

Town of Manchester, Oklahoma

Annual Financial Report (unaudited)

For the Fiscal Year Ended June 30, 2022



FY2022

Town of Manchester
June 30, 2022

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Board of Trustees

Tim Jantz	Mayor/Chairman
Aaron Kloefkorn	Trustee
Jeff Dearborn	Trustee

Management

Jacque Kloefkorn	Town Clerk/Treasurer
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Elfrink and Associates, PLLC

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Independent Accountant's Report

To the specified users of the report:

Town Board of Trustees, Town of Manchester
Trustees of the Manchester Public Works Authority
Oklahoma Office of the State Auditor and Inspector
Oklahoma Department of Commerce
Northern Oklahoma Development Authority (NODA)

Management is responsible for the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Manchester as of and for the year ended June 30, 2022, and the related Budgetary Comparison Schedule – Cash Basis – General Fund, Statement of Revenues, Expenses and Change in Fund Balance – Cash Basis – Manchester Public Works Authority, prepared in the format and using the basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes Title 11 §17-105 and Title 60 § 180.1, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA). We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, or provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below, which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma, solely to assist the Town of Manchester ("Town") and the Manchester Public Works Authority ("Authority") in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 §17-105 and Title 60 § 180.1 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. The sufficiency of the procedures is solely the responsibility of those parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Manchester** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we compiled a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits.
Findings: No fund balance deficits were noted.
2. **Procedures Performed:** From the Town's trial balances, we compiled budget and actual financial schedules (see accompanying Exhibit 2) for the general fund by comparing expenditures and encumbrances to authorized appropriations.
Findings: The Town's General Fund did not exceed authorized appropriations
3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements and traced significant reconciling items to subsequent clearance.
Findings: Material bank accounts included the General Fund and Community Center.
4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral.
Findings: We noted that both the Town and MPW bank accounts are held in the name of the Town and that total deposits at 6/30/2022 were \$290,459 which exceeded the FDIC insured deposit limit by \$41,086.
Recommendation: The Town should work with the bank to assure collateral is provided for uninsured deposits and/or some deposits are moved to a different bank or accounts are established under the MPW entity to take advantage of an additional FDIC insurance limit.
5. **Procedures Performed:** We determined compliance with requirements for separate funds.
Findings: All required funds have been established.
6. **Procedures Performed:** We determined compliance with reserve account and debt service coverage requirements of bond indenture findings.
Findings: The Town has no debt of any kind.

As to the **Manchester Public Works Authority ("Authority")**, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses, and change in fund balance – cash basis – for the Authority (see accompanying Exhibit 3) and determined compliance with the applicable trust prohibition for creating fund balance deficits.
Findings: No instances of fund balance deficits were noted.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements and traced significant reconciling items to subsequent clearance.
Findings: Material bank accounts included the Manchester Public Works account and the MPWA Meter account.
3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral.
Findings: See finding number 4 above related to the Town.
4. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions.
Findings: No instances of noncompliance were noted regarding restricted revenues.
5. **Procedures Performed:** We determined compliance with requirements for separate funds.
Findings: All required funds have been established.
6. **Procedures Performed:** We determined compliance with reserve account and debt service coverage requirements of bond indenture findings.
Findings: The Authority has no outstanding debt.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination, or review, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

Elfrink and Associates, PLLC

Elfrink and Associates, PLLC
Tulsa, Oklahoma
December 30, 2022

EXHIBIT 1
TOWN OF MANCHESTER
SUMMARY OF CHANGES IN FUND BALANCES
CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Beginning of Year <u>Fund Balances</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	End of Year <u>Fund Balances</u>
TOWN: General Fund	<u>145,860</u>	<u>42,559</u>	<u>30,632</u>	<u>(36,437)</u>	<u>121,350</u>
PUBLIC WORKS AUTHORITY Manchester PWA	<u>106,904</u>	<u>76,420</u>	<u>50,652</u>	<u>36,437</u>	<u>169,109</u>
Overall Totals	<u><u>\$ 252,764</u></u>	<u><u>\$ 118,979</u></u>	<u><u>\$ 81,284</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 290,459</u></u>

See accompanying accountant's report.

TOWN OF MANCHESTER, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE-CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 16,661	\$ 16,661	\$ 145,860	\$ 129,199
Resources (Inflows):				
TAXES	5,200	5,200	16,296	11,096
INTERGOVERNMENTAL	8,000	8,000	6,874	(1,126)
FIRE SERVICES	2,400	2,400	830	(1,570)
LICENSES AND PERMITS	500	500	555	55
DONATIONS	-	-	450	450
INVESTMENT INCOME	2,600	2,600	1,597	(1,003)
GRANTS	8,000	8,000	8,645	645
MISCELLANEOUS	7,600	7,600	7,312	(288)
OTHER FINANCING SOURCES - TRANSFERS IN	-	-	-	-
Total resources and other financing sources	<u>34,300</u>	<u>34,300</u>	<u>42,559</u>	<u>8,259</u>
Amounts available for appropriation	<u>50,961</u>	<u>50,961</u>	<u>188,419</u>	<u>137,458</u>
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT	28,500	28,500	29,262	(762)
FIRE	-	-	1,370	(1,370)
TRANSFERS OUT	-	-	36,437	(36,437)
Total Charges to Appropriations	<u>28,500</u>	<u>28,500</u>	<u>67,069</u>	<u>(38,569)</u>
Ending Budgetary Fund Balance	<u>\$ 22,461</u>	<u>\$ 22,461</u>	<u>\$ 121,350</u>	<u>\$ 98,889</u>

See accompanying accountant's report

EXHIBIT 3

**TOWN OF MANCHESTER, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND BALANCE-CASH BASIS
MANCHESTER PUBLIC WORKS AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2022**

Operating Revenues:	
Charges for services:	
Utilities	\$ 76,396
Miscellaneous	24
Total operating revenues	76,420
Operating Expenses:	
Operations and maintenance	41,292
Sanitation contract	8,400
Water purchases	960
Total operating expenses	50,652
Operating income	25,768
Non-Operating Revenues (Expenses):	
Transfer from Town	36,437
Total non-operating revenues	36,437
Change in fund balance	62,205
Total fund balance - beginning	106,904
Total fund balance - ending	\$ 169,109

See accompanying accountant's report.

Exhibit 4

**TOWN OF MANCHESTER
SCHEDULE OF GRANT ACTIVITY - CASH BASIS
FOR THE YEAR ENDED JUNE 30,2022
(Unaudited)**

	<u>ARPA 2022</u>	<u>FIRE OPERATIONAL*</u>
Awarding agency	US Department of the Treasury - Oklahoma OMES	Oklahoma Department of Agriculture
CFDA No.	N/A	N/A
Award Amount	\$ 8,645	\$ 4,642
Program Budget	8,645	-
Current Year Activity		
Current Year Receipts:		
Received from agency	<u>8,645</u>	<u>-</u>
Current Year Disbursements	-	-
Beginning of Year Unexpended Grant Funds	<u>-</u>	<u>-</u>
End of Year Unexpended Grant Funds	<u><u>\$ 8,645</u></u>	<u><u>\$ -</u></u>
Program To-Date Activity		
Program To-Date Receipts:		
Received from agency	<u>8,645</u>	<u>-</u>
Program To-Date Disbursements	<u>-</u>	<u>-</u>
Program To-Date Unexpended Grant Funds	<u><u>\$ 8,645</u></u>	<u><u>\$ -</u></u>

*The fire grant funds were not deposited to a Town bank account, see accountant's report for details

See accompanying accountant's report