<u>89,400</u>	<u>(560,600)</u>
<b>Expenditures</b>					
Materials and supplies	1,000	-	1,000	325	675
Other charges and services	2,000	-	2,000	1,520	480
Debt service payments	-	-	-	-	-
Building construction	647,000	-	647,000	89,400	557,600
Total expenditures	<u>650,000</u>	<u>-</u>	<u>650,000</u>	<u>91,245</u>	<u>558,755</u>
Excess of revenues over or (under) expenditures	-	-	-	(1,845)	(1,845)
Transfers from Fire Dept Fund	-	-	-	-	-
Excess of revenues and transfers over or (under) expenditures	-	-	-	(1,845)	(1,845)
Beginning fund balance - cash basis	<u>2,785</u>	<u>-</u>	<u>2,785</u>	<u>7,585</u>	<u>4,800</u>
Ending fund balance - cash basis	<u>\$ 2,785</u>	<u>-</u>	<u>2,785</u>	<u>5,740</u>	<u>2,955</u>

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Town of Tushka, Oklahoma  
 Schedule of Grant Activity -- Cash Basis  
 For the Fiscal Year Ended June 30, 2016  
 (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 Fiscal Year	\$ -	-	-	-	-
Total Federal Award Programs		-	-	-	-
<b><u>State &amp; Other Award Programs</u></b>					
<u>Southern Oklahoma Development Association</u>					
<u>Rural Economic Action Plan (REAP)</u>					
Fire Dept Building Construction Grant Contract No. 14-045	\$ 50,000	-	50,000	50,000	-
<u>Oklahoma Dept of Agriculture</u>					
Rural Fire Department Operational Assitance	\$ 4,290	-	4,290	4,290	-
Total State & Other Award Programs		\$ -	\$ 54,290	\$ 54,290	\$ -

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

The Town's management is responsible for the following accompanying financial statements of the Town of Tushka, Oklahoma for the year ended June 30, 2016:

Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund – Cash Basis  
Budgetary Comparison Schedule – General Fund – Cash Basis  
Statement of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds – Cash Basis  
Budgetary Comparison Schedules – Special Revenue Funds – Cash Basis  
Schedule of Grant and Award Program Activity – Cash Basis

The Town's management is also responsible for determining that the cash basis of accounting is an acceptable financial reporting framework and for designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by the Town's management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. 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 expenses. 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 this 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 Oklahoma Statutes (Sec 11-17 (105-107)) and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2016. Management of the Town of Tushka is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. 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 by Oklahoma Statutes. 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, 2016:

1. **Procedures Performed:** From the Town's trial balances, we prepared 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 fund balance deficits.

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

**Findings:** We noted no instances of expenditures exceeding authorized appropriation limits at the legal level of control (departmental totals).

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:** The Town's reconciled bank account balances agreed with the year-end fund balances in the accounting records and all reconciling items were properly accounted for.

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, 2016 all of the Town's depository bank account balances were fully FDIC insured or properly collateralized.

(continued)

5. **Procedures Performed:** We compared the use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance. Such revenues consisted of gasoline excise tax, motor vehicle tax, various designated sales taxes and grant proceeds.

**Findings:** We noted no instances of noncompliance regarding restricted revenues.

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:** All required funds have been established as required.

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 searched for grant program activity, prepared 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.  
September 27, 2016