

**THE CITY OF NOBLE, OKLAHOMA**

ANNUAL FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

# CITY OF NOBLE, OKLAHOMA

June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of Noble, Oklahoma

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### *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 City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter—Basis of Accounting*

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

HSPG & ASSOCIATES, PC

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

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

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

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

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

### ***Other Matters***

#### ***Supplemental Information***

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

*Other information*

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 the City's internal control over financial reporting and compliance.

*HSPG & Associates, P.C.*

December 30, 2022

# **CITY OF NOBLE**

## **Rose Rock Capital of the World**

### **Management Discussion and Analysis of the Annual Financial Report**

#### **As of and for the Year ended June 30, 2022**

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The management of the City of Noble is pleased to provide this annual financial report to its citizens, taxpayers and other report users to demonstrate its accountability and communicate the City's financial condition and activities as of and for the year ended June 30, 2022. Management of the City is responsible for the fair presentation of this annual report, for maintaining appropriate internal controls over financial reporting, and for complying with applicable laws, regulations and provisions on grants and contracts. The City reports its financial statements and schedules on a modified cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles. All financial analyses in this report must be considered within the context of the limitations of the modified cash basis of accounting.

#### **FINANCIAL HIGHLIGHTS**

- As reported on a modified cash basis, the City's total net position increased by \$856,385 and the assets of the City exceed its liabilities at June 30, 2022, by \$14,043,524 (net position). Of this amount, \$4,255,858 (unrestricted net position) is available to meet the government's ongoing needs.
- For the fiscal year ended June 30, 2022 the City's governmental funds reported combined ending fund balances on a modified cash basis of \$3,051,476 compared to \$951,529 in 2021 - an increase of \$2,099,947 or 220%, mainly due to unspent debt proceeds recently issued for public safety capital improvements.
- At the year ended June 30, 2022, unassigned fund balance on a modified cash basis for the General Fund was \$16,006 or .38% of General Fund revenues.

#### **ABOUT THE CITY**

The City of Noble is an incorporated municipality, with a population of 6,985 based on the 2020 census, located in central Oklahoma. The City is a Council/Manager form of government and operates under a charter that provides for three branches of government:

- Legislative – the City Council is a five-member governing body of which the council members are elected by wards and the mayor is elected by the citizens at large
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, health and welfare, streets and highways, parks and recreation, through its Utility Authority certain utility services including water, wastewater and sanitation and through the EMS District provides ambulance services.

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

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

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

- **The City of Noble** - an incorporated City that operates the public safety, streets, health and welfare, culture and recreation, and administrative activities of the City – *reported as the primary government.*
- **Noble Utilities Authority (NUA)** - A public trust created pursuant to 60 O.S. § 176 to finance, develop, and operate the utility services, water, wastewater and sanitation services of the City, with the City Council members serving as the trustees – *considered part of the primary government presentation for reporting purposes.*
- **Noble EMS District** - The Noble EMS District was formed under the provisions of the Oklahoma Constitution, Article 10, Section 9C for the purpose of providing ambulance service within a district comprised of the municipal limits of the City, with appointment of members by the City Council – *presented as a discretely-presented component unit.*

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

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all the activities of the City of Noble (the "City") and the Noble Utilities Authority (the "NUA") and the EMS District. Included in this report are government-wide statements for each of the three categories of activities – governmental, business type, and discretely-presented component unit.

The government-wide financial statements present the complete financial picture of the City using the modified cash basis of accounting. They present the governmental and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt), within the context of the modified cash basis of accounting.

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

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

One of the most important questions to ask about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. You will need to consider other non-factors, however, such as changes in the City's sales tax base, condition of the City's roads, and quality of service to assess the overall

health of the City. You will also need to keep in mind that these government-wide statements are prepared in accordance with the modified cash basis of accounting described above and include only those City assets and liabilities resulting from cash transactions.

In the Statement of Net Position and Statement of Activities, we divide the City into two kinds of activities *Governmental activities* – Most of the City’s basic services are reported here, including the police, fire, administration, streets and ambulance services. Sales taxes, franchise fees, fines, ambulance fees and state and federal grants finance most of these activities; and *Business-type activities* – Activities where the City typically charges a fee to customers to help cover all or most of the costs of certain services it provides are reported here. The City’s water, wastewater, and sanitation are reported as business-type activities.

## **Reporting the City’s Most Significant Funds – Fund Financial Statements**

### *Fund Financial Statements*

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

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

*Proprietary funds* – The City operates two proprietary funds, the Noble Utility Authority (major fund) and the related meter deposit fund (non-major fund). When the City, through the Utility Authority, charges customers for the services it provides, these services are generally reported in the proprietary funds. Proprietary funds are reported on the modified cash basis of accounting and an economic resources measurement focus. For example, proprietary fund assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability. The City’s proprietary funds are the Noble Utility Authority that accounts for the operation of the water, wastewater and sanitation activities, and the related meter deposit fund accounts for customers’ utility deposits.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements.



## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a Budgetary Comparison Schedule for the General Fund and major governmental funds, combining and individual fund financial statements and schedules, a federal and state award schedule.

## THE CITY AS A WHOLE

For the year ended June 30, 2022, net position on a modified cash basis for the governmental and business-type activities increased \$856,385.

### Net Position (Modified Cash Basis) June 30, 2022

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

	NET POSITION					
	Governmental Activities		Business-type Activities		Total Government	
	(Restated)					
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 3,054,965	\$ 953,385	\$ 4,322,907	\$ 3,138,724	\$ 7,377,872	\$ 4,092,109
Capital assets	5,658,854	5,444,990	5,640,429	5,754,389	11,299,283	11,199,379
Total Assets	<u>8,713,819</u>	<u>6,398,375</u>	<u>9,963,336</u>	<u>8,893,113</u>	<u>18,677,155</u>	<u>15,291,488</u>
Current Liabilities	3,489	197,869	229,313	366,627	232,802	564,496
Long-term debt	3,199,859	568,873	1,200,970	1,200,980	4,400,829	1,769,853
Total Liabilities	<u>3,203,348</u>	<u>766,742</u>	<u>1,430,283</u>	<u>1,567,607</u>	<u>4,633,631</u>	<u>2,334,349</u>
Net position:						
Invested in capital assets net of debt	2,458,995	4,680,104	4,439,459	4,427,264	6,898,454	9,107,368
Restricted	2,852,066	306,879	37,146	35,902	2,889,212	342,781
Unrestricted	199,410	644,650	4,056,448	2,862,340	4,255,858	3,506,990
Total Net Position	<u>\$ 5,510,471</u>	<u>\$ 5,631,633</u>	<u>\$ 8,533,053</u>	<u>\$ 7,325,506</u>	<u>\$ 14,043,524</u>	<u>\$ 12,957,139</u>

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Current assets of the governmental activities increased approximately \$2,101,580 due primarily to an increase in loan proceeds for construction and grants.

Current assets of the business-type activities increased approximately \$1,184,183 due primarily to increase of service revenues.

**Changes in Net Position (Modified Cash Basis)**  
**Year Ended June 30, 2022**

	CHANGES IN NET POSITION					
	Governmental Activities		Business-type Activities		Total Government	
	(Restated)					
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,047,955	\$ 952,210	\$ 2,904,151	\$ 2,962,569	\$ 3,952,106	\$ 3,914,779
Operating grants & contributions	18,763	593,137	-	-	18,763	593,137
Capital grants & contributions	-	30,061	615,922	-	615,922	30,061
General revenues:						
Taxes	2,918,643	2,883,340	-	-	2,918,643	2,883,340
Intergovernmental	117,579	243,609	-	-	117,579	243,609
Other general rev.	260,891	100,163	44,757	11,086	305,648	111,249
Total revenues	<u>4,363,831</u>	<u>4,802,520</u>	<u>3,564,830</u>	<u>2,973,655</u>	<u>7,928,661</u>	<u>7,776,175</u>
<b>Program expenses:</b>						
Administration	425,365	370,544	-	-	425,365	370,544
Public Safety	3,290,483	2,789,752	-	-	3,290,483	2,789,752
General government	226,449	238,419	-	-	226,449	238,419
Library	90,612	80,661	-	-	90,612	80,661
Parks	39,603	39,353	-	-	39,603	39,353
Streets	902,134	480,209	-	-	902,134	480,209
Water	-	-	1,006,847	1,021,559	1,006,847	1,021,559
Sewer	-	-	680,684	611,404	680,684	611,404
Sanitation	-	-	392,962	380,235	392,962	380,235
Interest L-T debt	17,137	18,486	-	-	17,137	18,486
Total expenses	<u>4,991,783</u>	<u>4,017,424</u>	<u>2,080,493</u>	<u>2,013,198</u>	<u>7,072,276</u>	<u>6,030,622</u>
Excess (deficiency) before transfers	(627,952)	785,096	1,484,337	960,457	856,385	1,745,553
Transfers	<u>276,790</u>	<u>3,508</u>	<u>(276,790)</u>	<u>(3,508)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ (351,162)</u>	<u>\$ 788,604</u>	<u>\$ 1,207,547</u>	<u>\$ 956,949</u>	<u>\$ 856,385</u>	<u>\$ 1,745,553</u>

**Governmental Activities**

Total Governmental Activity Revenues for 2022 showed a decrease of \$438,689 from the prior year. This is due mainly to decrease in grants.

**Business-Type Activities**

Total Business-type Activity Revenues for 2022 showed an increase of \$591,175 or 19.88% over the prior year. This is primarily due to an increase in grants.

**Net Revenue (Expense) of Governmental Activities (Modified Cash Basis)**

	<b>Total Expense of Services</b>		<b>Net Revenue (Expense) of Services</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Administration	\$ 425,365	\$ 370,544	\$ (425,365)	\$ (370,544)
Public Safety	3,290,483	2,789,752	(2,370,315)	(1,460,216)
Streets	902,134	480,209	(856,155)	(436,323)
General Government	226,449	238,419	(148,419)	(110,849)
Library	90,612	80,661	(90,612)	(80,661)
Parks	39,603	39,353	(17,062)	35,063
Interest on Long-Term Debt	17,137	18,486	(17,137)	(18,486)
Total Net Position	\$ <u>4,991,783</u>	\$ <u>4,017,424</u>	\$ <u>(3,925,065)</u>	\$ <u>(2,442,016)</u>

**Net Revenue (Expense) of Business-Type Activities (Modified Cash Basis)**

	<b>Total Expense of Services</b>		<b>Net Revenue (Expense) of Services</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Water	\$ 1,006,847	1,021,559	\$ 245,306	\$ 310,162
Sewer	680,684	611,404	732,561	217,867
Sanitation	392,962	380,235	461,713	421,342
Total Net Position	\$ <u>2,080,493</u>	\$ <u>2,013,198</u>	\$ <u>1,439,580</u>	\$ <u>949,371</u>

**A FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$3,051,476. For the year ended June 30, 2022, the General Fund’s total fund balance increased by \$2,106,676. The proprietary funds reported a combined net position balance of \$8,533,053. The net position of the Noble Utility Authority, increased by \$1,207,591.

**Budgetary Highlights**

For the year ended June 30, 2022 the General Fund reported actual budgetary basis revenues under final estimates by \$426,226 or a 4.95% negative variance. General Fund actual expenditures were under final appropriations by \$3,283,835 or a 32.2% positive variance. Noble EMS Fund (major governmental fund) reported actual budgetary basis revenues over final estimates by \$87,337 or a 10.59% positive variance and actual expenditures were under final appropriations by \$1,401 or a .17% positive variance.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2022, the City had approximately \$11 million in capital assets (net of accumulated depreciation), as reported on a modified cash basis, including land, buildings, machinery and equipment, and park facilities. Below are details regarding the City’s capital assets as of June 30, 2022.

**Capital Assets  
(Net of accumulated depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 379,224	\$ 379,224	\$ 572,198	\$ 572,198	\$ 951,422	\$ 951,422
Construction in process	348,017	99,221	90,994	-	439,011	99,221
Buildings	1,059,148	1,114,273	245,925	235,809	1,305,073	1,350,082
Other improvements	437,895	417,862	-	-	437,895	417,862
Utility property	-	-	3,802,636	3,947,901	3,802,636	3,947,901
Vehicles and equipment	1,387,022	1,269,365	928,676	998,482	2,315,698	2,267,847
Infrastructure	2,047,548	2,165,045	-	-	2,047,548	2,165,045
	<u>\$ 5,658,854</u>	<u>\$ 5,444,990</u>	<u>\$ 5,640,429</u>	<u>\$ 5,754,390</u>	<u>\$ 11,299,283</u>	<u>\$ 11,199,380</u>

This year's more significant capital asset additions include the following:

- Construction in Progress \$439,010
- Vehicles & Equipment \$238,326

**Debt Administration**

At June 30, 2022 the City had \$4,400,829 in debt outstanding reported on a modified cash basis, approximately a \$2,511,568 increase from prior year due to primarily new bond debt.

**Long-Term Debt**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes Payable	\$ 104,859	\$ 94,886	\$ 1,200,970	\$ 1,354,375	\$ 1,305,829	\$ 1,449,261
Bonds Payable	3,095,000	440,000	-	-	3,095,000	440,000
<b>Totals</b>	<u>\$ 3,199,859</u>	<u>\$ 534,886</u>	<u>\$ 1,200,970</u>	<u>\$ 1,354,375</u>	<u>\$ 4,400,829</u>	<u>\$ 1,889,261</u>

**ECONOMIC FACTORS AND NEXT YEAR'S ESTIMATE**

The following information outlines significant known factors that will affect subsequent year finances:

- In planning the 2022-23 budget the staff was moderately optimistic about the finances for the City. We were experiencing higher than normal sales tax revenues and had received more than \$1M in federal Covid-19 related funds. As a result, the City included several important projects with the new money to improve city utility infrastructure and improve public safety.
- The City also budgeted anticipated revenues in the Noble Utility Authority to pay for other projects including streets, parks with transferred surplus. In addition to projects funded by federal funds and utility surplus, we planned a new Fire Station (replacing the old one downtown) which would be financed by property taxes. The staff also carefully evaluated salaries and wages to try to adjust Noble to regional averages in Public Works, Fire and Police.

- Noble had been experiencing significant new housing starts and going into 2022-23 and we anticipated similar growth for the coming year. However, we were concerned about the rising costs and inflationary pressures that could slow down Noble's economy as well as in the region.

### **Contacting the City's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the City Clerk's office.

**CITY OF NOBLE, OKLAHOMA**  
**Statement of Net Position - Modified Cash Basis**  
**June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>EMS District</u>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 373,210	\$ 4,054,518	\$ 4,427,728	\$ 18,390
Restricted Cash and Cash Equivalents	2,681,738	103,243	2,784,981	46,209
Investments	-	-	-	-
Restricted Investments	-	165,146	165,146	-
Due from EMS District	17	-	17	(17)
Capital Assets:				
Land and Other Non-depreciable Assets	727,241	663,192	1,390,433	-
Other capital assets, net	4,931,613	4,977,237	9,908,850	-
<i>Total Assets</i>	<u>8,713,819</u>	<u>9,963,336</u>	<u>18,677,155</u>	<u>64,582</u>
<b><u>Liabilities</u></b>				
Other Liabilities	3,489	105	3,594	-
Due to Depositors	-	229,208	229,208	-
Long-term liabilities				
Due within one year	117,037	149,076	266,113	75,000
Due in more than one year	3,082,822	1,051,894	4,134,716	80,000
<i>Total Liabilities</i>	<u>3,203,348</u>	<u>1,430,283</u>	<u>4,633,631</u>	<u>155,000</u>
<b><u>Net Position</u></b>				
Invested in Capital Assets, net of related debt	2,458,995	4,439,459	6,898,454	-
Restricted for:				
Public Safety	2,712,063	9,736	2,721,799	-
Debt Service	40,008	27,410	67,418	-
Parks	99,995	-	99,995	-
Unrestricted	199,410	4,056,448	4,255,858	(90,418)
<i>Total Net Position</i>	<u>\$ 5,510,471</u>	<u>\$ 8,533,053</u>	<u>\$ 14,043,524</u>	<u>\$ (90,418)</u>

**CITY OF NOBLE, OKLAHOMA**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			EMS District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
Administration	\$ 425,365	\$ -	\$ -	\$ -	\$ (425,365)	\$ -	\$ (425,365)	-
Public Safety	3,290,483	901,405	18,763	-	(2,370,315)	-	(2,370,315)	-
Streets	902,134	45,979	-	-	(856,155)	-	(856,155)	-
General Government	226,449	78,030	-	-	(148,419)	-	(148,419)	-
Library	90,612	-	-	-	(90,612)	-	(90,612)	-
Parks	39,603	22,541	-	-	(17,062)	-	(17,062)	-
Interest Expense	17,137	-	-	-	(17,137)	-	(17,137)	-
<i>Total Governmental Activities</i>	<u>4,991,783</u>	<u>1,047,955</u>	<u>18,763</u>	<u>-</u>	<u>(3,925,065)</u>	<u>-</u>	<u>(3,925,065)</u>	<u>-</u>
Business-Type Activities:								
Water	1,006,847	1,252,153	-	-	-	245,306	245,306	-
Sewer	680,684	797,323	-	615,922	-	732,561	732,561	-
Sanitation	392,962	854,675	-	-	-	461,713	461,713	-
<i>Total Business-Type Activities</i>	<u>2,080,493</u>	<u>2,904,151</u>	<u>-</u>	<u>615,922</u>	<u>-</u>	<u>1,439,580</u>	<u>1,439,580</u>	<u>-</u>
<i>Total Primary Government</i>	<u>\$ 7,072,276</u>	<u>\$ 3,952,106</u>	<u>\$ 18,763</u>	<u>\$ 615,922</u>	<u>(3,925,065)</u>	<u>1,439,580</u>	<u>(2,485,485)</u>	<u>-</u>
Component unit:								
EMS District	<u>\$ 12,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>12,389</u>
General Revenues:								
Taxes:								
Sales Tax					1,931,185	-	1,931,185	-
Use Tax					577,172	-	577,172	-
Property Tax					78,745	-	78,745	182,023
Franchise Tax					315,006	-	315,006	-
E-911 Tax					16,535	-	16,535	-
Intergovernmental Revenue					117,579	-	117,579	-
Investment Income					6,373	1,873	8,246	287
Miscellaneous					62,465	42,884	105,349	-
Bond Premium					56,525	-	56,525	-
Payment from Component Unit					137,330	-	137,330	(137,330)
Loss on Disposal of Assets					(1,802)	-	(1,802)	-
Transfers					276,790	(276,790)	-	-
Total General Revenues and Transfers					<u>3,573,903</u>	<u>(232,033)</u>	<u>3,341,870</u>	<u>44,980</u>
Change in Net Position					(351,162)	1,207,547	856,385	32,591
Net Position - Beginning, as rested					<u>5,861,633</u>	<u>7,325,506</u>	<u>13,187,139</u>	<u>(123,009)</u>
Net Position - Ending					<u>\$ 5,510,471</u>	<u>\$ 8,533,053</u>	<u>\$ 14,043,524</u>	<u>\$ (90,418)</u>

See accompanying notes to basic financial statements

**CITY OF NOBLE, OKLAHOMA**  
**Balance Sheet**  
**Governmental Funds - Modified Cash Basis**  
**June 30, 2022**

	<b>General Fund</b>	<b>Noble EMS Fund</b>	<b>Non Major Governmental Fund - Sinking Fund</b>	<b>Total Governmental Funds</b>
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 2,882,617	\$ 132,790	\$ 39,541	\$ 3,054,948
Due from Component Unit	-	-	17	17
Due from Other Funds	-	-	450	450
<i>Total Assets</i>	\$ 2,882,617	\$ 132,790	\$ 40,008	\$ 3,055,415
 <b><u>Liabilities</u></b>				
Court Bonds & Other Payables	\$ 3,489	\$ -	\$ -	\$ 3,489
Due to Other Funds	450	-	-	450
<i>Total Liabilities</i>	3,939	-	-	3,939
 <b><u>Fund Balances</u></b>				
Restricted	2,812,058	-	40,008	2,852,066
Assigned	50,614	132,790	-	183,404
Unassigned	16,006	-	-	16,006
<i>Total Fund Balances</i>	2,878,678	132,790	40,008	3,051,476
<i>Total Liabilities and Fund Balances</i>	\$ 2,882,617	\$ 132,790	\$ 40,008	\$ 3,055,415

*See accompanying notes to basis financial statements*



**CITY OF NOBLE, OKLAHOMA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

	<u>General Fund</u>	<u>Noble EMS Fund</u>	<u>Non Major Governmental Fund - Sinking Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 2,839,899	\$ -	\$ 78,745	\$ 2,918,644
Intergovernmental	136,342	-	-	136,342
Charges for Services	45,979	773,759	-	819,738
Fines and Forfeitures	112,108	-	-	112,108
Licenses and Permits	116,108	-	-	116,108
Investment Income	6,290	52	31	6,373
Miscellaneous	61,881	584	-	62,465
<i>Total Revenues</i>	<u>3,318,607</u>	<u>774,395</u>	<u>78,776</u>	<u>4,171,778</u>
<b>Expenditures</b>				
Current:				
Administration	425,365	-	-	425,365
Police	1,490,300	-	-	1,490,300
Animal Control	96,731	-	-	96,731
Fire/EMS	532,032	821,986	-	1,354,018
General Government	187,811	-	-	187,811
Library	45,975	-	-	45,975
Parks	11,412	-	-	11,412
Streets	258,533	-	-	258,533
Capital Outlay	1,087,009	91,199	-	1,178,208
Debt service				
Principal	71,857	-	70,000	141,857
Interest	3,092	-	14,045	17,137
<i>Total Expenditures</i>	<u>4,210,117</u>	<u>913,185</u>	<u>84,045</u>	<u>5,207,347</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(891,510)</u>	<u>(138,790)</u>	<u>(5,269)</u>	<u>(1,035,569)</u>
<b>Other Financing Sources (Uses)</b>				
Debt proceeds	2,863,355	-	-	2,863,355
Bond issue costs	(141,959)	-	-	(141,959)
Payment from Component Unit	-	137,330	-	137,330
Transfers In	2,149,454	-	-	2,149,454
Transfers Out	(1,872,664)	-	-	(1,872,664)
<i>Total Other Financing Sources (Uses)</i>	<u>2,998,186</u>	<u>137,330</u>	<u>-</u>	<u>3,135,516</u>
Net Change in Fund Balances	2,106,676	(1,460)	(5,269)	2,099,947
Fund Balances - Beginning, as Restated	<u>772,002</u>	<u>134,250</u>	<u>45,277</u>	<u>951,529</u>
Fund Balances - Ending	<u>\$ 2,878,678</u>	<u>\$ 132,790</u>	<u>\$ 40,008</u>	<u>\$ 3,051,476</u>

*See accompanying notes to financial statements*

**CITY OF NOBLE, OKLAHOMA**  
**Reconciliation of Governmental Fund and Government-Wide Financial Statements**  
**Governmental Funds - Modified Cash Basis**  
**June 30, 2022**

**Reconciliation to Statement of Net Position:**

Fund balances of governmental funds	\$	3,051,476
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position		5,658,854
Certain long-term liabilities are not due and payable from current financial resources and therefore they, are not reported in the funds:		
Notes Payable		<u>(3,199,859)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>5,510,471</u></u>

**Reconciliation to Statement of Activities:**

Net change in fund balances of governmental funds	\$	2,099,947
Amounts reported for governmental activities on the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expenses. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital asset purchases capitalized		635,098
Depreciation expense		(419,432)
Loss on disposal of capital assets		(1,802)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		
Notes payable proceeds		(2,806,830)
Notes payable principal payments		<u>141,857</u>
Change in net position of governmental activities	\$	<u><u>(351,162)</u></u>

*See accompanying notes to financial statements*

**CITY OF NOBLE, OKLAHOMA**  
**Statement of Net Position**  
**Proprietary Funds - Modified Cash Basis**  
**June 30, 2022**

	<u>Enterprise Funds</u>		<u>Total Proprietary Funds</u>
	<u>Noble Utilities Authority</u>	<u>Meter Fund</u>	
<b><u>Assets</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 4,054,518	\$ -	\$ 4,054,518
Restricted Cash and Cash Equivalents	37,147	66,096	103,243
<i>Total Current Assets</i>	<u>4,091,665</u>	<u>66,096</u>	<u>4,157,761</u>
Noncurrent Assets:			
Restricted Investments	-	165,146	165,146
Land and Other Non-depreciable Assets	663,192	-	663,192
Other Capital Assets, net of depreciation	4,977,237	-	4,977,237
<i>Total Noncurrent Assets</i>	<u>5,640,429</u>	<u>165,146</u>	<u>5,805,575</u>
<i>Total Assets</i>	<u>9,732,094</u>	<u>231,242</u>	<u>9,963,336</u>
<b><u>Liabilities</u></b>			
Current Liabilities:			
Other Deposits	105	-	105
Due to Depositors	-	229,208	229,208
Notes Payable	149,076	-	149,076
<i>Total Current Liabilities</i>	<u>149,181</u>	<u>229,208</u>	<u>378,389</u>
Noncurrent Liabilities:			
Notes Payable	1,051,894	-	1,051,894
<i>Total Noncurrent Liabilities</i>	<u>1,051,894</u>	<u>-</u>	<u>1,051,894</u>
<i>Total Liabilities</i>	<u>1,201,075</u>	<u>229,208</u>	<u>1,430,283</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, net of related debt	4,439,459	-	4,439,459
Restricted for Debt Service	27,410	-	27,410
Restricted for Capital Improvements	9,736	-	9,736
Unrestricted	4,054,414	2,034	4,056,448
<i>Total Net Position</i>	<u>\$ 8,531,019</u>	<u>\$ 2,034</u>	<u>\$ 8,533,053</u>

See accompanying notes to basic financial statements

**CITY OF NOBLE, OKLAHOMA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

	Enterprise Funds		Total Proprietary Funds
	Noble Utilities Authority	Meter Fund	
<b>Operating Revenues</b>			
<b>Charges for Services:</b>			
Pledged:			
Water revenue	\$ 1,195,919	\$ -	\$ 1,195,919
Sewer revenue	748,901	-	748,901
Penalties	51,157	-	51,157
Miscellaneous fees	53,499	-	53,499
Sanitation revenue	854,675	-	854,675
<i>Total Operating Revenues</i>	2,904,151	-	2,904,151
<b>Operating Expenses</b>			
Administration	235,591	112	235,703
General Government	312,076	-	312,076
Water operations	485,476	-	485,476
Sewer operations	336,118	-	336,118
Sanitation operations	392,962	-	392,962
Depreciation expense	270,822	-	270,822
<i>Total Operating Expenses</i>	2,033,045	112	2,033,157
<i>Operating Income (Loss)</i>	871,106	(112)	870,994
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	1,805	68	1,873
Grants	615,922	-	615,922
Interest expense & fees	(47,336)	-	(47,336)
Miscellaneous revenue	42,884	-	42,884
<i>Total Nonoperating Revenues (Expenses)</i>	613,275	68	613,343
Net Income (Loss) Before Contributions and Transfers	1,484,381	(44)	1,484,337
Transfers			
Transfer In	1,872,664	-	1,872,664
Transfers Out	(2,149,454)	-	(2,149,454)
<i>Change in Net Position</i>	1,207,591	(44)	1,207,547
Net Position - Beginning	7,323,428	2,078	7,325,506
Net Position - Ending	\$ 8,531,019	\$ 2,034	\$ 8,533,053

*See accompanying notes to basic financial statements*

**CITY OF NOBLE, OKLAHOMA**  
**Statement of Cash Flows**  
**Proprietary Funds - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

	<u>Enterprise Funds</u>		<u>Total Proprietary Funds</u>
	<u>Noble Utilities Authority</u>	<u>Meter Fund</u>	
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 2,904,151	\$ -	\$ 2,904,151
Employees Paid	(701,484)	-	(701,484)
Vendors and others paid	(1,060,739)	(112)	(1,060,851)
Receipts of customer meter deposits	-	47,610	
Refunds of customer meter deposits	-	(31,534)	(31,534)
Net Cash Provided by Operating Activities	<u>1,141,928</u>	<u>15,964</u>	<u>1,110,282</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Grants, refunds and miscellaneous revenue	658,806	-	658,806
Interfund receipts/payments	-	-	-
Payments from deposits	5	-	5
Payment from other funds	1,892,665	-	1,892,665
Payment to other funds	(2,149,454)	(240)	(2,149,694)
Net Cash Provided by Noncapital Financing Activities	<u>402,022</u>	<u>(240)</u>	<u>401,777</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchases of capital assets	(129,612)	-	(129,612)
Principal paid on debt	(153,405)	-	(153,405)
Interest paid on debt	(47,336)	-	(47,336)
Net Cash Provided by (used in) Capital and Related Financing Activities	<u>(330,353)</u>	<u>-</u>	<u>(330,353)</u>
<b>Cash Flows From Investing Activities</b>			
Interest received	1,805	(68)	1,737
Increase in investments	-	68	68
Net Cash Provided by Investing Activities	<u>1,805</u>	<u>-</u>	<u>1,805</u>
Net Increase in Cash and Cash Equivalents	1,215,402	15,724	1,231,126
Balance - Beginning of the Year	<u>2,876,263</u>	<u>50,372</u>	<u>2,926,635</u>
Balance - End of the Year	<u>\$ 4,091,665</u>	<u>\$ 66,096</u>	<u>\$ 4,157,761</u>
<b>Reconciliation to Statement of Net Position</b>			
Cash and cash equivalents	\$ 4,054,518	\$ -	\$ 4,054,518
Restricted cash and cash equivalents	37,147	66,096	103,243
Total cash and cash equivalents, end of year	<u>\$ 4,091,665</u>	<u>\$ 66,096</u>	<u>\$ 4,157,761</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating income (loss)	\$ 871,106	\$ (112)	\$ 870,994
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization	270,822	-	270,822
Changes in assets and liabilities:			
Due to depositors	-	16,076	16,076
Net Cash Provided by Operating Activities	<u>\$ 1,141,928</u>	<u>\$ 15,964</u>	<u>\$ 1,157,892</u>

See accompanying notes to basic financial statements

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**Note 1 - Summary of Significant Accounting Policies**

**1.A. Financial Reporting Entity**

The financial reporting entity of the City of Noble, Oklahoma (the “City”) includes the primary government (City of Noble), and its component units. This report includes all activities for which the City Council is fiscally responsible. In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statements No. 14, 34, 39, and 61 and includes all component units for which the City is financially accountable.

The City’s financial reporting entity comprises the following:

Primary government – City of Noble

Blended component unit – Noble Utilities Authority

Discretely presented component unit – Noble EMS District

**The City of Noble** – Operates public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units are then blended into the City’s funds to comprise part of the primary government presentation. The following component is blended into the City’s reporting entity as follows.

**Noble Utilities Authority (NUA)** – NUA finances, develops, and operates the utility services and physical facilities (NUA) for the City.

The component unit is a Public Trust established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. Authorities are generally created to finance city services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. Authorities generally retain title to assets, which are acquired or constructed with Authority debt, or other Authority generated resources. In addition, the City has leased certain existing assets at the creation of the Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

The City Council serves as the trustees of NUA and the City is responsible for the daily operations of NUA. The City is able to impose its will on NUA because, by state law, all NUA issuance of debt requires a two-thirds approved by the City Council.

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**Discretely Presented Component Units Component Unit**

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending. The City has one discretely presented component unit as follows.

**Noble EMS District** - The Noble EMS District was formed under the provisions of the Oklahoma Constitution, Article 10, Section 9C for the purpose of providing ambulance service within a district comprised of the municipal limits of the City of Noble, Oklahoma.

The Noble EMS District and the City of Noble entered into an agreement on October 5, 2009 whereas the City agrees to account for ambulance revenues and expenses, to provide space for medical technicians, vehicles, equipment and supplies, to contract for lease purchase of ambulance vehicles and equipment, to provide training and uniforms for EMS technicians, to provide dispatcher service, and to provide office help. The District agrees to delegate to the City all hiring authority, to determine what level of ambulance service will be provided, to prepare the fiscal year budget and to issue bonds, if needed. The governing body is appointed by the City Council. All revenue from the district is given to the City's EMS Fund and the City bills and makes all decisions related to the ambulance operations.

**Related Organization**

**Noble Economic Development Authority** - The Noble Economic Development Authority (NEDA) is intended to stimulate economic growth and development within the City. The board of the NEDA consists of the members of the City Council. The entity has been dormant for several years.

**1.B. Basis of Presentation and accounting**

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

- capital assets and the depreciation of those assets, where applicable
- long-term debt and capitalized interest
- cash-based interfund receivables and payables if any
- court bonds and rent deposits
- investments and other deposits
- utility deposit liabilities

This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and accrued revenue and receivables) and certain

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

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

- Public Safety: EMS runs, police fines and grants
- Streets: Gas excise, commercial vehicle taxes, street lights and operating and capital grants
- General Government: license and permits and operating and capital grants
- Parks: Rentals and operating and capital grants

The City reports the following funds:

**Governmental Funds**

**Major Governmental Funds:**

- General Fund - is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds*

- Noble EMS Fund - accounts for emergency medical service activities.

**Non-Major Governmental Funds:**

*Debt Service Funds*

- Noble Sinking Fund – to account for ad valorem tax collections to liquidate 2012 bonds for street improvements

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

**Proprietary Funds**

**Enterprise funds:** are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the Noble Utilities Authority enterprise fund and the related meter deposit fund. These funds account for activities of the public trust in providing water, wastewater and sanitation services to the public.



**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**Major Enterprise Funds:**

- Noble Utilities Authority – operates the water, sewer, and sanitation services of the City (blended component unit).
  
- Meter Fund - accounts for refundable water meter deposits.

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

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

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

**1.D. Assets, Liabilities and Fund Equity**

Cash, Cash Equivalents, and Investments - The City’s cash and cash equivalents are considered to be cash on hand, demand deposit accounts, interest bearing checking accounts and time deposit accounts including certificates of deposit with maturities of three months or less from the date of acquisition and open-end government mutual funds. Investments for the City, as well as for its component units, are reported at cost.

Restricted Assets - Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are related to customer utility deposits and trustee accounts restricted for debt service and capital improvements.

Capital Assets – The accounting treatment of property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements. In the government-wide statements and proprietary fund financial statements, capital assets are accounted for as capital assets, net of accumulated depreciation where applicable. In governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of land, construction in progress, buildings, improvements, utility property/improvements, vehicles and equipment, surplus property and infrastructure. Recorded assets are reported at actual or estimated historical cost.

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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A capitalization threshold of \$2,000 is used to report capital assets. Estimated historical cost was used to value the majority of the assets, including infrastructure assets (such as roads, bridges, traffic systems) acquired prior to July 1, 2003. Infrastructure assets acquired since July 1, 2003 are recorded at cost.

The depreciable capital assets are depreciated on a straight-line basis over the assets' estimated useful lives. The range of estimated useful lives by type of asset is as follows:

- Buildings 40 years
- Improvements other than buildings 20 years
- Vehicles and equipment 10 years
- Utility property and improvements 40-50 years
- General Infrastructure 15-50 years

Due to Depositors - Represents the funds received from customers for their water utility deposits. These deposits are refunded or credited to the customer upon termination of the utility service and payment of all charges due and connected with the service. Effective August 2000, utility customers having a five-year history of good payment are eligible for a refund of their deposit.

Court Bond Liability - Represents municipal court bonds held for individuals awaiting court dates.

Long-Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as debt service expenditures.

Compensated Absences – As a result of the use of the modified cash basis of accounting, accrued liabilities related to compensated absences (accumulated but unused vacation leave and compensatory time earned but unpaid at year-end), are not reflected in the financial statements. Expenditures/expenses related to compensated absences are recorded when paid.

Equity Classifications – In the government-wide and the proprietary fund financial statements, equity is classified as net position and displayed in three components:

- a. *Invested in capital assets, net of related debt* – 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 attributed to the acquisition, construction, or improvements of those assets.
- b. *Restricted* – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted* – All other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

*Fund Statements:*

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

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

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

The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund to be spent prior to restricted fund balance. In those funds, interest income is used first before other revenues.

**CITY OF NOBLE, OKLAHOMA**  
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**1.E. Sales Tax Revenue**

Sales Tax - The City levies a 4.125-cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The sales tax recorded is allocated one hundred percent to the General Fund. The City has restricted .125 cents of sales tax for public safety and pledged four-cent sales tax to secure debt service payments in the Noble Utilities Authority. The unrestricted sales tax is transferred to NUA each month. The Authority has the right to return to the City any part of the appropriated sales tax if there is no event of default. For the year ended June 30, 2022, the City of Noble transferred sales tax of \$1,872,664 to NUA and NUA transferred \$1,872,664 back to the General Fund.

**1.F. Property Tax Revenue**

Property Tax - Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by the voters or to pay judgments rendered against the City. EMS Districts are allowed a levy by state statute to provide for operating costs.

The property tax levy, as determined by the City and the Noble EMS District's debt service needs, is submitted to the county excise board for approval. The county assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1; the county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due.

For the year ended June 30, 2022, the net assessed valuation of taxable property for the City and the EMS District was \$43,560,000 and \$47,174,000, respectively. The taxes levied by the City and the EMS District per \$1,000 of net assessed valuation for the year ended June 30, 2022 was \$1.81 and \$3.86, respectively.

**CITY OF NOBLE, OKLAHOMA**  
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**Note 2 – Detailed Notes on all Funds**

**2.A. Deposits and Investments Risk**

At June 30, 2022, the reporting entity had the following deposits and investments:

<b>Types of Deposits and Investments</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Petty Cash	4,295
Demand deposits	7,161,479
OMAG Escrow	19,525
Time Deposits	165,146
<b>Total Deposits</b>	<b>7,350,445</b>
<b>Investments:</b>	
Open End Mutual Fund - (American Performance U.S. Treasury)	27,410
<b>Maturities</b>	N/A
<b>Credit Rating</b>	AAA
<b>Total Deposits and Investments</b>	<b>\$ 7,377,855</b>
<b>Reconciliation to Statement of Net Position:</b>	
Cash and cash equivalents	\$ 4,427,728
Restricted cash and cash equivalents	2,784,981
Restricted investments	165,146
	<b>\$ 7,377,855</b>
<b>Component Units</b>	
Cash and cash equivalents	\$ 18,390
Restricted cash and cash equivalents	46,209
	<b>\$ 64,599</b>

*Custodial Credit Risk - Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a written deposit policy for custodial credit risk, but Oklahoma Statutes requires collateral for all uninsured deposits of municipal funds in financial institutions. As of June 30, 2022, the City was not exposed to custodial credit risk.

*Investment Credit Risk* – The City does not have a written investment policy that limits its investment choices other than the limitations stated in the Oklahoma Statutes. Oklahoma Statutes allow the City to invest in: (1) full faith and credit, direct obligations of the U.S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; (2) certificates of deposits or savings accounts that are either insured or secured with acceptable collateral; (3) negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; (4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary

**CITY OF NOBLE, OKLAHOMA**  
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**For the Year Ended June 30, 2022**

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is a county, municipality, or school district; and government money market funds regulated by the SEC. Public trusts created under O.S. Title 60, are not subject to the above investment limitations and are primarily governed by any restrictions in their trust or note indenture. The City’s only marketable investments at June 30, 2022 consisted of \$27,410 in open ended mutual funds invested in U.S. Treasury securities with a Standard & Poor’s credit rating of AAA.

*Investment Interest Rate Risk* – The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City’s only investments are in open ended mutual funds with available on demand. All certificates of deposit have maturities no later than 2023.

*Concentration of Credit Risk* – The City places no limit on the amount it may invest in any one issuer.

**2.B. Restricted Assets**

The amounts reported as restricted assets consist of cash and investments held for the expenditure of bond proceeds and payment of bonds related to amounts held by the trustee bank on behalf of the Noble Utilities Authority related to its required revenue bond accounts, capital improvement funds and amounts due to depositors related to utility deposits. The restricted assets as of June 30, 2022, were as follows:

	<u>Cash and cash equivalents</u>	<u>Investments</u>	<u>Totals</u>
Governmental activities			
Bond trustee accounts	<u>\$ 2,681,738</u>	<u>\$ -</u>	<u>\$ 2,681,738</u>
Business-type activities			
Bond trustee accounts	\$ 37,147	\$ -	\$ 37,147
Utility deposits	<u>66,096</u>	<u>165,146</u>	<u>231,242</u>
	<u>\$ 103,243</u>	<u>\$ 165,146</u>	<u>\$ 268,389</u>
Component unit			
Debt service	<u>\$ 46,209</u>	<u>\$ -</u>	<u>\$ 46,209</u>

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

**2.C. Capital Assets**

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended June 30, 2022 was as follows:

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2022</b>
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 379,224	\$ -	\$ -	\$ 379,224
Construction in progress	99,221	298,330	(49,534)	348,017
Total Capital Assets, not being depreciated	<u>478,445</u>	<u>298,330</u>	<u>(49,534)</u>	<u>727,241</u>
Capital assets, being depreciated:				
Buildings	2,402,253	-	-	2,402,253
Other Improvements	656,882	49,533	-	706,415
Vehicles and equipment	3,214,162	336,769	(30,893)	3,520,038
Surplus property	2,250	-	-	2,250
Infrastructure	3,519,060	-	-	3,519,060
Total Capital Assets, being depreciated	<u>9,794,607</u>	<u>386,302</u>	<u>(30,893)</u>	<u>10,150,016</u>
Less accumulated depreciation for:				
Buildings	1,287,980	55,125	-	1,343,105
Other Improvements	239,018	29,502	-	268,520
Vehicles and equipment	1,944,798	217,309	(29,091)	2,133,016
Surplus property	2,250	-	-	2,250
Infrastructure	1,354,016	117,496	-	1,471,512
Total accumulated depreciation	<u>4,828,062</u>	<u>419,432</u>	<u>(29,091)</u>	<u>5,218,403</u>
Total capital assets, being depreciated, net	<u>4,966,545</u>	<u>(33,130)</u>	<u>(1,802)</u>	<u>4,931,613</u>
Governmental activities capital assets, net	<u>\$ 5,444,990</u>	<u>\$ 265,200</u>	<u>\$ (51,336)</u>	<u>\$ 5,658,854</u>
<b>Business-Type Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 572,198	\$ -	\$ -	\$ 572,198
Construction in progress	-	90,994	-	90,994
Total Capital Assets, not being depreciated	<u>572,198</u>	<u>90,994</u>	<u>-</u>	<u>663,192</u>
Capital assets, being depreciated:				
Buildings	294,793	17,600	-	312,393
Utility property/Improvements	7,055,674	-	-	7,055,674
Vehicles and equipment	1,636,370	21,017	-	1,657,387
Surplus property	-	-	-	-
Total Capital Assets, being depreciated	<u>8,986,837</u>	<u>38,617</u>	<u>-</u>	<u>9,025,454</u>
Less accumulated depreciation for:				
Buildings	58,984	7,484	-	66,468
Utility property/Improvements	3,080,523	172,515	-	3,253,038
Vehicles and equipment	637,888	90,823	-	728,711
Surplus property	-	-	-	-
Total accumulated depreciation	<u>3,777,395</u>	<u>270,822</u>	<u>-</u>	<u>4,048,217</u>
Total capital assets, being depreciated, net	<u>5,209,442</u>	<u>(232,205)</u>	<u>-</u>	<u>4,977,237</u>
Business-type activities capital assets, net	<u>\$ 5,781,640</u>	<u>\$ (141,211)</u>	<u>\$ -</u>	<u>\$ 5,640,429</u>

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

Depreciation expense was charged to functions as follows in the Statement of Activities:

<b>Governmental Activities:</b>	
Police	\$ 73,164
Fire/EMS	122,002
General Government	37,711
Library	44,637
Parks	28,191
Streets	<u>113,727</u>
Total depreciation expense for governmental activities	<u>\$ 419,432</u>
 <b>Business-Type Activities:</b>	
Water	\$ 137,192
Sewer	<u>133,630</u>
Total depreciation expense for business-type activities	<u>\$ 270,822</u>

**2.D. Long-Term Debt**

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts due within one year
<b>Governmental Activities:</b>					
Note payable - direct borrowing	\$ 94,886	\$ 81,830	\$ (71,857)	\$ 104,859	\$ 47,037
Bonds Payable	440,000	2,725,000	(70,000)	3,095,000	70,000
Total Governmental Activities	<u>\$ 534,886</u>	<u>\$2,806,830</u>	<u>\$ (141,857)</u>	<u>\$ 3,199,859</u>	<u>\$ 117,037</u>
 <b>Business-Type Activities:</b>					
Note payable - direct borrowing	\$ 1,354,375	\$ -	\$ (153,405)	\$ 1,200,970	\$ 149,076
Total Business-Type Activities	<u>\$ 1,354,375</u>	<u>\$ -</u>	<u>\$ (153,405)</u>	<u>\$ 1,200,970</u>	<u>\$ 149,076</u>
 <b>Component Unit</b>					
Note payable - direct borrowing	\$ 230,000	\$ -	\$ (75,000)	\$ 155,000	\$ 75,000
Total Business-Type Activities	<u>\$ 230,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>	<u>\$ 155,000</u>	<u>\$ 75,000</u>



**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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*Governmental Activities* - At June 30, 2022, the governmental long-term debt of the financial reporting entity consisted of the following:

*Notes Payable-Direct Placement:*

\$30,878 note payable obligation with Oklahoma State Bank for a police car payable in annual installments of \$10,976 at 3.28%, final payment due July 12, 2022.	\$ 10,629
\$29,686 note payable obligation with Oklahoma State Bank for a police car payable in annual installments of \$7,640 at 1.93%, final payment due August 30, 2023.	14,846
\$36,728 note payable obligation with Oklahoma State Bank for a police car payable in annual installments of \$9,447 at 1.93%, final payment due October 29, 2023.	18,363
\$81,830 note payable obligation with Oklahoma State Bank for 2 police cars, payable in annual installments of \$21,141 final payment due November 2024 at a rate of 1.93%.	<u>61,021</u>
Total notes payable	<u>\$ 104,859</u>

*General Obligation Bonds:*

\$1,000,000 Series 2012 General Obligation Bonds due in annual installments of \$70,000, final installment of \$90,000 due June 01, 2027, interest payable semi-annual with interest rates from 2.0% to 3.19% for street improvements. The debt is secured by ad valorem or property taxes levied annually without limitation as to rate or amount to pay principal of and interest on 2012 Bonds.	\$ 370,000
\$2,725,000 Series 2022 General Obligation Bonds, due in annual installments of principal payments of \$140,000, final installment March 1, 2042, of \$205,000 and semi-annually interest payments, with a rate of 3%, for the construction of a new fire station.	<u>2,725,000</u>
Total general obligation bonds	<u>\$3,095,000</u>

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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*Business-Type Activities* – Long-term commitments payable from net revenues generated by the utility resources or other resources pledged to the City’s business-type activities at June 30, 2022, includes the following:

*Notes Payable-Direct Placement:*

\$725,000 note payable obligation with Government Capital Corporation for, an automated meter reading system payable in annual installments of \$90,173 at 4.19%, final payment due September 2028. \$ 537,463

\$68,499 note payable obligation with Simmons National Bank for a backhoe, payable in monthly installments of \$1,962 at 1.99%, final payment due August 2023. 27,095

2011 CWSRF Promissory Note to OWRB, original issue amount of \$1,175,000 dated May 2011 payable in semi-annual installments, interest rate not to exceed 2.7% fixed interest rate plus a one-half percent (1/2%) administration fee, for a term of twenty years. The collateral for the note is a pledge of revenues generated by the water and sewer system, along with a year-to-year pledge of certain sales tax revenue. In the event of default, the lender has all rights and remedies as allowed by law or pursuant to the provisions of the loan agreement, including but not limited to: 1) suit for specific performance of any or all of the covenants of the borrower contained in the loan agreement or in the note; 2) acceleration of the payment of principal and interest on the note; 3) appointment of temporary trustees to takeover, operate and maintain the System on a profitable basis and ensure the payment of the principal and of interest and administrative fees on the note and any other borrower indebtedness; 4) suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of the loan agreement. 636,412

Total notes payable \$1,200,970

Component Units – Long-term commitments payable from the EMS District at June 30, 2022 is comprised of the following:

\$445,000 Series 2016 general obligation bonds, due in semi-annual Installments of interest only for the first two years and thereafter annual variable principal payments up to \$80,000, with interest calculated from 1.75% to 2%, due May 2024. \$ 155,000

**CITY OF NOBLE, OKLAHOMA**  
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The long-term debt service requirements to maturity are as follows:

<b>Governmental</b>						
<b>Activities:</b>	<u>Direct Borrowings</u>		<u>GO Bonds-Streets</u>		<u>GO Bonds-Fire</u>	
Year Ending	<u>Notes Payable</u>					
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 47,037	\$ 2,170	\$ 70,000	\$ 11,795	\$ -	\$ -
2024	37,112	1,116	70,000	9,870	140,000	142,363
2025	20,710	432	70,000	7,770	140,000	66,981
2026	-	-	70,000	5,530	140,000	62,781
2027	-	-	90,000	3,150	140,000	58,581
2028-2032	-	-	-	-	700,000	229,906
2033-2037	-	-	-	-	700,000	143,456
2038-2042	-	-	-	-	765,000	61,382
<b>Total</b>	<b>\$ 104,859</b>	<b>\$ 3,718</b>	<b>\$ 370,000</b>	<b>\$ 38,115</b>	<b>\$ 2,725,000</b>	<b>\$ 765,450</b>

<b>Business-Type</b>				
<b>Activities:</b>	<u>Direct Borrowings</u>		<u>Direct Borrowings</u>	
Year Ending	<u>Notes Payable</u>		<u>Revenue Notes Payable</u>	
June 30,	Principal	Interest	Principal	Interest
2023	\$ 90,865	\$ 22,848	\$ 58,211	20,185
2024	74,374	19,694	60,066	18,330
2025	73,442	16,731	62,079	16,316
2026	76,519	13,653	64,110	14,286
2027	79,726	10,447	66,207	12,189
2028-2032	169,632	10,733	325,739	27,040
<b>Total</b>	<b>\$ 564,558</b>	<b>\$ 94,106</b>	<b>\$ 636,412</b>	<b>\$ 108,346</b>

<b>Component</b>		
<b>Unit</b>	<u>GO Bonds</u>	
Year Ending	Principal	Interest
June 30,		
2023	\$ 75,000	\$ 2,913
2024	80,000	1,600
<b>Total</b>	<b>\$ 155,000</b>	<b>\$ 4,513</b>

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
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**Pledge of Future Revenues**

*Sales Tax and Utility Net Revenues Pledge* - The City has pledged future sales tax revenue and water and sewer customer revenues, net of specified operating expenses, to repay a \$1.175 million promissory note to OWRB issued May 2011. The note is payable from pledged sales tax revenues and water and sewer customer net revenues and payable through 2031. The total principal and interest payable for the remainder of the life of the note is \$744,759. Pledged sales taxes received in the current year were \$1,872,664 and net utility revenues were \$678,238. Debt service payments of \$76,866 for the current fiscal year were 3.01% of both pledged sales taxes and net utility revenues of \$2,550,902.

*Property Tax Revenue Pledged* - The City has pledged future property tax revenues to repay a general obligation debt, \$1,000,000 Series 2012 street improvement bond issued June 2012. The total remaining principal and interest to be paid on the bond totals \$408,115 payable through June 2027. Debt service payments of \$83,545 for the current fiscal year were 106% of pledged property tax revenues of \$78,745.

The City has pledged future property tax revenues to repay the \$2,725,000 2022 Series General Obligation Bonds issued for construction and purchase of public safety capital assets, issued March 2022. The total principal and interest to be paid on the bonds total \$3,490,450 payable through March 2042. There were no debt service payments due in the current fiscal year.

*Component unit pledged revenue* – The EMS District has pledged future property tax revenues to repay general obligation debt, \$445,000 Series 2016 general obligation bonds, issued April 2016. The total principal and interest to be paid on the bonds total \$159,513 payable through 2024. Debt service payments of \$79,525 for the current fiscal year were 44% of pledged property tax revenues of \$182,023.

**2.E. Interfund Receivables, Payables, and Transfers**

The Town’s policy is to eliminate interfund receivables and payables between funds in the Statement of Net Position to avoid the grossing up of balances. Only the residual balances due between governmental and business-type activities are reported as internal balances and then offset in the total column.

<b>Due from</b>	<b>Due to</b>	<b>Amount</b>	<b>Nature of balance</b>
Sinking fund	General fund	\$ 450	Deposit error
<b>Reconciliation to Fund Financial Statements</b>			
	<b>Due from</b>	<b>Due to</b>	<b>Net interfund balances</b>
Governmental funds	\$ 450	\$ (450)	\$ -

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
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**Interfund Transfers:**

Following is a summary of transfers occurring during the year:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	NUA	\$ 1,872,664	Transfer sales tax for debt service
NUA	General Fund	1,872,664	Return of unused sales tax
General Fund	NUA	276,790	Operating subsidy
		<u>\$ 4,022,118</u>	

**Reconciliation to Fund Financial Statements**

	<u>Transfer In</u>	<u>Transfer out</u>	<u>Net interfund balances</u>
Governmental funds	\$ 2,149,454	\$ (1,872,664)	\$ 276,790
Enterprise funds	1,872,664	(2,149,454)	(276,790)
	<u>\$ 4,022,118</u>	<u>\$ (4,022,118)</u>	<u>\$ -</u>

**Transactions with component units** – The accompanying financial statements report transactions between the City and its component unit. Payments from the EMS District to the City totaling \$137,330 were made to reimburse the City for costs incurred.

**2.F. Fund Equity**

The following table represents the various governmental fund balance constraints that were in place at June 30, 2022.

	<u>General Fund</u>	<u>GO Sinking</u>	<u>Noble EMS</u>	<u>Total</u>
Fund Balance:				
Restricted For:				
Parks	\$ 99,995	\$ -	\$ -	\$ 99,995
Public Safety	2,712,063	-	-	2,712,063
G.O. Sinking	-	40,008	-	40,008
Sub-total Restricted	<u>2,812,058</u>	<u>40,008</u>	<u>-</u>	<u>2,852,066</u>
Assigned to:				
Public Safety	43,379	-	-	43,379
EMS Fund	-	-	132,790	132,790
Juvenile Court	7,235	-	-	7,235
	<u>50,614</u>	<u>-</u>	<u>132,790</u>	<u>183,404</u>
Unassigned	<u>16,006</u>	<u>-</u>	<u>-</u>	<u>16,006</u>
Total Fund Balance	<u>\$ 2,878,678</u>	<u>\$ 40,008</u>	<u>\$ 132,790</u>	<u>\$ 3,051,476</u>

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**Note 2.G. Restatement**

During 2022, the City determined that the EMS District, which previously had been reported as a blended component unit in the City’s non-major governmental fund should have been reported as a discretely presented component unit. The effect of this change on governmental activities, governmental funds, and component unit is as follows:

	Governmental activities	Governmental funds	Component unit
Net position/fund balance June 30, 2021 as previously reported	\$ 5,738,624	\$ 1,058,520	\$ -
Reclassification of EMS District	123,009	(106,991)	(123,009)
Net position, fund balance June 30, 2021 as restated	\$ 5,861,633	\$ 951,529	\$ (123,009)

**Note 3 - Other Notes**

**3.A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability, Fleet Coverage, and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool.
- Fire Department Vehicles – Covered through participation in the Risk Management Division of the Department of Central Services, State of Oklahoma self-insurance pool.
- Workers’ Compensation – Workers’ compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool.
- Employee’s Group Medical – Covered through purchase of commercial insurance.

The City’s risk is transferred to the risk entity pool except for claim deductible amounts. The risk pool maintains deposits for claim reserves and other purposes for the benefit of the city. Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City, and such claims have not exceeded the coverage over the past three years.

**3.B. Contingencies**

**Federal and State Award Programs** - The City of Noble participates in various federal and state grant/loan programs from year to year. Amounts received or receivable from grantor agencies are often subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor agency cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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**Litigation** - The City is a party to various legal proceedings that normally occur in the course of governmental operations. The financial statements do not include accrual or provision for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court-assessed judgment rendered against the City. This provision is not applicable to authorities or public trusts. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**3.C. Commitments**

**Compensated Absences** – As a result of the City’s use of the modified cash basis of accounting, accrued liabilities related to compensated absences (accumulated but unused vacation leave, compensatory time earned but unpaid at year-end, and banked holiday) are not reflected in the financial statements. The City is not tracking the accrued benefit and so the liability amount has not been determined.

**3.D. Employee Pension Plans**

The City of Noble participates in four pension or retirement plans:

1. Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
2. Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
3. Oklahoma Municipal Retirement Fund (OMRF) – a cost sharing multiple-employer defined benefit plan
4. Nationwide Retirement – IRC 457(b) Plan – an employee contributions only deferred compensation plan

**Firefighters’ Retirement Plan** – Pursuant to the requirements of Title 11, section 22-102, the City participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Firefighter’s Pension and Retirement System (OFPRS) on behalf of both paid and volunteer firefighters. The City has no responsibility or authority for the operation and administration of the pension program nor has it any related liability, except for the current contribution requirements.

The contribution rates for the City and its employees are established by Statute. The City is required to contribute 14% for year ended June 30, 2022. Participating members are required to contribute 9%. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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Contributions for the last three years were as follows:

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Amount Contributed</u>
2020	\$ 82,152	\$ 82,152
2021	\$ 87,811	\$ 87,811
2022	\$ 95,498	\$ 95,498

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on the website at [www.ok.gov/fprs](http://www.ok.gov/fprs) or by writing to OFPRS, 4545 North Lincoln Blvd., Suite 265, Oklahoma City, OK 73105-3414.

**Policemen’s Retirement Plan** - The City of Noble participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Police Pension and Retirement System (OPPRS) on behalf of paid officers. The City has no responsibility or authority for the operation and administration of the pension program nor has it any related liability, except for the current contribution requirements.

The contribution rates for the City and its employees are established by Statute. The City is required to contribute 13% for the year ended June 30, 2022. Participating members are required to contribute 8%. The plan is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

Contributions for the last three years were as follows:

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Amount Contributed</u>
2020	\$ 62,714	\$ 62,714
2021	\$ 64,755	\$ 64,755
2022	\$ 71,574	\$ 71,574

The OPPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on the website at [www.ok.gov/opprs](http://www.ok.gov/opprs) or by writing by writing to OPPRS, 1001 NW 63<sup>rd</sup> Street, Suite 605, Oklahoma City, OK 73116-7335.

**Defined Benefit Plan** – The City and its employees participate in an agent multiple employer defined pension plan through the Oklahoma Municipal Retirement Fund (OMRF). All regular full-time employees, except those covered under another retirement system, are eligible. Employees are vested at 5 years. The City’s OMRF defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The OMRF System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on the website at



**CITY OF NOBLE, OKLAHOMA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2022**

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[www.okmrf.org/reports](http://www.okmrf.org/reports) or by writing to OMRF, P.O. Box 25848, Oklahoma City, OK 73125 or by calling 1-888-394-6673.

*Funding Policy* - The contribution requirements of City of Noble and employees are established and may be amended by the OMRF board. Employees are required to contribute 4.25% of their annual covered salary. City of Noble is required to contribute at an actuarially determined rate; the rate is 13% of covered payroll. The required contribution was determined as part of the March 2015 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, and (b) projected salary increases due to inflation of 3% compounded annually (higher for younger employees), and projected salary increases due to age/seniority, compounded annually. Funding requirements may increase in the future as benefits accrue.

*Annual Pension Cost* – The City of Noble’s annual pension cost for 2022, 2021, and 2020 were \$154,308, \$135,372, and \$124,546, respectively.

**Governmental Deferred Compensation 457 Plan** – The City of Noble has an IRS Code Section 457 deferred compensation plan through Nationwide Retirement Solutions. The plan is an employee contribution only and the City does not make contributions on behalf of the employees.

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## SUPPLEMENTAL AND OTHER INFORMATION

**CITY OF NOBLE, OKLAHOMA**  
**Budgetary Comparison Schedule**  
**General Fund - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 456,000	\$ 456,000	\$ 772,002	\$ 316,002
<b>Resources (Inflows):</b>				
Taxes	2,745,000	2,745,000	2,781,378	36,378
Intergovernmental	174,000	174,000	194,863	20,863
Charges for Services	-	-	-	-
Fines and Forfeitures	127,000	127,000	112,108	(14,892)
Licenses and Permits	175,000	175,000	116,108	(58,892)
Investment Income	300	300	6,290	5,990
Grant Revenue	45,000	45,000	-	(45,000)
Street Lighting	44,000	44,000	45,979	1,979
Miscellaneous	57,100	57,100	61,881	4,781
Bond Proceeds, net of costs	-	2,641,426	2,721,396	79,970
Transfers In	2,606,857	2,606,857	2,149,454	(457,403)
<b>Total Resources (Inflows)</b>	<u>5,974,257</u>	<u>8,615,683</u>	<u>8,189,457</u>	<u>(426,226)</u>
<b>Amounts available for appropriations</b>	6,430,257	9,071,683	8,961,459	(110,224)
<b>Charges to Appropriations (Outflows):</b>				
City Manager	84,765	84,765	73,805	10,960
Office & Managerial	395,592	395,592	362,639	32,953
Court/Attorney	100,693	100,693	94,459	6,234
Police	1,265,914	1,265,914	1,210,334	55,580
Dispatch	252,367	252,367	252,274	93
Animal Control	178,738	178,738	164,522	14,216
Fire	570,860	3,231,311	571,493	2,659,818
General Government	692,500	692,500	356,278	336,222
Library	57,807	47,807	46,124	1,683
Parks	115,000	105,975	59,005	46,970
Streets	816,021	816,021	724,251	91,770
Transfer Out	1,900,000	1,900,000	1,872,664	27,336
<b>Total Charges to Appropriations</b>	<u>6,430,257</u>	<u>9,071,683</u>	<u>5,787,848</u>	<u>3,283,835</u>
<b>Ending Budgetary Fund Balance</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,173,611</u>	\$ <u>(3,394,059)</u>
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balance:				
General Fund Fund Balance			\$ 2,878,747	
Encumbrances			213,035	
Capital lease purchases			81,829	
Ending Budgetary Fund Balance			<u>\$ 3,173,611</u>	

**CITY OF NOBLE, OKLAHOMA**  
**Budgetary Comparison Schedule**  
**Noble EMS Fund - Modified Cash Basis**  
**For the Year Ending June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ -	\$ -	\$ 134,250	\$ 134,250
<b>Resources (Inflows):</b>				
Charges for Services	690,000	690,000	773,759	83,759
Investment Income	150	150	52	(98)
Miscellaneous Income	6,000	6,000	584	(5,416)
Payment from component unit	128,238	128,238	137,330	9,092
<b>Total Resources (Inflows)</b>	<u>824,388</u>	<u>824,388</u>	<u>911,725</u>	<u>87,337</u>
<b>Amounts available for appropriations</b>	824,388	824,388	1,045,975	221,587
<b>Charges to Appropriations (Outflows):</b>				
Administration	37,303	37,303	37,235	68
EMS	787,085	787,085	785,752	1,333
Transfer Out	-	-	-	-
<b>Total Charges to Appropriations</b>	<u>824,388</u>	<u>824,388</u>	<u>822,987</u>	<u>1,401</u>
<b>Ending Budgetary Fund Balance</b>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>222,988</u>	\$ <u>222,988</u>

Reconciliation to Statement of Revenues, Expenditures, and Changes in  
Fund Balance:

EMS Fund - Fund Balance	\$ 132,790
Encumbrances	<u>90,198</u>
EMS Fund - Ending Budgetary Fund Balance	<u>\$ 222,988</u>

CITY OF NOBLE, OKLAHOMA  
Footnotes to Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

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1. The budgetary comparison schedules are reported on the modified cash basis of accounting. For budgetary comparison purposes, except the City considers all encumbrances as expenditures at year-end.
2. The legal level of control is the department level within a fund. Transfers of appropriation within a fund requires the City Manger's approval. Supplemental appropriations require City Council approval.

**CITY OF NOBLE, OKLAHOMA**  
**Combining Balance Sheet**  
**General Fund Accounts - Modified Cash Basis**  
**June 30, 2022**

	<u>General Fund Account</u>	<u>Court Fund Account</u>	<u>Total General Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,879,197	\$ 3,420	\$ 2,882,617
<i>Total Assets</i>	<u>\$ 2,879,197</u>	<u>\$ 3,420</u>	<u>\$ 2,882,617</u>
 <b>Liabilities</b>			
Court Bonds & Other Payables	\$ -	\$ 3,489	\$ 3,489
Due to Other Funds	<u>450</u>	<u>-</u>	<u>450</u>
<i>Total Liabilities</i>	<u>450</u>	<u>3,489</u>	<u>3,939</u>
 <b>Fund Balances</b>			
Restricted	2,812,058	-	2,812,058
Assigned	50,614	-	50,614
Unassigned	<u>16,075</u>	<u>(69)</u>	<u>16,006</u>
<i>Total Fund Balances</i>	<u>2,878,747</u>	<u>(69)</u>	<u>2,878,678</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$ 2,879,197</u>	 <u>\$ 3,420</u>	 <u>\$ 2,882,617</u>

**CITY OF NOBLE, OKLAHOMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund Accounts - Modified Cash Basis**  
**For the Year Ended June 30, 2022**

	<u>General Fund Account</u>	<u>Court Fund Account</u>	<u>Total General Fund</u>
<b>Revenues</b>			
Taxes	\$ 2,839,899	\$ -	\$ 2,839,899
Intergovernmental	136,342	-	136,342
Charges for services	45,979	-	45,979
Fines and forfeitures	112,108	-	112,108
Licenses and permits	116,108	-	116,108
Investment income	6,290	-	6,290
Miscellaneous	61,881	-	61,881
<i>Total Revenues</i>	<u>3,318,607</u>	<u>-</u>	<u>3,318,607</u>
<b>Expenditures</b>			
Current:			
Administration	425,365	-	425,365
Police	1,490,231	69	1,490,300
Animal control	96,731	-	96,731
Fire/EMS	532,032	-	532,032
General government	187,811	-	187,811
Library	45,975	-	45,975
Parks	11,412	-	11,412
Streets	258,533	-	258,533
Capital outlay	1,087,009	-	1,087,009
Debt Service			
Principal retirement	71,857	-	71,857
Interest expense	3,092	-	3,092
<i>Total Expenditures</i>	<u>4,210,048</u>	<u>69</u>	<u>4,210,117</u>
<i>Excess (Deficiency) of Revenues over Expenditures</i>	<u>(891,441)</u>	<u>(69)</u>	<u>(891,510)</u>
<b>Other Financing Sources (Uses)</b>			
Debt proceeds	2,863,355	-	2,863,355
Bond costs, net	(141,959)	-	(141,959)
Transfers in	2,149,454	-	2,149,454
Transfers out	(1,872,664)	-	(1,872,664)
<i>Total Other Financing Sources (Uses)</i>	<u>2,998,186</u>	<u>-</u>	<u>2,998,186</u>
Net Change in Fund Balances	2,106,745	(69)	2,106,676
Fund Balances - beginning	<u>772,002</u>	<u>-</u>	<u>772,002</u>
Fund Balances - ending	<u>\$ 2,878,747</u>	<u>\$ (69)</u>	<u>\$ 2,878,678</u>

**CITY OF NOBLE, OKLAHOMA**  
**Schedule of Federal and State Awards**  
**Modified Cash Basis**  
**For the Year Ending June 30, 2022**

<u>Grantor/Program Title</u>	<u>Award Amount</u>	<u>Current Year Revenues</u>	<u>Current Year Expenditures</u>
<b>Federal Awards:</b>			
Department of Justice	\$ 10,000	10,000	10,000
Federal - ARPA	615,922	615,922	-
17525`CBDG 19	184,999	-	90,994
Total Federal Awards	\$ <u>810,921</u>	\$ <u>625,922</u>	\$ <u>100,994</u>
<b>State Awards:</b>			
Department of Agriculture - Fire	<u>4,763</u>	<u>4,763</u>	<u>4,763</u>
Total State Awards	\$ <u>4,763</u>	\$ <u>4,763</u>	\$ <u>4,763</u>

**Notes to Schedule of Federal and State Awards for the Year Ended June 30, 2022**

**Note A. Basis of Presentation**

The accompanying schedule of federal and state awards (the "Schedule") includes the federal and state award activity of the City of Noble under programs of the federal government of the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Noble, it is not intended to and does not present the financial positions, changes in net position, or cash flows of the City of Noble.

**Note B. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note C. Indirect Cost Rate**

The City of Noble has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.





**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 Honorable Mayor and Members of the City Council  
City of Noble, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Noble, Oklahoma (the “City”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 30, 2022. Our report included an emphasis-of-a-matter paragraph related to the City’s use of a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*HSPG & Associates, P.C.*

December 30, 2022