

**CITY OF MANGUM OKLAHOMA  
MANGUM, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

**City of Mangum, Oklahoma**  
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**Year Ended June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Mangum, Oklahoma

**Adverse and Unmodified Opinions**

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
Governmental Fund — General Fund	Unmodified
Governmental Fund — Hospital Sales Tax	Unmodified
Mangum Utility Authority	Unmodified
Golf Course Fund	Unmodified
MUA Capital Improvement Fund	Unmodified
Power Plant Capital Improvement Fund	Unmodified
Water Well Improvement and Maintenance	Unmodified
Mangum Economic Development Authority	Unmodified
Aggregate Remaining Fund Information	Unmodified

*Adverse Opinion on Aggregate Discretely Presented Component Units*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the City of Mangum, Oklahoma, as of June 30, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Mangum, Oklahoma, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Adverse and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mangum, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

### *Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units*

The financial statements do not include financial data for the City of Mangum, Oklahoma's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City of Mangum, Oklahoma also issues financial statements for the financial reporting entity that include the financial data for its component units. The City of Mangum, Oklahoma has not issued such reporting entity financial statements. The effects of not including the City of Mangum, Oklahoma's legally separate component units on the aggregate discretely presented component have not been determined.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mangum, Oklahoma’s ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

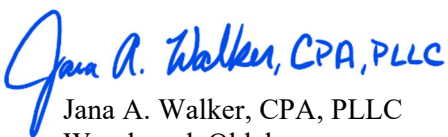
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and net pension schedules on pages 4–11, 39 and 40–42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022, on our consideration of the City of Mangum, 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 solely 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 Mangum, 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 Mangum, Oklahoma’s internal control over financial reporting and compliance.



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
November 10, 2022

Within this section, the City of Mangum's ("City") management provides narrative discussion and analysis of the financial performance of the City's for the fiscal year ended June 30, 2022. The City's performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. This discussion focuses on the City's primary government, and unless otherwise noted, component units reported separately from the primary government are not included. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL SUMMARY

- At June 30, 2022, the assets of the City exceeded its liabilities by \$9,008,750 (net position). Of this amount \$3,627,213 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. This compared to the previous year when assets exceeded liabilities by \$8,325,082.
- The City's total net position is comprised of the following:
  - (1) Invested in capital assets, net of related debt of \$5,084,487 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of construction of capital assets.
  - (2) Restricted net position of \$297,050. The restrictions are based upon contractual, legal, or Commission action.
  - (3) Unrestricted net position of \$3,627,213 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- Total liabilities of the City were \$963,101 which reflects an 45% decrease over prior year liabilities of \$1,755,513. The decrease is attributable to the pension liability of the City which decreased over \$600 thousand dollars year over year. In addition, long term debt decreased by \$169 thousand dollars due to regularly scheduled payment on outstanding debt. The pension liability is calculated by a third-party and reported to the City on an annual basis.
- The City's governmental funds reported total ending fund balance of \$2,740,560 this year. This compared to prior year ending fund balance of \$2,475,684.

### OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

#### **Government-wide Financial Statements**

The City's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status and are presented to demonstrate the extent the City has met its operating objective efficiently and effectively using all the resources available and whether the City can continue to meet its objectives in the foreseeable future. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indication of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year and can be used to assess the City's operating results in its entirety and analyze how the City's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement

of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the City that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities includes general government; public safety and judiciary; transportation; and cultural, parks, and recreation. Business-types activities include utility services, including electric, water, and sanitation, provided by the City as well as the operation of the municipal golf course.

The City's financial reporting entity includes the funds of the City (primary government) and organization for which the City is accountable (component units). More comprehensive information about the City's component units can be found in footnotes.

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

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole.

The City has three kinds of funds:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is different with fund statements reporting short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statement is included in the basic financial statement for governmental funds deemed as major. This statement demonstrates compliance with the City's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City has one type of proprietary fund, enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as water and sanitation utilities and sales of rock and airplane fuel.

Proprietary fund statements and statements for discretely presented component units (reporting similarly to proprietary funds) provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements but with more detail.

*Fiduciary funds* are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements report similarly to proprietary funds. The City has a cafeteria plan which is reported as a fiduciary fund.

**Notes to the financial statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. Those notes to the financial statement begin immediately following the basic financial statements.

**Other information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information detailing the combining statements of non-major governmental funds.

**A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net position**

The City reported positive balances in total net position for both governmental and business-type activities, \$5,960,457 and \$3,048,293, respectively.

**Summary of Net Position**

	Governmental Activities		Business-Type Activities		Total		Change	
	2022	2021	2022	2021	2022	2021	\$	%
Current assets	\$ 3,491,913	\$ 3,143,460	\$ 1,907,736	\$ 1,711,355	\$ 5,399,649	\$ 4,854,815	\$ 544,834	11%
Capital assets, net	3,681,235	2,999,474	1,642,766	1,739,391	5,324,001	4,738,865	585,136	12%
<b>Total assets</b>	<b>7,173,148</b>	<b>6,142,934</b>	<b>3,550,502</b>	<b>3,450,746</b>	<b>10,723,650</b>	<b>9,593,680</b>	<b>1,129,970</b>	<b>12%</b>
Deferred outflows	448,063	575,654	-	-	448,063	575,654	(127,591)	-22%
Current liabilities	60,582	62,251	201,001	199,023	261,583	261,274	309	0%
Non-current liabilities	400,310	1,042,049	301,208	452,190	701,518	1,494,239	(792,721)	-53%
<b>Total liabilities</b>	<b>460,892</b>	<b>1,104,300</b>	<b>502,209</b>	<b>651,213</b>	<b>963,101</b>	<b>1,755,513</b>	<b>(792,412)</b>	<b>-45%</b>
Deferred inflows	1,199,862	88,739	-	-	1,199,862	88,739	1,111,123	1252%
<b>Net position</b>								
Invested in capital assets, net of related debt	3,681,235	2,999,474	1,403,252	1,337,883	5,084,487	4,337,357	747,130	17%
Restricted	273,379	272,647	23,671	29,841	297,050	302,488	(5,438)	-2%
Unrestricted	2,005,843	2,253,428	1,621,370	1,431,809	3,627,213	3,685,237	(58,024)	-2%
<b>Total net position</b>	<b>\$ 5,960,457</b>	<b>\$ 5,525,549</b>	<b>\$ 3,048,293</b>	<b>\$ 2,799,533</b>	<b>\$ 9,008,750</b>	<b>\$ 8,325,082</b>	<b>\$ 683,668</b>	<b>8%</b>

Total assets for the City increased 12% resulting from capital assets and improvements added to the City during the fiscal year. Deferred outflows related to the pension obligations of the City decreased 22% over prior year. This change is determined by an actuarial valuation of the Oklahoma Municipal Retirement Fund, Police Pension fund, and the Fire Pension fund participation.

Total liabilities decreased 45% over prior year. During the year, the City's pension liability decreased 62% or \$641,739. Additionally, regularly scheduled payments on outstanding debt of the City contributed to the decrease in liabilities during the fiscal year. The City reports over \$5 million in capital assets with \$258 thousand remaining on debt used to finance their acquisition and construction. Overall, the net position of the City increased 8% or \$683,668 when compared to prior year.

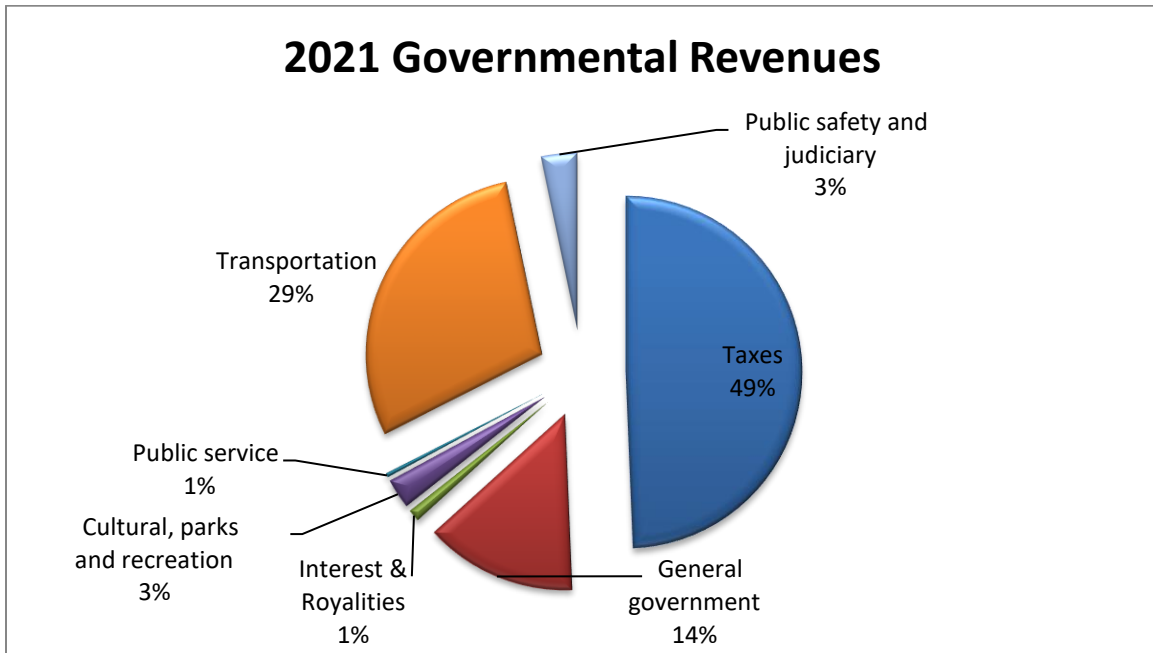
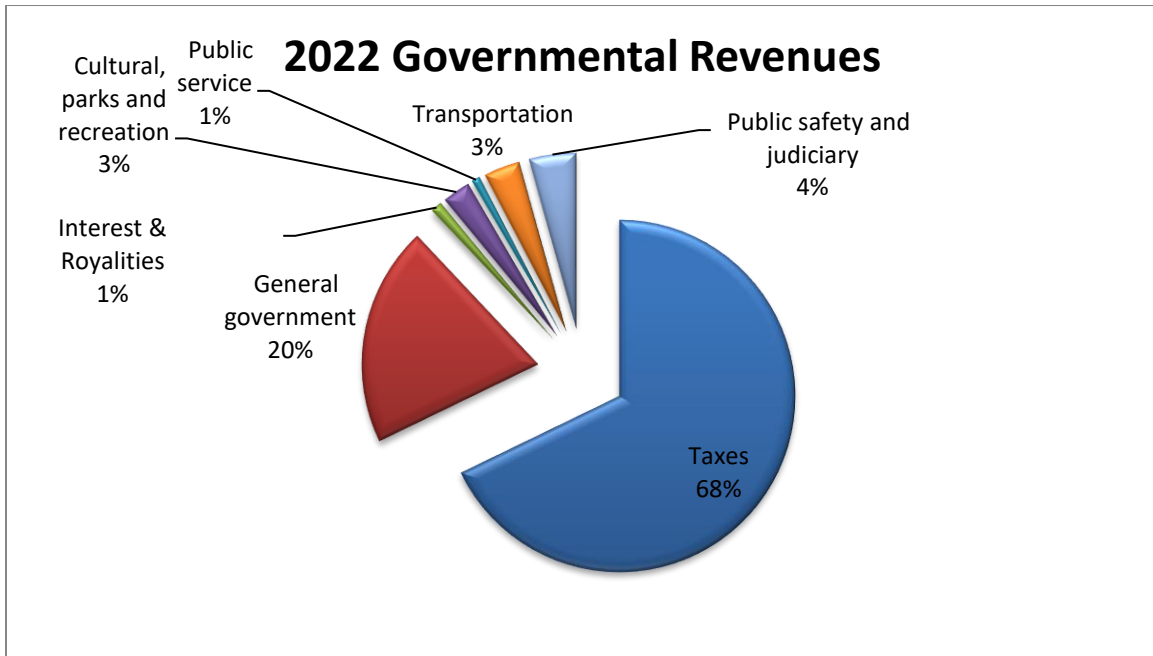


	Summary of Changes in Net Position							
	Governmental		Business-type		Total		Change	
	Activities	Activities	Activities	Activities	2022	2021	\$	%
	2022	2021	2022	2021	2022	2021		
<b>Revenues</b>								
Program revenues	\$ 385,356	\$ 808,808	\$ 4,995,065	\$ 4,434,468	\$ 5,380,421	\$ 5,243,276	\$ 137,145	3%
Taxes and other general revenues	1,109,534	821,779	14,500	19,924	1,124,034	841,703	282,331	34%
<b>Total revenues</b>	<b>1,494,890</b>	<b>1,630,587</b>	<b>5,009,565</b>	<b>4,454,392</b>	<b>6,504,455</b>	<b>6,084,979</b>	<b>419,476</b>	<b>7%</b>
<b>Expenses</b>								
General government	9,973	341,007	-	-	9,973	341,007	(331,034)	-97%
Public safety and judiciary	1,242,260	1,052,876	-	-	1,242,260	1,052,876	189,384	18%
Transportation	144,778	296,624	-	-	144,778	296,624	(151,846)	-51%
Cultural, parks, and recreator	324,639	325,763	-	-	324,639	325,763	(1,124)	0%
Public service	129,796	76,268	-	-	129,796	76,268	53,528	70%
Electric	-	-	2,266,229	2,049,532	2,266,229	2,049,532	216,697	11%
Water	-	-	187,597	192,190	187,597	192,190	(4,593)	-2%
Sewer	-	-	73,565	86,011	73,565	86,011	(12,446)	-14%
Sanitation	-	-	467,073	340,506	467,073	340,506	126,567	37%
Golf	-	-	23,340	23,205	23,340	23,205	135	1%
Customer service	-	-	54,985	376,658	54,985	376,658	(321,673)	-85%
<b>Total expenses</b>	<b>1,851,446</b>	<b>2,092,538</b>	<b>3,072,789</b>	<b>3,068,102</b>	<b>4,924,235</b>	<b>5,160,640</b>	<b>(236,405)</b>	<b>-5%</b>
Excess (deficiency) before transfers	\$ (356,556)	\$ (461,951)	\$ 1,936,776	\$ 1,386,290	\$ 1,580,220	\$ 924,339	\$ 655,881	71%
Transfers	791,464	1,562,305	(1,688,016)	(1,562,305)	(896,552)	-	(896,552)	100%
<b>Increase (decrease) in net position</b>	<b>\$ 434,908</b>	<b>\$ 1,100,354</b>	<b>\$ 248,760</b>	<b>\$ (176,015)</b>	<b>\$ 683,668</b>	<b>\$ 924,339</b>	<b>\$ (240,671)</b>	<b>-26%</b>

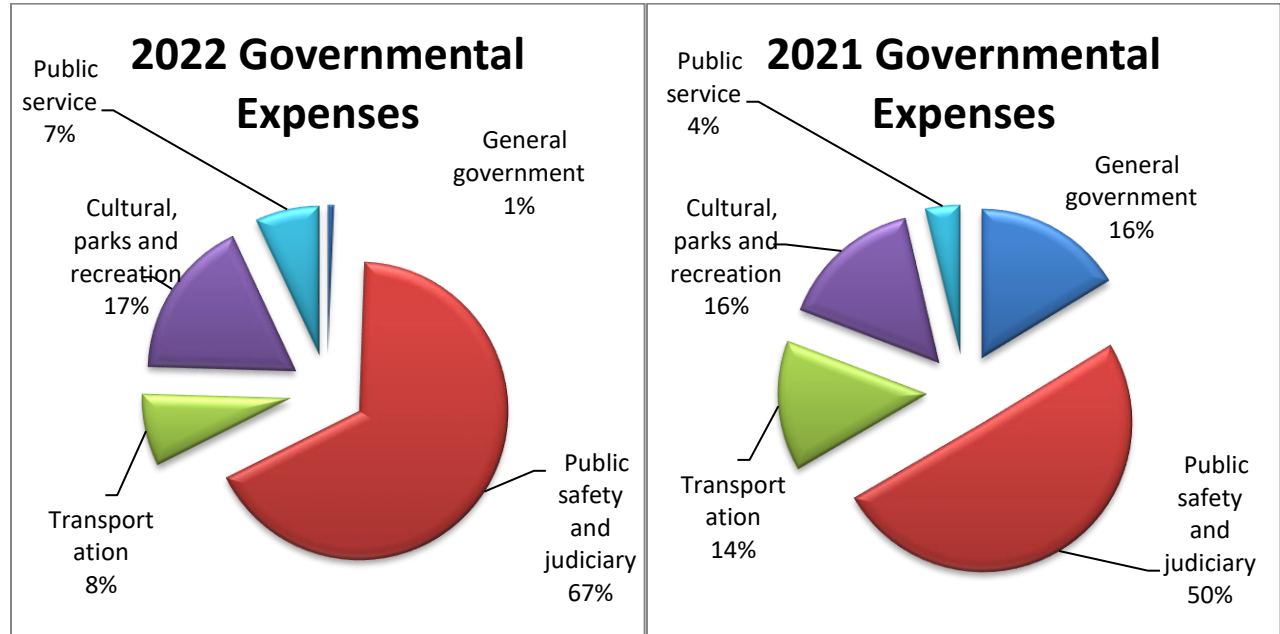
Revenues for the City noted an increase of \$419,476 or 7% over prior year. Sales tax and other general revenues along with an increase in utility program revenues contributed to the increase in the City's income.

Operating expenses remained consistent between years, noting a 5% or \$236,405 decrease. Expenses shifted between departments, but overall the City maintained a level basis of spending when compared to prior year.

Graphic presentations of selected data from the summary table follow to assist in the analysis of the City's activities.



Taxes provided 68% of the City's governmental revenues in fiscal year 2022 compared to 49% in fiscal year 2021. This shift occurred due to the increased grant funding reported during the fiscal year, specifically in General Government and Transportation.

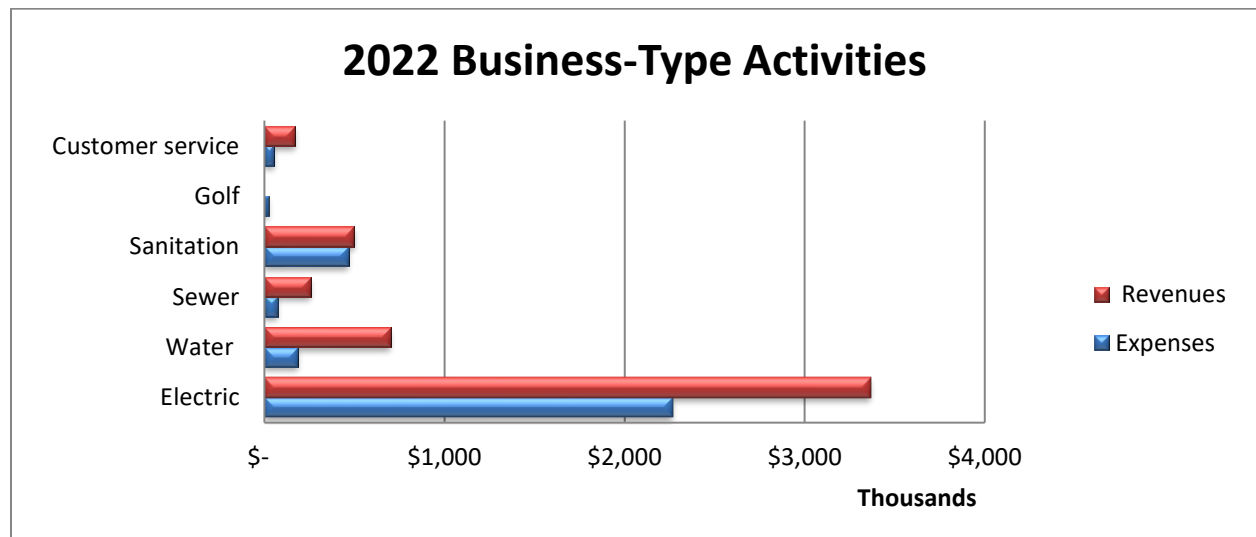


For the year ended June 30, 2022, total expenses for governmental activities were \$1,851,446 compared to \$2,092,538 in fiscal year 2021. Of this amount, public safety and judiciary was the largest operating service department at 67% or \$1,242,260, compared to prior year at 50% or \$1,052,876. All other operating expenses remained consistent with prior year. These costs, as well as all other governmental activity expenses, were primarily funded by tax revenues.

It should be noted that governmental expenses are adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. Government-wide statement is full accrual; capital outlay expenses are eliminated and capital assets are reported.

**Business-type Activities**

The following is a graphic representation of business-type expenses as a percentage of revenues for the major departments of the City's enterprise funds:



Business-type activities are shown comparing operating costs to operating revenues generated by the related services. Electric, Sanitation, Sewer, and Water activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges. The Golf Course is funded with transfers from other departments within the City.

**General Fund Budgetary Highlights**

The General Fund original budget for fiscal year 2022 was \$2,175,019 compared to \$1,874,210 in prior year. The budget was amended during the fiscal year, increasing expenses by \$87,888. In total, the City spent \$721,637 less than budgeted appropriations for the year ended. The City maintained compliance with state budget laws for the year ended June 30, 2022.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2022, the City had \$5,084,487 invested in capital assets, net of related debt, including vehicles and equipment for police and fire operations, street improvements, and park facilities, in governmental activities and utility improvements/infrastructure in business-type activities. Refer to the table below.

**Primary Government Capital Assets**

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land and construction in process	\$ 752,554	\$ 579,541	\$ 245,127	\$ 235,436	\$ 997,681	\$ 814,977
Buildings	1,742,760	2,066,937	194,855	212,770	1,937,615	2,279,707
Machinery & equipment	307,786	194,777	71,447	106,243	379,233	301,020
Utility property & improvements	126,311	158,219	1,131,337	1,184,944	1,257,648	1,343,163
<b>Total capital assets, net</b>	<b>\$ 2,929,411</b>	<b>\$ 2,999,474</b>	<b>\$ 1,642,766</b>	<b>\$ 1,739,393</b>	<b>\$ 4,572,177</b>	<b>\$ 4,738,867</b>

**Long-Term Debt**

At year-end, the City had \$701,518 in long-term debt outstanding. The City's changes in long-term debt by type of debt are as follows:

**Primary Government Long-Term Debt**

	Governmental		Business-type	
	Activities		Activities	
	2022	2021	2022	2021
Notes payable	-	-	258,254	427,527
Pension liability	400,310	1,042,049	-	-
Meter deposit liability	-	-	213,222	193,921
less current portion	-	-	(171,109)	(169,258)
<b>Total long term debt</b>	<b>\$ 400,310</b>	<b>\$ 645,905</b>	<b>\$ 300,367</b>	<b>\$ 610,464</b>

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

### Economic Environment

According to the Oklahoma State University, Spears School of Business, *Economic Outlook 2022 Summer Update* "The state and national economies have recovered from the damage wrought by the COVID-19 pandemic. While income and output have long since risen above their pre-pandemic levels, in large part spurred by massive fiscal and monetary stimulus, state and national employment are just now returning to pre-pandemic levels. Yet, although the major economic aggregates have recovered, the economy has not fully returned to pre-pandemic form." The City has continued to be proactive in unknown changes resulting from the pandemic in the upcoming year.

## **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 City Clerk's Office at Mangum City Hall.

**City of Mangum, Oklahoma**  
**Statement of Net Position**  
**June 30, 2022**

ASSETS	Governmental Activities	Business-type Activities	Total
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 2,030,295	\$ 1,134,517	\$ 3,164,812
Investments	1,025,708	131,677	1,157,385
Due from other funds	14,963	-	14,963
Accounts receivable (net)	147,568	362,464	510,032
Inventory	-	45,058	45,058
Total current assets	<u>3,218,534</u>	<u>1,673,716</u>	<u>4,892,250</u>
<b>Restricted assets:</b>			
Cash and cash equivalents	108,980	76,144	185,124
Investments	164,399	157,876	322,275
Total restricted assets	<u>273,379</u>	<u>234,020</u>	<u>507,399</u>
<b>Noncurrent Assets:</b>			
Pension asset	751,824	-	751,824
Land and construction in progress	752,554	245,127	997,681
Other capital assets (net of accumulated depreciation)	2,176,857	1,397,639	3,574,496
Total noncurrent assets	<u>3,681,235</u>	<u>1,642,766</u>	<u>5,324,001</u>
Total assets	<u>7,173,148</u>	<u>3,550,502</u>	<u>10,723,650</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on pension obligations	\$ 448,063	\$ -	\$ 448,063
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 23,862	\$ 21,737	\$ 45,599
Payroll liabilities	36,720	6,533	43,253
Due to other funds	-	2,462	2,462
Notes payable, current	-	170,269	170,269
Total current liabilities	<u>60,582</u>	<u>201,001</u>	<u>261,583</u>
<b>Noncurrent liabilities:</b>			
Meter and other deposit liability	-	213,222	213,222
Pension liability	400,310	-	400,310
Notes payable, non-current	-	87,986	87,986
Total noncurrent liabilities	<u>400,310</u>	<u>301,208</u>	<u>701,518</u>
Total liabilities	<u>460,892</u>	<u>502,209</u>	<u>963,101</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows on pension obligations	1,199,862	-	1,199,862
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,681,235	1,403,252	5,084,487
Reserved for restricted purposes	273,379	23,671	297,050
Unrestricted	2,005,843	1,621,370	3,627,213
Total net position	<u>\$ 5,960,457</u>	<u>\$ 3,048,293</u>	<u>\$ 9,008,750</u>

**City of Mangum, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 9,973	\$ 9,877	\$ 239,710	\$ -	\$ 239,614
Public safety and judiciary	1,242,260	28,161	24,937	-	(1,189,162)
Transportation	144,778	17,531	23,579	-	(103,668)
Cultural, parks and recreation	324,639	25,078	6,808	-	(292,753)
Public service	129,796	9,675	-	-	(120,121)
Total governmental activities	<u>1,851,446</u>	<u>90,322</u>	<u>295,034</u>	<u>-</u>	<u>(1,466,090)</u>
Business-type activities:					
Electric	2,266,229	3,367,603	-	-	1,101,374
Water	187,597	701,263	-	-	513,666
Sewer	73,565	256,157	-	-	182,592
Sanitation	467,073	498,373	-	-	31,300
Golf	23,340	-	-	-	(23,340)
Customer service	54,985	91,012	80,657	-	116,684
Total business-type activities	<u>3,072,789</u>	<u>4,914,408</u>	<u>80,657</u>	<u>-</u>	<u>1,922,276</u>
Total primary government	<u>\$ 4,924,235</u>	<u>\$ 5,004,730</u>	<u>\$ 375,691</u>	<u>\$ -</u>	<u>\$ 456,186</u>

**City of Mangum, Oklahoma**  
**Statement of Activities (continued)**  
**Year Ended June 30, 2022**

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**Changes in Net Position:**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Net (expense)/revenue	\$ (1,466,090)	\$ 1,922,276	\$ 456,186
General revenues:			
Taxes:			
Sales tax	617,086	-	617,086
Use tax	115,171	-	115,171
Franchise tax	30,213	-	30,213
Other taxes	77,843	-	77,843
Investment income	13,186	7,021	20,207
Other	101,186	7,479	108,665
Change in pension obligation	154,849	-	154,849
Internal service fund transfer	(378,881)	(517,671)	(896,552)
Transfers-Internal activity	1,170,345	(1,170,345)	-
Total general revenues and transfers	<u>1,900,998</u>	<u>(1,673,516)</u>	<u>227,482</u>
Change in net assets	434,908	248,760	683,668
Net position-beginning	5,525,549	2,799,533	8,325,082
Net position-ending	<u><u>\$ 5,960,457</u></u>	<u><u>\$ 3,048,293</u></u>	<u><u>\$ 9,008,750</u></u>



**City of Mangum, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<u>General Fund</u>	<u>Hospital Sales Tax</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,110,563	\$ -	\$ 337,941	\$ 1,448,504
Investments	959,150	-	230,957	1,190,107
Due from other funds	16,401	31,694	6,000	54,095
Accounts receivable	3,179	-	120	3,299
Taxes receivable	141,366	-	2,903	144,269
Total assets	<u>2,230,659</u>	<u>31,694</u>	<u>577,921</u>	<u>2,840,274</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 23,862	\$ -	\$ -	\$ 23,862
Due to other funds	37,693	-	1,439	39,132
Payroll liabilities	36,720	-	-	36,720
Municipal court bonds payable	-	-	-	-
Current portion of long-term debt	-	-	-	-
Total liabilities	<u>98,275</u>	<u>-</u>	<u>1,439</u>	<u>99,714</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	108,980	108,980
Restricted	-	31,694	164,247	195,941
Committed	32,745	-	260,191	292,936
Assigned	343,159	-	43,064	386,223
Unassigned	1,756,480	-	-	1,756,480
Total fund balances	<u>2,132,384</u>	<u>31,694</u>	<u>576,482</u>	<u>2,740,560</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,230,659</u>	<u>\$ 31,694</u>	<u>\$ 577,921</u>	<u>\$ 2,840,274</u>
Total fund balance- total governmental funds				\$ 2,740,560
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported:				
			752,554	
			7,293,136	
			<u>(5,116,279)</u>	2,929,411
Long-term liabilities are not due and payable in the current period and are not reported in the funds.				
			751,824	
			(400,310)	
			<u>(751,799)</u>	(400,285)
Internal service funds are used by management to charge the costs of certain activities such as the central garage to the individual funds. Assets and liabilities of the internal service funds are reclassified to the governmental activities in the statement of net assets. Internal activity is reclassified to governmental and business-type activities based on the function of the activities charged.				
Internal service funds net position			667,805	
Business-type activities internal liabilities to government fund activities			<u>22,966</u>	<u>690,771</u>
Net position of governmental activities				<u>\$ 5,960,457</u>

**City of Mangum, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Hospital Sales Tax</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Sales tax	\$ 617,086	\$ -	\$ -	\$ 617,086
Use tax	115,171	-	-	115,171
Franchise tax	30,213	-	-	30,213
Licenses and permits	3,855	-	-	3,855
Rents & royalties	4,057	-	-	4,057
Fines and forfeitures	19,638	-	-	19,638
Charges for services	39,219	-	19,998	59,217
Intergovernmental revenues	347,334	-	28,342	375,676
Other revenues	100,681	-	505	101,186
Donations	756	-	-	756
Interest	10,534	-	2,652	13,186
Total revenues	<u>1,288,544</u>	<u>-</u>	<u>51,497</u>	<u>1,340,041</u>
<b>EXPENDITURES</b>				
General government:				
Administration	-	-	-	-
City commission	-	-	-	-
General government	15,986	-	2,370	18,356
Total general government	<u>15,986</u>	<u>-</u>	<u>2,370</u>	<u>18,356</u>
Public safety and judiciary:				
Police	537,659	-	1,079	538,738
Animal control	67,866	-	-	67,866
Fire	383,237	-	4,711	387,948
Judiciary	30,267	-	-	30,267
Code enforcement	68,022	-	-	68,022
Total public safety and judiciary	<u>1,087,051</u>	<u>-</u>	<u>5,790</u>	<u>1,092,841</u>
Transportation:				
Street	108,316	-	14,922	123,238
Airport	-	-	22,937	22,937
Total transportation	<u>108,316</u>	<u>-</u>	<u>37,859</u>	<u>146,175</u>
Cultural, parks and recreation:				
Library	114,577	-	-	114,577
Park	116,240	-	-	116,240
Community building	-	-	-	-
Swimming pool	58,152	-	-	58,152
Total cultural, parks and recreation	<u>288,969</u>	<u>-</u>	<u>-</u>	<u>288,969</u>
Public service:				
Cemetery	1,429	-	531	1,960
Community service	74,254	-	-	74,254
Healthcare	-	-	-	-
Total public service	<u>75,683</u>	<u>-</u>	<u>531</u>	<u>76,214</u>
Capital outlay	229,750	-	14,324	244,074
Debt service:				
Principle	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	<u>1,805,755</u>	<u>-</u>	<u>60,874</u>	<u>1,866,629</u>
Excess (deficiency) of revenues over expenditures	<u>(517,211)</u>	<u>-</u>	<u>(9,377)</u>	<u>(526,588)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal service transfer	(378,881)	-	-	(378,881)
Transfers in/(out)	1,130,756	-	39,589	1,170,345
Total other financing sources and uses	<u>751,875</u>	<u>-</u>	<u>39,589</u>	<u>791,464</u>
Net change in fund balances	234,664	-	30,212	264,876
Fund balances - beginning	1,897,720	31,694	546,270	2,475,684
Prior period adjustment	-	-	-	-
Fund balances - ending	<u>\$ 2,132,384</u>	<u>\$ 31,694</u>	<u>\$ 576,482</u>	<u>\$ 2,740,560</u>

**City of Mangum, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2022**

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Reconciliation of the change in fund balances - total governmental funds  
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds		\$ 264,876
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset purchases capitalized	244,074	
Depreciation expense	<u>(314,137)</u>	(70,063)
In the statement of activities, the cost of pension benefits earned net of employee contributions are reported as an component of pension expense. The fund financial statements report pension contributions as expenditures.		
		154,849
Internal service funds are used by management to charge the costs of internal activities		
Internal service fund changes in net position	165,811	
Business-type activities net activities due to governmental type activities	<u>(80,565)</u>	<u>85,246</u>
Change in Fund Balance of Governmental Activities		<u><u>\$ 434,908</u></u>

**City of Mangum, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Mangum Utility Authority</b>	<b>Golf Course Fund</b>	<b>Mangum Economic Development Authority</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,122,750	\$ 8,357	\$ 26,374	\$ 1,157,481	\$ 696,565
Investments	131,677	-	-	131,677	-
Accounts receivable, net	362,464	-	-	362,464	-
Inventory	44,577	481	-	45,058	-
Total current assets	<u>1,661,468</u>	<u>8,838</u>	<u>26,374</u>	<u>1,696,680</u>	<u>696,565</u>
Current assets:					
Restricted assets:					
Cash, including time deposits	76,144	-	-	76,144	-
Investments	157,876	-	-	157,876	-
Total restricted assets	<u>234,020</u>	<u>-</u>	<u>-</u>	<u>234,020</u>	<u>-</u>
Noncurrent assets:					
Capital assets (net)	1,447,997	194,769	-	1,642,766	-
Total noncurrent assets	<u>1,447,997</u>	<u>194,769</u>	<u>-</u>	<u>1,642,766</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 3,343,485</u>	<u>\$ 203,607</u>	<u>\$ 26,374</u>	<u>\$ 3,573,466</u>	<u>\$ 696,565</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 21,737	\$ -	\$ -	\$ 21,737	\$ 11,993
Payroll liabilities	6,533	-	-	6,533	16,767
Due to other funds	2,462	-	-	2,462	-
Notes payable, current	170,269	-	-	170,269	-
Total current liabilities	<u>201,001</u>	<u>-</u>	<u>-</u>	<u>201,001</u>	<u>28,760</u>
Noncurrent liabilities:					
Meter and other deposit liability	213,222	-	-	213,222	-
Notes payable, non-current	87,986	-	-	87,986	-
Total noncurrent liabilities	<u>301,208</u>	<u>-</u>	<u>-</u>	<u>301,208</u>	<u>-</u>
<b>Total liabilities</b>	<u>502,209</u>	<u>-</u>	<u>-</u>	<u>502,209</u>	<u>28,760</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	1,208,483	194,769	-	1,403,252	-
Restricted	23,671	-	-	23,671	-
Unrestricted	1,609,122	8,838	26,374	1,644,334	667,805
<b>Total net position</b>	<u>\$ 2,841,276</u>	<u>\$ 203,607</u>	<u>\$ 26,374</u>	<u>\$ 3,071,257</u>	<u>\$ 667,805</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances

\$ (22,964)

**Net position of business-type activities**

\$ 3,048,293

**City of Mangum, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	<b>Mangum Utility Authority</b>	<b>Golf Course Fund</b>	<b>Mangum Economic Development Authority</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>Operating revenues:</b>					
Charges for services:					
Electric charges	\$ 3,367,603	\$ -	\$ -	\$ 3,367,603	\$ -
Water charges	701,263	-	-	701,263	-
Sewer charges	256,157	-	-	256,157	-
Sanitation charges	498,373	-	-	498,373	-
Penalties	82,955	-	-	82,955	-
Total charges for services	4,906,351	-	-	4,906,351	-
Other fees and charges	8,057	-	-	8,057	-
Total operating revenues	4,914,408	-	-	4,914,408	-
<b>Operating expenses:</b>					
Cost of sales	1,947,781	-	-	1,947,781	-
Personal services	392,484	-	-	392,484	453,305
Materials and supplies	105,270	4,336	-	109,606	130,408
Other services and charges	469,567	-	-	469,567	158,832
Depreciation and amortization	91,816	19,004	-	110,820	-
Total operating expenses	3,006,918	23,340	-	3,030,258	742,545
Net operating income	1,907,490	(23,340)	-	1,884,150	(742,545)
<b>Nonoperating revenue (expense):</b>					
Investment income	6,879	26	116	7,021	2,564
Grant income	80,657	-	-	80,657	-
Other income	7,479	-	-	7,479	6,445
Bad debt	(118,536)	-	-	(118,536)	-
Interest expense	(4,560)	-	-	(4,560)	-
Total nonoperating revenue (expense)	(28,081)	26	116	(27,939)	9,009
<b>Net income before contributions and transfers</b>	1,879,409	(23,314)	116	1,856,211	(733,536)
Internal service fund transfer	(517,671)	-	-	(517,671)	-
Transfers from other funds	201,839	8,000	-	209,839	1,074,705
Transfers to other funds	(1,380,184)	-	-	(1,380,184)	(175,359)
<b>Change in net position</b>	183,393	(15,314)	116	168,195	165,810
Net position-beginning of year	2,657,883	218,921	26,258	2,903,062	501,995
Prior period adjustment	-	-	-	-	-
Net position-end of year	<u>\$ 2,841,276</u>	<u>\$ 203,607</u>	<u>\$ 26,374</u>	<u>\$ 3,071,257</u>	<u>\$ 667,805</u>
Change in net position, per above				\$ 168,195	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business-type activities				80,565	
<b>Change in net position of business-type activities</b>				<u>\$ 248,760</u>	

**City of Mangum, Oklahoma**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	Mangum Utility Authority	Golf Course Fund	Mangum Economic Development Authority	Total Enterprise Funds
<b><u>Cash flows from operating activities:</u></b>				
Receipts from customers	\$ 4,869,832	\$ -	\$ -	\$ 4,869,832
Payments to suppliers	(2,528,512)	(4,377)	-	(2,532,889)
Payments to employees	(396,145)	-	-	(396,145)
<b>Net cash provided (used) by operating activities</b>	<u>1,945,175</u>	<u>(4,377)</u>	<u>-</u>	<u>1,940,798</u>
<b><u>Cash flows from non-capital financing activities:</u></b>				
Transfers from other funds	(315,832)	8,000	-	(307,832)
Transfers to other funds	(1,380,184)	-	-	(1,380,184)
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(1,696,016)</u>	<u>8,000</u>	<u>-</u>	<u>(1,688,016)</u>
<b><u>Cash flows from capital and related financing activities:</u></b>				
Purchase of capital assets	(14,192)	-	-	(14,192)
Principal paid on capital debt	(169,273)	-	-	(169,273)
Interest paid on capital debt	(4,560)	-	-	(4,560)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(188,025)</u>	<u>-</u>	<u>-</u>	<u>(188,025)</u>
<b><u>Cash flows from investing activities:</u></b>				
Investment income	6,879	26	116	7,021
Reinvestment of investment	(14,922)	-	-	(14,922)
<b>Net cash provided (used) by investing activities</b>	<u>(8,043)</u>	<u>26</u>	<u>116</u>	<u>(7,901)</u>
Net increase (decrease) in cash and cash equivalents	53,091	3,649	116	56,856
Cash & cash equivalents, beginning of the year	1,145,803	4,708	26,258	1,176,769
Cash & cash equivalents, end of the year	<u>\$ 1,198,894</u>	<u>\$ 8,357</u>	<u>\$ 26,374</u>	<u>\$ 1,233,625</u>
Cash, including time deposits	\$ 1,122,750	\$ 8,357	\$ 26,374	\$ 1,157,481
Restricted cash, including time deposits	76,144	-	-	76,144
Total cash and cash equivalents, end of year	<u>\$ 1,198,894</u>	<u>\$ 8,357</u>	<u>\$ 26,374</u>	<u>\$ 1,233,625</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u></b>				
Operating income (loss)	\$ 1,907,490	\$ (23,340)	\$ -	\$ 1,884,150
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	91,816	19,004	-	110,820
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(44,576)	-	-	(44,576)
(Increase) decrease in inventory	(20,009)	(41)	-	(20,050)
(Increase) decrease in other assets	-	-	-	-
Increase (decrease) in accounts payable	14,115	-	-	14,115
Increase (decrease) in payroll liabilities	(3,661)	-	-	(3,661)
Total adjustments	<u>37,685</u>	<u>18,963</u>	<u>-</u>	<u>56,648</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 1,945,175</u>	<u>\$ (4,377)</u>	<u>\$ -</u>	<u>\$ 1,940,798</u>

**City of Mangum, Oklahoma**  
**Statement of Fiduciary Net Position**  
**Cafeteria Plan Trust Fund**  
**June 30, 2022**

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	<u>Cafeteria Plan</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,336
Total assets	<u>\$ 13,336</u>
<b>LIABILITIES</b>	
Benefits payable	\$ 13,336
Total liabilities	<u>\$ 13,336</u>

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting framework and the more significant accounting principles and practices of the City of Mangum, Oklahoma ("City") are discussed in subsequent section of this note. The remainder of the notes is organized to provide explanations, including required disclosures of the City's financial activities for the fiscal year ended June 30, 2022. The City operates under a charter with a Commissioner-Manager form of government, amended February 2012. The City provides police and fire protection, electric, water, and sanitation services to citizens, as well as recreational areas including parks and swimming pool.

**A. Reporting Entity**

***Fund Types and Major Funds***

**Major Governmental Funds**

General Fund

This is the primary fund of the City. It is used to account for the general operations of the City and all financial resources not reported in other funds.

Hospital Sales Tax Fund

This fund is reported as a special revenue fund under governmental activities. It accounts for the 1 cent sales tax restricted for debt service on the Mangum Utilities Authority Sales Tax Refunding Revenue Bonds, Series 2006. Sales tax revenues are transferred from the General fund to the Hospital Sales Tax fund to be used for semi-annual debt service payments. Any access sales tax dollars can be used for the maintenance and repair of the hospital. Refer to further discussion regarding the debt obligation in footnote (2)B. Management has elected to report this fund as major. A budget to actual report is not required and therefore excluded.

**Major Proprietary Funds**

There are two kinds of proprietary funds, enterprise funds and internal service funds. Enterprise funds essentially encompass the same function reported as business-type activities in the government-wide statements. Services are provided to a customer external to the City organization such as the water utility service. Internal service funds provide services and charge fees to customers within the City organization such as equipment services (repair and maintenance of City vehicles). Because the City's internal service fund primarily serves governmental functions, they are included within the governmental activities of the governmental-wide financial statements.

Mangum Utilities Authority (MUA)

MUA accounts for the operating activities of the electric, water, sewer, and sanitation utilities leased to the MUA by the City. The City Commission serves as the trustees of the Authority. MUA was established in August 1962 as a public trust pursuant to Title 60 of Oklahoma statutes. The MUA includes the following funds combined for presentation in the financial statements:

MUA Capital Improvement

This fund accounts for funds set aside for the purchase of capital assets for the City. Funds are transferred from this account in accordance with Commission approval. Management has elected to report this fund as major.

Power Plant Capital Improvement

This fund accounts for funds set aside for improvements at the City's power plant. Funds are transferred from this account in accordance with Commission approval. Management has elected to report this fund as major.

Water Well Improvement and Maintenance

This fund accounts for funds set aside for the maintenance and improvement of the City's water wells. Funds are transferred from this account in accordance with Commission approval. Management has elected to report this fund as major.

Mangum Golf Course Fund

The Golf Fund accounts for the operating activities of the municipal golf course. Management has elected to report this fund as major.

Mangum Economic Development Authority (MEDA)

This Authority was established in July 2019 as a public trust for the benefit of the City of Mangum to finance, operate, develop, construct, maintain, manage, market and administer projects for investment and reinvestment, within or near the City.

**Internal Service Fund**

Internal Service Fund

Accounts for the financing of goods or services provided by one department to other departments within the City on a cost-reimbursement basis. The Fund receives transfers from all departments that use vehicles and equipment. Funds will be used for scheduled replacement of vehicles and equipment as well as other fleet services. This proprietary fund is reported primarily with governmental activities in the government-wide financial statements.

**Fiduciary Component Unit (reported in fiduciary financial statements)**

Cafeteria Plan

Established to account for funds withheld under section 125 of the Internal Revenue code



**Discrete Component Unit (excluded from reporting)**

Mangum City Hospital Authority

Established in July 1997 as a public trust pursuant to Title 60 of Oklahoma statutes, this fund accounts for the operations of the Mangum City Hospital. The City Commission appoints the trustees of the Mangum City Hospital Authority. Effective June 22, 2017, the Mangum City Hospital is owned by the City and operated by a third party.

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing and provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government as an integral part of City operations although retaining separate legal identity. Component units that do not meet the criteria for blending are reported discretely.

**B. Basic Financial Statements**

***Government-wide Financial Statements***

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities. The statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed by the statements.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services with usage fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. Taxes and other revenues sources not properly included with program revenues are reported as general revenues.

***Fund Financial Statements***

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Reimbursements are reported as reductions to expenses. Proprietary and fiduciary fund financial statements and financial statements of the City's component units also report using the same focus and basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considered revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenses are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: sales and use taxes and intergovernmental revenues. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of provided goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**C. Budget Policy and Practice**

***Budget Approval***

The City Manager submits an annual budget to the City Commission in accordance with the Oklahoma Municipal Budget Act. The budget is presented to the Commission for review, and public hearings are held to address priorities and the allocation of resources. In June, the Commission adopts the annual fiscal year budgets for City's operating funds. Budget amendments or supplements may be made during the year when unexpected modifications are required in estimated revenues and appropriations. Budget amendments are recommended by the City Manager and must be approved by the Commission. As

stated in the approved budget resolution, transfers between departments within the same fund may be made without additional Commission approval as long as budget appropriations for the fund as a whole are not increased. Such transfers should be made prior to department appropriations being exceeded. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Commission review and approval process.

***Basis of Budgeting***

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Commission approval.

The budgets for operating funds and proprietary funds are prepared on the cash basis. Revenues are budgeted in the year they are expected to be received. Expenses are budgeted in the year they are expected to be paid.

**D. Policies Related to Assets, Liabilities, and Fund Equity**

***Cash and Investments***

For the purposes of the combined balance sheet and the statement of cash flows, "cash and cash equivalents" includes all demand deposits, savings accounts and certificates of deposits or short-term investments (including restricted assets) with an original maturity of three months or less. Deposits are stated at cost.

Investments are reported at fair value which is determined using market prices. Short-term investments are reported at cost, which approximates fair value.

***Inventories***

Inventories are similarly reported in government-wide and fund financial statements.

Inventories consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost and recorded as an expense at the time the item is used. Governmental inventory consists of maintenance supplies for the museum. Business-type inventory includes rock, maintenance parts, and repair supplies.

***Accounts Receivable***

Significant receivables for governmental activities include sales and use tax receivables. Business-type receivables consist mainly of amount due from customers primarily for utility services. These receivables are due within 30 days. Certain enterprise funds report accounts receivable net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days. At June 30, 2022, the City has estimated an allowance of \$430,665.

***Restricted Assets***

Restricted assets include assets legally restricted for capital projects and special revenue funds funded through long-term debt, debt service reserves or grants. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

***Interfund Balances***

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for services or goods or miscellaneous receivables/payables between funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are described as due to/due from other funds.

***Capital Assets, Depreciation, and Amortization***

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and reported in the government-wide financial statements. Proprietary capital assets are also reported in their respective fund financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalized assets with cost of \$5,000 or more as purchase and construction outlay occur.

The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

- |                                    |             |
|------------------------------------|-------------|
| • Buildings                        | 10-30 years |
| • Machinery, furniture & equipment | 5-10 years  |
| • Infrastructure                   | 40 years    |

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

#### ***Compensated Absences***

Full-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Generally, after one year of services, employees are entitled to all accrued vacation leave upon termination. The estimated liabilities include required salary-related payments. Compensated absences are reported as accrued current liabilities in the government-wide and proprietary financial statements. Governmental funds report compensated absences payable to current employees. Sick leave accrues to full-time employees indefinitely. Unused sick leave benefits are not paid to employees while they are employed nor upon termination of employment.

#### ***Long-Term Debt***

In the government-wide, proprietary, and component unit financial statements, outstanding debt is reported as a liability.

#### ***Fund Equity***

##### **Fund Balance**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes beyond the restrictions applicable to the fund.

##### **Net Position**

Both proprietary fund financial statements and government-wide financial statements report net position. Amounts invested in capital assets, net of related debt and legally restricted amounts are separated from unrestricted net position.

##### **Invested in capital assets, net of related debt**

The amount restricted consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

##### **Restricted net position**

Amounts reported as restricted consist of net position with constraints placed on their 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**

This consists of net position that does not meeting the criteria of "restricted" or "invested in capital assets, net of related debt".

##### **Governmental Fund Balances**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

##### **Non-spendable**

This includes amounts that cannot be spent as they (1) are not in spendable form or (2) have legal or contractual obligations to remain intact. Examples include fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

##### **Restricted**

Fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

**Committed**

Fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Commission, the City's highest level of decision-making authority,

**Assigned**

Fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

**Unassigned**

Fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

***Deferred Outflows of Resources and Deferred Inflows of Resources***

**Deferred outflows of resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) therefore will not be recognized as an outflow of resources (expense) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on net pension obligations for the retirement plans of the City. A deferred charge on pension obligations results from the net different between projected and actual earnings on pension plan investments.

**Deferred inflows of resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s); therefore, will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred charge on net pension obligations for the retirement plans of the City. A deferred charge on pension obligations results from the net different between projected and actual earnings on pension plan investments.

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reporting amounts and disclosures; accordingly, actual results could differ from those estimates.

Certain reclassifications have been made to prior period balances in order to conform to the current period's presentation.

**E. Policies Related to Revenues and Expenses**

***Program Revenues***

**Charges for Services**

Program revenues reported with governmental activities include charges for services like permits and fees, park charges, and fines and forfeitures. Business-type activity charges for services include all operating income of proprietary funds.

**Grants and Contributions**

Governmental grants and contributions primarily consist of grants from Federal and state agencies. The nature of the grant determines if it is reported as operating or capital program revenues.

Business-type activity grants and contributions include donations from others as well as grants from Federal and state agencies.

**General Revenues**

General revenues reported with governmental activities include tax revenues and unrestricted investment income.

**Sales Tax**

The City levied a 3% sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The City records sales tax proceeds as sales tax revenue within the General Fund.

**(2) ASSETS AND LIABILITIES**

**A. Assets**

***Deposits and Investments***

**Deposits**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposits are secured by collateral values at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation

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(FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

**Investments**

The City invests solely in certificates of deposit.

***Capital Assets***

**Changes in Capital Assets**

	<b>Primary Government</b>			<b>Balance at June 30, 2022</b>
	<b>Balance at July 1, 2021</b>	<b>Additions</b>	<b>Deletions</b>	
<i><u>Governmental Activities</u></i>				
Land and construction in process	\$ 752,554	\$ -	\$ -	\$ 752,554
Buildings & structures	4,261,739	-	-	4,261,739
Machinery, furniture, & equipment	1,727,188	197,600	-	1,924,788
Infrastructure & improvements	1,060,135	46,474	-	1,106,609
<b>Total</b>	<b>7,801,616</b>	<b>244,074</b>	<b>-</b>	<b>8,045,690</b>
Less accumulated depreciation	4,802,142	314,137	-	5,116,279
<b>Governmental fixed assets, net</b>	<b>\$ 2,999,474</b>	<b>\$ (70,063)</b>	<b>\$ -</b>	<b>\$ 2,929,411</b>
<i><u>Business-type Activities</u></i>				
Land	\$ 235,435	\$ 9,692	\$ -	\$ 245,127
Buildings & structures	320,421	-	-	320,421
Machinery, furniture, & equipment	1,718,706	-	-	1,718,706
Infrastructure & improvements	3,106,336	4,500	-	3,110,836
<b>Total</b>	<b>5,380,898</b>	<b>14,192</b>	<b>-</b>	<b>5,395,090</b>
Less accumulated depreciation	3,641,505	110,819	-	3,752,324
<b>Business-type fixed assets, net</b>	<b>\$ 1,739,393</b>	<b>\$ (96,627)</b>	<b>\$ -</b>	<b>\$ 1,642,766</b>
<b>Total primary government</b>	<b>\$ 4,738,867</b>	<b>\$ (166,690)</b>	<b>\$ -</b>	<b>\$ 4,572,177</b>

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**Business-type Activities:**

*Capital Assets by Fund*

	<u>Public Works Authority</u>	<u>Golf Fund</u>	<u>Total Enterprise Capital Assets</u>
Land	\$ 245,127	\$ -	\$ 245,127
Buildings & structures	157,000	305,079	462,079
Machinery, furniture, & equipment	1,496,485	174,720	1,671,205
Infrastructure & improvements	3,016,680	-	3,016,680
<b>Total</b>	<b>4,915,292</b>	<b>479,799</b>	<b>5,395,091</b>
Less accumulated depreciation	(3,467,295)	(285,030)	(3,752,325)
<b>Business-type fixed assets, net</b>	<b>\$ 1,447,997</b>	<b>\$ 194,769</b>	<b>\$ 1,642,766</b>

**Depreciation Expense**

<u>Governmental Activities</u>		<u>Business-type Activities</u>	
General government	\$ 39,807	Water	\$ 69,098
Public safety & judiciary	39,088	Electric	8,972
Transportation	176,351	Sanitation	5,171
Cultural, parks & recreation	53,582	Wastewater	8,574
Public service	5,309	Golf	19,004
<b>Total depreciation expense</b>	<b>\$ 314,137</b>	<b>Total depreciation expense</b>	<b>\$ 110,819</b>

**B. Liabilities**

Long-term liabilities of the City of Mangum as of June 30, 2022 are summarized as follows:

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**Business-type Activities:**

Notes Payable:

Note payable to the Oklahoma Water Resources Board dated June 13, 2001 with the original amount of \$2,100,000 due and payable in semi-annual installments including interest at 2.705% plus an administrative fee of 0.5% for water system improvements. 187,534

Note payable to Stockman's Bank issued in the original amount \$351,650 due and payable in 10 annual installments of \$40,000 in July 1 each year. The note carries as 2.75% variable interest rate, which resets every 12 months. 51,979

Note payable to Oklahoma Municipal Power Authority (OMPA) dated November 2017 for \$50,000 for electric distribution system and equipment payable at 3.7% interest over a term of 84 months at a monthly payment of \$676.56, maturing November 2024. 18,741

**Total Business-type activities long term debt** \$ 258,254

**Changes in Long-Term Debt**

<u>Type of Debt</u>	<u>Balance at July 1, 2021</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Balance at June 30, 2022</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Mangum Utility Authority					
Notes payable	\$ 427,527	\$ -	\$ 169,273	\$ 258,254	\$ 171,109
<b>Total business-type debt</b>	<u>\$ 427,527</u>	<u>\$ -</u>	<u>\$ 169,273</u>	<u>\$ 258,254</u>	<u>\$ 171,109</u>

**Annual Debt Service Requirements**

<u>Year Ending June 30</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 171,109	\$ 1,918
2024	84,648	629
2025	2,497	31
2026	-	-
<b>Totals</b>	<u>\$ 258,254</u>	<u>\$ 2,578</u>

**C. Interfund Balances**

	Transfer In	Transfer Out
<b>GOVERNMENTAL ACTIVITIES</b>		
<i>GENERAL FUND</i>		
MANGUM UTILITY AUTHORITY	\$ 1,125,190	\$ -
NONMAJOR FUNDS	-	250,000
INTERNAL SERVICE FUND	-	302,280
FLEET MANAGEMENT FUND	-	242,045
CAPITAL IMP	-	85,318
<i>GENERAL FUND CAP IMP</i>		
GENERAL FUND	244,073	7,264
<i>NONMAJOR FUNDS</i>		
GENERAL FUND	319,537	9,654
FLEET MANAGEMENT FUND	-	2,794
MANGUM UTILITY AUTHORITY	39,530	-
<b>BUSINESS-TYPE ACTIVITIES</b>		
<i>MANGUM UTILITY AUTHORITY</i>		
GENERAL FUND	-	1,125,190
NONMAJOR FUNDS	-	85,460
INTERNAL SERVICE FUND	-	410,000
FLEET MANAGEMENT FUND	-	107,671
<b>INTERNAL SERVICE FUND</b>		
<i>INTERNAL SERVICE</i>		
GENERAL FUND	302,280	-
FLEET MANAGEMENT FUND	-	12,510
MANGUM UTILITY AUTHORITY	410,000	-
<i>FLEET MANAGEMENT FUND</i>		
MANGUM UTILITY AUTHORITY	107,671	-
INTERNAL SERVICE FUND	9,915	-
NONMAJOR FUNDS	2,794	-
GENERAL FUND	242,045	162,849
	<u>\$ 2,803,035</u>	<u>\$ 2,803,035</u>

**(3) PENSION AND POST-EMPLOYMENT PLANS**

**RETIREMENT PLANS**

The City participates in three employee pension systems as follows:

<u>Name of Plan</u>	<u>Type of Plan</u>
Oklahoma Public Employees Retirement System (OPERS)	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan

**A. Oklahoma Public Employees Retirement Fund**

Plan Description

The City participated in OPERS, as state-wide cost sharing multiple-employer pension system which covers eligible employees of participating organizations that are not covered by other plans. All regular, permanent employees who work



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1,000 or more hours in a year are eligible for participation in OPERS. Benefits vest after 8 years of service. Employees who retire at age 62 or after completion of six years of service, if later, are entitled to an annual retirement benefits, payable monthly, equal to 2.0% of final average compensation multiplied by the number of years of credited services. Final average compensation is defined as the average of the three highest years' annual salary out of the last ten calendar years of service.

An employee is eligible for an early retirement benefit once he has attained age 55 and has completed ten years of service. The amount of benefit is determined based on the final average salary and credited service as of the date of termination. If benefit payments are to begin before age 65, the benefit is actuarially reduced. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment. A participant who becomes totally and permanently disabled after completion of eight year of service is entitled to a disability benefit computed as an early retirement benefit based on average salary and service as of the date of disability but without actuarial reduction for payments beginning prior to normal retirement age if the employee is also eligible for a disability benefit from Social Security.

OPERS issues a publicly available financial report that can be obtained at [www.opers.ok.gov](http://www.opers.ok.gov).

For the year ended June 30, 2022, employees were required to contribute 6.5% of annual compensation. The City contributed 13.5%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPERS

At June 30, 2022, the City reported an asset of \$507,456 for its proportionate share of the net pension asset. The net pension net pension asset was measured as of July 1, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2022, the City's proportion was 0.0378089 percent.

Changes to the actuarial valuation between the measurement date of the net pension liability and the City's reporting dates are not expected to have a significant effect on the net pension asset.

For the year ended June 30, 2022, the City recognized pension expense of \$(40,884). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 12,760
Changes of assumptions	37,392	-
Net difference between projected and actual earnings on pension plan investments	-	565,907
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	103,891	-
<b>Total</b>	<b>\$ 141,283</b>	<b>\$ 578,666</b>

Other amounts reported deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2022	\$ (8,254)
2023	(134,631)
2024	(138,717)
2025	(155,781)
Thereafter	-

*Actuarial assumptions:* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	5.54 percent, average
Investment rate of return	7.5 percent of net investment expenses per annum, compounded annually

Mortality rates were based on the RP-2000 Combined Active/Retiree Health Mortality Table projected to 2010 using Scale AA.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the three year period ended June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of July 1, 2022 are summarized in the following table:

	<b>Target Allocation</b>	<b>Long Term Expected Rate of Return</b>
US Large Cap Equity	38%	5.30%
US Small Cap Equity	6%	5.60%
US Fixed income	25%	0.70%
International stock	18%	5.60%
Emerging market stock	6%	6.40%
TIPS	4%	0.70%
Rate anticipation	4%	1.50%
	100%	

*Discount rate:*

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in State statute. Based on those assumptions, the pension plan's fiduciary net position was projected through 2113 to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

	<b>1% Decrease (5.5%)</b>	<b>Current Discount Rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
City's proportionate share of the net pension liability/(asset)	(47,111)	(507,456)	(896,557)

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**B. Oklahoma Police Pension and Retirement System**

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

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

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

**CITY OF MANGUM, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

*Contributions* – The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$23,024.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At June 30, 2022, the City reported an asset of \$244,368 for its proportionate share of the net pension asset. The net pension asset was measured as of July 1, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 0.0509%.

For the year ended June 30, 2022, the City recognized pension expense of \$(24,462). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 3,509	\$ 9,645
Changes of assumptions	3,716	-
Net difference between projected and actual earnings on pension plan investments	59,789	238,047
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	23,024	-
<b>Total</b>	<b>\$ 90,038</b>	<b>\$ 247,692</b>

Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
	2022	\$ (17,715)
	2023	(35,699)
	2024	(45,149)
	2025	(59,360)
	2026	269

*Actuarial Assumptions* – The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational Improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

**CITY OF MANGUM, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Long-Term Expected Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real Estate	7.99%
Private Equity	10.20%
Other assets	3.5%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability/(asset)	(91,645)	(244,368)	(373,506)

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at [www.ok.gov/OPPRS](http://www.ok.gov/OPPRS).

**C. Oklahoma Firefighters Pension and Retirement System**

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

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

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

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

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in-the-line-of-duty is calculated based on 2.5% of final average

**CITY OF MANGUM, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

Contributions – The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$32,193.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the City reported a liability of \$400,310 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information the City's proportion was 0.060785%.

For the year ended June 30, 2022, the City recognized pension expense of \$32,193. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 145,184	\$ 7,030
Changes of assumptions	-	8,879
Net difference between projected and actual earnings on pension plan investments	39,366	357,595
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	32,193	-
<b>Total</b>	<b>\$ 216,743</b>	<b>\$ 373,504</b>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2022	\$ 2,640
2023	(37,482)
2024	(46,527)
2025	(75,391)
2026	-

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

**CITY OF MANGUM, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.9%
Domestic equity	37%	7.07%
International equity	20%	9.19%
Real Estate	10%	7.99%
Other assets	13%	5.57%

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percent point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability/(asset)	625,567	400,310	211,723

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at [www.ok.gov/fprs](http://www.ok.gov/fprs).

**(4) COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**B. Grant Program Involvement**

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. 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. Any liability for reimbursement, which may arise as a result of these audits, cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**C. Retirement**

Under the City's personnel policy, employees are allowed to carryover unused sick leave. Employees are not compensated for unused sick leave at the time of their termination; hence, no accrual has been made in the statement of net position. However, upon retirement, an employee can convert a maximum of 720 hours of unused sick leave to retirement benefits with OPERS in exchange for an extra year of benefits. Upon conversion with OPERS, the City would incur a liability to OPERS for the number of hours converted at the employee's pay rate.

**City of Mangum, Oklahoma**  
**General Fund**  
**Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Interest	\$ 19,530	\$ 19,530	\$ 9,400	\$ (10,130)
Licenses and permits	8,050	8,050	3,855	(4,195)
Taxes	766,280	766,280	762,470	(3,810)
Intergovernmental	1,125,190	1,127,190	100,498	(1,026,692)
Charges for services	46,790	46,790	18,198	(28,592)
Fines & forfeitures	18,980	18,980	19,638	658
Miscellaneous	63,579	105,160	104,805	(355)
Unrestricted reserve	150,000	150,000	-	(150,000)
Total revenues	<u>2,198,399</u>	<u>2,241,980</u>	<u>1,018,864</u>	<u>(1,223,116)</u>
<b>EXPENDITURES</b>				
City Commission	(18,790)	(18,790)	(15,210)	3,580
Administration	(418,950)	(486,498)	(229,750)	256,748
Attorney	(27,200)	(27,200)	(27,022)	178
Judge	(3,270)	(3,270)	(3,245)	25
Police	(421,809)	(421,809)	(339,963)	81,846
Fire	(540,316)	(540,316)	(380,925)	159,391
Street	(136,622)	(156,622)	(108,316)	48,306
Park	(153,941)	(153,941)	(116,240)	37,701
Cemetery	(1,970)	(1,970)	(1,429)	541
Library	(113,080)	(113,080)	(109,028)	4,052
Community Services	(151,270)	(151,610)	(74,254)	77,356
Code Enforcement	(93,069)	(93,069)	(68,022)	25,047
Animal Control	(94,732)	(94,732)	(67,866)	26,866
Total expenditures	<u>(2,175,019)</u>	<u>(2,262,907)</u>	<u>(1,541,270)</u>	<u>721,637</u>
Revenue over (under) expenditures	23,380	(20,927)	(522,406)	(501,479)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in/(out)	-	(188,038)	1,130,756	1,130,756
Net other financing sources (uses)	<u>-</u>	<u>(188,038)</u>	<u>1,130,756</u>	<u>1,130,756</u>
Revenues and other financing sources over (under) expenditures and other uses	23,380	(208,965)	608,350	629,277
Fund balance at beginning of year (Non-GAAP budgetary basis)			<u>1,830,390</u>	
Fund balance at end of year (Non-GAAP budgetary basis)			<u>\$ 2,438,740</u>	
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
Revenue and transfer accruals			<u>(306,356)</u>	
Fund balance at end of year (GAAP basis)			<u>\$ 2,132,384</u>	

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Oklahoma Police Pension Retirement Plan**

Year Ended June 30, 2022

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Town's portion of the net pension liability (asset)	0.0645%	0.0696%	0.0582%	0.0642%	0.0639%	0.0527%	0.0534%
Town's proportionate share of the net pension liability (asset)	\$ (21,728)	\$ 2,839	\$ 89,113	\$ 4,942	\$ (30,416)	\$ (3,362)	\$ 61,371
Town's covered-employee payroll	\$ 183,524	\$ 281,051	\$ 303,127	\$ 194,763	\$ 176,779	\$ 179,332	\$ 175,250
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12%	1%	29%	3%	-17%	-2%	35%
Plan fiduciary net position as a percentage of the total pension liability	109.04%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF CITY CONTRIBUTIONS**

**Oklahoma Police Pension Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Contractually required contribution	\$ 23,858	\$ 25,584	\$ 22,308	\$ 25,320	\$ 36,865	\$ 35,482	\$ 22,916
Contributions in relation to the contractually required contribution	(23,858)	(25,584)	(22,308)	(25,320)	(36,865)	(35,482)	(22,916)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 183,524	\$ 281,051	\$ 303,127	\$ 194,763	\$ 176,779	\$ 179,332	\$ 175,250
Contributions as a percentage of covered-employee payroll	13.00%	9.10%	7.36%	13.00%	20.85%	19.79%	13.08%



**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Oklahoma Fire Pension Retirement Plan**  
 Year Ended June 30, 2022

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Town's portion of the net pension liability (asset)	0.0592%	0.0634%	0.0602%	0.0624%	0.0604%	0.0566%	0.0526%
Town's proportionate share of the net pension liability (asset)	\$ 608,728	\$ 672,527	\$ 735,183	\$ 785,026	\$ 679,939	\$ 597,553	\$ 647,992
Town's covered-employee payroll	\$ 149,274	\$ 172,390	\$ 174,413	\$ 168,462	\$ 170,394	\$ 169,969	\$ 193,677
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	408%	390%	422%	466%	399%	352%	335%
Plan fiduciary net position as a percentage of the total pension liability	-371.80%	99.92%	99.94%	99.98%	99.98%	99.98%	99.98%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end that occurred previous

**SCHEDULE OF CITY CONTRIBUTIONS**  
**Oklahoma Fire Pension Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>
Contractually required contribution	\$ 20,898	\$ 23,237	\$ 24,837	\$ 23,585	\$ 24,245	\$ 23,638	\$ 26,745
Contributions in relation to the contractually required contribution	<u>(20,898)</u>	<u>(23,237)</u>	<u>(24,837)</u>	<u>(23,585)</u>	<u>(24,245)</u>	<u>(23,638)</u>	<u>(26,745)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 149,274	\$ 172,390	\$ 174,413	\$ 168,462	\$ 170,394	\$ 169,969	\$ 193,677
Contributions as a percentage of covered-employee payroll	14.00%	13.48%	14.24%	14.00%	14.23%	13.91%	13.81%

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Oklahoma Public Employees Retirement System

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*
Town's portion of the net pension liability (asset)	0.0445%	0.0454%	0.0430%	0.0425%	0.0400%	0.0363%	0.0373%	0.0378%
Town's proportionate share of the net pension liability (asset)	\$ 81,760	\$ 163,196	\$ 426,469	\$ 4,864	\$ 78,002	\$ 48,352	\$ 332,686	\$ (507,456)
Town's covered-employee payroll	\$ 955,103	\$ 943,399	\$ 905,462	\$ 799,278	\$ 705,126	\$ 886,793	\$ 894,721	\$ 934,563
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.56%	17.30%	47.10%	0.61%	11.06%	5.45%	37.18%	-54.30%
Plan fiduciary net position as a percentage of the total pension liability	99.96%	99.91%	99.96%	100.00%	100.00%	100.00%	100.00%	100.01%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end that occurred previous

Schedules of Required Supplementary Information

SCHEDULE OF CITY CONTRIBUTIONS  
Oklahoma Public Employees Retirement System

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*
Actuarially determined contribution	\$ 128,939	\$ 132,342	\$ 127,405	\$ 107,903	\$ 103,333	\$ 95,548	\$ 91,965	\$ 103,891
Contributions in relation to the actuarially determined contribution	(128,939)	(132,342)	(127,405)	(107,903)	(103,333)	(95,548)	(91,965)	(103,891)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 955,103	\$ 943,399	\$ 905,462	\$ 799,278	\$ 705,126	\$ 886,793	\$ 894,721	\$ 934,563
Contributions as a percentage of covered-employee payroll	13.50%	14.03%	14.07%	13.50%	14.65%	10.77%	10.28%	11.12%

City of Mangum, Oklahoma  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2022

	Riverside Endowment	Street and Alley	Grant Fund	Busby Trust	Crime Stoppers	Revolving Loan	Cemetery Perpetual Care	Friends of the Park	Airport	Airport Grants	Capital Improvem ent	Total Non-Major Funds
<b>ASSETS</b>												
Cash and cash equivalents	\$ 458	\$ 81,535	\$10,252	\$ 9,015	\$ 15,681	\$ 108,980	\$ 28,154	\$ 17,131	\$ 47,421	\$ 10,754	\$ 8,560	\$ 337,941
Investments	43,321	66,558	-	102,297	-	-	18,781	-	-	-	-	230,957
Due from other governments	-	-	-	6,000	-	-	-	-	-	-	-	6,000
Taxes receivable	-	2,903	-	-	-	-	-	-	-	-	-	2,903
Accounts receivable	-	-	-	-	-	-	-	-	120	-	-	120
Total assets	<u>\$ 43,779</u>	<u>\$ 150,996</u>	<u>\$10,252</u>	<u>\$ 117,312</u>	<u>\$ 15,681</u>	<u>\$ 108,980</u>	<u>\$ 46,935</u>	<u>\$ 17,131</u>	<u>\$ 47,541</u>	<u>\$ 10,754</u>	<u>\$ 8,560</u>	<u>\$ 577,921</u>
<b>LIABILITIES</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	1,439	-	-	-	-	-	-	-	-	-	1,439
Total liabilities	<u>-</u>	<u>1,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,439</u>
<b>FUND BALANCES</b>												
Nonspendable	-	-	-	-	-	108,980	-	-	-	-	-	108,980
Restricted	-	-	-	117,312	-	-	46,935	-	-	-	-	164,247
Committed	43,779	149,557	-	-	-	-	-	-	47,541	10,754	8,560	260,191
Assigned	-	-	10,252	-	15,681	-	-	17,131	-	-	-	43,064
Total fund balance	<u>43,779</u>	<u>149,557</u>	<u>10,252</u>	<u>117,312</u>	<u>15,681</u>	<u>108,980</u>	<u>46,935</u>	<u>17,131</u>	<u>47,541</u>	<u>10,754</u>	<u>8,560</u>	<u>576,482</u>
Total liabilities and fund balance	<u>\$ 43,779</u>	<u>\$ 150,996</u>	<u>\$10,252</u>	<u>\$ 117,312</u>	<u>\$ 15,681</u>	<u>\$ 108,980</u>	<u>\$ 46,935</u>	<u>\$ 17,131</u>	<u>\$ 47,541</u>	<u>\$ 10,754</u>	<u>\$ 8,560</u>	<u>\$ 577,921</u>

**City of Mangum, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**

Year Ended June 30, 2022

	Riverside Endowment	Street and Alley	Grant Fund	Busby Trust	Crime Stoppers	Revolving Loan	Cemetery Perpetual Care	Friends of the Park	Airport	Airport Grants	Capital Improve ment	Total Non-Major Funds
<b>REVENUES</b>												
Intergovernmental revenue	\$ -	\$ 23,579	\$ 4,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,342
Charges for services	-	-	-	-	-	-	2,467	-	17,531	-	-	19,998
Other income	-	-	-	-	505	-	-	-	-	-	-	505
Donations	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	173	751	55	653	67	444	240	33	138	47	51	2,652
Total revenues	<u>173</u>	<u>24,330</u>	<u>4,818</u>	<u>653</u>	<u>572</u>	<u>444</u>	<u>2,707</u>	<u>33</u>	<u>17,669</u>	<u>47</u>	<u>51</u>	<u>51,497</u>
<b>EXPENDITURES</b>												
General government:												
General government	-	-	-	-	-	-	-	-	-	-	2,370	2,370
Total general government	-	-	-	-	-	-	-	-	-	-	2,370	2,370
Public safety and judiciary:												
Police	-	-	-	1,079	-	-	-	-	-	-	-	1,079
Fire	-	-	4,711	-	-	-	-	-	-	-	-	4,711
Total public safety and judiciary	-	-	4,711	1,079	-	-	-	-	-	-	-	5,790
Transportation:												
Street	-	14,922	-	-	-	-	-	-	-	-	-	14,922
Airport	-	-	-	-	-	-	-	-	22,937	-	-	22,937
Total transportation	-	14,922	-	-	-	-	-	-	22,937	-	-	37,859
Cultural, parks and recreation:												
Library	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pool	-	-	-	-	-	-	-	-	-	-	-	-
Total cultural, parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public service:												
Cemetery	-	-	-	-	-	-	531	-	-	-	-	531
Total public service	-	-	-	-	-	-	531	-	-	-	-	531
Capital outlay	-	-	-	-	-	-	-	-	-	-	14,324	14,324
Debt service												
Principle	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	14,922	4,711	1,079	-	-	531	-	22,937	-	16,694	60,874
Excess (deficiency) of revenues over expenditures	173	9,408	107	(426)	572	444	2,176	33	(5,268)	47	(16,643)	(9,377)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	-	-	-	-	-	-	-	-	40,430	-	-	40,430
Transfers (out)	-	-	(5,107)	-	-	-	-	-	(2,794)	-	7,060	(841)
Total other financing sources and uses	-	-	(5,107)	-	-	-	-	-	37,636	-	7,060	39,589
Net change in fund balances	173	9,408	(5,000)	(426)	572	444	2,176	33	32,368	47	(9,583)	30,212
Fund balance - beginning	43,606	140,149	15,252	117,738	15,109	108,536	44,759	17,098	15,173	10,707	18,143	546,270
Fund balance - ending	<u>\$ 43,779</u>	<u>\$ 149,557</u>	<u>\$ 10,252</u>	<u>\$ 117,312</u>	<u>\$ 15,681</u>	<u>\$ 108,980</u>	<u>\$ 46,935</u>	<u>\$ 17,131</u>	<u>\$ 47,541</u>	<u>\$ 10,754</u>	<u>\$ 8,560</u>	<u>\$ 576,482</u>

**City of Mangum, Oklahoma**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2022**

	<u>General Fund</u>	<u>Library Grant</u>	<u>Theater Renovation</u>	<u>Hospital Rent</u>	<u>Municipal Pool</u>	<u>Dispatch Operations</u>	<u>American Rescue Plan</u>	<u>Fire Donations</u>	<u>Total General Fund</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 727,307	\$ 7,540	\$ 26,376	\$ 2,640	\$ 89,632	\$ 17,981	\$ 236,285	\$ 2,802	\$1,110,563
Investments	959,150	-	-	-	-	-	-	-	959,150
Due from other governments	16,401	-	-	-	-	-	-	-	16,401
Taxes receivable	141,366	-	-	-	-	-	-	-	141,366
Accounts receivable	3,179	-	-	-	-	-	-	-	3,179
Total assets	<u>\$ 1,847,403</u>	<u>\$ 7,540</u>	<u>\$ 26,376</u>	<u>\$ 2,640</u>	<u>\$ 89,632</u>	<u>\$ 17,981</u>	<u>\$ 236,285</u>	<u>\$ 2,802</u>	<u>\$2,230,659</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 16,927	\$ 3,973	\$ -	\$ -	\$ 2,702	\$ 260	\$ -	\$ -	\$ 23,862
Due to other funds	37,693	-	-	-	-	-	-	-	37,693
Payroll liabilities	36,303	-	-	-	-	417	-	-	36,720
Total liabilities	<u>90,923</u>	<u>3,973</u>	<u>-</u>	<u>-</u>	<u>2,702</u>	<u>677</u>	<u>-</u>	<u>-</u>	<u>98,275</u>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	3,567	26,376	-	-	-	-	2,802	32,745
Assigned	-	-	-	2,640	86,930	17,304	236,285	-	343,159
Unassigned	1,756,480	-	-	-	-	-	-	-	1,756,480
Total fund balance	<u>1,756,480</u>	<u>3,567</u>	<u>26,376</u>	<u>2,640</u>	<u>86,930</u>	<u>17,304</u>	<u>236,285</u>	<u>2,802</u>	<u>2,132,384</u>
Total liabilities and fund balance	<u>\$ 1,847,403</u>	<u>\$ 7,540</u>	<u>\$ 26,376</u>	<u>\$ 2,640</u>	<u>\$ 89,632</u>	<u>\$ 17,981</u>	<u>\$ 236,285</u>	<u>\$ 2,802</u>	<u>\$2,230,659</u>

**City of Mangum, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Combining General Fund**  
**Year Ended June 30, 2022**

	General Fund	Library Grant	Theater Renovation	Hospital Rent	Municipal Pool	Dispatch Operations	American Rescue Plan	Fire Donations	Total General Fund
<b>REVENUES</b>									
Sales tax	\$ 617,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,086
Use tax	115,171	-	-	-	-	-	-	-	115,171
Franchise tax	30,213	-	-	-	-	-	-	-	30,213
Licenses and permits	3,855	-	-	-	-	-	-	-	3,855
Rents & royalties	4,057	-	-	-	-	-	-	-	4,057
Fines and forfeitures	19,638	-	-	-	-	-	-	-	19,638
Intergovernmental revenue	100,498	6,119	-	-	-	-	235,610	5,107	347,334
Charges for services	18,198	-	-	-	21,021	-	-	-	39,219
Other income	100,681	-	-	-	-	-	-	-	100,681
Donations	67	139	-	-	550	-	-	-	756
Interest income	9,400	36	115	11	290	-	675	7	10,534
Total revenues	<u>1,018,864</u>	<u>6,294</u>	<u>115</u>	<u>11</u>	<u>21,861</u>	<u>-</u>	<u>236,285</u>	<u>5,114</u>	<u>1,288,544</u>
<b>EXPENDITURES</b>									
General government:									
General government	15,986	-	-	-	-	-	-	-	15,986
Total general government	<u>15,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,986</u>
Public safety and judiciary:									
Police	339,963	-	-	-	-	197,696	-	-	537,659
Animal control	67,866	-	-	-	-	-	-	-	67,866
Fire	380,925	-	-	-	-	-	-	2,312	383,237
Judiciary	30,267	-	-	-	-	-	-	-	30,267
Code enforcement	68,022	-	-	-	-	-	-	-	68,022
Total public safety and judiciary	<u>887,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,696</u>	<u>-</u>	<u>2,312</u>	<u>1,087,051</u>
Transportation:									
Street	108,316	-	-	-	-	-	-	-	108,316
Airport	-	-	-	-	-	-	-	-	-
Total transportation	<u>108,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,316</u>
Cultural, parks and recreation:									
Library	109,028	5,549	-	-	-	-	-	-	114,577
Park	116,240	-	-	-	-	-	-	-	116,240
Community building	-	-	-	-	-	-	-	-	-
Swimming pool	(776)	-	-	-	58,928	-	-	-	58,152
Total cultural, parks and recreation	<u>224,492</u>	<u>5,549</u>	<u>-</u>	<u>-</u>	<u>58,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,969</u>
Public service:									
Cemetery	1,429	-	-	-	-	-	-	-	1,429
Community service	74,254	-	-	-	-	-	-	-	74,254
Total public service	<u>75,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,683</u>
Capital outlay	229,750	-	-	-	-	-	-	-	229,750
Debt service									
Principle	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,541,270</u>	<u>5,549</u>	<u>-</u>	<u>-</u>	<u>58,928</u>	<u>197,696</u>	<u>-</u>	<u>2,312</u>	<u>1,805,755</u>
Excess (deficiency) of revenues over expenditures	(522,406)	745	115	11	(37,067)	(197,696)	236,285	2,802	(517,211)
<b>OTHER FINANCING SOURCES (USES)</b>									
Internal service fund transfer	(378,881)	-	-	-	-	-	-	-	(378,881)
Transfers in	1,733,417	(4,547)	-	-	66,530	215,000	-	-	2,010,400
Transfers (out)	(879,644)	-	-	-	-	-	-	-	(879,644)
Total other financing sources and uses	<u>474,892</u>	<u>(4,547)</u>	<u>-</u>	<u>-</u>	<u>66,530</u>	<u>215,000</u>	<u>-</u>	<u>-</u>	<u>751,875</u>
Net change in fund balances	(47,514)	(3,802)	115	11	29,463	17,304	236,285	2,802	234,664
Fund balance - beginning	1,803,994	7,369	26,261	2,629	57,467	-	-	-	1,897,720
Fund balance - ending	<u>\$ 1,756,480</u>	<u>\$ 3,567</u>	<u>\$ 26,376</u>	<u>\$ 2,640</u>	<u>\$ 86,930</u>	<u>\$ 17,304</u>	<u>\$ 236,285</u>	<u>\$ 2,802</u>	<u>\$ 2,132,384</u>

**City of Mangum, Oklahoma**  
**Combining Statement of Net Position**  
**Mangum Utility Authority**  
**June 30, 2022**

	<b>Mangum Utility Authority</b>	<b>Meter Deposit Fund</b>	<b>MUA Capital Improvement</b>	<b>Power Plant Capital Improvement</b>	<b>Water Well Improvement and Maintenance</b>	<b>Total Mangum Utility Authority</b>
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 732,125	\$ -	\$ 135,187	\$ 216,406	\$ 39,032	\$ 1,122,750
Investments	19,988	-	-	67,427	44,262	131,677
Accounts receivable, net	362,464	-	-	-	-	362,464
Inventory	44,577	-	-	-	-	44,577
Total current assets	<u>1,159,154</u>	<u>-</u>	<u>135,187</u>	<u>283,833</u>	<u>83,294</u>	<u>1,661,468</u>
Current assets:						
Restricted assets:						
Cash, including time deposits	-	76,144	-	-	-	76,144
Investments	-	157,876	-	-	-	157,876
Total restricted assets	<u>-</u>	<u>234,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,020</u>
Noncurrent assets:						
Capital assets (net)	1,447,997	-	-	-	-	1,447,997
Total noncurrent assets	<u>1,447,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,447,997</u>
<b>Total assets</b>	<u>\$ 2,607,151</u>	<u>\$ 234,020</u>	<u>\$ 135,187</u>	<u>\$ 283,833</u>	<u>\$ 83,294</u>	<u>\$ 3,343,485</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 21,737	\$ -	\$ -	\$ -	\$ -	\$ 21,737
Payroll liabilities	6,533	-	-	-	-	6,533
Due to other funds	2,462	-	-	-	-	2,462
Notes payable, current	162,717	-	-	7,552	-	170,269
Total current liabilities	<u>193,449</u>	<u>-</u>	<u>-</u>	<u>7,552</u>	<u>-</u>	<u>201,001</u>
Noncurrent liabilities:						
Meter and other deposit liability	2,873	210,349	-	-	-	213,222
Notes payable, non-current	76,797	-	-	11,189	-	87,986
Total noncurrent liabilities	<u>79,670</u>	<u>210,349</u>	<u>-</u>	<u>11,189</u>	<u>-</u>	<u>301,208</u>
<b>Total liabilities</b>	<u>273,119</u>	<u>210,349</u>	<u>-</u>	<u>18,741</u>	<u>-</u>	<u>502,209</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	1,208,483	-	-	-	-	1,208,483
Restricted	-	23,671	-	-	-	23,671
Unrestricted	1,125,549	-	135,187	265,092	83,294	1,609,122
<b>Total net position</b>	<u>\$ 2,334,032</u>	<u>\$ 23,671</u>	<u>\$ 135,187</u>	<u>\$ 265,092</u>	<u>\$ 83,294</u>	<u>\$ 2,841,276</u>

**City of Mangum, Oklahoma**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Mangum Utility Authority**  
**Year Ended June 30, 2022**

	<b>Mangum Utility Authority</b>	<b>Meter Deposit Fund</b>	<b>MUA Capital Improvement</b>	<b>Power Plant Capital Improvement</b>	<b>Water Well Improvement and Maintenance</b>	<b>Total Mangum Utility Authority</b>
<b>Operating revenues:</b>						
Charges for services:						
Electric charges	\$ 3,367,603	\$ -	\$ -	\$ -	\$ -	\$ 3,367,603
Water charges	701,263	-	-	-	-	701,263
Sewer charges	256,157	-	-	-	-	256,157
Sanitation charges	498,373	-	-	-	-	498,373
Penalties	82,955	-	-	-	-	82,955
Total charges for services	<u>4,906,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,906,351</u>
Other fees and charges	8,057	-	-	-	-	8,057
Total operating revenues	<u>4,914,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,914,408</u>
<b>Operating expenses:</b>						
Cost of sales	1,947,781	-	-	-	-	1,947,781
Personal services	392,484	-	-	-	-	392,484
Materials and supplies	105,270	-	-	-	-	105,270
Other services and charges	469,567	-	-	-	-	469,567
Depreciation and amortization	91,816	-	-	-	-	91,816
Total operating expenses	<u>3,006,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,006,918</u>
Net operating income	1,907,490	-	-	-	-	1,907,490
<b>Nonoperating revenue (expense):</b>						
Investment income	3,860	1,100	197	1,223	499	6,879
Grant income	-	-	80,657	-	-	80,657
Other income	7,479	-	-	-	-	7,479
Bad debt	(118,536)	-	-	-	-	(118,536)
Interest expense	(1,404)	-	-	(840)	(2,316)	(4,560)
Total nonoperating revenue (expense)	<u>(108,601)</u>	<u>1,100</u>	<u>80,854</u>	<u>383</u>	<u>(1,817)</u>	<u>(28,081)</u>
<b>Net Income before contributions and transfers</b>	1,798,889	1,100	80,854	383	(1,817)	1,879,409
Internal service fund transfer	(517,671)	0	-	-	-	(517,671)
Transfers from other funds	48,464	-	30,440	75,886	47,049	201,839
Transfers to other funds	<u>(1,331,720)</u>	<u>(10,780)</u>	<u>-</u>	<u>-</u>	<u>(37,684)</u>	<u>(1,380,184)</u>
<b>Change in net position</b>	(2,038)	(9,680)	111,294	76,269	7,548	183,393
Net position-beginning of year	<u>2,336,070</u>	<u>33,351</u>	<u>23,893</u>	<u>188,823</u>	<u>75,746</u>	<u>2,657,883</u>
Net position-end of year	<u>\$ 2,334,032</u>	<u>\$ 23,671</u>	<u>\$ 135,187</u>	<u>\$ 265,092</u>	<u>\$ 83,294</u>	<u>\$ 2,841,276</u>



**City of Mangum, Oklahoma**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2022**

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	Fleet Management Fund	Internal Service Fund	Total Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 574,336	\$ 122,229	\$ 696,565
Total current assets	574,336	122,229	696,565
<b>Total assets</b>	\$ 574,336	\$ 122,229	\$ 696,565
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 11,031	\$ 962	\$ 11,993
Payroll liabilities	-	16,767	16,767
Total current liabilities	11,031	17,729	28,760
<b>Total liabilities</b>	11,031	17,729	28,760
<b>NET POSITION</b>			
Unrestricted	563,305	104,500	667,805
<b>Total net position</b>	\$ 563,305	\$ 104,500	\$ 667,805

**City of Mangum, Oklahoma**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Fund**  
**Year Ended June 30, 2022**

	<b>Fleet Management Fund</b>	<b>Internal Service Fund</b>	<b>Total Internal Service Fund</b>
<b><u>Operating revenues:</u></b>			
Other fees and charges	5,172	1,273	6,445
Total operating revenues	<u>5,172</u>	<u>1,273</u>	<u>6,445</u>
<b><u>Operating expenses:</u></b>			
Cost of sales	-	-	-
Personal services	-	453,305	453,305
Materials and supplies	85,134	45,274	130,408
Other services and charges	-	158,832	158,832
Depreciation and amortization	-	-	-
Total operating expenses	<u>85,134</u>	<u>657,411</u>	<u>742,545</u>
Net operating income	(79,962)	(656,138)	(736,100)
<b><u>Nonoperating revenue (expense):</u></b>			
Investment income	2,148	416	2,564
Total nonoperating revenue (expense)	<u>2,148</u>	<u>416</u>	<u>2,564</u>
<b>Net Income before contributions and transfers</b>	(77,814)	(655,722)	(733,536)
Transfers from other funds	362,425	712,280	1,074,705
Transfers to other funds	<u>(162,849)</u>	<u>(12,510)</u>	<u>(175,359)</u>
<b>Change in net position</b>	121,762	44,048	165,810
Net position-beginning of year	<u>441,543</u>	<u>60,452</u>	<u>501,995</u>
Net position-end of year	<u>\$ 563,305</u>	<u>\$ 104,500</u>	<u>\$ 667,805</u>

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 Mangum, 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Mangum, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Mangum, Oklahoma's basic financial statements, and have issued our report thereon dated November 10, 2022. The financial statements of Mangum City Hospital Authority were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with Mangum City Hospital Authority.

**Report on Internal Control over Financial Reporting**

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

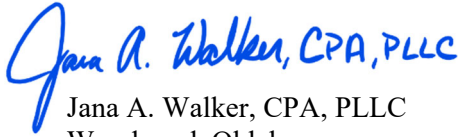
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Mangum, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
November 10, 2022

**City of Mangum, Oklahoma  
Schedule of Findings and Responses  
Year Ended June 30, 2022**

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**No current year findings.**

**City of Mangum, Oklahoma**  
**Schedule of Prior Year Findings and Responses**  
**Year Ended June 30, 2022**

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**FINDING 2021-001 Lack of Timely Filed Audit**

Condition: Audit report issued after allotted 150 days from year end.

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year.

Cause: Late filing of prior year audits.

Effect or Potential Effect: Debt covenant violation.

Recommendation: Ensure records are available for inspection subsequent to year end.

Response: Management will make arrangements to have their records inspected quicker after year end to ensure the timely completion of an audit.

Current Status: The audit was completed prior to 150 days after year end.