

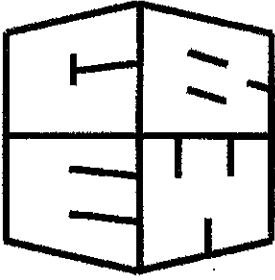
**CITY OF MANNFORD**  
**Mannford, Oklahoma**

**BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**CITY OF MANNFORD**  
**Mannford, Oklahoma**

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## **CBEW Professional Group, LLP**

Certified Public Accountants

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### **INDEPENDENT AUDITOR'S REPORT**

August 25, 2023

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mannford, Oklahoma, as of June 30, 2023, and the respective changes in modified cash basis financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 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 25, 2023, 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, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 843,642	\$ 2,924,694	\$ 3,768,336
Investments, at cost	-	853,419	853,419
Restricted assets:			
Cash, insurance deposit	14,222	-	14,222
Cash & cash equivalents	214,794	-	214,794
Bond fund/cash & investments (Note 1)	-	2,031,902	2,031,902
Tenant security deposits	-	9,500	9,500
<b>Capital assets:</b>			
Land	-	1,510,605	1,510,605
Construction in progress	-	11,461,447	11,461,447
Depreciable buildings, property, equipment and infrastructure, net of depreciation (Notes 1 & 2)	6,270,161	21,180,386	27,450,547
<b>Total assets</b>	<u>7,342,819</u>	<u>39,971,953</u>	<u>47,314,772</u>
<b>Liabilities:</b>			
Current liabilities:			
Meter deposits	-	222,250	222,250
Payable from restricted assets:			
Appearance bonds	2,565	-	2,565
Deposits	-	9,500	9,500
Capital lease	79,718	-	79,718
Notes payable (Notes 2 & 3)	-	112,079	112,079
Revenue bonds payable (Notes 2 & 3)	-	310,000	310,000
Non-current liabilities:			
Capital lease	262,306	-	262,306
Notes payable (Notes 2 & 3)	-	199,839	199,839
Revenue bonds payable (Notes 2 & 3)	-	13,225,000	13,225,000
<b>Total liabilities</b>	<u>344,589</u>	<u>14,078,668</u>	<u>14,423,257</u>
<b>Net position:</b>			
Net investment in capital assets	5,928,137	20,305,520	26,233,657
Restricted	717,805	2,031,902	2,749,707
Unrestricted	352,288	3,555,863	3,908,151
<b>Total net position</b>	<u>\$ 6,998,230</u>	<u>\$ 25,893,285</u>	<u>\$ 32,891,515</u>
<b>Total liabilities and fund equity</b>	<u>7,342,819</u>	<u>39,971,953</u>	<u>47,314,772</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, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government:					
City clerk	\$ 1,500	\$ -	\$ -	\$ -	\$ (1,500)
City treasurer	1,500	-	-	-	(1,500)
General government	414,204	36,574	-	-	(377,630)
Total general government	<u>417,204</u>	<u>36,574</u>	<u>-</u>	<u>-</u>	<u>(380,630)</u>
Public safety and judiciary:					
Code enforcement	-	-	-	-	-
Fire and ambulance	1,324,965	696,732	37,417	-	(590,816)
Municipal court	7,500	142,818	-	-	135,318
911 fund	64,692	65,889	-	-	1,197
Police	1,001,199	-	20,000	-	(981,199)
Total public safety and judiciary	<u>2,398,356</u>	<u>905,439</u>	<u>57,417</u>	<u>-</u>	<u>(1,435,500)</u>
Transportation:					
Streets	45,141	-	-	-	(45,141)
Total transportation	<u>45,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,141)</u>
Cultural, parks and recreation:					
Activity center	228,448	78,567	-	-	(149,881)
Library	156,854	5,711	3,836	-	(147,307)
Sr Citizens Center	-	-	-	-	-
New Mannford ramp	229,224	276,465	-	-	47,241
Parks	26,528	-	-	-	(26,528)
Total cultural, parks and recreation	<u>641,054</u>	<u>360,743</u>	<u>3,836</u>	<u>-</u>	<u>(276,475)</u>
<b>Total governmental activities</b>	<u>3,501,755</u>	<u>1,302,756</u>	<u>61,253</u>	<u>-</u>	<u>(2,137,746)</u>
<b>Business-type activities</b>					
Electric	3,822,042	4,082,724	-	-	260,682
Water	1,256,175	1,069,433	-	281,569	94,827
Sewer	513,114	396,666	-	-	(116,448)
Sanitation	257,132	326,042	-	-	68,910
Gas	1,831,409	1,666,016	-	450,713	285,320
Sr housing	128,565	285,099	-	-	156,534
Financing costs	439,172	-	-	-	(439,172)
<b>Total business-type activities</b>	<u>8,247,609</u>	<u>7,825,980</u>	<u>-</u>	<u>732,282</u>	<u>310,653</u>
<b>Total</b>	<u>\$ 11,749,364</u>	<u>\$ 9,128,736</u>	<u>\$ 61,253</u>	<u>\$ 732,282</u>	<u>\$ (1,827,093)</u>

Net (expense)/revenue	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
		(2,137,746)	310,653
<b>General revenues:</b>			
Taxes:			
Sales, use and cigarette taxes	2,026,945	-	2,026,945
Hotel/motel taxes	8,393	-	8,393
Franchise taxes	16,235	-	16,235
Intergovernmental	62,371	-	62,371
Investment earnings	3,533	149,394	152,927
Miscellaneous	63,710	70,685	134,395
Gain/(loss) on sale of asset	-	20,669	20,659
Late charges	-	56,464	56,464
Transfers	107,089	(107,089)	-
<b>Total general revenues and transfers</b>	<u>2,288,276</u>	<u>190,113</u>	<u>2,478,389</u>
<b>Change in net position</b>	<u>150,530</u>	<u>500,766</u>	<u>651,296</u>
<b>Net position - beginning of year</b>	<u>6,847,700</u>	<u>25,392,519</u>	<u>32,240,219</u>
<b>Net position - end of year</b>	<u>\$ 6,998,230</u>	<u>\$ 25,893,285</u>	<u>\$ 32,891,515</u>

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, 2023**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and investments:			
Cash & cash equivalents	\$ 268,066	\$ 575,576	\$ 843,642
Investments, at cost	-	-	-
Restricted assets:			
Cash, insurance deposit	14,222	-	14,222
Cash & cash equivalents	214,794	-	214,794
<b>Total assets</b>	<b>\$ 497,082</b>	<b>\$ 575,576</b>	<b>\$ 1,072,658</b>
<b>Liabilities:</b>			
Cash overdraft	\$ -	\$ -	\$ -
Payable from restricted assets:			
Appearance bonds	2,565	-	2,565
<b>Total liabilities</b>	2,565	-	2,565
<b>Fund balances:</b>			
<b>Restricted for:</b>			
E-911 services	38,689	-	38,689
Worker's compensation	14,222	-	14,222
Other purposes	-	575,576	575,576
<b>Committed to:</b>			
Police training	79,896	-	79,896
Court technology	9,422	-	9,422
<b>Unassigned</b>	352,288	-	352,288
<b>Total fund balances</b>	494,517	575,576	1,070,093
<b>Total liabilities and fund balances</b>	<b>\$ 497,082</b>	<b>\$ 575,576</b>	<b>\$ 1,072,658</b>

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, 2023**

**Total Fund Balances - Total Governmental Funds** \$ 1,070,093

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

Capital lease (342,024)

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		877,147	
Infrastructure		1,018,391	
Vehicles		<u>1,901,138</u>	
			<u>6,270,161</u>

**Net position of governmental activities** **\$ 6,998,230**

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, 2023**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Charges for services	\$ 700,178	\$ 357,297	\$ 1,057,475
Cigarette taxes	11,678	-	11,678
Hotel/motel taxes	8,393	-	8,393
Franchise fees	16,235	-	16,235
Fines and forfeits	142,818	-	142,818
Grant revenues	20,000	41,253	61,253
Interest	3,533	-	3,533
Intergovernmental programs	33,041	29,330	62,371
Licenses and permits	36,574	-	36,574
Miscellaneous revenue	61,523	2,187	63,710
911 revenues	65,889	-	65,889
Sales and use taxes	2,015,267	-	2,015,267
<b>Total revenues</b>	<u>3,115,129</u>	<u>430,067</u>	<u>3,545,196</u>
<b>Expenditures:</b>			
Current:			
General government	401,983	15,221	417,204
Public safety	2,363,502	34,854	2,398,356
Highways roads and airport	-	45,141	45,141
Cultural and recreational	178,969	462,086	641,055
Capital outlay	107,942	-	107,942
Lease payments	91,499	-	91,499
<b>Total expenditures</b>	<u>3,143,895</u>	<u>557,302</u>	<u>3,701,197</u>
<b>Excess of revenues over (under) expenditures</b>	(28,766)	(127,235)	(156,001)
<b>Other financing uses:</b>			
Lease proceeds	-	-	-
Operating transfers in (out)	(73,470)	180,559	107,089
<b>Excess of revenues over (under) expenditures &amp; transfers</b>	(102,236)	53,324	(48,912)
<b>Fund balance - beginning of year</b>	<u>596,753</u>	<u>522,252</u>	<u>1,119,005</u>
<b>Fund balance - end of year</b>	<u>\$ 494,517</u>	<u>\$ 575,576</u>	<u>\$ 1,070,093</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, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ (48,912)

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. 91,500

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. 107,942

**Change in Net Position of Governmental Activities** \$ 150,530

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, 2023

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Public Works Authority (Major)</b>	<b>Mannford Housing Authority (Major)</b>	<b>Totals</b>
<b>Assets:</b>			
Cash and investments:			
Cash & cash equivalents (Note 1)	\$ 2,837,004	\$ 87,690	\$ 2,924,694
Investments, at cost	853,419	-	853,419
Restricted Assets:			
Bond fund/cash & investments	2,031,902	-	2,031,902
Tenant security deposits	-	9,500	9,500
<b>Capital assets:</b>			
Land	1,510,605	-	1,510,605
Construction in progress	11,461,447	-	11,461,447
Depreciable buildings, property, equipment and infrastructure (Notes 1 & 2)	14,707,227	6,473,159	21,180,386
<b>Total assets</b>	<b>33,401,604</b>	<b>6,570,349</b>	<b>39,971,953</b>
<b>Liabilities:</b>			
Current liabilities:			
Meter deposits	222,250	-	222,250
Payable from restricted assets:			
Deposits	-	9,500	9,500
Notes payable (Notes 2 & 3)	112,079	-	112,079
Revenue bonds payable (Notes 2 & 3)	310,000	-	310,000
Non-current liabilities:			
Accrued compensated absences payable	-	-	-
Notes payable (Notes 2 & 3)	199,839	-	199,839
Revenue bonds payable (Notes 2 & 3)	13,225,000	-	13,225,000
<b>Total liabilities</b>	<b>14,069,168</b>	<b>9,500</b>	<b>14,078,668</b>
<b>Net position:</b>			
Net investment in capital assets	13,832,361	6,473,159	20,305,520
Restricted	2,031,902	-	2,031,902
Unrestricted	3,468,173	87,690	3,555,863
<b>Total net position</b>	<b>\$ 19,332,436</b>	<b>\$ 6,560,849</b>	<b>\$ 25,893,285</b>

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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Public Works Authority (Major)</b>	<b>Mannford Housing Authority (Major)</b>	<b>Totals</b>
<b>Revenues:</b>			
Water revenue	\$ 1,069,433	\$ -	\$ 1,069,433
Sewer revenue	396,666	-	396,666
Garbage revenue	326,042	-	326,042
Electric revenue	4,082,724	-	4,082,724
Gas revenue	1,666,016	-	1,666,016
Late charges	56,464	-	56,464
Administrative fees	-	-	-
Ambulance utility	-	-	-
Permits	-	-	-
Grant revenue	732,282	-	732,282
Rental revenue	-	285,099	285,099
Miscellaneous revenue	70,685	-	70,685
<b>Total revenues</b>	<u>8,400,312</u>	<u>285,099</u>	<u>8,685,411</u>
<b>Operating expense:</b>			
Ambulance fees	-	-	-
Administrative	3,908	-	3,908
Building operations	-	128,565	128,565
Electric service	3,822,042	-	3,822,042
Water service	1,256,175	-	1,256,175
Sewer service	513,114	-	513,114
Garbage service	257,132	-	257,132
Gas expense	1,831,409	-	1,831,409
<b>Total operating expense</b>	<u>7,683,780</u>	<u>128,565</u>	<u>7,812,345</u>
<b>Income before non-operating revenues, expenses &amp; transfers</b>	<u>716,532</u>	<u>156,534</u>	<u>873,066</u>
<b>Non-operating revenues (expenses):</b>			
Interest revenue	149,394	-	149,394
Interest expense	(435,264)	-	(435,264)
Gain/(loss) on sale of asset	20,659	-	20,659
Loan issue costs	-	-	-
Trustee fees	-	-	-
<b>Total</b>	<u>(265,211)</u>	<u>-</u>	<u>(265,211)</u>
<b>Income (loss) before operating transfers</b>	<u>451,321</u>	<u>156,534</u>	<u>607,855</u>
<b>Transfers in (out)</b>	<u>42,911</u>	<u>(150,000)</u>	<u>(107,089)</u>
<b>Change in net position</b>	494,232	6,534	500,766
<b>Net position - beginning of year</b>	<u>18,838,204</u>	<u>6,554,315</u>	<u>25,392,519</u>
<b>Net position - end of year</b>	<u>\$ 19,332,436</u>	<u>\$ 6,560,849</u>	<u>\$ 25,893,285</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, 2023**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Public Works Authority (Major)</b>	<b>Mannford Housing Authority (Major)</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers & service users	\$ 8,400,312	\$ 285,099	\$ 8,685,411
Cash payments for goods & services & employees	(7,683,780)	(128,565)	(7,812,345)
<b>Net cash provided by operating activities</b>	<u>716,532</u>	<u>156,534</u>	<u>873,066</u>
<b>Cash flows from noncapital financing activities:</b>			
Tenant security deposits	9,850	-	9,850
Operating transfers in (out) to other funds	42,911	(150,000)	(107,089)
<b>Net cash provided (used) for noncapital financing activities</b>	<u>52,761</u>	<u>(150,000)</u>	<u>(97,239)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition & construction of capital assets	(7,378,614)	-	(7,378,614)
Proceeds from sale of asset	63,313	-	63,313
Note proceeds	95,020	-	95,020
Principal paid on debt	(380,094)	-	(380,094)
Interest paid on debt	(435,264)	-	(435,264)
Trustee fees	-	-	-
<b>Net cash provided (used) for capital and related financing activities</b>	<u>(8,035,639)</u>	<u>-</u>	<u>(8,035,639)</u>
<b>Cash flows from investing activities:</b>			
(Purchase) liquidation of investments - unrestricted	(1,001)	-	(1,001)
Interest on investments	149,394	-	149,394
<b>Net cash provided by investing activities</b>	<u>148,393</u>	<u>-</u>	<u>148,393</u>
<b>Net increase (decrease) in cash &amp; cash equivalents</b>	(7,117,953)	6,534	(7,111,419)
<b>Cash and cash equivalents - beginning of year</b>	<u>11,986,859</u>	<u>81,156</u>	<u>12,068,015</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 4,868,906</u>	<u>\$ 87,690</u>	<u>\$ 4,956,596</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 716,532	\$ 156,534	\$ 716,532
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
<b>Total adjustments</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash provided by operating activities</b>	<u>\$ 716,532</u>	<u>\$ 156,534</u>	<u>\$ 716,532</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, 2023**

**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, 2023**

**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, 2023**

**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, City Gap Insurance, Fire Department Reserve, Library, Library Grants, Mannford New Ramp, CDBG Senior Citizens 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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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, 2023, the City held deposits of approximately \$6,877,951 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, 2023**

**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, 2023 are as follows:

Type	Weighted Average Maturity (Months)	Credit Rating	Market Value	Cost
Investments				
Money Market	N/A	AAAm	\$ 6,024,532	\$ 6,024,532
Certificate of deposit	14.00	N/A	853,419	853,419
<b>Total investments</b>			<b><u>\$ 6,877,951</u></b>	<b><u>\$ 6,877,951</u></b>
<b>Reconciliation to Statement of Net Position</b>				
			<b><u>\$ 1,058,436</u></b>	
			<b><u>5,819,515</u></b>	
			<b><u>\$ 6,877,951</u></b>	

*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: 12% in Certificates of deposit (\$853,419) and 88% in Money Market funds (\$6,024,532).

**CITY OF MANNFORD**  
**Mannford, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**2. DETAILED NOTES CONCERNING THE FUNDS (Continued)**

**B. Capital Assets**

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

<b>Governmental Activities:</b>	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/23</u>
Buildings and improvements	\$ 2,463,486	\$ -	-	\$ 2,463,486
Land	10,000	-	-	10,000
Furniture, fixtures and equipment	821,112	56,035	-	877,147
Infrastructure	1,018,390	-	-	1,018,390
Vehicles	1,849,231	51,907	-	1,901,138
Total capital assets	<u>\$ 6,162,219</u>	<u>\$ 107,942</u>	<u>\$ -</u>	<u>\$ 6,270,161</u>

<b>Business-Type Activities:</b>	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/23</u>
Buildings and improvements	\$ 10,620,654	\$ -	-	\$ 10,620,654
Construction in progress	4,191,854	7,269,593	-	11,461,447
Land	1,553,258	-	42,653	1,510,605
Infrastructure	2,451,278	-	-	2,451,278
Senior housing	6,473,159	-	-	6,473,159
Furniture, fixtures and equipment	715,733	109,020	-	824,753
Vehicles	810,542	-	-	810,542
Total capital assets	<u>\$ 26,816,478</u>	<u>\$ 7,378,613</u>	<u>\$ 42,653</u>	<u>\$ 34,152,438</u>

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, 2023**

**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.	105,519
(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%.	173,851
(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%.	9,829
(4) Lease payable to Flex Financial for the lease purchase of Lifepack monitors. Monthly payments of \$1,553.69 with no interest.	<u>52,825</u>
<b>Total</b>	<b>\$ <u>342,024</u></b>

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

	Balance July 1, 2022	Additions	Payments and Cancellations	Balance June 30, 2023	Current Portion
Capital lease obligations	\$ <u>433,524</u>	\$ <u>-</u>	\$ <u>91,500</u>	\$ <u>342,024</u>	\$ <u>79,718</u>

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 79,718	\$ 8,052	\$ 87,770
2025	71,471	6,407	77,878
2026	69,976	4,795	74,771
2027	40,179	3,216	43,395
2028	25,271	2,285	27,556
2029-2031	55,409	2,000	57,409
Total	<u>\$ 342,024</u>	<u>\$ 26,755</u>	<u>\$ 368,779</u>



**CITY OF MANNFORD**  
**Mannford, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**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	\$ -	\$ (65,000)	\$ 2,935,000	\$ 65,000
Utility system - 2021 (interest @ 3.0-3.25%)	1/1/2051	11,045,000	10,835,000	-	(235,000)	10,600,000	245,000
Electric Equip - 2021 (interest @ 2.75%)	3/20/2026	333,038	253,242	-	(65,095)	188,147	67,006
Equipment - 2023 (interest @ 5.5%)	6/5/2023	95,020	-	95,020	-	95,020	30,073
Electric System - CDBG (interest @ 0%)	8/1/2024	300,000	43,750	-	(15,000)	28,750	15,000
<b>Total</b>		<b>\$ 14,773,058</b>	<b>\$ 14,131,992</b>	<b>\$ 95,020</b>	<b>\$ (380,095)</b>	<b>\$ 13,846,917</b>	<b>\$ 422,079</b>

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
2024	\$ 422,079	\$ 433,585	\$ 855,664
2025	429,316	420,798	850,114
2026	415,522	407,918	823,440
2027	335,000	396,200	731,200
2028	345,000	386,150	731,150
2029-2033	1,900,000	1,768,450	3,668,450
2034-2038	2,205,000	1,465,450	3,670,450
2039-2043	2,565,000	1,113,100	3,678,100
2044-2048	3,015,000	672,912	3,687,912
2049-2052	2,215,000	159,262	2,374,262
<b>Total debt service requirements</b>	<b>\$ 13,846,917</b>	<b>\$ 7,223,825</b>	<b>\$ 21,070,742</b>

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, 2023 is 87.88%.

**CITY OF MANNFORD**  
**Mannford, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

**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.

**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

On June 5, 2023, the Authority issued a note payable in the amount of \$95,020 to American Heritage Bank. The proceeds of the note were used to purchase a skid steer. The note is to be paid in 36 monthly installments of \$2,872,.95 plus 5.5% 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, 2023**

**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 \$14,222, 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, 2023**

**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](http://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 \$48,657, \$43,185 and \$41,410 for 2023, 2022 and 2021, 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](http://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, 2023**

**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, \$1,080 and \$1,320 for 2023, 2022 and 2021, 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, 2023**

**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, 2023, 2022 and 2021, for employer were \$23,114, \$18,753 and \$12,168, 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 2023, 2022 and 2021 are 15%, 15% and 15%, respectively. Contributions to the plan for the year ended June 30, 2023, 2022 and 2021 were \$24,819, \$22,516 and \$21,100, 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](http://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 16.61%, 24.23% and 24.23% of covered payroll for 2023, 2022 and 2021. For the year ended June 30, 2023, 2022 and 2021, the City recognized \$315,977, \$330,425 and \$271,173, 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**

**OTHER SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

CITY OF MANNFORD  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
 MODIFIED CASH BASIS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2023

	Special Revenue Funds										Total Non-Major Governmental Funds
	Street & Alley Fund	Police Drug & Education	City Gap Insurance Fund	CDBG Senior Citizens	Fire Department Reserve	Library & Library Grants	New Mannford Ramp	Activity Center			
<b>Assets:</b>											
Cash and equivalents	\$ 54,149	\$ 11,951	\$ 1,130	\$ 1,455	\$ 24,738	\$ 19,548	\$ 335,058	\$ 127,547		\$ 575,576	
Investments at cost	-	-	-	-	-	-	-	-		-	
Due from other funds	-	-	-	-	-	-	-	-		-	
<b>Total assets</b>	<b>\$ 54,149</b>	<b>\$ 11,951</b>	<b>\$ 1,130</b>	<b>\$ 1,455</b>	<b>\$ 24,738</b>	<b>\$ 19,548</b>	<b>\$ 335,058</b>	<b>\$ 127,547</b>		<b>\$ 575,576</b>	
<b>Liabilities:</b>											
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	
<b>Fund balances:</b>											
Restricted	54,149	11,951	1,130	1,455	24,738	19,548	335,058	127,547		575,576	
<b>Total fund balances</b>	<b>54,149</b>	<b>11,951</b>	<b>1,130</b>	<b>1,455</b>	<b>24,738</b>	<b>19,548</b>	<b>335,058</b>	<b>127,547</b>		<b>575,576</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 54,149</b>	<b>\$ 11,951</b>	<b>\$ 1,130</b>	<b>\$ 1,455</b>	<b>\$ 24,738</b>	<b>\$ 19,548</b>	<b>\$ 335,058</b>	<b>\$ 127,547</b>		<b>\$ 575,576</b>	



**CITY OF MANNFORD**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2023**

	Special Revenue										Total
	Street & Alley Fund	Police Drug & Education	City Gap Insurance Fund	CDBG Senior Citizens	Fire Department Reserve	Library & Library Grants	New Mannford Ramp	Activity Center	Non-Major Governmental Funds		
<b>Revenues:</b>											
Intergovernmental programs	\$ 29,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,330
Charges for services	-	-	-	-	-	2,265	276,465	78,567	-	-	357,297
Interest	-	-	-	-	-	-	-	-	-	-	-
Grant revenues	-	-	-	-	37,417	3,836	-	-	-	-	41,253
Miscellaneous revenue	-	1,494	-	-	-	-	693	-	-	-	2,187
<b>Total revenues</b>	<b>\$ 29,330</b>	<b>\$ 1,494</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,417</b>	<b>\$ 6,101</b>	<b>\$ 277,158</b>	<b>\$ 78,567</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 430,067</b>
<b>Expenditures:</b>											
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 34,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,854
General government	-	-	15,221	-	-	-	-	-	-	-	15,221
Highways, roads & airport	45,141	-	-	-	-	-	-	-	-	-	45,141
Cultural & recreation	-	-	-	-	-	4,414	229,224	228,448	-	-	462,086
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 45,141</b>	<b>\$ -</b>	<b>\$ 15,221</b>	<b>\$ -</b>	<b>\$ 34,854</b>	<b>\$ 4,414</b>	<b>\$ 229,224</b>	<b>\$ 228,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 557,302</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(15,811)</b>	<b>1,494</b>	<b>(15,221)</b>	<b>-</b>	<b>2,563</b>	<b>1,687</b>	<b>47,934</b>	<b>(149,881)</b>	<b>-</b>	<b>-</b>	<b>(127,235)</b>
<b>Other financing uses:</b>											
Operating transfers in (out)	17,667	-	15,225	-	-	-	(2,333)	150,000	-	-	180,559
<b>Excess of revenues over (under) expenditures &amp; transfers</b>	<b>1,856</b>	<b>1,494</b>	<b>4</b>	<b>-</b>	<b>2,563</b>	<b>1,687</b>	<b>45,601</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>53,324</b>
<b>Fund balance - beginning of year</b>	<b>52,293</b>	<b>10,457</b>	<b>1,126</b>	<b>1,455</b>	<b>22,175</b>	<b>17,861</b>	<b>289,457</b>	<b>127,428</b>	<b>-</b>	<b>-</b>	<b>522,252</b>
<b>Fund balance - end of year</b>	<b>\$ 54,149</b>	<b>\$ 11,951</b>	<b>\$ 1,130</b>	<b>\$ 1,455</b>	<b>\$ 24,738</b>	<b>\$ 19,548</b>	<b>\$ 335,058</b>	<b>\$ 127,547</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 575,576</b>

**CITY OF MANNFORD  
Mannford, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2023**

<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>
<b><u>U.S. Department of Health and Human Services:</u></b>				
ARPA Cares Act	21.027	557,849	281,569	310,373
<b>Sub-total</b>		<u>557,849</u>	<u>281,569</u>	<u>310,373</u>
<b><u>Office of Library Services, Institute of Museum and Library Services, National Foundation on the Arts and the Humanities:</u></b>				
<b><u>Passed through the Oklahoma Department of Libraries:</u></b>				
ARPA - Library	45.308	1,000	1,000	992
State Library Program	45.310	2,836	2,836	2,836
<b>Sub-total</b>		<u>3,836</u>	<u>3,836</u>	<u>3,828</u>
<b>Total of Expenditures of Federal Awards</b>		<u>\$ 561,685</u>	<u>\$ 285,405</u>	<u>\$ 314,201</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, 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 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, 2023**

**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, 2023  
(Unaudited)**

**GENERAL FUND**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues:</b>				
Charges for services	\$ 489,060	\$ 489,060	\$ 700,178	\$ 211,118
Cigarette taxes	14,000	14,000	11,678	(2,322)
Hotel/motel taxes	7,000	7,000	8,393	1,393
Franchise fees	17,100	17,100	16,235	(865)
Fines and forfeits	175,250	175,250	142,818	(32,432)
Grant revenues	-	-	20,000	20,000
Interest	-	-	3,533	3,533
Intergovernmental programs	30,000	30,000	33,041	3,041
Licenses and permits	9,000	9,000	36,574	27,574
Miscellaneous revenue	8,510	8,510	61,523	53,013
911 revenues	65,000	65,000	65,889	889
Sales and use taxes	1,775,000	1,775,000	2,015,267	240,267
<b>Total revenues</b>	<u>2,589,920</u>	<u>2,589,920</u>	<u>3,115,129</u>	<u>525,209</u>
<b>Expenditures:</b>				
Current:				
General government	456,400	456,400	401,983	54,417
Public safety	1,988,818	1,988,818	2,363,502	(374,684)
Cultural & recreational	220,100	220,100	178,969	41,131
Capital outlay	107,942	107,942	107,942	-
<b>Total expenditures</b>	<u>2,773,260</u>	<u>2,773,260</u>	<u>3,143,895</u>	<u>(370,635)</u>
<b>Excess of revenue over (under) expenditures</b>	(183,340)	(183,340)	(28,766)	154,574
<b>Other financing sources (uses):</b>				
Lease proceeds	-	147,534	-	147,534
Operating transfers in (out)	216,000	216,000	(73,470)	(289,470)
<b>Net changes in fund balance</b>	32,660	180,194	(102,236)	12,638
<b>Fund balance - beginning of year</b>	<u>596,753</u>	<u>596,753</u>	<u>596,753</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 629,413</u>	<u>\$ 776,947</u>	<u>\$ 494,517</u>	<u>\$ 12,638</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, 2023  
(Unaudited)**

**SPECIAL REVENUE FUNDS**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>		
<b>Revenues:</b>				
Charges for services	\$ 282,600	\$ 282,600	\$ 357,297	\$ 74,697
Interest	-	-	-	-
Grant revenues	7,500	7,500	41,253	33,753
Intergovernment programs	31,000	31,000	29,330	(1,670)
Miscellaneous	-	-	2,187	2,187
<b>Total revenues</b>	<u>321,100</u>	<u>321,100</u>	<u>430,067</u>	<u>108,967</u>
<b>Expenditures:</b>				
Current:				
General government	21,000	21,000	15,221	5,779
Public safety	18,500	18,500	34,854	(16,354)
Highways, roads, & airport	280,600	280,600	45,141	235,459
Cultural & recreational	468,198	468,198	462,086	6,112
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>788,298</u>	<u>788,298</u>	<u>557,302</u>	<u>230,996</u>
<b>Excess of revenue over (under) expenditures</b>	(467,198)	(467,198)	(127,235)	339,963
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	<u>321,000</u>	<u>321,000</u>	<u>180,559</u>	<u>(140,441)</u>
<b>Net changes in fund balance</b>	(146,198)	(146,198)	53,324	199,522
<b>Fund balance - beginning of year</b>	<u>522,252</u>	<u>522,252</u>	<u>522,252</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u>\$ 376,054</u>	<u>\$ 376,054</u>	<u>\$ 575,576</u>	<u>\$ 199,522</u>

**CITY OF MANNFORD  
Mannford, Oklahoma**

**NOTES TO OTHER INFORMATION  
Year Ended June 30, 2023  
(Unaudited)**

**BUDGETARY INFORMATION**

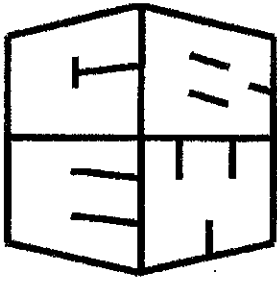
Annual budgets are adopted on a basis consistent with the modified cash basis of accounting. The enterprise funds and internal service fund adopt budgets on the non-GAAP basis wherein service fees, bond and note proceeds are recognized as revenue, principal payments on debt and capital expenditures are 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, 2023**



## **CBEW Professional Group, LLP**

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 25, 2023

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, 2023, 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 25, 2023.

#### ***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***

CBEW Professional Group, LLP  
Certified Public Accountants