

City of Comanche, Oklahoma
Financial Statements
Year-End June 30, 2023

City of Comanche, Oklahoma
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Comanche, Oklahoma

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of City of Comanche, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Comanche, Oklahoma, as of June 30, 2023, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note I.

Basis for 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 fall under those standards that 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 Comanche, 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 audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note I of the financial statements, which describes 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 I; this includes 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 Comanche, 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 Comanche, 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 Comanche, 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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Comanche, Oklahoma's basic financial statements. The budgetary comparison information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Comanche, Oklahoma's basic financial statements. The combining and individual nonmajor fund financial statements—modified cash basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements—modified cash basis are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements—modified cash basis 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 February 9, 2024 on our consideration of the City of Comanche, 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 the effectiveness of the City of Comanche, Oklahoma'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 Comanche, Oklahoma's internal control over financial reporting and compliance.



February 9, 2024
Oklahoma City, Oklahoma

BASIC FINANCIAL STATEMENTS

City of Comanche, Oklahoma
Government-Wide Statement of Assets, Liabilities and Net Position – Modified Cash Basis
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 681,163	\$ 253,805	\$ 934,968
Restricted Cash and Investments	235,578	215,191	450,769
Investments	327	149,417	149,744
Notes Receivable	-	82,429	82,429
Capital Assets			
Land			
and Construction in Progress	737,611	493,402	1,231,013
Capital Assets being depreciated, net	1,489,940	4,073,829	5,563,769
Total Assets	\$ 3,144,619	\$ 5,268,073	\$ 8,412,692
LIABILITIES			
Long-term Liabilities			
Due Within One Year	35,502	177,857	213,359
Due in More Than One Year	32,149	1,748,496	1,780,645
Total Liabilities	\$ 67,651	\$ 1,926,353	\$ 1,994,004
NET POSITION			
Net investment in capital assets	\$ 2,159,900	\$ 591,266	\$ 2,751,166
Restricted			
Capital Projects	342,552	-	342,552
Rural Development Loans	-	112,499	112,499
Drug Forfeiture	8,117	-	8,117
Retirees	327	-	327
Fireworks	12,273	-	12,273
Grant Purposes	-	-	-
Streets	19,708	-	19,708
Unrestricted	534,092	2,637,955	3,172,047
Total Net Position	\$ 3,076,969	\$ 3,341,720	\$ 6,418,689

City of Comanche, Oklahoma
Government-Wide Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 419,003	\$ 11,657	\$ 9,571	\$ -	\$ (397,775)	\$ -	\$ (397,775)
Highways and Streets	63,321	-	52,305	137,435	126,419	-	126,419
Public Safety	833,365	200,388	179,913	-	(453,064)	-	(453,064)
Economic Development	134	-	-	-	(134)	-	(134)
Health and Welfare	167,668	34,416	26,397	156,329	49,474	-	49,474
Culture and Recreation	105,589	37,014	8,200	-	(60,375)	-	(60,375)
Cemetery	103,304	34,861	-	-	(68,443)	-	(68,443)
Interest	4,030	-	-	-	(4,030)	-	(4,030)
Total Governmental Activities	\$ 1,696,414	\$ 318,336	\$ 276,386	\$ 293,764	\$ (807,928)	\$ -	\$ (807,928)
Business-Type Activities							
General Government	\$ 369,097	\$ -	\$ -	\$ -	\$ -	\$ (369,097)	\$ (369,097)
Electric	1,380,208	1,967,009	-	71,101	-	657,902	657,902
Water	449,915	373,344	11,583	-	-	(64,988)	(64,988)
Sewer	234,451	142,868	-	-	-	(91,583)	(91,583)
Sanitation	222,494	260,349	-	-	-	37,855	37,855
Economic Development	4,123	34,875	-	-	-	30,752	30,752
Golf Course	91,421	54,183	-	-	-	(37,238)	(37,238)
Total Business Type Activities	\$ 2,751,709	\$ 2,832,628	\$ 11,583	\$ 71,101	\$ -	\$ 163,603	\$ 163,603
Total Primary Government	\$ 4,448,123	\$ 3,150,964	\$ 287,969	\$ 364,865	\$ (807,928)	\$ 163,603	\$ (644,325)
General Revenues							
Sales and Use Taxes					\$ 882,657	\$ -	\$ 882,657
Franchise Taxes					30,101	-	30,101
Motor Vehicle Taxes					12,440	-	12,440
Interest					646	13,250	13,896
Rents and Royalties					33,525	13,673	47,198
Miscellaneous					214,936	36,819	251,755
Gain (Loss) on Disposal of Assets					9,506	29,132	38,638
Transfers					71,551	(71,551)	-
Total General Revenues and Transfers					\$ 1,255,362	\$ 21,323	\$ 1,276,685
Change in Net Position					\$ 447,434	\$ 184,926	\$ 632,360
Net Position- Beginning					2,629,535	3,156,794	5,786,329
Net Position - Ending					\$ 3,076,969	\$ 3,341,720	\$ 6,418,689

The notes to the financial statements are an integral part of this statement

City of Comanche, Oklahoma
Statement of Assets, Liabilities and Fund Balances– Modified Cash Basis
Governmental Funds
June 30, 2023

	General Fund	Capital Improvements Fund	ARPA Grant Fund	Grants Fund	Other Governmental Funds	Total
Assets						
Cash	\$ 192,378	\$ 316,722	\$ 235,578	\$ 82,849	\$ 89,215	\$ 916,742
Investments	327	-	-	-	-	327
Due From Other Funds	-	-	-	-	-	-
Total Assets	\$ 192,705	\$ 316,722	\$ 235,578	\$ 82,849	\$ 89,215	\$ 917,069
Liabilities						
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Fund Balances						
Restricted	\$ 1,745	\$ 24,125	\$ 235,578	\$ 82,849	\$ 38,680	\$ 382,977
Committed	-	-	-	-	10,364	10,364
Assigned	81,425	258,513	-	-	40,171	380,109
Unassigned	109,535	34,084	-	-	-	143,619
Total Fund Balances	192,705	316,722	235,578	82,849	89,215	917,069
Total Liabilities and Fund Balances	\$ 192,705	\$ 316,722	\$ 235,578	\$ 82,849	\$ 89,215	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Capital Assets not being depreciated	\$ 737,611	
Capital Assets being depreciated	4,680,617	
Accumulated Depreciation	<u>(3,190,677)</u>	2,227,551
Long-term capital lease are not due and payable in the current period and accordingly are not reported as fund liabilities.		<u>(67,651)</u>
Net position of governmental activities.		<u>\$ 3,076,969</u>

City of Comanche, Oklahoma
Statement of Revenues, Expenditures and
Changes in Fund Balance – Modified Cash Basis – Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Capital Improvements Fund	ARPA Grant Fund	Grants Fund	Other Governmental Funds	Total
REVENUE						
Taxes	\$ 605,512	\$ 269,128	\$ -	\$ -	\$ 12,440	\$ 887,080
Charges for Services	60,341	-	-	-	66,854	127,195
Interest	645	-	-	-	-	645
Rent and Royalties	12,888	-	-	-	-	12,888
License and Permits	12,192	-	-	-	-	12,192
Fines and Forfeitures	183,671	-	-	-	-	183,671
Intergovernmental	9,371	-	-	-	59,246	68,617
Grants	-	-	137,435	294,374	51,424	483,233
Miscellaneous	78,401	156,347	-	41,780	14,415	290,943
Total Revenue	<u>\$ 963,021</u>	<u>\$ 425,475</u>	<u>\$ 137,435</u>	<u>\$ 336,154</u>	<u>\$ 204,379</u>	<u>\$ 2,066,464</u>
EXPENDITURES						
Current						
General Government	\$ 301,260	\$ -	\$ -	\$ -	\$ -	\$ 301,260
Highways and Streets	-	-	-	675	23,559	24,234
Public Safety	771,960	-	-	-	8,924	780,884
Cemetery	79,977	-	-	-	4,439	84,416
Culture and Recreation	83,380	-	-	-	83,178	166,558
Capital Outlay						
General Government	4	86,864	-	-	-	86,868
Cemetery	-	720	-	-	4,957	5,677
Culture and Recreation	-	18,825	-	-	-	18,825
Public Health and Welfare	-	94,234	-	-	-	94,234
Public Safety	-	5,044	-	132,975	35,901	173,920
Highways and Streets	-	1,174	-	-	-	1,174
Economic Development	-	-	-	218,267	-	218,267
Debt Service						
Principal	37,206	36,309	-	-	-	73,515
Interest	2,176	1,854	-	-	-	4,030
Total Expenditures	<u>\$ 1,275,963</u>	<u>\$ 245,024</u>	<u>\$ -</u>	<u>\$ 351,917</u>	<u>\$ 160,958</u>	<u>\$ 2,033,862</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>\$ (312,942)</u>	<u>\$ 180,451</u>	<u>\$ 137,435</u>	<u>\$ (15,763)</u>	<u>\$ 43,421</u>	<u>\$ 32,602</u>
Other Financing Sources						
Capital Asset Financing Proceeds	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Transfers In	532,675	-	-	105,000	3,000	640,675
Transfers Out	(209,757)	-	-	-	-	(209,757)
Total Other Financing Sources	<u>\$ 347,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 3,000</u>	<u>\$ 455,918</u>
Net Change in Fund Balances	\$ 34,976	\$ 180,451	\$ 137,435	\$ 89,237	\$ 46,421	\$ 488,520
Fund Balances - Beginning	157,729	136,271	98,143	(6,388)	42,794	428,549
Fund Balances - Ending	<u>\$ 192,705</u>	<u>\$ 316,722</u>	<u>\$ 235,578</u>	<u>\$ 82,849</u>	<u>\$ 89,215</u>	<u>\$ 917,069</u>

The notes to the financial statements are an integral part of this statement

City of Comanche, Oklahoma
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance – Modified Cash Basis – Governmental Funds
 to the Statement of Revenue, Expenses and Changes in Net Position – Modified Cash Basis
 For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds \$ 488,520

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period. (95,435)

Because the cost of capital assets acquired are reported in governmental funds as expenditures in the year of purchase, the proceeds from their sale are reported as revenue. However, the costs of these assets must be included as a reduction of the sales proceeds in the statement of activities. (12,831)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

This amount is the net effect of these differences in the treatment of long-term debt and related items. 67,180

Change in net position of governmental activities. \$ 447,434

City of Comanche, Oklahoma
Statement of Assets, Liabilities, Net Position – Modified Cash Basis – Proprietary Funds
June 30, 2023

	Enterprise Funds		
	Comanche Utilities Authority	Comanche Land Management Authority	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalent	\$ 346,022	\$ 26,304	\$ 372,326
Restricted Cash and Cash Equivalent	74,226	-	74,226
Current Investment	23,236	-	23,236
Current Note Receivable	24,737	-	24,737
Total Current Assets	<u>\$ 468,221</u>	<u>\$ 26,304</u>	<u>\$ 494,525</u>
Noncurrent Assets			
Restricted Cash	22,444	-	22,444
Investments	126,181	-	126,181
Note Receivable	57,692	-	57,692
Capital Assets			
Land and Construction in Progress	240,975	252,427	493,402
Other Capital Assets, Net of Depreciation	3,734,990	338,839	4,073,829
Total Noncurrent Assets	<u>\$ 4,182,282</u>	<u>\$ 591,266</u>	<u>\$ 4,773,548</u>
Total Assets	<u>\$ 4,650,503</u>	<u>\$ 617,570</u>	<u>\$ 5,268,073</u>
LIABILITIES			
Current Liabilities			
Refundable Deposits	\$ 20,000	\$ 1,265	\$ 21,265
Notes Payable - Current	156,592	-	156,592
Total Current Liabilities	<u>\$ 176,592</u>	<u>\$ 1,265</u>	<u>\$ 177,857</u>
Noncurrent Liabilities			
Refundable Meter Deposits	98,521	-	98,521
Notes Payable	1,649,975	-	1,649,975
Total Noncurrent Liabilities	<u>1,748,496</u>	<u>-</u>	<u>1,748,496</u>
Total Liabilities	<u>\$ 1,925,088</u>	<u>\$ 1,265</u>	<u>\$ 1,926,353</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	2,287,956	591,266	2,879,222
Restricted for Rural Development Loans	112,499	-	112,499
Unrestricted	324,960	25,039	349,999
Total Net Position	<u>\$ 2,725,415</u>	<u>\$ 616,305</u>	<u>\$ 3,341,720</u>

City of Comanche, Oklahoma
Statement of Revenue, Expenses and Changes in Net Position – Modified Cash Basis – Proprietary
Funds
For the Year Ended June 30, 2023

	Enterprise Funds		Totals
	Comanche Utilities Authority	Comanche Land Management Authority	
Operating Revenues:			
Electric	\$ 1,856,089	\$ -	1,856,089
Water	330,164	-	330,164
Sewer	142,868	-	142,868
Sanitation	260,349	-	260,349
Fees and Penalties	110,552	-	110,552
Rental	-	55,812	55,812
Golf Course	-	54,183	54,183
Miscellaneous	83,701	2,003	85,704
Total Operating Revenue	<u>\$ 2,783,723</u>	<u>\$ 111,998</u>	<u>\$ 2,895,721</u>
Operating Expenses:			
Sanitation Services	222,494	-	222,494
Water	441,898	-	441,898
Electric	1,254,252	-	1,254,252
Line Maintenance	220,331	-	220,331
General Administration	366,909	28,913	395,822
Golf Course	-	91,421	91,421
Economic Development	-	4,123	4,123
Total Operating Expenses	<u>\$ 2,505,884</u>	<u>\$ 124,457</u>	<u>\$ 2,630,341</u>
Operating Income (Loss)	<u>\$ 277,839</u>	<u>\$ (12,459)</u>	<u>\$ 265,380</u>
Nonoperating Revenues (Expenses):			
Gain(Loss) from sale of capital assets	-	29,132	29,132
Interest Income	13,250	-	13,250
Interest Expense	(51,289)	-	(51,289)
Total Nonoperating Revenues (Expenses)	<u>\$ (38,039)</u>	<u>\$ 29,132</u>	<u>\$ (8,907)</u>
Income (loss) before contributions and transfers	239,800	16,673	256,473
Capital Contributions	157,949	201,418	359,367
Transfers In	162,414	-	162,414
Transfers Out	(488,806)	(104,526)	(593,332)
Net Change in Net Position	\$ 71,357	\$ 113,565	\$ 184,922
Total Net Position - Beginning	2,654,058	502,740	3,156,798
Total Net Position- Ending	<u>\$ 2,725,415</u>	<u>\$ 616,305</u>	<u>\$ 3,341,720</u>

City of Comanche, Oklahoma
Statement of Cash Flows – Modified Cash Basis – Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds		Totals
	Comanche Utilities Authority	Comanche Land Management Authority	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 2,780,417	\$ 111,913	\$ 2,892,330
Payments to Employees for Services	(490,060)	-	(490,060)
Payments to Vendors for Goods and Services	(1,714,683)	(110,752)	(1,825,435)
Net Cash Provided by Operating Activities	<u>\$ 575,674</u>	<u>\$ 1,161</u>	<u>\$ 576,835</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund Transfers from Other Funds	\$ 162,414	\$ -	\$ 162,414
Cash Received from Operating Grants	-	-	-
Interfund Transfers to Other Funds	(488,806)	(104,526)	(593,332)
Net Cash Used by Noncapital Financing Activities	<u>\$ (326,392)</u>	<u>\$ (104,526)</u>	<u>\$ (430,918)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	\$ -	\$ (2,207)	\$ (2,207)
Sale of Capital Assets	-	105,000	105,000
Principal Paid on Capital Debt	(151,559)	-	(151,559)
Interest Paid on Capital Debt	(51,289)	-	(51,289)
Net Cash Used by Capital Financing Activities	<u>\$ (202,848)</u>	<u>\$ 102,793</u>	<u>\$ (100,055)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	\$ 13,250	\$ -	\$ 13,250
Economic Development Program Loan Payments	50,187	-	50,187
Economic Development Program Loans	(29,000)	-	(29,000)
Cash Received from Restricted Accounts	86,837	-	86,837
Cash Received from Sale of Investments	21,847	-	21,847
Net Cash Provided by Investing Activities	<u>\$ 143,121</u>	<u>\$ -</u>	<u>\$ 143,121</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 189,555	\$ (572)	\$ 188,983
Cash and Cash Equivalents, Beginning of Year	230,693	26,876	257,569
Cash and Cash Equivalents, End of Year	<u>\$ 420,248</u>	<u>\$ 26,304</u>	<u>\$ 446,552</u>
As shown on the Statement of Financial Position			
Cash and Cash Equivalent	\$ 346,022	\$ 26,304	\$ 372,326
Restricted Cash and Cash Equivalent	74,226	-	74,226
	<u>\$ 420,248</u>	<u>\$ 26,304</u>	<u>\$ 446,552</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$ 277,839	\$ (12,459)	\$ 265,380
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	301,142	13,705	314,847
Change in Customer Deposits	(3,307)	(85)	(3,392)
Total Adjustments	<u>297,835</u>	<u>13,620</u>	<u>311,455</u>
Net Cash Provided by Operating Activities	<u>\$ 575,674</u>	<u>\$ 1,161</u>	<u>\$ 576,835</u>

Comanche Utilities Authority received \$157,949 and Comanche Land Management Authority received \$201,418 respectively, of contributed assets through governmental funds.

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

II. The Reporting Entity

The City of Comanche, Oklahoma, (the City) is a charter city operating under a Council-Manager form of government authorized by the charter and Title 11 of the Oklahoma statutes. The governing body of the City is the City Council comprised of five elected members. The appointed City Manager is the administrative head of the City.

The accompanying financial statements present the City of Comanche and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

Blended Component Units

The Comanche Utilities Authority (CPWA) was created February 9, 1971, for the use and benefit of the beneficiary, City of Comanche, to furnish, construct, administer and finance any public works facilities or improvements for public purposes under the laws of the State of Oklahoma. The City Council of the City of Comanche acts as the Board of Trustees of the Comanche Utilities Authority. The rates for user charges and bond issuance authorizations are approved by the government council and the legal liability for the general obligation portion of the Authority's debt remains with the government. The Authority is reported as an enterprise fund.

The Comanche Land Management Authority (CMLA) was created November 14, 2017 benefit of the beneficiary, City of Comanche, to made the most efficient use of all economic resources and powers to lessen burdens on government and to stimulate economic growth and development. The City Council of the City of Comanche acts as the Board of Trustees of CMLA. Debt issuance authorizations would be approved by the government council. The Authority is reported as an enterprise fund.

I2. Government-wide and fund financial statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of assets, liabilities and net position – modified cash basis and the statement of revenues, expenses and changes in net position – modified cash basis) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

City of Comanche, Oklahoma
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The statement of revenues, expenses and changes in net position – modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The City has the following program revenues in each activity:

- General Government – license and permits
- Highways and Streets –capital grants
- Public Safety – fines and forfeitures, rural fire district dues, donations, restricted grants
- Economic Development – restricted grants
- Health and Welfare –fees for meals, restricted grants
- Culture and Recreation – hunting and fishing, camping and rental fees
- Cemetery – cemetery openings/closings and lot sales

Taxes and other items not properly included among program revenues are reported instead as *general revenues* even if restricted for a specific purpose.

The government-wide financial statements of the City are presented using the economic resource measurement focus within the limitations of the modified cash basis of accounting, which is a basis other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of assets, liabilities and net position cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such modifications include the following:

- Investments, interfund receivables and payables, notes receivable are recorded when cash transaction occurs.
- Capital assets are recorded as assets when purchased and related depreciation is recorded.
- Long-term debt is recorded when incurred.
- Grants that result in an in-substance cash transaction are reported as income and expense when spent.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Comanche, Oklahoma
Notes to Financial Statements
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Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in each fund-type financial statements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds focus on a current financial resources measurement within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the statement of assets, liabilities and fund balance. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The City reports the following major government funds which are displayed in separate columns:

General Fund - is the Government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund also includes internal funds formally accounted for as special revenue funds: emergency services, grants, abatement, pension retirement, hunting and fishing, fire grant, drug forfeitures, court, Gayle Ashbury fund, and special projects fund.

Capital Improvement Fund - is a capital projects fund which accounts for dedicated sales tax and other restricted revenue sources to be used for capital improvements.

Grant Fund - is a special revenue fund which accounts for restricted revenue sources to be used for specific grant purposes.

ARPA Grant Fund - is a special revenue fund which accounts for restricted revenue sources to be used for specific grant purposes

Aggregated Nonmajor Governmental Funds (reported as other governmental funds):

- Cemetery Care Fund – accounts for 12.5 percent of cemetery revenues restricted by State law for cemetery capital improvements
- Rural Fire – accounts for annual dues assessments
- Fireworks – funds restricted for annual fireworks show.
- Nutrition Center – funds restricted for operation of nutrition center
- Street and Alley- accounts for State shared gasoline excise and commercial vehicle taxes legally restricted for street and alley purposes.

City of Comanche, Oklahoma
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- Drug Forfeitures - 25% of fines from drug seizures restricted to use for public safety

The City reports the Comanche Utilities Authority (CPWA) and the Comanche Land Management Authority (CLMA) as proprietary funds. CPWA accounts for the activities related to the provision of electric, water sewer and sanitation services to businesses and residents. CPWA also has an economic development revolving loan fund. It operates the water and sewer treatment plants, water distribution system, sewer collections systems and pump stations. CLMA accounts for activities related to operation of the golf course and economic development.

Proprietary funds utilize an economic resources measurement focus within the limitations of modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position and cash flows. All assets, deferred outflows, liabilities and deferred inflows are generally reported within the limitations of the modified cash basis of accounting.

Major Fund: Comanche Utilities Authority (CPWA) – accounts for the operation of the electric, water, sewer, and sanitation activities. Comanche Land Management Authority (CLMA) accounts for operations of the golf course and other economic development.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

III. Deposits and investments

For purposes of the statement of cash flows, the City considers short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

Oklahoma Statutes authorize the City to invest in direct obligations of the United States Government, its agencies or instrumentalities; collateralized or insured certificates of deposits of financial institutions located in the state of Oklahoma or fully-insured certificates of deposits of financial institutions located outside the state; savings accounts, and county, municipal or school district general obligation debt.

City of Comanche, Oklahoma
Notes to Financial Statements
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The City does not have a specific policy limiting the concentration amount that may be invested with one issuer. The City has no formal policy on managing credit risk.

Public trusts created under Oklahoma Statutes Title 60 are not subject to the above investment limitations and are primarily governed by any restrictions in their trust or note indenture. CPWA and CLMA have no specific policy but follow the state statutes for the City.

II2. Interfund transactions

Interfund receivables and payables arise from interfund transactions and are recorded in the period transacted. Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Internal Balances: Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the “Governmental” and “Business-Type Activities” columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities which are reported as Internal Balances.

Internal Activities: Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities, except for the net amount of transfers between governmental and business-type activities which are reported as Transfers.

II3. Restricted assets

Certain proceeds of the Authority’s notes payable, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of assets, liabilities and net position – modified cash basis because they are maintained in separate bank accounts and their use is limited by applicable loan covenants. The debt service reserve accounts are used to report resources set aside to make debt payments, make up potential futures deficiencies, or to meet unexpected contingencies or to fund asset renewals and replacements. Funds remaining in the project accounts are restricted for capital improvements. Customer utility deposits, refunded upon termination of service or applied to final bill, and Rural Enterprise revolving loan funds are also reported as restricted cash.

II4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 (amount not

City of Comanche, Oklahoma
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June 30, 2023

rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	25
System infrastructure	30
Vehicles	5
Machinery and equipment	10

II5. Fund equity

Governmental Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the entity is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. City of Comanche, Oklahoma did not have any nonspendable resources as of June 30, 2023.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. City of Comanche, Oklahoma has restricted resources by state law and from grants as of June 30, 2023.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal ordinance or resolution of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification includes amounts that are constrained by City of Comanche, Oklahoma’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the council delegating this responsibility to the manager through the budgetary process.

Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

As of June 30, 2023, governmental fund balances are composed of the following:

	General Fund	Capital Improvements Fund	ARPA Grant Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
Restricted						
Cemetery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retirees	327	-	-	-	-	327
Drug Forfeiture	1,418	-	-	-	6,699	8,117
Capital Projects	-	24,125	235,578	82,849	-	342,552
Fireworks	-	-	-	-	12,273	12,273
Streets	-	-	-	-	19,708	19,708
						<u>382,977</u>
Committed						
Rural Fire Department	-	-	-	-	10,364	10,364
						<u>10,364</u>
Assigned						
Public Safety	18,781	-	-	-	-	18,781
Capital Projects	-	258,513	-	-	-	258,513
Rural Fire Department	-	-	-	-	37,778	37,778
Cemetery	-	-	-	-	2,393	2,393
Hunting and Fishing	8,747	-	-	-	-	8,747
Court	53,897	-	-	-	-	53,897
						<u>380,109</u>
Unassigned	<u>109,535</u>	<u>34,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,619</u>
	<u>\$ 192,705</u>	<u>\$ 316,722</u>	<u>\$ 235,578</u>	<u>\$ 82,849</u>	<u>\$ 89,215</u>	<u>\$ 917,069</u>

It is the City’s policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The City would typically use restricted fund balances first, followed by committed resources and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to

City of Comanche, Oklahoma
Notes to Financial Statements
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defer the use of these other classified funds.

Proprietary Fund Balance Classification: The proprietary funds classify net position in the same manner as the government-wide financial described in the next paragraph.

II6. Government-wide Net Position

Government-wide Net Position are divided into three components:

- Net investment in capital assets– consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted – consist of net position that are restricted by creditors, by the state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position are reported in this category.

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.

II7. Sales Tax Revenue

Sales tax revenue represents a 4 cent tax on each dollar of taxable sales of which one and a half cents is voter restricted for the capital improvements fund and one-half cent is transferred to the water sales tax fund for debt service.

II8. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

III1. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation of the difference between *net changes in fund balances - total*

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 81,219
Assets transferred to Business activity	-
Depreciation Expense	(176,654)
	\$ (95,435)

IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual requirements. The following instances of noncompliance are considered material to the financial statements.

IV1. Budgetary Noncompliance

For the year ended June 30, 2023, expenditures exceeded appropriations at the legal level of control as follows:

<u>Fund</u>	<u>Department</u>	<u>Expenditures Exceeding Appropriations</u>
General Fund	General Government	521

V. BUDGETARY INFORMATION

The city manager submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. In June the City Council adopts annual fiscal year appropriated budgets for all city funds.

The appropriated budget is prepared by fund, department and categories (personnel services, materials and supplies, other services and charges, capital outlay, debt services and transfers). Transfers of appropriations between departments within a fund require the approval of the City Manager. Transfers of appropriations between funds and supplements to the budget require City Council approval. The legal level of budgetary control is the department level within a fund. Supplemental appropriations must be filed with the Office of State Auditor and Inspector.

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

VI. DEPOSITS

Deposit Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows state statutes regarding custodial credit risk which requires collateral for all deposits in excess of Federal Deposit Insurance. At June 30, 2023, the bank balance was \$1,314,760. The City was not exposed to custodial credit risk as of June 30, 2023.

VII. INVESTMENTS

The City's investments at June 30, 2023, are presented as follows:

Investment Type	Cost	Investment Maturities (in year)			
		Less Than 1	1-5	6-10	10-15
Annuity	\$ 149,417	\$ 23,237	\$ 126,180	\$ -	\$ -
Money Market Mutual Fund	327	327	-	-	-
	<u>\$ 149,744</u>	<u>\$ 23,564</u>	<u>\$ 126,180</u>	<u>\$ -</u>	<u>\$ -</u>

These investments are not securities therefore are not subject to custodial credit risk and are unrated. The City does not have a specific policy regarding investment credit risk. The City places no limit on the amount that may be invested in one issuer.

VIII. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

Primary Government

	Beginning Balance	Reclassification	Increases	Decreases	Ending Balance
Government Activities:					
Capital assets, not being depreciated					
Land	\$ 737,611	\$ -	\$ -	\$ -	\$ 737,611
Construction in progress	390,224	-	27,095	417,319	-
Total capital assets, not being depreciated	<u>1,127,835</u>	<u>-</u>	<u>27,095</u>	<u>417,319</u>	<u>737,611</u>
Capital assets, being depreciated					
Buildings	1,506,596	-	80,231	-	1,586,827
Vehicles	647,587	-	25,000	22,315	650,272
Machinery and Equipment	1,169,588	-	29,124	-	1,198,712
Infrastructure	907,718	-	337,088	-	1,244,806
Total capital assets, being depreciated	<u>4,231,489</u>	<u>-</u>	<u>471,443</u>	<u>22,315</u>	<u>4,680,617</u>
Less Accumulated Depreciation	<u>3,023,507</u>	<u>-</u>	<u>176,654</u>	<u>9,484</u>	<u>3,190,677</u>
Total capital assets, being depreciated, net	<u>1,207,982</u>	<u>-</u>	<u>294,789</u>	<u>12,831</u>	<u>1,489,940</u>
Governmental activities capital assets, net	<u>2,335,817</u>	<u>-</u>	<u>321,884</u>	<u>430,150</u>	<u>2,227,551</u>

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

	Beginning Balance	Reclassification	Increases	Decreases	Ending Balance
<i>Business-type Activities:</i>					
<i>Capital assets, not being depreciated</i>					
Construction in Progress	\$ 53,696		\$ 270,100	\$ 167,895	\$ 155,901
Land	274,000	-	66,500	3,000	337,500
Total capital assets, not being depreciated	<u>327,696</u>	<u>-</u>	<u>336,600</u>	<u>170,895</u>	<u>493,401</u>
<i>Capital assets, being depreciated</i>					
Buildings	583,017	-	167,895	72,868	678,044
Vehicles	211,853	-	-	-	211,853
Machinery and Equipment	351,376	-	-	-	351,376
Water Storage Rights	946,641	-	-	-	946,641
Infrastructure	7,247,398	-	24,974	-	7,272,372
Total capital assets, being depreciated	<u>9,340,285</u>	<u>-</u>	<u>192,869</u>	<u>72,868</u>	<u>9,460,286</u>
Less Accumulated Depreciation	<u>5,071,607</u>	<u>-</u>	<u>314,849</u>	<u>-</u>	<u>5,386,456</u>
Total capital assets, being depreciated, net	<u>4,268,678</u>	<u>-</u>	<u>(121,980)</u>	<u>72,868</u>	<u>4,073,830</u>
Business activities capital assets, net	<u>4,596,374</u>	<u>-</u>	<u>214,620</u>	<u>243,763</u>	<u>4,567,231</u>
Total Primary Government	<u>\$ 6,932,191</u>	<u>\$ -</u>	<u>\$ 536,504</u>	<u>\$ 673,913</u>	<u>\$ 6,794,782</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government	\$ 28,784
Public safety	59,397
Culture and recreation	37,291
Highways and streets	37,971
Cemetery	<u>13,211</u>
Total depreciation expense - governmental activities	<u>\$ 176,654</u>
Business-type activities	
Water	\$ 105,621
Line Maintenance	66,606
Electric	120,756
Administration	<u>21,866</u>
Total depreciation expense - business-type activities	<u>\$ 314,849</u>

IX. INTERFUND TRANSFERS

Interfund transfers as of June 30 consisted of the following:

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

Transfer To	Transfer From	Amount	Purpose
General Fund	Comanche Utilities Authority	\$ 414,134	Operating
Comanche Utilities Authority	General Fund	162,413	Sales tax pledged for debt
General Fund	Court	57,332	Court activity
Police Assets	Court	56,406	Operating
General Fund	Hunt and Fish	4,804	Operating
Grants	Comanche Land Management	105,000	Operating
Fireworks	Comanche Utilities Authority	3,000	Operating
Total		<u>\$ 803,089</u>	

Reconciliation to fund financial statements:

	Transfers In	Transfers Out	Capital Contribution	Net
Government Funds	\$ 640,675	\$ (209,757)	\$ (359,367)	\$ 71,551
Proprietary Funds	162,414	(593,332)	359,367	(71,551)
	<u>\$ 803,089</u>	<u>\$ (803,089)</u>	<u>\$ -</u>	<u>\$ -</u>

X. LONG-TERM LIABILITIES

A summary of long-term liability activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental Activities					
Financed Lease Purchase	\$ 134,831	\$ 25,000	\$ 92,180	\$ 67,651	\$ 35,502
Business-Type Activities					
Notes Payable	\$ 1,315,000	\$ -	\$ 101,000	\$ 1,214,000	\$ 104,000
Contracts Payable	643,129	-	50,560	592,569	52,592
	<u>1,958,129</u>	<u>-</u>	<u>151,560</u>	<u>1,806,569</u>	<u>156,592</u>
Refundable Deposits	118,935	4,240	-	123,175	21,350
	<u>\$ 2,211,895</u>	<u>\$ 29,240</u>	<u>\$ 243,740</u>	<u>\$ 1,997,395</u>	<u>\$ 213,444</u>

X1 Governmental Activities

As of June 30, 2023, the long-term debt arising from cash transactions or events, payable from governmental fund resources consisted of the following:

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

\$25,000 capital note with a financial institution for equipment payable in monthly installments of \$1,072 including interest of 2.75%, final payment July, 2024	13,170
\$63,084 capital note with a financial institution for equipment payable in monthly installments of \$1,607 including interest of 2.5%, final payment September, 2023	4,749
\$7,289 capital note with a financial institution for a vehicle payable in monthly installments of \$312 including interest of 2.5%, final payment September, 2023	930
\$50,000 capital note with a financial institution for a vehicle payable in monthly installments of \$761 including interest of 3.00%, final payment February, 2028	39,652
\$37,263 capital note with a financial institution for a vehicle payable in monthly installments of \$851 including interest of 4.555%, final payment May, 2024	<div style="text-align: right;"> <u>9,150</u> <u>\$ 67,651</u> </div>

The annual debt service requirements to maturity, including principal and interest, for governmental activities debt as of June 30, 2023, are as follows:

Year Ending	Total	Principal	Interest
<u>June 30</u>	<u> </u>	<u> </u>	<u> </u>
2024	37,066	35,511	1,555
2025	9,654	8,804	850
2026	9,127	8,535	592
2027	9,126	8,798	328
2028	6,072	6,003	69
	<u>\$ 71,045</u>	<u>\$ 67,651</u>	<u>\$ 3,394</u>

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

Leased vehicles and equipment under capital leases in capital assets at June 30, 2023, include the following

Machinery and equipment	\$ 135,429
Vehicles	234,906
less accumulated depreciation	<u>(217,487)</u>
	<u><u>\$ 152,848</u></u>

X2 Business-Type Activities

As of June 30, 2023, the long-term debt arising from cash transactions or events, payable from proprietary fund resources consisted of the following:

Type of Indebtedness(purpose)	Maturity	Interest Rates	Annual Installments	Original Issue Amount	Outstanding at June 30, 2023
<u>Direct Borrowings</u>					
		Variable , initially			
Utility System Revenue Note Series 2021	November, 2033	2.26%	Variable	1,406,000	1,214,000
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage facility)	October, 2026	3.46%	3,228	69,964	11,869
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage conveyance)	August, 2030	3.46%	29,504	394,733	180,654
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage facility)	September, 2035	4.23%	34,980	481,944	288,447
Waurika Lake Master Conservancy District (WLMCD) (financed costs of silt removal)	October, 2035	3.76%	Variable	158,243	111,599
					<u><u>\$ 1,806,569</u></u>

Interest expense of \$51,290 has been included as part of the water expenses.

As of June 30, 2023, annual debt service requirements of the business-type activities to maturity are as follows:

Year Ending	Direct Borrowings					
	Revenue Note Series 2021		WLMCD		Total	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	104,000	26,849	52,592	23,114	156,592	49,963
2025	106,000	24,487	54,564	21,073	160,564	45,560
2026	109,000	22,080	57,120	18,881	166,120	40,961
2027	111,000	19,606	55,659	16,754	166,659	36,360
2028	114,000	17,074	57,685	14,579	171,685	31,653
2029-2033	606,000	45,539	234,348	40,323	840,348	85,862
2034-2036	64,000	723	80,601	3,929	144,601	4,652
	<u>\$ 1,214,000</u>	<u>\$ 156,358</u>	<u>\$ 592,569</u>	<u>\$ 138,653</u>	<u>\$1,806,569</u>	<u>\$ 295,011</u>

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

The contracts payable with Waurika Lake Master Conservancy District (District) provide the City with a share of the District's water supply and the City pays its share of the costs of the facilities and operations of the District. The contract contains a rate covenant to maintain in each fiscal year, a schedule of rates, fee and charges of its System sufficient to provide annual net revenues available for debt service equal to at least 125% of the maximum annual amount of the Comanche portion of debt service for such fiscal year. In the event of default, the District has the ability to levy property assessments to pay the obligations.

The City has pledged future water revenues to secure the debt to the District. At year-end pledged revenues totaling \$731,222, which is the amount of remaining principal and interest outstanding on the District debt. Annual principal and interest on the District debt is expected to require approximately 23% of annual water revenues.

The revenue note has a pledge of CPWA net revenue equal to 125% of annual principal and interest requirements. At year-end future pledged revenues on this debt total \$1,370,358 which is the amount of remaining principal and interest outstanding on the revenue note debt. Annual principal and interest on the revenue note debt is expected to require approximately 20% of net annual CPWA revenues.

The revenue note payable is secured by a pledge of revenues generated by the water, sanitary sewer, garage and electric systems. In the event of default, the trustee and bondholders have the right to accelerated payment of the principal and interest accrued, appointment of temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of principal and interest.

XI. RESTRICTED ASSETS

Restricted cash as of June 30, 2023 is as follows:

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

Funds restricted for debt service reserves	
ARPA Grant	\$ 235,578
2021 Revenue Note	22,444
Waurika Lake Master Conservancy District Debt	44,156
	\$ 302,178
Funds restricted for other purposes	
Meter deposits	118,521
Rural development loans	30,070
	\$ 450,769
As shown on statement of net assets	
Governmental activities	\$ 235,578
Business-Type Activities	215,191
	\$ 450,769

XII. PENSION PLANS

XIII Defined Contribution Plan (City of Comanche Retirement Plan)

The City provides retirement benefits to its full-time employees, other than employees covered by a state plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are 3.35% or 5.12%, depending upon the employee group. All employees are eligible and there are no minimum age or service requirements. Employees are required to contribute 3.12, 4.12 or 5.12% of compensation. Contributions are vested over five years. During the past year, the City contributed \$31,251.

XIII3 Oklahoma Firefighters Pension and Retirement Plan

Plan Description – The Oklahoma Firefighters Pension and Retirement Plan (The Plan) provides participants with retirement, death and disability benefits established by the State of Oklahoma. The plan is a multiple-employer, cost-sharing defined benefit pension plan covering members who have actively participated in firefighting activities for an entity which is a member of the plan. The ability to establish and amend benefit provisions is the responsibility of the state legislature. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the Plan. This financial report that can be obtained at <http://www.ok.gov/fprs/>.

Benefits Provided – In general, the Plan provides defined retirement benefits based on members’ final average compensation, age and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan’s benefits are established and amended by State statute. Retirement provisions are as follows:

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

- *Normal Retirement*

- Hired Prior To November 1, 2013

- Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

- Hired After November 1, 2013

- Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

- *Disability*

- All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for those firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disability not-in-line-of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty pension is \$150.60 with less than 20 years of service, or \$7.53 per year of service, with a maximum of 30 years.

- *Death Benefit*

- A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

- *Terminations*

- Hired Prior To November 1, 2013

- A member who terminates after 10 years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50, or when the member would have completed 20 years of service, whichever is later, provided the member's contribution accumulation is not withdrawn. Members terminating with less than 10 years of credited service may elect to receive a refund of their contribution accumulation without interest.

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

Hired After November 1, 2013

A member who terminates after 11 years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50, or when the member would have completed 22 years of service, whichever is later, provided the member's contribution accumulation is not withdrawn. Members terminating with less than 11 years of credited service may elect to receive a refund of their contribution accumulation without interest.

Contributions – The contribution requirements of the Plan are at an established rate determined Oklahoma statute and are not based on actuarial calculations.. Each member employers contributes 14% of the actual base salary of each participant employed. Each participant contributes 9% of their base salary. In addition, member employers contribute \$60 for each volunteer firefighter unless their annual income to the general fund is less than \$25,000, in which case they are exempt. Additional funds are provided by the State of Oklahoma, a non-employer contributing entity, through 36% allocation of the tax on premiums collected by insurance companies operating in Oklahoma and by the net investment income generated on assets held by the Plan. The City's contribution to the plan for the year ended June 30, 2023 was \$27,679 for regular firefighters.

XIII4 Oklahoma Police Pension and Retirement

Plan Description – The Oklahoma Police Pension and Retirement Plan (The Plan) provides participants with retirement, death and disability benefits and a deferred option plan, established by the State of Oklahoma. The plan is a multiple-employer, cost-sharing defined benefit pension plan covering members who have actively participated in being a police officer for an Oklahoma municipality or state agency which is a member of the plan.

The ability to establish and amend benefit provisions is the responsibility of the state legislature. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the employees of the Plan. The Plan issues a publicly available financial report that can be obtained at <http://www.ok.gov/opprs/>.

Benefits Provided – In general, the Plan provides defined retirement benefits based on members' final average compensation, age and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by State statute. Retirement provisions are as follows:

- The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

- Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.
- Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment.
- Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.
- Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit. Effective July 1, 1999, a \$5,000 death benefit is also paid, in addition to any survivor's pension benefits under the Plan, to the participant's beneficiary or estate for active or retired members.
- The Deferred Option allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option, retirement benefits are calculated based on compensation and service at the time of election and a separate account is established for each participant. During the participation period, the employee's retirement benefit is credited to the participant's account along with a portion of the employer's contribution and interest. Interest is credited at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest equal to the

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

assumed actuarial interest of 7.5%. Employee contributions cease once participation in the Deferred Option is elected. At the conclusion of participation in the Deferred Option, the participant will receive the balance in the separate account under payment terms allowed by the Deferred Option and will then begin receiving retirement benefit payments as calculated at the time of election.

- In the 2003 Legislative Session, Senate Bill 688 and House Bill 1464 created a “Back” DROP for members of the Plan. The “Back” DROP is a modified deferred retirement option plan. The “Back” DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years, the member can choose, upon retirement, to be treated as if the member had entered into the “Back” DROP. A member, however, cannot receive credit to the “Back” DROP account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the “Back” DROP and can receive a “Back” DROP benefit based upon up to 5 years of participation. The member’s regular retirement benefit will not take into account any years of service credited to the “Back” DROP.
- In 2006, the Board approved a method of payment called the Deferred Option Payout Provision (the “Payout Provision”). The Payout Provision allows a retired member who has completed participation in the Deferred Option or the “Back” DROP the ability to leave their account balance in the Plan. The retired member’s account balance will be commingled and reinvested with the total assets, and therefore the member will not be able to direct their personal investments. Written election must be made to the Board no more than 30 days following the termination of employment.

Upon participating in the Payout Provision, a retired member shall not be guaranteed a minimum rate of return on their investment. A retired member shall earn interest on their account as follows:

- a) The retired member shall earn two percentage points below the net annual rate of return of the investment portfolio of the Plan.
- b) If the portfolio earns less than a 2% rate of return, but more than zero, the retired member shall earn zero percentage points
- c) If the portfolio earns less than zero percentage points, there shall be a deduction from the retired member’s balance equal to the net annual rate of return of the investment portfolio of the Plan.
- d) Interest as earned above shall be credited to the retired member’s account.

The Oklahoma Legislature has the authority to grant percentage increases or special one-time

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

payments to persons receiving benefits from the Plan. Additionally, certain retirees are entitled to receive a cost-of-living adjustment (COLA) when a COLA is granted to active police officers in the retiree's city. Participants eligible to receive both types of benefit increases are to receive the greater of the legislative increase or the benefit increase the participant would receive pursuant to the COLA provision.

Contributions – The contribution requirements of the Plan are at an established rate determined Oklahoma statute and are not based on actuarial calculations. An eligible municipality may join the plan on the first day of any month. Upon approval, its membership is irrevocable. All persons employed as police officers are required to participate in the Plan upon initial employment. Each municipality contributes 13% of the actual base salary of each participant employed. Each participant contributes 8% of their base salary. Additional funds are provided by the State of Oklahoma, a non-employer contributing entity, through 14% allocation of the tax on premiums collected by insurance companies operating in Oklahoma and by the net investment income generated on assets held by the Plan. The City's contribution to the plan for the year ended June 30, 2023 was \$25,419.

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial report that can be obtained at <http://www.ok.gov/opprs/>.

XII5 Defined Contribution Plan (City of Comanche Plan)

The City provides retirement benefits to its city manager. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are variable as determined by the City. Employee contribution is 5%. Contributions are fully vested immediately. During the past year, the City contributed \$6,993.

XIII. COMMITMENTS AND CONTINGENCIES

XIII1 Federal Programs

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The final acceptance of the audits of these programs including the year ended June 30, 2023, has not been given. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the City expects such amounts, if any, to be immaterial.

City of Comanche, Oklahoma
Notes to Financial Statements
June 30, 2023

XIV. RISK MANAGEMENT

The City is exposed to various risks of loss (torts, theft of, damage to, or destruction of assets, business interruptions, errors and omissions, job-related illnesses or injuries to employees, and acts of God) and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance.

General Liability, Physical Property and Automobile Liability/Physical Damage - general liability, physical property and automobile liability/physical damage are insured through the Oklahoma Municipal Assurance Group (OMAG) risk entity pool. Deductibles range from \$0 to \$5,000. Risk of loss retained is limited to the excess of insurance liability coverage limits set by OMAG.

Workers' Compensation - Workers' compensation is insured through CompSource Oklahoma. Risk of loss retained is limited to the excess of insurance liability coverage limits set by CompSource Oklahoma.

Employee's Group Health and Life – Insured through the purchase of commercial insurance by Blue Cross and Blue Shield of Oklahoma
Management believes such insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City, and such claims have not exceeded the coverage over the past three fiscal years.

XV. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.

City of Comanche, Oklahoma
Supplemental Schedule
Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis
Budget to Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Taxes	\$ 490,200	\$ 511,200	\$ 605,512	\$ 94,312
Charges for Services	40,000	40,000	30,436	(9,564)
Interest	-	-	550	550
Oil and Gas Royalties	6,000	6,000	11,613	5,613
License and Permits	5,000	5,000	9,312	4,312
Fines and Forfeitures	6,900	6,900	4,339	(2,561)
Miscellaneous	62,900	175,000	78,330	(96,670)
Total Revenue	<u>\$ 611,000</u>	<u>\$ 744,100</u>	<u>\$ 749,464</u>	<u>\$ 5,364</u>
EXPENDITURES				
Current				
General Government	\$ 147,250	159,250	159,771	\$ (521)
City Manager	49,320	52,320	47,421	4,899
City Clerk	45,750	59,750	52,647	7,103
City Treasurer	9,905	13,905	11,741	2,164
Highways and Streets	3,500	3,500	-	3,500
Police	306,300	358,300	336,824	21,476
Animal Control	59,455	70,555	67,555	3,000
Fire	291,230	315,230	291,701	23,529
Cemetery	72,740	84,140	79,977	4,163
Parks	77,550	77,550	52,887	24,663
Total Expenditures	<u>\$ 1,063,000</u>	<u>\$ 1,194,500</u>	<u>\$ 1,100,524</u>	<u>\$ 93,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (452,000)</u>	<u>\$ (450,400)</u>	<u>\$ (351,060)</u>	<u>\$ 99,340</u>
Other Financing Sources (Uses)				
Transfers In	\$ 456,000	\$ 456,000	476,271	\$ 20,271
Transfers Out	(4,000)	(5,600)	(91,215)	(85,615)
Total Other Financing Sources (Uses)	<u>\$ 452,000</u>	<u>\$ 450,400</u>	<u>\$ 385,056</u>	<u>\$ (65,344)</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 33,996	\$ 33,996
Fund Balance - Beginning	-	-	\$ 151,538	151,538
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,534</u>	<u>\$ 185,534</u>
			Entries to adjust to modified cash basis	\$ (74,582)
			Other funds combined with General	81,752
Per Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 192,704</u>	

City of Comanche, Oklahoma
Notes to Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

1. Budgetary Information

Budgetary Basis of Accounting – Under the budgetary basis of accounting, revenues are recognized when they are received rather than earned. Purchases of materials, outside services and capital outlays are recognized as expenditures when the commitment to purchase is made (encumbered).

Prior to the end of the fiscal year, all department heads of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The City Council members meet with each of the department heads to review their needs estimates and requests. The City Council holds a public hearing at least 15 days prior to the beginning of the new fiscal year and a final budget must be prepared and adopted no later than 7 days prior to the beginning of the new fiscal year.

The appropriated budget is prepared by fund, department and categories (personal services, materials and supplies, other services and charges, capital outlay, debt service, and transfers). The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments and funds that do not increase the overall budget may be approved by the City Manager. The City Council must approve any budget supplement which increases the total appropriations for the City. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Budgetary Noncompliance – For the year ended June 30, 2023, the following departments are out of compliance: General Government.

City of Comanche, Oklahoma
Supplemental Schedule
Combining Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis
Nonmajor Governmental Funds
June 30, 2023

	<u>Cemetery</u>	<u>Fireworks</u>	<u>Drug Forfeiture</u>	<u>Rural Fire</u>	<u>Nutrition Center</u>	<u>Street and Alley</u>	<u>Total</u>
Assets							
Cash	\$ 2,393	\$ 12,273	\$ 6,699	\$ 48,142	\$ -	\$ 19,708	\$ 89,215
Total Assets	<u>\$ 2,393</u>	<u>\$ 12,273</u>	<u>\$ 6,699</u>	<u>\$ 48,142</u>	<u>\$ -</u>	<u>\$ 19,708</u>	<u>\$ 89,215</u>
Liabilities							
Due to Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	\$ -	\$ 12,273	\$ 6,699	\$ -	\$ -	\$ 19,708	\$ 38,680
Committed	-	-	-	10,364	-	-	10,364
Assigned	2,393	-	-	37,778	-	-	40,171
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>\$ 2,393</u>	<u>12,273</u>	<u>6,699</u>	<u>48,142</u>	<u>\$ -</u>	<u>\$ 19,708</u>	<u>\$ 89,215</u>
Total Liabilities and Fund Balances	<u>\$ 2,393</u>	<u>\$ 12,273</u>	<u>\$ 6,699</u>	<u>\$ 48,142</u>	<u>\$ -</u>	<u>\$ 19,708</u>	<u>\$ 89,215</u>

City of Comanche, Oklahoma
Supplemental Schedule
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash
Basis
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Cemetery</u>	<u>Fireworks</u>	<u>Drug Forfeiture</u>	<u>Rural Fire</u>	<u>Nutrition Center</u>	<u>Street and Alley</u>	<u>Total</u>
REVENUE							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,440	\$ 12,440
Charges for Services	4,424	-	-	19,059	43,371	-	66,854
Miscellaneous	-	200	-	-	14,215	-	14,415
Intergovernmental	-	-	6,941	-	-	52,305	59,246
Grants	-	-	-	39,997	11,427	-	51,424
Total Revenue	\$ 4,424	\$ 200	\$ 6,941	\$ 59,056	\$ 69,013	\$ 64,745	\$ 204,379
EXPENDITURES							
Current							
Cemetery	\$ 4,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,439
Culture and Recreation	-	23	-	-	83,155	-	83,178
Highway and Street	-	-	-	-	-	23,559	23,559
Public Safety	-	-	242	8,682	-	-	8,924
Capital Outlay							
Highway and Street	-	-	-	-	-	-	-
Cemetery	4,957	-	-	-	-	-	4,957
Culture and Recreation	-	-	-	-	-	-	-
Public Safety	-	-	-	35,901	-	-	35,901
Economic Development	-	-	-	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	\$ 9,396	\$ 23	\$ 242	\$ 44,583	\$ 83,155	\$ 23,559	\$ 160,958
Excess (Deficiency) of Revenues							
Over (Under) Expenditures	\$ (4,972)	\$ 177	\$ 6,699	\$ 14,473	\$ (14,142)	\$ 41,186	\$ 43,421
Other Financing Sources							
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	3,000	-	-	-	-	3,000
Total Other Financing Sources	-	\$ 3,000	\$ -	\$ -	-	-	3,000
Net Change in Fund Balances	\$ (4,972)	\$ 3,177	\$ 6,699	\$ 14,473	\$ (14,142)	\$ 41,186	\$ 46,421
Fund Balances - Beginning	7,365	9,096	-	33,669	14,142	(21,478)	42,794
Fund Balances - Ending	\$ 2,393	\$ 12,273	\$ 6,699	\$ 48,142	\$ -	\$ 19,708	\$ 89,215

City of Comanche, Oklahoma
Supplemental Schedule
Combining Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis
General Fund
June 30, 2023

	<u>General</u>	<u>Pension Retirement</u>	<u>Hunting and Fishing</u>	<u>Police Asset</u>	<u>Municipal Court</u>	<u>Total</u>
Assets						
Cash	\$ 110,953	\$ -	\$ 8,747	\$ 18,781	\$ 53,897	\$ 192,378
Investments	-	327	-	-	-	327
Due from Other Funds	-	-	-	-	-	-
Total Assets	<u>\$ 110,953</u>	<u>\$ 327</u>	<u>\$ 8,747</u>	<u>\$ 18,781</u>	<u>\$ 53,897</u>	<u>\$ 192,705</u>
Liabilities						
Employee Related	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances						
Restricted	\$ 1,418	\$ 327	\$ -	\$ -	\$ -	\$ 1,745
Committed	-	-	-	-	-	-
Assigned	-	-	8,747	18,781	53,897	81,425
Unassigned	109,535	-	-	-	-	109,535
Total Fund Balances	<u>\$ 110,953</u>	<u>\$ 327</u>	<u>\$ 8,747</u>	<u>\$ 18,781</u>	<u>\$ 53,897</u>	<u>\$ 192,705</u>
Total Liabilities and Fund Balances	<u>\$ 110,953</u>	<u>\$ 327</u>	<u>\$ 8,747</u>	<u>\$ 18,781</u>	<u>\$ 53,897</u>	<u>\$ 192,705</u>

City of Comanche, Oklahoma
Supplemental Schedule
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis
General Fund
For the Year Ended June 30, 2023

	General	Pension Retirement	Hunting and Fishing	Police Asset	Municipal Court	Total
REVENUE						
Taxes	\$ 605,512	\$ -	\$ -	\$ -	\$ -	\$ 605,512
License and Permits	9,312	-	2,880	-	-	12,192
Charges for Services	30,436	-	29,905	-	-	60,341
Interest	550	95	-	-	-	645
Rent and Royalties	11,613	-	1,275	-	-	12,888
Miscellaneous	78,331	-	-	70	-	78,401
Fines and Forfeitures	4,339	-	-	-	179,332	183,671
Intergovernmental	9,371	-	-	-	-	9,371
Grants	-	-	-	-	-	-
Total Revenue	<u>\$ 749,464</u>	<u>\$ 95</u>	<u>\$ 34,060</u>	<u>\$ 70</u>	<u>\$ 179,332</u>	<u>\$ 963,021</u>
EXPENDITURES						
Current						
General Government	\$ 271,575	\$ 29,685	\$ -	\$ -	\$ -	\$ 301,260
Public Safety	696,081	-	-	40,919	34,960	771,960
Culture and Recreation	52,887	-	30,493	-	-	83,380
Cemetery	79,977	-	-	-	-	79,977
Highways and Streets	-	-	-	-	-	-
Capital Outlay						
General Government	4	-	-	-	-	4
Culture and Recreation	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	37,206	-	37,206
Interest	-	-	-	2,176	-	2,176
Total Expenditures	<u>\$ 1,100,524</u>	<u>\$ 29,685</u>	<u>\$ 30,493</u>	<u>\$ 80,301</u>	<u>\$ 34,960</u>	<u>\$ 1,275,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (351,060)</u>	<u>\$ (29,590)</u>	<u>\$ 3,567</u>	<u>\$ (80,231)</u>	<u>\$ 144,372</u>	<u>\$ (312,942)</u>
Other Financing Sources						
Capital Asset Financing	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ 25,000
Transfers In	476,269	-	-	56,406	-	\$ 532,675
Transfers Out	(91,215)	-	(4,804)	-	(113,738)	(209,757)
Total Other Financing Sources	<u>385,054</u>	<u>-</u>	<u>(4,804)</u>	<u>81,406</u>	<u>(113,738)</u>	<u>347,918</u>
Net Change in Fund Balances	\$ 33,994	\$ (29,590)	\$ (1,237)	\$ 1,175	\$ 30,634	\$ 34,976
Fund Balances - Beginning	76,959	29,917	9,984	17,606	23,263	157,729
Fund Balances - Ending	<u>\$ 110,953</u>	<u>\$ 327</u>	<u>\$ 8,747</u>	<u>\$ 18,781</u>	<u>\$ 53,897</u>	<u>\$ 192,705</u>

City of Comanche, Oklahoma
Supplemental Schedule
Schedule of Federal and State Awards
For the Year Ended June 30, 2023

	Federal CFDA Number	Grant Number	Award Amount	Awards Expended
FEDERAL AWARDS				
U.S. Department of Agriculture Rural Business Development Grant	10.351		<u>128,000</u>	<u>100,325</u>
U.S. Department of Environmental Protection Agency Capitalization Grants for Clean Water State Revolving Funds	66.458		<u>200,000</u>	<u>132,975</u>
U.S. Department of the Treasury State and Local Fiscal Recovery Fund	21.027		<u>\$ 273,587</u>	<u>\$ -</u>
Total Federal Awards			<u>\$ 601,587</u>	<u>\$ 233,300</u>
STATE AWARDS				
Oklahoma Department of Agriculture Rural Fire Operational			<u>\$ 10,053</u>	<u>\$ 10,053</u>
Oklahoma Department of Rehabilitation Services Community Action Development Corporation			<u>\$ 8,955</u>	<u>\$ 8,955</u>
Oklahoma Department of Environmental Quality Equipment Grant			<u>\$ 8,000</u>	<u>\$ 8,000</u>
Total State Awards			<u>\$ 27,008</u>	<u>\$ 27,008</u>

City of Comanche, Oklahoma
Notes to Schedule of Federal and State Awards
For the Year Ended June 30, 2023

Note A: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on using the modified cash basis of accounting. Some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement. Nonmonetary assistance is reported in the schedule at the fair market value.

The City has not been notified of any noncompliance with federal award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note B: Indirect Cost Rate

The City of Comanche, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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 Comanche, 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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Comanche, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Comanche, Oklahoma's basic modified cash basis financial statements, and have issued our report thereon dated February 9, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Comanche, Oklahoma's internal control over financial reporting (internal control) as a basis for designing 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 City of Comanche, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Comanche, 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Comanche, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings under items 2023-001.

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.



Oklahoma City, Oklahoma
February 9, 2024

**CITY OF COMANCHE, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES FOR THE
FINANCIAL STATEMENT AUDIT
YEAR ENDED JUNE 30, 2023**

Finding No. 2023-001 - Repeat finding

Criteria: The City prepares its budget in accordance with the Oklahoma Municipal Budget Act of 1979. As part of compliance with that budget act, the City prepares and administers its budget at the department level. This is the City's legal level of control.

Condition: As reported in the notes to financial statements, the amount of expenditures of the General Government department within the City exceeded its appropriations.

Cause: The City expended more than the amounts appropriated to this specific department during the budget year 2022-2023.

Effect or Potential Effect: The City appears to have violated state budget laws.

Response: There is a shortage of financial analyst and auditors in the state. The City made all required budget amendments. Our analyst made a journal entry change after the budget amendment deadline preventing the city from complying with the budget act.

**CITY OF COMANCHE, OKLAHOMA
SCHEDULE OF FINDINGS AND RESPONSES FOR THE
FINANCIAL STATEMENT AUDIT
YEAR ENDED JUNE 30, 2023**

Finding No. 2022-001

Criteria: Title 11, Section 17-211 prohibits the creation of a deficit fund balance in any fund except for a public trust fund.

Condition: As reported in the notes to financial statements, a deficit fund balance was created in the Grants and Street and Alley funds.

Disposition: This was not a finding during 2022-23 year.