

**CITY OF NEW CORDELL, OKLAHOMA  
NEW CORDELL, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**City of New Cordell, Oklahoma**  
**Annual Financial Statements**  
**For the fiscal year ended June 30, 2023**

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**City of New Cordell, Oklahoma**  
Year Ended June 30, 2023  
List of Principal Officials

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Mayor

Phil Kliewer

City Administrator

Vicki Hagerman

City Clerk

Karla Ferrero

City Council

Tad Boone

Greg Cox

Lowell Holman

Cheri Nabors

Sheri Parsons

Blake Reed

Earlene Smith

Bruce Wesner



**BRITTON, KUYKENDALL, & MILLER**  
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL  
RICK D. MILLER

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council  
City of New Cordell, Oklahoma

***Report on the Audit of the Financial Statements***

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Cordell, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of New Cordell, Oklahoma'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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Cordell, Oklahoma, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of New Cordell, 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.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of New Cordell, 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 New Cordell, 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 New Cordell, 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.

## ***Required Supplementary Information***

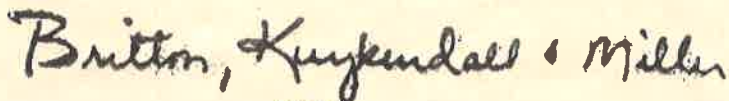
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, net pension liability schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Cordell, Oklahoma's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of debt service coverage requirements, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of debt service coverage requirements, and the schedule of expenditures of federal awards 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 May 20, 2024, on our consideration of City of New Cordell, 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 solely 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 New Cordell, 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 New Cordell, Oklahoma's internal control over financial reporting and compliance.



BRITTON, KUYKENDALL & MILLER  
Certified Public Accountants

Weatherford, Oklahoma  
May 20, 2024



Our discussion and analysis of the City of New Cordell's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2023, the City's total net position increased by \$1,747,804 or 18.53% from the prior year.
- During the year, City's expenses for governmental activities amounted to \$1,643,409 and were funded by program revenues of \$455,828 and further funded programs with taxes and other general revenues and transfers that totaled \$1,739,713.
- In the City's business-type activities, including utilities and economic development, program revenues exceeded expenses by \$1,503,695.
- At June 30, 2023, the General Fund reported an unassigned fund balance of \$843,313, an increase of \$251,473.
- For budgetary reporting purposes, the General Fund reported actual revenues above final estimates of revenues by \$141,731 or 8.66%, while expenditures were under final appropriations by \$199,411 or 12.74%.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

*Management's Discussion and Analysis* introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

#### ***Government-wide Financial Statements***

The City's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status and are presented to demonstrate the extent the City has met its operating objective efficiently and effectively using all the resources available and whether the City can continue to meet its objectives in the foreseeable future. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indication of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year and can be used to assess the City's operating results in its entirety and analyze how the City's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government; public safety and judiciary; transportation; and cultural, parks, and recreation. Business-type activities include utility services, including electricity, water, and sanitation, provided by the City.

The City's financial reporting entity includes the funds of the City (primary government) and organization for which the City is accountable (component units). Most of these legally separate organizations are blended into the primary government for financial reporting purposes. Other organizations operate more independently or provide services directly to the citizens, though the City remains accountable for their activities.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations and to demonstrate fiscal accountability. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole.

The City has two kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statement is included in the basic financial statement for governmental funds deemed as major. This statement demonstrates compliance with the City's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has one type of proprietary fund: enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water, sanitation, and electric utilities.

Proprietary fund statements and statements for discretely presented component units (reporting similarly to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

### ***Notes to the financial statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. Those notes to the financial statements begin immediately following the basic financial statements.

### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's pension benefits provided to its employees.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and fiduciary funds are presented in a subsequent section of this report.



**CITY OF NEW CORDELL, OKLAHOMA**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2023**

**A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**  
**Net Position**

The City's combined net position increased from \$9,431,394 to \$11,179,198 between fiscal years 2022 and 2023. Net position of both governmental activities and business-type activities showed an increase when compared to prior year.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Difference</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>\$</b>	<b>%</b>
<b>Current assets</b>	\$ 1,924,416	\$ 1,201,937	\$ 3,537,095	\$ 3,600,831	\$ 5,525,247	\$ 4,802,768	\$ 722,479	13%
Capital assets, net	2,147,665	2,286,384	5,122,545	3,346,159	7,270,210	5,632,543	1,637,667	23%
Other non-current assets	565,713	1,393,862	-	-	565,713	1,393,862	(828,149)	0%
<b>Total assets</b>	<b>4,637,794</b>	<b>4,882,183</b>	<b>8,659,640</b>	<b>6,946,990</b>	<b>13,361,170</b>	<b>11,829,173</b>	<b>1,531,997</b>	<b>11%</b>
<b>Deferred outflows</b>	<b>1,373,101</b>	<b>309,147</b>	<b>-</b>	<b>1,148</b>	<b>1,373,101</b>	<b>310,295</b>	<b>1,062,806</b>	<b>77%</b>
Current liabilities	236,758	85,454	576,035	959,164	812,793	1,044,618	(231,825)	-29%
Non-current liabilities	387,431	179,919	1,338,171	439,212	1,725,602	619,131	1,106,471	64%
<b>Total liabilities</b>	<b>624,189</b>	<b>265,373</b>	<b>1,914,206</b>	<b>1,398,376</b>	<b>2,538,395</b>	<b>1,663,749</b>	<b>874,646</b>	<b>34%</b>
<b>Deferred inflows</b>	<b>952,942</b>	<b>1,044,325</b>	<b>-</b>	<b>-</b>	<b>952,942</b>	<b>1,044,325</b>	<b>(91,383)</b>	<b>0%</b>
Net position								
Invested in capital assets, net of related debt	2,147,665	2,286,384	3,639,116	2,766,954	5,786,781	5,053,338	733,443	13%
Reserved restricted purp.	844,345	524,643	-	-	844,345	524,643	319,702	38%
Unrestricted	1,441,754	1,070,605	3,106,318	2,782,808	4,548,072	3,853,413	694,659	15%
<b>Total net position</b>	<b>\$ 4,433,764</b>	<b>\$ 3,881,632</b>	<b>\$ 6,745,434</b>	<b>\$ 5,549,762</b>	<b>\$ 11,179,198</b>	<b>\$ 9,431,394</b>	<b>\$ 1,747,804</b>	<b>16%</b>

**Changes in Net Assets**

For the year ended June 30, 2023, net assets of the primary government changed as follows:

**CITY OF NEW CORDELL, OKLAHOMA**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**JUNE 30, 2023**

					Difference			
					Governmental Activities		Business-type Activities	
	2023	2022	2023	2022	\$	%	\$	%
<b>Revenues</b>								
Program revenues	\$ 455,828	\$ 601,889	\$ 5,678,607	\$ 5,712,430	\$ (146,061)	-32%	\$ (33,823)	-1%
Taxes and other general revenues	1,352,414	1,835,923	86,032	61,069	(483,509)	-36%	24,963	29%
<b>Total revenues</b>	<b>1,808,242</b>	<b>2,437,812</b>	<b>5,764,639</b>	<b>5,773,499</b>	<b>(629,570)</b>	<b>-35%</b>	<b>8,860</b>	<b>0%</b>
<b>Expenses</b>								
General government	230,408	266,852	-	-	(36,444)	-16%	-	-
Public safety and judiciary	915,117	905,169	-	-	9,948	1%	-	-
Transportation	363,430	473,630	-	-	(110,200)	-30%	-	-
Cultural, parks, and recreation	107,489	166,492	-	-	(59,003)	-55%	-	-
Public services	26,965	14,975	-	-	11,990	44%	-	-
Electric	-	-	2,387,267	2,370,566	-	-	16,701	1%
Water	-	-	783,543	818,073	-	-	(34,530)	-4%
Sewer	-	-	156,005	119,387	-	-	36,618	23%
Sanitation	-	-	357,914	340,574	-	-	17,340	5%
Customer service	-	-	393,021	433,719	-	-	(40,698)	-10%
Economic development	-	-	73,871	70,524	-	-	3,347	5%
<b>Total expenses</b>	<b>1,643,409</b>	<b>1,827,118</b>	<b>4,151,621</b>	<b>4,152,843</b>	<b>(183,709)</b>	<b>-11%</b>	<b>(1,222)</b>	<b>0%</b>
Excess (deficiency) before transfers	164,833	610,694	1,613,018	1,620,656	(445,861)	-270%	(7,638)	0%
Transfers	387,299	327,081	(387,299)	(327,081)	60,218	16%	(60,218)	16%
<b>Change in net position</b>	<b>552,132</b>	<b>937,775</b>	<b>1,225,719</b>	<b>1,293,575</b>	<b>(385,643)</b>	<b>-70%</b>	<b>\$ (67,856)</b>	<b>-6%</b>
<b>Beginning net position</b>	<b>3,881,632</b>	<b>2,943,857</b>	<b>5,549,762</b>	<b>4,256,187</b>	<b>937,775</b>	<b>24%</b>	<b>1,293,575</b>	<b>23%</b>
<b>Ending net position</b>	<b>\$ 4,433,764</b>	<b>\$ 3,881,632</b>	<b>\$ 6,775,481</b>	<b>\$ 5,549,762</b>	<b>\$ 552,132</b>	<b>12%</b>	<b>\$ 1,225,719</b>	<b>18%</b>

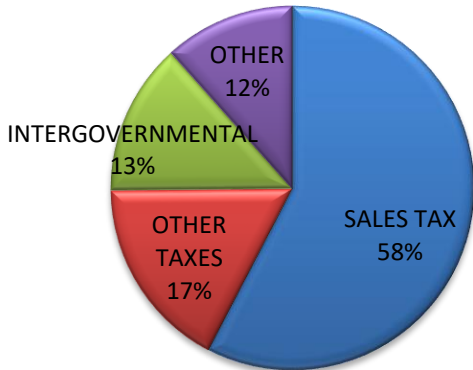
The City's governmental activities' increase in net assets of \$552,132 is primarily attributable to defined benefit pension change, ARPA revenue and lower expenses. The business-type activities' increase in net assets of \$1,225,719 is a function of grant revenues. The results indicate that, as a whole, the City's financial condition improved over the prior year.

### Governmental Activities

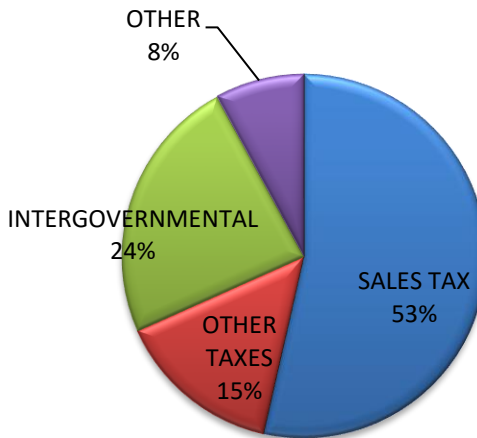
To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

The City's governmental activities were funded and used as follows:

### 2023 Sources

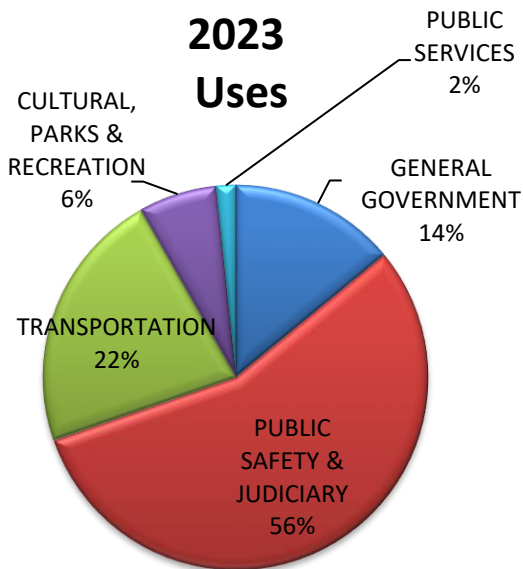


### 2022 Sources

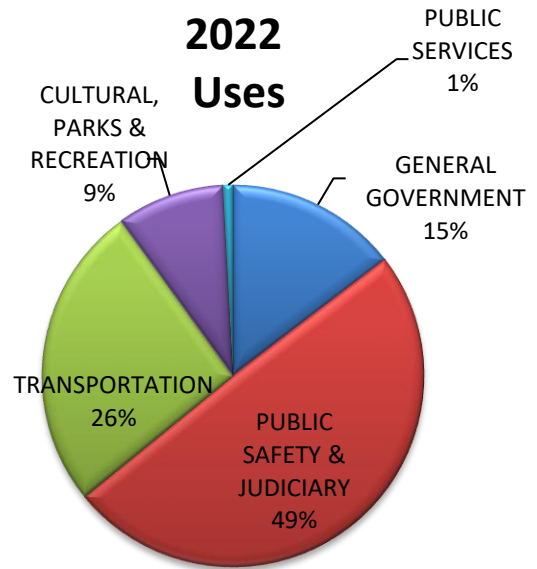


For the year ended June 30, 2023 and 2022, sales tax provided the most significant source of funding for governmental activities at 58% and 53%, respectively. Intergovernmental revenues decreased as a funding source in fiscal year 2023 due to no FAA grant.

### 2023 Uses



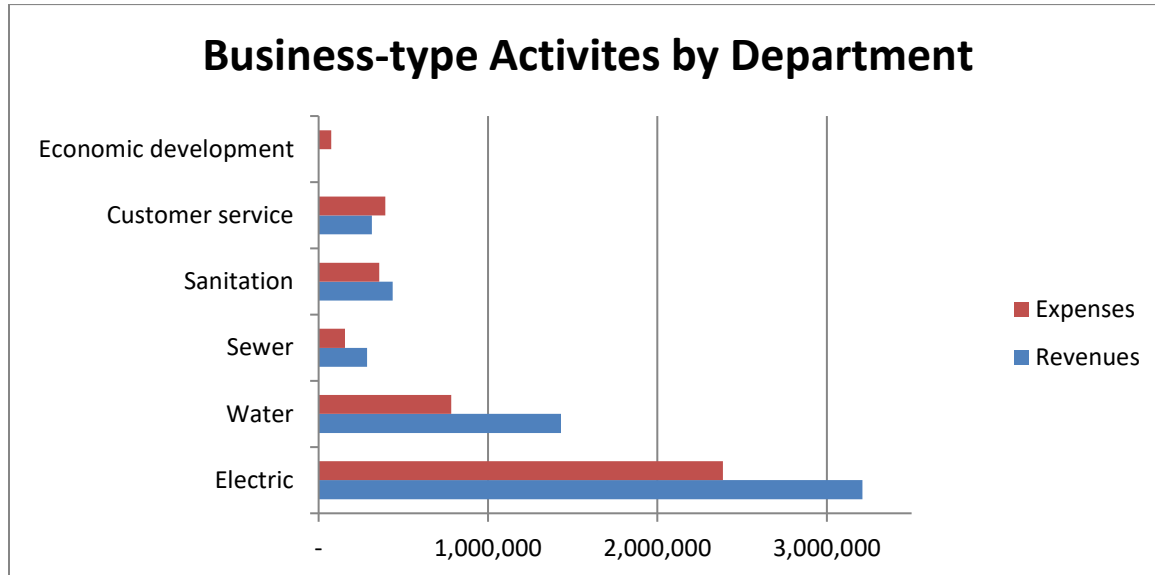
### 2022 Uses



Consistent between fiscal years, public safety and judiciary expenses were the largest use of governmental funds at 56% and 49% for 2023 and 2022, respectively.

### **Business-type Activities**

Business-type activities are designed to cover their cost of operations. The following chart displays total revenues and total expenses of each business-type department for fiscal year 2023:



For the fiscal year ended June 30, 2023, revenues from electric, water, sewer and sanitation covered the cost of their respective departments.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2023, the City had \$7,270,210 invested in capital assets, net of related debt, including vehicles and equipment for police and fire operations, park facilities, and street activities in governmental activities and electric lines, water lines and sewer lines in business-type activities. See table below.

	Primary Government Capital Assets (net of accumulated depreciation)					
	Governmental		Business-type		Total	
	Activities		Activities			
Non-Depreciable Assets	2023	2022	2023	2022	2023	2022
Land	40,373	40,373	114,135	114,135	154,508	154,508
Construction in process	6,700	-	1,329,487	1,558,137	1,336,187	1,558,137
Depreciable Assets						
Land and improvements	942,210	1,047,166	-	-	942,210	1,047,166
Buildings	668,098	747,294	684,228	765,984	1,352,326	1,513,278
Machinery & equipment	490,284	451,551	276,154	309,163	766,438	760,714
Utility property & improvements	-	-	2,718,541	598,740	2,718,541	598,740
Totals	\$ 2,147,665	\$ 2,286,384	\$ 5,122,545	\$ 3,346,159	\$ 7,270,210	\$ 5,632,543

This year's more significant capital asset additions included:

- In Governmental Activities: \$114,290 for new storm sirens, \$10,933 for various fire department equipment; \$5,151 for a tin horn for the street department and \$3,952 for various police department equipment.
- In Business-type Activities: \$2,161,392 for completed water lines and water system improvements, an additional \$1,328,578 in water system improvements in progress, and \$51,327 for utility poles and transformers for the electric department;.

### Long-Term Debt

At year-end, the City had \$1,338,171 in outstanding long-term debt which represents a net increase of \$898,959 from the prior year. The City's changes in long-term debt by type of debt are as follows:

#### **Primary Government Long-Term Debt**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable/capital leases	-	-	1,483,429	579,205	1,483,429	579,205
subtotal	-	-	1,483,429	579,205	1,483,429	579,205
less current portion	-	-	(145,258)	(139,993)	(145,258)	(139,993)
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,338,171</b>	<b>\$ 439,212</b>	<b>\$ 1,338,171</b>	<b>\$ 439,212</b>

### **ECONOMIC FACTORS AND NEXT YEARS'S BUDGET AND RATES**

The national economy has shown surprising resilience to the Federal Reserve hikes in interest rates. The national forecast no longer forecasts a recession in the near term. Real gross domestic product (GDP) is forecasted from slow to 1.2% in 2024.

The Oklahoma economy continues to recover from the COVID-19 recession, with seasonally-adjusted employment now about 1.5% above the pre-pandemic peak that was reached in 2019. The current unemployment rate lies below the pre-pandemic level while the labor force pre-participation rate exceeds the pre-pandemic level. The slowing of the national economy and a forecast of relatively stable energy prices should cause growth to slow in Oklahoma.

The following are highlights from the 2023-2024 budget:

The City must continue to make prudent financial management decisions and continue to progress, reinvest in infrastructure, and continue to plan for the long-term quality for the citizens of New Cordell. The 2023-2024 budget is conservative and included an overall 3.51% increase in utility rates, a 3% salary increase for full time employees and provides the financial resources necessary to continue the current level of City services, meet the demand of infrastructure issues including the water system improvements, and position the community for continued growth.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 101 East Main, Cordell, Oklahoma, 73632 or phone at (580) 832-3825.

**City of New Cordell, Oklahoma**  
**Statement of Net Position**  
**June 30, 2023**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current Assets:			
Cash, including time deposits	\$ 1,572,664	\$ 2,462,384	\$ 4,035,048
Investments	37,061	287,779	324,840
Interest receivable	10	126	136
Other receivable	132,316	-	132,316
Due from other funds	56,186	(56,186)	-
Taxes receivable	126,030	-	126,030
Intergovernmental receivables	-	-	-
Accounts receivable (net)	-	607,823	607,823
Prepaid expenses	149	24,238	24,387
Total current assets	<u>1,924,416</u>	<u>3,326,164</u>	<u>5,250,580</u>
Restricted assets:			
Cash, including time deposits	-	135,635	135,635
Investments	-	75,296	75,296
Total restricted assets	<u>-</u>	<u>210,931</u>	<u>210,931</u>
Non-Current Assets:			
Net pension asset	565,713	-	565,713
Capital assets:			
Land and construction in progress	47,073	1,443,622	1,490,695
Other capital assets (net of accumulated depreciation)	2,100,592	3,678,923	5,779,515
Capital assets, net	<u>2,147,665</u>	<u>5,122,545</u>	<u>7,270,210</u>
Total noncurrent assets	<u>2,713,378</u>	<u>5,122,545</u>	<u>7,835,923</u>
Total assets	<u>4,637,794</u>	<u>8,659,640</u>	<u>13,297,434</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	-	-	-
Deferred amounts on pension obligations	1,373,101	-	1,373,101
	<u>\$ 1,373,101</u>	<u>\$ -</u>	<u>\$ 1,373,101</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	195,643	318,553	514,196
Wages and benefits payable	22,300	16,169	38,469
Compensated absences, current	18,815	8,917	27,732
Notes payable, current	-	145,258	145,258
Total current liabilities	<u>236,758</u>	<u>488,897</u>	<u>725,655</u>
Liabilities payable from restricted assets:			
Accrued interest payable	-	1,283	1,283
Customer deposits payable	-	85,855	85,855
Bonds payable, current	-	-	-
Total liabilities payable from restricted assets	<u>-</u>	<u>87,138</u>	<u>87,138</u>
Noncurrent liabilities:			
Notes payable, non-current	-	1,338,171	1,338,171
Bonds payable, non-current	-	-	-
Net pension liability	387,431	-	387,431
Total noncurrent liabilities	<u>387,431</u>	<u>1,338,171</u>	<u>1,725,602</u>
Total liabilities	<u>624,189</u>	<u>1,914,206</u>	<u>2,538,395</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts on pension obligations	952,942	-	952,942
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,147,665	3,639,116	5,786,781
Reserved for restricted purposes	844,345	-	844,345
Unrestricted	1,441,754	3,106,318	4,548,072
Total net position	<u>\$ 4,433,764</u>	<u>\$ 6,745,434</u>	<u>\$ 11,179,198</u>

See accompanying notes to financial statements.

**City of New Cordell, Oklahoma**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government:					
General government	\$ 91,622	\$ 11,585	\$ -	\$ 241,017	\$ 160,980
Administration	138,786	-	-	-	(138,786)
Grant Writing	-	-	-	-	-
Total general government	<u>230,408</u>	<u>11,585</u>	<u>-</u>	<u>241,017</u>	<u>22,194</u>
Public safety and judiciary:					
Legislative & judicial	32,184	-	-	-	(32,184)
Police	350,643	34,786	-	-	(315,857)
Fire	302,150	-	10,053	-	(292,097)
Code enforcement	4,809	-	-	-	(4,809)
Ambulance	211,756	102,475	-	-	(109,281)
Animal Control	13,575	-	-	-	(13,575)
Total public safety and judiciary	<u>915,117</u>	<u>137,261</u>	<u>10,053</u>	<u>-</u>	<u>(767,803)</u>
Transportation:					
Street	270,891	-	25,093	-	(245,798)
Airport	92,539	5,245	-	-	(87,294)
Total transportation	<u>363,430</u>	<u>5,245</u>	<u>25,093</u>	<u>-</u>	<u>(333,092)</u>
Cultural, parks and recreation:					
Park	54,470	217	-	-	(54,253)
Swimming pool	53,019	20,337	-	-	(32,682)
Total cultural, parks and recreation	<u>107,489</u>	<u>20,554</u>	<u>-</u>	<u>-</u>	<u>(86,935)</u>
Public services:					
Cemetery	23,974	5,020	-	-	(18,954)
City garage	2,991	-	-	-	(2,991)
Total public services	<u>26,965</u>	<u>5,020</u>	<u>-</u>	<u>-</u>	<u>(21,945)</u>
Total governmental activities	<u>1,643,409</u>	<u>179,665</u>	<u>35,146</u>	<u>241,017</u>	<u>(1,187,581)</u>
Business-type activities:					
Electric	2,381,416	3,183,357	-	-	801,941
Water	783,543	826,682	-	603,446	646,585
Sewer	156,005	286,050	-	-	130,045
Sanitation	357,914	444,345	-	-	86,431
Customer service	402,059	314,623	-	-	(87,436)
Economic development	73,871	-	-	-	(73,871)
Total business-type activities	<u>4,154,808</u>	<u>5,055,057</u>	<u>-</u>	<u>603,446</u>	<u>1,503,695</u>
Total	<u>\$ 5,798,217</u>	<u>\$ 5,234,722</u>	<u>\$ 35,146</u>	<u>\$ 844,463</u>	<u>\$ 316,114</u>



**City of New Cordell, Oklahoma**  
**Statement of Activities (continued)**  
**For the Year Ended June 30, 2023**

**Changes in Net Assets:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Net (expense)/revenue	\$ (1,187,581)	\$ 1,503,695	\$ 316,114
General revenues:			
Taxes:			
Sales tax	1,178,238	-	1,178,238
Use tax	231,304	-	231,304
Franchise taxes	36,717	-	36,717
Alcoholic beverage tax	75,080	-	75,080
Cigarette tax	8,031	-	8,031
Oil & gas royalties	1,085	-	1,085
Investment income	2,020	7,338	9,358
Pension change	119,676	-	119,676
Penalties	-	43,455	43,455
Miscellaneous	55,200	28,483	83,683
Sales tax transfer to Cordell Hospital	(354,937)	-	(354,937)
Transfers-Internal activity	387,299	(387,299)	-
Total general revenues and transfers	<u>1,739,713</u>	<u>(308,023)</u>	<u>1,431,690</u>
Change in net position	552,132	1,195,672	1,747,804
Net position-beginning	3,881,632	5,549,762	9,431,394
Net position-ending	<u>\$ 4,433,764</u>	<u>\$ 6,745,434</u>	<u>\$ 11,179,198</u>

**City of New Cordell, Oklahoma**  
**Balance Sheet**  
**For the Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Grant Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash, including time deposits	\$ 769,309	\$ 495,689	\$ 307,666	\$ 1,572,664
Investments	-	-	37,061	37,061
Interest receivable	-	-	10	10
Taxes receivable	121,503	-	4,527	126,030
Other receivables	-	132,316	-	132,316
Due from other funds	56,206	-	9,910	66,116
Intergovernmental receivables	-	-	-	-
Prepaid expenses	149	-	-	149
Total assets	<u>\$ 947,167</u>	<u>\$ 628,005</u>	<u>\$ 359,174</u>	<u>\$ 1,934,346</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 52,809	\$ 142,834	\$ -	\$ 195,643
Wages and benefits payable	22,300	-	-	22,300
Due to other funds	9,930	-	-	9,930
Compensated absences, current	18,815	-	-	18,815
Total liabilities	<u>103,854</u>	<u>142,834</u>	<u>-</u>	<u>246,688</u>
<b>FUND BALANCES</b>				
Restricted for:				
Capital projects fund	-	-	232,917	232,917
Special revenue funds	-	485,171	126,257	611,428
Unassigned	843,313	-	-	843,313
Total fund balances	<u>843,313</u>	<u>485,171</u>	<u>359,174</u>	<u>1,687,658</u>
Total liabilities and fund balances	<u>\$ 947,167</u>	<u>\$ 628,005</u>	<u>\$ 359,174</u>	<u>\$ 1,934,346</u>
Total fund balance- total governmental funds				1,687,658
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:				
Land and capital assets, net of accumulated depreciation are not financial resources and, therefore, are not reported in the funds. See Note 3(B) for additional detail.				
Land and construction in process			47,073	
Capital assets			11,778,954	
Less: Accumulated depreciation			<u>(9,678,362)</u>	2,147,665
Net pension asset				565,713
Pension related deferred outflows				1,373,101
Net pension liability				(387,431)
Pension related deferred inflows				(952,942)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.				
				<u>-</u>
Net position of governmental activities				<u>\$ 4,433,764</u>

**City of New Cordell, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

	General Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>				
Sales taxes	\$ 1,178,238	\$ -	\$ -	\$ 1,178,238
Use taxes	231,304	-	-	231,304
Beverage tax	75,080	-	-	75,080
Franchise taxes	36,717	-	-	36,717
Cigarette tax	8,031	-	-	8,031
Licenses and permits	7,318	-	-	7,318
Oil and gas royalties	1,085	-	-	1,085
Fines and forfeitures	34,716	-	-	34,716
Investment income	1,311	-	709	2,020
Charges for services	127,457	-	375	127,832
Rental income	9,512	-	-	9,512
Intergovernmental	-	241,017	35,146	276,163
Miscellaneous	55,487	-	-	55,487
Total revenues	1,766,256	241,017	36,230	2,043,503
<b><u>EXPENDITURES</u></b>				
Current:				
General government:				
General government	65,233	-	-	65,233
Administration	138,768	18	-	138,786
Grant Writing	-	-	-	-
Total general government	204,001	18	-	204,019
Public safety and judiciary:				
Legislative & judicial	32,184	-	-	32,184
Police	312,062	-	-	312,062
Fire	248,225	-	4,779	253,004
Code enforcement	4,809	-	-	4,809
Ambulance	211,756	-	-	211,756
Animal Control	13,575	-	-	13,575
Total public safety and judiciary	822,611	-	4,779	827,390
Transportation:				
Street	217,453	-	-	217,453
Airport	11,335	-	-	11,335
Total transportation	228,788	-	-	228,788
Cultural, parks and recreation:				
Park	24,697	-	-	24,697
Swimming pool	53,019	-	-	53,019
Total cultural, parks and recreation	77,716	-	-	77,716
Public Services:				
Cemetery	22,759	-	-	22,759
City garage	2,991	-	-	2,991
Total public services	25,750	-	-	25,750
Debt service				
Capital lease obligation	-	-	-	-
Total debt service	-	-	-	-
Capital outlay	19,239	-	121,788	141,027
Total expenditures	1,378,105	18	126,567	1,504,690
Excess (deficiency) of revenues over expenditures	388,151	240,999	(90,337)	538,813
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	218,259	603,446	-	821,705
Transfers out	-	(689,856)	255,450	(434,406)
Transfers to Cordell Hospital	(354,937)	-	-	(354,937)
Total other financing sources and uses	(136,678)	(86,410)	255,450	32,362
Net change in fund balances	251,473	154,589	165,113	571,175
Fund balances - beginning	591,840	330,582	194,061	1,116,483
Fund balances - ending	\$ 843,313	\$ 485,171	\$ 359,174	\$ 1,687,658

**City of New Cordell, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

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Reconciliation of the change in fund balances - total governmental funds  
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 571,175
Amounts reported for governmental activities in the Statement of Activities are different because:	

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 asset purchases capitalized	141,028	
Equipment disposed	-	
Depreciation expense	<u>(279,747)</u>	(138,719)

Government-Wide Statement of Activities report the cost of pension benefits earned net of employee contributions is reported as an element of pension. The fund financial statements report pension contributions as expenditures	119,676
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-		-
<u>-</u>		<u>-</u>

Change in Net Position of Governmental Activities	<u><u>\$ 552,132</u></u>
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**City of New Cordell, Oklahoma**  
**Statement of Net Position**  
**For the Year Ended June 30, 2023**

	<b>New Cordell Utilities Authority</b>	<b>Development Redevelopment Authority</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash, including time deposits	\$ 2,461,771	\$ 613	\$ 2,462,384
Investment	287,779	-	287,779
Interest receivable	126	-	126
Other receivable	-	-	-
Due from other funds	20	-	20
Accounts receivable, net of allowance of \$58,541	607,823	-	607,823
Prepaid expenses	24,238	-	24,238
Total current assets	<u>3,381,757</u>	<u>613</u>	<u>3,382,370</u>
Noncurrent assets:			
Restricted assets:			
Cash, including time deposits	135,635	-	135,635
Investments	75,296	-	75,296
Total restricted assets	<u>210,931</u>	<u>-</u>	<u>210,931</u>
Noncurrent assets:			
Capital assets (net)	4,866,219	256,326	5,122,545
Total noncurrent assets	<u>4,866,219</u>	<u>256,326</u>	<u>5,122,545</u>
<b>Total assets</b>	<u>8,458,907</u>	<u>256,939</u>	<u>8,715,846</u>
<b>Deferred Outflows of Resources</b>			
Deferred amount on refunding	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	317,913	640	318,553
Wages and benefits payable	16,169	-	16,169
Compensated absences, current	8,917	-	8,917
Due to other funds	56,206	-	56,206
Notes payable, current	145,258	-	145,258
Total current liabilities	<u>544,463</u>	<u>640</u>	<u>545,103</u>
Liabilities payable from restricted assets:			
Accrued interest payable	1,283	-	1,283
Customer deposits payable	85,855	-	85,855
Total liabilities payable from restricted assets	<u>87,138</u>	<u>-</u>	<u>87,138</u>
Noncurrent liabilities:			
Notes payable, noncurrent	1,338,171	-	1,338,171
Total noncurrent liabilities	<u>1,338,171</u>	<u>-</u>	<u>1,338,171</u>
<b>Total liabilities</b>	<u>1,969,772</u>	<u>640</u>	<u>1,970,412</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,382,790	256,326	3,639,116
Unrestricted	<u>3,106,345</u>	<u>(27)</u>	<u>3,106,318</u>
<b>Total net position</b>	<u>\$ 6,489,135</u>	<u>\$ 256,299</u>	<u>\$ 6,745,434</u>

**City of New Cordell, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2023**

	<b>New Cordell Utilities Authority</b>	<b>Development Redevelopment Authority</b>	<b>Total Enterprise Funds</b>
<b><u>Operating revenues:</u></b>			
Charges for services:			
Electric charges	\$ 3,183,357	\$ -	\$ 3,183,357
Water charges	826,682	-	826,682
Sewer charges	286,050	-	286,050
Sanitation charges	444,345	-	444,345
Penalties	43,455	-	43,455
Total charges for services	4,783,889	-	4,783,889
Lease and rental income	-	-	-
Miscellaneous	28,483	-	28,483
Total operating revenues	4,812,372	-	4,812,372
<b><u>Operating expenses:</u></b>			
Cost of goods sold	2,642,607	-	2,642,607
Personal services	616,689	-	616,689
Materials and supplies	355,156	1,088	356,244
Other services and charges	260,206	29,430	289,636
Depreciation	190,168	43,353	233,521
Total operating expenses	4,064,826	73,871	4,138,697
Net operating income	747,546	(73,871)	673,675
<b><u>Nonoperating revenue (expense):</u></b>			
Investment income	7,330	8	7,338
Grant income	603,446	-	603,446
OWRB Loan forgiveness	-	-	-
Debt issue costs	-	-	-
Interest expense	(14,963)	-	(14,963)
Amortization	(1,148)	-	(1,148)
Other income	314,623	-	314,623
Total nonoperating revenue (expense)	909,288	8	909,296
<b>Net Income before contributions and transfers</b>	1,656,834	(73,863)	1,582,971
Transfers from other funds	831,417	30,000	861,417
Transfers to other funds	(1,248,716)	-	(1,248,716)
<b>Change in net position</b>	1,239,535	(43,863)	1,195,672
Net position-beginning of year	5,249,600	300,162	5,549,762
Net position-end of year	\$ 6,489,135	\$ 256,299	\$ 6,745,434

**City of New Cordell, Oklahoma**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

	<b>New Cordell Utilities Authority</b>	<b>Development Redevelopment Authority</b>	<b>Total Enterprise Funds</b>
<b><u>Cash flows from operating activities:</u></b>			
Receipts from customers	\$ 4,953,082	\$ -	\$ 4,953,082
Payments to suppliers	(3,650,398)	(29,915)	(3,680,313)
Payments to employees	(614,236)	-	(614,236)
Other operating revenues	28,483	-	28,483
<b>Net cash provided (used) by operating activities</b>	<u>716,931</u>	<u>(29,915)</u>	<u>687,016</u>
<b><u>Cash flows from non-capital financing activities:</u></b>			
Transfers from other funds	831,417	30,000	861,417
Transfers to other funds	(1,248,716)	-	(1,248,716)
Receipts on interfund loan agreements	1,563	-	1,563
Receipts from nonoperating income	314,623	-	314,623
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(101,113)</u>	<u>30,000</u>	<u>(71,113)</u>
<b><u>Cash flows from capital and related financing activities:</u></b>			
Purchases of capital assets	(2,008,367)	(1,540)	(2,009,907)
Receipts from capital grants	603,446	-	603,446
Receipts from notes issued	1,044,165	-	1,044,165
Principal paid on capital debt	(139,941)	-	(139,941)
Payment of debt issue costs	-	-	-
Interest paid on capital debt	(15,585)	-	(15,585)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(516,282)</u>	<u>(1,540)</u>	<u>(517,822)</u>
<b><u>Cash flows from investing activities:</u></b>			
Purchase of investments	(1,522)	-	(1,522)
Investment income	7,224	8	7,232
<b>Net cash provided (used) by investing activities</b>	<u>5,702</u>	<u>8</u>	<u>5,710</u>
 Net increase (decrease) in cash and cash equivalents	 105,238	 (1,447)	 103,791
Cash and cash equivalents, July 1, 2022	<u>2,492,168</u>	<u>2,060</u>	<u>2,494,228</u>
Cash & cash equivalents, June 30, 2023	<u><u>\$ 2,597,406</u></u>	<u><u>\$ 613</u></u>	<u><u>\$ 2,598,019</u></u>
Cash, including time deposits	\$ 2,461,771	\$ 613	\$ 2,462,384
Restricted cash, including time deposits	135,635	-	135,635
Total cash and cash equivalents, end of year	<u><u>\$ 2,597,406</u></u>	<u><u>\$ 613</u></u>	<u><u>\$ 2,598,019</u></u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u></b>			
Operating income (loss)	\$ 747,546	\$ (73,871)	\$ 673,675
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	190,168	43,353	233,521
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	166,278	-	166,278
(Increase) decrease in prepaids	1,314	-	1,314
Increase (decrease) in accounts payable	(393,743)	603	(393,140)
Increase (decrease) in wages & benefits payable	730	-	730
Increase (decrease) in compensated absences	1,723	-	1,723
Increase (decrease) in deposits subject to refund	2,915	-	2,915
Total adjustments	<u>(30,615)</u>	<u>43,956</u>	<u>13,341</u>
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ 716,931</u></u>	<u><u>\$ (29,915)</u></u>	<u><u>\$ 687,016</u></u>



**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The City of New Cordell, Oklahoma (the "City") is incorporated under the provisions of the State of Oklahoma per Executive Department Proclamation on May 22, 1908. The City operates under the statutory Aldermanic form of government. The City provides the following services: public safety (police and fire), streets, utility (sanitation, water, sewer, and electric) planning and zoning, public improvements, library, airport, parks, and general administration.

***The Reporting Entity***

The City, for financial purposes, includes all of the funds and account groups relevant to the operation of the City of New Cordell. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of New Cordell.

The financial statements of the City include the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity. Component units that do not meet the criteria from blending are reported discretely.

**Blended Component Units Reported with Primary Government**

New Cordell Utilities Authority - created October 6, 1986 by Declaration of Trust and as amended by Amendment to Declaration of Trust dated 01/08/88, under Title 60, OS (1981) Section 176-804. The City has beneficial interest and the City Council members serve as Trustees of the Authority. City employees carry on the activities of the Authority.

Cordell Development and Redevelopment Authority - The City Council members serve as trustees of the Authority.

The Cordell Hospital Authority and the Cordell Recreation Authority are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the related organization.

**B. Basic Financial Statements**

***Government-Wide Financial Statements:***

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. The statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed by the statements.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or utility services.

***Fund Financial Statements:***

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The City has no fiduciary funds.

***Measurement Focus and Basis of Accounting***

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America, GAAP. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Proprietary financial statements and financial statements of the City's component units also report using the same focus and

basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

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

***Restricted Assets***

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

***Interfund Balances***

Generally, outstanding balances between funds reported and due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

**C. Fund Types and Major Funds**

**Major Governmental Funds**

***General Fund***

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in another fund.

***Grant Fund***

Accounts for funds received for grant programs

***Special Revenue Funds***

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally or administratively restricted to expenditures for specified purposes. The reporting entity includes the following special revenue funds:

<b>FUND</b>	<b>BRIEF DESCRIPTION</b>
Street and Alley	Accounts for commercial vehicle tax and gasoline excise tax legally restricted for street and alley repairs and maintenance.
Cemetery Care	Accounts for 12 1/2% of cemetery revenue restricted by State law for cemetery capital improvements.
Fireman Fund	Accounts for collection of rural fire fighting fees and is administratively restricted for fire department needs.
Disaster Fund	Accounts for funds spent in the City's response to the October 9, 2001 tornado and the winter ice storm.

***Capital Project Fund***

This fund is used to account for financial resources restricted for the acquisition or construction of specific capital projects or items (other than those financed by proprietary funds). The City of New Cordell has expanded its use to include major repairs with full board approval.

**PROPRIETARY FUND TYPES**

***Enterprise Funds***

Enterprise Funds are used to account for business-type activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprises funds:

<b>FUND</b>	<b>BRIEF DESCRIPTION</b>
New Cordell Utilities Authority	Accounts for the activities of the authority in providing electric, water, wastewater, and solid waste services to the public.
Cordell Development & Redevelopment Authority	Accounts for economic development activities and for the operation of the theatre.

**D. Budgets and Budgetary Accounting**

***Budget Policy and Practice***

The City Administrator submits an annual budget to the City Council in accordance with the City Charter and the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review, and public hearings are held to address priorities and the allocation of resources. In June, the City Council adopts the annual fiscal year budgets for City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Council review and approval process.

***Budgetary Control***

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. Revisions to the budget are normally made throughout the year.

***Budget Basis of Accounting***

The combined statement of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**Cash and Investments**

For the purposes of the combined balance sheet and the statement of cash flows, "cash and cash equivalents" includes all demand deposits, savings accounts and certificates of deposits or short-term investments (including restricted assets) with an original maturity of three months or less. Deposits are stated at cost.

Investments are reported at fair value which is determined using market prices. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price.

**Allowance for Uncollectible Accounts**

The City has established an allowance for collectible accounts based on management's prior experience. Management does not believe there are significant losses in excess of the allowance.

**Restricted Assets**

Restricted assets include current assets of proprietary fund types that are legally restricted as to their use. The restricted assets are primarily related investments restricted for customer refunds, and cash reserved for payment of the revenue loan obligation.

**Property, Plant and Equipment**

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Proprietary fund and similar component unit fixed assets are recorded in the respective funds or component units and depreciated using the straight-line method. When proprietary fund fixed assets are disposed, the cost and applicable accumulated depreciation is removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

• Buildings	25-50 years
• Other improvements	10-50 years
• Machinery, furniture & equipment	3-20 years
• Infrastructure	25-50 years

**Fund Financial Statements:**

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has an item related to pension obligations that qualify as a deferred inflow of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. An example of an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category would be unavailable revenue from property taxes and special assessments. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. Those amounts would be deferred and recognized as an inflow of resources in the period that the amounts become available. The City has items related to pension obligations that qualify as a deferred inflow of resources.

**Long-Term Debt**

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

**Compensated Absences**

Full-time, permanent employees are granted vacation benefits in varying amount to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to all accrued vacation leave upon termination. The estimated liabilities include salary-related payments. Compensated absences are reported as accrued in the government-wide, proprietary, and fiduciary financial statements.

**Equity Classifications**

***Fund Balance***

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes beyond the restrictions applicable to the fund.

***Net Assets***

Both proprietary fund financial statements and government-wide financial statements report net assets. Amounts invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net assets.

***Invested in capital assets, net of related debt***

The amount restricted consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted net assets***

Amounts reported as restricted consist of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

***Governmental Fund Balances***

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

***Non-spendable***

Fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

***Restricted***

Fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

***Committed***

Fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission, the City's highest level of decision-making authority,

***Assigned***

Fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

***Unassigned***

Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

**F. Revenues, Expenditures and Expenses**

***Sales Tax***

The City levied a three-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The sales tax received is recorded as sales tax revenue within the general fund.

***Charges for Services***

Program revenues reported with governmental activities include charges for services like permits and fees, park charges, and fines and forfeitures. Business-type activity charges for services include all operating income of proprietary funds.

***Grants and Contributions***

Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activity grants and contributions include donations from others as well as grants from Federal and state agencies.

***Interfund Transfers***

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. Recurring transfers for operational purposes are classified as "operating transfers", while non-recurring transfers of equity are reported as "residual equity transfers."

**(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over city resources follows:

**A. Deficit Fund Net Assets/Fund Balance**

Deficits resulting from accrual reporting do not constitute violations of Oklahoma State Statutes.

The City reported no deficit fund balances or net assets for the fiscal year.

**B. Budget Requirements**

For the year ended June 30, 2023, the City complied, in all material respects, with the applicable budget laws.

**C. Debt Covenants**

The New Cordell Utilities Authority Utility System Revenue Note, Series 2021 and the Series 2021 Drinking Water SRF OWRB Promissory Note ORF-21-0022-DW both contain a number of covenants which are related to financial matters. The most significant of which is the Debt Service Coverage, whereby, pledged revenues less operating expenses shall provide Net Revenues Available for Debt Service equal to 1.25 times average annual debt service on the respective notes for the Authority. As calculated on the Schedule Debt Service Coverage Requirements in the Other Supplementary Schedules section of this report, the City complied with this requirement.

**E. Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local or administrative requirements. The primary restricted revenue sources include:

<u>REVENUE SOURCE</u>	<u>LEGAL RESTRICTIONS OF USE</u>
Gasoline Excise/Commercial Vehicle Tax	Street and Alley Purposes
Airport Revenue	Airport Operations and Debt Service
Cemetery Revenue (12.5%)	Cemetery Capital Improvements

**(3) DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**A. Cash and Investments**

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposits are secured by collateral values at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Investments**

The City invests primarily in certificates of deposit.

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Days to Maturity (2)</u>
<b>Primary government</b>				
<b><u>GOVERNMENTAL ACTIVITIES</u></b>				
Certificates of deposit	\$ 37,061	\$ 37,061	N/A	301
Total governmental activities	<u>37,061</u>	<u>37,061</u>		
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>				
Certificates of deposit	\$ 363,075	\$ 363,075	N/A	265
Total business-type activities	<u>363,075</u>	<u>363,075</u>		
Total primary government investments	<u>\$ 400,136</u>	<u>\$ 400,136</u>		

Reconciliation to statement of net position:

Investments

Governmental activities	\$ 37,061
Business-type activities	287,779
Business-type activities, restricted	75,296
	<u>\$ 400,136</u>

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.

At June 30, 2023 the City held restricted assets totaling \$210,931. Assets were restricted for the following purposes:

**Business-type activities:**

*Cash, including time deposits*

Debt service 2021 Revenue Note	\$ 44,049
Customer deposits	91,586
Board restrictions	75,296
	<u>\$ 210,931</u>

**B. PROPERTY, PLANT AND EQUIPMENT**

**Governmental Activities:**

A summary of the changes in the governmental activities fixed assets at June 30, 2023 follows:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Land and land improvements	\$ 1,659,034	\$ 5,151	\$ -	\$ 1,664,185
Buildings & structures	5,146,824	-	-	5,146,824
Machinery, furniture, & equipment	2,861,321	129,177	-	2,990,498
Improvements other than land	2,017,820	-	-	2,017,820
Construction in process	-	6,700	-	6,700
Total	11,684,999	141,028	-	11,826,027
Less accumulated depreciation	<u>9,398,615</u>	<u>279,747</u>	<u>-</u>	<u>9,678,362</u>
Fixed assets, net	<u>\$ 2,286,384</u>	<u>\$ (138,719)</u>	<u>\$ -</u>	<u>\$ 2,147,665</u>



**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Business-Type Activities:**

A summary of the proprietary fund types fixed assets at June 30, 2023 follows:

	<b>Balance at July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2023</b>
<b>Cordell Utility Authority:</b>				
Electric plant				
Land	\$ 308	\$ -	\$ -	\$ 308
Structures & improvements	95,609	-	-	95,609
Plant & equipment	540,249	3,212	-	543,461
Distributubion system	1,123,772	51,327	-	1,175,099
	<u>1,759,938</u>	<u>54,539</u>	<u>-</u>	<u>1,814,477</u>
Water plant				
Land	14,649	-	-	14,649
Structures & improvements	1,132,188	1,715	-	1,133,903
Plant & equipment	1,232,910	10,707	-	1,243,617
Distributubion system	1,576,922	2,165,907	-	3,742,829
	<u>3,956,669</u>	<u>2,178,329</u>	<u>-</u>	<u>6,134,998</u>
Sewer plant				
Structures & improvements	1,058,432	-	-	1,058,432
Plant & equipment	314,985	-	-	314,985
Distributubion system	176,066	2,362	-	178,428
Equipment	22,663	1,787	-	24,450
	<u>1,572,146</u>	<u>4,149</u>	<u>-</u>	<u>1,576,295</u>
General and administrative				
Land	69,178	-	-	69,178
Structures & improvements	48,902	-	-	48,902
Equipment	365,189	-	-	365,189
Transportation equipment	386,422	-	-	386,422
	<u>869,691</u>	<u>-</u>	<u>-</u>	<u>869,691</u>
Ambulance garage	<u>7,849</u>	<u>-</u>	<u>-</u>	<u>7,849</u>
Construction in progress	<u>1,558,137</u>	<u>1,925,942</u>	<u>2,154,592</u>	<u>1,329,487</u>
Total	9,724,430	4,162,959	2,154,592	11,732,797
Less accumulated depreciation	<u>6,676,410</u>	<u>190,168</u>	<u>-</u>	<u>6,866,578</u>
Fixed assets, net	<u>\$ 3,048,020</u>	<u>\$ 3,972,791</u>	<u>\$ (2,154,592)</u>	<u>\$ 4,866,219</u>
<b>Cordell Development/Redevelopment Authority:</b>				
Land	\$ 30,000	\$ -	\$ -	30,000
Building - Theater	931,636	-	-	931,636
Equipment - Theater	103,673	1,540	-	105,213
Total	<u>1,065,309</u>	<u>1,540</u>	<u>-</u>	<u>1,066,849</u>
Less: accumulated depreciation	<u>767,170</u>	<u>43,353</u>	<u>-</u>	<u>810,523</u>
Fixed assets, net	<u>\$ 298,139</u>	<u>\$ (41,813)</u>	<u>\$ -</u>	<u>\$ 256,326</u>
<b>Total Business-type activities, net</b>	<u>\$ 3,346,159</u>	<u>\$ 3,930,978</u>	<u>\$ (2,154,592)</u>	<u>\$ 5,122,545</u>

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against its operations. Accumulated depreciation is reported on proprietary fund balance sheets.

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

All vehicles purchased by the Utility Authority are depreciated under the general and administrative transportation equipment.

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charges to governmental activities:

General government	\$ 26,390
Public safety & judiciary	87,726
Transportation	134,643
Cultural, parks & recreation	29,773
Public services	1,215
Total governmental activities depreciation expense	<u>\$ 279,747</u>

Depreciation expense charges to business-type activities:

Electric	\$ 18,763
Water	121,541
Customer service	7,485
Sewer	42,379
Economic development	43,353
Total business-type activities depreciation expense	<u>\$ 233,521</u>

**C. LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended June 30, 2023:

**NOTES PAYABLE:**

Note Payable with High Plains Bank for street shop building issued by the City of New Cordell Utility Authority, payable in 120 monthly installments of \$1,366.13 with an annual interest rate of 1.75% to begin March 8, 2018. \$ 73,328

The New Cordell Utilities Authority Utility System Revenue Note, Series 2021 was issued on September 15, 2021 in the amount of \$430,000 for water system improvements including a SCADA system and a chemical feed system. The note has a fixed interest rate of 1.05% and is secured by a pledge of revenues generated by the water, sanitary sewer, garbage, and electric system. Semi-annual principal and interest payments are due beginning March 1, 2022 with final maturity on March 1, 2025. 256,000

New Cordell Utilities Authority \$2,250,000 Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, loan number ORF-21-0022-DW dated December 21, 2021, due in semi-annual payments over 19 years after project completion with interest at 1.23% plus 0.5% admin charge, on March 15 and September 15 with final maturity on March 15, 2041. The Note is secured by a pledge of water, sewer, electric and garbage revenues and a mortgage on the utility system. Note was used for replacing existing water lines and Improvements. The final loan will be for \$2,250,000 reduced by \$662,500 principal forgiveness through the American Recovery and Reinvestment Act. 1,154,101

Total notes payable \$ 1,483,429

**Changes in Long-Term Debt:**

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

<b>Type of Debt</b>	<b>Balance at July 1, 2022</b>	<b>Amount Issued</b>	<b>Amount Retired</b>	<b>Balance at June 30, 2023</b>	<b>Due within One Year</b>
Business-type activities					
Notes payable	\$ 579,205	\$ 1,044,165	\$ 139,941	\$ 1,483,429	\$ 145,258
Revenue bonds payable	-	-	-	-	-
Total enterprise fund debt	<u>\$ 579,205</u>	<u>\$ 1,044,165</u>	<u>\$ 139,941</u>	<u>\$ 1,483,429</u>	<u>\$ 145,258</u>
<b>Total enterprise fund debt</b>	<b>\$ 579,205</b>	<b>\$ 1,044,165</b>	<b>\$ 139,941</b>	<b>\$ 1,483,429</b>	<b>\$ 145,258</b>

**Annual Debt Service Requirements:**

The annual debt service requirement to maturity, including principal and interest, for long-term debt as of June 30, 2021 is as follows:

Year Ending June 30	<b>Governmental Activities</b>	<b>Business-type Activities</b>			
	<b>Capital Leases</b>	<b>Notes Payable</b>		<b>Revenue Bonds</b>	
	<b>Payable</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ -	145,258	28,885	-	-
2025	-	145,527	26,665	-	-
2026	-	99,291	24,610	-	-
2027	-	101,040	23,041	-	-
2028	-	97,056	21,467	-	-
2029-2033	-	455,625	86,572	-	-
2034-2038	-	439,632	44,318	-	-
2039-2043	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 1,483,429</u>	<u>\$ 255,558</u>	<u>\$ -</u>	<u>\$ -</u>

**D. INTERFUND TRANSACTIONS AND BALANCES**

Operating transfers for the year ended June 30, 2023 were as follows:

<b>Operating Transfers</b>	<b>Transfer In</b>	<b>Transfer Out</b>
GENERAL FUND:		
Cordell Utility Authority	\$ 218,259	\$ -
GRANT FUND:		
Cordell Utility Authority	603,446	689,856
CAPITAL PROJECTS:		
Cordell Utility Authority	397,011	141,561
ENTERPRISE FUNDS - Cordell Utility Authority		
General Fund	-	218,259
Grant Fund	689,856	603,446
Capital Projects	141,561	397,011
Development & Redevelopment	-	30,000
ENTERPRISE FUNDS - Development & Redevelopment		
Cordell Utility Authority	30,000	-
	<u>\$ 2,080,133</u>	<u>\$ 2,080,133</u>

**(4) RETIREMENT PLANS**

The City participates in two employee pension systems as follows:

Name of Plan	Type of Plan
Oklahoma Municipal Retirement Fund	Agent Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan

**A. Oklahoma Municipal Retirement Fund- Defined Benefit Plan**

Plan Description

Substantially all of the City's full-time employees, except firefighters, participate in a defined benefit pension plan adopted by the City and administered by the Oklahoma Municipal Retirement System (OMRF), which was established to administer pension plans for municipal employees. OMRF issues a publicly available financial report that can be obtained at [www.okmrf.org](http://www.okmrf.org).

Benefits Provided

OMRF provides retirement, disability, and death benefits. Retirement benefits are determined as 2.625 percent of the employee's final average compensation multiplied by the employee's years of service; final average compensation is the average of the 5 highest consecutive years of salaries out of the last 10 years of service. Vesting requires 7 years of service. Members are eligible for normal retirement at age 65 with 7 years of vested service. The benefit is payable immediately. Early retirement is available after age 55 with 7 years of vested service. Early retirement benefits are paid at the normal retirement age, or reduced 5% per year for commencement prior to the normal retirement age.

Disability retirement is provided for member's total and permanent disability after 7 or more years of service. The accrued benefit is payable upon disablement without reduction for early payment.

In-service death benefits are payable after vesting at 50% of the accrued benefit until the death of the spouse or remarriage. If the member was not vested at the time of in-service death, member contributions are returned, if any, with interest.

Contributions

Required contribution rates are actuarially measured each year and authorized through City Ordinance. Employees are required to contribute 0.0% of paid salary. For the year ended June 30, 2023, the City's contribution was 5.78%. Contributions to the pension plan from the City were \$45,816 for the year ended June 30, 2023.

Membership

Membership in the plan is as follows:

	<u>As of July 1, 2022</u>
Inactive employees & beneficiaries receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	4
Active participants	15
<b>Total</b>	<b>41</b>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPPRS

At June 30, 2023, the City reported an asset of \$565,713 for its proportionate share of the net pension asset. The net pension asset was measured as of July 1, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined.

Changes to the actuarial valuation between the measurement date of the net pension asset and the City's reporting dates are not expected to have a significant effect on the net pension liability.

For the year ended June 30, 2023, the City recognized pension expense of \$(102,856). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ -
Actuarial gains/losses	4,331	89,198
Net difference between projected and actual earnings on pension plan investments	1,087,398	623,423
Changes in assumptions	-	109,842
City contributions subsequent to the measurement date	66,474	-
<b>Total</b>	<b>\$ 1,158,203</b>	<b>\$ 822,463</b>

Other amounts reported deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ (62,348)
2025	33,898
2026	44,955
2027	252,761
2028	-
	<u>\$ 269,266</u>

*Actuarial assumptions:* The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	4.5% to 7.5%
Investment rate of return	7.5 percent, net of pension plan investment expense and inflation

Mortality rates were based on the PubG-2010. Valuation rates are projected for mortality improvement by the Society of Actuaries' table AA based upon the employee's year of birth.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2022 are summarized in the following table:

	<b>Target Allocation</b>	<b>Real Return</b>	<b>Weighted Return</b>
Large cap stocks - S&P 500	25%	5.80%	1.45%
Small/mid cap stocks - Russell 2500	10%	6.40%	0.64%
Long/short equity - MSCI ACWI	10%	5.00%	0.50%
International stocks - MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds - Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate - NCREIF	5%	4.60%	0.23%
Cash equivalents - 3 month Treasury	0%	0.00%	0.00%
	<u>100%</u>		
	Average Real Return		4.75%
	Inflation		<u>2.75%</u>
	Long term expected return		<u><u>7.50%</u></u>

*Discount rate:* The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.50%, as prescribed by paragraph 26 of GASB 68 when the plan's fiduciary net position is projected to be sufficient to make projected benefit payments. The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, in accordance with paragraph 29, the evaluations required by paragraph 27 to determine the sufficiency pension plan assets can be made without a separate projection of cash flows..

Changes in the Net Pension Liability

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at July 1, 2021</b>	5,076,011	6,469,873	(1,393,862)
<b>Changes for the year:</b>			
Service cost	78,547	-	78,547
Interest	370,977	-	370,977
Differences between expected and actual experience	(157,812)	-	(157,812)
Assumption changes	(194,335)	-	(194,335)
Contributions - employer	-	66,474	(66,474)
Contributions - employee	-	-	-
Net investment income	-	(786,249)	786,249
Benefit payments, including refunds of employee contributions	(264,076)	(264,076)	-
Administrative expense	-	(10,997)	10,997
<b>Net changes</b>	<b>(166,699)</b>	<b>(994,848)</b>	<b>828,149</b>
<b>Balances at July 1, 2022</b>	<b>\$ 4,909,312</b>	<b>\$ 5,475,025</b>	<b>\$ (565,713)</b>

*Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate:*

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
City's proportionate share of the net pension liability/(asset)	(50,843)	(565,713)	(1,002,900)

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued OMRF financial report.

**B. Oklahoma Firefighters Pension and Retirement System**

Plan Description

The City of New Cordell, as the employer, participates in the Firefighters Pension & Retirement- a statewide, cost-sharing, multiple-employer defined benefit plan administered by the Oklahoma Firefighters Pension and Retirement System (FPRS). FPRS issues a publically available financial report that can be obtained at [www.ok.gov/FPRS](http://www.ok.gov/FPRS).

Benefits Provided

The fire pension plan is administer by agencies of the State of Oklahoma. Benefit provisions for the authority are established by state statute. All full time or voluntary firefighters of a participating municipality are eligible to participate. Eligibility for full time benefits is 20 years of credited service for those hired prior to November 1, 2013 and 22 years of credited service for those hired after November 1, 2013 and age 50. Paid firefighters receive a monthly benefit equal to 50% of final average compensation. A firefighter with 20 years credited service has an additional option to participate in a deferred option plan for maximum of 5 years. There has been no change in benefit terms since prior measurement date.

Contributions

The State of Oklahoma has the authority to establish contribution obligations per state statute 11 O.S. Section 49.100 thru 49.143 et seq and are not based on actuarial calculations. Volunteer members have no contribution requirements; the City contributes \$60 per year for each volunteer. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$14,744.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPFRS

At June 30, 2023, the City reported a liability of \$387,431 for its proportionate share of the net pension liability. The net pension net pension liability was measured as of July 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. The City's proportion was 0.029626%.

**CITY OF NEW CORDELL, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

For the year ended June 30, 2023, the City recognized pension expense of \$53,853. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 49,736	\$ 1,956
Changes of assumptions	-	2,470
Net difference between projected and actual earnings on pension plan investments	171,076	126,053
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	14,744	-
Total	<u>\$ 235,556</u>	<u>\$ 130,479</u>

Other amounts reported deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ 24,061
2024	19,653
2025	5,585
2026	41,034
2027	-
Thereafter	-
	<u>\$ 90,333</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation:	2.75%
Wage inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Post Retirement COLA	Firefighters with 20 yrs of service as of May 26, 1983 receive an increase of ½ of the dollar Amount of a 2.75% assumed increase in pay

Mortality rates were based on the Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by Oklahoma statutes. Projected cash flows also assume the State of Oklahoma will continue contributing an allocation of the insurance premium, as established by Oklahoma statute. Prior to July 1, 2020, the Plan was allocated 36% of the Statewide insurance premium tax. The State of Oklahoma has passed legislation that changes the allocation percentage as follows: 25.2% effective September 1, 2020, 36.0% effective July 1, 2021, 37.8% effective July 1, 2022, and 36.0% effective July 1, 2027.

The Plan will also receive \$40,625 each year from July 1, 2020 through June 30, 2027. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return and Target Allocations: The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The inflation factor added back was 2.31% and 2.26% for 2022 and 2021. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30 are summarized in the following table:



<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.62%
Domestic equity	5.66%
International equity	8.34%
Real Estate	7.64%
Other assets	5.08%

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
City's proportionate share of the net pension liability	499,233	387,431	293,911

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at [www.ok.gov/fprs](http://www.ok.gov/fprs).

**Other Post-Employment Benefits**

For the year ended June 30, 2023, the City provided no post-employment benefits (other than pension) to terminated employees.

**(5) COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is a party to various legal proceedings, which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City.

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**B. Leasing Arrangements**

Pursuant to Ordinance No. 89-2, on January 16, 1989, the City entered into a 15 year lease with the Cordell Hospital Authority, leasing all hospital related real property, equipment and facilities plus future additions and improvements made by the City. Consideration of this lease is the installation and construction of improvements and operation of the facilities by the Authority. This lease was extended for 15 years beginning on January 17, 2004 and ending on January 17, 2019 and then again for another 15 years beginning on January 17, 2019 and ending on January 17, 2034.

On June 20, 1989, a 50 year lease agreement dated December 5, 1988, was filed between the City and the New Cordell Utilities Authority. The City leased to the Authority all existing water and sanitary sewer system, related equipment, real property and unexplored leases and contracts. The Authority, for consideration of the lease, agrees to obtain financing and expend proceeds for extensions and improvements of facilities; and to set fair rates sufficient to pay debt service and facility operation expenses.

**C. Grant Program Involvement**

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. 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.

Management has evaluated subsequent events through May 20, 2024, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**City of New Cordell, Oklahoma**  
**Combining Balance Sheet**  
**For the Year Ended June 30, 2023**

	Special Revenue						
	Street & Alley Fund	Cemetery Care Fund	Fireman's Fund	Disaster Fund	Total Special Rev Funds	Capital Projects Fund	Total Other Governmental Funds
ASSETS							
Cash, including time deposits	\$ 51,952	\$ 9,708	\$ 2,183	\$ 10,906	\$ 74,749	\$ 232,917	\$ 307,666
Investments	-	37,061	-	-	37,061	-	37,061
Interest receivable	-	10	-	-	10	-	10
Due from other funds	9,910	-	-	-	9,910	-	9,910
Accounts receivable, taxes	4,527	-	-	-	4,527	-	4,527
Total assets	<u>\$ 66,389</u>	<u>\$ 46,779</u>	<u>\$ 2,183</u>	<u>\$ 10,906</u>	<u>\$ 126,257</u>	<u>\$ 232,917</u>	<u>\$ 359,174</u>
LIABILITIES							
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted for:							
Special revenue funds	66,389	46,779	2,183	10,906	126,257	-	126,257
Capital projects fund	-	-	-	-	-	232,917	232,917
Total fund balances	<u>66,389</u>	<u>46,779</u>	<u>2,183</u>	<u>10,906</u>	<u>126,257</u>	<u>232,917</u>	<u>359,174</u>
Total liabilities and fund balances	<u>\$ 66,389</u>	<u>\$ 46,779</u>	<u>\$ 2,183</u>	<u>\$ 10,906</u>	<u>\$ 126,257</u>	<u>\$ 232,917</u>	<u>\$ 359,174</u>

**City of New Cordell, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

	Special Revenue					
	Street & Alley Fund	Cemetery Care Fund	Fireman's Funds	Disaster Fund	Total Special Rev Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>						
Oil & gas royalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	82	264	-	27	373	709
Charges for services	-	375	-	-	375	375
Intergovernmental programs	25,093	-	10,053	-	35,146	35,146
Miscellaneous	-	-	-	-	-	-
Total revenues	25,175	639	10,053	27	35,894	36,230
<b>EXPENDITURES</b>						
Current:						
General government:						
General government	-	-	-	-	-	-
Total general government	-	-	-	-	-	-
Public safety and judiciary:						
Police	-	-	-	-	-	-
Fire	-	-	4,779	-	4,779	4,779
Total public safety and judiciary	-	-	4,779	-	4,779	4,779
Transportation:						
Street	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Total transportation	-	-	-	-	-	-
Cultural, parks and recreation:						
Cemetery	-	-	-	-	-	-
Total cultural, parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	7,498	-	7,498	121,788
Total expenditures	-	-	12,277	-	12,277	126,567
Excess (deficiency) of revenues over expenditures	25,175	639	(2,224)	27	23,617	(90,337)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in/(out)	-	-	-	-	-	255,450
Total other financing sources and uses	-	-	-	-	-	255,450
Net change in fund balances	25,175	639	(2,224)	27	23,617	165,113
Fund balances - beginning	41,214	46,140	4,407	10,879	102,640	194,061
Fund balances - ending	\$ 66,389	\$ 46,779	\$ 2,183	\$ 10,906	\$ 126,257	\$ 359,174

CITY OF NEW CORDELL, OKLAHOMA  
Schedule of Debt Service Coverage Requirements  
For the Year Ended June 30, 2023

**Revenue Bond Coverage:**

Gross revenue available for debt service:

Operating revenue for Cordell Utility Authority	\$ 4,812,372
Gross revenue available for debt service	<u>4,812,372</u>

Operating expenses for Cordell Utility Authority  
excluding depreciation and amortization

(3,874,658)

Net revenues available for debt service

\$ 937,714

Debt service requirements:

Average annual debt service- NCUA Utility System Revenue Note, Series 2021 126,574

Average annual debt service- Series 2021 Drinking Water SRF OWRB Note 98,155

Total average annual debt service \$ 224,729

Computed coverage

4.17

Coverage requirement

1.25

The accompanying notes are an integral part of these statements.

**City of New Cordell, Oklahoma**  
**General Fund**  
**For the Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Revisions</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>REVENUES</b>					
Sales taxes	\$ 1,004,725	\$ 100,000	\$ 1,104,725	\$ 1,186,078	\$ 81,353
Use taxes	125,000	100,000	225,000	233,672	8,672
Beverage tax	67,910	-	67,910	70,843	2,933
Cigarette tax	8,099	-	8,099	8,133	34
Licenses & permits	4,500	1,750	6,250	7,318	1,068
Franchise taxes	34,605	8,000	42,605	43,474	869
Fines and forfeitures	18,000	11,500	29,500	34,716	5,216
Charges for services	61,500	42,500	104,000	127,457	23,457
Rental income	11,000	(1,000)	10,000	9,512	(488)
Investment income	500	500	1,000	1,311	311
Miscellaneous	10,000	28,266	38,266	56,572	18,306
Total revenues	1,345,839	291,516	1,637,355	1,779,086	141,731
<b>EXPENDITURES</b>					
General government:					
General government	56,617	10,500	67,117	64,492	2,625
Administration	124,258	27,000	151,258	136,885	14,373
Grant writing	50,000	(50,000)	-	-	-
Total general government	230,875	(12,500)	218,375	201,377	16,998
Public safety and judiciary:					
Legislative and judicial	36,421	(2,000)	34,421	32,288	2,133
Police	473,744	(89,893)	383,851	313,675	70,176
Animal control	23,608	(4,000)	19,608	13,629	5,979
Ambulance	175,712	38,038	213,750	210,444	3,306
Fire	240,673	12,477	253,150	244,156	8,994
Code enforcement	22,608	(16,000)	6,608	4,318	2,290
Total public safety and judiciary	972,766	(61,378)	911,388	818,510	92,878
Transportation:					
Street	289,101	(24,849)	264,252	224,851	39,401
Airport	10,250	2,500	12,750	11,334	1,416
Total transportation	299,351	(22,349)	277,002	236,185	40,817
Cultural, parks and recreation:					
Park	85,370	(39,200)	46,170	29,189	16,981
Swimming pool	81,620	-	81,620	54,426	27,194
Total cultural, parks and recreation	166,990	(39,200)	127,790	83,615	44,175
Public Services:					
Cemetery	27,133	-	27,133	22,699	4,434
City garage	3,100	-	3,100	2,991	109
Total public services	30,233	-	30,233	25,690	4,543
Total expenditures	1,700,215	(135,427)	1,564,788	1,365,377	199,411
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(354,376)</b>	<b>426,943</b>	<b>72,567</b>	<b>413,709</b>	<b>341,142</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	566,500	(245,500)	321,000	218,259	(102,741)
Operating transfers out	(300,000)	(50,000)	(350,000)	(354,937)	(4,937)
Net other financing sources (uses)	266,500	(295,500)	(29,000)	(136,678)	(107,678)
<b>Excess of revenues and other financing sources over (under) expenditures and other uses</b>	<b>(87,876)</b>	<b>131,443</b>	<b>43,567</b>	<b>277,031</b>	<b>233,464</b>
Fund balance at beginning of year (Non-GAAP budgetary basis):					
Appropriated for current year budget	172,027	-	172,027	591,840	419,813
<b>Fund balance at beginning of year (Non-GAAP budgetary basis)</b>	<b>172,027</b>	<b>-</b>	<b>172,027</b>	<b>591,840</b>	<b>419,813</b>
<b>Fund balance at end of year (Non-GAAP budgetary basis)</b>	<b>\$ 84,151</b>	<b>\$ 131,443</b>	<b>\$ 215,594</b>	<b>\$ 868,871</b>	<b>\$ 653,277</b>
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and transfer accruals				(12,830)	
Expenditure and transfer accruals				(12,728)	
<b>Fund balance at end of year (GAAP basis)</b>				<b>\$ 843,313</b>	

**City of New Cordell, Oklahoma**  
**Schedules of Required Supplementary Information**

**Oklahoma Fire Pension Retirement Plan**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Valuation date	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014
Proportionate share	0.029626%	0.027320%	0.056209%	0.037244%	0.028287%	0.044291%	0.013744%	0.028036%	0.016042%
Proportionate share of the net pension liability (asset)	387,431	179,920	692,446	393,545	318,412	557,058	167,912	297,576	164,968
Proportionate share of the net pension liability (asset) of the State and other municipalities	1,307,347,040	658,386,567	1,231,220,849	1,056,272,458	1,125,328,019	1,257,166,593	1,221,546,595	1,061,110,673	1,028,182,875
<b>Total plan net pension liability (asset)</b>	<b>1,307,734,471</b>	<b>658,566,487</b>	<b>1,231,913,295</b>	<b>1,056,666,003</b>	<b>1,125,646,431</b>	<b>1,257,723,651</b>	<b>1,221,714,507</b>	<b>1,061,408,249</b>	<b>1,028,347,843</b>
Plan fiduciary net position as a percentage of the total pension liability	69.49%	84.24%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%	68.12%
Covered payroll	97,098	85,606	179,010	114,613	85,735	126,262	37,606	75,847	43,566
Plan net pension liability as a percentage of covered payroll	399.01%	210.17%	386.82%	343.37%	371.39%	441.19%	446.50%	392.34%	378.66%
<b>Schedule of Employer Contributions for Cost Sharing Plans (4):</b>									
Contractually Required Contribution (CRC) (5)	14,744	12,425	25,260	16,124	11,778	17,625	5,382	10,724	5,996
Contributions in Relation to CRC (6)	14,744	12,425	25,260	16,124	11,778	17,625	5,382	10,724	5,996
Contribution deficiency	-	-	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Amounts presented above represent the City's proportionate share presented in Note 4A

(2) This schedule is presented to illustrate the requirement to show information for 10 years. However results for valuation dates before June 30, 2014 are not available. This information will be developed prospectively until eventually 10 years of information is available

(3) The proportionate share percentages is rounded for the annual financial report so amount may vary from actuals

(4) The amounts reported represent amounts paid and covered payroll for the fiscal year indicated

(5) Contractually required contribution amounts presented do not include amounts provided by the State of Oklahoma

**CITY OF NEW CORDELL, OKLAHOMA**  
**Schedules of Required Supplementary Information**

**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS**

	<b>Oklahoma Municipal Retirement Fund</b> <b>SINCE INITIAL APPLICATION</b>								
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020*</b>	<b>2019*</b>	<b>2018*</b>	<b>2017*</b>	<b>2016*</b>	<b>2015*</b>
<b>Total pension liability</b>									
Service cost	\$ 78,547	\$ 82,022	\$ 85,795	\$ 82,672	\$ 95,808	\$ 98,817	\$ 80,984	\$ 92,290	\$ 76,481
Interest	370,977	353,582	360,903	346,477	339,375	345,737	332,915	327,723	317,601
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(157,812)	55,289	(283,238)	(57,293)	(110,994)	(201,415)	(49,418)	(165,762)	-
Changes in assumptions	(194,335)	-	-	69,743	-	38,495	-	-	-
Benefit payments, including refunds of employee contributions	(264,076)	(254,034)	(267,842)	(231,327)	(227,730)	(208,019)	(190,399)	(184,213)	(189,688)
<b>Net change in total pension liability</b>	<b>\$ (166,699)</b>	<b>\$ 236,859</b>	<b>\$ (104,382)</b>	<b>\$ 210,272</b>	<b>\$ 96,459</b>	<b>\$ 73,615</b>	<b>\$ 174,082</b>	<b>\$ 70,038</b>	<b>\$ 204,394</b>
<b>Total pension liability - beginning</b>	<b>5,076,011</b>	<b>4,839,152</b>	<b>4,943,534</b>	<b>4,733,262</b>	<b>4,636,803</b>	<b>4,563,188</b>	<b>4,389,106</b>	<b>4,319,067</b>	<b>4,114,673</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 4,909,312</b>	<b>\$ 5,076,011</b>	<b>\$ 4,839,152</b>	<b>\$ 4,943,534</b>	<b>\$ 4,733,262</b>	<b>\$ 4,636,803</b>	<b>\$ 4,563,188</b>	<b>\$ 4,389,105</b>	<b>\$ 4,319,067</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	66,474	78,276	56,778	85,328	94,010	99,937	131,546	117,146	151,082
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	(786,249)	1,424,552	210,653	340,637	355,202	538,892	38,240	122,575	624,908
Benefit payments, including refunds of employee contributions	(264,076)	(254,034)	(267,842)	(231,327)	(227,730)	(208,019)	(190,399)	(184,213)	(189,688)
Administrative expense	(10,997)	(10,569)	(10,688)	(10,314)	(9,941)	(9,461)	(8,753)	(9,101)	(9,245)
Other	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>(994,848)</b>	<b>1,238,225</b>	<b>(11,099)</b>	<b>184,324</b>	<b>211,541</b>	<b>421,349</b>	<b>(29,366)</b>	<b>46,407</b>	<b>577,057</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,469,873</b>	<b>5,231,648</b>	<b>5,242,747</b>	<b>5,058,423</b>	<b>4,846,882</b>	<b>4,425,533</b>	<b>4,454,899</b>	<b>4,408,491</b>	<b>3,831,434</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 5,475,025</b>	<b>\$ 6,469,873</b>	<b>\$ 5,231,648</b>	<b>\$ 5,242,747</b>	<b>\$ 5,058,423</b>	<b>\$ 4,846,882</b>	<b>\$ 4,425,533</b>	<b>\$ 4,454,898</b>	<b>\$ 4,408,491</b>
<b>City's net pension liability - ending (a) - (b)</b>	<b>\$ (565,713)</b>	<b>\$ (1,393,862)</b>	<b>\$ (392,496)</b>	<b>\$ (299,213)</b>	<b>\$ (325,161)</b>	<b>\$ (210,079)</b>	<b>\$ 137,655</b>	<b>\$ (65,793)</b>	<b>\$ (89,424)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability (asset)</b>	<b>111.52%</b>	<b>127.46%</b>	<b>108.11%</b>	<b>106.05%</b>	<b>106.87%</b>	<b>104.53%</b>	<b>96.98%</b>	<b>101.50%</b>	<b>102.07%</b>
<b>Covered-employee payroll</b>	<b>\$ 791,510</b>	<b>\$ 658,651</b>	<b>\$ 640,507</b>	<b>\$ 695,638</b>	<b>\$ 763,420</b>	<b>\$ 876,752</b>	<b>\$ 833,057</b>	<b>\$ 745,857</b>	<b>\$ 839,164</b>
<b>City's net pension liability as a percentage of covered-employee payroll</b>	<b>-71.47%</b>	<b>-211.62%</b>	<b>-61.28%</b>	<b>-43.01%</b>	<b>-42.59%</b>	<b>-23.96%</b>	<b>16.52%</b>	<b>-8.82%</b>	<b>-10.66%</b>

CITY OF NEW CORDELL, OKLAHOMA  
Schedule of Expenditures of Federal Awards  
June 30, 2023

<u>Federal Grantor/Pass-Through Entity/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Cluster</u>	<u>Grant Number or Pass-Through Entity Identifying Number</u>	<u>Federal Award Amount</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development (HUD):</u></b>					
Community Development Block Grant	14.228		18549 CDBG 21	\$ 600,000	\$ 590,446
Community Development Block Grant	14.228		18685 CDBG-CIP 22	40,000	13,000
<b>Sub-total U.S. Department of Housing &amp; Urban Development</b>				<u>\$ 640,000</u>	<u>\$ 603,446</u>
<b><u>U.S. Department of Treasury:</u></b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		3-40-022-008-2019	\$ 479,771	\$ -
<b>Sub-total U.S. Department of Treasury</b>				<u>\$ 479,771</u>	<u>\$ -</u>
<b><u>Environmental Protection Agency:</u></b>					
Pass-Through Oklahoma Water Resources Board					
Capitalization Grants for Drinking Water State Revolving Funds (A)	66.468	1	ORF-21-0022-DW	\$ 2,250,000	\$ 1,004,926
<b>Sub-total Environmental Protection Agency</b>				<u>2,250,000</u>	<u>1,004,926</u>
<b>Grand Total Federal Assistance</b>				<u><b>\$ 3,369,771</b></u>	<u><b>\$ 1,608,372</b></u>
<b>Clusters:</b>					
1 - Drinking Water State Revolving Fund (DWSRF) Cluster	\$ 1,004,926				



**CITY OF NEW CORDELL, OKLAHOMA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2023**

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**Basis of Presentation** - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of New Cordell, Oklahoma under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2, *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of New Cordell, Oklahoma, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of New Cordell, Oklahoma.

**Summary of Significant Accounting Policies** - Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Also, there were no awards passed through to sub-recipients.

**Indirect Cost Rate** - The City of New Cordell, Oklahoma has elected not to use the 10% de minimis indirect cost rate allowed under the uniform guidance.



**BRITTON, KUYKENDALL, & MILLER**  
CERTIFIED PUBLIC ACCOUNTANTS

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RICK D. MILLER

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

To the Honorable Mayor and City Council  
City of New Cordell, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of New Cordell, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of New Cordell, Oklahoma's basic financial statements, and have issued our report thereon dated May 20, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered City of New Cordell, 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 the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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 or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether City of New Cordell, 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* in the United States of America.

***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.

*Britton, Kuykendall & Miller*

BRITTON, KUYKENDALL AND MILLER  
Certified Public Accountants

Weatherford, Oklahoma  
May 20, 2024



**BRITTON, KUYKENDALL, & MILLER**  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council  
City of New Cordell, Oklahoma

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited City of New Cordell, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of New Cordell, Oklahoma's major federal programs for the year ended June 30, 2023. City of New Cordell, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of New Cordell, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of City of New Cordell, Oklahoma and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of New Cordell, Oklahoma's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of New Cordell, Oklahoma's federal programs.



## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of New Cordell, Oklahoma's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of New Cordell, Oklahoma's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of New Cordell, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of New Cordell, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of New Cordell, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Britton, Kuykendall & Miller*  
BRITTON, KUYKENDALL AND MILLER  
Certified Public Accountants

Weatherford, Oklahoma  
May 20, 2024

**CITY OF NEW CORDELL, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified Opinion
Material weaknesses identified in internal control over financial reporting during the audit of the financial statements:	No
Significant deficiencies identified in internal control over financial reporting during the audit of the financial statements that are not considered to be material weaknesses:	None Reported
Disclosures of noncompliance material to the financial statements:	No

**Federal Awards**

Material weaknesses identified in internal control over major federal award programs:	No
Significant deficiencies identified in internal control over major federal award programs that are not considered to be material weaknesses:	None Reported
Type of auditor's report issued on compliance for major federal award programs:	Unmodified Opinion
Audit findings required to be reported in accordance with 2 CFR section 200.516(a):	No

Identification of Major Programs:	<u>Drinking Water State Revolving Fund (DWSRF) Cluster</u> 66.468 Capitalization Grants for Drinking Water State Revolving Funds (A)
Dollar threshold used to distinguish between Type A and B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

None Reported

**FINDINGS & QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None Reported