

**INDEPENDENT ACCOUNTANT'S
AUDIT REPORT**

**CITY OF CACHE
Cache, Oklahoma**

JUNE 30, 2022

BY



City of Cache
Cache, Oklahoma
Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Cache, Oklahoma

Report on the Audit of the Modified Cash Basis Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cache, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Cache, Oklahoma's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Unmodified
Aggregate Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Public Works Authority	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on the Aggregate Discretely Presented Component Unit

In our opinion, except for the effects of the matter disclosed in the "Basis for Qualified and Unmodified Opinions" section of our report, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position and where applicable its cash flows of the Cache Economic Development Authority (an aggregate Discretely Presented Component Unit of the City of Cache, Oklahoma), as of June 30, 2022, and the changes in modified cash basis financial position thereof for the year then ended in accordance with modified cash basis of accounting described in Note 1.C.

Unmodified Opinions on Governmental Activities, Business-type Activities, General Fund, Public Works Authority, and Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the General Fund, Public Works Authority, and the Aggregate Remaining Fund Information of the City of Cache, Oklahoma, as of June 30, 2022, and the respective changes in modified cash

basis financial position and, where applicable, cash flows thereof for the year then ended in accordance with modified cash basis of accounting described in Note 1.C.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Cache, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the Aggregate Discretely Presented Component Unit
Management has not adopted a methodology for reviewing the financial activity of the related component unit, Cache Economic Development Authority, on a consistent basis. The financial records of this component have not been reviewed by the City since 2017. Therefore, we cannot place reliance on the Statement of Net Position for the component unit.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1.C of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1.C, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Cache, Oklahoma's ability to continue as a 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

Our 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 our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Cache, Oklahoma'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Cache, Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Cache, Oklahoma's basic financial statements. The accompanying budgetary comparison information, combining and individual nonmajor fund financial statements and schedule of federal and state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the modified cash basis of accounting described in Note 1.C. In our opinion, the budgetary comparison

information, combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the City of Cache, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the City of Cache's internal control over financial reporting and compliance.

Furrh & Associates
FURRH & ASSOCIATES, PC
Lawton, Oklahoma
March 20, 2023

City of Cache, OK
Statement of Net Position
(Modified Cash Basis)
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Cache Economic Development Authority
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,301,093	\$ 1,582,356	\$ 2,883,449	\$ 105,736
Capital Assets	1,899,037	2,113,000	4,012,037	334,055
Accumulated Depreciation	(1,110,842)	(1,412,744)	(2,523,586)	(872)
Total Assets	<u>\$ 2,089,288</u>	<u>\$ 2,282,612</u>	<u>\$ 4,371,900</u>	<u>\$ 438,919</u>
<u>Liabilities</u>				
Meter Deposits	\$ 0	\$ 125,031	\$ 125,031	\$ 0
Payroll Tax Payables	0	4,105	4,105	0
Due within one year				
Notes Payable	0	31,951	31,951	54,753
Due in more than one year				
Notes Payable	<u>0</u>	<u>504,531</u>	<u>504,531</u>	<u>0</u>
Total Liabilities	0	665,618	665,618	54,753
<u>Net assets</u>				
Invested in Capital, Net of Debt	0	163,774	163,774	278,430
Restricted	0	1,038,240	1,038,240	0
Unrestricted	<u>2,089,288</u>	<u>414,980</u>	<u>2,504,268</u>	<u>105,736</u>
Total Net Assets	<u>2,089,288</u>	<u>1,616,994</u>	<u>3,706,282</u>	<u>384,166</u>
Total Liabilities & Net Assets	<u>\$ 2,089,288</u>	<u>\$ 2,282,612</u>	<u>\$ 4,371,900</u>	<u>\$ 438,919</u>

Please see accompanying notes to the financial statements.

City of Cache, OK
Statement of Activities
(Modified Cash Basis)
Year Ended June 30, 2022

					Net (Expense) Revenue and Changes in Net Assets			
Program Revenue					Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Cache Economic Development Authority
Primary Government								
Governmental Activities:								
General Government	\$ 815,607	\$ 443,551	\$ 0	\$ 249,287	\$ (122,769)	\$ 0	\$ (122,769)	
Public Safety	353,457	149,363	3,270	0	(200,824)	0	(200,824)	
Streets	139,750	0	0	0	(139,750)	0	(139,750)	
Culture and Recreation	30,526	1,630	0	0	(28,896)	0	(28,896)	
Total Governmental Activities	1,339,340	594,544	3,270	249,287	(492,239)	0	(492,239)	
Business-Type Activities:								
Water	449,492	527,371	0	0	0	77,879	77,879	
Garbage	274,208	344,876	0	0	0	70,668	70,668	
Sewer	108,383	127,161	0	0	0	18,778	18,778	
Miscellaneous	263,166	308,762	0	0	0	45,596	45,596	
Total Business-Type Activities	1,095,249	1,308,170	0	0	0	212,921	212,921	
Total Primary Government	\$ 2,434,589	\$ 1,902,714	\$ 3,270	\$ 249,287				
Component Unit:						Give135%		
Cache Econ. Develop. Authority	\$ 46,657	\$ 9,600	\$ 0	\$ 65,000				\$ 27,943
Total Component Unit	\$ 46,657	\$ 9,600	\$ 0	\$ 65,000				27,943
General Revenue								
Taxes:								
Sales Tax					595,888	0	595,888	35,105
Use Tax					200,888	0	200,888	0
Franchise Tax					59,453	0	59,453	0
Vehicle Tax					28,617	0	28,617	0
Alcoholic Beverage Tax					15,613	0	15,613	0
Cigarette Tax					4,676	0	4,676	0
Miscellaneous Income					113,664	0	113,664	0
Interest Revenue (Expense)					813	(11,113)	(10,300)	(1,488)
Total General Revenue					1,019,612	(11,113)	1,008,499	33,617
Change in Net Assets					527,373	201,808	729,181	61,560
Net Transfers					(320,542)	320,542	0	0
Net Assets, June 30, 2021					1,882,457	1,760,262	3,642,719	226,661
Net Assets, June 30, 2022					\$ 2,089,288	\$ 2,282,612	\$ 4,371,900	\$ 288,221

Please see accompanying notes to the financial statements.

City of Cache, OK
Governmental Funds
Balance Sheet
(Modified Cash Basis)
June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ 389,660	\$ 911,433	\$ 1,301,093
Deferred Inflow	<u>0</u>	<u>0</u>	<u>0</u>
 Total Assets	 <u><u>\$ 389,660</u></u>	 <u><u>\$ 911,433</u></u>	 <u><u>\$ 1,301,093</u></u>
<u>Liabilities and Fund Balances</u>			
Deferred Outflow	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total Liabilities	 0	 0	 0
 Fund Balances			
Unrestricted	<u>389,660</u>	<u>911,433</u>	<u>1,301,093</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 389,660</u></u>	 <u><u>\$ 911,433</u></u>	 <u><u>\$ 1,301,093</u></u>

Reconciliation to Statement of Net Assets

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital Assets used in governmental activities of
\$1,899,037 Net of Accumulated Depreciation of
\$1,110,842 are not financial resources and, therefore,
are not reported in the funds.

788,195

Net Assets of Governmental Activities

\$ 2,089,288

Please see accompanying notes to the financial statements.

City of Cache, OK
Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenue</u>			
Taxes	\$ 593,719	\$ 311,416	\$ 905,135
Pound Income	0	401,563	401,563
Grant Income	0	249,287	249,287
Miscellaneous	50,451	64,843	115,294
Fines	68,224	0	68,224
Fire Service	0	55,879	55,879
Licenses and Permits	40,358	1,630	41,988
Court Costs	12,690	0	12,690
Penalty Revenue	0	12,570	12,570
Donations	525	2,745	3,270
Interest	237	576	813
Total Revenue	766,204	1,100,509	1,866,713
<u>Expenditures</u>			
General Government:			
General Government	413,010	343,202	756,212
Public Safety:			
Police	287,379	12,542	299,921
Fire	19,295	34,241	53,536
Street and Public Works:			
Streets	0	139,750	139,750
Culture and Recreation:			
Parks	0	30,526	30,526
Total Expenditures	719,684	560,261	1,279,945
<u>Revenue Over (Under) Expenditures</u>	46,520	540,248	586,768
<u>Other Financing Sources (Uses)</u>			
Transfers In/(Out)	12,733	(333,275)	(320,542)
Total Other Financing Sources (Uses)	12,733	(333,275)	(320,542)
<u>Net Changes in Fund Balance</u>	59,253	206,973	266,226
<u>Fund Balance, June 30, 2021</u>	330,407	704,460	1,034,867
<u>Fund Balance, June 30, 2022</u>	<u>\$ 389,660</u>	<u>\$ 911,433</u>	<u>\$ 1,301,093</u>

Please see accompanying notes to financial statements.

City of Cache, OK
Cache Public Works Authority
Enterprise Fund
Statement of Net Position
(Modified Cash Basis)
June 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 1,582,356	
Total Current Assets		\$ 1,582,356

Noncurrent Assets

Capital Assets	2,103,941	
Land	9,059	
Accumulated Depreciation	(1,412,744)	
Total Noncurrent Assets		700,256
Total Assets		\$ 2,282,612

LIABILITIES

Current Liabilities

Meter Deposits	\$ 125,031	
Notes Payable- Current Portion	31,951	
Payroll Tax Liabilities	4,105	
Total Current Liabilities		161,087

Noncurrent Liabilities

Notes Payable- Long-Term Portion		504,531
Total Liabilities		665,618

NET ASSETS

Invested in Capital Assets, Net of Related Debt	163,774	
Restricted	1,038,240	
Unrestricted	414,980	
Total Net Assets		1,616,994
Total Net Assets and Liabilities		\$ 2,282,612

Please see accompanying notes to the financial statements.

City of Cache, OK
Cache Public Works Authority
Enterprise Fund
Statement of Revenue, Expense, and Changes in Net Position
(Modified Cash Basis)
Year Ended June 30, 2022

Operating Revenue

Water Revenue	\$ 527,371	
Garbage Revenue	344,876	
OWRB	215,130	
Sewer Revenue	127,161	
Late Charges and Misc. Penalties	41,976	
Miscellaneous Income	51,656	
	<hr/>	
Total Operating Revenue		\$ 1,308,170

Operating Expense

Payroll Expense	425,680	
Garbage Service Expense	274,208	
Depreciation	101,838	
Telephone and Utilities	78,265	
Operating Supplies	69,347	
Repairs & Maintenance	60,087	
Insurance	28,911	
Legal & Professional	18,153	
Automobile Expense	15,171	
Equipment Lease & Rental	10,820	
Postage	7,943	
Miscellaneous	4,826	
	<hr/>	
Total Operating Expense		<hr/> 1,095,249

<u>Net Operating Income (Loss)</u>	<hr/> 212,921
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Nonoperating Revenue (Expense)

Net Transfers	320,542	
Interest Income	926	
Interest Expense	(12,039)	
	<hr/>	

<u>Net Nonoperating Income (Loss)</u>	<hr/> 309,429
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<u>Net Revenue (Loss)</u>	522,350
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<u>Total Net Assets, June 30, 2021</u>	<hr/> 1,760,262
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<u>Total Net Assets, June 30, 2022</u>	<hr/> <hr/> \$ 2,282,612
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Please see accompanying notes to the financial statements.

City of Cache, OK
Cache Public Works Authority
Enterprise Fund
Statement of Cash Flows
(Modified Cash Basis)
Year Ended June 30, 2022

Cash Flows from Operating Activities

Receipts from Customers	\$ 1,260,355
Miscellaneous Revenue	51,656
Payments to Suppliers	(274,208)
Operating Expenses	(293,523)
Payments to Employees	(421,575)
	<hr/>
Net Cash Provided by Operating Activities	322,705

Cash Flows from Capital and Related Financing Activities

Interest Expense	(12,039)
Decrease in Notes Payable	(31,951)
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	(43,990)

Cash Flows from Investing Activities

Purchase of Capital Assets	(62,052)
Interest Income	926
	<hr/>
Net Cash Provided by Investing Activities	(61,126)

<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	217,589
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<u>Cash and Cash Equivalents - June 30, 2021</u>	<u>1,364,767</u>
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<u>Cash and Cash Equivalents - June 30, 2022</u>	<u><u>\$ 1,582,356</u></u>
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Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income	\$ 212,921
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities	
Increase in Payroll Tax Liability	4,105
Increase in Meter Deposit Liability	3,841
Depreciation Expense	101,838
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 322,705</u></u>

Please see accompanying notes to the financial statements.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The City of Cache, Oklahoma (the “City”) operates under a Council-Manager form of government and provides for the following services as authorized by ordinance: public safety and health; public safety and health; maintenance of highways and streets; culture and recreation; zoning and planning; sanitation services; water distribution; wastewater treatment; and general administration.

The accounting policies and presentation of the basic financial statements of the City have been prepared in conformity with the modified cash basis of accounting, which is a basis of accounting other than generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

A. Financial Reporting Entity

The City of Cache, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

The Cache Public Works Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 177-180.3, for the use and benefit of the City of Cache, Oklahoma. The Authority leases the existing water and sewer lines, wells and storage facilities of the City and receives the revenues from their use. The Authority is charged with the responsibility of maintaining the property as needed, although title to the property is retained by the City. The lease is for a period of fifty years.

In evaluating the City as a reporting entity, management has addressed all potential component units, for which the City may be financially accountable and, as such, should be included within the City’s financial statements. The City (primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and 1) it is able to impose its will on the organization or 2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The basic financial statements include one discretely presented component unit. The component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Discretely presented component unit:

The Cache Economic Development Authority develops land and buildings within the City’s jurisdiction for use by the public. The component unit is financially accountable to the City, the City’s governing body serves as the trustees for these public trusts, and they are all managed by the same management team of the City.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

B. Basis of Presentation and Accounting

The City's basic financial statements consist of government-wide statements, including the statement of net position and statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements:

The government-wide focus is on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The statement of net position and statement of activities display information about the City as a whole.

These statements include financial activities of the primary government; fiduciary activities have been excluded. The effect of interfund activity has been removed from these statements. The government-wide statement of activities reflects both expenses and net cost of each function of the City's governmental activities. Program revenues include charges paid by a recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, such as property taxes, are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each city function is self-financing or draws from the general revenues of the City.

Fund Financial Statements:

The financial transactions of the City are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The emphasis of fund financial statements is on major governmental and proprietary funds; therefore, each is displayed in a separate column. All remaining governmental and proprietary funds are aggregated and presented as nonmajor funds.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a City's general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Operating revenues in the proprietary funds are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. As such, fiduciary funds are not reported in the government-wide statements. Currently, the City does not have any fiduciary funds.

C. Measurement Focus

The government-wide statements report using the economic resources measurement focus. Proprietary and fiduciary fund financial statements also report using this same focus.

Governmental fund financial statements report using the current financial resources measurement focus. Since the governmental fund financial statements are presented on a different measurement focus than the government-wide statements (due mainly to inclusion of capital assets and long-term debt activity in the city-wide presentation), a reconciliation is presented, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Basis of Accounting:

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported in the financial statements. The City maintains its accounting records for all funds on the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from long-term debt borrowings are included as other financing sources on the fund financial statements on the date received.

Operating revenue reported in proprietary fund financial statements includes revenue and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Net Position:

Net position reported in the government-wide, proprietary fund and fiduciary fund financial statements are displayed in three components:

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

- a. *Net investment in capital assets* - Consists of capital assets including 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.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.” It is the City’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed - includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. The City currently reports no committed fund balance.
- d. Assigned - includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Currently, the city council has delegated that authority to the city manager. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned - represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City’s policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

D. Budget

The City's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The City's budget is also prepared under the modified cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Related Party Transactions

There were no material related party transactions with City official or employees during the year ended June 30, 2022.

G. Cash, Cash Equivalents, and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit, and short-term investments with an original maturity of three-months or less, and money market investments. Investments consist of long-term time deposits, and U.S. agency bonds and notes. Certificates of deposit are reported at cost while investments in the U.S. agency bonds and notes and other marketable investments are reported at fair value.

The City is statutorily limited to investing public funds in insured checking accounts, certificates of deposit, insured savings accounts, savings certificates and U.S. or Oklahoma government obligations. The City is also required to secure collateral for invested funds in excess of amounts insured by the Federal Deposit Insurance Corporation or Federal Savings & Loan Insurance Corporation. Acceptable collateral is primarily limited to federal, state, and local government obligations.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

H. Inventories

Inventories of goods and supplies on hand at year end are not material for the primary government. Therefore, purchases of inventory type items are recorded as expenditures or expenses at the time purchased, and no balances for such inventories on hand are reported.

I. Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide and proprietary fund financial statements, property, plant and equipment are accounted for as capital assets, net of accumulated depreciation where applicable. In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. A capitalization threshold of \$1,000 is used for additions, other than land, to report capital assets. Capital assets are reported at actual or estimated historical cost. The City did not maintain a detailed fixed asset ledger prior to July 1999; therefore, only assets purchased after this date are included in the financial statements. Assets acquired since July 1999 are recorded at cost.

The estimated useful lives by type of asset are as follows:

- | | |
|------------------------------------|--------------|
| • Buildings and Improvements | 40 years |
| • Water, Sewer & Land Improvements | 20 years |
| • Machinery and Equipment | 5 - 20 years |
| • Furniture and Fixtures | 10 years |

J. Long-Term Debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities incurred. The long-term debt consists primarily of notes payable for the purchase of assets.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

K. Compensated Absences

Under terms of City personnel policies, City employees are granted comp time, vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation time. The estimated liabilities for vested benefits also include salary related payments such as employment taxes. Governmental funds report only the matured compensated absences payable to currently terminating or retiring employees.

L. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government only has two items that qualify for reporting in this category. The City reports deferred outflows related to pensions and debt refunding.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines, technology and infrastructure fees, ambulance, and grants, and also reports deferred amount related to leases receivable. For all of these except leases, these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide Statement of Net Position reports only deferred inflows for pension and leases.

Lease-related amounts are recognized at the inception of leases in which the city is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

M. Interfund Activities and Balances

The City's policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid grossing up balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfer and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 2 - Deposit and Investments

At June 30, 2022, the governmental and proprietary funds held the following deposits of unrestricted funds:

Unrestricted Cash and Cash Equivalents

Governmental Funds:

Street & Alley	\$ 420,933
General Fund	389,660
Fire Department	172,738
Community Center	94,612
Animal Control	41,790
Parks & Recreation	36,961
Penalty	5,289
Crime Prevention	2,120
K-9	872
Municipal Court	124
REAP	52
Total	<u><u>\$ 1,165,151</u></u>

Enterprise Funds:

Public Works Authority	<u>\$ 418,344</u>
Total	<u><u>\$ 418,344</u></u>

At June 30, 2022, the governmental and proprietary funds held the following deposits of restricted funds:

Restricted Cash, Cash Equivalents and Investments

Governmental Funds:

ARPA	<u>\$ 135,942</u>
Total	<u><u>\$ 135,942</u></u>

Enterprise Funds:

Meter Deposits	\$ 125,031
Oklahoma Water Resource Board	<u>1,038,240</u>
Total	<u><u>\$ 1,163,271</u></u>

The City's cash, deposits, and investments are classified in the following categories:

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

- A. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- B. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- C. Uncollateralized.

	A	B	C	Total
	\$ 250,000	\$ 2,632,708	\$ 0	\$ 2,882,708
Total	\$ 250,000	\$ 2,632,708	\$ 0	\$ 2,882,708

Deposits and Investment Risks:

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City does not have a formal investment policy as it relates to custodial credit risk. Acceptable collateral is limited to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

Investment Credit Risk – State law limits the investments available to the City and is described below.

- 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 of Oklahoma is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with instate 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.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

- 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., b., c. and d.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies— as of the year end in the schedule above. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Component Unit Deposits and Investments:

Deposits

At June 30, 2022, none of the Authority's unrestricted bank balance mentioned below was exposed to custodial credit risks as uninsured and uncollateralized:

Unrestricted Cash and Cash Equivalents

Component Unit:

Cache Economic Development Authority	<u>\$ 105,736</u>
	<u><u>\$ 105,736</u></u>

As a nongovernmental entity, the component unit is not subject to collateralization requirements.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 3 - Capital Assets and Depreciation

Changes in governmental fixed assets during the year ending June 30, 2022, were as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>
Balance, July 1, 2021	\$ 1,794,434	\$ 1,030,054
Additions	<u>116,103</u>	<u>89,030</u>
Total	1,910,537	1,119,084
Disposals	<u>11,500</u>	<u>8,242</u>
Balance, June 30, 2022	<u><u>\$ 1,899,037</u></u>	<u><u>\$ 1,110,842</u></u>

Changes in proprietary fixed assets during the year ending June 30, 2022, were as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>
Balance, July 1, 2021	\$ 2,050,948	\$ 1,310,906
Additions	<u>62,052</u>	<u>101,838</u>
Total	2,113,000	1,412,744
Disposals	<u>0</u>	<u>0</u>
Balance, June 30, 2022	<u><u>\$ 2,113,000</u></u>	<u><u>\$ 1,412,744</u></u>

Changes in component unit fixed assets during the year ending June 30, 2022, were as follows:

	<u>Fixed Assets</u>	<u>Accumulated Depreciation</u>
Balance, July 1, 2021	\$ 334,055	\$ 0
Additions	<u>0</u>	<u>872</u>
Total	334,055	872
Disposals	<u>0</u>	<u>0</u>
Balance, June 30, 2022	<u><u>\$ 334,055</u></u>	<u><u>\$ 872</u></u>

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 4 - Pension

The City established a Defined Contribution Plan to be known as the City of Cache Plan (the Plan) in the form of the Oklahoma Municipal Retirement Fund Master Defined Contribution Plan. The Plan started on May 1, 2009. The Plan requires all participating employees to contribute 3% of their wages and the Town contributes 3% of the employee's wages. For the years ended June 30, 2020, 2021 and 2022 the following required contributions were made:

For the Year Ending	Employee	Employer	Total
2022	\$ 18,035	\$ 17,270	\$ 35,305
2021	16,011	14,019	30,030
2020	15,385	13,547	28,932

All firefighters participate in the Statewide Oklahoma Firefighter's Pension and Retirement System. The City contributes to this plan for each firefighter in accordance with Oklahoma Statutes.

Note 5 - Long-Term Debt

The following is a summary of the long-term debt transactions of the Public Works Authority for the year ended June 30, 2022.

Balance as of 06/30/2021	\$ 568,433
Principal Payments	<u>(31,951)</u>
Balance as of 06/30/2022	<u><u>\$ 536,482</u></u>

A brief description of the outstanding general long-term debt at June 30, 2022, is set forth below:

	Date	Original Amount	Interest Rate	Balance as of 06/30/2022
Oklahoma Water Resources Board	03/15/2010	\$2,000,000	4.00%	<u><u>\$ 536,482</u></u>

The component unit Cache Economic Development Authority had a loan for the remodeling of a building purchased with the intent of renting it for a medical facility in the community. The original amount of the loan was for \$60,000 due May 18, 2022. Upon maturity, the loan was renewed for a 12 month period classified as a line of credit. The full amount of the loan is payable on May 18, 2023.

City of Cache
Cache, Oklahoma
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 6 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Also, all personnel responsible for custody of cash were bonded during the fiscal year.

The City carries the following insurance coverage as protection against possible loss contingencies:

- General Liability
- Public Officials Liability
- Law Enforcement Liability
- Commercial Auto Liability
- Commercial Property
- Commercial Inland Marine
- Commercial Crime & Excess Liability
- Workman's Compensation
- Firefighter's Life Insurance

Note 7 - Lease Agreement

The City currently has a 1-year lease agreement that renews annually for a 2021 Freightliner Pumper Tanker. The total value of the vehicle was \$293,879 as of the end of the year ending June 30, 2022.

Note 8 - Commitments and Contingent Liabilities

The financial statements do not include any provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, cities and towns generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

Note 9 - Management Evaluation of Subsequent Events

Management has reviewed information to evaluate the necessity for the disclosure of subsequent events through March 20, 2023, which is the issuance date of the financial statements.



**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 Mayor and City Council
City of Cache, Oklahoma

We 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 Cache, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Cache, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control, such 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.

Our 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be material weaknesses. It is identified as Finding 2022-1. Also, we did identify

several deficiencies in internal control that we consider to be significant deficiencies. They are identified as Findings 2022-2, 2022-3.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cache, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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.

Furrh & Associates
FURRH & ASSOCIATES, PC
Lawton, Oklahoma
March 20, 2023

City of Cache, OK
Schedule of Findings and Responses
Year Ended June 30, 2022

Reportable Conditions of Internal Control, Compliance and Other Matters

2022-1 Lack of Oversight of Component Unit (repeat findings)

Condition – The City Council does not receive financial statements from the Cache Economic Development Authority on a regular basis.

Effect – Since the Cache Economic Development Authority is a component unit of the City of Cache, the Council may be subjected to unknown liability.

Cause – The Cache Economic Development Authority and the City of Cache do not have a written document outlining fiscal responsibilities between the two entities.

Recommendation – We recommend that the City Council draft a written agreement between the Cache Economic Development Authority and the City of Cache to ensure financial statements are reviewed annually.

Management response – Management will arrange with the treasurer of Cache Economic Development Authority to provide reports at the monthly council meetings.

2022-2 Improper Reconciliation of Cash Account

Condition – The Cache Economic Development Authority does not perform a monthly reconciliation of their bank accounts.

Effect – Due to the lack of periodic monitoring, unauthorized cash transactions could be overlooked.

Cause – The Cache Economic Development Authority is not following proper accounting procedures or processes with respect to the cash accounts.

Recommendation – We recommend that the Cache Economic Development Authority perform a monthly reconciliation of their cash accounts.

Management response – Management will arrange with the treasurer of Cache Economic Development Authority to provide financial reports at the monthly council meetings.

City of Cache, OK
Schedule of Findings and Responses
Year Ended June 30, 2022

2022-3 Improper Charging of Waste Rates

Condition – During a review of their waste management billing, it was noted that the City was charging less than the approved rate per Ordinance No. 21-09.

Effect – The City has been undercharging customers for their waste services and therefore, have not captured all available revenue.

Cause – A city employee was confused on how to change the system to reflect the new rates.

Recommendation – We recommend that all future rate changes be verified in the accounting system before the utility bills are issued.

Management response – This was an ordinance error only. The bulk waste was added in the polycarts rate in error, but City of Cache citizens were charged correctly on their water bills. This correction was made on the ordinance after findings on the 2021-22 audit.

City of Cache, OK
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Sales Tax	\$ 500,000	\$ 500,000	\$ 513,977	\$ (13,977)
Fines	90,000	85,000	68,224	16,776
Franchise Tax	102,000	70,000	59,453	10,547
Miscellaneous Revenue	45,000	40,000	48,015	(8,015)
Permits	30,000	25,000	32,536	(7,536)
Alcohol Beverage Tax	18,000	18,000	15,613	2,387
Court Costs	16,000	16,000	12,690	3,310
License Revenue	7,500	7,500	7,822	(322)
Tobacco Tax	5,000	5,000	4,676	324
Payment in Lieu of Taxes	1,000	0	2,436	(2,436)
Donations	0	0	525	(525)
Interest	125	200	237	(37)
Total Revenue	814,625	766,700	766,204	496
<u>Expenditures</u>				
<u>General Government</u>				
Personal Services	85,300	84,000	143,225	(59,225)
Maintenance and Operations	288,380	383,880	269,785	114,095
Capital Outlay	0	0	0	0
Total General Government	373,680	467,880	413,010	54,870
<u>Police Department</u>				
Personal Services	240,000	240,000	262,628	(22,628)
Maintenance and Operations	13,500	18,500	22,995	(4,495)
Capital Outlay	5,000	2,500	1,756	744
Total Police Department	258,500	261,000	287,379	(26,379)
<u>Fire Department</u>				
Maintenance and Operations	12,250	20,250	19,295	955
Total Fire Department	12,250	20,250	19,295	955
Total Expenditures	644,430	749,130	719,684	29,446
<u>Revenue Over (Under) Expenditures</u>	170,195	17,570	46,520	(28,950)

Please see accompanying notes to the financial statements.

City of Cache
Cache, Oklahoma
General Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Other Financing Sources (Uses)</u>				
Transfer In	0	0	12,733	(12,733)
Transfer Out	<u>(80,000)</u>	<u>(80,000)</u>	<u>0</u>	<u>(80,000)</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>12,733</u>	<u>(92,733)</u>
<u>Revenue and Other Financing Sources</u>				
<u>Over (Under) Expenditures & Other Uses</u>	90,195	(62,430)	59,253	(121,683)
<u>Fund Balance, June 30, 2021</u>	<u>330,407</u>	<u>330,407</u>	<u>330,407</u>	<u>0</u>
<u>Fund Balance, June 30, 2022</u>	<u>\$ 420,602</u>	<u>\$ 267,977</u>	<u>\$ 389,660</u>	<u>\$ (121,683)</u>

Please see accompanying notes to the financial statements.

City of Cache, OK
Notes to Required Supplemental Information
Year Ended June 30, 2022

Note 1 - Notes to Required Supplemental Information

The City's annual operating budget represents appropriations as authorized by the Governing Board in accordance with the provisions of the Oklahoma statutes.

The City operates under the guidelines of the "Municipal Budget Act" which allows the Governing Board to prepare its budgets based upon its estimated revenue. In addition, revisions may be made to the budget throughout the year as authorized by the Governing Board. The legal level of control of the budget is the expenditure category. The expenditure categories required by the applicable state statutes are:

1. Personal Services
2. Maintenance and Operations
3. Capital Outlays

It is the City's policy that all appropriations lapse at the end of the fiscal year.

The City prepares an annual operating budget for its General Fund. The operating budgets of the grants cover the period designated in the grant documents. The City prepares its annual operating budget on the modified cash basis of accounting, the same basis used to account for actual revenues and expenditures.

City of Cache, OK
Nonmajor Governmental Funds
Balance Sheet
(Modified Cash Basis)
June 30, 2022

	Street & Alley	K-9	Penalty and Court Bond Funds	Park & Rec	Animal Control	Community Center	Fire Dept.	Grant Funds	Crime Prevention	Total Non- Major Govt Funds
<u>Assets</u>										
Cash in Bank	\$ 420,933	\$ 872	\$ 5,413	\$ 36,961	\$ 41,790	\$ 94,612	\$ 172,738	\$ 135,994	\$ 2,120	\$ 911,433
Deferred Inflow	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 420,933</u>	<u>\$ 872</u>	<u>\$ 5,413</u>	<u>\$ 36,961</u>	<u>41,790</u>	<u>\$ 94,612</u>	<u>\$ 172,738</u>	<u>\$ 135,994</u>	<u>\$ 2,120</u>	<u>\$ 911,433</u>
<u>Liabilities</u>										
Deferred Outflow	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Equity</u>										
Unrestricted	<u>420,933</u>	<u>872</u>	<u>5,413</u>	<u>36,961</u>	<u>41,790</u>	<u>94,612</u>	<u>172,738</u>	<u>135,994</u>	<u>2,120</u>	<u>911,433</u>
Liabilities & Equity	<u>\$ 420,933</u>	<u>\$ 872</u>	<u>\$ 5,413</u>	<u>\$ 36,961</u>	<u>\$ 41,790</u>	<u>\$ 94,612</u>	<u>\$ 172,738</u>	<u>\$ 135,994</u>	<u>\$ 2,120</u>	<u>\$ 911,433</u>

Please see accompanying notes to the financial statements.

City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Year Ended June 30, 2022

	Street & Alley	K-9	Penalty and Court Funds	Park & Rec	Animal Control	Community Center	Fire Dept.	Grant Funds	Crime Prevention	Total Non- Major Govt Funds
<u>Revenue</u>										
Pound Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 401,563	\$ 0	\$ 0	\$ 0	\$ 0	\$ 401,563
Tax Revenue	252,908	0	0	23,403	0	35,105	0	0	0	311,416
Grant Income	0	0	0	0	0	0	0	249,287	0	249,287
Miscellaneous	3,856	0	0	0	48	24,774	36,165	0	0	64,843
Fire Dept. Income	0	0	0	0	0	0	55,879	0	0	55,879
Penalty Revenue	0	0	12,570	0	0	0	0	0	0	12,570
Donations	0	0	0	0	20	0	2,725	0	0	2,745
Permits	0	0	0	1,630	0	0	0	0	0	1,630
Interest	235	0	3	31	63	61	92	91	0	576
Total Revenue	256,999	0	12,573	25,064	401,694	59,940	94,861	249,378	0	1,100,509
<u>Expenditures</u>										
Personal Services	74,073	0	0	0	53,096	0	0	0	0	127,169
Maintenance & Operations	59,621	0	12,542	15,526	51,684	40,437	29,968	113,436	0	323,214
Capital Outlay	6,056	0	0	15,000	84,549	0	4,273	0	0	109,878
Total Expenditures	139,750	0	12,542	30,526	189,329	40,437	34,241	113,436	0	560,261
<u>Revenue Over (Under) Expenditures</u>	117,249	0	31	(5,462)	212,365	19,503	60,620	135,942	0	540,248
Transfers (to)/from Other funds	0	0	0	0	(305,867)	(14,675)	(12,733)	0	0	(333,275)
<u>Fund Balance, June 30, 2021</u>	303,684	872	5,382	42,423	135,292	89,784	124,851	52	2,120	704,460
<u>Fund Balance, June 30, 2022</u>	\$ 420,933	\$ 872	\$ 5,413	\$ 36,961	\$ 41,790	\$ 94,612	\$ 172,738	\$ 135,994	\$ 2,120	\$ 911,433

Please see accompanying notes to the financial statements.

City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Street & Alley Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Use Tax	\$ 200,000	\$ 200,000	\$ 201,363	\$ (1,363)
Sales Tax	23,000	23,000	23,403	(403)
Motor Vehicle Tax	19,000	25,000	22,928	2,072
Gas Excise Tax	7,500	7,500	5,214	2,286
Miscellaneous	0	0	3,856	(3,856)
Interest	300	300	235	65
Total Revenue	<u>249,800</u>	<u>255,800</u>	<u>256,999</u>	<u>(1,199)</u>
<u>Expenditures</u>				
Personal Services	74,800	100,500	74,073	26,427
Maintenance & Operations	111,070	113,120	59,621	53,499
Capital Outlay	15,000	15,000	6,056	8,944
Total Expenditures	<u>200,870</u>	<u>228,620</u>	<u>139,750</u>	<u>88,870</u>
<u>Revenue Over (Under) Expenditures</u>	48,930	27,180	117,249	(90,069)
Transfer (to)/from other funds	0	0	0	0
<u>Fund Balance, June 30, 2021</u>	<u>303,684</u>	<u>303,684</u>	<u>303,684</u>	<u>0</u>
<u>Fund Balance, June 30, 2022</u>	<u>\$ 352,614</u>	<u>\$ 330,864</u>	<u>\$ 420,933</u>	<u>\$ (90,069)</u>

Please see accompanying notes to the financial statements.

City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Penalty Fund		
	Original / Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>			
Penalty Revenue	\$ 13,500	\$ 12,570	\$ 930
Interest Income	5	3	2
Total Revenue	13,505	12,573	932
<u>Expenditures</u>			
Maintenance & Operations	13,200	12,542	658
Total Expenditures	13,200	12,542	658
<u>Revenue Over (Under) Expenditures</u>	305	31	274
<u>Fund Balance, June 30, 2021</u>	5,258	5,258	0
<u>Fund Balance, June 30, 2022</u>	<u>\$ 5,563</u>	<u>\$ 5,289</u>	<u>\$ 274</u>

Please see accompanying notes to the financial statements.

City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Park & Recreation Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Sales Tax	\$ 21,000	\$ 21,000	\$ 23,403	\$ (2,403)
Permits	2,000	2,000	1,630	370
Interest	40	40	31	9
Total Revenue	23,040	23,040	25,064	(2,024)
<u>Expenditures</u>				
Maintenance & Operations	3,750	13,500	15,526	(2,026)
Capital Outlay	2,500	1,500	15,000	(13,500)
Total Expenditures	6,250	15,000	30,526	(15,526)
<u>Revenue Over (Under) Expenditures</u>	16,790	8,040	(5,462)	13,502
Transfers to/(from) other funds	0	0	0	0
<u>Fund Balance, June 30, 2021</u>	42,423	42,423	42,423	0
<u>Fund Balance, June 30, 2022</u>	<u>\$ 59,213</u>	<u>\$ 50,463</u>	<u>\$ 36,961</u>	<u>\$ 13,502</u>

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City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Animal Control			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Pound Income	\$ 408,250	\$ 285,700	\$ 401,563	\$ (115,863)
Miscellaneous Income	0	0	48	(48)
Donations	1,700	1,950	20	1,930
Interest	100	100	63	37
Total Revenue	410,050	287,750	401,694	(113,944)
<u>Expenditures</u>				
Personal Services	29,540	275,900	53,096	222,804
Maintenance & Operations	156,560	81,035	51,684	29,351
Capital Outlay	100,000	100,000	84,549	15,451
Total Expenditures	286,100	456,935	189,329	267,606
<u>Revenue Over (Under) Expenditures</u>	123,950	(169,185)	212,365	(381,550)
Transfers (to)/from other funds	0	0	(305,867)	305,867
<u>Fund Balance, June 30, 2021</u>	135,292	135,292	135,292	0
<u>Fund Balance, June 30, 2022</u>	\$ 259,242	\$ (33,893)	\$ 41,790	\$ (75,683)

Please see accompanying notes to the financial statements.

City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Community Center Fund			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Sales Tax	\$ 32,000	\$ 35,000	\$ 35,105	\$ (105)
Misc. Income	9,500	25,000	24,774	226
Interest	150	100	61	39
Total Revenue	41,650	60,100	59,940	160
<u>Expenditures</u>				
Maintenance & Operations	31,000	52,500	40,437	12,063
Capital Outlay	5,000	5,000	0	5,000
Total Expenditures	36,000	57,500	40,437	17,063
<u>Revenue Over (Under) Expenditures</u>	5,650	2,600	19,503	(16,903)
Transfers (to)/from other funds	0	0	(14,675)	14,675
<u>Fund Balance, June 30, 2021</u>	89,784	89,784	89,784	0
<u>Fund Balance, June 30, 2022</u>	<u>\$ 95,434</u>	<u>\$ 92,384</u>	<u>\$ 94,612</u>	<u>\$ (2,228)</u>

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City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	Fire Department			
	Original Budget	Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>				
Fire Protection Members	\$ 20,500	\$ 25,000	\$ 25,200	\$ (200)
Pumper Fee	26,000	26,000	30,679	(4,679)
Misc. Income	78,000	50,000	36,165	13,835
Donations	1,000	1,000	2,725	(1,725)
Interest	250	150	92	58
Total Revenue	125,750	102,150	94,861	7,289
<u>Expenditures</u>				
Maintenance & Operations	20,500	33,700	29,968	3,732
Capital Outlay	2,500	4,500	4,273	227
Total Expenditures	23,000	38,200	34,241	3,959
<u>Revenue Over (Under) Expenditures</u>	102,750	63,950	60,620	3,330
Transfers (to)/from other funds	(74,000)	(71,000)	(12,733)	(58,267)
<u>Fund Balance, June 30, 2021</u>	124,851	124,851	124,851	0
<u>Fund Balance, June 30, 2022</u>	<u>\$ 153,601</u>	<u>\$ 117,801</u>	<u>\$ 172,738</u>	<u>\$ (54,937)</u>

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City of Cache, OK
Nonmajor Governmental Funds
Schedule of Revenue, Expenditures, and Changes in Fund Balance
(Modified Cash Basis)
Budget and Actual
Year Ended June 30, 2022

	ARPA Fund		
	Original / Final Budget	Actual	(Over) Under Budget
<u>Revenue</u>			
Grant Income	\$ 250,000	\$ 249,287	\$ 713
Interest Income	0	91	(91)
Total Revenue	250,000	249,378	622
<u>Expenditures</u>			
Grant Expense	250,000	113,436	136,564
Total Expenditures	250,000	113,436	136,564
<u>Revenue Over (Under) Expenditures</u>	0	135,942	(135,942)
<u>Fund Balance, June 30, 2021</u>	0	0	0
<u>Fund Balance, June 30, 2022</u>	<u>\$ 0</u>	<u>\$ 135,942</u>	<u>\$ (135,942)</u>

Please see accompanying notes to the financial statements.