

City of Comanche, Oklahoma  
Financial Statements  
Year-End June 30, 2022

City of Comanche, Oklahoma  
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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Comanche, Oklahoma

### Opinions

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

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities fall under those standards that are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Comanche, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter - Basis of Accounting

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Comanche, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Comanche, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Comanche, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### *Other Information*

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Comanche, Oklahoma's basic financial statements. The combining and individual nonmajor fund financial statements—modified cash basis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements—modified cash basis are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements—modified cash basis are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023 on our consideration of the City of Comanche, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Comanche, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Comanche, Oklahoma's internal control over financial reporting and compliance.

*HBC CPAs & Advisors*

May 23, 2023  
Oklahoma City, Oklahoma

## BASIC FINANCIAL STATEMENTS

City of Comanche, Oklahoma  
Government-Wide Statement of Assets, Liabilities and Net Position – Modified Cash Basis  
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 300,482	\$ 180,730	\$ 481,212
Restricted Cash and Investments	98,144	186,124	284,268
Investments	29,916	171,264	201,180
Notes Receivable	-	103,615	103,615
Internal Balances	-	-	-
Capital Assets			
Land			
and Construction in Progress	1,127,835	327,696	1,455,531
Capital Assets being depreciated, net	1,207,982	4,268,676	5,476,658
Total Assets	<u>\$ 2,764,359</u>	<u>\$ 5,238,105</u>	<u>\$ 8,002,464</u>
<b>LIABILITIES</b>			
Long-term Liabilities			
Due Within One Year	67,489	173,004	240,493
Due in More Than One Year	67,343	1,908,300	1,975,643
Total Liabilities	<u>\$ 134,831</u>	<u>\$ 2,081,304</u>	<u>\$ 2,216,135</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,200,985	\$ 2,735,909	\$ 4,936,894
Restricted			
Rural Development Loans	-	111,159	111,159
Drug Forfeiture	1,418	-	1,418
Cemetery	4,511	-	4,511
Retirees	29,916	-	29,916
Fireworks	9,095	-	9,095
Grant Purposes	98,144	-	98,144
Streets	-	-	-
Unrestricted	285,459	309,733	595,192
Total Net Position	<u>\$ 2,629,528</u>	<u>\$ 3,156,801</u>	<u>\$ 5,786,329</u>

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



City of Comanche, Oklahoma  
Government-Wide Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis  
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities							
General Government	\$ 304,008	\$ 11,996	\$ 13,354	\$ -	\$ (278,658)	\$ -	\$ (278,658)
Highways and Streets	253,359	-	115,075	136,144	(2,140)	-	(2,140)
Public Safety	850,062	111,643	72,088	-	(666,331)	-	(666,331)
Economic Development	41,961	-	-	25,300	(16,661)	-	(16,661)
Health and Welfare	106,678	28,146	21,779	61,312	4,559	-	4,559
Culture and Recreation	168,121	20,643	1,504	-	(145,974)	-	(145,974)
Cemetery	93,944	50,980	-	-	(42,964)	-	(42,964)
Interest	4,164	-	-	-	(4,164)	-	(4,164)
<b>Total Governmental Activities</b>	<b>\$ 1,822,297</b>	<b>\$ 223,408</b>	<b>\$ 223,800</b>	<b>\$ 222,756</b>	<b>\$ (1,152,333)</b>	<b>\$ -</b>	<b>\$ (1,152,333)</b>
Business-Type Activities							
General Government	\$ 307,060	\$ -	\$ -	\$ -	\$ -	\$ (307,060)	\$ (307,060)
Electric	1,259,671	1,710,405	-	74,070	-	524,804	524,804
Water	367,184	348,289	-	-	-	(18,895)	(18,895)
Sewer	219,979	140,993	-	-	-	(78,986)	(78,986)
Sanitation	228,292	265,955	-	-	-	37,663	37,663
Economic Development	6,100	45,066	-	-	-	38,966	38,966
Golf Course	94,791	55,460	-	-	-	(39,331)	(39,331)
<b>Total Business Type Activities</b>	<b>\$ 2,483,077</b>	<b>\$ 2,566,168</b>	<b>\$ -</b>	<b>\$ 74,070</b>	<b>\$ -</b>	<b>\$ 157,161</b>	<b>\$ 157,161</b>
<b>Total Primary Government</b>	<b>\$ 4,305,374</b>	<b>\$ 2,789,576</b>	<b>\$ 223,800</b>	<b>\$ 296,826</b>	<b>\$ (1,152,333)</b>	<b>\$ 157,161</b>	<b>\$ (995,172)</b>
General Revenues							
Sales and Use Taxes					\$ 790,149	\$ -	\$ 790,149
Franchise Taxes					30,856	-	30,856
Motor Vehicle Taxes					13,790	-	13,790
Interest					1,495	6,063	7,558
Rents and Royalties					33,624	13,196	46,820
Miscellaneous					51,611	40,245	91,856
Gain (Loss) on Disposal of Assets					(13,500)	-	(13,500)
Transfers					144,848	(144,848)	-
<b>Total General Revenues and Transfers</b>					<b>\$ 1,052,873</b>	<b>\$ (85,344)</b>	<b>\$ 967,529</b>
Change in Net Position					\$ (99,460)	\$ 71,817	\$ (27,643)
Net Position- Beginning					2,728,988	3,084,984	5,813,972
Net Position - Ending					<b>\$ 2,629,528</b>	<b>\$ 3,156,801</b>	<b>\$ 5,786,329</b>

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

City of Comanche, Oklahoma  
Statement of Assets, Liabilities and Fund Balances— Modified Cash Basis  
Governmental Funds  
June 30, 2022

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total
<b>Assets</b>				
Cash	\$ 99,943	\$ 136,268	\$ 162,415	\$ 398,626
Investments	29,916	-	-	29,916
Due From Other Funds	27,866	-	-	27,866
<b>Total Assets</b>	<b>\$ 157,725</b>	<b>\$ 136,268</b>	<b>\$ 162,415</b>	<b>\$ 456,408</b>
<b>Liabilities</b>				
Due to Other Funds	-	-	27,866	27,866
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>27,866</b>	<b>27,866</b>
<b>Fund Balances</b>				
Restricted	\$ 31,334	\$ -	\$ 111,750	\$ 143,084
Committed	-	-	-	-
Assigned	50,853	102,184	50,665	203,702
Unassigned	75,538	34,084	(27,866)	81,756
<b>Total Fund Balances</b>	<b>157,725</b>	<b>136,268</b>	<b>134,549</b>	<b>428,542</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 157,725</b>	<b>\$ 136,268</b>	<b>\$ 162,415</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	Capital Assets not being depreciated	\$ 1,127,835	
	Capital Assets being depreciated	4,231,489	
	Accumulated Depreciation	(3,023,507)	2,335,817
Long-term capital lease are not due and payable in the current period and accordingly are not reported as fund liabilities.			(134,831)
Net position of governmental activities.			\$ 2,629,528

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

City of Comanche, Oklahoma  
Statement of Revenues, Expenditures and  
Changes in Fund Balance – Modified Cash Basis – Governmental Funds  
For the Year Ended June 30, 2022

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total
<b>REVENUE</b>				
Taxes	\$ 572,542	\$ 248,446	\$ 13,790	\$ 834,778
Charges for Services	58,688	-	51,659	110,347
Interest	1,495	-	-	1,495
Rent and Royalties	12,769	-	-	12,769
License and Permits	12,813	-	-	12,813
Fines and Forfeitures	101,331	-	-	101,331
Intergovernmental	-	-	115,075	115,075
Grants	-	25,300	220,360	245,660
Miscellaneous	75,828	63,185	33,406	172,419
Total Revenue	<u>\$ 835,466</u>	<u>\$ 336,931</u>	<u>\$ 434,290</u>	<u>\$ 1,606,687</u>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 214,692	\$ -	\$ -	\$ 214,692
Highways and Streets	929	-	196,121	197,050
Public Safety	700,639	-	21,703	722,342
Cemetery	73,929	-	400	74,329
Culture and Recreation	96,915	-	75,392	172,307
Capital Outlay				
General Government	488	95,701	-	96,189
Cemetery	-	-	4,317	4,317
Culture and Recreation	-	95,670	-	95,670
Public Health and Welfare	-	113,155	-	113,155
Public Safety	-	5,052	27,894	32,946
Highways and Streets	-	2,134	209,092	211,226
Debt Service				
Principal	28,298	35,368	-	63,666
Interest	2,427	1,737	-	4,164
Total Expenditures	<u>\$ 1,118,317</u>	<u>\$ 348,817</u>	<u>\$ 534,919</u>	<u>\$ 2,002,053</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (282,851)</u>	<u>\$ (11,886)</u>	<u>\$ (100,629)</u>	<u>\$ (395,366)</u>
Other Financing Sources				
Capital Asset Financing Proceeds	\$ -	\$ 57,289	\$ -	\$ 57,289
Transfers In	476,596	-	49,000	525,596
Transfers Out	(156,467)	(59,560)	-	(216,027)
Total Other Financing Sources	<u>\$ 320,129</u>	<u>\$ (2,271)</u>	<u>\$ 49,000</u>	<u>\$ 366,858</u>
Net Change in Fund Balances	\$ 37,278	\$ (14,157)	\$ (51,629)	\$ (28,508)
Fund Balances - Beginning	<u>120,447</u>	<u>150,425</u>	<u>186,178</u>	<u>457,050</u>
Fund Balances - Ending	<u>\$ 157,725</u>	<u>\$ 136,268</u>	<u>\$ 134,549</u>	<u>\$ 428,542</u>

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

City of Comanche, Oklahoma  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance – Modified Cash Basis – Governmental Funds  
to the Statement of Revenue, Expenses and Changes in Net Position – Modified Cash Basis  
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ (28,508)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(48,858)
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Because the cost of capital assets acquired are reported in governmental funds as expenditures in the year of purchase, the proceeds from their sale are reported as revenue. However, the costs of these assets must be included as a reduction of the sales proceeds in the statement of activities.	(28,470)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

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

	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">6,376</div>
Change in net position of governmental activities.	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ (99,460)</div>

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

City of Comanche, Oklahoma  
Statement of Assets, Liabilities, Net Position – Modified Cash Basis – Proprietary Funds  
June 30, 2022

	Enterprise Funds		
	Comanche Utilities Authority	Comanche Land Management Authority	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalent	\$ 153,854	\$ 26,875	\$ 180,729
Restricted Cash and Cash Equivalent	76,843	-	76,843
Current Investment	21,848	-	21,848
Current Note Receivable	23,487	-	23,487
Total Current Assets	<u>\$ 276,032</u>	<u>\$ 26,875</u>	<u>\$ 302,907</u>
Noncurrent Assets			
Restricted Cash	109,280	-	109,280
Investments	149,416	-	149,416
Note Receivable	80,128	-	80,128
Capital Assets			
Land and Construction in Progress	108,000	219,696	327,696
Other Capital Assets, Net of Depreciation	4,011,158	257,518	4,268,676
Total Noncurrent Assets	<u>\$ 4,457,982</u>	<u>\$ 477,214</u>	<u>\$ 4,935,196</u>
Total Assets	<u>\$ 4,734,014</u>	<u>\$ 504,089</u>	<u>\$ 5,238,103</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Funds	\$ -	\$ -	\$ -
Refundable Deposits	20,000	1,350	21,350
Notes Payable - Current	151,654	-	151,654
Total Current Liabilities	<u>\$ 171,654</u>	<u>\$ 1,350</u>	<u>\$ 173,004</u>
Noncurrent Liabilities			
Refundable Meter Deposits	101,827	-	101,827
Notes Payable	1,806,473	-	1,806,473
Total Noncurrent Liabilities	<u>1,908,300</u>	<u>-</u>	<u>1,908,300</u>
Total Liabilities	<u>\$ 2,079,954</u>	<u>\$ 1,350</u>	<u>\$ 2,081,304</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,258,695	477,214	2,735,909
Restricted for Rural Development Loans	111,159	-	111,159
Unrestricted	284,206	25,525	309,731
Total Net Position	<u>\$ 2,654,060</u>	<u>\$ 502,739</u>	<u>\$ 3,156,799</u>

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

City of Comanche, Oklahoma  
Statement of Revenue, Expenses and Changes in Net Position – Modified Cash Basis – Proprietary  
Funds  
For the Year Ended June 30, 2022

	Enterprise Funds		
	Comanche Utilities Authority	Comanche Land Management Authority	Totals
Operating Revenues:			
Electric	\$ 1,614,196	\$ -	1,614,196
Water	313,461	-	313,461
Sewer	140,993	-	140,993
Sanitation	265,955	-	265,955
Fees and Penalties	104,896	-	104,896
Rental	-	59,462	59,462
Golf Course	-	55,449	55,449
Miscellaneous	74,426	-	74,426
Total Operating Revenue	<u>\$ 2,513,927</u>	<u>\$ 114,911</u>	<u>\$ 2,628,838</u>
Operating Expenses:			
Sanitation Services	228,292	-	228,292
Water	350,202	-	350,202
Electric	1,152,748	-	1,152,748
Line Maintenance	211,140	-	211,140
General Administration	304,179	16,315	320,494
Golf Course	-	94,791	94,791
Economic Development	-	6,100	6,100
Total Operating Expenses	<u>\$ 2,246,561</u>	<u>\$ 117,206</u>	<u>\$ 2,363,767</u>
Operating Income (Loss)	<u>\$ 267,366</u>	<u>\$ (2,295)</u>	<u>\$ 265,071</u>
Nonoperating Revenues (Expenses):			
Grants	\$ -	\$ -	\$ -
Interest Income	6,063	-	6,063
Interest Expense	(54,483)	-	(54,483)
Total Nonoperating Revenues (Expenses)	<u>\$ (48,420)</u>	<u>\$ -</u>	<u>\$ (48,420)</u>
Income (loss) before contributions and transfers	218,946	(2,295)	216,651
Capital Contributions	84,237	80,484	164,721
Transfers In	96,384	-	96,384
Transfers Out	(405,053)	(900)	(405,953)
Net Change in Net Position	\$ (5,486)	\$ 77,289	\$ 71,803
Total Net Position - Beginning	2,659,546	425,450	3,084,996
Total Net Position- Ending	<u>\$ 2,654,060</u>	<u>\$ 502,739</u>	<u>\$ 3,156,799</u>

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

City of Comanche, Oklahoma  
Statement of Cash Flows – Modified Cash Basis – Proprietary Funds  
For the Year Ended June 30, 2022

	Enterprise Funds		
	Comanche Utilities Authority	Comanche Land Management Authority	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 2,518,387	\$ 114,691	\$ 2,633,078
Payments to Employees for Services	(427,278)	-	(427,278)
Payments to Vendors for Goods and Services	(1,517,385)	(107,923)	(1,625,308)
Net Cash Provided by Operating Activities	<u>\$ 573,724</u>	<u>\$ 6,768</u>	<u>\$ 580,492</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interfund Transfers from Other Funds	\$ 96,384	\$ -	\$ 96,384
Cash Received from Operating Grants	-	-	-
Interfund Transfers to Other Funds	(415,453)	(9,800)	(425,253)
Net Cash Used by Noncapital Financing Activities	<u>\$ (319,069)</u>	<u>\$ (9,800)</u>	<u>\$ (328,869)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	\$ -	\$ (84,957)	\$ (84,957)
Capital Contributions	-	80,484	80,484
Principal Paid on Capital Debt	(142,558)	-	(142,558)
Interest Paid on Capital Debt	(54,483)	-	(54,483)
Net Cash Used by Capital Financing Activities	<u>\$ (197,041)</u>	<u>\$ (4,473)</u>	<u>\$ (201,514)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Income	\$ 6,063	\$ -	\$ 6,063
Economic Development Program Loan Payments	42,178	-	42,178
Cash Received from Restricted Accounts	1,356	-	1,356
Cash Received from Sale of Investments	20,544	-	20,544
Net Cash Provided by Investing Activities	<u>\$ 36,041</u>	<u>\$ -</u>	<u>\$ 36,041</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 93,655	\$ (7,505)	\$ 86,150
Cash and Cash Equivalents, Beginning of Year	137,042	34,380	171,422
Cash and Cash Equivalents, End of Year	<u>\$ 230,697</u>	<u>\$ 26,875</u>	<u>\$ 257,572</u>
As shown on the Statement of Financial Position			
Cash and Cash Equivalent	\$ 153,854	\$ 26,875	\$ 180,729
Restricted Cash and Cash Equivalent	76,843	-	76,843
	<u>\$ 230,697</u>	<u>\$ 26,875</u>	<u>\$ 257,572</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$ 267,366	\$ (2,295)	\$ 265,071
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	301,896	9,283	311,179
Change in Customer Deposits	4,462	(220)	4,242
Total Adjustments	<u>306,358</u>	<u>9,063</u>	<u>315,421</u>
Net Cash Provided by Operating Activities	<u>\$ 573,724</u>	<u>\$ 6,768</u>	<u>\$ 580,492</u>

Comanche Utilities Authority received \$84,237 and Comanche Land Management Authority received \$80,484 respectively, of contributed assets through governmental funds.

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

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

11. The Reporting Entity

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

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

Blended Component Units

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

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

12. Government-wide and fund financial statements

*Government-Wide Financial Statements*

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

The statement of revenues, expenses and changes in net position – modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset



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

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

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

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

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

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

#### *Fund Financial Statements*

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

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

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

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

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

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

- Cemetery Care Fund – accounts for 12.5 percent of cemetery revenues restricted by State law for cemetery capital improvements
- Rural Fire – accounts for annual dues assessments
- Fireworks – funds restricted for annual fireworks show.
- Grant Fund - is a special revenue fund which accounts for restricted revenue sources to be used for specific grant purposes.
- ARPA Grant Fund - is a special revenue fund which accounts for restricted revenue sources to be used for specific grant purposes
- Nutrition Center – funds restricted for operation of nutrition center
- Street and Alley- accounts for State shared gasoline excise and commercial vehicle taxes legally restricted for street and alley purposes.

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

Proprietary funds utilize an economic resources measurement focus within the limitations of

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

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

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

## II. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

### II1. Deposits and investments

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

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

The City does not have a specific policy limiting the concentration amount that may be invested with one issuer. The City has no formal policy on managing credit risk.

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

### II2. Interfund transactions

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

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

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

II3. Restricted assets

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

II4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

City of Comanche, Oklahoma  
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II5. Fund equity

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

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. City of Comanche, Oklahoma did not have any nonspendable resources as of June 30, 2022.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. City of Comanche, Oklahoma has restricted resources by state law and from grants as of June 30, 2022.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal ordinance or resolution of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

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

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

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Notes to Financial Statements  
June 30, 2022

As of June 30, 2022, governmental fund balances are composed of the following:

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Restricted				
Cemetery	\$ -	\$ -	\$ 4,511	\$ 4,511
Retirees	29,916	-	-	29,916
Drug Forfeiture	1,418			1,418
Fireworks	-	-	9,095	9,095
Grant Purposes			98,144	98,144
				<u>143,084</u>
Assigned				
Public Safety	17,606	-	-	17,606
Capital Projects	-	102,184	-	102,184
Rural Fire Department	-	-	33,669	33,669
Cemetery	-	-	2,854	2,854
Hunting and Fishing	9,985	-	-	9,985
Court	23,262	-	-	23,262
Citizens Center		-	14,142	14,142
				<u>203,702</u>
Unassigned	75,538	34,084	(27,866)	81,756
	<u>\$ 157,725</u>	<u>\$ 136,268</u>	<u>\$ 134,549</u>	<u>\$ 428,542</u>

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

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

City of Comanche, Oklahoma  
Notes to Financial Statements  
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II6. Government-wide Net Position

Government-wide Net Position are divided into three components:

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

It is the City’s policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

II7. Sales Tax Revenue

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

II8. Use of Estimates

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

III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The government fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation of the difference between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

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

Capital Outlay	\$ 173,133
Assets transferred to Business activity	(48,591)
Depreciation Expense	(173,400)
	<u>\$ (48,858)</u>

#### IV. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

##### IV1. Budgetary Noncompliance

For the year ended June 30, 2022, expenditures exceeded appropriations at the legal level of control as follows:

<u>Fund</u>	<u>Department</u>	<u>Expenditures Exceeding Appropriations</u>
General Fund		
	Cemetery	816
	Parks	3,875
	Transfers	78,766
Comanche Utilities Authority		
	Sanitation	8,292
	Line Maintenance	12,056

##### IV2. Deficit Fund Balance

Title 11, Section 17-211 prohibits the creation of a deficit fund balance in any fund except for a public trust fund and deficit fund balance was created in the Grants and Street and Alley funds.

#### V. BUDGETARY INFORMATION

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

The appropriated budget is prepared by fund, department and categories (personnel services, materials and supplies, other services and charges, capital outlay, debt services and transfers). Transfers of appropriations between departments within a fund require the



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approval of the City Manager. Transfers of appropriations between funds and supplements to the budget require City Council approval. The legal level of budgetary control is the department level within a fund. Supplemental appropriations must be filed with the Office of State Auditor and Inspector.

## VI. DEPOSITS

Deposit Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows state statutes regarding custodial credit risk which requires collateral for all deposits in excess of Federal Deposit Insurance. At June 30, 2022, the bank balance was \$693,342. The City was not exposed to custodial credit risk as of June 30, 2022.

## VII. INVESTMENTS

The City's investments at June 30, 2022, are presented as follows:

Investment Type	Cost	Investment Maturities ( in year)			
		Less Than 1	1-5	6-10	10-15
Annuity	\$ 171,264	\$ 21,849	\$ 121,599	\$ 27,816	\$ -
Money Market Mutual Fund	29,916	29,916	-	-	-
	<u>\$ 201,180</u>	<u>\$ 51,765</u>	<u>\$ 121,599</u>	<u>\$ 27,816</u>	<u>\$ -</u>

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

City of Comanche, Oklahoma  
Notes to Financial Statements  
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VIII. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

**Primary Government**

	Beginning Balance	Reclassification	Increases	Decreases	Ending Balance
<b>Government Activities:</b>					
<b>Capital assets, not being depreciated</b>					
Land	\$ 737,611	\$ -	\$ -	\$ -	\$ 737,611
Construction in progress	385,679	(48,591)	87,743	34,607	390,224
Total capital assets, not being depreciated	1,123,290	(48,591)	87,743	34,607	1,127,835
<b>Capital assets, being depreciated</b>					
Buildings	1,507,796	-	-	1,200	1,506,596
Vehicles	681,447	-	50,000	83,860	647,587
Machinery and Equipment	1,140,117	-	35,390	5,919	1,169,588
Infrastructure	873,111	-	34,607	-	907,718
Total capital assets, being depreciated	4,202,471	-	119,997	90,979	4,231,489
Less Accumulated Depreciation	2,912,609	-	173,400	62,502	3,023,507
Total capital assets, being depreciated, net	1,289,862	-	(53,403)	28,477	1,207,982
Governmental activities capital assets, net	2,413,152	(48,591)	34,340	63,084	2,335,817
<b>Business-type Activities:</b>					
<b>Capital assets, not being depreciated</b>					
Construction in Progress	\$ -	\$ 48,591	\$ 115,008	\$ 109,903	\$ 53,696
Land	274,000	-	-	-	274,000
Total capital assets, not being depreciated	274,000	48,591	115,008	109,903	327,696
<b>Capital assets, being depreciated</b>					
Buildings	551,756	-	31,261	-	583,017
Vehicles	211,853	-	-	-	211,853
Machinery and Equipment	351,376	-	-	-	351,376
Water Storage Rights	946,641	-	-	-	946,641
Infrastructure	7,163,161	-	84,237	-	7,247,398
Total capital assets, being depreciated	9,224,787	-	115,498	-	9,340,285
Less Accumulated Depreciation	4,760,427	-	311,180	-	5,071,607
Total capital assets, being depreciated, net	4,464,360	-	(195,682)	-	4,268,678
Business activities capital assets, net	4,738,360	48,591	(80,674)	109,903	4,596,374
<b>Total Primary Government</b>	<b>\$ 7,151,512</b>	<b>\$ -</b>	<b>\$ (46,334)</b>	<b>\$ 172,987</b>	<b>\$ 6,932,191</b>

City of Comanche, Oklahoma  
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Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government	\$ 28,109
Public safety	68,464
Culture and recreation	34,378
Highways and streets	27,151
Cemetery	<u>15,298</u>
Total depreciation expense - governmental activities	<u>\$ 173,400</u>
Business-type activities	
Water	\$ 106,877
Line Maintenance	66,934
Electric	120,259
Administration	<u>17,110</u>
Total depreciation expense - business-type activities	<u>\$ 311,180</u>

IX. INTERNAL BALANCES AND INTERFUND TRANSFERS

Internal balances as of June 30 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	Nature of Balance
<u>Due to/from other funds</u>			
General Fund	Street and Alley	\$ 21,478	Operating
General Fund	Grant Fund	<u>\$ 6,388</u>	Operating
		<u>\$ 27,866</u>	

Interfund transfers as of June 30 consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Comanche Utilities Authority	\$ 402,951	Operating
Comanche Utilities Authority	General Fund	82,825	Sales tax pledged for debt
Comanche Utilities Authority	Capital Improvement	13,559	Debt service
General Fund	Court	40,322	Court activity
Police Assets	Court	30,553	Operating
General Fund	Hunt and Fish	2,770	Operating
Grants	Capital Improvement	46,000	Operating
Fireworks	Comanche Utilities Authority	<u>3,000</u>	Operating
Total		<u>\$ 621,980</u>	

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

Reconciliation to fund financial statements:

	Transfers In	Transfers Out	Capital Contribution	Net
Government Funds	\$ 525,596	\$ (216,027)	\$ (164,721)	\$ 144,848
Proprietary Funds	96,384	(405,953)	164,721	(144,848)
	<u>\$ 621,980</u>	<u>\$ (621,980)</u>	<u>\$ -</u>	<u>\$ -</u>

X. LONG-TERM LIABILITIES

A summary of long-term liability activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Primary Government					
Governmental Activities					
Financed Lease Purchase	\$ 141,207	\$ 57,291	\$ 63,667	\$ 134,831	\$ 67,489
Business-Type Activities					
Notes Payable	\$ 1,406,000	\$ -	\$ 91,000	\$ 1,315,000	\$ 101,000
Contracts Payable	694,686	-	51,557	643,129	50,654
	<u>2,100,686</u>	<u>-</u>	<u>142,557</u>	<u>1,958,129</u>	<u>151,654</u>
Refundable Deposits	118,935	4,240	-	123,175	21,350
	<u>\$ 2,360,828</u>	<u>\$ 61,531</u>	<u>\$ 206,224</u>	<u>\$ 2,216,135</u>	<u>\$ 240,493</u>

X1 Governmental Activities

As of June 30, 2022, the long-term debt arising from cash transactions or events, payable from governmental fund resources consisted of the following:

City of Comanche, Oklahoma  
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Financed Lease Purchase Obligations

\$113,028 capital note with a financial institution for three vehicles, down payment of \$10,000, payable in monthly installments of \$1,865, including interest of 3.27%, final payment December, 2023	\$ 34,486
\$63,084 capital note with a financial institution for equipment payable in monthly installments of \$1,607 including interest of 2.5%, final payment September, 2023	23,660
\$56,000 capital note with a financial institution for a vehicle payable in monthly installments of \$998 including interest of 2.65%, final payment Dec., 2022	5,939
\$7,289 capital note with a financial institution for a vehicle payable in monthly installments of \$312 including interest of 2.5%, final payment September, 2023	4,598
\$50,000 capital note with a financial institution for a vehicle payable in monthly installments of \$761 including interest of 3.00%, final payment February, 2028	47,444
\$37,263 capital note with a financial institution for a vehicle payable in monthly installments of \$851 including interest of 4.555%, final payment May, 2024	18,704
	<u>\$ 134,831</u>

The annual debt service requirements to maturity, including principal and interest, for governmental activities debt as of June 30, 2022, are as follows:

Year Ending			
June 30	Total	Principal	Interest
2023	\$ 70,730	\$ 67,489	\$ 3,241
2024	37,157	35,718	1,439
2025	9,126	8,279	847
2026	9,127	8,535	592
2027	9,126	8,798	328
2028	6,081	6,012	69
	<u>\$ 141,347</u>	<u>\$ 134,831</u>	<u>\$ 6,516</u>

City of Comanche, Oklahoma  
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Leased vehicles and equipment under capital leases in capital assets at June 30, 2022, include the following:

Machinery and equipment	\$ 135,429
Vehicles	209,906
less accumulated depreciation	<u>(163,952)</u>
	<u><u>\$ 181,383</u></u>

**X2 Business-Type Activities**

As of June 30, 2022, the long-term debt arising from cash transactions or events, payable from proprietary fund resources consisted of the following:

Type of Indebtedness(purpose)	Maturity	Interest Rates	Annual Installments	Original Issue Amount	Outstanding at June 30, 2022
<u>Direct Borrowings</u>					
Utility System Revenue Note Series 2021 (refinanced loan used for costs of upgrade to electric system)	November, 2033	Variable , initially 2.26%	Variable	1,406,000	1,315,000
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage facility)	October, 2026	3.46%	3,228	69,964	12,368
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage conveyance)	August, 2030	3.46%	29,504	394,733	205,346
Waurika Lake Master Conservancy District (WLMCD) (financed costs of water storage facility)	September, 2035	4.23%	34,980	481,944	306,854
Waurika Lake Master Conservancy District (WLMCD) (financed costs of silt removal)	October, 2035	3.76%	Variable	158,243	118,558
					<u><u>\$ 1,958,126</u></u>

Interest expense of \$54,484 has been included as part of the water expenses.

As of June 30, 2022, annual debt service requirements of the business-type activities to maturity are as follows:

Year Ending June 30	Direct Borrowings					
	Revenue Note Series 2021		WLMCD		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	101,000	29,154	50,654	25,079	151,654	54,233
2024	104,000	26,849	52,592	23,114	156,592	49,963
2025	106,000	24,487	54,564	21,073	160,564	45,560
2026	109,000	22,080	57,120	18,881	166,120	40,961
2027	111,000	19,606	55,659	16,754	166,659	36,360
2028-2032	593,000	59,009	253,824	50,449	846,824	109,458
2033-2036	191,000	4,328	118,713	8,381	309,713	12,709
	<u>\$ 1,315,000</u>	<u>\$ 185,513</u>	<u>\$ 643,126</u>	<u>\$ 163,731</u>	<u>\$1,958,126</u>	<u>\$ 349,244</u>

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

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

The City has pledged future water revenues to secure the debt to the District. At year-end pledged revenues totaling \$806,857, which is the amount of remaining principal and interest outstanding on the District debt. Annual principal and interest on the District debt is expected to require approximately 24% of annual water revenues.

The revenue note has a pledge of CPWA net revenue equal to 125% of annual principal and interest requirements. At year-end future pledged revenues on this debt total \$1,500,513 which is the amount of remaining principal and interest outstanding on the revenue note debt. Annual principal and interest on the revenue note debt is expected to require approximately 16% of net annual CPWA revenues.

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

## XI. RESTRICTED ASSETS

Restricted cash as of June 30, 2022 is as follows:

Funds restricted for debt service reserves	
ARPA Grant	\$ 98,144
2021 Revenue Note	7,454
Waurika Lake Master Conservancy District Debt	49,299
	<u>\$ 154,897</u>
Funds restricted for other purposes	
Meter deposits	121,827
Rural development loans	7,544
	<u>\$ 284,268</u>
As shown on statement of net assets	
Governmental activities	\$ 98,144
Business-Type Activities	186,124
	<u>\$ 284,268</u>

## XII. PENSION PLANS

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

XIII1 Defined Contribution Plan (City of Comanche Retirement Plan)

The City provides retirement benefits to its full-time employees, other than employees covered by a state plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are 3.35% or 5.12%, depending upon the employee group. All employees are eligible and there are no minimum age or service requirements. Employees are required to contribute 3.12, 4.12 or 5.12% of compensation. Contributions are vested over five years. During the past year, the City contributed \$25,514.

XIII3 Oklahoma Firefighters Pension and Retirement Plan

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

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

- *Normal Retirement*

- Hired Prior To November 1, 2013

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

- Hired After November 1, 2013

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



City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

- *Disability*

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

- *Death Benefit*

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

- *Terminations*

Hired Prior To November 1, 2013

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

Hired After November 1, 2013

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

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

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

for the year ended June 30, 2022 was \$25,949 for regular firefighters.

#### XIII4 Oklahoma Police Pension and Retirement

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

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

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

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

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment.

- Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.
- Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit. Effective July 1, 1999, a \$5,000 death benefit is also paid, in addition to any survivor's pension benefits under the Plan, to the participant's beneficiary or estate for active or retired members.
- The Deferred Option allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option, retirement benefits are calculated based on compensation and service at the time of election and a separate account is established for each participant. During the participation period, the employee's retirement benefit is credited to the participant's account along with a portion of the employer's contribution and interest. Interest is credited at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest equal to the assumed actuarial interest of 7.5%. Employee contributions cease once participation in the Deferred Option is elected. At the conclusion of participation in the Deferred Option, the participant will receive the balance in the separate account under payment terms allowed by the Deferred Option and will then begin receiving retirement benefit payments as calculated at the time of election.
  - In the 2003 Legislative Session, Senate Bill 688 and House Bill 1464 created a "Back" DROP for members of the Plan. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years, the member can choose, upon retirement, to be treated as if the member had entered into the "Back" DROP. A member, however, cannot receive credit to the "Back" DROP account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a "Back" DROP benefit based upon up to 5 years of participation. The member's regular retirement benefit will not take into account any years of service credited to the "Back" DROP.
- In 2006, the Board approved a method of payment called the Deferred Option Payout Provision (the "Payout Provision"). The Payout Provision allows a retired member who has completed participation in the Deferred Option or the "Back" DROP the ability to leave their account balance in the Plan. The retired

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

member's account balance will be commingled and reinvested with the total assets, and therefore the member will not be able to direct their personal investments. Written election must be made to the Board no more than 30 days following the termination of employment.

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

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

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

Contributions – The contribution requirements of the Plan are at an established rate determined Oklahoma statute and are not based on actuarial calculations. An eligible municipality may join the plan on the first day of any month. Upon approval, its membership is irrevocable. All persons employed as police officers are required to participate in the Plan upon initial employment. Each municipality contributes 13% of the actual base salary of each participant employed. Each participant contributes 8% of their base salary. Additional funds are provided by the State of Oklahoma, a non-employer contributing entity, through 14% allocation of the tax on premiums collected by insurance companies operating in Oklahoma and by the net investment income generated on assets held by the Plan. The City's contribution to the plan for the year ended June 30, 2022 was \$24,670.

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

XII5 Defined Contribution Plan (City of Comanche Plan)

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

The City provides retirement benefits to its city manager. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions are variable as determined by the City. Employee contribution is 5%. Contributions are fully vested immediately. During the past year, the City contributed \$7,173.

XIII. COMMITMENTS AND CONTINGENCIES

XIII.1 Federal Programs

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The final acceptance of the audits of these programs including the year ended June 30, 2022, has not been given. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the City expects such amounts, if any, to be immaterial.

XIV. RISK MANAGEMENT

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

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

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

**Employee's Group Health and Life** – Insured through the purchase of commercial insurance by Blue Cross and Blue Shield of Oklahoma

Management believes such insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City, and such claims have not exceeded the coverage over the past three fiscal years.

City of Comanche, Oklahoma  
Notes to Financial Statements  
June 30, 2022

XV. SUBSEQUENT EVENTS

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

City of Comanche, Oklahoma  
Supplemental Schedule  
Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis  
Budget to Actual  
General Fund  
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget
<b>REVENUE</b>				
Taxes	\$ 468,600	\$ 483,825	\$ 572,542	\$ 88,717
Charges for Services	38,500	38,500	44,526	6,026
Interest	-	-	475	475
Oil and Gas Royalties	5,500	11,255	12,069	814
License and Permits	3,500	3,500	10,197	6,697
Fines and Forfeitures	6,900	6,900	3,099	(3,801)
Miscellaneous	60,000	87,000	75,828	(11,172)
Total Revenue	<u>\$ 583,000</u>	<u>\$ 630,980</u>	<u>\$ 718,736</u>	<u>\$ 87,756</u>
<b>EXPENDITURES</b>				
Current				
General Government	\$ 124,950	124,950	94,725	\$ 30,225
City Manager	49,320	49,320	46,296	3,024
City Clerk	43,150	58,375	55,041	3,334
City Treasurer	7,276	12,976	12,222	754
Highways and Streets	3,500	3,500	929	2,571
Police	296,000	323,000	314,366	8,634
Animal Control	56,650	56,650	53,397	3,253
Fire	278,900	278,900	266,917	11,983
Cemetery	69,800	69,800	70,616	(816)
Parks	66,454	66,454	70,329	(3,875)
Total Expenditures	<u>\$ 996,000</u>	<u>\$ 1,043,925</u>	<u>\$ 984,838</u>	<u>\$ 59,087</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (413,000)</u>	<u>\$ (412,945)</u>	<u>\$ (266,102)</u>	<u>\$ 146,843</u>
Other Financing Sources (Uses)				
Transfers In	\$ 417,000	\$ 417,000	446,044	\$ 29,044
Transfers Out	(4,000)	(4,055)	(82,821)	(78,766)
Total Other Financing Sources (Uses)	<u>\$ 413,000</u>	<u>\$ 412,945</u>	<u>\$ 363,223</u>	<u>\$ (49,722)</u>
Net Change in Fund Balances	\$ -	\$ -	\$ 97,121	\$ 97,121
Fund Balance - Beginning	-	-	\$ 54,414	54,414
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,535</u>	<u>\$ 151,535</u>
Entries to adjust to modified cash basis			\$ (74,579)	
Other funds combined with General			80,769	
Per Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 157,725</u>	

City of Comanche, Oklahoma  
Notes to Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2022

**1. Budgetary Information**

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

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

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

**Budgetary Noncompliance** – For the year ended June 30, 2022, the following departments are out of compliance: Cemetery, Parks.



City of Comanche, Oklahoma  
Supplemental Schedule  
Combining Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis  
Nonmajor Governmental Funds  
June 30, 2022

	<u>Cemetery</u>	<u>Fireworks</u>	<u>ARPA Grant</u>	<u>Grants</u>	<u>Rural Fire</u>	<u>Nutrition Center</u>	<u>Street and Alley</u>	<u>Total</u>
Assets								
Cash	\$ 7,365	\$ 9,095	\$ 98,144	\$ -	\$ 33,669	\$ 14,142	\$ -	\$ 162,415
Total Assets	<u>\$ 7,365</u>	<u>\$ 9,095</u>	<u>\$ 98,144</u>	<u>\$ -</u>	<u>\$ 33,669</u>	<u>\$ 14,142</u>	<u>\$ -</u>	<u>162,415</u>
Liabilities								
Due to Other Funds	-	-	-	6,388	-	-	21,478	27,866
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,388</u>	<u>-</u>	<u>-</u>	<u>21,478</u>	<u>27,866</u>
Fund Balances								
Restricted	\$ 4,511	\$ 9,095	\$ 98,144	\$ -	\$ -	\$ -	\$ -	\$ 111,750
Assigned	2,854	-	-	-	33,669	14,142	-	50,665
Unrestricted	-	-	-	(6,388)	-	-	(21,478)	(27,866)
Total Fund Balances	<u>\$ 7,365</u>	<u>9,095</u>	<u>98,144</u>	<u>(6,388)</u>	<u>33,669</u>	<u>\$ 14,142</u>	<u>\$ (21,478)</u>	<u>\$ 134,549</u>
Total Liabilities and Fund Balances	<u>\$ 7,365</u>	<u>\$ 9,095</u>	<u>\$ 98,144</u>	<u>\$ -</u>	<u>\$ 33,669</u>	<u>\$ 14,142</u>	<u>\$ -</u>	<u>\$ 162,415</u>

City of Comanche, Oklahoma  
Supplemental Schedule  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash  
Basis  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022

	Cemetery	Fireworks	ARPA Grant	Grants	Rural Fire	Nutrition Center	Street and Alley	Total
REVENUE								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,790	\$ 13,790
Charges for Services	6,454	-	-	-	12,333	32,872	-	51,659
Miscellaneous	-	13,354	-	-	13,123	6,929	-	33,406
Intergovernmental	-	-	-	-	-	-	115,075	115,075
Grants	-	-	136,144	67,525	5,063	11,628	-	220,360
Total Revenue	<u>\$ 6,454</u>	<u>\$ 13,354</u>	<u>\$ 136,144</u>	<u>\$ 67,525</u>	<u>\$ 30,519</u>	<u>\$ 51,429</u>	<u>\$ 128,865</u>	<u>\$ 434,290</u>
EXPENDITURES								
Current								
Cemetery	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400
Culture and Recreation	-	17,779	-	-	-	57,613	-	75,392
Highway and Street	-	-	-	20,000	-	-	176,121	196,121
Public Safety	-	-	-	-	21,703	-	-	21,703
Capital Outlay								
Highway and Street	-	-	38,000	171,092	-	-	-	209,092
Cemetery	4,317	-	-	-	-	-	-	4,317
Public Safety	-	-	-	-	27,894	-	-	27,894
Total Expenditures	<u>\$ 4,717</u>	<u>\$ 17,779</u>	<u>\$ 38,000</u>	<u>\$ 191,092</u>	<u>\$ 49,597</u>	<u>\$ 57,613</u>	<u>\$ 176,121</u>	<u>\$ 534,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,737</u>	<u>\$ (4,425)</u>	<u>\$ 98,144</u>	<u>\$ (123,567)</u>	<u>\$ (19,078)</u>	<u>\$ (6,184)</u>	<u>\$ (47,256)</u>	<u>\$ (100,629)</u>
Other Financing Sources								
Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	3,000	-	46,000	-	-	-	49,000
Total Other Financing Sources	<u>-</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 46,000</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>49,000</u>
Net Change in Fund Balances	\$ 1,737	\$ (1,425)	\$ 98,144	\$ (77,567)	\$ (19,078)	\$ (6,184)	\$ (47,256)	\$ (51,629)
Fund Balances - Beginning	5,628	10,520	-	71,179	52,747	20,326	25,778	186,178
Fund Balances - Ending	<u>\$ 7,365</u>	<u>\$ 9,095</u>	<u>\$ 98,144</u>	<u>\$ (6,388)</u>	<u>\$ 33,669</u>	<u>\$ 14,142</u>	<u>\$ (21,478)</u>	<u>\$ 134,549</u>

City of Comanche, Oklahoma  
Supplemental Schedule  
Combining Statement of Assets, Liabilities and Fund Balance – Modified Cash Basis  
General Fund  
June 30, 2022

	General	Pension Retirement	Hunting and Fishing	Police Asset	Municipal Court	Total
<b>Assets</b>						
Cash	\$ 49,090	\$ -	\$ 9,985	\$ 17,606	\$ 23,262	\$ 99,943
Investments	-	29,916	-	-	-	29,916
Due from Other Funds	27,866	-	-	-	-	27,866
<b>Total Assets</b>	<b>\$ 76,956</b>	<b>\$ 29,916</b>	<b>\$ 9,985</b>	<b>\$ 17,606</b>	<b>\$ 23,262</b>	<b>\$ 157,725</b>
<b>Liabilities</b>						
Employee Related	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>						
Restricted	\$ 1,418	\$ 29,916	\$ -	\$ -	\$ -	\$ 31,334
Committed	-	-	-	-	-	-
Assigned	-	-	9,985	17,606	23,262	50,853
Unassigned	75,538	-	-	-	-	75,538
<b>Total Fund Balances</b>	<b>\$ 76,956</b>	<b>\$ 29,916</b>	<b>\$ 9,985</b>	<b>\$ 17,606</b>	<b>\$ 23,262</b>	<b>\$ 157,725</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 76,956</b>	<b>\$ 29,916</b>	<b>\$ 9,985</b>	<b>\$ 17,606</b>	<b>\$ 23,262</b>	<b>\$ 157,725</b>

City of Comanche, Oklahoma  
Supplemental Schedule  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis  
General Fund  
For the Year Ended June 30, 2022

	General	Pension Retirement	Hunting and Fishing	Police Asset	Municipal Court	Total
<b>REVENUE</b>						
Taxes	\$ 572,542	\$ -	\$ -	\$ -	\$ -	\$ 572,542
License and Permits	10,197	-	2,616	-	-	12,813
Charges for Services	44,526	-	14,162	-	-	58,688
Interest	475	1,020	-	-	-	1,495
Rent and Royalties	12,069	-	700	-	-	12,769
Miscellaneous	75,828	-	-	-	-	75,828
Fines and Forfeitures	3,099	-	-	-	98,232	101,331
Intergovernmental	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Total Revenue	<u>\$ 718,736</u>	<u>\$ 1,020</u>	<u>\$ 17,478</u>	<u>\$ -</u>	<u>\$ 98,232</u>	<u>\$ 835,466</u>
<b>EXPENDITURES</b>						
<b>Current</b>						
General Government	\$ 214,279	\$ 413	\$ -	\$ -	\$ -	\$ 214,692
Public Safety	656,263	-	-	15,967	28,409	700,639
Culture and Recreation	71,563	-	25,352	-	-	96,915
Cemetery	73,929	-	-	-	-	73,929
Highways and Streets	929	-	-	-	-	929
<b>Capital Outlay</b>						
General Government	488	-	-	-	-	488
Culture and Recreation	-	-	-	-	-	-
<b>Debt Service</b>						
Principal	-	-	-	28,298	-	28,298
Interest	-	-	-	2,427	-	2,427
Total Expenditures	<u>\$ 1,017,451</u>	<u>\$ 413</u>	<u>\$ 25,352</u>	<u>\$ 46,692</u>	<u>\$ 28,409</u>	<u>\$ 1,118,317</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (298,715)</u>	<u>\$ 607</u>	<u>\$ (7,874)</u>	<u>\$ (46,692)</u>	<u>\$ 69,823</u>	<u>\$ (282,851)</u>
<b>Other Financing Sources</b>						
Transfers In	446,042	-	-	30,554	-	\$ 476,596
Transfers Out	(82,821)	-	(2,770)	-	(70,876)	(156,467)
Total Other Financing Sources	<u>363,221</u>	<u>-</u>	<u>(2,770)</u>	<u>30,554</u>	<u>(70,876)</u>	<u>320,129</u>
Net Change in Fund Balances	\$ 64,506	\$ 607	\$ (10,644)	\$ (16,138)	\$ (1,053)	\$ 37,278
Fund Balances - Beginning	12,450	29,309	20,629	33,744	24,315	120,447
Fund Balances - Ending	<u>\$ 76,956</u>	<u>\$ 29,916</u>	<u>\$ 9,985</u>	<u>\$ 17,606</u>	<u>\$ 23,262</u>	<u>\$ 157,725</u>

City of Comanche, Oklahoma  
Supplemental Schedule  
Schedule of Federal Awards  
For the Year Ended June 30, 2022

Federal/Pass Through Agency Grantor/Program/Title	Federal CFDA Number	Grant Number	Award Amount	Awards Expended
U.S. Department of Transportation				
<i>Passed through Oklahoma Department of Transportation</i>				
<b>Highway Planning and Construction Cluster</b>				
Transportation Alternatives Program Grant	20.205	N/A	\$ 631,205	\$ 631,205
Total Highway Planning and Construction Cluster			<u>631,205</u>	<u>631,205</u>
U.S. Department of Agriculture				
Rural Business Development Grant	10.351	42-069-7360005154	55,000	23,739
Rural Business Development Grant	10.351		<u>128,000</u>	<u>27,675</u>
<b>Community Facilities Loans and Grants Cluster</b>				
Community Facilities Loans and Grants	10.766		<u>28,300</u>	<u>28,300</u>
Total Community Facilities Loans and Grants Cluster			<u>28,300</u>	<u>28,300</u>
U.S. Department of Environmental Protection Agency				
<i>Passed through Oklahoma Water Resource Board</i>				
Capitalization Grants for Clean Water State Revolving Funds	66.458		<u>200,000</u>	<u>67,025</u>
U.S Department of the Treasury				
<i>Passed through Oklahoma Office of Management and Enterprise Services</i>				
State and Local Fiscal Recovery Fund	21.027		<u>273,587</u>	<u>38,000</u>
Total Federal Awards			<u>\$ 1,316,092</u>	<u>\$ 815,944</u>

See notes to Schedule of Expenditures of Federal Funds.

City of Comanche, Oklahoma  
Notes to Schedule of Federal and State Awards  
For the Year Ended June 30, 2022

Note A: Summary of Significant Accounting Policies

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

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

Note B: Indirect Cost Rate

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

City of Comanche, Oklahoma  
Supplemental Schedule  
Schedule of State Awards  
For the Year Ended June 30, 2022

Grantor/Program/Title	Grant Number	Award Amount	Awards Expended
Tobacco Settlement Endowment Trust Healthy Incentive Program Grant for Communities	HCIG21-12	\$ 36,000	\$ 28,621
Oklahoma Department of Agriculture Rural Fire Operational		\$ 4,763	\$ 4,763
Rural Fire Center		\$ 9,500	\$ 9,500
Oklahoma Department of Rehabilitation Services Community Action Development Corporation		\$ 4,726	\$ 4,726
Association of South Central Oklahoma Governments REAP		\$ 45,000	\$ 45,000
Oklahoma Department of Commerce Community Expansion of Nutrition Assistance		\$ 11,628	\$ 11,628
Total State Awards		\$ 111,617	\$ 104,238



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

To the City Council  
City of Comanche, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Comanche, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Comanche, Oklahoma's basic modified cash basis financial statements, and have issued our report thereon dated May 23, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Comanche, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings under items 2022-001 and 2022-002.



### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "HBC CPAs & Advisors". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma  
May 23, 2023



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

To the City Council  
City of Comanche, Oklahoma

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

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

We have audited the City of Comanche, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Comanche, Oklahoma's major federal programs for the year ended June 30, 2022. City of Comanche, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Comanche, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

We are required to be independent of City of Comanche, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Comanche, Oklahoma's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Comanche, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would

influence the judgment made by a reasonable user of the report on compliance about City of Comanche, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Comanche, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Comanche, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Comanche, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

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



Oklahoma City, Oklahoma  
May 23, 2023

**City of Comanche**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2022**

**I. Summary of Auditors' Results**

**Financial Statements**

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
• Noncompliance which is material to the financial statements noted?	No

**Federal Rewards**

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

**Identification of major programs**

<b>CDFA Number</b>	<b>Name of Federal Program or Cluster</b>
20.205	Transportation Alternatives Program Grant
Dollar threshold to distinguish between Type A and Type B programs	\$750,000
Auditee qualifies as a low-risk auditee?	No

**II. Financial Statement Findings**

2022-001 and 2022-002 in the following pages.

**City of Comanche**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2022**

**III. Financial Statement Findings**

See prior year findings on the financial audit. These have been corrected in the current year.

**CITY OF COMANCHE, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES FOR THE  
FINANCIAL STATEMENT AUDIT  
YEAR ENDED JUNE 30, 2022**

<b>Finding No.</b>	2022-001
<b>Criteria:</b>	Title 11, Section 17-211 prohibits the creation of a deficit fund balance in any fund except for a public trust fund.
<b>Condition:</b>	As reported in the notes to financial statements, a deficit fund balance was created in the Grants and Street and Alley funds.
<b>Cause:</b>	The City appears to have expended more than the resources available in these funds.
<b>Effect or Potential Effect:</b>	The City appears to have violated state laws prohibiting the creation of deficit fund balances.
<b>Response:</b>	This issue was caused by unexpected delay in receipt of funds submitted for reimbursement prior to year-end but not received until after year-end.

**CITY OF COMANCHE, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES FOR THE  
FINANCIAL STATEMENT AUDIT  
YEAR ENDED JUNE 30, 2022**

<b>Finding No.</b>	2022-002
<b>Criteria:</b>	The City prepares its budget in accordance with the Oklahoma Municipal Budget Act of 1979. As part of compliance with that budget act, the City prepares and administers its budget at the department level. This is the City's legal level of control.
<b>Condition:</b>	As reported in the notes to financial statements, the amount of expenditures of several departments within the City exceeded their appropriations.
<b>Cause:</b>	The City expended more than the amounts appropriated to these specific departments during the budget year 2021-2022.
<b>Effect or Potential Effect:</b>	The City appears to have violated state budget laws.
<b>Response:</b>	The overall appropriation for the general fund was sufficient to cover the overages but the departmental expenditures exceeded the amended budget. Department transfers will occur in the future.

**CITY OF COMANCHE, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES FOR THE  
FINANCIAL STATEMENT AUDIT  
YEAR ENDED JUNE 30, 2022**

**Finding No.** 2021-001

**Criteria:** As part of the audit report the City is to provide a schedule of grant awards.

**Condition:** The schedule of grant awards in the original draft had significant errors on the grant schedule. The Coronavirus Relief Fund grant was not listed. The RBDG grant has the wrong award amounts and the wrong federal expenditure award amounts. The ODOT sidewalk grant was not listed, and the City believes it was a state project and not a City project. However, the grant contract states “the Sponsor (City of Comanche) has been identified as beneficiary and sub-recipient of such federally funded project.” In order to get information concerning the grant requirement we had to contact ODOT. Rural Fire Operations grant had the incorrect amount listed. A Community Foundation grant was mis-identified as fire operations grant and the ODOT Roadside Beautification grant was not listed on the schedule. This was also misclassified as miscellaneous revenue in the trial balance.

**Disposition:** This was not a finding during 2021-22 year.



**CITY OF COMANCHE, OKLAHOMA  
SCHEDULE OF FINDINGS AND RESPONSES FOR THE  
FINANCIAL STATEMENT AUDIT  
YEAR ENDED JUNE 30, 2022**

<b>Finding No.</b>	2021-002
<b>Criteria:</b>	When the City maintains restricted funds, such as the Capital Improvement Fund, it must have on-going procedures to document all expenditures in the fund are spent in accordance with restrictions.
<b>Condition:</b>	On the RDBG grant for the renovation of the Trading Post the City processed a \$40,000 claim for expenses paid from the Capital Improvement Fund. However, when the \$40,000 reimbursement was received. \$34,900 of it was placed in other funds. The City indicated they have qualified payroll and other expenses that were paid by these other funds.
<b>Disposition:</b>	This was not a finding during 2021-22 year.