

**TOWN OF MOORELAND, OKLAHOMA  
MOORELAND, OKLAHOMA**

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

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**TOWN OF MOORELAND, OKLAHOMA**  
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**For the fiscal year ended JUNE 30, 2023**

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# **TOWN OF MOORELAND, OKLAHOMA**

## **LIST OF PRINCIPAL OFFICIALS**

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### TOWN COUNCIL

Todd Finley, Mayor

Jeremy Eilers, Trustee

Travis Scarborough, Trustee

Tim Schnobelen, Trustee

Cristi Winn, Trustee

### TOWN ADMINISTRATOR

Bobby Kehn

### TOWN CLERK

Heather Bojorquez

### TOWN TREASURER

Celestia Ramey

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## INDEPENDENT AUDITOR'S REPORT

To the Town Council  
Town of Mooreland, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mooreland, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Mooreland, Oklahoma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mooreland, Oklahoma, as of June 30, 2023, 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 Opinions***

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

#### ***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 Town of Mooreland, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mooreland, 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 Town of Mooreland, 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 4–10 and 34–38 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024, on our consideration of the Town of Mooreland, 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 Town of Mooreland, 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 Town of Mooreland, Oklahoma's internal control over financial reporting and compliance.



Jana A. Walker, CPA, PLLC  
Woodward, Oklahoma  
November 1, 2024

Our discussion and analysis of the Town of Mooreland's ("Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. The Town's performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. Please read it in conjunction with the Town's financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$5,366,817 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$5,314,141.
- Total liabilities of the Town increased by \$508,267 from \$735,245 to \$1,243,512 during the fiscal year. This increase is due to an increase in the pension liability obligation offset with regular scheduled payments on outstanding obligations.
- Total net assets are comprised of the following:
  - 1) Invested in capital assets, net of related debt, of \$4,206,930 includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  - 2) Unrestricted net position of \$886,987 represents the portion available to maintain the Town's continuing obligations to citizens and creditors.
  - 3) Reserve for restricted purposes of \$272,900 is restricted for debt and other obligations.
- The Town's governmental funds reported total ending fund balance of \$564,140 this year. This compared to the prior year ending fund balance of \$491,093.

## OVERVIEW OF THE FINANCIAL STATEMENTS

*Management's Discussion and Analysis* introduces the Town'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 Town also, includes in this report additional information to supplement the basic financial statements.

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

The Town's annual reporting includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. 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 Town-wide statement of financial position presenting information that includes all of the Town'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 Town as a whole is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other financial factors such as diversification of the taxpayer base or the condition of the Town 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 Town's net position changed during the current fiscal year. 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 Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the Town 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 provided by the Town.

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

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

The Town has two 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.

A Budgetary comparison statement is included in the basic financial statement for the General Fund. This statement demonstrates compliance with the Town's adopted and final revised budget.

*Proprietary funds* are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The Town 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 Town organization such as water and electric utilities.

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.

### ***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* concerning the Town's compliance with the approved and revised budget for the General Fund.

## A FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's net position at fiscal year end was \$5,366,817. The following table provides a summary of the Town's net assets at June 30:

	Governmental Activities		Business-Type Activities		Totals		Change	
	2023	2022	2023	2022	2023	2022	\$	%
Current assets	\$ 946,627	\$ 525,748	\$ 860,553	\$ 760,058	\$ 1,807,180	\$ 1,285,806	\$ 521,374	41%
Capital assets, net	2,432,742	2,562,746	2,228,507	2,304,860	4,661,249	4,867,606	(206,357)	-4%
Pension asset	-	40,897	-	-	-	40,897	(40,897)	100%
<b>Total assets</b>	<b>3,379,369</b>	<b>3,129,391</b>	<b>3,089,060</b>	<b>3,064,918</b>	<b>6,468,429</b>	<b>6,194,309</b>	<b>274,120</b>	<b>4%</b>
Deferred outflows of resources	385,696	129,748	-	-	385,696	129,748	255,948	197%
Current liabilities	382,487	34,655	233,609	211,139	616,096	245,794	370,302	151%
Non-current liabilities	236,402	33,884	391,014	455,567	627,416	489,451	137,965	28%
<b>Total liabilities</b>	<b>618,889</b>	<b>68,539</b>	<b>624,623</b>	<b>666,706</b>	<b>1,243,512</b>	<b>735,245</b>	<b>508,267</b>	<b>69%</b>
Deferred inflows of resources	243,796	274,671	-	-	243,796	274,671	(30,875)	-11%
Net position								
Invested in capital assets, net of related debt	2,432,742	2,603,643	1,774,188	1,768,562	4,206,930	4,372,205	(165,275)	-4%
Restricted	105,549	112,089	167,351	187,861	272,900	299,950	(27,050)	-9%
Unrestricted	364,089	200,197	522,898	441,789	886,987	641,986	245,001	38%
<b>Total net position</b>	<b>\$ 2,902,380</b>	<b>\$ 2,915,929</b>	<b>\$ 2,464,437</b>	<b>\$ 2,398,212</b>	<b>\$ 5,366,817</b>	<b>\$ 5,314,141</b>	<b>\$ 52,676</b>	<b>1%</b>

Total assets increased 4% over prior year. Current assets increased by 41% due operating cash balances used to fund capital improvements. The Oklahoma Municipal Pension Plan reported an asset in the pension plan in fiscal year 2022; the pension plan reporting a liability in fiscal year 2023 which created an increase in total liabilities for the Town. Total liabilities increased 69%, reflecting timing of payment on operating liabilities and an increase in pension liabilities.

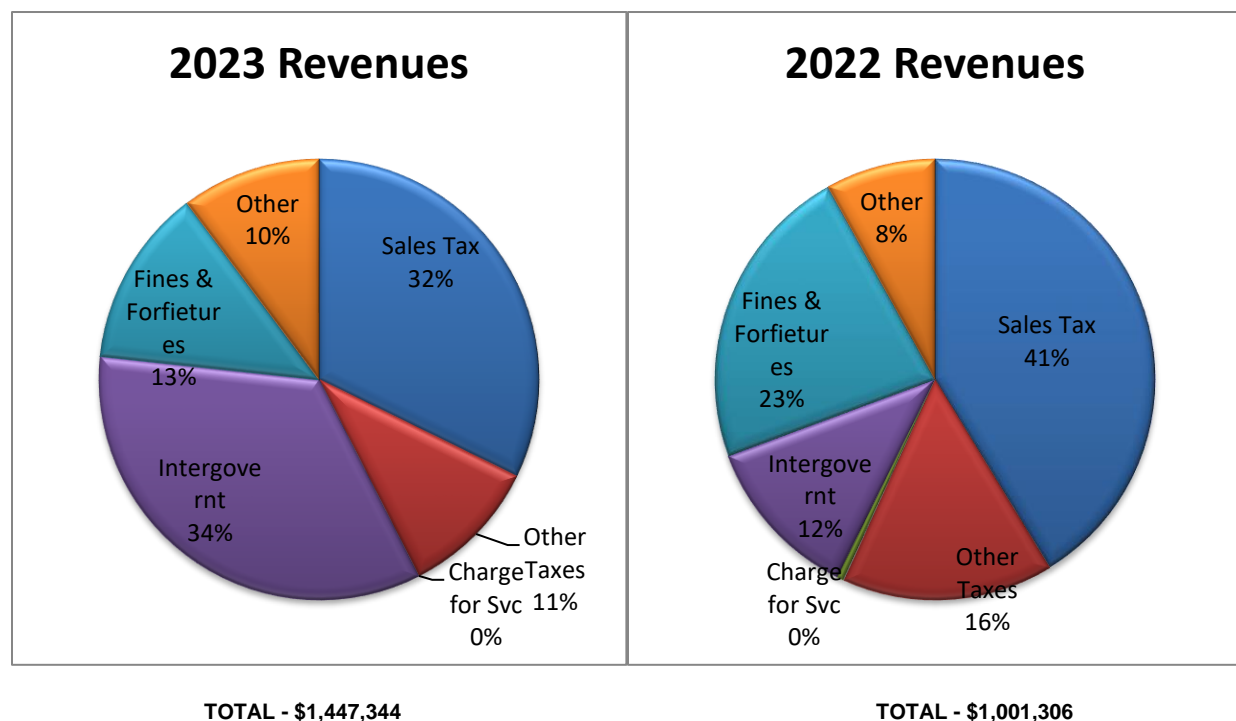
The Town reported positive balances in net position for both governmental and business-type activities. The Town's overall financial position increased 1%, or \$52,676, during fiscal year 2023.

	Governmental Activities		Business-type Activities		Totals		Change	
	2023	2022	2023	2022	2023	2022	\$	%
<b>Revenues</b>								
Program revenues	\$ 607,267	\$ 366,378	\$ 2,044,466	\$ 1,858,196	\$ 2,651,733	\$ 2,224,574	\$ 427,159	19%
Taxes and other general revenues	883,485	628,846	49,623	57,898	933,108	686,744	246,364	36%
<b>Total revenues</b>	<b>1,490,752</b>	<b>995,224</b>	<b>2,094,089</b>	<b>1,916,094</b>	<b>3,584,841</b>	<b>2,911,318</b>	<b>673,523</b>	<b>23%</b>
<b>Expenses</b>								
General government	700,016	389,528	-	-	700,016	389,528	310,488	80%
Public safety and judiciary	602,744	619,428	-	-	602,744	619,428	(16,684)	-3%
Transportation	218,733	188,660	-	-	218,733	188,660	30,073	16%
Cultural, parks, and recreation	66,919	65,054	-	-	66,919	65,054	1,865	3%
Electric	-	-	1,134,716	1,087,166	1,134,716	1,087,166	47,550	4%
Water	-	-	390,635	274,605	390,635	274,605	116,030	42%
Sewer	-	-	155,295	131,396	155,295	131,396	23,899	18%
Sanitation	-	-	139,602	140,133	139,602	140,133	(531)	0%
Customer service	-	-	123,505	82,602	123,505	82,602	40,903	50%
<b>Total expenses</b>	<b>1,588,412</b>	<b>1,262,670</b>	<b>1,943,753</b>	<b>1,715,902</b>	<b>3,532,165</b>	<b>2,978,572</b>	<b>553,593</b>	<b>19%</b>
Excess (deficiency) before transfers	\$ (97,660)	\$ (267,446)	\$ 150,336	\$ 200,192	\$ 52,676	\$ (67,254)	\$ 119,930	-178%
Transfers	84,111	(115,070)	(84,111)	115,070	-	-	-	0%
<b>Increase (decrease) in net assets</b>	<b>\$ (13,549)</b>	<b>\$ (382,516)</b>	<b>66,225</b>	<b>315,262</b>	<b>\$ 52,676</b>	<b>\$ (67,254)</b>	<b>\$ 119,930</b>	<b>-178%</b>

Total revenues noted a 23% increase when compared to prior year. The increase is due to a increase in federal funding from the CARES relief package. Sales and use taxes as well as other general revenues increased 36%.

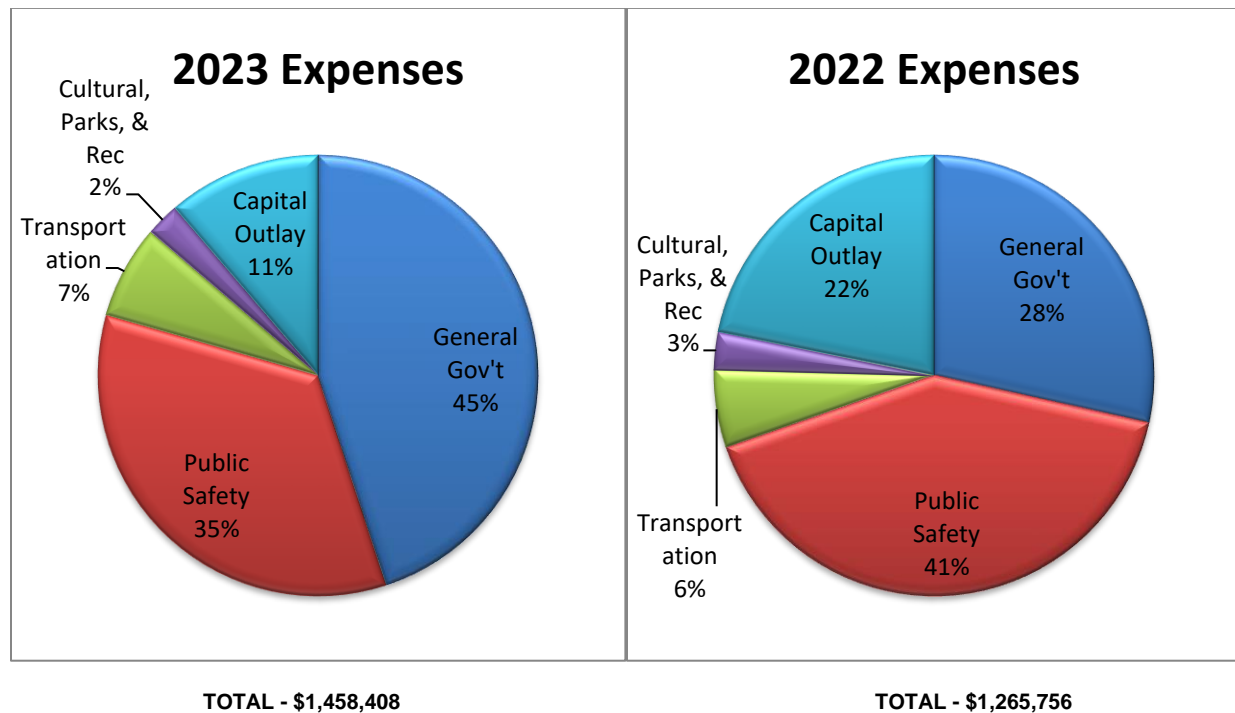
Expenses increased 19% when compared to prior year, mainly due to the increase in depreciation expense recorded on new asset additions to the Town.

Graphic presentations of selected data from the summary table are included on the following page to assist in the analysis of the Town's activities for fiscal year 2023.



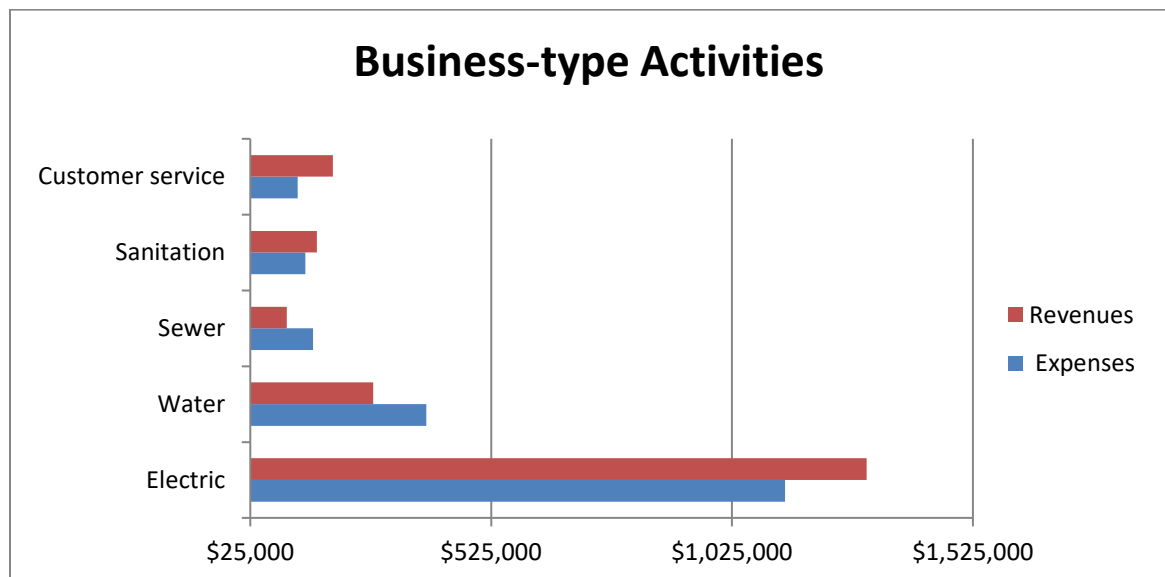
In the current year, intergovernmental funding, including grants and contributions provided the largest source of revenues for governmental activities at 34% of the total compared to 12% in prior year. The shift is the result of increased funding received from the federal government, which is reflected in the purple

section. Sales tax was 32% in fiscal year 2023 and 41% in fiscal year 2022. All other operating sources shifted incrementally from prior year as a result.



This graph shows the total governmental activities cost of \$1,458,408 for 2023. Of this amount, public safety at 35% was the largest use of funds for the fiscal year. A shift in the allocation of expenses occurred because of the decrease in capital outlay purchases. These operating costs were primarily funded by taxes. It should be noted that governmental expenses were adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. For the government-wide full accrual statements, capital outlay expenses are eliminated and capital assets reported.

### Business-type Activities



Business-type activities are shown comparing costs to revenues generated by related services. Sanitation, sewer, water, and electric 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.

### General Fund Budgetary Highlights

The adopted General Fund budget for fiscal year 2023 was \$790,335. Amendments were made during the year increasing the budget to \$1,144,475. The General Fund budget complied with financial policies approved by the Town.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### Capital Assets

At the end of June 30, 2023, the Town had \$4,206,930 invested in capital assets, net of depreciation, including vehicles and equipment for police and fire operations, park facilities, and street activities in governmental activities and electric lines, water lines and sewer lines in business-type activities. See table below.

**Primary Government Capital Assets (net of accumulated depreciation)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land and construction in process	\$ 939,246	\$ 929,842	\$ 32,788	\$ 24,005	\$ 972,034	\$ 953,847
Buildings	261,771	280,698	25,963	20,723	287,734	301,421
Infrastructure	948,309	1,036,739	1,998,424	2,000,436	2,946,733	3,037,175
Machinery & equipment	283,416	315,467	171,332	259,696	454,748	575,163
<b>Totals</b>	<b>\$ 2,432,742</b>	<b>\$ 2,559,669</b>	<b>\$ 2,228,507</b>	<b>\$ 2,304,860</b>	<b>\$ 4,661,249</b>	<b>\$ 4,867,606</b>

#### Long-Term Debt

At year-end, the Town had \$627,416 in long-term debt outstanding. There was no new debt issued in the current year. The Town's changes in long-term debt by type of debt are as follows:

**Primary Government Long-Term Debt**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue bonds	\$ -	\$ -	\$ 454,319	\$ 515,482	\$ 454,319	\$ 515,482
Notes payable	-	-	-	20,816	-	20,816
Pension liability	236,402	33,884	-	-	236,402	33,884
<b>subtotal</b>	<b>236,402</b>	<b>33,884</b>	<b>454,319</b>	<b>536,298</b>	<b>690,721</b>	<b>570,182</b>
less current portion	-	-	(63,305)	(80,731)	(63,305)	(80,731)
<b>Totals</b>	<b>\$ 236,402</b>	<b>\$ 33,884</b>	<b>\$ 391,014</b>	<b>\$ 455,567</b>	<b>\$ 627,416</b>	<b>\$ 489,451</b>

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

According to the Oklahoma State University, Spears School of Business, *Economic Outlook 2023 Summer Update* "The national economy has shown surprising resilience in the face of Federal Reserve hikes in interest rates. Whereas the Oklahoma economy continues to recover from the COVID-19 recession."

The Town is committed to continuing to provide citizens with the public safety and utility services they are accustomed to as the economy continues to recover.

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

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's Office at PO Box 157, Mooreland, Oklahoma, 73852 or phone at (580) 994-5924.

**Town of Mooreland, Oklahoma**  
**Statement of Net Position**  
**June 30, 2023**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Current Assets:			
Cash and cash equivalents	\$ 627,404	\$ 145,200	\$ 772,604
Investments, including time deposits	111,479	288,311	399,790
Taxes receivable	104,790	-	104,790
Accounts receivable, net	850	152,332	153,182
Internal balances	(7,844)	7,844	-
Prepaid assets	4,399	-	4,399
Total current assets	<u>841,078</u>	<u>593,687</u>	<u>1,434,765</u>
Restricted assets:			
Cash and cash equivalents	105,549	152,262	257,811
Investments, including time deposits	-	114,604	114,604
Total restricted assets	<u>105,549</u>	<u>266,866</u>	<u>372,415</u>
Noncurrent Assets:			
Land and construction in progress	939,246	32,788	972,034
Other capital assets (net of accumulated depreciation)	1,493,496	2,195,719	3,689,215
Pension asset	-	-	-
Total noncurrent assets	<u>2,432,742</u>	<u>2,228,507</u>	<u>4,661,249</u>
Total assets	<u>\$ 3,379,369</u>	<u>\$ 3,089,060</u>	<u>\$ 6,468,429</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on pension obligations	<u>\$ 385,696</u>	<u>\$ -</u>	<u>385,696</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 372,423	\$ 61,004	\$ 433,427
Wages and benefits payable	10,064	9,785	19,849
Notes payable, current	-	-	-
Bonds payable, current	-	63,305	63,305
Total current liabilities	<u>382,487</u>	<u>134,094</u>	<u>516,581</u>
Liabilities payable from restricted assets:			
Accrued interest payable	-	4,648	4,648
Customer deposits payable	-	94,867	94,867
Total liabilities payable from restricted assets	<u>-</u>	<u>99,515</u>	<u>99,515</u>
Noncurrent liabilities:			
Pension liability	236,402	-	236,402
Notes payable, non-current	-	-	-
Bonds payable, non-current	-	391,014	391,014
Total noncurrent liabilities	<u>236,402</u>	<u>391,014</u>	<u>627,416</u>
Total liabilities	<u>618,889</u>	<u>624,623</u>	<u>1,243,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on pension obligations	<u>243,796</u>	<u>-</u>	<u>243,796</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,432,742	1,774,188	4,206,930
Restricted	105,549	167,351	272,900
Unrestricted	364,089	522,898	886,987
Total net position	<u>\$ 2,902,380</u>	<u>\$ 2,464,437</u>	<u>\$ 5,366,817</u>

See accompanying notes to financial statements.

**Town of Mooreland, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government:					
General government	\$ 700,016	\$ 6,080	\$ 102,567	\$ 300,000	\$ (291,369)
Total general government	700,016	6,080	102,567	300,000	(291,369)
Public safety and judiciary:					
Police	384,708	189,069	59,893	-	(135,746)
Fire	70,648	-	83,906	-	13,258
Municipal Court	146,793	-	-	-	(146,793)
Emergency Management	595	-	-	-	(595)
Total public safety and judiciary	602,744	189,069	143,799	-	(269,876)
Transportation:					
Street	129,249	-	9,651	-	(119,598)
Airport	89,484	9,320	-	-	(80,164)
Total transportation	218,733	9,320	9,651	-	(199,762)
Cultural, parks and recreation:					
Park	27,450	-	-	-	(27,450)
Library	25,249	-	13,263	-	(11,986)
Cemetery	14,220	9,909	-	-	(4,311)
Total cultural, parks and recreation	66,919	9,909	13,263	-	(43,747)
Total governmental activities	1,588,412	214,378	269,280	300,000	(804,754)
Business-type activities:					
Electric	1,134,716	1,304,095	-	-	169,379
Water	390,635	280,087	-	-	(110,548)
Sewer	155,295	101,108	-	-	(54,187)
Sanitation	139,602	163,047	-	-	23,445
Customer service	123,505	195,879	250	-	72,624
Total business-type activities	1,943,753	2,044,216	250	-	100,713
<b>Total primary government</b>	<b>\$ 3,532,165</b>	<b>\$ 2,258,594</b>	<b>\$ 269,530</b>	<b>\$ 300,000</b>	<b>\$ (704,041)</b>

**Town of Mooreland, Oklahoma**  
Statement of Activities (continued)  
Year Ended June 30, 2023

Changes in Net Position:	Primary Government		
	Governmental Activities	Business-type Activities	Total
Net (expense)/revenue	\$ (804,754)	\$ 100,713	\$ (704,041)
General revenues:			
Taxes:			
Sales taxes	466,406	-	466,406
Use taxes	116,437	-	116,437
Franchise taxes	8,319	-	8,319
Alcoholic beverage tax	20,829	-	20,829
Cigarette tax	3,161	-	3,161
Investment income	1,565	2,556	4,121
Pension change	43,408	-	43,408
Miscellaneous	46,969	47,067	94,036
Transfers - Internal activity, net	84,111	(84,111)	-
Total general revenues and transfers	791,205	(34,488)	756,717
 Change in net position	 (13,549)	 66,225	 52,676
 Net position - beginning	 2,915,929	 2,398,212	 5,314,141
Net position - ending	<u>\$ 2,902,380</u>	<u>\$ 2,464,437</u>	<u>\$ 5,366,817</u>

**Town of Mooreland, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>	<b>Court Fund</b>	<b>Cemetery Fund</b>	<b>Cemetery Care Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash	\$ 377,977	\$ 249,427	\$ 105,549	\$ -	\$ 732,953
Investments, including time deposits	111,479	-	-	-	111,479
Due from other funds	80,981	5,259	-	-	86,240
Taxes receivable	104,790	-	-	-	104,790
Revenue receivable	850	-	-	-	850
Prepaid assets	4,399	-	-	-	4,399
Total assets	<u>\$ 680,476</u>	<u>\$ 254,686</u>	<u>\$ 105,549</u>	<u>\$ -</u>	<u>\$ 1,040,711</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 369,185	\$ 3,238	\$ -	\$ -	\$ 372,423
Wages and benefits payable	8,896	1,168	-	-	10,064
Due to other funds	90,865	3,219	-	-	94,084
Total liabilities	<u>468,946</u>	<u>7,625</u>	<u>-</u>	<u>-</u>	<u>476,571</u>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	-
Assigned	-	-	105,549	-	105,549
Unassigned	211,530	247,061	-	-	458,591
Total fund balances	<u>211,530</u>	<u>247,061</u>	<u>105,549</u>	<u>-</u>	<u>564,140</u>
Total liabilities and fund balances	<u>\$ 680,476</u>	<u>\$ 254,686</u>	<u>\$ 105,549</u>	<u>\$ -</u>	<u>\$ 1,040,711</u>
Total fund balance- total governmental funds					\$ 564,140
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, therefore, are not reported in the funds.					
	Land and construction in process		\$ 939,246		
	Depreciable capital assets		4,693,656		
	Less: Accumulated depreciation		<u>(3,200,160)</u>		2,432,742
Pension related deferred outflows					385,696
Net pension liability					(236,402)
Pension related deferred inflows					<u>(243,796)</u>
Net position of governmental activities					<u>\$ 2,902,380</u>

**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Court Fund	Cemetery Fund	Cemetery Care Fund	Total Governmental Funds
<b>REVENUES</b>					
Sales tax	\$ 466,406	\$ -	\$ -	\$ -	\$ 466,406
Use tax	116,437	-	-	-	116,437
Beverage tax	20,829	-	-	-	20,829
Franchise taxes	8,319	-	-	-	8,319
Cigarette tax	3,161	-	-	-	3,161
Licenses and permits	4,115	-	-	-	4,115
Fines and forfeitures	-	189,069	-	-	189,069
Investment income	1,058	313	194	-	1,565
Charges for services	-	-	150	-	150
Rental income	11,420	-	-	-	11,420
Intergovernmental	435,399	59,253	-	-	494,652
Donations	73,853	640	-	-	74,493
Miscellaneous	46,969	-	9,759	-	56,728
Total revenues	1,187,966	249,275	10,103	-	1,447,344
<b>EXPENDITURES</b>					
General government:					
General government	655,806	-	-	-	655,806
Total general government	655,806	-	-	-	655,806
Public safety and judiciary:					
Police	314,880	-	-	-	314,880
Fire	40,373	-	-	-	40,373
Emergency management	595	-	-	-	595
Court	-	146,793	-	-	146,793
Total public safety and judiciary	355,848	146,793	-	-	502,641
Transportation:					
Street	87,950	-	-	-	87,950
Airport	12,033	-	-	-	12,033
Total transportation	99,983	-	-	-	99,983
Cultural, parks and recreation:					
Park	10,941	-	-	-	10,941
Library	12,629	-	-	-	12,629
Cemetery	-	-	12,062	-	12,062
Total cultural, parks and recreation	23,570	-	12,062	-	35,632
Capital outlay	164,346	-	-	-	164,346
Total expenditures	1,299,553	146,793	12,062	-	1,458,408
Excess (deficiency) of revenues over expenditures	(111,587)	102,482	(1,959)	-	(11,064)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	391,364	-	104,492	-	495,856
Transfers out	(223,419)	(79,253)	(109,073)	-	(411,745)
Total other financing sources and uses	167,945	(79,253)	(4,581)	-	84,111
Net change in fund balances	56,358	23,229	(6,540)	-	73,047
Fund balances - beginning	155,172	223,832	112,089	-	491,093
Prior period adjustment	-	-	-	-	-
Fund balances - ending	\$ 211,530	\$ 247,061	\$ 105,549	\$ -	\$ 564,140

**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**June 30, 2023**

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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	\$ 73,047
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Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital asset purchases capitalized	164,346
Depreciation expense	(294,350)

Government-Wide Statement of Activities report the cost of pension benefits earned  
net of employee contributions and is reported as an element of pension expense.  
The fund financial statements report pension contributions as expenditures.

43,408
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Change in Net Position of Governmental Activities	<u>\$ (13,549)</u>
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**Town of Mooreland, Oklahoma**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-type Activities</b>
	<b>Public Works Authority</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 145,200
Investments	288,311
Accounts receivable (net)	152,332
Due from other funds	76,673
Total current assets	<u>662,516</u>
Restricted assets:	
Cash and cash equivalents	152,262
Investments	114,604
Total restricted assets	<u>266,866</u>
Noncurrent assets:	
Capital assets (net)	<u>2,228,507</u>
Total noncurrent assets	<u>2,228,507</u>
<b>Total assets</b>	<u><u>\$ 3,157,889</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 61,004
Wages and benefits payable	9,785
Due to other funds	68,829
Notes payable, current	-
Bonds payable, current	63,305
Total current liabilities	<u>202,923</u>
Liabilities payable from restricted assets:	
Accrued interest payable	4,648
Customer deposits payable	94,867
Total liabilities payable from restricted assets	<u>99,515</u>
Noncurrent liabilities:	
Notes payable, non-current	-
Bonds payable, noncurrent	391,014
Total noncurrent liabilities	<u>391,014</u>
<b>Total liabilities</b>	<u>693,452</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,774,188
Restricted	167,351
Unrestricted	522,898
<b>Total net position</b>	<u><u>\$ 2,464,437</u></u>

**Town of Mooreland, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2023**

	<u><b>Business-type Activities</b></u>
	<u><b>Public Works Authority</b></u>
<b><u>Operating revenues:</u></b>	
Charges for services:	
Electric charges	\$ 1,304,095
Water charges	280,087
Sewer charges	101,108
Sanitation charges	163,047
Total charges for services	<u>1,848,337</u>
Penalty	33,088
Service fee	162,791
Rental revenue	11,917
Miscellaneous	47,067
Total operating revenues	<u>2,103,200</u>
<b><u>Operating expenses:</u></b>	
Cost of goods sold	806,635
Personal services	379,835
Materials and supplies	91,418
Other services and charges	433,996
Depreciation and amortization	231,409
Total operating expenses	<u>1,943,293</u>
Net operating income	\$ 159,907
<b><u>Nonoperating revenue (expense):</u></b>	
Investment income	2,556
Grant income	250
Bad debt	-
Interest expense	(12,377)
Total nonoperating revenue (expense)	<u>(9,571)</u>
<b>Net Income before contributions and transfers</b>	150,336
Transfers from other funds	231,226
Transfers to other funds, net	<u>(315,337)</u>
<b>Change in net position</b>	66,225
Net position - beginning of year	2,398,212
Net position-end of year	<u><u>\$ 2,464,437</u></u>

Town of Mooreland, Oklahoma  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2023

	<u>Business-type Activities</u>
	<u>Public Works Authority</u>
<b><u>Cash flows from operating activities:</u></b>	
Receipts from customers	\$ 1,858,392
Payments to suppliers	(1,291,527)
Payments to employees	(379,835)
Other operating revenues	254,863
<b>Net cash provided (used) by operating activities</b>	<u>441,893</u>
<b><u>Cash flows from non-capital financing activities:</u></b>	
Transfers from other funds	231,226
Transfers to other funds	(315,337)
Receipt/(payment) of interfund loan agreements	-
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(84,111)</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Purchase of capital assets	(155,057)
Principal paid on capital debt	(81,979)
Interest paid on capital debt	(13,003)
Capital grant proceeds	250
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(249,789)</u>
<b><u>Cash flows from investing activities:</u></b>	
Investment income	2,556
Purchase of investments	(159,133)
<b>Net cash provided (used) by investing activities</b>	<u>(156,577)</u>
Net increase (decrease) in cash and cash equivalents	(48,584)
Cash and cash equivalents, beginning of the year	<u>346,046</u>
Cash & cash equivalents, end of the year	<u>\$ 297,462</u>
Cash, including time deposits	\$ 145,200
Restricted cash, including time deposits	152,262
Total cash and cash equivalents, end of year	<u>\$ 297,462</u>
<b><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</u></b>	
Operating income (loss)	\$ 159,907
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	231,409
Bad debt expense	-
Non-operating revenue (expense)	
<i>Changes in assets and liabilities:</i>	
(Increase) decrease in accounts receivable	10,055
Increase (decrease) in accounts payable	50,760
Increase (decrease) in accrued expenses	(10,238)
Total adjustments	<u>281,986</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 441,893</u>

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

**A. Organization**

The Town of Mooreland, Oklahoma (the "Town") is incorporated under the provisions of the State of Oklahoma. The Town operates under the Statutory Town Board of Trustees form of government. The Town provides the following services: public safety (police and fire protection), street maintenance, utility (sanitation, water, sewer, and electric), culture, recreation, public improvements, municipal cemetery, and general administrative services.

The accounting and reporting framework and the more significant accounting principles and practices of the Town are discussed in subsequent sections of this notes. The remainder of the notes is organized to provide explanations, including required disclosure, of the Town's financial activities for the fiscal year ended June 30, 2023.

***The Reporting Entity***

The Town, for financial purposes, includes all of the funds and account groups relevant to the operation of the Town of Mooreland. The accompanying financial statements present the Town's primary government and component units over which the Town exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Town. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Mooreland.

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance Town 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 Town. Public trusts created to provide financing services are blended into the Town's primary government as an integral part of Town operations although retaining separate legal identity. Component units that do not meet the criteria from blending are reported discretely.

**Blended Component Units Reported with Primary Government**

Mooreland Public Works Authority (the "Authority") – was created on September 15, 1966 under and pursuant to Title 60 of the Oklahoma Statutes by a Declaration of the Trust. The trust indenture was amended in its entirety on December 16, 1991. On November 21, 2002, the trust indenture was amended to delete Article VIII, paragraph 36, in its entirety. This Article had previously restricted the Authority's borrowing authority. The Town has beneficial interest and the trustees of the Town serve as Trustees of the Authority. Town employees carry on the activities of the Authority. The Authority provides electric, water, sewer, and trash services to the citizens of Mooreland. Accounts of the Authority are recorded in business-type activities.

**B. Basis of Presentation**

***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 Town as a whole. The statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Town general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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 Town'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.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or utility services.

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

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary.

***Measurement Focus and Basis of Accounting***

The financial statements of the Town are prepared in accordance with US GAAP. The Town applies all relevant GASB pronouncements.

The government-wide statements report using the economic resources measurements focus and the accrual basis of accounting. Proprietary and fiduciary fund financial statements and financial statements of the Town'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 Town 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, intergovernmental revenues, and investment income. 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.

***Restricted Assets***

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities current in nature are reported with current assets and current liabilities in the financial statements.

***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.

***Interfund Balances***

Generally, outstanding balances between funds reported and 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.

**C. Fund Types and Major Funds**

**Major Governmental Fund**

***General Fund***

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in another fund.

***Special Revenue Funds***

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes. The reporting entity includes the following special revenue funds. None are considered major funds.

<b>FUND</b>	<b>BRIEF DESCRIPTION</b>
Court Fund	Accounts for the operations of the Town's municipal court system.
Cemetery	Accounts for the operations of the cemetery
Cemetery Care	Accounts for 12 1/2% of cemetery revenue restricted by State law for cemetery capital improvements.

**D. Budgets and Budgetary Accounting**

***Budget Policy and Practice***

The Town Clerk submits an annual budget to the Board of Trustees in accordance with the Oklahoma Municipal Budget Act. The budget is presented to the Board of Trustees for review, and public hearings are held to address priorities and the allocation of resources. In June, the Board of Trustees adopts the annual fiscal year budgets for Town 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 Town Clerk and must be approved by the board of Trustees. 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 Board of Trustees review and approval process.

***Budgetary Control***

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, materials and supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the Town Council. Within these control levels, management may transfer appropriations without Board approval.

***Budget Basis of Accounting***

The combined statements of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the new year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

**E. Assets, Liabilities and 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.

***Allowance for Uncollectible Accounts***

Significant receivables include sales and use tax receivables and amounts due from customers primarily for utility services. These receivables are due within one year. The Town has established an allowance for collectible accounts based on management's prior experience using past due amounts more than 60 to 90 days. Management does not believe there are significant losses in excess of the allowance recorded.

***Property, Plant and Equipment***

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

***Government-Wide Statements:***

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost, if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Proprietary fund and similar component unit fixed assets are recorded in the respective funds or component units and depreciated using the straight-line method. When proprietary fund fixed assets are disposed, the cost and applicable accumulated depreciation is removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

- |                                    |             |
|------------------------------------|-------------|
| • Buildings                        | 25-50 years |
| • Other improvements               | 2-50 years  |
| • Machinery, furniture & equipment | 5-20 years  |
| • Infrastructure                   | 25-50 years |

***Fund Financial Statements:***

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Long-Term Debt**

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

**Equity Classifications**

***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.

**Nonspendable**

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 Town Council, the Town'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

***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 assets.

**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 assets 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.

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

**Deferred outflows of resources**

In addition to assets, the statement of net position will sometimes reports a separate section for deferred outflows of resources. This separate financials 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 Town 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 Town. 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 Town reports deferred charge on net pension obligations for the retirement plans of the Town. A deferred charge on pension obligations results from the net different between projected and actual earnings on pension plan investments.

**F. Revenues, Expenditures and Expenses**

**Sales Tax**

The Town levied a 3% sales tax on taxable sales within the Town. The sales tax is collected by the Oklahoma Tax Commission and remitted to the Town in the month following receipt by the Tax Commission. The sales tax received is recorded as sales tax revenue within the general fund.

**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.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. Recurring transfers for operational purposes are classified as "operating transfers", while non-recurring transfers of equity are reported as "residual equity transfers".

**(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as local government unit, the Town and its component unit are subject to various federal, state and local laws and contractual regulations. An analysis of the Town's compliance with significant laws and regulations and demonstration of its stewardship over town resources follows:

**A. Deficit Fund Net Assets/Fund Balance**

Deficits resulting from accrual reporting do not constitute violations of Oklahoma State Statutes.

The Town reported no deficit fund net positions or fund balances for the fiscal year.

**B. Budget Requirements**

For the year ended June 30, 2023, the Town did not materially overspend in any department.

**C. Revenue Restrictions**

The Town has various restrictions placed over certain revenue sources from state or local or administrative requirements. The primary restricted revenue sources include:

<u>REVENUE SOURCE</u>	<u>LEGAL RESTRICTIONS OF USE</u>
Gasoline Excise/Commercial Vehicle Tax Cemetery Revenue (12.5%)	Street and Alley Purposes Cemetery Capital Improvements

**(3) DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**A. Cash and Investments**

**Deposits**

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

**PROPERTY, PLANT AND EQUIPMENT**

**Governmental Activities:**

A summary of the changes in the governmental activities fixed assets at June 30, 2023 follows:

	<b>Balance at July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2023</b>
Land	\$ 112,722	\$ -	\$ -	\$ 112,722
Construction in process	826,524	-	-	826,524
Buildings & structures	548,064	-	-	548,064
Machinery, furniture, & equipment	1,412,059	101,517	-	1,513,576
Improvements other than land	2,569,187	62,829	-	2,632,016
<b>Total</b>	<b>5,468,556</b>	<b>164,346</b>	<b>-</b>	<b>5,632,902</b>
Less accumulated depreciation	2,905,810	294,350	-	3,200,160
<b>Fixed assets, net</b>	<b>\$ 2,562,746</b>	<b>\$ (130,004)</b>	<b>\$ -</b>	<b>\$ 2,432,742</b>

**Business-Type Activities:**

A summary of the proprietary fund types fixed assets at June 30, 2023 follows:

	<b>Balance at July 1, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2023</b>
Land	\$ 4,730	\$ 7,000	\$ -	\$ 11,730
Construction in process	21,058	-	-	21,058
Building & structures	96,628	8,600	-	105,228
Machinery, furniture, & equipment	1,079,186	3,395	-	1,082,581
Improvements other than land	3,356,252	136,062	-	3,492,314
<b>Total</b>	<b>4,557,854</b>	<b>155,057</b>	<b>-</b>	<b>4,712,911</b>
Less accumulated depreciation	2,252,994	231,410	-	2,484,404
<b>Fixed assets, net</b>	<b>\$ 2,304,860</b>	<b>\$ (76,353)</b>	<b>\$ -</b>	<b>\$ 2,228,507</b>

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against its operations. Accumulated depreciation is reported on proprietary fund balance sheets.

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charges to governmental activities:

General government	\$ 44,210
Public safety & judiciary	100,103
Transportation	118,750
Cultural, parks & recreation	31,287
Total depreciation expense	<u>\$ 294,350</u>

Depreciation expense charges to business-type activities:

Water	\$ 106,033
Sewer	70,604
Customer service	16,247
Electric	38,526
Total depreciation expense	<u>\$ 231,410</u>

**C. LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended June 30, 2023:

**Bonds Payable**

Bond payable to the Oklahoma Water Resources Board in the amount of \$1,150,000 at an interest rate of 2.99% and a 0.5% administrative fee, maturing September 15, 2029. Semi-annual payments are due in the amount of \$39,436 beginning on 3/15/10. Proceeds were used for the construction of an Ion Exchange Plant to remove the nitrates from the water supply.

\$ 454,319

\$ 454,319

**Changes in Long-Term Debt:**

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

<b>Type of Debt</b>	<b>Balance at July 1, 2022</b>	<b>Amount Issued</b>	<b>Amount Retired</b>	<b>Balance at June 30, 2023</b>	<b>Due Within One Year</b>
<b>Business-type activities:</b>					
<i>Notes Payable</i>					
OWRB #2 note payable	\$ 20,816	\$ -	\$ 20,816	\$ -	\$ -
<i>Total notes payable</i>	20,816	-	20,816	-	-
<i>Bonds Payable</i>					
2009 Series Bonds	515,482	-	61,163	454,319	63,305
<i>Total bonds payable</i>	515,482	-	61,163	454,319	63,305
 Total business-type activities	 \$ 536,298	 \$ -	 \$ 81,979	 \$ 454,319	 \$ 63,305
 Total primary government debt	 \$ 536,298	 \$ -	 \$ 81,979	 \$ 454,319	 \$ 63,305

**Annual Debt Service Requirements:**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2023 follow:

<b>Year Ending June 30</b>	<b>Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 63,305	\$ 8,810
2025	65,606	6,839
2026	67,948	4,832
2027	70,374	2,754
2028	72,871	614
2029-2030	114,215	-
<b>Totals</b>	<b>\$ 454,319</b>	<b>\$ 23,849</b>

**(4) RETIREMENT PLANS**

The Town participates in two employee pension systems as follows:

<b>Name of Plan</b>	<b>Type of Plan</b>
Oklahoma Municipal Retirement Fund	Agent Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer – Defined Benefit Plan

**Oklahoma Municipal Retirement Fund- Defined Benefit Plan**

**Plan Description**

Substantially all of the Town's full-time employees, except firefighters, participate in a defined benefit pension plan adopted by the Town and administered by the Oklahoma Municipal Retirement System (OMRF), which was established to administer pension plans for municipal employees. OMRF issues a publically available financial report that can be obtained at [www.okmrf.org](http://www.okmrf.org).

**Benefits Provided**

OMRF provides retirement, disability, and death benefits. Retirement benefits are determined as 3 percent of the employee's final average compensation multiplied by the employee's years of service; final average compensation is the average of the 5 highest consecutive years of salaries out of the last 10 years of service. Vesting requires 7 years of service. Members are eligible for normal retirement at age 65 with 7 years of vested service. The benefit is payable immediately. Early retirement is available after age 55 with 7 years of vested service. Early retirement benefits are paid at the normal retirement age, or reduced 5% per year for commencement prior to the normal retirement age.

Disability retirement is provided for member's total and permanent disability after 7 or more years of service. The accrued benefit is payable upon disablement without reduction for early payment.

In-service death benefits are payable after vesting at 50% of the accrued benefit until the death of the spouse or remarriage. If the member was not vested at the time of in-service death, member contributions are returned, if any, with interest.

**Contributions**

Required contribution rates are actuarially measured each year and authorized through Town Ordinance. Employees are required to contribute 4.0% of paid salary. For the year ended June 30, 2023, the Town's contribution was 10.11%. Contributions to the pension plan from the Town were \$54,077 for the year ended June 30, 2023.

**Membership**

Membership in the plan is as follows:

	<b>As of January 1, 2022</b>
Active participants	10
Inactive employees & beneficiaries receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	0
<b>Total</b>	<b>18</b>

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

At June 30, 2023, the Town reported an asset of \$202,339 for its proportionate share of the net pension liability. The net pension asset was measured as of July 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined.

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

For the year ended June 30, 2023, the Town recognized pension expense of \$43,038. At June 30, 2023, the Town 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	\$ 16,654	\$ 41,653
Changes of assumptions	2,736	21,873
Net difference between projected and actual earnings on pension plan investments	291,728	168,865
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	54,077	-
<b>Total</b>	<b>\$ 365,195</b>	<b>\$ 232,391</b>

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

**Year ended June 30:**

2024	\$ 13,564
2025	13,843
2026	(3,297)
2027	54,617
2028	-

*Actuarial assumptions:* The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	5.07 percent, average
Investment rate of return	7.55 percent, net of pension plan investment expense and inflation

Mortality rates were based on the UP 1994 with projected mortality improvement. Valuation rates are projected for mortality improvement by the Society of Actuaries' table AA based upon the employee's year of birth.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period ended July 1, 2012 through June 30, 2017.

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 (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2022 are summarized in the following table:

	<b>Target Allocation</b>	<b>Real Return</b>	<b>Weighted Return</b>
Large cap stocks - S&P 500	25%	5.80%	1.35%
Small/mid cap stocks - Russell 2500	10%	6.40%	0.75%
Long/short equity - MSCI ACWI	10%	5.00%	0.61%
International stocks - MSCI EAFE	20%	6.20%	1.02%
Fixed income bonds - Barclay's Capital Aggregate	30%	2.30%	0.78%
Real estate - NCREIF	5%	4.60%	0.24%
Cash equivalents - 3 month Treasury	0%	0.00%	0.00%
	100%		
		Average Real Return	4.75%
		Inflation	2.75%
		Long term expected return	7.50%

*Discount rate:* The discount rate used to measure the total pension liability was 7.75 percent, as the plan's net fiduciary position is projected to be sufficient to make projected benefit payments. The Town has adopted a funding method that is designed to fund all benefits payable to participants over the course of the member's working career. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Therefore, no separate cash flow projection is required to determine the sufficiency of the plan assets. The 20 year tax free bond yield of 3.29% was used in the analysis.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances at July 1, 2021</b>	<b>\$ 1,696,237</b>	<b>\$ 1,737,134</b>	<b>\$ (40,897)</b>
<b>Changes for the year:</b>			
Service cost	53,014	-	53,014
Interest	122,269	-	122,269
Differences between expected and actual experience	(39,876)	-	(39,876)
Assumption changes	(27,382)	-	(27,382)
Contributions - employer	-	57,402	(57,402)
Contributions - employee	-	20,950	(20,950)
Net investment income	-	(210,612)	210,612
Benefit payments, including refunds of employee contributions	(134,406)	(134,406)	-
Administrative expense	-	(2,951)	2,951
Other changes	-	-	-
<b>Net changes</b>	<b>(26,381)</b>	<b>(269,617)</b>	<b>243,236</b>
<b>Balances at July 1, 2022</b>	<b>\$ 1,669,856</b>	<b>\$ 1,467,517</b>	<b>\$ 202,339</b>

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate:* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Town's proportionate share of the net pension liability/(asset)	409,089	202,339	36,499

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

**Oklahoma Firefighters Pension and Retirement System**

Plan Description

The Town of Mooreland, as the employer, participates in the Firefighters Pension & Retirement- a statewide, cost-sharing, multiple-employer defined benefit plan administered by the Oklahoma Firefighters Pension and Retirement System (FPRS). FPRS issues a publically 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 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 State of Oklahoma has the authority to establish contribution obligations per state statute 11 O.S. Section 49.100 thru 49.143 et seq and are not based on actuarial calculations. Volunteer members have no contribution requirements; the Town contributes \$60 per year for each volunteer. 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 Town were \$1,200.

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

At June 30, 2023, the Town reported a liability of \$33,865 for its proportionate share of the net pension liability. The net pension net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on the Town's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. The Town's proportion was 0.0000259%.

For the year ended June 30, 2023, the Town recognized pension expense of \$4,707. At June 30, 2023, the Town 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	\$ 4,347	\$ 171
Changes of assumptions	-	216
Net difference between projected and actual earnings on pension plan investments	14,954	11,018
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	1,200	-
<b>Total</b>	<b>\$ 20,501</b>	<b>\$ 11,405</b>

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

**Year ended June 30:**

2023	\$ 3,303
2024	1,718
2025	488
2026	3,587
2027	-

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions, applied to all 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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

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, 2022, 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%	4.90%
Domestic equity	37%	7.07%
International equity	20%	9.19%
Real Estate	10%	7.99%
Other assets	13%	5.57%

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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

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, 2022, are summarized in the following table:

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 Town's proportionate share of the net pension liability to changes in the discount rate: The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Town's proportionate share of the net pension liability/(asset)	43,645	33,865	25,695

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).

**(5) COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The Town 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. State statutes provide for the levy of an ad valorem tax over a three-year period by a Town "Sinking Fund" for the payment of any court assessed judgment rendered against the Town.

**B. Grant Program Involvement**

In the normal course of operations, the Town 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.

**Town of Mooreland, Oklahoma**  
**General Fund**  
**Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2023**

	Original Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>					
Sales tax	\$ 369,262	\$ -	\$ 369,262	\$ 466,406	\$ 97,144
Use tax	108,178	-	108,178	116,437	8,259
Tobacco tax	2,862	-	2,862	3,161	299
Beverage tax	21,173	-	21,173	20,829	(344)
Gasoline excise tax	1,884	-	1,884	2,188	304
Motor vehicle tax	8,275	-	8,275	8,541	266
Franchise taxes	10,067	-	10,067	8,319	(1,748)
Licenses & permits	2,200	-	2,200	4,115	1,915
Grants	-	-	-	424,670	424,670
Charges for services:					
Police fines	225,000	-	225,000	-	(225,000)
Swimming pool fees	-	-	-	-	-
Rental fees	15,000	-	15,000	11,420	(3,580)
Donations	-	-	-	73,853	73,853
Other revenue	147,086	-	147,086	46,969	(100,117)
Interest	550	-	550	1,058	508
Total revenues	911,537	-	911,537	1,187,966	276,429
<b>EXPENDITURES</b>					
General government:					
General government	205,700	142,641	348,341	309,924	38,417
Total general government	205,700	142,641	348,341	309,924	38,417
Public safety and judiciary:					
Police	277,500	38,400	315,900	314,880	1,020
Fire	100,000	-	100,000	65,790	34,210
Emergency Management	3,000	-	3,000	595	2,405
Municipal Court	110,835	128,799	239,634	-	239,634
Total public safety and judiciary	491,335	167,199	658,534	381,265	277,269
Transportation:					
Street	53,000	36,800	89,800	87,950	1,850
Airport	5,500	7,500	13,000	12,033	967
Total transportation	58,500	44,300	102,800	99,983	2,817
Cultural, parks and recreation:					
Park	27,300	(8,000)	19,300	10,941	8,359
Library	5,000	8,000	13,000	12,629	371
Community center	2,500	-	2,500	-	2,500
Total cultural, parks and recreation	34,800	-	34,800	23,570	11,230
Total expenditures	790,335	354,140	1,144,475	814,742	326,916
Revenue over (under) expenditures	121,202	(354,140)	(232,938)	373,224	603,345
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in/(out)	17,914	-	17,914	167,945	150,031
Net other financing sources (uses)	17,914	-	17,914	167,945	150,031
Revenues and other financing sources over (under) expenditures and other uses	139,116	(354,140)	(215,024)	541,169	753,376
Fund balance at beginning of year (Non-GAAP budgetary basis)				504,616	504,616
Fund balance at end of year (Non-GAAP budgetary basis)				\$ 1,045,785	\$ 1,257,992
<b>ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>					
Revenue and transfer accruals				(834,255)	
Fund balance at end of year (GAAP basis)				\$ 211,530	

**Schedules of Required Supplementary Information**

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

<b>Oklahoma Fire Pension Retirement Plan</b>								
	<b>2015*</b>	<b>2016*</b>	<b>2017*</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>	<b>2021*</b>	<b>2022*</b>
Town's portion of the net pension liability (asset)	0.0034%	0.0035%	0.0029%	0.0030%	0.0027%	0.0029%	0.0013%	0.0051%
Town's proportionate share of the net pension liability (asset)	\$ 34,668	\$ 36,628	\$ 35,565	\$ 37,928	\$ 30,818	\$ 30,753	\$ 1,645	\$ 33,884
Town's covered-employee payroll	\$ 9,309	\$ 10,332	\$ 11,585	\$ -	\$ -	\$ -	\$ -	\$ -
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	372%	355%	307%	0%	0%	0%	0%	0%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**SCHEDULE OF TOWN CONTRIBUTIONS**

<b>Oklahoma Fire Pension Retirement Plan</b>								
	<b>2015*</b>	<b>2016*</b>	<b>2017*</b>	<b>2018*</b>	<b>2019*</b>	<b>2020*</b>	<b>2021*</b>	<b>2022*</b>
Contractually required contribution	\$ 1,320	\$ 1,320	\$ 1,140	\$ 1,140	\$ 1,260	\$ 1,260	\$ 60	\$ 60
Contributions in relation to the contractually required contribution	(1,320)	(1,320)	(1,140)	(1,140)	(1,260)	(1,260)	(60)	(60)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 9,309	\$ 10,332	\$ 11,585	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	14.18%	12.78%	9.84%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Only the current four fiscal years are presented as ten year data is not yet available.

**Schedules of Required Supplementary Information**

**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**

	Oklahoma Municipal Retirement Fund SINCE INITIAL APPLICATION								
	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*
<b>Total pension liability</b>									
Service cost	\$ 31,053	\$ 46,072	\$ 38,102	\$ 57,035	\$ 40,802	\$ 34,965	\$ 54,712	\$ 52,648	\$ 53,014
Interest	101,743	103,666	108,990	113,431	112,036	114,010	113,992	119,986	122,269
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	28,299	44,878	(27,298)	9,725	(31,472)	42,408	(7,562)	(39,876)
Changes in assumptions	-	-	-	24,945	-	15,923	-	-	(27,382)
Benefit payments, including refunds of employee contributions	(85,726)	(92,218)	(127,117)	(142,503)	(133,100)	(139,479)	(127,646)	(134,865)	(134,406)
Benefit changes due to plan amendments	11,983	-	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>\$ 59,053</b>	<b>\$ 85,819</b>	<b>\$ 64,853</b>	<b>\$ 25,610</b>	<b>\$ 29,463</b>	<b>\$ (6,053)</b>	<b>\$ 83,466</b>	<b>\$ 30,207</b>	<b>\$ (26,381)</b>
<b>Total pension liability - beginning</b>	<b>1,323,819</b>	<b>1,382,872</b>	<b>1,468,691</b>	<b>1,533,544</b>	<b>1,559,154</b>	<b>1,588,617</b>	<b>1,582,564</b>	<b>1,666,030</b>	<b>1,696,237</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,382,872</b>	<b>\$ 1,468,691</b>	<b>\$ 1,533,544</b>	<b>\$ 1,559,154</b>	<b>\$ 1,588,617</b>	<b>\$ 1,582,564</b>	<b>\$ 1,666,030</b>	<b>\$ 1,696,237</b>	<b>\$ 1,669,856</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	44,666	57,479	56,779	48,566	73,894	54,558	58,789	49,885	57,402
Contributions - employee	15,141	19,484	21,325	17,921	16,889	18,542	21,034	19,737	20,950
Net investment income	183,960	35,860	10,362	150,810	97,808	92,348	56,968	385,421	(210,612)
Benefit payments, including refunds of employee contributions	(85,726)	(92,218)	(127,117)	(142,503)	(133,100)	(139,479)	(127,646)	(134,865)	(134,406)
Administrative expense	(2,721)	(2,666)	(2,536)	(2,661)	(2,740)	(2,810)	(2,890)	(2,860)	(2,951)
Other	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>155,320</b>	<b>17,939</b>	<b>(41,187)</b>	<b>72,133</b>	<b>52,751</b>	<b>23,159</b>	<b>6,255</b>	<b>317,318</b>	<b>(269,617)</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,133,446</b>	<b>1,288,766</b>	<b>1,306,705</b>	<b>1,265,518</b>	<b>1,337,651</b>	<b>1,390,402</b>	<b>1,413,561</b>	<b>1,419,816</b>	<b>1,737,134</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,288,766</b>	<b>\$ 1,306,705</b>	<b>\$ 1,265,518</b>	<b>\$ 1,337,651</b>	<b>\$ 1,390,402</b>	<b>\$ 1,413,561</b>	<b>\$ 1,419,816</b>	<b>\$ 1,737,134</b>	<b>\$ 1,467,517</b>
<b>Town's net pension liability - ending (a) - (b)</b>	<b>\$ 94,106</b>	<b>\$ 161,986</b>	<b>\$ 268,026</b>	<b>\$ 221,503</b>	<b>\$ 198,215</b>	<b>\$ 169,003</b>	<b>\$ 246,214</b>	<b>\$ (40,897)</b>	<b>\$ 202,339</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>93.19%</b>	<b>88.97%</b>	<b>82.52%</b>	<b>85.79%</b>	<b>87.52%</b>	<b>89.32%</b>	<b>85.22%</b>	<b>102.41%</b>	<b>87.88%</b>
<b>Covered-employee payroll</b>	<b>\$ 469,226</b>	<b>\$ 367,919</b>	<b>\$ 527,327</b>	<b>\$ 386,897</b>	<b>\$ 358,208</b>	<b>\$ 502,441</b>	<b>\$ 489,525</b>	<b>\$ 487,670</b>	<b>\$ 469,157</b>
<b>Town's net pension liability as a percentage of covered-employee payroll</b>	<b>20.06%</b>	<b>44.03%</b>	<b>50.83%</b>	<b>57.25%</b>	<b>55.34%</b>	<b>33.64%</b>	<b>50.30%</b>	<b>-8.39%</b>	<b>43.13%</b>

**Schedules of Required Supplementary Information**

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

**Oklahoma Municipal Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>
City's portion of the net pension liability (asset)	0.3277%	0.4363%	0.4613%	0.5311%	0.4753%	0.4052%	0.5904%	-0.0063%	0.0313%
City's proportionate share of the net pension liability (asset)	\$ 94,106	\$ 161,986	\$ 268,026	\$ 221,503	\$ 198,215	\$ 169,003	\$ 246,214	\$ (40,897)	\$ 202,339
City's covered-employee payroll	\$ 469,226	\$ 367,919	\$ 527,327	\$ 386,897	\$ 358,208	\$ 502,441	\$ 489,525	\$ 487,670	\$ 469,157
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.06%	44.03%	50.83%	57.25%	55.34%	33.64%	50.30%	-8.39%	43.13%
Plan fiduciary net position as a percentage of the total pension liability	93.19%	88.97%	82.52%	85.79%	87.52%	89.32%	85.22%	102.41%	87.88%

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

**Schedules of Required Supplementary Information**

**SCHEDULE OF TOWN CONTRIBUTIONS**

**Oklahoma Municipal Retirement Plan**

	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>
Actuarially determined contribution	\$ 76,805	\$ 76,963	\$ 78,104	\$ 65,851	\$ 56,918	\$ 61,428	\$ 52,847	\$ 52,847	\$ 54,077
Contributions in relation to the actuarially determined contribution	<u>(76,805)</u>	<u>(76,963)</u>	<u>(78,104)</u>	<u>(65,851)</u>	<u>(56,918)</u>	<u>(61,428)</u>	<u>(52,847)</u>	<u>(52,847)</u>	<u>(54,077)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 469,226	\$ 367,919	\$ 527,327	\$ 386,897	\$ 358,208	\$ 502,441	\$ 489,525	\$ 487,670	\$ 469,157
Contributions as a percentage of covered-employee payroll	16.37%	20.92%	14.81%	17.02%	15.89%	12.23%	10.80%	10.84%	11.53%

\* Only the current four fiscal years are presented as ten year data is not yet available.

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 Town Council  
Town of Mooreland, 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, each major fund, and the aggregate remaining fund information of Town of Mooreland, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Mooreland, Oklahoma's basic financial statements, and have issued our report thereon dated November 1, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Mooreland, 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 Town of Mooreland, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Mooreland, 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**

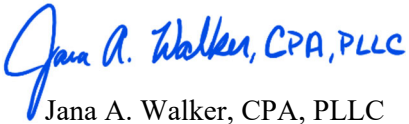
As part of obtaining reasonable assurance about whether Town of Mooreland, Oklahoma financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items: 2023-001.

## **Town of Mooreland, Oklahoma Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Mooreland, Oklahoma's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Town of Mooreland, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 1, 2024

**Town of Mooreland, Oklahoma  
Schedule of Findings and Responses  
Year Ended June 30, 2023**

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**FINDING 2023-001 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.

**Town of Mooreland, Oklahoma**  
**Schedule of Prior Year Findings and Responses**  
**Year Ended June 30, 2023**

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**FINDING 2022-001 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.

Current Status: Reported as finding 2023-001.