

# AUDIT REPORT

CITY OF ATOKA, OKLAHOMA

DECEMBER 31, 2021



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CITY OF ATOKA, OKLAHOMA  
DECEMBER 31, 2021

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CITY OF ATOKA, OKLAHOMA  
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CITY OF ATOKA, OKLAHOMA  
LIST OF BOARD MEMBERS  
DECEMBER 31, 2021

ELECTED OFFICIALS

<u>NAME</u>	<u>POSITION</u>
BRIAN CATHEY	MAYOR
DIANE MCGEE	VICE MAYOR
COBY SHERRILL	COUNCIL MEMBER
ERICA POGUE	COUNCIL MEMBER
PAT TURNER	COUNCIL MEMBER

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INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Atoka, Oklahoma

Report on the Audit of the Financial Statements

*Qualified and Unmodified Opinions*

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atoka, Oklahoma, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Atoka's basic financial statements as listed in the table of contents.

*Summary of Opinions*

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
Governmental Fund - General Fund	Qualified
Governmental Fund - Capital Improvement Fund	Qualified
Governmental Fund - City/School Tax Fund	Unmodified
Enterprise Fund - Atoka Municipal Authority	Unmodified
Enterprise Fund - ACIDA	Unmodified
Enterprise Fund - AIFA	Unmodified

*Qualified Opinions on Governmental Activities, General Fund and Capital Improvement Fund*

In my opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section my report, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund and Capital Improvement Fund of the City of Atoka as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions on Business-Type Activities, City/School Tax Fund, AMA Fund, ACIDA Fund, AIFA Fund, and Aggregate Remaining Fund Information*

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, City/School Tax Fund, AMA Fund, ACIDA Fund,

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AIFA Fund, and the aggregate remaining fund information of the City of Atoka as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Basis for Qualified and Unmodified Opinions*

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Atoka and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified and unmodified audit opinions.

## *Matter Giving Rise to Qualified Opinions on Governmental Activities, General Fund and Capital Improvement Fund*

As discussed in Note 1 to the financial statements, the City's Governmental Funds have not maintained accurate capital asset records to support the historical cost of past capital asset purchases. Accounting principles generally accepted in the United States of America require that capital assets be recorded at historical cost net of accumulated depreciation. Documentation supporting historical cost was not readily available for my review. The amount by which this departure would affect the assets, net position, and expenditures/expenses of the Governmental Activities, General Fund and Capital Improvement Fund is not readily determinable.

## *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atoka's ability to continue as a

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going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Atoka's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atoka's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant

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audit findings, and certain internal control-related matters that I identified during the audit.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

## *Supplementary and Other Information*

The introductory and other supplementary information sections listed in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in my audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

## *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 6, 2022, on my consideration of the City of Atoka's

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internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Atoka's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Atoka's internal control over financial reporting and compliance.



April Adams CPA PLLC  
Ponca City, Oklahoma

June 6, 2022

CITY OF ATOKA, OKLAHOMA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
<b><u>Current Assets:</u></b>			
Cash and cash equivalents	\$ 2,582,220	\$ 1,945,713	\$ 4,527,934
Investments	286,344	464,743	751,086
Accounts Receivable	-	173,594	173,594
Taxes Receivable	323,066	98,751	421,817
Total Current Assets	<u>3,191,630</u>	<u>2,682,800</u>	<u>5,874,431</u>
<b><u>Restricted Assets:</u></b>			
Cash and cash equivalents - Restricted	2,101,839	1,136,730	3,238,569
Investments - Restricted	-	64,000	64,000
Total Restricted Assets	<u>2,101,839</u>	<u>1,200,730</u>	<u>3,302,569</u>
<b><u>Noncurrent Assets:</u></b>			
Land and Construction in Progress	-	5,737,742	5,737,742
Capital Assets, net of Accum. Depreciation	-	13,316,993	13,316,993
Total Noncurrent Assets	<u>-</u>	<u>19,054,735</u>	<u>19,054,735</u>
<b>TOTAL ASSETS</b>	<u>5,293,469</u>	<u>22,938,266</u>	<u>28,231,735</u>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities:</u></b>			
Accounts Payable	166,409	169,981	336,389
Interest Payable	-	44,686	44,686
CLEET & Forensics Liability	5,836	-	5,836
Vacation Payable	178,319	55,108	233,427
Due to (from) Other Funds	25,398	(25,398)	-
Posted Bonds	106,272	-	106,272
Cemetery Perpetual Care	1,781	-	1,781
Customer Deposits	-	197,438	197,438
Notes Payable - Current Portion	-	292,343	292,343
Total Current Liabilities	<u>484,015</u>	<u>734,158</u>	<u>1,218,173</u>
<b><u>Long-Term Liabilities:</u></b>			
Notes Payable - Long-Term	-	11,572,895	11,572,895
Total Long-Term Liabilities	<u>-</u>	<u>11,572,895</u>	<u>11,572,895</u>
<b>TOTAL LIABILITIES</b>	<u>484,015</u>	<u>12,307,053</u>	<u>12,791,068</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	-	7,189,497	7,189,497
Restricted for:			
Debt Service	-	1,060,312	1,060,312
Other Purposes	2,101,839	-	2,101,839
Unrestricted	2,707,616	2,381,403	5,089,019
<b>TOTAL NET POSITION</b>	<u>\$ 4,809,455</u>	<u>\$ 10,631,212</u>	<u>\$ 15,440,667</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

CITY OF ATOKA, OKLAHOMA  
STATEMENT OF ACTIVITIES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
<b>Current:</b>					
General Government	\$ 1,622,325	\$ 64,650	\$ 891,443	\$ -	\$ (666,232)
Police Department	1,260,933	372,250	6,000	-	(882,683)
Lake Patrol	254,483	-	308,271	-	53,788
Fire Department	148,560	-	5,662	-	(142,898)
Street Department	630,046	-	-	-	(630,046)
Airport	17,378	10,035	11,973	-	4,630
Culture & Recreation	220,298	-	-	-	(220,298)
Public Works	2,000	-	-	-	(2,000)
Debt Service	-	-	-	-	-
Capital Outlay	381,145	-	-	-	(381,145)
<b>Total Governmental Activities</b>	<b>4,537,168</b>	<b>446,935</b>	<b>1,223,350</b>	<b>-</b>	<b>(2,866,883)</b>
<b>Business-type activities:</b>					
Water	509,172	833,179	-	308,725	632,732
Sewer	321,045	554,632	-	-	233,587
Sanitation	520,086	451,429	-	-	(68,657)
Industrial Development	99,067	-	-	-	(99,067)
Culture & Recreation	161,931	61,868	-	-	(100,063)
Misc. Other Business-type	1,881,194	294,316	-	-	(1,586,878)
<b>Total Business-type Activities</b>	<b>3,492,495</b>	<b>2,195,423</b>	<b>-</b>	<b>308,725</b>	<b>(988,347)</b>
<b>Total</b>	<b>\$ 8,029,663</b>	<b>\$ 2,642,358</b>	<b>\$ 1,223,350</b>	<b>\$ 308,725</b>	<b>\$ (3,855,230)</b>
<b>Changes in Net Position:</b>					
		<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	
Net (expense)/revenue		\$ (2,866,883)	\$ (988,347)	\$ (3,855,230)	
<b>General revenues:</b>					
Sales Tax		3,086,803	1,028,934	4,115,738	
Use Tax		259,715	86,572	346,287	
TIF		-	715	715	
Licenses & Permits		36,036	-	36,036	
Alcoholic Beverage Tax		162,909	-	162,909	
Vehicle License Tax		24,477	-	24,477	
Gasoline Taxes		5,495	-	5,495	
Tobacco Tax		35,375	-	35,375	
Other Taxes		187,432	-	187,432	
Utility Franchise Taxes		97,719	-	97,719	
Interest Income		10,534	8,254	18,788	
Miscellaneous Revenues		324,573	435,096	759,669	
Transfers - Internal Activity		(144,233)	144,233	-	
<b>Total general revenues &amp; transfers</b>		<b>4,086,836</b>	<b>1,703,804</b>	<b>5,790,640</b>	
Changes in net position		1,219,953	715,457	1,935,410	
Net position - beginning		3,589,502	9,915,755	13,505,257	
Net position - ending		<b>\$ 4,809,455</b>	<b>\$ 10,631,212</b>	<b>\$ 15,440,667</b>	

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

CITY OF ATOKA, OKLAHOMA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	General Fund	Capital Improvement Fund	City/School Tax Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 921,100	\$ 1,661,120	\$ -	\$ 2,582,220
Investments	121,423	164,921	-	286,344
Accounts Receivable	-	-	-	-
Taxes Receivable	125,565	98,751	98,751	323,066
Due from Other Funds	10	-	-	10
Restricted Cash and cash equivalents	701,198	-	1,400,641	2,101,839
<b>TOTAL ASSETS</b>	<b>\$ 1,869,296</b>	<b>\$ 1,924,792</b>	<b>\$ 1,499,392</b>	<b>\$ 5,293,479</b>
<b>LIABILITIES &amp; FUND EQUITY</b>				
<b>LIABILITIES:</b>				
Accounts Payable	\$ 72,881	\$ 11,035	\$ 82,493	\$ 166,409
CLEET & Forensics Liability	5,836	-	-	5,836
Vacation Payable	163,170	15,149	-	178,319
Due to Other Funds	25,408	-	-	25,408
Posted Bonds	106,272	-	-	106,272
Cemetery Perpetual Care	1,781	-	-	1,781
Permit & Inspection Fees	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>375,348</b>	<b>26,184</b>	<b>82,493</b>	<b>484,025</b>
<b>FUND BALANCES:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	1,416,899	1,416,899
Committed	-	-	-	-
Assigned	701,198	1,898,608	-	2,599,806
Unassigned	792,750	-	-	792,750
<b>TOTAL FUND BALANCES</b>	<b>1,493,948</b>	<b>1,898,608</b>	<b>1,416,899</b>	<b>4,809,455</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,869,296</b>	<b>\$ 1,924,792</b>	<b>\$ 1,499,392</b>	<b>\$ 5,293,479</b>

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities of \$0, net of accumulated depreciation of \$0, are not financial resources and, therefore, are not reported in the funds. -

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds. -

Net Position of Governmental Activities \$ 4,809,455

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

	General Fund	Capital Improvement Fund	City/School Tax Fund	Total Governmental Funds
<b>REVENUES:</b>				
Sales Tax	\$ 1,028,934	\$ 1,028,934	\$ 1,028,934	3,086,803
Use Tax	86,572	86,572	86,572	259,715
Licenses & Permits	36,036	-	-	36,036
Alcoholic Beverage Tax	162,909	-	-	162,909
Vehicle License Tax	24,477	-	-	24,477
Gasoline Taxes	5,495	-	-	5,495
Tobacco Tax	35,375	-	-	35,375
Other Taxes	187,432	-	-	187,432
Grant Revenue	1,223,350	-	-	1,223,350
Charges for Services	74,685	-	-	74,685
Bond & Fine Receipts	372,250	-	-	372,250
Utility Franchise Taxes	97,719	-	-	97,719
Interest	5,941	2,498	2,096	10,534
Miscellaneous Revenues	313,672	10,901	-	324,573
<b>TOTAL REVENUES</b>	<b>3,654,847</b>	<b>1,128,905</b>	<b>1,117,602</b>	<b>5,901,354</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General Government	740,292	-	882,033	1,622,325
Police Department	1,260,933	-	-	1,260,933
Lake Patrol	254,483	-	-	254,483
Fire Department	148,560	-	-	148,560
Street Department	45,403	584,643	-	630,046
Airport	17,378	-	-	17,378
Culture & Recreation	220,298	-	-	220,298
Public Works	2,000	-	-	2,000
Debt Service	-	-	-	-
Capital Outlay	133,592	247,553	-	381,145
<b>TOTAL EXPENDITURES</b>	<b>2,822,940</b>	<b>832,196</b>	<b>882,033</b>	<b>4,537,168</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>831,907</b>	<b>296,710</b>	<b>235,569</b>	<b>1,364,186</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(144,233)	-	-	(144,233)
Capital Debt Proceeds	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(144,233)</b>	<b>-</b>	<b>-</b>	<b>(144,233)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>687,675</b>	<b>296,710</b>	<b>235,569</b>	<b>1,219,953</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>806,273</b>	<b>1,601,898</b>	<b>1,181,330</b>	<b>3,589,502</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,493,948</b>	<b>\$ 1,898,608</b>	<b>\$ 1,416,899</b>	<b>4,809,455</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

## Reconciliation to Statement of Activities:

Net change in fund balances - total governmental funds	\$ 1,219,953
 Amounts reported for governmental activities in the Statement of Activities are different because:	
 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Capital debt obligation principal payments	-
 Issuance of new capital debt obligations is recorded as capital debt proceeds in the governmental funds, but the proceeds create long-term liabilities in the Statement of Net Position:	
Capital Debt Proceeds	-
 Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	-
Depreciation expense	-
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 1,219,953</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	Enterprise Funds			Total
	Atoka Municipal Authority	Atoka City Industrial Development Authority	Atoka Industrial Facilities Authority	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 567,483	\$ 1,303,065	\$ 75,165	\$ 1,945,713
Investments	5,898	458,845	-	464,743
Accounts Receivable	173,594	-	-	173,594
Taxes Receivable	49,375	49,375	-	98,751
Due from Other Funds	-	224,000	25,408	249,408
<b>Total Current Assets</b>	<b>796,351</b>	<b>2,035,285</b>	<b>100,573</b>	<b>2,932,208</b>
<b>Noncurrent Assets:</b>				
Restricted Cash	874,251	262,480	-	1,136,730
Restricted Investments	64,000	-	-	64,000
Land and Construction in Progress	3,884,445	1,853,297	-	5,737,742
Other capital assets, net of accumulated depreciation	10,651,409	1,184,055	1,481,529	13,316,993
<b>Total Noncurrent Assets</b>	<b>15,474,104</b>	<b>3,299,832</b>	<b>1,481,529</b>	<b>20,255,465</b>
<b>TOTAL ASSETS</b>	<b>16,270,455</b>	<b>5,335,117</b>	<b>1,582,102</b>	<b>23,187,673</b>
<b>LIABILITIES &amp; FUND EQUITY</b>				
<b>Current Liabilities:</b>				
Accounts Payable	101,264	62,328	6,389	169,981
Interest Payable	43,909	-	777	44,686
Vacation Payable	38,244	6,594	10,270	55,108
Due to Other Funds	224,010	-	-	224,010
Customer Deposits	197,438	-	-	197,438
Notes Payable - Current Portion	266,133	-	26,209	292,343
<b>Total Current Liabilities</b>	<b>870,999</b>	<b>68,921</b>	<b>43,646</b>	<b>983,566</b>
<b>Noncurrent Liabilities:</b>				
Notes Payable - Long-Term Portion	10,800,075	-	772,820	11,572,895
<b>Total Noncurrent Liabilities</b>	<b>10,800,075</b>	<b>-</b>	<b>772,820</b>	<b>11,572,895</b>
<b>TOTAL LIABILITIES</b>	<b>11,671,074</b>	<b>68,921</b>	<b>816,466</b>	<b>12,556,461</b>
<b>NET POSITION:</b>				
Net investment in capital assets	3,469,645	3,037,352	682,500	7,189,497
Restricted for debt service	797,832	262,480	-	1,060,312
Unrestricted	331,903	1,966,364	83,137	2,381,403
<b>TOTAL NET POSITION</b>	<b>\$ 4,599,380</b>	<b>\$ 5,266,195</b>	<b>\$ 765,637</b>	<b>\$ 10,631,212</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

	Enterprise Funds			Total
	Atoka Municipal Authority	Atoka City Industrial Development Authority	Atoka Industrial Facilities Authority	
<b>OPERATING REVENUES:</b>				
Water Service	\$ 833,179	\$ -	\$ -	\$ 833,179
Sewer Service	554,632	-	-	554,632
Refuse Collection	451,429	-	-	451,429
Penalties	35,977	-	-	35,977
Water and Sewer Tap Fees	5,118	-	-	5,118
Recovery of Bad Debts	604	-	-	604
Miscellaneous	57,159	6,759	866	64,784
Transfer Station	217,334	-	-	217,334
Grants	-	-	-	-
Sale of Recyclables	35,282	-	-	35,282
Intergovernmental	-	92,800	-	92,800
Other Charges for Services	-	-	61,868	61,868
Rents and Leases	-	277,512	-	277,512
Sales and Use Tax (including TIF)	557,753	558,468	-	1,116,221
<b>TOTAL OPERATING REVENUES</b>	<b>2,748,467</b>	<b>935,540</b>	<b>62,733</b>	<b>3,746,740</b>
<b>OPERATING EXPENSES:</b>				
Sewer Plant Maintenance	135,298	-	-	135,298
Sewer Collection	185,746	-	-	185,746
Water Maintenance	210,648	-	-	210,648
Water Production	298,524	-	-	298,524
Sanitation	520,086	-	-	520,086
Transfer Station Expenses	188,748	-	-	188,748
Public Works	73,030	-	-	73,030
Industrial Development	-	99,067	-	99,067
Culture & Recreation	-	-	161,931	161,931
Park Design & Development	-	205,847	-	205,847
Marketing	-	17,845	-	17,845
Administration	214,516	229,739	-	444,255
Depreciation	565,007	90,171	85,633	740,811
<b>TOTAL OPERATING EXPENSES</b>	<b>2,391,602</b>	<b>642,670</b>	<b>247,564</b>	<b>3,281,836</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>356,865</b>	<b>292,870</b>	<b>(184,830)</b>	<b>464,904</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Income	3,347	4,907	-	8,254
Interest Expense	(181,562)	-	(29,097)	(210,659)
Loan Fees	-	-	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(178,215)</b>	<b>4,907</b>	<b>(29,097)</b>	<b>(202,405)</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFER</b>	<b>178,650</b>	<b>297,776</b>	<b>(213,928)</b>	<b>262,499</b>
Capital Contributions	308,725	-	-	308,725
Transfers in	-	-	174,233	174,233
Transfers out	-	(30,000)	-	(30,000)
<b>CHANGE IN NET POSITION</b>	<b>487,375</b>	<b>267,776</b>	<b>(39,695)</b>	<b>715,457</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>4,112,004</b>	<b>4,998,419</b>	<b>805,332</b>	<b>9,915,755</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 4,599,380</b>	<b>\$ 5,266,195</b>	<b>\$ 765,637</b>	<b>\$ 10,631,212</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

	Enterprise Funds			Total
	Atoka Municipal Authority	Atoka City Industrial Development Authority	Atoka Industrial Facilities Authority	
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Receipts from Customers	\$ 2,176,332	\$ 284,272	\$ 62,733	\$ 2,523,338
Other Cash Receipts	551,983	645,497	-	1,197,480
Payments to Suppliers & Employee for Goods & Services	(2,015,848)	(511,572)	(153,439)	(2,680,859)
Receipts of Customer Utility Deposits, Net of Refunds	13,331	-	-	13,331
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>725,799</b>	<b>418,197</b>	<b>(90,706)</b>	<b>1,053,290</b>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>				
Transfers to other funds	10	(30,000)	-	(29,990)
Transfers from other funds	-	-	160,228	160,228
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>10</b>	<b>(30,000)</b>	<b>160,228</b>	<b>130,238</b>
<b><u>Cash Flows from Capital &amp; Related Financing Activities:</u></b>				
Capital Contributions, Including Loan Forgiveness	308,725	-	-	308,725
Additions to Capital Assets	(2,729,822)	(789,629)	(7,778)	(3,527,229)
Loan Proceeds	2,696,072	-	-	2,696,072
Principal paid on debt	(288,555)	-	(24,476)	(313,031)
Interest paid on debt	(189,561)	-	(29,281)	(218,842)
<b>Net Cash Provided (Used) by Capital &amp; Related Financing Activities</b>	<b>(203,141)</b>	<b>(789,629)</b>	<b>(61,535)</b>	<b>(1,054,306)</b>
<b><u>Cash Flows from Investing Activities:</u></b>				
(Increase) in Investments	-	(1,958)	-	(1,958)
Interest Income	3,347	4,907	-	8,254
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>3,347</b>	<b>2,948</b>	<b>-</b>	<b>6,296</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>526,015</b>	<b>(398,484)</b>	<b>7,987</b>	<b>135,518</b>
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	<b>915,719</b>	<b>1,964,028</b>	<b>67,178</b>	<b>2,946,926</b>
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>\$ 1,441,734</b>	<b>\$ 1,565,544</b>	<b>\$ 75,165</b>	<b>\$ 3,082,444</b>
<b><u>Reconciliation of operating income (loss) to net cash provided</u></b>				
<b><u>operating activities:</u></b>				
Operating Income (Loss)	\$ 356,865	\$ 292,870	\$ (184,830)	\$ 464,904
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>				
Depreciation	565,007	90,171	85,633	740,811
(Increase)Decrease in Accounts Receivable	(14,381)	-	-	(14,381)
(Increase)Decrease in Taxes Receivable	(5,770)	(5,770)	-	(11,541)
Increase(Decrease) in Accounts Payable	(180,853)	39,249	5,289	(136,315)
Increase(Decrease) in Vacation Payable	(8,400)	1,678	3,203	(3,519)
Increase(Decrease) in Due to Depositors	13,331	-	-	13,331
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 725,799</b>	<b>\$ 418,197</b>	<b>\$ (90,706)</b>	<b>\$ 1,053,290</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**CITY OF ATOKA, OKLAHOMA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

	Trust and Agency Funds			Total
	Payroll Clearing	Cemetery Perpetual Care	Cemetery Care	
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 58,132	\$ 35,767	\$ 637	\$ 94,536
Investments	-	46,015	-	46,015
Accounts Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>58,132</b>	<b>81,781</b>	<b>637</b>	<b>140,551</b>
<b><u>LIABILITIES &amp; FUND EQUITY</u></b>				
<b>Current Liabilities:</b>				
Accounts Payable	16,000	-	-	16,000
Due to Other Funds	-	-	-	-
<b>Total Current Liabilities</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>16,000</b>
<b>Noncurrent Liabilities:</b>				
Notes Payable - Long-Term Portion	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>16,000</b>
<b>NET POSITION:</b>				
Assigned	42,132	81,781	637	124,551
<b>TOTAL NET POSITION</b>	<b>\$ 42,132</b>	<b>\$ 81,781</b>	<b>\$ 637</b>	<b>\$ 124,551</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Atoka, Oklahoma (City) was incorporated in 1901 under provisions of Oklahoma Law. The City operates under a Council-Manager form of government. There are five elected officials that each serve a two year term and one appointed City Manager. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, sewer, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. The following is a summary of the more significant policies:

A. Financial Reporting Entity:

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic—but not only—criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility includes, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Blended Component Units/Trusts:

The Atoka Municipal Authority (AMA) was created pursuant to a Trust Indenture for the benefit of the City of Atoka, Oklahoma. The AMA was established to finance, develop, and operate the water, sewer, and sanitation activities of the City. Current City Council serves as the governing body.

The Atoka City Industrial Development Authority (ACIDA) is also a public trust, the beneficiary of which is the City of Atoka, Oklahoma. The ACIDA works with the city, county, state and community to strengthen Atoka and SE Oklahoma’s quality of life and industrial viability. It uses a five-point approach to

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

address the following segments: Jobs, Housing, Education, Health, and Tourism.

The Atoka Industrial Facilities Authority is a public trust, the beneficiary of which is the City of Atoka, Oklahoma, that was created October 10, 1996. Until the 2010 fiscal year, the Authority had no activity for several years.

These three trusts are reported as enterprise funds in the financial statements.

B. Measurement Focus, Basis of Accounting and Basis of Presentation  
- Fund Accounting

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Major funds represent 10% of assets, liabilities, revenues or expenditures of the corresponding element for all funds of that category and is at least 5% of the corresponding element total for all governmental and enterprise funds combined or is a fund that the government believes is important enough for financial statements users to be reported as a major fund. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds, if any, are reported by type.

Fund Accounting - The accounts of the City of Atoka are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenses or expenditures. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Enterprise Funds - Atoka Municipal Authority, Atoka City Industrial Development Authority and Atoka Industrial Facilities Authority:

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

The enterprise funds are used to account for operations that are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or where the governing body has decided that the determination of revenues earned, costs incurred and/or net income is necessary for capital maintenance, public policy or management accountability. The City's major enterprise funds are:

Atoka Municipal Authority - accounts for the operations of providing public works (water, sewer, and sanitation) to the City.

Atoka City Industrial Development Authority - accounts for the promotion of development of industry in the City.

Atoka Industrial Facilities Authority - accounts for providing, maintaining, constructing recreational and cultural facilities within the City.

Fiduciary Funds - account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity. The fiduciary funds include the payroll clearing fund, cemetery perpetual care fund and cemetery care fund.

C. Assets, Liabilities and Equity

1. Deposits and Investments

Cash includes amounts in demand deposits. The City considers all cash on hand, demand deposits and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents. City policy has been to invest in obligations of the U.S. Treasury and Certificates of Deposit.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

2. Restricted Cash and Investments

Certain proceeds from grants, customer deposits, park funds, and bond sinking funds have been set aside for these purposes, and fund balances and resources have been restricted to assure availability for the intended purpose.

3. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Short-term Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for various reasons. The receivables and payables are classified as "Due From Other Funds" or "Due to Other Funds" on the balance sheet. Short-term loans are classified as "Interfund Receivables/Payables."

5. Inventories

There are no inventories listed on the balance sheet. The amount of inventories is small and is recorded as an expenditure when purchased rather than when consumed.

6. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund and similar discretely presented component unit operations and whether they are reported in the government-wide or fund financial statements. The City has not historically maintained fixed asset records.

Proprietary and component unit capital assets are reported in their respective fund and combining components units' financial statements. Donated assets are stated at fair value on the date donated. The Town maintains a capitalization threshold of \$500. The cost of normal maintenance and repairs that do not add to the assets value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

line method. When capital assets are disposed, the cost and applicable accumulated depreciation are moved from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	5-30 years
Improvements, other than buildings	5-30 years
Furniture, machinery and equipment	5-15 years
Utility systems	5-40 years

7. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested accumulated vacation leave of proprietary funds is recorded as an expenditure of these funds as the benefits accrue to employees. In accordance with the provisions of Statement of Accounting Standards No. 43, Accounting for Compensated Absences no liability is recorded for nonvesting accumulating rights to received sick pay benefits.

8. Long-Term Obligations

Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in that fund (Atoka Municipal Authority and the Industrial Development Authority).

9. Net Position/Fund Balance Classifications:

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

2. Restricted—Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted—Net amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances as follows:

- Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board.
- Unassigned - Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

CITY OF ATOKA, OKLAHOMA  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2021

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Government would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Government does not have a formal minimum fund balance policy.

The purposes of each major special revenue fund and revenue source is listed below:

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Capital Improvement Fund	Sales Tax Use Tax Miscellaneous Income
City/School Tax Acct Fund	Sales Tax

10. Interfund Transactions:

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund as a reduction of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. All interfund transfers are reported as operating transfers. The interfund transactions have not been reconciled, but are considered immaterial.

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk

At December 31, 2021, the City held deposits of approximately \$8,722,140 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Government insured or collateralized with securities held by the City or by its agent in the City's name.

#### Investment Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Investment Credit Risk

The City has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

#### Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following credit risk: 100% in Certificates of deposit (\$815,086).

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 - CAPITAL ASSETS

Proprietary Fund Capital Assets:

	12/31/2020			12/31/2021
<u>Business-Type Activities:</u>	Balance	Additions	Retirements	Balance
Capital assets not being depreciated:				
Land	\$ 1,228,571	\$ 632,594	\$ -	\$ 1,861,165
Construction in progress	1,180,505	2,860,885	-	4,041,389
Total capital assets not being depreciated	<u>2,409,076</u>	<u>3,493,479</u>	-	<u>5,902,554</u>
Other capital assets:				
Water Lines	624,965	-	-	624,965
Water Treatment Plant	7,866,823	-	-	7,866,823
Fluoride System	9,651	-	-	9,651
Elevated Water Tank	146,444	-	-	146,444
Sewer System	8,696,035	-	-	8,696,035
Vehicles and Equipment	1,116,893	33,750	-	1,150,643
Water Meters	3,785	-	-	3,785
Leasehold Improvements	14,692	-	-	14,692
Buildings	5,335,966	-	-	5,335,966
Total other capital assets	<u>23,815,254</u>	<u>33,750</u>	-	<u>23,849,004</u>
Less: Accum. Depreciation for:				
Water Lines	352,577	7,823	-	360,401
Water Treatment Plant	3,030,303	240,215	-	3,270,518
Fluoride System	9,651	-	-	9,651
Elevated Water Tank	132,687	3,661	-	136,348
Sewer System	2,806,382	269,205	-	3,075,587
Vehicles and Equipment	1,038,413	30,737	-	1,069,149
Water Meters	3,785	-	-	3,785
Leasehold Improvements	6,856	490	-	7,346
Buildings	2,575,359	188,680	-	2,764,039
Total Accumulated Depreciation	<u>9,956,013</u>	<u>740,811</u>	-	<u>10,696,823</u>
Other capital assets, net	<u>13,859,242</u>	<u>(707,061)</u>	-	<u>13,152,181</u>
Business-type activities capital assets, net	<u>\$ 16,268,317</u>	<u>\$ 2,786,418</u>	<u>\$ -</u>	<u>\$ 19,054,735</u>

The additions to accumulated depreciation include only the current year depreciation expense of \$740,811. The asset additions included land, vehicles and sewer and water improvements.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Depreciation expense was charged to functions as follows in the Statement Activities:

Business-Type Activities:

Atoka Municipal Authority	\$ 565,007
Atoka City Industrial Development Authority	90,171
Atoka Industrial Facilities Authority	85,633
Total depreciation expense for business-type activities	<u>\$ 740,811</u>

NOTE 4 - CHANGES IN LONG-TERM DEBT

GOVERNMENTAL FUND TYPES:

The City currently has no governmental fund type long-term debt.

PROPRIETARY FUND TYPES:

Note Payable - DOC

The Atoka Municipal Authority has a non-interest bearing promissory note due to the Oklahoma Department of Commerce. The proceeds of this loan were used to help finance the construction/renovation of a sewage collection and treatment facility. The promissory note bears interest at 0.0% per annum and requires 239 payments of \$520.83 per month with a final payment #240 of \$521.63, or until paid off. This loan was paid off in 2021.

Notes Payable - Oklahoma Water Resources Board

The Atoka Municipal Authority was awarded a loan (ORF-17-0001-DW), under the Oklahoma Drinking Water State Revolving Fund (DWSRF) program, by the State of Oklahoma Water Resources Board (OWRB) on October 1, 2017, for refinancing the Rural Development notes dated May 1, 2008 at an interest rate of 1.96% per annum, plus an administrative fee at the rate of 0.5% per annum, secured by the water revenues of the Authority and a .75% sales tax. The original principal amount of the loan was \$5,169,000. The loan matures September 15, 2039.

On March 26, 2020, the Authority entered into a Promissory Note, Series 2020, ORF-17-0002-DW with the Oklahoma Water Resources Board (OWRB). The security for the Note includes a pledge and assignment of revenues derived by the Authority from its operation of the water system of the Authority serving the City of Atoka, Oklahoma and a year-to-year pledge of certain sales tax revenue of the City of Atoka, Oklahoma, pursuant to a Sales Tax Agreement dated October 1, 2016. The Note is further secured by a Mortgage dated March 26, 2020 by the Authority to the OWRB. The loan is for a principal amount of

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

\$4,010,000.00 but will include a Loan Forgiveness of \$100,000.00. The outstanding principal balance of this Note, together with all accrued, but unpaid, interest and administrative fees shall be due and payable in full on the earlier of the March 15 or September 15 next preceding the date which is thirty (30) years after completion of the Project as certified to the OWRB by the District or September 15, 2051. The Note shall bear interest at a rate of 1.94% per annum plus an administrative fee at the rate of 0.5% per annum on the outstanding balance of disbursed loan proceeds.

On September 17, 2020, the Authority entered into a Promissory Note, Series 2020A, ORF-17-0002-DWA with the Oklahoma Water Resources Board (OWRB). The security for the Note includes a pledge and assignment of revenues derived by the Authority from its operation of the water system of the Authority serving the City of Atoka, Oklahoma and a year-to-year pledge of certain sales tax revenue of the City of Atoka, Oklahoma, pursuant to a Sales Tax Agreement dated October 1, 2016. The Note is further secured by a Mortgage dated September 17, 2020 by the Authority to the OWRB. The loan is for a principal amount of \$1,261,000.00 but may include a Loan Forgiveness. The outstanding principal balance of this Note, together with all accrued, but unpaid, interest and administrative fees shall be due and payable in full on the earlier of the March 15 or September 15 next preceding the date which is thirty (30) years after completion of the Project as certified to the OWRB by the District or September 15, 2051. The Note shall bear interest at a rate of 1.42% per annum plus an administrative fee at the rate of 0.5% per annum on the outstanding balance of disbursed loan proceeds.

On December 1, 2020, the Authority entered into a Promissory Note, Series 2020B, FAP-21-0005-L with the Oklahoma Water Resources Board (OWRB). The security for the Note includes a pledge and assignment of revenues derived by the Authority from its operation of the water and sanitary sewer systems of the Authority serving the City of Atoka, Oklahoma and a year-to-year pledge of certain sales tax revenue of the City of Atoka, Oklahoma, pursuant to a Sales Tax Agreement dated December 1, 2020. The Note is further secured by a Mortgage dated December 1, 2020 by the Authority to the OWRB. The loan is for a principal amount of \$2,850,000.00, plus premium of \$295,784.65, less original issue discount of \$26,951.20, less OWRB transactions costs. The proceeds of the note were used to refinance the Rural Development notes dated August 15, 2011. The discount and the premium are both being amortized over the term of the loan. The loan is for a term of 25 years maturing on September 15, 2045 with varying interest rates between 2.325% and 4.200% until maturity.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note Payable - AmeriState Bank

On June 21, 2010, the Atoka Industrial Facilities Authority incurred a promissory note due to AmeriState Bank. The proceeds of this loan are being used for construction of the Event Complex and will not exceed \$1,800,000.00. The promissory note bears interest at 5.0% per annum and requires 12 monthly consecutive interest payments, beginning July 21, 2010, and 107 monthly consecutive principal and interest payments of \$9,667.37 each, beginning July 21, 2011 and on principal and interest payment of \$1,515,723.89 on June 21, 2020. During a past year, the AIFA paid an additional principal only payment of \$771,000.00 and refinanced the loan with a new interest rate of 3.5% to be paid in equal monthly payments of \$4,479.79 with a final lump sum payment on August 21, 2021 of the remaining balance due for principal & interest. On September 2, 2021, there was a change in terms agreement that extended the maturity date to August 21, 2031 with no change to interest or monthly payment requirements.

The following is a summary of long-term debt additions and deductions for the twelve months ended December 31, 2021:

	Balance 12/31/2020	Additions	Deductions	Balance 12/31/2021
DOC Sewer Loan (AMA)	\$ 4,167	\$ -	\$ (4,167)	\$ -
OWRB ORF-17-0001-DW (AMA)	4,468,021	-	(186,454)	4,281,567
OWRB ORF-17-0002-DW (AMA)	1,038,640	2,687,284	(37,197)	3,688,727
OWRB ORF-17-0002-DWA (AMA)	40,679	8,787	(737)	48,730
OWRB FAP-21-0005-L (AMA)	2,850,000	-	(60,000)	2,790,000
AmeriState Bank (AIFA)	823,505	-	(24,476)	799,029
Total Long-Term Debt	<u>9,225,013</u>	<u>2,696,072</u>	<u>(313,031)</u>	<u>11,608,054</u>
Less: Current Portion	(1,074,127)			(292,343)
Less: Discount on OWRB	(26,861)	-	1,078	(25,783)
Plus: Premium on OWRB	294,799	-	(11,831)	282,967
Net Long-Term Debt	<u>\$ 8,418,824</u>	<u>\$ 2,696,072</u>	<u>\$ (323,785)</u>	<u>\$ 11,572,895</u>

A summary of future maturities of principal and interest are as follows:

Amortization schedules will be provided for OWRB ORF-17-0002-DW & OWRB ORF-17-0002-DWA once proceeds are received in full and the project is completed.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

OWRB ORF-17-0001-DW (AMA):

FYE Dec 31,	Principal	Interest	Admin Fee	Total
2022	\$ 191,133.34	\$ 84,128.49	\$ 21,461.35	\$ 296,723.18
2023	195,930.24	80,306.57	20,486.37	296,723.18
2024	200,578.07	76,603.42	19,541.69	296,723.18
2025	205,881.48	72,377.94	18,463.76	296,723.18
2026	211,048.54	68,261.10	17,413.54	296,723.18
2027-2031	1,137,174.53	276,026.46	70,414.91	1,483,615.90
2032-2036	1,287,205.55	156,489.54	39,920.81	1,483,615.90
2037-2039	852,615.26	29,920.93	7,632.89	890,169.08
	<u>\$ 4,281,567.01</u>	<u>\$ 844,114.45</u>	<u>\$ 215,335.32</u>	<u>\$ 5,341,016.78</u>

OWRB FAP-21-0005-L (AMA):

FYE Dec 31,	Principal	Interest	Total
2022	\$ 75,000.00	\$ 91,130.02	\$ 166,130.02
2023	75,000.00	87,980.02	162,980.02
2024	80,000.00	84,830.02	164,830.02
2025	80,000.00	81,470.02	161,470.02
2026	85,000.00	78,110.02	163,110.02
2027-2031	485,000.00	333,430.10	818,430.10
2032-2036	600,000.00	222,550.10	822,550.10
2037-2041	695,000.00	125,301.28	820,301.28
2042-2045	615,000.00	38,097.50	653,097.50
	<u>\$ 2,790,000.00</u>	<u>\$ 1,142,899.08</u>	<u>\$ 3,932,899.08</u>

Ameristate Bank (AIFA):

FYE Dec 31,	Principal	Interest	Total
2022	\$ 26,209.25	\$ 27,548.23	\$ 53,757.48
2023	27,141.41	26,616.07	53,757.48
2024	28,106.76	25,650.72	53,757.48
2025	29,106.43	24,651.05	53,757.48
2026	30,141.67	23,615.81	53,757.48
2027-2031	658,323.74	95,401.37	753,725.11
	<u>\$ 799,029.26</u>	<u>\$ 223,483.25</u>	<u>\$ 1,022,512.51</u>

NOTE 5 - CHANGE IN FISCAL YEAREND

In accordance with new Oklahoma Statutes, during 2005, the City and Authorities elected to change from a fiscal yearend of June 30 to a calendar yearend. This change is reflected in the financial statements.

NOTE 6 - SALES TAX REVENUE

From the City's 4.0% sales tax, the funds are distributed as follows:

City General Fund 1.0% General Government, Public Safety, Parks & Recreation, Cemeteries and Code Enforcement

Capital Improvement 1.0% Streets, Right of Ways, Alleys, Utility Relocations, Fire Department Vehicles & Equipment

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Atoka Municipal Authority 0.5% Water Plant Loan Payment

Atoka City Industrial Development Authority 0.5% Economic Development

Atoka Public Schools 1.0% New Sports Complex Facilities

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town purchases commercial insurance to reduce their risk of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 - CONTINGENT LIABILITIES

The City is not aware of any pending or threatened legal actions against it. However, insurance protection has been obtained to cover probable claims.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE 9 - OIL AND GAS LEASE

The City entered into three oil and gas leases dated June 15, 2006 with Antero Resources Corporation. The royalties paid by Lessee are (a) an oil and other liquid hydrocarbons, three-sixteenth (3/16) of the produced and saved from said land, the same to be delivered at the wells, or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefore prevailing for the field where produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of products there from, the value at the well of three-sixteenth (3/16) of the gas or product sold or used. On gas sold at the well, the royalty shall be three-sixteenth (3/16) of the net proceeds realized from such sale. All royalties paid on gas will be paid after deducting from such royalty lessor's

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

proportionate amount of all post-production costs, including but not limited to gross production and severance taxes, gathering and transportation costs from the wellhead to the point of sale, treating, compression, and processing. On product sold, the royalty shall be three-sixteenth (3/16) of the net proceeds realized from such sale, after deducting from such royalty lessor's proportionate amount of all of the above post-production costs and expenses, if any. Each lease shall remain in force for a term of three (3) years from date and so long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

For the fiscal year ending December 31, 2021, payments received for the above referenced oil and gas leases are included in the General Fund's financial statements as Charges for Services.

NOTE 10 - GRANT INCOME

The City of Atoka was approved for REAP Grant 21-004 from SODA (Southern Oklahoma Development Association) in the amount of \$52,000.00. As of December 31, 2021, \$52,000.00 has been received and expended and there is no remaining balance.

The City of Atoka was approved for a Bullet Proof Vest Partnership Grant from the U.S. Department of Justice in the amount of \$6,000.00. As of December 31, 2021, \$6,000.00 has been received and expended and there is no remaining balance.

The City of Atoka was approved for ARPA Coronavirus State and Local Fiscal Record Funds from the U.S. Department of the Treasury in the amount of \$263,292.90. As of December 31, 2021, \$263,292.90 has been received but not yet expended and there is no remaining balance.

The City of Atoka was approved for several Community Facilities Grants from the U.S. Department of Agriculture for fire and police department equipment. The first grant was for an amount of \$21,700.00. As of December 31, 2021, \$20,413.94 has been received and expended and there is a remaining balance of \$1,286.06. The second grant was for an amount of \$50,000.00. As of December 31, 2021, \$29,946.41 has been received and \$50,000.00 expended and there is a remaining balance of \$20,053.59. The third grant was for an amount of \$719,600.00. As of December 31, 2021, \$467,012.87 has been received and \$535,162.61 expended and there is a remaining balance of \$252,587.13.

CITY OF ATOKA, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 11 - EMPLOYEE RETIREMENT SYSTEM AND PLANS

Simple IRA Plan

The City has an arrangement with Ameristate Bank whereby if an individual employee, after 90 days of employment, opens an IRA at the bank and contributes a minimum of 3% of their paycheck, with no limit on the maximum, the City then contributes 5% only. The total contributions for the fiscal year ending December 31, 2021, for employer and employee were \$15,472.79 and \$18,738.76, respectively for a total of \$34,211.55 for the General Fund, \$4,473.85 and \$3,155.67, respectively for a total of \$7,629.52 for the Capital Improvement Fund, \$6,991.60 and \$4,819.17, respectively for a total of \$11,810.77 for the AMA, \$1,757.52 and \$1,054.56, respectively for a total of \$2,812.08 for the AIFA and \$3,245.35 and \$3,245.35, respectively for a total of \$6,490.70 for the ACIDA. Information regarding this arrangement can be obtained from the City.

Oklahoma Firefighter's Pension and Retirement System

The Town participates in the Oklahoma Firefighters Pension and Retirement System (the Plan) on behalf of its volunteer firefighters. The Town contributes \$60/year for each volunteer firefighter as set by Oklahoma Statutes; voluntary firefighters do not contribute to the Plan. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The Plan is an agent multiple-employer, or municipality, contributory defined benefit pension plan. The authority to amend and establish benefit provisions of the Plan rests with the Board of Trustees of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report as well as actuarial assumptions and funding information may be obtained by writing to the Oklahoma Firefighters Pension and Retirement System c/o Oklahoma State Firefighters Association, 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, OK 73105-3414.

The required contribution from the Town for this plan was \$1,140, \$1,200 and \$1,320 for 2021, 2020 and 2019, respectively. The required contribution was fully contributed.

NOTE 12 - SUBSEQUENT EVENTS

The City did not have any subsequent events through the date of the audit report, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending December 31, 2021.

CITY OF ATOKA, OKLAHOMA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Sales Tax	910,000	1,020,018	1,020,018	(0)
Use Tax	85,000	83,948	83,948	(0)
Licenses & Permits	28,950	35,660	35,660	-
Alcoholic Beverage Tax	155,000	161,611	161,610	(1)
Vehicle License Tax	22,500	24,008	24,007	(1)
Gasoline Taxes	6,000	5,435	5,435	(0)
Tobacco Tax	36,500	34,869	34,869	(1)
Other Taxes	136,500	187,432	187,432	(0)
Grant Revenue	301,510	681,071	681,068	(3)
Charges for Services	82,770	74,688	74,685	(3)
Bond & Fine Receipts	530,000	372,120	372,119	(1)
Utility Franchise Taxes	100,000	96,871	96,869	(2)
Miscellaneous Revenues	15,250	286,746	286,744	(2)
Amounts available for appropriation	<u>2,409,980</u>	<u>3,064,477</u>	<u>3,064,463</u>	<u>(14)</u>
<b>Charges to Appropriations (Outflows):</b>				
<b>Current:</b>				
General Government	611,632	754,458	754,445	13
Police Department	1,092,458	1,318,650	1,318,637	13
Lake Patrol	301,510	296,415	296,409	6
Fire Department	52,100	148,563	148,560	3
Street Department	39,000	45,404	45,403	1
Airport	24,675	17,380	17,378	2
Culture & Recreation	285,605	244,618	244,610	8
Public Works	3,000	2,000	2,000	-
Debt Service	-	-	-	-
Capital Outlay	-	236,989	-	236,989
Total Charges to Appropriations	<u>2,409,980</u>	<u>3,064,477</u>	<u>2,827,442</u>	<u>237,035</u>
Prior Year Adjustments to Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>237,021</u></u>	<u><u>237,021</u></u>

CITY OF ATOKA, OKLAHOMA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
DECEMBER 31, 2021

The City adopts an annual budget for all funds established by the governing body as required by O.S. 11 Section 17.207 through 17.210. The state statutes also require that the budget be adopted by resolution or per the city charter at the legal level of classification (fund, department, & object category) and that the budget be filed with County Clerk and the State Auditor and Inspector. The City may transfer budgeted amounts within and among departments.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council  
City of Atoka, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atoka, Oklahoma, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Atoka, Oklahoma's basic financial statements, and have issued my report thereon dated June 6, 2022, which was qualified for the governmental activities, general fund and capital improvement fund for improper capital asset recordkeeping and unmodified for the of the business-type activities, City/School Tax Fund, AMA Fund, ACIDA Fund, AIFA Fund, and the aggregate remaining fund information. Management has omitted the MD&A required by accounting principles generally accepted in the United States of America.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City of Atoka, Oklahoma's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Atoka, Oklahoma's internal control. Accordingly, I do not express an opinion on the effectiveness of City of Atoka, Oklahoma's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such

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that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

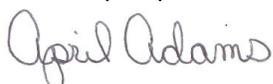
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Atoka, Oklahoma's financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April Adams CPA PLLC  
Ponca City, Oklahoma

June 6, 2022

**CITY OF ATOKA, OKLAHOMA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021**

	Trust and Agency Funds			Total
	Payroll Clearing	Cemetery Perpetual Care	Cemetery Care	
<b><u>Additions:</u></b>				
Interest Income	\$ -	\$ 0	\$ 4	\$ 5
Lot Sales	-	-	8,330	8,330
Miscellaneous	-	2,906	-	2,906
<b>TOTAL ADDITIONS</b>	<b>-</b>	<b>2,907</b>	<b>8,334</b>	<b>11,241</b>
<b><u>Deductions:</u></b>				
Other Services & Charges	6,059	11,974	10,700	28,732
<b>TOTAL DEDUCTIONS</b>	<b>6,059</b>	<b>11,974</b>	<b>10,700</b>	<b>28,732</b>
<b>NET INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>(6,059)</b>	<b>(9,067)</b>	<b>(2,366)</b>	<b>(17,491)</b>
Capital Contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>(6,059)</b>	<b>(9,067)</b>	<b>(2,366)</b>	<b>(17,491)</b>
<b>TOTAL NET POSITION - BEGINNING</b>	<b>48,191</b>	<b>90,848</b>	<b>3,003</b>	<b>142,042</b>
<b>TOTAL NET POSITION - PRIOR YEAR ADJUSTM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 42,132</b>	<b>\$ 81,781</b>	<b>\$ 637</b>	<b>\$ 124,551</b>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements