

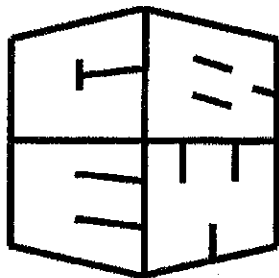
CITY OF MANNFORD
Mannford, Oklahoma

BASIC FINANCIAL STATEMENTS
June 30, 2022

CITY OF MANNFORD
Mannford, Oklahoma

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INDEPENDENT AUDITOR'S REPORT

August 30, 2022

Honorable Board of City Commissioners
City of Mannford
Mannford, Oklahoma

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mannford, Oklahoma, as of June 30, 2022, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States. Our responsibilities 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 Mannford, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Mannford, 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 Mannford, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining statements and the schedule of expenditures of federal awards – modified cash basis is 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 statements and the schedule of expenditures of federal awards – modified cash basis is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022, on our consideration of the City'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 results of that testing, and not to provide an opinion on the effectiveness of the City'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 the City's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

CITY OF MANNFORD
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 892,884	\$ 2,930,478	\$ 3,823,362
Investments, at cost	-	852,418	852,418
Restricted assets:			
Cash, insurance deposit	13,892	-	13,892
Cash & cash equivalents	218,814	-	218,814
Bond fund/cash & investments (Note 1)	-	9,137,538	9,137,538
Tenant security deposits	-	9,500	9,500
Capital assets:			
Land	-	1,553,258	1,553,258
Construction in progress	-	4,191,854	4,191,854
Depreciable buildings, property, equipment and infrastructure, net of depreciation (Notes 1 & 2)	6,162,219	21,071,366	27,233,585
Total assets	<u>7,287,809</u>	<u>39,746,412</u>	<u>47,034,221</u>
Deferred outflows of resources:			
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:			
Current liabilities:			
Meter deposits	-	212,400	212,400
Payable from restricted assets:			
Appearance bonds	6,585	-	6,585
Deposits	-	9,500	9,500
Capital lease	91,564	-	91,564
Notes payable (Notes 2 & 3)	-	80,193	80,193
Revenue bonds payable (Notes 2 & 3)	-	300,000	300,000
Non-current liabilities:			
Capital lease	341,960	-	341,960
Notes payable (Notes 2 & 3)	-	216,799	216,799
Revenue bonds payable (Notes 2 & 3)	-	13,535,000	13,535,000
Total liabilities	<u>440,109</u>	<u>14,353,892</u>	<u>14,794,001</u>
Deferred inflows of resources:			
Total deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>
Net position:			
Net investment in capital assets	5,728,695	12,684,486	18,413,181
Restricted	712,033	9,137,538	9,849,571
Unrestricted	406,972	3,570,496	3,977,468
Total net position	<u>\$ 6,847,700</u>	<u>\$ 25,392,520</u>	<u>\$ 32,240,220</u>
Total liabilities and fund equity	<u>7,287,809</u>	<u>39,746,412</u>	<u>47,034,221</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF REVENUES, EXPENSE AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government:					
City clerk	\$ 1,500	\$ -	\$ -	\$ -	\$ (1,500)
City treasurer	1,500	-	-	-	(1,500)
General government	373,028	13,738	-	-	(359,290)
Total general government	376,028	13,738	-	-	(362,290)
Public safety and judiciary:					
Code enforcement	-	-	-	-	-
Fire and ambulance	862,192	416,781	4,763	-	(440,648)
Municipal court	7,500	209,936	-	-	202,436
911 fund	68,046	66,272	-	-	(1,774)
Police	951,620	-	20,309	-	(931,311)
Total public safety and judiciary	1,889,358	692,989	25,072	-	(1,171,297)
Transportation:					
Streets	107,550	-	-	-	(107,550)
Total transportation	107,550	-	-	-	(107,550)
Cultural, parks and recreation:					
Activity center	221,470	65,986	-	-	(155,484)
Library	163,422	3,768	5,856	-	(153,798)
Sr Citizens Center	-	-	-	-	-
New Mannford ramp	185,508	272,553	13,170	12,860	113,075
Salt Creek North	-	-	-	-	-
Parks	26,753	-	-	-	(26,753)
Total cultural, parks and recreation	597,153	342,307	19,026	12,860	(222,960)
Total governmental activities	2,970,089	1,049,034	44,098	12,860	(1,864,097)
Business-type activities					
Electric	3,246,494	3,652,407	-	-	405,913
Water	808,934	869,685	-	285,161	345,912
Sewer	351,125	392,519	-	-	41,394
Sanitation	240,653	314,519	-	-	73,866
Gas	1,279,281	1,155,241	-	-	(124,040)
Sr housing	114,186	292,637	-	-	178,451
Financing costs	432,574	-	-	-	(432,574)
Total business-type activities	6,473,247	6,677,008	-	285,161	488,922
Total	\$ 9,443,336	\$ 7,726,042	\$ 44,098	\$ 298,021	\$ (1,375,175)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Net (expense)/revenue	(1,864,097)	488,922	(1,375,175)
General revenues:			
Taxes:			
Sales, use and cigarette taxes	1,909,902	-	1,909,902
Hotel/motel taxes	8,248	-	8,248
Franchise taxes	16,410	-	16,410
Intergovernmental	64,025	-	64,025
Investment earnings	1,500	11,431	12,931
Miscellaneous	42,314	134,405	176,719
Gain/(loss) on sale of asset	-	(749,724)	(749,724)
Late charges	-	54,200	54,200
Transfers	(27,992)	27,992	-
Total general revenues and transfers	2,014,407	(521,696)	1,492,711
Change in net position	150,310	(32,774)	117,536
Net position - beginning of year	6,697,390	25,425,294	32,122,684
Net position - end of year	\$ 6,847,700	\$ 25,392,520	\$ 32,240,220

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments:			
Cash & cash equivalents	\$ 370,632	\$ 522,252	\$ 892,884
Investments, at cost	-	-	-
Restricted assets:			
Cash, insurance deposit	13,892	-	13,892
Cash & cash equivalents	<u>218,814</u>	<u>-</u>	<u>218,814</u>
Total assets	<u>\$ 603,338</u>	<u>\$ 522,252</u>	<u>\$ 1,125,590</u>
Liabilities:			
Cash overdraft	\$ -	\$ -	\$ -
Payable from restricted assets:			
Appearance bonds	<u>6,585</u>	<u>-</u>	<u>6,585</u>
Total liabilities	<u>6,585</u>	<u>-</u>	<u>6,585</u>
Fund balances:			
Restricted for:			
E-911 services	93,852	-	93,852
Worker's compensation	13,892	-	13,892
Other purposes	-	522,252	522,252
Committed to:			
Police training	67,901	-	67,901
Court technology	14,136	-	14,136
Unassigned	<u>406,972</u>	<u>-</u>	<u>406,972</u>
Total fund balances	<u>596,753</u>	<u>522,252</u>	<u>1,119,005</u>
Total liabilities and fund balances	<u>\$ 603,338</u>	<u>\$ 522,252</u>	<u>\$ 1,125,590</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES AND FUND
BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
MODIFIED CASH BASIS
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 1,119,005

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

Capital lease (433,524)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	10,000	
Buildings & Improvements		2,463,485	
Furniture & Equipment		821,112	
Infrastructure		1,018,391	
Vehicles		1,849,231	
		6,162,219	

Net position of governmental activities **\$ 6,847,700**

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Charges for services	\$ 420,028	\$ 339,060	\$ 759,088
Cigarette taxes	12,912	-	12,912
Hotel/motel taxes	8,248	-	8,248
Franchise fees	16,410	-	16,410
Fines and forfeits	209,936	-	209,936
Grant revenues	20,309	23,479	43,788
Interest	1,500	-	1,500
Intergovernmental programs	32,588	44,608	77,196
Licenses and permits	13,738	-	13,738
Miscellaneous revenue	28,473	13,841	42,314
911 revenues	66,272	-	66,272
Sales and use taxes	1,896,990	-	1,896,990
Total revenues	<u>2,727,404</u>	<u>420,988</u>	<u>3,148,392</u>
Expenditures:			
Current:			
General government	361,259	14,769	376,028
Public safety	1,885,896	3,462	1,889,358
Highways roads and airport	-	107,550	107,550
Cultural and recreational	183,534	413,619	597,153
Capital outlay	227,529	74,252	301,781
Lease payments	75,760	-	75,760
Total expenditures	<u>2,733,978</u>	<u>613,652</u>	<u>3,347,630</u>
Excess of revenues over (under) expenditures	(6,574)	(192,664)	(199,238)
Other financing uses:			
Lease proceeds	147,534	-	147,534
Operating transfers in (out)	<u>(261,949)</u>	<u>233,957</u>	<u>(27,992)</u>
Excess of revenues over (under) expenditures & transfers	(120,989)	41,293	(79,696)
Fund balance - beginning of year	<u>717,742</u>	<u>480,959</u>	<u>1,198,701</u>
Fund balance - end of year	<u>\$ 596,753</u>	<u>\$ 522,252</u>	<u>\$ 1,119,005</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (79,696)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental Funds report lease payments as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the principal paid on that liability is applied against the liability. This is the amount of principal recorded in the current period.	75,760
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Governmental funds report new leases as revenues. However, in the statement of activities the leases are reported as a long-term liability.	(147,535)
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Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	<u>301,781</u>
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Change in Net Position of Governmental Activities	\$ <u>150,310</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF FUND NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
June 30, 2022

	Business-type Activities - Enterprise Funds		
	Public Works Authority (Major)	Mannford Housing Authority (Major)	Totals
Assets:			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 2,849,321	\$ 81,157	\$ 2,930,478
Investments, at cost	852,418	-	852,418
Restricted Assets:			
Bond fund/cash & investments	9,137,538	-	9,137,538
Tenant security deposits	-	9,500	9,500
Capital assets:			
Land	1,553,258	-	1,553,258
Construction in progress	4,191,854	-	4,191,854
Depreciable buildings, property, equipment and infrastructure (Notes 1 & 2)	14,598,207	6,473,159	21,071,366
Total assets	33,182,596	6,563,816	39,746,412
Liabilities:			
Current liabilities:			
Meter deposits	212,400	-	212,400
Payable from restricted assets:			
Deposits	-	9,500	9,500
Notes payable (Notes 2 & 3)	80,193	-	80,193
Revenue bonds payable (Notes 2 & 3)	300,000	-	300,000
Non-current liabilities:			
Accrued compensated absences payable	-	-	-
Notes payable (Notes 2 & 3)	216,799	-	216,799
Revenue bonds payable (Notes 2 & 3)	13,535,000	-	13,535,000
Total liabilities	14,344,392	9,500	14,353,892
Net position:			
Net investment in capital assets	6,211,327	6,473,159	12,684,486
Restricted	9,137,538	-	9,137,538
Unrestricted	3,489,339	81,157	3,570,496
Total net position	\$ 18,838,204	\$ 6,554,316	\$ 25,392,520

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
MODIFIED CASH BASIS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		
	Public Works Authority (Major)	Mannford Housing Authority (Major)	Totals
Revenues:			
Water revenue	\$ 869,685	\$ -	\$ 869,685
Sewer revenue	392,519	-	392,519
Garbage revenue	314,519	-	314,519
Electric revenue	3,652,407	-	3,652,407
Gas revenue	1,155,241	-	1,155,241
Late charges	54,200	-	54,200
Administrative fees	-	-	-
Ambulance utility	-	-	-
Permits	-	-	-
Grant revenue	285,161	-	285,161
Rental revenue	-	292,637	292,637
Miscellaneous revenue	134,405	-	134,405
Total revenues	<u>6,858,137</u>	<u>292,637</u>	<u>7,150,774</u>
Operating expense:			
Ambulance fees	-	-	-
Administrative	2,647	-	2,647
Building operations	-	114,186	114,186
Electric service	3,246,494	-	3,246,494
Water service	808,934	-	808,934
Sewer service	351,125	-	351,125
Garbage service	240,653	-	240,653
Gas expense	1,279,281	-	1,279,281
Total operating expense	<u>5,929,134</u>	<u>114,186</u>	<u>6,043,320</u>
Income before non-operating revenues, expenses & transfers	<u>929,003</u>	<u>178,451</u>	<u>1,107,454</u>
Non-operating revenues (expenses):			
Interest revenue	11,431	-	11,431
Interest expense	(320,115)	-	(320,115)
Gain/(loss) on sale of asset	(749,724)	-	(749,724)
Loan issue costs	(109,812)	-	(109,812)
Trustee fees	-	-	-
Total	<u>(1,168,220)</u>	<u>-</u>	<u>(1,168,220)</u>
Income (loss) before operating transfers	<u>(239,217)</u>	<u>178,451</u>	<u>(60,766)</u>
Transfers in (out)	<u>177,992</u>	<u>(150,000)</u>	<u>27,992</u>
Change in net position	<u>(61,225)</u>	<u>28,451</u>	<u>(32,774)</u>
Net position - beginning of year	<u>18,899,429</u>	<u>6,525,865</u>	<u>25,425,294</u>
Net position - end of year	<u>\$ 18,838,204</u>	<u>\$ 6,554,316</u>	<u>\$ 25,392,520</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
PROPRIETARY FUNDS
Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		
	Public Works Authority (Major)	Mannford Housing Authority (Major)	Totals
Cash flows from operating activities:			
Cash received from customers & service users	\$ 6,858,137	\$ 292,637	\$ 7,150,774
Cash payments for goods & services & employees	(5,929,134)	(114,186)	(6,043,320)
Net cash provided by operating activities	<u>929,003</u>	<u>178,451</u>	<u>1,107,454</u>
Cash flows from noncapital financing activities:			
Tenant security deposits	15,750	-	15,750
Operating transfers in (out) to other funds	177,992	(150,000)	27,992
Net cash provided (used) for noncapital financing activities	<u>193,742</u>	<u>(150,000)</u>	<u>43,742</u>
Cash flows from capital and related financing activities:			
Acquisition & construction of capital assets	(3,357,562)	-	(3,357,562)
Proceeds from sale of asset	-	-	-
Note proceeds	3,000,000	-	3,000,000
Principal paid on debt	(289,215)	-	(289,215)
Interest paid on debt	(320,115)	-	(320,115)
Loan issue costs	(109,812)	-	(109,812)
Trustee fees	-	-	-
Net cash provided (used) for capital and related financing activities	<u>(1,076,704)</u>	<u>-</u>	<u>(1,076,704)</u>
Cash flows from investing activities:			
(Purchase) liquidation of investments - unrestricted	98,880	-	98,880
Interest on investments	11,431	-	11,431
Net cash provided by investing activities	<u>110,311</u>	<u>-</u>	<u>110,311</u>
Net increase (decrease) in cash & cash equivalents	156,352	28,451	184,803
Cash and cash equivalents - beginning of year	<u>11,830,507</u>	<u>52,706</u>	<u>11,883,213</u>
Cash and cash equivalents - end of year	<u>\$ 11,986,859</u>	<u>\$ 81,157</u>	<u>\$ 12,068,016</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 929,003	\$ 178,451	\$ 929,003
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
Total adjustments	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 929,003</u>	<u>\$ 178,451</u>	<u>\$ 929,003</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mannford, Oklahoma (the City) accounting policies and financial statement presentation conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets and liabilities resulting from cash transactions adjusted for modifications that have substantial support in generally accepted accounting principles and are recommended by the Government Financial Officers Association (GFOA) small government annual financial report model. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received by not yet paid, and accrued expenses and liabilities, including pension liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted by GASB, the government-wide financial statements would be presented on the accrual basis of accounting, the governmental funds would utilize the modified accrual basis of accounting, and the proprietary funds would utilize the accrual basis of accounting.

The more significant accounting policies established in the modified cash basis of accounting and used by the City as well as a further description of departures from governmental GAAP are discussed below.

A. Reporting Entity

The City of Mannford, Oklahoma is organized under the statutes of the State of Oklahoma. The City operates under a council form of government and is governed by a five-member board of commissioners. The commissioners elect the mayor from their own body. The City provides the following services as authorized by its charter: general government, public safety (fire and police), streets, public works (electric, natural gas, water, sewer, and refuse), judicial, health and social services, culture, parks and recreation, public improvements, and planning and zoning for the geographical area organized as the City of Mannford, Oklahoma.

These financial statements present the activities of the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with the data of the primary government.

Blended Component Units/Trusts:

The Mannford Public Works Authority (Authority) was created pursuant to a Trust Indenture, for the benefit of the City of Mannford, Oklahoma. The Authority was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water, sewer and facilities for the City of Mannford. The water, sanitary sewer, electric, natural gas and solid waste disposal systems owned by the City have been leased to the Authority until such date that all indebtedness of the Authority is retired or provided for. The Authority is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of five trustees identical with the City Council. The Authority is exempt from State and Federal Income taxes. The Authority is reported as an enterprise fund.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Mannford Housing Authority (Authority) was created pursuant to a Trust Indenture, for the benefit of the City of Mannford, Oklahoma. The Authority was established to construct, develop, equip, operate, maintain, repair, enlarge senior housing facilities for the City of Mannford. The Authority is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of five trustees identical with the City Council. The Authority is exempt from State and Federal Income taxes. The Authority is reported as an enterprise fund.

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

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

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

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

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are normally aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting – The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are three categories of funds: governmental, proprietary and fiduciary.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Governmental Funds – are used to account for the government's general government activities. The City presents its governmental activities on the modified cash basis of accounting rather than generally accepted accounting principles (GAAP). GAAP requires that governmental fund types would use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under that basis of accounting, revenues would be recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. GAAP provides that all revenues are available if they are collected within 60 days after year-end. For GAAP, expenditures would be recorded when the fund liability is incurred with certain exceptions (general long-term debt and certain compensated absences, claims and judgments). The City records governmental fund expenditures as they are paid rather than when the obligation is incurred.

Sales and use taxes, cigarette taxes, gasoline excise taxes and motor vehicle taxes collected and held by the state and county at year-end on behalf of the City are susceptible to accrual under GAAP but are not recognized as revenue until received under the modified cash basis. Other receipts and taxes (franchise taxes, licenses, etc.) are recognized as revenue when received by the government.

Entitlements and shared revenues are recorded at the time of receipt. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following are the City's major governmental funds:

General Fund – is the main operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund.

Other governmental funds of the City that are considered non-major funds include:

Special Revenue Funds – account for specific revenue sources that are legally restricted or committed to expenditures for specific purposes (not including major capital projects). The following are the City's Special Revenue Funds: Street and Alley, Police Drug and Education, Police Reserve Officer, City Gap Insurance, Fire Department Reserve, Library, Library Grants, Mannford New Ramp, CDBG Sr. Citizens, CDBG Sr. Housing, CDBG/REAP Paving Grant and Activity Center.

Proprietary Funds – are accounted for on the modified cash basis financial statements. Revenues are recorded when received and expenditures are recorded when paid with the exception of payroll taxes withheld and other withholdings which the City records as a modification to the cash basis of accounting. Proprietary funds are classified as enterprise.

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

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (Continued)

Mannford Public Works Authority – accounts for the operations of providing public works (electric, natural gas, water, sewer, refuse and building rental) to the City.

Mannford Housing Authority – accounts for the operations of providing senior housing to the City.

Fiduciary Funds – account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity. The City does not have any fiduciary funds at this time.

C. Assets, Liabilities and Equity

1. Deposits and Investments

Oklahoma Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the City can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with maturity date of three months or less. Debt instruments with a maturity date of more than three months from date of issue are considered to be investments. Investments are stated at cost.

2. Restricted Cash and Investments

The restricted bond fund cash and investments are the result of financial requirements of bond issues and consist of funds held in Bond Fund Reserve Accounts, Bond Fund Principal Accounts, Bond Fund Interest Accounts and Bond Fund Construction Accounts. Under the terms and provisions of the Bond Indenture, these special accounts and reserve funds are maintained with the Trustee bank for the benefit of the holders of the bonds and are not subject to lien or attachment by any other creditors. These accounts and reserve funds are to be maintained so long as any bonds are outstanding. Monies contained in the accounts and reserve funds held by the Trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.

3. Fair Value of Financial Instruments

The City's financial instruments include cash and cash equivalents, investments, accounts receivable and accounts payable. The City's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

4. Estimates

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

5. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other/due to other funds".

6. Inventories

Inventories in both governmental funds and proprietary funds normally consist of minimal amounts of expendable supplies held for consumption. The costs of such inventories are recorded as expenditures when purchased rather than when consumed.

7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$1,500. The City's infrastructure consists of roads, bridges, culverts, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City. Such infrastructure assets acquired after July 1, 2003 are capitalized in accordance with the requirements of GASB 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value of the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The City has not maintained complete capital asset records to support the historical cost of past capital asset purchases. Also, the City has elected to not reflect accumulated depreciation and depreciation expense at this time.

8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation time. Full-time and part time regular employees who have been employed continuously for at least 12 months are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Accrued compensated absences are not recorded in the City's financial statements.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

9. Long-term Obligations

The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Therefore, long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

10. Net Position/Fund Balance

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on its use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amount that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The City Ordinance is the highest level of decision-making authority of the City.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities and Equity (Continued)

10. Net Position/Fund Balance (Continued)

Assigned fund balance represents amounts that are *intended* to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

11. Resource Use Policy

It is in the City's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the City considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the City's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the City considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

2. DETAILED NOTES CONCERNING THE FUNDS

A. Deposits and Investments

Custodial Credit Risk

At June 30, 2022, the City held deposits of approximately \$14,041,632 at financial institutions. The City's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the City or by its agent in the City's name.

Investment Interest Rate Risk

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

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

A. Deposits and Investments (Continued)

Investment Credit Risk

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

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

The investments held at June 30, 2022 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 13,189,214	\$ 13,189,214
Certificate of deposit	14.00	N/A	852,418	852,418
Total investments			<u>\$ 14,041,632</u>	<u>\$ 14,041,632</u>
Reconciliation to Statement of Net Position				
Governmental activities			\$ 1,111,698	
Business-type activities			12,929,934	
			<u>\$ 14,041,632</u>	

Concentration of Investment Credit Risk

The City places no limit on the amount it may invest in any one issuer. The City has the following of credit risk: 6% in Certificates of deposit (\$852,418) and 94% in Money Market funds (\$13,189,214).

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

Governmental Activities:	Balance 6/30/21	Additions	Disposals	Balance 6/30/22
Buildings and improvements	\$ 2,463,486	\$ -	-	\$ 2,463,486
Land	10,000	-	-	10,000
Furniture, fixtures and equipment	806,117	14,995	-	821,112
Infrastructure	944,138	74,252	-	1,018,390
Vehicles	1,636,697	212,534	-	1,849,231
Total capital assets	\$ 5,860,438	\$ 301,781	\$ -	\$ 6,162,219

Business-Type Activities:	Balance 6/30/21	Additions	Disposals	Balance 6/30/22
Buildings and improvements	\$ 11,370,378	\$ -	\$ 749,724	\$ 10,620,654
Construction in progress	877,091	3,314,763	-	4,191,854
Land	1,553,258	-	-	1,553,258
Infrastructure	2,451,278	-	-	2,451,278
Senior housing	6,473,159	-	-	6,473,159
Furniture, fixtures and equipment	672,934	42,799	-	715,733
Vehicles	810,542	-	-	810,542
Total capital assets	\$ 24,208,640	\$ 3,357,562	\$ 749,724	\$ 26,816,478

The City has elected to not reflect accumulated depreciation and depreciation expense at this time.

C. Capitalized Leases

The City has entered into a capitalized lease. The lease agreement met the criteria of a capital lease as defined in *GASB Statement 62* (Codification of FASB and AICPA guidance contained in pre-November 30, 1989 pronouncements), which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as expenditures on the fund financial statements.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

C. Capitalized Leases

The capital leases are described below.

(1) Lease payable to American Heritage Bank for the lease purchase of an ambulance. Monthly payments of \$2,640 plus interest at 2.75% are due through December 20, 2026.	133,844
(2) Lease payable to American Heritage Bank for the lease purchase of a rescue truck. Monthly payments of \$2,296.37 plus interest at 3.25%.	195,293
(3) Lease payable to American Heritage Bank for the lease purchase of 2 police cars. Monthly payments of \$1,978.45 plus interest at 2.5%.	32,917
(4) Lease payable to Flex Financial for the lease purchase of Lifepack monitors. Monthly payments of \$1,553.69 with no interest.	<u>71,470</u>
Total	<u>\$ 433,524</u>

The following is a summary of capitalized lease transactions for the year:

	Balance July 1, 2021	Additions	Payments and Cancellations	Balance June 30, 2022	Current Portion
Capital lease obligations	<u>\$ 361,750</u>	<u>\$ 147,534</u>	<u>\$ 75,760</u>	<u>\$ 433,524</u>	<u>\$ 91,564</u>

The annual debt service requirements to maturity, including principal and interest, for leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 91,564	\$ 10,055	\$ 101,619
2024	79,634	8,136	87,770
2025	71,471	6,407	77,878
2026	69,976	4,795	74,771
2027	40,199	3,197	43,396
2028-2031	80,680	4,284	84,964
Total	<u>\$ 433,524</u>	<u>\$ 36,874</u>	<u>\$ 470,398</u>

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES CONCERNING THE FUNDS (Continued)

D. Long-term Debt

The City is not obligated in any manner for the debt of its component units or trusts. The following is a summary of long-term debt transactions of the component units and trusts of the City:

	Date of Last Maturity	Original Amount	Balance Outstanding 7/1/21	Issued	or Defeased During Year	Balance Outstanding 6/30/22	Current Portion
Mannford Public Works Authority:							
Utility system - 2021 (interest @ 3%)	11/1/2051	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 65,000
Utility system - 2021 (interest @ 3.0-3.25%)	1/1/2051	11,045,000	11,045,000	-	(210,000)	10,835,000	235,000
Electric Equip - 2021 (interest @ 2.75%)	3/20/2026	333,038	317,457	-	(64,215)	253,242	65,193
Electric System - CDBG (interest @ 0%)	8/1/2024	300,000	58,750	-	(15,000)	43,750	15,000
Total		<u>\$ 14,678,038</u>	<u>\$ 11,421,207</u>	<u>\$ 3,000,000</u>	<u>\$ (289,215)</u>	<u>\$ 14,131,992</u>	<u>\$ 380,193</u>

D. Long-term Debt (Continued)

The annual debt service requirements to maturity, including principal and interest, for long-term debt are as follows:

Year Ending June 30,	Principal	Interest	Totals
2023	\$ 380,193	\$ 435,166	\$ 815,359
2024	392,009	429,181	821,190
2025	397,625	418,015	815,640
2026	382,165	406,693	788,858
2027	335,000	396,200	731,200
2028-2032	1,840,000	1,823,650	3,663,650
2033-2037	2,145,000	1,529,800	3,674,800
2038-2042	2,485,000	1,188,700	3,673,700
2043-2047	2,915,000	769,150	3,684,150
2048-2052	2,860,000	254,025	3,114,025
Total debt service requirements	<u>\$ 14,131,992</u>	<u>\$ 7,650,580</u>	<u>\$ 21,782,572</u>

Principal, redemption premium, and interest on the Authority debt are payable from the gross revenues of the water, sanitary sewer, electric, natural gas and solid waste disposal systems, and from other funds established by the bond indentures. Detail information on long-term debt is reflected in Note 3.

The City's debt service coverage ratio for June 30, 2022 is 152.46%.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. MANNFORD PUBLIC WORKS AUTHORITY (A Blended Component Unit)

UTILITY OPERATIONS:

The operations of the utility departments of the City (electric, natural gas, water, sewer and refuse) were transferred to the Mannford Public Works Authority. The Public Works Authority provides utility services for its customers including the City of Mannford and its related departments. Utility charges for general activities of the City of Mannford (City Hall, Activity Center, Library, maintenance departments, etc.) are metered but not billed or reflected as revenue. Likewise, the various departments of the City benefiting from these services are not charged for the services. This factor for gratis services has been incorporated in the current rate structure charged by the Authority. Since the Authority is structured like a private enterprise, the effect of this policy is to understate the gross revenues of the Authority and to understate the operating expenses of the various using departments of the City. The intent is for the Authority to provide cost free services to the City of Mannford.

RESTRICTED FUNDS:

Under the terms and provisions of the Bond Indenture, special accounts and reserve funds of the Authority are maintained with the trustee bank for the benefit of the holders of the bonds and are not subject to lien or attachment by any creditors of the Authority. These accounts and reserve funds are to be maintained so long as any bonds are outstanding.

Monies contained in the accounts and reserve funds held by the trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.

3. MANNFORD PUBLIC WORKS AUTHORITY (A Blended Component Unit) (Continued)

REVENUE BONDS:

On November 1, 2011, the Authority issued its \$3,000,000 Mannford Public Works Authority Sales Tax and Utility Revenue Bonds, 2011. Principal and interest on the bond is payable semi-annually on November 1 and May 1 of each fiscal year until the bond is paid. Bond redemption begins November 1, 2022, with final maturity on November 1, 2051. The gross revenues of the Authority have been pledged to secure the bonds..

On February 3, 2021, the Authority issued its \$11,045,000 Mannford Public Works Authority Capital Improvement Revenue Bonds, 2021. Proceeds from this bond issue were used to defease the previous Sale Tax and Utility System Revenue Bonds, Series 2007 and construct a new City Hall and Safety Center. Principal and interest on the bond are payable annually on January 1 of each fiscal year until the bond is paid. Bond redemption begins January 1, 2022, with final maturity on January 1, 2051. The gross revenues of the Authority have been pledged to secure the bonds.

NOTES PAYABLE:

On October 14, 2004, the Authority issued a Community Development Block Grant note payable in the amount of \$300,000 to the Oklahoma Department of Commerce, Office of Community Development. The proceeds of the note were used to improve the electrical infrastructure of the City. The note is to be paid in 240 monthly installments of \$1,250 beginning July 1, 2005 with final maturity on June 1, 2025. The note is non-interest bearing. The gross revenues of the Authority have been pledged to secure the note.

On April 8, 2021, the Authority issued a note payable in the amount of \$333,038 to American Heritage Bank. The proceeds of the note were used to purchase a digger derrick line truck. The note is to be paid in 60 monthly installments of \$5,944.99 plus 2.75% interest. The gross revenues of the Authority have been pledged to secure the note

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City purchases commercial insurance to cover these and other risks, including general auto liability, property damage, and public officials' liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The City is a member of the State Insurance Fund for the Workers' Compensation Plan (the Plan), an organization formed for the purpose of providing workers' compensation coverage through the State Insurance Fund to participating municipalities in the State of Oklahoma. In that capacity, the Plan is responsible for providing loss control services and certain fiscal activities including obtaining contract arrangements for the underwriting, excess insurance agreements, claims processing, and legal defense for any and all claims submitted to it during the Plan year.

As a member of the Plan, the City is required to pay fees set by the Plan according to an established payment schedule. The City is responsible for complying with all requirements of the Oklahoma Workers' Compensation Act. A Loss Fund has been established from the proceeds of fees paid by the City. The City expensed these fees when paid. The State Insurance Fund provides coverage in excess of the Loss Fund so the City's Liability for claim loss is limited to the balance of that fund. However, failure of the State Insurance Fund to honor its obligations could result in losses to the Plan. In addition to the Loss Fund, the City maintains two additional funds with the Plan.

The Rate Stabilization Reserve (RSR), which can be applied against future premium increases and an Escrow Fund made up of past refunds left on deposit with the Plan. Escrow funds earn interest and are readily available for use by the governing board. In accordance with GASB No. 10, the City reports the required contribution to the pool, net of refunds, as insurance expense. The balances in the RSR Fund and the Escrow Fund were \$0 and \$8,620, respectively.

B. Contingent Liabilities

The City is a defendant in ongoing litigation and various legal actions arising from normal governmental activities. Although most of such actions are covered by insurance, certain actions might have some degree of exposure to the City. The outcome of these lawsuits is not presently determinable, and it is not known if the resolution of these matters will have a material adverse effect on the financial condition of the City.

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

C. Employee Retirement System and Other Benefit Plans

The City participates in four employee pension systems as follows:

Oklahoma Police Pension and Retirement Plan - Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Firefighters Pension and Retirement Plan - Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Municipal Retirement Fund (OkMRF) Agent Multiple Employer – Defined Contribution Plans

Oklahoma Municipal Retirement Fund (OkMRF) Agent Multiple Employer – Defined Benefit Plan

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

4. OTHER INFORMATION (Continued)

C. Employee Retirement System and Other Benefit Plans (Continued)

Oklahoma Police Pension and Retirement Plan

Plan description – The City of Mannford, as the employer, participates in the Oklahoma Police Pension and Retirement Plan – a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

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

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered. Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment.

Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date. Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions – The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$43,185, \$41,410 and \$40,722 for 2022, 2021 and 2020, respectively.

Oklahoma Firefighters Pension & Retirement Plan

Plan Description – The City of Mannford, as the employer, participates in the Firefighters Pension & Retirement – a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs.

Benefits provided – FPRS provides retirement, disability and death benefits to members of the plan.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

4. OTHER INFORMATION (Continued)

C. Employee Retirement System and Other Benefit Plans (Continued)

Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more service.

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more service.

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

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

Contributions – The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Participating cities are also required to contribute \$60 per volunteer firefighter. Contributions to the pension plan from the City were \$1,080, \$1,320 and \$1,080 for 2022, 2021 and 2020, respectively.

Oklahoma Municipal Retirement Fund - Defined Contribution Plans

The City has also provided effective March 1, 1992, a defined contribution plan with the Oklahoma Municipal Retirement Fund. The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions rests with the city council. The defined contribution plan is available to all full-time employees not already participating in another plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, investment earnings, and forfeitures of other participants' benefits that may be allocated to such participant's account. Benefits vest after 7 years of service. The City is currently contributing to two types of defined contribution plans. Under the Trust Money Purchase Pension plan, the participants are required to contribute from 8% of their compensation and the city is required to match 100% of the mandatory employee contribution. Under the Trust Profit Sharing plan, the city contributed 13% of covered payroll for department heads, a % for city manager plus \$5,000 annual performance incentive. This percentage can vary from year to year. Participants are permitted to make voluntary deductible contributions to the plan.

CITY OF MANNFORD
Mannford, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

4. OTHER INFORMATION (Continued)

B. Employee Retirement System and Other Benefit Plans (Continued)

Department Head and City Manager Plans (the DH and CMO Plan)

DH Plan Description – Effective December 1, 2007, the City has also provided a defined contribution plan and trust known as the City of Mannford Department Head Retirement Plan and Trust (the DH Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OkMRF). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The defined contribution plan is available to all full-time employees defined as Department Head or City Manager except for the fire chief. Separate audited GAAP – basis financial statements are not available.

Funding Policy – Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 8%. Employees are allowed to contribute in excess of the 8%. The employer makes variable contributions to the fund. For the current year, the employer contribution rate was 13%. The employee is fully vested upon employment. The authority to establish and amend the provisions of the plan rests with the City Council. Contributions to the plan for the year ended June 30, 2022, 2021 and 2020, for employer were \$18,753, \$12,168 and \$10,918, respectively.

CMO Plan Description and Funding Policy – Effective October 1, 2006, the City has also provided a defined contribution plan and trust known as the City of Mannford City Manager Retirement Plan and Trust (CMO Plan). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions and contribution requirements rests with the city council. This plan is similar to the Department Head with the following exceptions: This plan is available only to the City Manager. The employee does not contribute to the plan and the employer makes variable contributions to the fund. For the current year, the employer contribution rate for 2022, 2021 and 2020 are 15%, 15% and 15%, respectively. Contributions to the plan for the year ended June 30, 2022, 2021 and 2020 were \$22,516, \$21,100 and \$19,805, respectively.

Oklahoma Municipal Retirement Fund - Defined Benefit Plan

Plan Description – The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Contribution Requirements

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 24.23%, 24.23% and 21.21% of covered payroll for 2022, 2021 and 2020. For the year ended June 30, 2022, 2021 and 2020, the City recognized \$330,425, \$271,173 and \$212,401, respectively, of employer contributions to the plan which equals the actuarially determined amount based on covered payroll. Employees contribute a fixed 6% to the plan in accordance with the plan provisions adopted by the City Council.

**CITY OF MANNFORD
Mannford, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through the date of the audit report, which is the date the financial statements were available to be issued. Management is currently evaluating the impact of the COVID-19 pandemic on the City and has concluded that while it is reasonably possible that the virus could have a negative effect on the City's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CITY OF MANNFORD
Mannford, Oklahoma

OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

CITY OF MANFORD
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue Funds								Total Non-Major Governmental Funds	
	Street & Alley Fund	Police Drug & Education	Police Reserve Officer	City Gap Insurance Fund	CDBG Senior Citizens	Fire Department Reserve	Library & Library Grants	New Mannford Ramp		Activity Center
Assets:										
Cash and equivalents	\$ 52,293 \$	10,457 \$	-	\$ 1,126 \$	1,455 \$	22,175 \$	17,861 \$	289,457 \$	127,428 \$	522,252
Investments at cost	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 52,293 \$	10,457 \$	-	\$ 1,126 \$	1,455 \$	22,175 \$	17,861 \$	289,457 \$	127,428 \$	522,252
Liabilities:										
Cash overdraft	\$ - \$	- \$	-	\$ -	- \$	- \$	- \$	- \$	- \$	-
Total liabilities	\$ -	-	-	\$ -	-	-	-	-	-	-
Fund balances:										
Restricted	52,293	10,457	-	1,126	1,455	22,175	17,861	289,457	127,428	522,252
Total fund balances	52,293	10,457	-	1,126	1,455	22,175	17,861	289,457	127,428	522,252
Total liabilities and fund balances	\$ 52,293 \$	10,457 \$	-	\$ 1,126 \$	1,455 \$	22,175 \$	17,861 \$	289,457 \$	127,428 \$	522,252

CITY OF MANNFORD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	Street & Alley Fund	Police Drug & Education	Police Reserve Officer	City Gap Insurance Fund	CDBG Senior Citizens	Fire Department Reserve	Library & Library Grants	New Mannford Ramp	Activity Center	Total Non-Major Governmental Funds
Revenues:										
Intergovernmental programs	\$ 31,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,170	\$ -	\$ 44,608
Charges for services	-	-	-	-	-	-	521	272,553	65,986	339,060
Interest	-	-	-	-	-	-	-	-	-	-
Grant revenues	-	-	-	-	-	4,763	5,856	12,860	-	23,479
Miscellaneous revenue	1,064	2,122	-	-	-	-	-	746	9,909	13,841
Total revenues	\$ 32,502	\$ 2,122	\$ -	\$ -	\$ -	\$ 4,763	\$ 6,377	\$ 299,329	\$ 75,895	\$ 420,988
Expenditures:										
Public safety	\$ -	\$ 2,163	\$ -	\$ -	\$ -	\$ 1,299	\$ -	\$ -	\$ -	\$ 3,462
General government	-	-	-	14,769	-	-	-	-	-	14,769
Highways, roads & airport	107,550	-	-	-	-	-	-	-	-	107,550
Cultural & recreation	-	-	-	-	-	-	6,641	185,508	221,470	413,619
Capital outlay	-	-	-	-	-	-	-	74,252	-	74,252
Total expenditures	107,550	2,163	-	14,769	-	1,299	6,641	259,760	221,470	613,652
Excess of revenues over (under) expenditures	(75,048)	(41)	-	(14,769)	-	3,464	(264)	39,569	(145,575)	(192,664)
Other financing uses:										
Operating transfers in (out)	75,000	-	(1,043)	15,000	-	-	-	-	145,000	233,957
Excess of revenues over (under) expenditures & transfers	(48)	(41)	(1,043)	231	-	3,464	(264)	39,569	(575)	41,293
Fund balance - beginning of year	52,341	10,498	1,043	895	1,455	18,711	18,125	249,888	128,003	480,959
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
Fund balance - end of year	\$ 52,293	\$ 10,457	\$ -	\$ 1,126	\$ 1,455	\$ 22,175	\$ 17,861	\$ 289,457	\$ 127,428	\$ 522,252

CITY OF MANNFORD
Mannford, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Program or Award Amount</u>	<u>Revenue Collected</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Homeland Security:</u>				
<u>Passed through the Oklahoma Department of Emergency Management:</u>				
Disaster Assistance Grant - FEMA-PA-DR-4438 PW 138	97.036	75,969	6,237	-
Sub-total		<u>75,969</u>	<u>6,237</u>	<u>-</u>
<u>U.S. Department of Health and Human Services:</u>				
ARPA Cares Act	21.027	557,849	278,925	-
Sub-total		<u>557,849</u>	<u>278,925</u>	<u>-</u>
<u>Office of Library Services, Institute of Museum and Library Services, National Foundation on the Arts and the Humanities:</u>				
<u>Passed through the Oklahoma Department of Libraries:</u>				
ARPA - Library	45.308	3,000	3,000	3,000
State Library Program	45.310	2,856	2,856	2,856
Sub-total		<u>5,856</u>	<u>5,856</u>	<u>5,856</u>
Total of Expenditures of Federal Awards		\$ <u>639,674</u>	\$ <u>291,018</u>	\$ <u>5,856</u>

Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. 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 selected portion of the operations of the City, it is not intended and does not present the financial position, changes in net assets, or cash flows of the City.

Note B - Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported using the modified cash 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. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF MANNFORD
Mannford, Oklahoma

OTHER INFORMATION
June 30, 2022

**CITY OF MANNFORD
OTHER INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2022
(Unaudited)**

GENERAL FUND

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
	Budget	Budget		Over (Under)
Revenues:				
Charges for services	\$ 321,710	\$ 321,710	\$ 420,028	\$ 98,318
Cigarette taxes	11,000	11,000	12,912	1,912
Hotel/motel taxes	6,000	6,000	8,248	2,248
Franchise fees	17,100	17,100	16,410	(690)
Fines and forfeits	176,600	176,600	209,936	33,336
Grant revenues	-	-	20,309	20,309
Interest	-	-	1,500	1,500
Intergovernmental programs	27,500	27,500	32,588	5,088
Licenses and permits	12,000	12,000	13,738	1,738
Miscellaneous revenue	1,310	1,310	28,473	27,163
911 revenues	60,000	60,000	66,272	6,272
Sales and use taxes	1,775,000	1,775,000	1,896,990	121,990
Total revenues	<u>2,408,220</u>	<u>2,408,220</u>	<u>2,727,404</u>	<u>319,184</u>
Expenditures:				
Current:				
General government	416,850	416,850	361,259	55,591
Public safety	1,461,050	1,461,050	1,885,896	(424,846)
Cultural & recreational	195,850	195,850	183,534	12,316
Capital outlay	104,460	251,994	227,529	24,465
Total expenditures	<u>2,178,210</u>	<u>2,325,744</u>	<u>2,733,978</u>	<u>(408,234)</u>
Excess of revenue over				
(under) expenditures	230,010	82,476	(6,574)	(89,050)
Other financing sources (uses):				
Lease proceeds	-	147,534	147,534	-
Operating transfers in (out)	<u>(224,000)</u>	<u>(224,000)</u>	<u>(261,949)</u>	<u>(37,949)</u>
Net changes in fund balance	6,010	6,010	(120,989)	(126,999)
Fund balance - beginning of year	717,742	717,742	717,742	-
Prior year adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 723,752</u>	<u>\$ 723,752</u>	<u>\$ 596,753</u>	<u>\$ (126,999)</u>

**CITY OF MANNFORD
OTHER INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (MODIFIED CASH BASIS) AND ACTUAL
GOVERNMENTAL FUNDS
Year Ended June 30, 2022
(Unaudited)**

SPECIAL REVENUE FUNDS

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
	<u>Budget</u>	<u>Budget</u>		<u>Over (Under)</u>
Revenues:				
Charges for services	\$ 281,930	\$ 281,930	\$ 339,060	\$ 57,130
Interest	-	-	-	-
Grant revenues	22,500	22,500	23,479	979
Intergovernment programs	27,300	27,300	44,608	17,308
Miscellaneous	2,950	2,950	13,841	10,891
Total revenues	<u>334,680</u>	<u>334,680</u>	<u>420,988</u>	<u>86,308</u>
Expenditures:				
Current:				
General government	21,000	21,000	14,769	6,231
Public safety	11,300	11,300	3,462	7,838
Highways, roads, & airport	121,500	121,500	107,550	13,950
Cultural & recreational	415,200	415,200	413,619	1,581
Capital outlay	140,700	140,700	74,252	66,448
Total expenditures	<u>709,700</u>	<u>709,700</u>	<u>613,652</u>	<u>96,048</u>
Excess of revenue over (under) expenditures	(375,020)	(375,020)	(192,664)	182,356
Other financing sources (uses):				
Operating transfers in (out)	261,000	261,000	233,957	(27,043)
Net changes in fund balance	(114,020)	(114,020)	41,293	155,313
Fund balance - beginning of year	480,959	480,959	480,959	-
Prior period adjustments	-	-	-	-
Fund balance - end of year	<u>\$ 366,939</u>	<u>\$ 366,939</u>	<u>\$ 522,252</u>	<u>\$ 155,313</u>

**CITY OF MANNFORD
Mannford, Oklahoma**

**NOTES TO OTHER INFORMATION
Year Ended June 30, 2022
(Unaudited)**

BUDGETARY INFORMATION

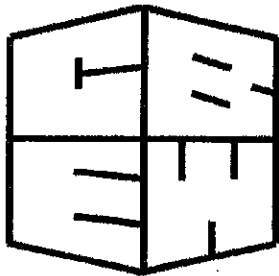
Annual budgets are adopted on a basis consistent with the modified cash basis of accounting. The enterprise funds and internal service fund adopt budgets on the non-GAAP basis wherein service fees, bond and note proceeds are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenses, and depreciation expense is not budgeted. Annual appropriated budgets are not adopted for the agency funds. Budgetary data for enterprise funds, internal service, and permanent funds are not presented in these financial statements.

Prior to July 1, the City Administrator (not an elected official) submits a proposed operating budget for the fiscal year commencing July 1, to the Commissioners (elected officials). Public hearings are held at regular or special meetings to obtain taxpayer input. Prior to July 1, the budget is legally enacted through passage of a budget resolution. The operating budget, for all budgeted funds, includes proposed expenditures and the means of financing. Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, maintenance and operations, capital outlay, transfers, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. A more detailed budget is used for operating purposes. All budget revisions at the legal level are subject to final approval by the City Council. Within these control levels, management may transfer appropriations without council approval. Revisions to the budget were made during the year in accordance with the provisions of the Oklahoma Statutes. All annual appropriations lapse at year-end.

The City uses encumbrance accounting. Encumbrances are recorded when purchase orders are issued but generally are not considered expenditures until liabilities for payments are incurred. At year-end, open purchase orders are reviewed and payments are made on those where the receipt of goods and services is eminent. The remaining purchase orders (and encumbrances) are cancelled and reissued during the following year. There are no outstanding encumbrances at year-end.

CITY OF MANNFORD
Mannford, Oklahoma

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
June 30, 2022



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Certified Public Accountants

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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

August 30, 2022

Honorable Board of City Commissioners
City of Mannford
Mannford, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mannford, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Mannford, Oklahoma's basic financial statements, and have issued our report thereon dated August 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

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 report is not suitable for any other purpose.

CBEW Professional Group, LLP

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Certified Public Accountants