

# City of Tecumseh, Oklahoma - Financial Audits (2011-2020)

## *Integrity of the Game vs Economic Impact (Politics); The Oklahoma Business Plan*

This briefing document summarizes the key themes, important ideas, and financial information presented in the Annual Survey of City and Town Finances for the City of Tecumseh, Oklahoma, from 2011 to 2020. These surveys, compiled by the State Auditor and Inspector of Oklahoma, provide a standardized overview of the city's financial activities, including revenues, expenditures, debt, and cash holdings.

### **Overall Theme:**

The primary theme across these audit reports is the consistent tracking and reporting of the City of Tecumseh's financial activities in accordance with Oklahoma Statutes. The reports detail various revenue sources, expenditures across different municipal functions, outstanding debt, and cash/investment balances for each fiscal year. The standardized format allows for year-over-year comparisons, although this document will primarily focus on identifying major categories and trends discussed within the provided excerpts.

### **Key Sections and Important Ideas:**

The audit reports are structured into several key parts:

**Part I: TAX REVENUES:** This section details all taxes imposed by the city, including property taxes and local sales taxes.

**Local Sales Tax:** Consistently a significant revenue source. For example, the 2011 report shows General Sales Tax of \$849,384.

**Franchise Fee or Tax:** Revenue collected from private utilities operating within the city. The instructions emphasize that this section *does not include receipts from service charges, special assessments, interest earnings, fines, or any other sources that are not taxes or licenses.* (See "2017\_STATE\_Audit\_City\_of\_Tecumseh\_2643.pdf")

**Part IA: INTERGOVERNMENTAL REVENUE:** This section reports all funds received from other governmental entities (State, Federal, other local governments), excluding loans and taxes collected by another government for Tecumseh.

Includes grants, shared taxes, and payments in lieu of taxes.

Categorized by the purpose for which the funds were received (e.g., streets and highways, water utilities).

**Part IB: OTHER REVENUES:** This section covers all revenue sources other than taxes and intergovernmental revenue.

**Utility Sales Revenue:** Gross receipts from city-operated water, electric, gas, or transit systems. For instance, the 2011 report shows Water Supply System revenue of \$1,113,753.

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**Other Sales and Service Revenue:** Includes sewerage charges, refuse collection, recreation charges, airport rentals, parking facilities, ambulance services, etc.

**Interest Earnings:** Interest received on deposits and investments (excluding employee pension funds).

**Fines and Forfeitures:** The city's share of fines and forfeitures.

**Miscellaneous Other Revenue:** A catch-all category for revenue not covered elsewhere.

**Part II: DIRECT EXPENDITURES BY PURPOSE AND TYPE:** This is a detailed breakdown of the city's spending across various functional categories.

Categorized by purpose: Governmental Administration, Health and Welfare, Transportation, Public Safety, Culture and Recreation, Utilities, Interest on Debt, and All Other Expenditures.

Further broken down by type: Personal services (salaries and wages), Operations and maintenance (supplies, materials, contractual services), Construction (capital outlay), and Purchase of land, equipment, and structures (capital outlay).

The instructions explicitly state that *payments made to other governments (State or local) should NOT be included in amounts reported here, but should be reported at part III.* (See "2017\_STATE\_Audit\_City\_of\_Tecumseh\_2643.pdf")

**Utilities Expenditures:** Consistently represent a significant portion of the city's direct expenditures, particularly for the water and electric power systems. The reports specify that these are *gross expenditure[s] for utility systems* and exclude interest and contributions to the parent government. (See "2017\_STATE\_Audit\_City\_of\_Tecumseh\_2643.pdf")

**Part III: INTERGOVERNMENTAL EXPENDITURES:** This section details payments made by the City of Tecumseh to other governmental entities for services or programs.

Examples include payments for hospital care, highways, or school tuition.

**Part IV: SALARIES, WAGES, AND FORCE ACCOUNT:** Reports the total expenditure for salaries and wages included in Part II, as well as any salaries paid on force account construction projects.

**Part V: DEBT OUTSTANDING, ISSUED, AND RETIRED:** Provides information on the city's long-term and short-term debt.

**Long-term debt:** Includes bonds, mortgages, etc., with an original term of more than one year.

The reports track the outstanding balance at the beginning of the fiscal year, amounts issued,

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amounts retired, and the outstanding total at the end of the year, categorized by purpose (e.g., sewer debt, water supply system debt). The 2011 report shows an Outstanding Total for Sewer debt of \$8,620,000.

**Short-term debt:** Includes tax anticipation notes, bond anticipation notes, interest-bearing warrants, etc., with a term of one year or less.

**Part VI: CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR:** Reports the total amount of cash on hand and on deposit and investments in various types of securities, categorized by fund type (Sinking funds, Bond funds, All other funds except employee retirement funds, Retirement systems).

**Part VII: AUDITOR INFORMATION:** Provides details about the independent auditor who compiled the report. The note in this section consistently states that the report is not complete without an accompanying "accountants compilation report on financial statements included in certain prescribed forms."

**COVERAGE OF THIS REPORT & SUPPLEMENTARY INSTRUCTIONS:** These sections clarify which entities and activities should be included in the report, emphasizing compliance with GASB standards and Oklahoma Statutes regarding duly constituted authorities (e.g., public trusts, special districts). They also provide specific instructions for certain line items in the financial statements. For example, regarding local sales tax, the instructions state to *be sure to enter only the amount of the check received from the State.* (See "2017\_STATE\_Audit\_City\_of\_Tecumseh\_2643.pdf")

### **Trends and Observations (Based on Provided Excerpts):**

While a comprehensive trend analysis requires examining the full reports over all years, the excerpts reveal the following consistent elements:

**Reliance on Local Sales Tax and Utility Revenues:** These appear to be major and consistent sources of revenue for the City of Tecumseh.

**Significant Expenditures on Utilities and Public Safety:** These functional areas likely represent the largest portions of the city's operational spending.

**Tracking of Long-Term Debt:** The reports meticulously track the outstanding debt for various infrastructure projects, particularly related to the sewer and water systems.

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**Annual Compilation by Independent Auditor:** Each year's survey is compiled by an independent accounting firm, ensuring a degree of external oversight and adherence to reporting standards.

### Quotes Highlighting Important Aspects:

**Tax Revenues:** *"Items 1–3 — Report collections from all taxes imposed by your government. Include current and delinquent amounts, penalties, and interest. Do not include receipts from service charges, special assessments, interest earnings, fines, or any other sources that are not taxes or licenses."* (All audit years)

**Intergovernmental Revenue:** *"Report all amounts received by your government from other governments, including grants, shares of taxes imposed by other governments, payments in lieu of taxes and reimbursements for services performed for other governments, excluding loans."* (All audit years)

**Direct Expenditures:** *"Please note that payments made to other governments (State or local) should NOT be included in amounts reported here, but should be reported at part III."* (All audit years)

**Long-Term Debt Reporting:** *"Report special obligations of all agencies of your government as well as general city or town debt."* (All audit years)

**Auditor's Role:** *"This report will not be considered complete unless an accompanying 'accountants compilation report on financial statements included in certain prescribed forms' is attached to the report."* (All audit years)

### Conclusion:

The Annual Survey of City and Town Finances provides a structured and consistent framework for reporting the financial activities of the City of Tecumseh. The excerpts highlight the key revenue sources, expenditure categories, and the management of debt. The standardized format over the years allows for potential longitudinal analysis of the city's financial health and priorities. However, a more in-depth understanding would necessitate a review of the complete audit documents for each fiscal year and a comparison of the specific financial figures and trends.