



**ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**THE CITY OF IDABEL, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Idabel, Oklahoma

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of the City of Idabel, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

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, business-type activities, the aggregate discretely component units, each major fund and the aggregate remaining fund information of the City of Idabel, Oklahoma, as of June 30, 2021, and the respective changes in modified cash basis financial position and cash flows where applicable in accordance with the modified cash basis of accounting as described in Note 1.

## **Basis of Accounting**

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

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Idabel, Oklahoma's basic financial statements. The management's discussion and analysis (pages 5-11), the budgetary comparison information (page 34-35), the combining and non-major fund financial statement-modified cash basis (pages 36-41) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (page 42) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements—modified cash basis and the schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional 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, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's discussion and analysis and the budgetary comparison 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 them.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2022, on our consideration of the City of Idabel, 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 Idabel, 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 Idabel, Oklahoma's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma  
February 18, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The management of the City of Idabel is pleased to provide this annual financial report to its citizens, taxpayers and other report users to demonstrate its accountability and communicate the City's financial condition and activities as of and for the fiscal year ended June 30, 2021. Management of the City is responsible for the fair presentation of this annual report, for maintaining appropriate internal controls over financial reporting, and for complying with applicable laws, regulations, and provisions of grants and contracts. The City reports its financial statements and schedules on a modified cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles. All of the financial analyses in this report must be considered within the context of the limitations of the modified cash basis of accounting.

## **FINANCIAL HIGHLIGHTS**

- As reported on a modified cash basis, the City's total net position increased by \$2,210,159, while the assets of the City exceed its liabilities at June 30, 2021, by \$10,391,885 (net position). Of this amount, \$7,053,033 (unrestricted net position) is available to meet the government's ongoing needs.
- At June 30, 2021, the City's governmental funds reported combined total fund balances on a modified cash basis of \$4,270,699.
- At the end of fiscal year 2021, unassigned fund balance on a modified cash basis for the General Fund was \$1,755,076, or 30.5% of General Fund revenues.

## **ABOUT THE CITY**

The City of Idabel is an incorporated municipality with a population of approximately 7,000 located in McCurtain County in southeastern Oklahoma. The City is an aldermanic form of government. Under this form of government, the City is governed by the Mayor and a four-member City Council and operates under state law and City ordinances through the three branches of democratic government:

- Legislative – the City Council is a four-member governing body elected by the citizens at large
- Executive – the City Mayor is the Chief Executive Officer and is elected by the people
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, and through its Public Works Authority, certain utility services including water, wastewater, and sanitation.

### ***The City's Financial Reporting Entity***

This annual report includes all activities for which the City of Idabel City Council is financially accountable. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

The City's financial reporting entity includes the following separate legal entities.

- **The City of Idabel** – an incorporated City that operates the public safety, streets and public works, health and welfare, culture and recreation, and administrative activities of the City – *reported as part of the primary government*



- **The Idabel Public Works Authority (IPWA)** – public trust created pursuant to 60 O.S. § 176 to operate the water, wastewater, and sanitation services of the City, with the City Council members serving as the trustees – *considered part of the primary government presentation for reporting purposes as a blended component unit*
- **The McCurtain County Regional Airport Authority (MCRA)** – public trust created pursuant to 60 O.S. § 176 to provide airports, aerodromes, landing fields for aircraft and related services and facilities of the City, with the City Council members serving as the trustees – *considered part of the primary government presentation for reporting purposes as a blended component unit included as an account of the General Fund*
- **The Idabel Industrial Development Authority (IIDA)** – public trust created pursuant to 60 O.S. § 176 to attract and develop industries within the City – *reported as a discretely presented component unit*
- **The Idabel Public Golf Authority (IPGA)** – public trust created pursuant to 60 O.S. § 176 to promote and develop golfing facilities within the City – *excluded by management and not reported as a discretely presented component unit*. Separate financial statements may be obtained at the IPGA's office.

In addition, as required by state law, all debt obligations incurred by the trusts must be approved by two-thirds vote of the City Council. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trust within the City's financial reporting entity. Except for the Idabel Public Golf Authority, the public trusts do not issue separate annual financial statements.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

Except for the exclusion of the Idabel Public Golf Authority, the financial statements presented herein include all of the activities of the City of Idabel (the "City"). Included in this report are government-wide statements for the governmental activities, business-type activities, and a discretely presented component unit.

The government-wide financial statements present the complete financial picture of the City from the modified cash basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### **Reporting the City as a Whole**

#### ***The Statement of Net Position and the Statement of Activities***

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. You will need to consider other non-financial factors, however, such as changes in the City's sales tax base, the condition of the City's roads, and quality of service to assess the overall health of the City. You will also need to keep in mind that these government-wide statements are prepared in accordance with the modified cash basis of accounting and include only those City assets and liabilities resulting from cash transactions with selected modifications.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the police, fire, administration, and streets. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- *Business-type activities* – Activities where the City charges a fee to customers to help cover all or most of the cost of certain services it provides are reported here. The City's water, sewer, and sanitation utilities are reported as business-type activities.
- *Discretely presented component unit* – The discretely presented component unit, the Idabel Industrial Development Authority, accounts for activities of the City's reporting entity that do not meet the criteria for blending, such as industrial development activities.

## **Reporting the City's Most Significant Funds - Fund Financial Statements**

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

The fund financial statements provide detailed information about the City's most significant (major) funds -- not the City as a whole. Some funds are required to be established by State law and by debt covenants. However, the City Council may also establish certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

*Governmental funds* - All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on a modified cash basis of accounting. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

*Proprietary funds* - When the City, through the Public Works Authority, charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are also reported on the modified cash basis of accounting. The City's proprietary fund is the Idabel Public Works Authority that accounts for the operation of the water, sewer, and sanitation activities.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 19-33 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents a Budgetary Comparison Schedule for the General Fund, combining and individual fund financial statements and schedules, and the Schedule of Expenditures of Federal Awards.

**CITY OF IDABEL, OKLAHOMA**  
Management's Discussion and Analysis  
As of and for the Year Ended June 30, 2021

**THE CITY AS A WHOLE**

For the year ended June 30, 2021, net position on a modified cash basis for the governmental and business-type activities increased \$2,210,159, or 27.0%.

**Net Position (Modified Cash Basis)**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Beginning net position	\$ 2,652,120	\$ 5,529,606	\$ 8,181,726
Change in net position	1,618,579	591,580	2,210,159
Ending net position	<u>\$ 4,270,699</u>	<u>\$ 6,121,186</u>	<u>\$ 10,391,885</u>

Following is a summary of net position reported on a modified cash basis for the City of Idabel.

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total Primary Government</b>		<b>% Inc. (Dec.)</b>
	<b>2021</b>	<b>2020</b>		<b>2021</b>	<b>2020</b>		<b>2021</b>	<b>2020</b>	
Assets	\$ 4,283,924	\$ 2,666,490	61%	\$ 6,341,970	\$ 5,744,870	10%	\$ 10,625,894	\$ 8,411,360	26%
Total assets	<u>4,283,924</u>	<u>2,666,490</u>	61%	<u>6,341,970</u>	<u>5,744,870</u>	10%	<u>10,625,894</u>	<u>8,411,360</u>	26%
Liabilities	13,225	14,370	-8%	220,784	215,264	3%	234,009	229,634	2%
Total liabilities	<u>13,225</u>	<u>14,370</u>	-8%	<u>220,784</u>	<u>215,264</u>	3%	<u>234,009</u>	<u>229,634</u>	2%
Net position:									
Restricted	1,893,872	867,860	118%	1,444,980	1,440,810	0%	3,338,852	2,308,670	45%
Unrestricted	2,376,827	1,784,260	33%	4,676,206	4,088,796	14%	7,053,033	5,873,056	20%
Total net position	<u>\$ 4,270,699</u>	<u>\$ 2,652,120</u>	61%	<u>\$6,121,186</u>	<u>\$5,529,606</u>	11%	<u>\$10,391,885</u>	<u>\$8,181,726</u>	27%

A portion of the City's net position, \$3,338,852, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing needs.

**CITY OF IDABEL, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2021**

**Changes in Net Position (Modified Cash Basis)**  
**Year Ended June 30, 2021**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2021	2020		2021	2020		2021	2020	
Revenues:									
Program revenues:									
Charges for services	\$ 378,236	\$ 388,500	-3%	\$ 3,070,959	\$ 3,039,591	1%	\$ 3,449,195	\$ 3,428,091	1%
Operating grants/contributions	724,362	225,848	221%	-	-	-	724,362	225,848	221%
Capital grants/contributions and debt proceeds	465,070	1,166,517	-60%	-	-	-	465,070	1,166,517	-60%
General revenues:									
Sales and use taxes	4,662,368	4,018,962	16%	-	-	-	4,662,368	4,018,962	16%
Other taxes	382,041	320,936	19%	-	-	-	382,041	320,936	19%
Other general revenue	884,934	552,594	60%	48,782	91,057	-46%	933,716	643,651	45%
Total revenues	7,497,011	6,673,357	12%	3,119,741	3,130,648	0%	10,616,752	9,804,005	8%
Program expenses:									
General government	606,105	524,746	16%	-	-	-	606,105	524,746	16%
Streets	834,137	911,318	-8%	-	-	-	834,137	911,318	-8%
Public safety	2,175,566	2,279,226	-5%	-	-	-	2,175,566	2,279,226	-5%
Cemetery	165,839	196,034	-15%	-	-	-	165,839	196,034	-15%
Legal and judicial	61,508	59,770	3%	-	-	-	61,508	59,770	3%
Culture and recreation	48,047	54,388	-12%	-	-	-	48,047	54,388	-12%
Community development	220,838	224,642	-2%	-	-	-	220,838	224,642	-2%
Airport	714,537	1,438,574	-50%	-	-	-	714,537	1,438,574	-50%
Maintenance	67,727	66,303	2%	-	-	-	67,727	66,303	2%
Industrial development	122,207	120,050	2%	-	-	-	122,207	120,050	2%
Principal Retirement	127,686	111,430	15%	-	-	-	127,686	111,430	15%
Interest and fiscal agent fees	115,885	110,570	5%	-	-	-	115,885	110,570	5%
Water operations	-	-	-	1,129,756	2,198,431	-49%	1,129,756	2,198,431	-49%
Sewer operations	-	-	-	726,339	753,560	-4%	726,339	753,560	-4%
Sanitation operations	-	-	-	785,749	794,876	-1%	785,749	794,876	-1%
Landfill operations	-	-	-	272,549	385,547	-29%	272,549	385,547	-29%
Governmental Principal Retirement	-	-	-	91,682	92,267	-1%	91,682	92,267	-1%
Governmental Interest Expense	-	-	-	140,436	144,205	-3%	140,436	144,205	-3%
Total expenses	5,260,082	6,097,051	-14%	3,146,511	4,368,886	-28%	8,406,593	10,465,937	-20%
Excess (deficiency) before transfers	2,236,929	576,306	288%	(26,770)	(1,238,238)	-98%	2,210,159	(661,932)	-434%
Net transfers in (out)	(618,350)	(324,157)	91%	618,350	324,157	91%	-	-	-
Increase (decrease) in net position	\$ 1,618,579	\$ 252,149	542%	\$ 591,580	\$ (914,081)	-165%	\$ 2,210,159	\$ (661,932)	-434%
Net position - beginning	2,652,120	2,399,971	11%	5,529,606	6,443,687	-14%	8,181,726	8,843,658	-7%
Net position - ending	\$ 4,270,699	\$ 2,652,120	61%	\$ 6,121,186	\$ 5,529,606	11%	\$ 10,391,885	\$ 8,181,726	27%

**Governmental Activities**

The City's governmental activities had an increase in net position of \$1,618,579 compared to the prior year, and the current year increase was approximately \$1,370,000 more than the prior year increase. Overall, this is primarily due to an increase in general revenues offset with a decrease in program expenses and an increase in net transfers out. Specific significant changes in the following areas of revenues, expenses, and net transfers are noted below:

- General revenues increased approximately \$1,040,000, mainly due to increases in sales and use taxes and other general revenue, but was offset with a decrease in program revenues of approximately \$213,000, mainly due to a decrease in capital grants/contributions and debt proceeds in 2021.
- Program expenses decreased approximately \$840,000, mainly due to decreases in capital outlays for streets, public safety, and the airport in 2021.
- Net transfers out increased approximately \$294,000, mainly due to an increase in transfers of sales tax from the General Fund to the IPWA in 2021.

**CITY OF IDABEL, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended June 30, 2021**

**Net Revenue (Expense) of Governmental Activities**

	<b>Total Expense of Services</b>		<b>% Inc (Dec)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc (Dec)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
General government	\$ 606,105	\$ 524,746	15.5%	\$ (514,211)	\$ (423,995)	21.3%
Streets	834,137	911,318	-8.5%	(773,286)	(851,473)	-9.2%
Public safety	2,175,566	2,279,226	-4.5%	(1,509,614)	(2,113,960)	-28.6%
Cemetery	165,839	196,034	-15.4%	(162,111)	(193,475)	-16.2%
Legal and judicial	61,508	59,770	2.9%	(61,508)	(59,770)	2.9%
Culture and recreation	48,047	54,388	-11.7%	(9,021)	(31,802)	-71.6%
Community development	220,838	224,642	-1.7%	(163,832)	(158,532)	3.3%
Airport	714,537	1,438,574	-50.3%	(65,326)	(74,826)	-12.7%
Maintenance	67,727	66,303	2.1%	(67,727)	(66,303)	2.1%
Industrial development	122,207	120,050	1.8%	(122,207)	(120,050)	1.8%
Principal Retirement	127,686	111,430	14.6%	(127,686)	(111,430)	14.6%
Interest and fiscal agent fees	115,885	110,570	4.8%	(115,885)	(110,570)	4.8%
<b>Total</b>	<u>\$5,260,082</u>	<u>\$6,097,051</u>	-13.7%	<u>\$ (3,692,414)</u>	<u>\$ (4,316,186)</u>	-14.5%

**Business-type Activities**

The City's business-type activities had an increase in net position of \$591,580 compared to the prior year, and the current year increase was approximately \$1,500,000 more than the prior year decrease. This is primarily due to a decrease in program expenses of approximately \$1,200,000 combined with an increase in net transfers in of approximately \$294,000 in 2021.

**Net Revenue (Expense) of Business-Type Activities**

	<b>Total Expense of Services</b>		<b>% Inc (Dec)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc (Dec)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Water operations	\$ 1,129,756	\$ 2,198,431	-48.6%	\$ (46,720)	\$ (1,156,977)	-96.0%
Wastewater operations	726,339	753,560	-3.6%	10,139	(39,201)	-125.9%
Sanitation operations	785,749	794,876	-1.1%	120,959	83,305	45.2%
Landfill operations	272,549	385,547	-29.3%	72,188	20,050	260.0%
Governmental Principal Retirement	91,682	92,267	-0.6%	(91,682)	(92,267)	-0.6%
Governmental Interest Expense	140,436	144,205	-2.6%	(140,436)	(144,205)	-2.6%
<b>Total</b>	<u>\$ 3,146,511</u>	<u>\$ 4,368,886</u>	-28.0%	<u>\$ (75,552)</u>	<u>\$ (1,329,295)</u>	-94.3%

## **A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed its 2021 fiscal year, the governmental funds reported a combined total fund balance of \$4,270,699. For the year ended June 30, 2021, the General Fund's total fund balance increased by \$591,860, or 33.2%.

### **Budgetary Highlights**

Total revenues exceeded the amount budgeted by \$541,324, or 12.5%, while total expenditures and transfers out were less than the amount budgeted by \$371,951, or 7.9%.

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

One of the primary responsibilities of City management is to prepare and submit to the City Council an annual budget for the upcoming fiscal year that is balanced, meets the needs and expectations of the City, and is appropriate to the economic conditions of the City. This management is committed to the fiduciary responsibility that we have in managing public resources.

- The City's General Fund revenues and expenditures for the 2022 fiscal year are each budgeted to increase approximately \$254,000.
- The IPWA revenues and expenses for the 2022 fiscal year are each budgeted to increase approximately \$161,000.

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

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Idabel City Clerk-Treasurer at City of Idabel, 201 E. Main, Idabel, Oklahoma 74745-4875 or phone at (580) 286-7608. The Idabel Industrial Development Authority can be contacted at 7 Southwest Texas, Idabel, Oklahoma 74745.

**CITY OF IDABEL, OKLAHOMA**

## Statement of Net Position

(Modified Cash Basis)

June 30, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>IIDA Component</u> <u>Unit</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,417,852	\$ 3,119,726	\$ 6,537,578	\$ 600,602
Investments	858,831	3,215,774	4,074,605	910,947
Due from other governments	3,175	-	3,175	-
Other receivables	4,066	6,470	10,536	-
Total Assets	<u>4,283,924</u>	<u>6,341,970</u>	<u>10,625,894</u>	<u>1,511,549</u>
<b>LIABILITIES</b>				
Due to other governments	1,045	-	1,045	-
Due to bondholders	12,180	-	12,180	-
Due to depositors	-	220,784	220,784	-
Total liabilities	<u>13,225</u>	<u>220,784</u>	<u>234,009</u>	<u>-</u>
<b>NET POSITION</b>				
Restricted for:				
Grant purposes	1,610,505	-	1,610,505	-
Library	272,434	-	272,434	-
Nutrition	10,933	-	10,933	-
Other purposes	-	1,354,854	1,354,854	-
Debt service	-	90,126	90,126	-
Unrestricted	2,376,827	4,676,206	7,053,033	1,511,549
Total net position	<u>\$ 4,270,699</u>	<u>\$ 6,121,186</u>	<u>\$ 10,391,885</u>	<u>\$ 1,511,549</u>

See accompanying notes to the basic financial statements. 12

**CITY OF IDABEL, OKLAHOMA**  
Statement of Activities  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Debt Proceeds	Primary Government			
					Governmental Activities	Business-type Activities	Total	IIDA Component Unit
<b>Primary government</b>								
Governmental Activities								
General Government	\$ 606,105	\$ 34,886	\$ 52,659	\$ 4,349	\$ (514,211)	\$ -	\$ (514,211)	\$ -
Streets	834,137	-	60,851	-	(773,286)	-	(773,286)	-
Public Safety	2,175,566	112,106	553,846	-	(1,509,614)	-	(1,509,614)	-
Cemetery	165,839	3,728	-	-	(162,111)	-	(162,111)	-
Legal and judicial	61,508	-	-	-	(61,508)	-	(61,508)	-
Culture and Recreation	48,047	-	-	39,026	(9,021)	-	(9,021)	-
Community development	220,838	-	57,006	-	(163,832)	-	(163,832)	-
Airport	714,537	227,516	-	421,695	(65,326)	-	(65,326)	-
Maintenance	67,727	-	-	-	(67,727)	-	(67,727)	-
Industrial Development	122,207	-	-	-	(122,207)	-	(122,207)	-
Principal Retirement	127,686	-	-	-	(127,686)	-	(127,686)	-
Interest on Long-term debt	115,885	-	-	-	(115,885)	-	(115,885)	-
Total governmental activities	<u>5,260,082</u>	<u>378,236</u>	<u>724,362</u>	<u>465,070</u>	<u>(3,692,414)</u>	<u>-</u>	<u>(3,692,414)</u>	<u>-</u>
Business-type activities:								
Water	1,129,756	1,083,036	-	-	-	(46,720)	(46,720)	-
Wastewater	726,339	736,478	-	-	-	10,139	10,139	-
Sanitation	785,749	906,708	-	-	-	120,959	120,959	-
Landfill	272,549	344,737	-	-	-	72,188	72,188	-
Governmental Principal Retirement	91,682	-	-	-	-	(91,682)	(91,682)	-
Governmental Interest Expense	140,436	-	-	-	-	(140,436)	(140,436)	-
Total business-type activities	<u>3,146,511</u>	<u>3,070,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,552)</u>	<u>(75,552)</u>	<u>-</u>
<b>Total primary government</b>	<u>8,406,593</u>	<u>3,449,195</u>	<u>724,362</u>	<u>465,070</u>	<u>(3,692,414)</u>	<u>(75,552)</u>	<u>(3,767,966)</u>	
<b>Component Units</b>								
Industrial Development Authority	53,330	12,150	-	-				(41,180)
<b>Total Component Units</b>	<u>53,330</u>	<u>12,150</u>	<u>-</u>	<u>-</u>				
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					\$ 4,662,368	\$ -	\$ 4,662,368	\$ 122,207
Occupation taxes					45,882	-	45,882	-
Hotel/motel taxes					124,982	-	124,982	-
Franchise taxes and public service taxes					211,177	-	211,177	-
Intergovernmental revenue not restricted to specific programs					263,155	-	263,155	-
Unrestricted investment earnings					13,398	48,782	62,180	10,362
Miscellaneous					608,381	-	608,381	651
Transfers					(618,350)	618,350	-	-
Total general revenues and transfers					<u>5,310,993</u>	<u>667,132</u>	<u>5,978,125</u>	<u>133,220</u>
Change in net position					1,618,579	591,580	2,210,159	92,040
Net position - beginning					2,652,120	5,529,606	8,181,726	1,419,509
Net position - ending					<u>\$ 4,270,699</u>	<u>\$ 6,121,186</u>	<u>\$ 10,391,885</u>	<u>\$ 1,511,549</u>

See accompanying notes to the basic financial statements. 13



**CITY OF IDABEL, OKLAHOMA**  
**Governmental Funds Balance Sheet**  
**(Modified Cash Basis)**  
**June 30, 2021**

	<u>General Fund</u>	<u>Special Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,525,774	\$ 1,610,505	\$ 281,573	\$ 3,417,852
Investments	858,831	-	-	858,831
Due from other governments	3,175	-	-	3,175
Due from other funds	-	-	3,706	3,706
Other receivables	4,066	-	-	4,066
Total assets	<u>2,391,846</u>	<u>1,610,505</u>	<u>285,279</u>	<u>4,287,630</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other governments	1,045	-	-	1,045
Due to other funds	3,706	-	-	3,706
Due to bondholders	12,180	-	-	12,180
Total liabilities	<u>16,931</u>	<u>-</u>	<u>-</u>	<u>16,931</u>
<b>Fund balances:</b>				
Restricted for:				
Grant purposes	-	1,610,505	-	1,610,505
Library	-	-	272,434	272,434
Nutrition	-	-	10,933	10,933
Assigned to:				
Next year's budget	183,850	-	-	183,850
Cemetery	222,818	-	-	222,818
Airport	190,461	-	-	190,461
Police	22,710	-	-	22,710
Library	-	-	9,284	9,284
Unassigned (deficit)	1,755,076	-	(7,372)	1,747,704
Total fund balances	<u>2,374,915</u>	<u>1,610,505</u>	<u>285,279</u>	<u>4,270,699</u>
Total liabilities and fund balances	<u>\$ 2,391,846</u>	<u>\$ 1,610,505</u>	<u>\$ 285,279</u>	<u>\$ 4,287,630</u>

**CITY OF IDABEL, OKLAHOMA**  
**Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances (Modified Cash Basis)**  
**For the Year Ended June 30, 2021**

	<b>General Fund</b>	<b>Special Grant Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 4,919,927	\$ -	\$ 181,988	\$ 5,101,915
Intergovernmental	382,494	1,035,102	-	1,417,596
Charges for services	239,439	-	-	239,439
Fees and fines	112,041	-	-	112,041
Licenses and permits	34,411	-	-	34,411
Investment earnings	12,689	-	709	13,398
Miscellaneous:				
Donations	-	457,081	69,000	526,081
Other	52,130	-	-	52,130
Total revenues	<u>5,753,131</u>	<u>1,492,183</u>	<u>251,697</u>	<u>7,497,011</u>
<b>EXPENDITURES</b>				
Current:				
General government	471,659	-	-	471,659
Streets and highways	833,627	-	-	833,627
Public Safety	2,227,807	15,244	-	2,243,051
Cemetery	165,839	-	-	165,839
Legal and judicial	61,508	-	-	61,508
Culture and recreation	37,098	4,982	9,218	51,298
Community support	149,990	-	70,848	220,838
Airport	274,402	-	-	274,402
Maintenance	69,318	-	-	69,318
Industrial development	122,207	-	-	122,207
Capital Outlay	39,597	463,167	-	502,764
Debt Service:				
Principal	61,749	-	65,937	127,686
Interest and other charges	9,822	-	106,063	115,885
Total Expenditures	<u>4,524,623</u>	<u>483,393</u>	<u>252,066</u>	<u>5,260,082</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,228,508</u>	<u>1,008,790</u>	<u>(369)</u>	<u>2,236,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	819,568	25,000	14,866	859,434
Transfers out	(1,456,216)	-	(21,568)	(1,477,784)
Total other financing sources and uses	<u>(636,648)</u>	<u>25,000</u>	<u>(6,702)</u>	<u>(618,350)</u>
<b>Net change in fund balances</b>	591,860	1,033,790	(7,071)	1,618,579
<b>Fund balances - beginning</b>	<u>1,783,055</u>	<u>576,715</u>	<u>292,350</u>	<u>2,652,120</u>
<b>Fund balances - ending</b>	<u>\$ 2,374,915</u>	<u>\$ 1,610,505</u>	<u>\$ 285,279</u>	<u>\$ 4,270,699</u>

**CITY OF IDABEL, OKLAHOMA**  
Proprietary Fund Statement of Net Position  
(Modified Cash Basis)  
June 30, 2021

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	<b><u>Idabel Public Works Authority</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,076,099
Investments	1,593,637
Other receivables	6,470
Total current assets	<u>4,676,206</u>
Non-current assets:	
Restricted:	
Cash and cash equivalents	43,627
Investments	1,622,137
Total non-current assets	<u>1,665,764</u>
Total assets	<u><u>6,341,970</u></u>
 <b>LIABILITIES</b>	
Non-current liabilities:	
Due to depositors	220,784
Total non-current liabilities	<u>220,784</u>
Total liabilities	<u>220,784</u>
 <b>NET POSITION</b>	
Restricted for debt service	90,126
Restricted for other purposes	1,354,854
Unrestricted	4,676,206
Total net position	<u><u>\$ 6,121,186</u></u>

**CITY OF IDABEL, OKLAHOMA**  
Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

	<b>Idabel Public Works Authority</b>
<b>REVENUES</b>	
Water	\$ 1,037,137
Sewer	706,725
Sanitation	873,772
Landfill	333,204
Water taps	6,557
Sewer taps	3,000
Penalties	48,056
Reconnect fees	45,275
Transfer fees	875
Insufficient check charges	560
Miscellaneous	15,798
Total operating revenues	<u>3,070,959</u>
<b>OPERATING EXPENSES</b>	
Managerial	77,905
Water	643,741
Sanitation	710,343
Landfill	250,670
Lift station	96,889
Filter plant	385,066
Sewer plant	280,379
Sewer-other	221,848
Total Operating Expenses	<u>2,666,841</u>
Operating income	<u>404,118</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest and investment revenue	48,782
Capital outlay	(183,220)
Debt service:	
Principal retirement	(152,369)
Interest expense	(144,081)
Total non-operating revenue (expenses)	<u>(430,888)</u>
Income (loss) before transfers	(26,770)
Transfers in	1,416,350
Transfers out	(798,000)
Change in net position	591,580
Total net position - beginning	5,529,606
Total net position - ending	<u>\$ 6,121,186</u>

**CITY OF IDABEL, OKLAHOMA**  
Proprietary Fund Statement of Cash Flows  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

	<u><b>Idabel Public Works Authority</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,070,446
Payments to suppliers	(1,354,373)
Payments to employees	(1,312,468)
Receipts of customer meter deposits	28,114
Refunds of customer meter deposits	(22,594)
<b>Net cash provided by operating activities</b>	<u>409,125</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	1,416,350
Transfers to other funds	(798,000)
<b>Net cash provided by noncapital financing activities</b>	<u>618,350</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(183,220)
Principal paid on debt	(152,369)
Interest and fiscal agent fees paid on debt	(144,081)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(479,670)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(26,162)
Interest and dividends	48,782
<b>Net cash provided by investing activities</b>	<u>22,620</u>
<b>Net increase in cash and cash equivalents</b>	570,425
<b>Balances - beginning of year</b>	<u>2,549,301</u>
<b>Balances - end of year</b>	<u><u>\$ 3,119,726</u></u>
<b>Reconciliation to Statement of Net Position:</b>	
Cash and cash equivalents	3,076,099
Restricted cash and cash equivalents - noncurrent	43,627
<b>Total cash and cash equivalents, end of year</b>	<u><u>3,119,726</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 404,118
Change in assets and liabilities:	
Accounts receivable	(513)
Deposits subject to refund	5,520
<b>Net cash provided by operating activities</b>	<u><u>\$ 409,125</u></u>

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City's financial reporting entity, as reported, includes the primary government (the City of Idabel), two blended component units, and a discretely presented component unit as noted below.

Except as noted below, in determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, and includes all component units for which the City is financially accountable except for the Idabel Public Golf Authority.

*The City of Idabel, Oklahoma (the City)*

The City of Idabel, Oklahoma (the City), is an aldermanic form of city government under Title 11, Article 9 of the Oklahoma Constitution. The City operates and provides the following services directly or through its component units: Public Safety - Police and Fire; Highways and Streets; Water, Sewer and Sanitation Services; Cultural and Recreational; Public Improvements; Planning and Zoning; and General Administrative Services.

The component units that are blended into the City's primary government presentation are as follows:

*The Idabel Public Works Authority (Authority)*

The Authority is a beneficial public trust created under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1971, Sections 176 to 180.3 of the Oklahoma Trust Act. The Trust has as its purpose to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control and regulate utility facilities whether water, sewage, gas, electric, or other forms or types of public and municipal services within or without the corporate boundaries of the City of Idabel, Oklahoma. The Authority is empowered to lease, acquire or construct the properties necessary to provide and maintain these services. It is also empowered to obtain funds for these purposes and in so doing, to incur indebtedness whether unsecured or secured by all or any part of the Trust Estate and its revenues. The Authority is also permitted to transfer monies to the City of Idabel for the use of the City. The City of Idabel is the beneficiary of the Trust, and the City Council members are the trustees of the Authority.

In order to fulfill these functions, the Authority has leased from the City of Idabel its water and sewer systems, its rights to all improvements thereto, its rights to any and all municipal services and utilities systems of the City and its rights to operations and revenues there from. Bonds have also been issued for the purpose of obtaining funds for the construction of additional facilities.

*The McCurtain County Regional Airport Authority*

The McCurtain County Regional Airport Authority is a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statutes 1971 and the Oklahoma Trust Act, Sections 176 to 180. The trust has as its purpose to provide airports, aerodromes, landing fields for aircraft and related services and facilities. Also, other purposes of the trust are to promote the development of industry and culture and industrial, manufacturing, cultural and educational activities by providing additional employment and activities; to provide and/or aid in providing facilities and/or services of all kinds necessary to functioning; and to hold, maintain, and administer any leasehold rights. The Trust is empowered to acquire by lease, purchase or otherwise and hold, construct, install, equip, repair, enlarge, furnish, maintain and operate or otherwise deal with any and all physical properties and facilities and to provide funds for said activities. It is also empowered to expend all funds coming into the hands of the trust as revenue and otherwise in payment of aforementioned costs and expenses.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts have no taxing power. The Trusts are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the city Council to delegate certain functions to the governing body (Trustees) of those Trusts. In accordance with state law, all debt obligations incurred by public trusts require 2/3 approval by the City Council.

**The component unit that is discretely presented in the City's report in a separate column is presented below:**

*The Idabel Industrial Development Authority*

The Idabel Industrial Development Authority (IIDA) meets the criteria for a component unit as approval is required of the City Council for any issuance of debt. The financial data of the Authority as of and for the year ended June 30, 2021, is included in these financial statements.

The Authority is a public trust created under Section 176, Title 60 of the Oklahoma Statutes and the Oklahoma Trust Act. The primary purpose of the Authority is to attract and develop industries in Idabel, Oklahoma.

**The component unit that management has excluded as a discretely presented component unit is described below:**

*The Idabel Public Golf Authority*

The Idabel Public Golf Authority (IPGA) meets the criteria for a component unit as approval is required of the City Council for any issuance of debt. Management of the City has chosen to exclude the financial data of the Authority as of and for the year ended June 30, 2021, from these financial statements. Separate financial statements may be obtained at the IPGA's office.

The Authority is a public trust created April 8, 1997 under Section 176, Title 60 of the Oklahoma Statutes and the Oklahoma Trust Act. The primary purpose of the Authority is to promote and develop golfing facilities in Idabel, Oklahoma.

**B. Basis of Presentation and Accounting**

*Government-Wide Financial Statements:*

The statement of net position and activities are reported on a modified cash basis of accounting. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets and liabilities resulting from cash transactions adjusted for modifications that have substantial support in generally accepted accounting principles. These modifications include adjustments for the following balances arising from cash transactions:

- cash-based interfund receivables and payables
- investments
- other cash-based receivables/payables such as notes receivable
- utility deposit liabilities

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

Program revenues within the statement of activities are derived directly from each activity or from parties outside the City's taxpayers. The City has the following program revenues in each activity:

- General Government—licenses, permit, capital grants and contributions
- Public Safety—fines, forfeitures, operating grants and contributions
- Streets and Highways—commercial vehicle and gasoline excise tax shared by the State, operating grants and contributions
- Culture and Recreation—capital grants and contributions
- Cemetery—cemetery revenues
- Airport—fuel sales, hangar rentals and capital grants and contributions
- Sanitation—sanitation charges
- Community development—operating grants and contributions
- Water – water charges and capital grants and long-term debt proceeds
- Wastewater – wastewater charges
- Landfill – landfill charges

Business-type activities are also reported on a modified cash basis.

Governmental Funds:

The City's governmental funds are comprised of the following:

**Major Funds:**

- General Fund—accounts for general operations of the City, including public safety, parks, public facilities, airport, sanitation, and street maintenance. This fund also includes the LETN, MCRA Fuel Farm, and Cemetery Maintenance Accounts.
- Special Grant Project Fund—accounts for miscellaneous grants.

**Non-Major Funds (reported as Other Governmental Funds):**

Special Revenue Funds:

- Federal Nutrition Fund—accounts for annual Kiamichi Area Nutrition Program grants.
- Emergency Food and Shelter Grant Fund—accounts for grants received from the Emergency Food and Shelter Program.
- Idabel Library Fund—accounts for revenues associated with improvements of the Idabel Library.

Capital Project Funds:

- Transportation Enhancement Fund—accounts for funds associated for a City streetscape project.

The governmental funds are reported on a modified cash basis of accounting. Only current financial assets and liabilities resulting from cash transactions are generally included on the fund balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These fund financial statements use fund balance as their measure of available spendable financial resources at the end of the period.



Proprietary Funds:

The City's proprietary fund is comprised of the following:

- Idabel Public Works Authority (IPWA) – accounts for the operation of the water, wastewater, and sanitation activities.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

All of the above noted funds are legally required to adopt annual budgets or appropriations. The public trust (or Authority) is not required to adopt legal annual appropriations. While each trust develops an annual budget, it is for financial management purposes and does not constitute legal appropriations.

**C. Cash, Cash Equivalents and Investments**

Cash and cash equivalents includes all demand and savings accounts, certificates of deposit, and any short-term investments with an original maturity of three months or less, and open-end government mutual funds. Investments consist of long-term certificates of deposits and are reported at cost.

**D. Capital Assets and Depreciation**

Due to the use of the modified cash basis of accounting, capital assets and related depreciation are not reported in the financial statements.

**E. Long-Term Debt**

Due to the use of the modified cash basis of accounting, long-term debt obligations are not reported in the financial statements. However, the amount of long-term debt issued and outstanding at the end of the fiscal year is reported as a commitment in Note 10.

**F. Compensated Absences**

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the financial statements. Expenditures/expenses related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid compensatory time that would be due employees upon termination is reported as a commitment in Note 10.

**G. Equity Classifications**

Government-Wide Statements:

Equity is classified as net position and displayed in two components:

- Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position* - All other net position that does not meet the definition of "restricted."

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

Fund Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. The classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

**H. Internal and Interfund Balances and Transfers**

The City's policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

**2. Deposits and Investments**

For the year ended June 30, 2021, the City recognized \$62,180 of investment income. Due to the minimal rates of return on allowable investments in the current environment, most of the City's deposits are in demand and short-term time deposits.

Primary Government

At June 30, 2021, the primary government held the following deposits and investments:

**CITY OF IDABEL, OKLAHOMA**

Notes to the Financial Statements

For the Year Ended June 30, 2021

<b>Type</b>	<b>Carrying Value</b>	<b>Credit Rating</b>	<b>Maturity Date</b>	<b>Market Value</b>
<i>Deposits:</i>				
Demand deposits	\$ 6,537,578	N/A	N/A	N/A
Time deposits	3,957,322	N/A	Due within one year	N/A
<i>Investments</i>				
Federated Treasury Obligations Fund	\$ 117,283	N/A	N/A	N/A
<b>Total Deposits and Investments</b>	<u><u>\$ 10,612,183</u></u>			

**Reconciliation to Statement of Net Position:**

Cash and cash equivalents	\$ 6,537,578
Investments	<u>4,074,605</u>
	<u><u>\$ 10,612,183</u></u>

*Custodial Credit Risk* -- Custodial credit risk is the risk that in the event of a bank failure, the government deposits may not be returned to it. The City is governed by the State Public Deposit Act which requires that the City obtain and hold collateral whose fair value exceeds the amount of uninsured deposits. Investment securities are exposed to custody credit risk if the securities are uninsured, are not registered in the name of the government, and if held by a counterparty or a counterparty's trust, department or agent, but not in the government's name.

As of June 30, 2021, the City was not exposed to custodial credit risk.

*Investment Credit Risk* —The City has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in: 1) full faith and credit, direct obligations of the U.S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; 2) certificates of deposit or savings accounts that are either insured or secured with acceptable collateral; 3) negotiable certificates of deposits, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; 4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district; and government money market funds regulated by the SEC. Title 60 public trusts are not limited by the same investment limitations of their municipal beneficiary. These investment limitations do not apply to the City's public trusts.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of year-end. Unless there is information to the contrary, obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality.

*Investment Interest Rate Risk* — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no formal policy limiting Investment Interest Rate Risk. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

As noted in the schedule of deposits and investments above, at June 30, 2021, the City held no such investments.

**CITY OF IDABEL, OKLAHOMA**

## Notes to the Financial Statements

For the Year Ended June 30, 2021

*Concentration of Investment Credit Risk* — Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investment issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City has no formal investment policy which addresses concentration of investment credit risk.

As of June 30, 2021, the City had no concentration of credit risk as defined above.

*Restricted Cash and Investments* — The amounts reported as restricted assets on the statement of net position are comprised of amounts restricted for utility deposits (refunded upon termination of service or applied to final bill) and debt service held by the Public Works Authority. The restricted assets as of June 30, 2021 are as follows:

<u>Type of Restricted Assets</u>	<u>Current</u>	<u>Noncurrent</u>	
	<u>Cash and cash equivalents</u>	<u>Cash and cash equivalents</u>	<u>Investments</u>
Utility Deposits	\$ -	\$ 43,627	\$ 150,000
Landfill Reserve	-	-	1,354,854
Trustee Accounts	-	-	117,283
Total	<u>\$ -</u>	<u>\$ 43,627</u>	<u>\$ 1,622,137</u>

*Component Unit—Idabel Industrial Development Authority (IIDA)*

For the year ended June 30, 2021, the IIDA recognized \$10,362 of investment income. Due to the minimal rates of return on those investments in the current environment, most of the IIDA's deposits are in demand and short-term time deposits.

At June 30, 2021, the IIDA held the following deposits and investments:

<u>Type</u>	<u>Carrying Value</u>	<u>Credit Rating</u>	<u>Maturity Date</u>	<u>Market Value</u>
<i>Deposits:</i>				
Demand deposits	\$ 600,602	N/A	N/A	N/A
Time deposits	910,947	N/A	Due within one year	N/A
<b>Total Deposits</b>	<u><u>\$ 1,511,549</u></u>			

**Reconciliation to Statement of Net Position:**

Cash and cash equivalents	\$ 600,602
Investments	910,947
	<u><u>\$ 1,511,549</u></u>

The IIDA has no formal policies designed to address interest rate risk, credit risk, custodial credit risk, or concentration of credit risk inherent to investment portfolios, as defined above. As noted in the schedule of deposits and investments above, at June 30, 2021, the IIDA held no such qualifying investments; therefore, no such risk as stated above.

**3. Sales Tax Revenue**

Sales tax revenue represents a 3 cent tax on each dollar of taxable sales, and is received and recorded in the General Fund. In 2006, the City Council adopted a resolution whereby the proceeds of the sales tax were to be appropriated (transferred) to the trustees of the Idabel Public Works Authority, as needed, for use in operating and maintaining the facilities and paying the debt secured by such facilities. During the year ending June 30, 2021, one-third (one cent) of the total sales tax was appropriated (transferred) to the Idabel Public Works Authority. The remaining two-thirds (two cents) of the sales tax remained in the General Fund.

**4. Property Tax Levy**

The City presently levies no property tax. In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City.

**5. Customer Deposits**

Refundable customer deposits reported as a liability within the Statement of Net Position are comprised of utility customer deposits payable. The amount reported at June 30, 2021, was \$220,784.

**6. Notes Receivable****Component Unit**

The Idabel Industrial Development Authority had two notes outstanding as of June 30, 2021. These notes are summarized as follows:

**Oklahoma Wood Fibers, Inc.**

On June 23, 1998 the Authority made a loan for \$100,000 to Oklahoma Wood Fibers, Inc. and is payable over 120 months at 8% interest in monthly installments of \$1,250, including interest. Payments on this note have been irregular—consequently, the Authority has provided a valuation allowance on the statement of net position for the entire balance of the note receivable related to Oklahoma Wood Fibers, Inc. and no portion of this loan is considered as being a current asset.

**Wood Lumber Company Specialties, Inc.**

*Loan 1*—The Authority made a loan to Wood Lumber Company Specialties, Inc. on October 17, 1998 for \$100,000 and is payable over 144 months at 2.5% interest. Monthly payments are scheduled at \$805. Payments on this note have been irregular—consequently, the Authority has provided a valuation allowance on the statement of net position for the entire balance of the note receivable related to Wood Lumber Company Specialties, Inc. and no portion of this loan is considered as being a current asset.

Note activity occurring during the year on notes held by the Idabel Industrial Development Authority is summarized as follows:

**CITY OF IDABEL, OKLAHOMA**

Notes to the Financial Statements

For the Year Ended June 30, 2021

	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021	Due Within One Year
Oklahoma Wood Fibers, Inc.	\$ 84,707	\$ -	\$ -	\$ 84,707	\$ -
Allowance for uncollectible	(84,707)	-	-	(84,707)	-
Wood Lumber Company Specialities, Inc.					
Loan 1	216,557	-	-	216,557	-
Allowance for uncollectible	(216,557)	-	-	(216,557)	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**7. Internal and Interfund Balances and Transfers**

Internal balances between funds and activities for the year ended June 30, 2021 were as follows:

Balances

Due From	Due To	Amount	Nature of Balance
General Fund	Library Fund	\$ 3,706	Hotel/Motel Tax Revenue
		<u>\$ 3,706</u>	

*Reconciliation to Fund Financial Statements and Statement of Net Position:*

	Due From	Due To	Net Balances
Governmental Funds	\$ 3,706	\$ (3,706)	\$ -
Proprietary Funds	-	-	-
Total	<u>\$ 3,706</u>	<u>\$ (3,706)</u>	<u>\$ -</u>

Transfers

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	IPWA	1,416,350	Transfer of Sales Tax
IPWA	General Fund	798,000	Return of unused of Sales Tax
General Fund	Special Grant Fund	25,000	Transfer of Capital Outlay
Library Fund	General Fund	21,568	Correction of prior year transfers
General Fund	Federal Nutrition	14,866	Operating Subsidy
		<u>\$ 2,275,784</u>	

*Reconciliation to Fund & Government Wide Financial Statements:*

	Transfers In	Transfers Out	Net Transfers per SRECNA	Net Transfers per SOA
Governmental Funds	\$ 859,434	\$ (1,477,784)	\$ (618,350)	\$ (618,350)
Proprietary Funds	1,416,350	(798,000)	618,350	618,350
Total	<u>\$ 2,275,784</u>	<u>\$ (2,275,784)</u>	<u>\$ -</u>	<u>\$ -</u>

## **8. Risk Management**

The City and its public trusts are exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. These risks are managed by securing commercial insurance for all risks. Management believes such insurance coverage is sufficient to preclude any significant uninsured losses. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

## **9. Pension Plan Participation**

The City of Idabel participates in three pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS)—a statewide cost sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS)—a statewide cost sharing plan
- City of Idabel Retirement Plan—a City sponsored defined contribution plan

### Firefighter Pension System

Plan Summary Information—the City of Idabel, as the employer, participates in a statewide cost sharing multiple employer defined benefit pension plan through the Oklahoma Firefighter's Pension and Retirement System (OFPRS). The OFPRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and debt benefits to the plan members and beneficiaries. Pursuant to the requirements of Title 11, section 22-102, the City must participate in the plan if they employ full-time or volunteer firefighters.

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OFPRS, 4545 N. Lincoln Blvd., Suite 265, Oklahoma City, Oklahoma 73105-3707.

Funding Policy—OFPRS plan members are required to contribute 9% of their annual salary. The City is required by state law to contribute 14% of the members' annual salary. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

### Police Pension System

Plan Summary Information—Pursuant to the requirements of Title 11, Section 22-102, the City of Idabel participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Police Pension and Retirement System (OPPRS).

The OPPRS issues a publicly available report that includes financial statements, which can be obtained from the Oklahoma Police Pension and Retirement System, 1001 N.W. 63<sup>rd</sup> Street, Oklahoma City, Oklahoma, 73116-7335.

Funding Policy—The paid police person contributes 8% to the plan. The City is required by State law to contribute 13% per year per paid police person to the statewide plan. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

### City of Idabel Retirement Plan

Plan Summary Information—The City's retirement plan is administered by Ameritas Retirement Plans. It is a defined contribution retirement plan, which provides retirement benefits for all full-time employees.

**CITY OF IDABEL, OKLAHOMA**

Notes to the Financial Statements

For the Year Ended June 30, 2021

Funding Policy—Employees must complete six months of service and attain age 20 before becoming eligible to participate. An employee must contribute 2%, but may contribute up to 4%, of their compensation. Employees' contributions are 100% vested. For non-elected City employees, the City contributes 13% of the eligible employee's annual compensation. Non-elected City employees become 20% vested in the City's contributions after the first year, and then 20% per year thereafter becoming fully vested after 5 years of participation. For elected officials, the City contributes 13% of their eligible annual compensation. Elected officials are immediately vested in the City's contributions.

Covered wages for those eligible to participate in the plan totaled \$1,799,790 in 2021.

Summary of Contributions

<b>City of Idabel Retirement Fund</b>			<b>Oklahoma Firefighter's Pension and Retirement System</b>			<b>Oklahoma Police Pension and Retirement System</b>		
Fiscal Year	Employee Contribution	Employer Contribution	Fiscal Year	Required Contribution	Percentage Contributed	Fiscal Year	Required Contribution	Percentage Contributed
2019	59,597	234,021	2019	61,119	100%	2019	85,741	100%
2020	63,153	237,972	2020	59,460	100%	2020	90,970	100%
2021	62,482	233,973	2021	62,276	100%	2021	88,260	100%

**10. Commitments and Contingencies**

**Long-Term Debt and Debt Service Requirements**

For the year ended June 30, 2021, the reporting entity's long-term debt changed as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
<b><i>Governmental Activities:</i></b>					
Notes payable (direct borrowing)	\$ 1,971,631	\$ -	\$ 65,937	\$ 1,905,694	\$ 66,613
Capital lease payable	284,967	-	61,749	223,218	63,690
Total Governmental Activities	<u>\$ 2,256,598</u>	<u>\$ -</u>	<u>\$ 127,686</u>	<u>\$ 2,128,912</u>	<u>\$ 130,303</u>
<b><i>Business-Type Activities:</i></b>					
Notes payable (direct borrowings)	\$ 3,937,136	\$ -	\$ 103,363	\$ 3,833,773	\$ 88,773
Capital lease payable	99,682	-	49,006	50,676	50,676
Total Business-Type Activities	<u>\$ 4,036,818</u>	<u>\$ -</u>	<u>\$ 152,369</u>	<u>\$ 3,884,449</u>	<u>\$ 139,449</u>
Total Long-Term Debt	<u>\$ 6,293,416</u>	<u>\$ -</u>	<u>\$ 280,055</u>	<u>\$ 6,013,361</u>	<u>\$ 269,752</u>



**CITY OF IDABEL, OKLAHOMA**

## Notes to the Financial Statements

For the Year Ended June 30, 2021

**Governmental activities:**

At June 30, 2021, the governmental activities long-term debt payable from taxes and other general revenues include the following:

*Notes Payable (direct borrowing):*

On November 13, 2008, the Idabel Public Works Authority issued a promissory note to First National Bank of Idabel for \$2,500,000, with an interest rate of 4.50%. The purpose of the note is to provide funding for the construction of a new library. The note is secured by the proceeds and revenues of the operation of the library and the proceeds of a 5% excise tax on hotel and motel occupancy fees levied and collected by the City. The library is a Governmental activity asset and Governmental activity general revenues are pledged to retire the note, with final payment due January 1, 2039. In the event of default the Lender may: 1) declare the entire principal outstanding and interest accrued therein immediately due and payable, 2) assess a late charge of five percent (5%) be added to any payment made more than ten (10) days after it is due, with a minimum late charge of \$22.00, 3) declare that all principal and interest not paid when due shall bear interest at the rate of fourteen percent (14%) per annum.

	\$	1,905,694
Total Notes Payable	\$	1,905,694
Current portion		66,613
Noncurrent portion		1,839,081
Total Notes Payable	\$	1,905,694

*Capital Lease Obligations:*

\$283,531 lease obligation for the purchase of 2017 KME Commercial Pumper, payable in monthly installments of \$2,469 with an annual interest rate of 3.89%, and final payment due August 2028.

182,420

\$80,483 lease obligation for the purchase of three 2019 Chevy Tahoe PPV's with emergency lights and equipment, payable in two annual installments of \$41,945 with an annual interest rate of 2.81%, and final payment due February 2022.

40,798

Total Capital Leases Payable	\$	223,218
Current portion		63,690
Non-Current portion		159,528
Total Capital Leases Payable	\$	223,218

**CITY OF IDABEL, OKLAHOMA**

## Notes to the Financial Statements

For the Year Ended June 30, 2021

**Business-type activities:**

Long-term commitments payable from net revenues generated by the utility resources or other resources pledged to the City's business-type activities at June 30, 2021, includes the following:

*Notes Payable (direct borrowings):*

On October 25, 2018, the Idabel Public Works Authority (IPWA) signed a promissory note to First Bank & Trust of Idabel for \$68,368, with an interest rate of 2.99%. The purpose of this loan is for the purchase of 3 FORD Trucks for IPWA. The loan is secured by these 3 FORD Trucks. Final payment is due October 25, 2021. In the event of default the Lender may assess a late charge of five percent (5.%) of the amount of payment due or \$25.50, whichever is less, for those payments that are more than ten (10) days late.

\$	3,773
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On June 1, 2017, the Idabel Public Works Authority signed a promissory note to Oklahoma Water Resources Board for \$4,065,000, with an average variable interest rate of 3.52%. The security for the note is sales tax revenue generated from the one percent (1.0%) excise tax adopted by City Ordinance No. 521, with the purpose of said tax to provide revenues for financing projects such as improvements of water and sanitary sewer systems. The note is also secured by Utility net revenues. The purpose of the loan is to finance certain water system improvements, including construction of two new 500,000 gallon water storage tanks and related appurtenances. Final payment is due September 15, 2047. In the event of default the lender may: 1) file suit for specific performance covenants, 2) accelerate the payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement, 5) interest rate increases to 14% from date of default until date of payment.

3,830,000
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Total Notes Payable	\$	3,833,773
Current portion		88,773
Noncurrent portion		3,745,000
Total Notes Payable	\$	3,833,773

*Capital Lease Obligations:*

\$245,302 lease obligation for the purchase of a 2018 Mack Truck, payable in five annual installments of \$52,404, with an annual interest rate of 2.35%, and final payment due September 2021.

\$	50,676
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Total Capital Lease Payable	\$	50,676
Current portion		50,676
Noncurrent portion		-
Total Capital Lease Payable	\$	50,676

*Due to Depositors:*

Refundable customer deposits reported as a liability within the Statement of Net Position are comprised of utility customer deposits payable

220,784
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Noncurrent Portion of Due to Depositors	\$	220,784
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**CITY OF IDABEL, OKLAHOMA**

## Notes to the Financial Statements

For the Year Ended June 30, 2021

The long term debt service requirements to maturity are as follows:

<u>Year Ending June 30, 2021</u>	<u>Governmental Activities</u>			
	<u>Notes Payable</u>		<u>Capital</u>	
	<u>(direct borrowing)</u>		<u>Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	66,613	105,587	63,690	7,954
2023	70,066	101,934	23,800	5,902
2024	73,920	98,080	24,732	4,973
2025	77,985	94,015	25,727	3,981
2026	82,274	89,726	26,748	2,963
2027-2031	484,436	375,564	58,521	2,735
2032-2036	633,138	226,862	-	-
2037-2039	417,262	46,290	-	-
Totals	<u>\$ 1,905,694</u>	<u>\$ 1,138,058</u>	<u>\$ 223,218</u>	<u>\$ 28,508</u>

<u>Year Ending June 30, 2021</u>	<u>Business Type Activities</u>			
	<u>Notes Payable</u>		<u>Capital Lease Obligation</u>	
	<u>(direct borrowings)</u>		<u></u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 88,773	\$ 137,183	\$ 50,676	\$ 1,728
2023	90,000	133,900	-	-
2024	90,000	130,570	-	-
2025	95,000	127,610	-	-
2026	100,000	124,490	-	-
2027-2031	550,000	558,800	-	-
2032-2036	675,000	440,925	-	-
2037-2041	785,000	319,130	-	-
2042-2046	935,000	166,493	-	-
2047-2048	425,000	15,818	-	-
Totals	<u>\$ 3,833,773</u>	<u>\$ 2,154,919</u>	<u>\$ 50,676</u>	<u>\$ 1,728</u>

*Conduit Debt—2020 Series Revenue Bonds*

On July 16, 2020, the Idabel Public Works Authority issued School Support Revenue Bonds, Series 2020, in the amount of \$7,859,700 for the purpose of acquiring, constructing, renovating, furnishing, and equipping educational facilities in Idabel, Oklahoma. Payments due with respect to the Series 2020 bonds are limited obligations of the Authority, payable solely from certain lease rental obligations payable by the School District (the District) under the terms of a lease and from other funds and accounts established under the indenture relating to the Series 2020 bonds. The 2020 Series bonds are not a debt of the City of Idabel, nor are they general obligations of the Authority, but are special limited obligations of the Authority and were issued without recourse to the Authority. The District, through a lease with the Authority, is required to pay to the Authority rent and lease purchase payments in amounts sufficient to pay the interest on the Series 2020 Bonds as it becomes due, during the lease term, and to pay to the Authority the principal of the Series 2020 Bonds when due or required to be redeemed prior to maturity during the lease term. Upon the District's payment of a lease purchase payment, legal title to the portion of the improvements corresponding to that lease purchase payment, as described in the lease, shall vest with the District. Outstanding balance of conduit debt at June 30, 2021 was \$6,182,771.

*Landfill Closure and Post-Closure Requirements*

At June 30, 2021, the Idabel Public Works Authority had \$1,354,854 in an account for financial assurance for the closure and post-closure requirements dictated by the U.S. Environmental Protection Agency and the Oklahoma Department of Environmental Quality. This amount is reported as restricted in the Idabel Public Works Authority Fund. The latest estimated liabilities are \$491,703 for closure and \$851,289 for post-closure with the total amount of \$1,342,992. This amount is based upon what it would cost to perform all closure and post-closure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Due to the City's use of the modified cash basis of accounting, this liability is not recorded in the financial statements.

*Compensated Absences*

As a result of the City's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation and comp leave) earned but unpaid at year-end are not reflected in the basic financial statements. The compensated absence commitment at June 30, 2021, is \$120,813 for the General Fund and \$25,995 for the IPWA.

*Litigation*

The City is party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City sinking fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute related to judgments, the City feels that any settlement or judgment not covered by insurance would not have a materially adverse effect on the financial condition of the City.

*Federal and State Award Programs*

The City of Idabel participates in various federal and state grant/loan programs from year-to-year. In 2021, the City's involvement in federal award programs was significant. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City was aware of no such pending audits as of the date of the balance sheet.

**CITY OF IDABEL**  
 Budgetary Comparison Schedule  
 (Budgetary Basis)  
 For the Year Ended June 30, 2021

<b>General Fund</b>	<b>Budgeted Amounts</b>		<b>Actual Amounts,</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget - Positive (Negative)</b>
Beginning Budgetary Fund Balance:	\$ 364,957	\$ 364,957	\$ 1,390,608	\$ 1,025,651
<b>RESOURCES (INFLOWS):</b>				
Taxes	2,937,900	2,937,900	3,463,711	525,811
Intergovernmental	239,000	239,000	382,494	143,494
Charges for services	-	-	65	65
Fees and fines	127,000	127,000	112,041	(14,959)
Licenses and permits	110,500	110,500	34,411	(76,089)
Investment earnings	5,000	5,000	11,554	6,554
Miscellaneous	117,250	117,250	52,130	(65,120)
Other Financing Sources - Transfers In	798,000	798,000	819,568	21,568
Total Resources	4,334,650	4,334,650	4,875,974	541,324
Amounts available for appropriation	4,699,607	4,699,607	6,266,582	1,566,975
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
<i>Departmental:</i>				
<i>General Government:</i>				
City manager	95,065	95,065	91,429	3,636
City clerk	191,700	191,700	192,080	(380)
General government	173,571	173,571	155,980	17,591
Ordinance code inspector	59,364	59,364	37,595	21,769
<i>Street:</i>				
Street	860,300	860,300	834,137	26,163
<i>Public Safety:</i>				
Police	1,655,025	1,655,025	1,598,711	56,314
Fire	731,175	731,175	710,590	20,585
Cemetery	218,300	218,300	163,646	54,654
<i>Legal and Judicial:</i>				
City Judge	45,300	45,300	44,441	859
City Attorney	35,740	35,740	17,067	18,673
<i>Culture and Recreation:</i>				
Library	40,420	40,420	30,947	9,473
Parks	56,000	56,000	6,151	49,849
<i>Community Support:</i>				
Nutrition	181,210	181,210	149,990	31,220
Airport	155,260	155,260	103,367	51,893
Maintenance	78,970	78,970	69,318	9,652
Industrial Development	122,207	122,207	122,207	-
Total Charges to Appropriations	4,699,607	4,699,607	4,327,656	371,951
Excess (deficiency) of revenues over expenditures	(364,957)	(364,957)	548,318	913,275
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 1,938,926	\$ 1,938,926

(UNAUDITED)

**CITY OF IDABEL**  
 Budgetary Comparison Schedule  
 (Budgetary Basis)  
 For the Year Ended June 30, 2021

**Footnotes to Budgetary Comparison Schedules:**

1. The budgetary comparison schedules are reported on the budgetary basis which differs from the modified cash basis as shown below in paragraph 3.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a department require the approval of the Mayor. All other transfers require the approval of the City Council. All supplemental appropriations require the approval of the City Council and are to be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified cash basis as shown in the schedule below:

	Per Statement of Changes in Fund Balance	Reclass transfers out	LETN Fund	MCRA Fuel Farm Fund	Cemetery Maintenance Fund	Per Budgetary Comparison Schedule
<b>Resources (Inflows):</b>						
Total Revenues	\$ 5,753,131	\$ (1,456,216)	\$ (8,182)	\$ (227,607)	\$ (4,720)	\$ 4,056,406
Transfers in	819,568	-	-	-	-	819,568
Fund balance, beginning	1,783,055	-	(17,727)	(154,429)	(220,291)	1,390,608
Total Revenues and Other Financing Sources	<u>8,355,754</u>	<u>(1,456,216)</u>	<u>(25,909)</u>	<u>(382,036)</u>	<u>(225,011)</u>	<u>6,266,582</u>
<b>Charges to Appropriations (Outflows):</b>						
Total Expenditures	4,524,623	-	(3,199)	(191,575)	(2,193)	4,327,656
Transfers Out	1,456,216	(1,456,216)	-	-	-	-
Total Expenditures and Other Financing Uses	<u>5,980,839</u>	<u>(1,456,216)</u>	<u>(3,199)</u>	<u>(191,575)</u>	<u>(2,193)</u>	<u>4,327,656</u>
<b>Ending Fund Balance</b>	<u>\$ 2,374,915</u>	<u>\$ -</u>	<u>\$ (22,710)</u>	<u>\$ (190,461)</u>	<u>\$ (222,818)</u>	<u>\$ 1,938,926</u>

(UNAUDITED)

**CITY OF IDABEL**  
Combining Balance Sheet Schedule – General Fund Accounts  
(Modified Cash Basis)  
June 30, 2021

	<u>General Fund</u>	<u>LETN</u>	<u>MCRA Fuel Farm</u>	<u>Cemetery Maintenance</u>	<u>Total General Fund</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,139,880	\$ 22,710	\$ 190,461	\$ 172,723	\$ 1,525,774
Investments	808,736	-	-	50,095	858,831
Due from other governments	3,175	-	-	-	3,175
Other receivables	4,066	-	-	-	4,066
Total assets	<u>1,955,857</u>	<u>22,710</u>	<u>190,461</u>	<u>222,818</u>	<u>2,391,846</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to other governments	1,045	-	-	-	1,045
Due to other funds	3,706	-	-	-	3,706
Due to bondholders	12,180	-	-	-	12,180
Total liabilities	<u>16,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,931</u>
<b>FUND BALANCES</b>					
Assigned to:					
Next year's budget	183,850	-	-	-	183,850
Cemetery	-	-	-	222,818	222,818
Airport	-	-	190,461	-	190,461
Police	-	22,710	-	-	22,710
Unassigned	1,755,076	-	-	-	1,755,076
Total fund balances	<u>1,938,926</u>	<u>22,710</u>	<u>190,461</u>	<u>222,818</u>	<u>2,374,915</u>
Total liabilities and fund balances	<u>\$ 1,955,857</u>	<u>\$ 22,710</u>	<u>\$ 190,461</u>	<u>\$ 222,818</u>	<u>\$ 2,391,846</u>

**CITY OF IDABEL**  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance—General Fund Accounts  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>LETN</u>	<u>MCRA Fuel Farm</u>	<u>Cemetery Maintenance</u>	<u>Total General Fund</u>
<b>REVENUES</b>					
Taxes	\$ 4,919,927	\$ -	\$ -	\$ -	\$ 4,919,927
Intergovernmental	382,494	-	-	-	382,494
Charges for services	65	8,130	227,516	3,728	239,439
Fees and fines	112,041	-	-	-	112,041
Licenses and permits	34,411	-	-	-	34,411
Investment income	11,554	52	91	992	12,689
Miscellaneous	52,130	-	-	-	52,130
Total revenues	<u>5,512,622</u>	<u>8,182</u>	<u>227,607</u>	<u>4,720</u>	<u>5,753,131</u>
<b>EXPENDITURES</b>					
General government	471,659	-	-	-	471,659
Streets and highways	833,627	-	-	-	833,627
Public Safety	2,224,608	3,199	-	-	2,227,807
Cemetery	163,646	-	-	2,193	165,839
Legal and judicial	61,508	-	-	-	61,508
Culture and recreation	37,098	-	-	-	37,098
Community support	149,990	-	-	-	149,990
Airport	103,367	-	171,035	-	274,402
Maintenance	69,318	-	-	-	69,318
Industrial development	122,207	-	-	-	122,207
Capital Outlay	19,057	-	20,540	-	39,597
Debt Service:					
Principal	61,749	-	-	-	61,749
Interest and other charges	9,822	-	-	-	9,822
Total Expenditures	<u>4,327,656</u>	<u>3,199</u>	<u>191,575</u>	<u>2,193</u>	<u>4,524,623</u>
Excess (deficiency) of revenues over expenditures	<u>1,184,966</u>	<u>4,983</u>	<u>36,032</u>	<u>2,527</u>	<u>1,228,508</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	819,568	-	-	-	819,568
Transfers out	(1,456,216)	-	-	-	(1,456,216)
Total other financing sources and uses	<u>(636,648)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(636,648)</u>
Net change in fund balances	548,318	4,983	36,032	2,527	591,860
Fund balances - beginning	<u>1,390,608</u>	<u>17,727</u>	<u>154,429</u>	<u>220,291</u>	<u>1,783,055</u>
Fund balances - ending	<u>\$ 1,938,926</u>	<u>\$ 22,710</u>	<u>\$ 190,461</u>	<u>\$ 222,818</u>	<u>\$ 2,374,915</u>



**CITY OF IDABEL**  
Combining Balance Sheet—Nonmajor Governmental Funds  
(Modified Cash Basis)  
June 30, 2021

	<b>SPECIAL REVENUE FUNDS</b>			<b>CAPITAL PROJECT FUND</b>	<b>Total-Other Governmental Funds</b>
	<b>Federal Nutrition</b>	<b>Emergency Food &amp; Shelter</b>	<b>Library</b>	<b>Transportation Enhancement</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,561	\$ -	\$ 278,012	\$ -	\$ 281,573
Due from other funds	-	-	3,706	-	3,706
Total assets	<u>3,561</u>	<u>-</u>	<u>281,718</u>	<u>-</u>	<u>285,279</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Library	-	-	272,434	-	272,434
E-911	-	-	-	-	-
Grant purposes	-	-	-	-	-
Nutrition	10,933	-	-	-	10,933
Emergency food & shelter program	-	-	-	-	-
Committed	-	-	-	-	-
Assigned to:					
E-911	-	-	-	-	-
Library	-	-	9,284	-	9,284
Transportation	-	-	-	-	-
Unassigned (deficit)	(7,372)	-	-	-	(7,372)
Total fund balances	<u>3,561</u>	<u>-</u>	<u>281,718</u>	<u>-</u>	<u>285,279</u>
Total liabilities and fund balances	<u>\$ 3,561</u>	<u>\$ -</u>	<u>\$ 281,718</u>	<u>\$ -</u>	<u>\$ 285,279</u>

**CITY OF IDABEL**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance—Nonmajor Governmental Funds  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

	<b>SPECIAL REVENUE FUNDS</b>			<b>CAPITAL PROJECT FUND</b>	<b>Total-Other Governmental Funds</b>
	<b>Federal Nutrition</b>	<b>Emergency Food &amp; Shelter</b>	<b>Library</b>	<b>Transportation Enhancement</b>	
<b>REVENUES</b>					
Taxes	\$ 57,006	\$ -	\$ 124,982	\$ -	\$ 181,988
Investment income	2	-	707	-	709
Miscellaneous - donations and other	-	-	69,000	-	69,000
Total revenues	<u>57,008</u>	<u>-</u>	<u>194,689</u>	<u>-</u>	<u>251,697</u>
<b>EXPENDITURES</b>					
Current:					
Public Safety	-	-	-	-	-
Culture and recreation	-	-	9,218	-	9,218
Community support	70,848	-	-	-	70,848
Principal	-	-	65,937	-	65,937
Interest and other charges	-	-	106,063	-	106,063
Total Expenditures	<u>70,848</u>	<u>-</u>	<u>181,218</u>	<u>-</u>	<u>252,066</u>
Excess (deficiency) of revenues over expenditures	<u>(13,840)</u>	<u>-</u>	<u>13,471</u>	<u>-</u>	<u>(369)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	14,866	-	-	-	14,866
Transfers out	-	-	(21,568)	-	(21,568)
Total other financing sources and uses	<u>14,866</u>	<u>-</u>	<u>(21,568)</u>	<u>-</u>	<u>(6,702)</u>
Net change in fund balances	1,026	-	(8,097)	-	(7,071)
Fund balances - beginning	2,535	-	289,815	-	292,350
Fund balances - ending	<u>\$ 3,561</u>	<u>\$ -</u>	<u>\$ 281,718</u>	<u>\$ -</u>	<u>\$ 285,279</u>

**CITY OF IDABEL**  
Combining Balance Sheet Schedule – IPWA Accounts  
(Modified Cash Basis)  
June 30, 2021

	<b>IPWA Enterprise Fund Accounts</b>		
	<b>IPWA Fund</b>	<b>IPWA CART Maintenance</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,931,717	\$ 144,382	\$ 3,076,099
Investments	1,593,637	-	1,593,637
Due from other funds	-	-	-
Other receivables	6,470	-	6,470
Total current assets	4,531,824	144,382	4,676,206
Non-current assets:			
Restricted:			
Cash and cash equivalents	43,627	-	43,627
Investments	1,622,137	-	1,622,137
Total non-current assets	1,665,764	-	1,665,764
Total assets	6,197,588	144,382	6,341,970
<b>LIABILITIES</b>			
Due to depositors	220,784	-	220,784
Total liabilities	220,784	-	220,784
<b>NET POSITION</b>			
Restricted for debt service	90,126	-	90,126
Restricted for other purposes	1,354,854	-	1,354,854
Unrestricted	4,531,824	144,382	4,676,206
Total net position	\$ 5,976,804	\$ 144,382	\$ 6,121,186

**CITY OF IDABEL**  
Combining Schedule of Revenues, Expenses, and Changes in Net Position – IPWA Accounts  
(Modified Cash Basis)  
For the Year Ended June 30, 2021

	<b>IPWA Enterprise Fund Accounts</b>		
		<b>IPWA CART</b>	
	<b>IPWA Fund</b>	<b>Maintenance Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Charges for services:			
Water charges	\$ 1,037,137	\$ -	\$ 1,037,137
Sewer charges	706,725	-	706,725
Sanitation charges	845,720	28,052	873,772
Landfill charges	333,204	-	333,204
Water taps	6,557	-	6,557
Sewer taps	3,000	-	3,000
Penalties	48,056	-	48,056
Reconnect fees	45,275	-	45,275
Transfer fees	875	-	875
Insufficient check charge	560	-	560
Miscellaneous	15,798	-	15,798
Total operating revenues	<u>3,042,907</u>	<u>28,052</u>	<u>3,070,959</u>
<b>OPERATING EXPENSES</b>			
Managerial	77,905	-	77,905
Water-other	643,741	-	643,741
Sanitation	698,835	11,508	710,343
Landfill	250,670	-	250,670
Lift station	96,889	-	96,889
Filter plant	385,066	-	385,066
Sewer plant	280,379	-	280,379
Sewer-other	221,848	-	221,848
Total Operating Expenses	<u>2,655,333</u>	<u>11,508</u>	<u>2,666,841</u>
Operating income	<u>387,574</u>	<u>16,544</u>	<u>404,118</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	48,434	348	48,782
Capital outlay	(183,220)	-	(183,220)
Debt service:			
Principal retirement	(152,369)	-	(152,369)
Interest expense	(144,081)	-	(144,081)
Total non-operating revenue (expenses)	<u>(431,236)</u>	<u>348</u>	<u>(430,888)</u>
Income (loss) before transfers	<u>(43,662)</u>	<u>16,892</u>	<u>(26,770)</u>
Transfers in	1,416,350	-	1,416,350
Transfers out	(798,000)	-	(798,000)
Change in net position	574,688	16,892	591,580
Total net position - beginning	5,402,116	127,490	5,529,606
Total net position - ending	<u>\$ 5,976,804</u>	<u>\$ 144,382</u>	<u>\$ 6,121,186</u>

**CITY OF IDABEL**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal/Pass through agency Grantor/Program Title	CFDA#	Grant #	Award Amount	Expenditures
<b>Federal</b>				
<b>Department of Agriculture</b>				
<i>Passed through the Oklahoma Department of Human Services and Kiamichi Area Nutrition Project:</i>				
Food Distribution	10.550	N/A	\$ 92,452	\$ 92,452
<b>Department of Justice</b>				
<i>Passed through the Oklahoma District Attorneys Council:</i>				
Violence Against Women Act (VAWA)	16.588	2020/2021-VAWA-Idabel-CI-00026	100,000	52,667
Justice Assistance Grant - Local Law Enforcement	16.738	JAG-LLE-2019-Idabel CI-00110	10,000	9,993
COVID-19 Assistance Grant	16.034	2020-VD-BX-00	49,772	30,145
<b>Total Department of Justice</b>			<u>159,772</u>	<u>92,805</u>
<b>Department of Transportation - Federal Aviation Administration</b>				
Airport Grant - Parallel Taxiway	20.106	3-40-0137-011-2018	2,765,221	154,497
Federal Aviation Administration - AIP Grant - CARES Act Funds	20.106	3-40-0137-014-2020	20,000	20,000
Subtotal 20.106			<u>2,785,221</u>	<u>174,497</u>
<b>Department of Transportation</b>				
<i>Passed through the Oklahoma Highway Safety Office:</i>				
Idabel Traffic Enforcement	20.600	PT-20-03-05-07	14,000	3,412
Idabel Traffic Enforcement	20.600	PT-21-03-15-08	15,285	5,852
Subtotal 20.600			<u>29,285</u>	<u>9,264</u>
<b>Total Department of Transportation</b>			<u>2,814,506</u>	<u>183,761</u>
<b>Department of Treasury</b>				
<i>Passed through the Oklahoma Office of Management and Enterprise Services:</i>				
Coronavirus Relief Fund	21.019	SA-1993	527,460	527,460
<b>Department of Homeland Security</b>				
<i>Passed through the Federal Emergency Management Agency:</i>				
Emergency Food and Shelter Program	97.024	Phase 37	5,250	4,500
Emergency Food and Shelter Program	97.024	CARES-7002-00-005	6,375	5,250
<b>Total Department of Homeland Security</b>			<u>11,625</u>	<u>9,750</u>
<b>Total Federal</b>			<u>\$ 3,605,815</u>	<u>\$ 906,228</u>

**Footnotes to Schedules of Expenditures of Awards:**

1. The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the City of Idabel and is presented in accordance with the modified cash basis for determining federal awards expended.
2. 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 auditors cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

## SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION

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

To the City Council  
City of Idabel, 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, business-type activities, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of City of Idabel, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Idabel, Oklahoma's basic modified cash basis financial statements, and have issued our report thereon dated February 18, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Idabel, Oklahoma's internal control over financial reporting (internal control) to determine the 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 Idabel, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Idabel, 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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Idabel, Oklahoma's modified cash basis 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this 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  
February 18, 2022



**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 Idabel, Oklahoma

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

We have audited the City of Idabel, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Idabel, Oklahoma's major federal programs for the year ended June 30, 2021. City of Idabel, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Idabel, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Idabel, Oklahoma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Idabel, Oklahoma's compliance.

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

In our opinion, the City of Idabel, 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, 2021.

**Report on Internal Control over Compliance**

Management of the City of Idabel, Oklahoma, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Idabel, Oklahoma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Idabel, Oklahoma's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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  
February 18, 2022

**City of Idabel**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2021**

**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>C DFA Number</b>	<b>Name of Federal Program or Cluster</b>
21.109	Coronavirus Relief Fund passed through Oklahoma Office of Management and Enterprise Services.
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**

None noted.

**City of Idabel**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2021**

There were no prior year audit findings for the period ended June 30, 2020.