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**Members of American
Institute of Certified
Public Accountants**

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Public Accountants**

To the City Council
City of Watonga
Watonga, OK

Management is responsible for the accompanying Schedule of Cash (unaudited) as of July 31, 2020 and the related Profit & Loss Budget vs Actual (budget basis) of the General Fund and the Light & Water of the City of Watonga, the "City", (a municipality), for the one month ended July 31, 2020 in accordance with the budgetary basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the budget basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the budget basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's financial position, change in net assets, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the City of Watonga, OK.

A handwritten signature in black ink, appearing to be 'DJA'.

The logo for rsmeacham CPAs+ADVISORS, identical to the one at the top of the page.

Clinton, Oklahoma

August 18, 2020

City of Watonga-General Fund
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|---|------------------|---------------------|--------------------|----------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Income | | | | |
| Sales tax | \$ 88,851 | \$ 989,860 | \$ (901,009) | 9% |
| Use Tax | 17,255 | 275,224 | (257,969) | 6% |
| Cigarette tax | 1,816 | 20,226 | (18,410) | 9% |
| Ambulance receipts | 11,974 | 100,000 | (88,026) | 12% |
| Franchise tax | 3,959 | 24,282 | (20,323) | 16% |
| Alcoholic beverage tax | 10,404 | 82,638 | (72,234) | 13% |
| Police revenues | - | 62,375 | (62,375) | 0% |
| 522 Receipts | 37,500 | 145,000 | (107,500) | 26% |
| Rentals, sales, miscellaneous | 13,432 | 34,616 | (21,184) | 39% |
| Oil & gas income | 6,693 | 200,000 | (193,307) | 3% |
| Licenses & Permits | 169 | 5,700 | (5,531) | 3% |
| Total Revenue | 192,053 | 1,939,921 | (1,747,868) | 10% |
| Expenditures | | | | |
| General Government Expenditures | 21,874 | 426,419 | (404,545) | 5% |
| Managerial Expenditures | 7,638 | 128,858 | (121,220) | 6% |
| City Clerk Expenditures | 7,225 | 92,606 | (85,381) | 8% |
| City Treasurer Expenditures | 1,431 | 18,607 | (17,176) | 8% |
| City Attorney Expenditures | 4,640 | 45,000 | (40,360) | 10% |
| Code Enforcement | 8,633 | 150,104 | (141,471) | 6% |
| Municipal Court Expenditures | 728 | 29,969 | (29,241) | 2% |
| Police Expenditures | 49,813 | 721,835 | (672,022) | 7% |
| Fire Expenditures | 19,978 | 364,723 | (344,745) | 5% |
| EMS | 31,110 | 452,246 | (421,136) | 7% |
| Street Expenditures | 60,900 | 710,543 | (649,643) | 9% |
| Library Expenditures | 17,298 | 227,534 | (210,236) | 8% |
| Airport Expenditures | 2,000 | 26,520 | (24,520) | 8% |
| Park/Golf Course Expenditures | 21,643 | 277,875 | (256,232) | 8% |
| Total Expenditures | 254,911 | 3,672,839 | (3,417,928) | 7% |
| Revenue over (under) expenditures | (62,858) | (1,732,918) | 1,670,060 | 4% |
| Interest income | 1,848 | 15,000 | (13,152) | 12% |
| Transfers In | 107,986 | 1,285,677 | (1,177,691) | 8% |
| Total Other Income/(Expense) | 109,834 | 1,300,677 | (1,190,843) | 8% |
| Revenues & other financing sources over(under) expenditures & other uses | \$ 46,976 | \$ (432,241) | \$ 479,217 | -10.87% |

City of Watonga-Light & Water
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|---|--------------------------|----------------------------|--------------------------|--------------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Electric Revenue | \$ 370,281 | \$ 2,950,848 | \$ (2,580,567) | 13% |
| Electric Expenses | 186,492 | 2,216,581 | 2,030,089 | 8% |
| Electric Operating Income | <u>183,789</u> | <u>734,267</u> | <u>(550,478)</u> | <u>25%</u> |
| Water Revenue | 52,186 | 420,840 | (368,654) | 12% |
| Water Expenses | 13,934 | 456,414 | 442,480 | 3% |
| Water Operating Income | <u>38,252</u> | <u>(35,574)</u> | <u>73,826</u> | <u>-108%</u> |
| Sewer Revenue | 14,243 | 153,908 | (139,665) | 9% |
| Sewer Expenses | 8,553 | 105,989 | 97,436 | 8% |
| Sewer Operating Income | <u>5,690</u> | <u>47,919</u> | <u>(42,229)</u> | <u>12%</u> |
| Garbage Revenue | 34,106 | 378,688 | (344,582) | 9% |
| Garbage Expenses | 15,785 | 335,184 | 319,399 | 5% |
| Garbage Operating Income | <u>18,321</u> | <u>43,504</u> | <u>(25,183)</u> | <u>42%</u> |
| Total Operating Income | 246,052 | 790,116 | (544,064) | 31% |
| Administration Revenue | 4,741 | 71,000 | (66,259) | 7% |
| Administration Expenses | (12,126) | (152,645) | 140,519 | 8% |
| Capital Improve- Electric | 4,124 | 45,856 | (41,732) | 9% |
| Capital Improve- Sewer | 4,590 | 50,939 | (46,349) | 9% |
| Capital Improve- Water | 4,677 | 51,801 | (47,124) | 9% |
| Ambulance fees | 7,703 | 85,677 | (77,974) | 9% |
| Other Income | 1,992 | 14,722 | (12,730) | 100% |
| Transfers In | 239 | - | 239 | 100% |
| Transfers (Out) | (107,666) | (1,285,677) | 1,178,011 | 8% |
| Administration & Other Income / Expense | <u>(91,726)</u> | <u>(1,118,327)</u> | <u>1,026,601</u> | <u>8%</u> |
| Net Income | <u>\$ 154,326</u> | <u>\$ (328,211)</u> | <u>\$ 482,537</u> | <u>-47%</u> |

City of Watonga-Grant Fund
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|-------------------------------------|---------------|-------------|----------------|-------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Grant Fund Revenues | | | | |
| Grants | \$ - | \$ 4,000 | \$ (4,000) | 0% |
| Miscellaneous | - | 2,000 | (2,000) | 0% |
| Total Grant Fund Income | - | 6,000 | (6,000) | 0% |
| Expense | | | | |
| Fire Dept Expenditures | | | | |
| Other services & charges | - | 2,000 | (2,000) | 0% |
| Capital outlay | - | 4,000 | (4,000) | 0% |
| Total Grant Fund Expense | - | 6,000 | (6,000) | 0% |
| Net Ordinary Income | - | - | - | 0% |
| Net Income | \$ - | \$ - | \$ - | 0% |

Watonga PWA
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|--------------------------------|---------------|--------------------|------------------|-------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Hangar rent | \$ 1,120 | \$ 16,320 | \$ (15,200) | 7% |
| Airport fuel sales | 1,604 | 21,596 | (19,992) | 7% |
| Miscellaneous income | - | 1,000 | (1,000) | 0% |
| Grants | - | 30,000 | (30,000) | 100% |
| Total PWA Income | <u>2,724</u> | <u>68,916</u> | <u>(66,192)</u> | <u>4%</u> |
| Expense | | | | |
| Materials & supplies | 83 | 35,000 | (34,917) | 0% |
| Other services & charges | 7,153 | 87,400 | (80,247) | 8% |
| Capital Outlay | - | 30,000 | (30,000) | 0% |
| Debt service- principal | 2,950 | 5,900 | (2,950) | 50% |
| Total PWA Expense | <u>10,186</u> | <u>158,300</u> | <u>(148,114)</u> | <u>6%</u> |
| Net Ordinary Income | (7,462) | (89,384) | 81,922 | 8% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Interest income | 6 | 269 | (263) | 2% |
| Transfer In | 8,150 | 68,300 | (60,150) | 12% |
| Total Other Income | <u>8,156</u> | <u>68,569</u> | <u>(60,413)</u> | <u>0</u> |
| Net Income | <u>\$ 694</u> | <u>\$ (20,815)</u> | <u>\$ 21,509</u> | <u>-3%</u> |

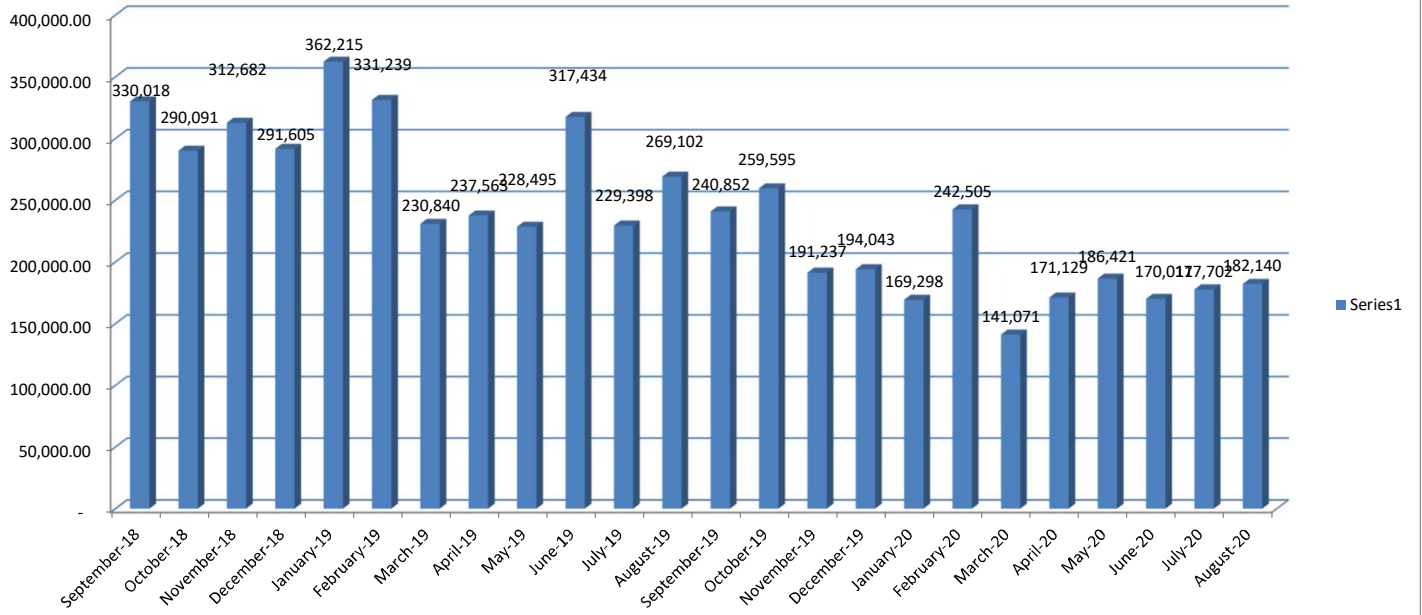
Watonga Sales Tax Acct
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|--------------------------------|-----------------|------------------|--------------------|-------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Sales tax collections | \$ 17,770 | \$ 197,172 | \$ (179,402) | 9% |
| Total Sales Tax Income | <u>17,770</u> | <u>197,172</u> | <u>(179,402)</u> | <u>9%</u> |
| Expense | | | | |
| Materials & supplies | - | 5,000 | (5,000) | 0% |
| Other services & charges | - | 46,919 | (46,919) | 0% |
| Capital outlay | 7,404 | 55,919 | (48,515) | 13% |
| Total Sales Tax Expense | <u>7,404</u> | <u>107,838</u> | <u>(100,434)</u> | <u>7%</u> |
| Net Ordinary Income | 10,366 | 89,334 | (78,968) | 12% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Interest income | 23 | 1,855 | (1,832) | 1% |
| Transfer out (to PWA) | (8,164) | (68,300) | 60,136 | 12% |
| Total Other Income | <u>(8,141)</u> | <u>(66,445)</u> | <u>58,304</u> | <u>0</u> |
| Net Income | <u>\$ 2,225</u> | <u>\$ 22,889</u> | <u>\$ (20,664)</u> | <u>10%</u> |

City of Watonga-Street & Alley Fund
Profit & Loss Budget vs. Actual (Unaudited)
For the 1 Month Ended July 31, 2020

| | July 31, 2020 | | | |
|---|-----------------|---------------------|-------------------|-------------|
| | Year-to-Date | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Street & Alley Revenues | | | | |
| Gas excise tax | \$ 377 | \$ 3,194 | \$ (2,817) | 12% |
| Motor vehicle tax | 1,550 | 18,935 | (17,385) | 8% |
| Clean-up | 535 | - | 535 | 100% |
| Material sale | 45 | - | 45 | 100% |
| Miscellaneous | 40 | 25,000 | (24,960) | 0% |
| Total Street & Alley Income | <u>2,547</u> | <u>47,129</u> | <u>(44,582)</u> | <u>5%</u> |
| Expense | | | | |
| Street & Alley Expenditures | | | | |
| Capital outlay | - | 220,000 | (220,000) | 0% |
| Total Street & Alley Expense | <u>-</u> | <u>220,000</u> | <u>(220,000)</u> | <u>0%</u> |
| Net Ordinary Income | 2,547 | (172,871) | 175,418 | -1% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| Interest income | 19 | 527 | (508) | 4% |
| Total Other Income | <u>19</u> | <u>527</u> | <u>(508)</u> | <u>4%</u> |
| Net Other Expense | <u>19</u> | <u>527</u> | <u>(508)</u> | <u>4%</u> |
| Net Income | <u>\$ 2,566</u> | <u>\$ (172,344)</u> | <u>\$ 174,910</u> | <u>-1%</u> |

**Watonga Sales Tax Trend
Through August, 2020 Deposit**



**Watonga Use Tax Trend
Through August, 2020 Deposit**

