

CITY OF PRYOR CREEK, OKLAHOMA
FINANCIAL STATEMENTS
JUNE 30, 2020

HOOD & ASSOCIATES CPA'S, PC
CERTIFIED PUBLIC ACCOUNTANTS
CLAREMORE, OKLAHOMA

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JUNE 30, 2020**

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Independent Auditor's Report

Board of Trustees
City of Pryor Creek, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Pryor Creek, Oklahoma as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pryor Creek, Oklahoma, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pryor Creek, Oklahoma's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional 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 my opinion, the combining and individual non-major fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2022, on our consideration of the City of Pryor Creek, Oklahoma internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Pryor Creek, Oklahoma internal control over financial reporting and compliance.

Hood & Associates, CPAs, PC.

Hood & Associates CPAs, PC

January 24, 2022

**CITY OF PRYOR CREEK, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2020**

The discussion and analysis of the City of Pryor Creek's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended June 30, 2020. It should be read in conjunction with the accompanying basic financial statements.

This discussion is divided into two parts. The first pertains to the entire City of Pryor Creek overall with very little detail to the Municipal Utility Department, a department of the City of Pryor Creek. The second part pertains to the Municipal Utility Department, which was created by the Charter for the City of Pryor Creek and operates under the Utility Board of five members as explained in the notes to the financial statements.

PART I

WHO WE ARE

As of June 30, 2020, the mayor, council members, clerk and treasurer, all of whom are elected, consisted of the following:

Mayor	Larry Lees
Council Members	Steve Smith Randy Chitwood Bethany Moore John Ketcher Zac Doyle Jill White Choya Shropshire Dennis Nance
Clerk	Eva Smith
Treasurer	Lois Thompson

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. In accordance with Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements - and Managements' Discussion and Analysis - for State and Local Governments," ("GASB 34"), the City's basic financial statements include three components: government-wide financial statements; fund financial statements; and notes to the basic financial statements. The major features of these financial statements are summarized as follows:

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire, library, streets, etc.	Activities the City operates similar to private businesses such as utilities and the golf course
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net position -Statement of revenues, expenses, and changes in net position -Statement of cash funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; - expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to statements of a private-sector business.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public safety activities, streets, cultural, library, parks and recreation activities and general government activities. The business-type activities of the City include utilities and a golf course.

A component unit is included in the basic financial statements and consists of a legally separate entity for which the City is financially accountable and that has the same governing board as the City. This blended component unit is the Pryor Public Works Authority. The County Wide Fire Department Fund is also blended into the financial statements.

The government-wide financial statements can be found on Statements 1 and 2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures and changes in fund balance provide a reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities.

The City maintains 20 individual governmental funds for financial reporting purposes. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Street and Drainage and the Recreation Center Construction Fund, which are considered to be major funds. Data for the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the non-major funds supplementary section of this report.

The City adopts an annual appropriated budget for its General Fund and some of its special revenue funds and capital project funds. A budgetary comparison statement has been provided for the General Fund and the Street and Drainage Fund in the basic financial statements.

The governmental funds financial statements can be found on Statements 3 and 4 of this report.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements but in more detail. The proprietary fund financial statements provide separate information for the utility and golf course operations. Combining schedules for the proprietary funds are presented in the supplementary information.

The proprietary funds financial statements can be found at Statements 5, 6, and 7 of this report.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statements 1 and 2 reflect an increase in net position of \$2,279,105, consisting of:

	<u>6/30/2020</u>	<u>6/30/2019</u>	Increase (Decrease)
Invested in capital assets, net of related debt	\$64,859,491	\$64,733,766	\$ 125,725
Restricted for capital projects and emergencies	19,448,177	19,267,725	180,452
Restricted for debt service	560,878	514,388	46,490
Restricted for other	4,406,266	3,217,839	1,188,427
Unrestricted	<u>7,504,245</u>	<u>6,766,234</u>	<u>738,011</u>
Total	<u>\$96,779,057</u>	<u>\$94,499,952</u>	<u>\$ 2,279,105</u>

The overall increase of \$2,279,105 is considered quite healthy, especially since there were no decreases.

The slight increase in “Restricted for Debt Service” is due to the fact the money collected for debt services covered the debt payment with a small amount remaining.

The increase in “Restricted for Capital Projects and Emergencies” is due mainly to the allocation of sales tax, but not a large amount of it was in the second half of the year due to the COVID-19 pandemic.

The “Restricted for Other” for all except the Municipal Utility Department consists of funds for special functions such as Street and Drainage, Rec Center, Golf Course, Fire, Library, etc. This is mainly due to lack of spending because of the onset of the COVID-19 pandemic.

The increase in “unrestricted” of \$738,011 represents an 11% increase from the prior year balance and is considered outstanding, as these funds are unrestricted to usage as the name indicates. Of primary importance is the General Fund which will be discussed in Statements 3 and 4 next.

FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Statements 3 and 4 generally represent a “cash flow” of the funds, as loan proceeds and payments are recorded as income and expenditures respectively and capital outlay as expenditures. Also, no depreciation is reflected as an expense. The main difference to a true “cash flow” is that the operating receivables and payables are reflected on such statements.

The General Fund is the main governmental fund, as it pays for almost all of the operating expenses of the City. The fact that it increased its fund balance by \$274,384 from \$3,864,581 to \$4,138,695 is excellent. This, combined with a \$1,079,097 increase at 6/30/2019, means that the General Fund balance has increased \$1,353,481. What makes it more remarkable is that the increase is in spite of an increase in public safety spending at \$597,569.

The simple explanation for the increase is a substantial increase in revenues as shown below.

	Revenues <u>6/30/20</u>	General Fund Revenues <u>6/30/19</u>	Increase <u>(Decrease)</u>
Sales tax	\$ 4,467,467	\$ 4,060,532	\$ 406,935
Use tax	1,002,840	1,121,229	(118,389)
Other taxes	209,232	177,938	31,294
Police fines	189,341	282,702	(93,361)
Licenses and permits	102,957	118,996	(16,039)
Franchise taxes	35,980	28,963	7,017
Fees and service	79,125	84,761	(5,636)
Interest	21,222	38,473	(17,251)
Miscellaneous	38,236	49,965	(11,729)
Grants and contributions	70,329	258,089	(187,760)
Transfer from MUB	775,200	953,086	(177,886)
Reimbursement	<u>256,930</u>	<u>--</u>	<u>256,930</u>
Totals	<u>\$ 7,248,859</u>	<u>\$ 7,174,734</u>	<u>\$ 74,125</u>

Total overall revenue was stagnant. There were fluctuations of individual categories. Sales tax increased significantly. Police fines decreased, as well as use tax. MUB transferred less as per charter required calculations. COVID-19 has probably affected revenues, but no determination has been made as to exactly how.

Municipal Utility Department See Part II of this discussion.

GENERAL FUND BUDGETARY

The following Table 3 presents a summary analysis of the General Fund budget and actuals for the current fiscal year.

**TABLE 3
CITY OF PRYOR CREEK
SUMMARY ANALYSIS OF GENERAL FUND BUDGET
FISCAL YEAR ENDING JUNE 30, 2020**

<u>Category</u>	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>	<u>Variance Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
Revenue				
Sales tax	\$3,660,769	\$3,660,769	\$4,363,304	\$ 702,535
All other taxes	930,986	930,986	1,310,424	379,438
All other revenues	<u>831,911</u>	<u>831,911</u>	<u>882,178</u>	<u>50,267</u>
Total revenues	<u>5,423,666</u>	<u>5,423,666</u>	<u>6,555,906</u>	<u>1,132,240</u>
Expenditures				
General government (1)	2,689,789	2,687,789	1,329,853	1,357,936
Public safety (2)	4,915,350	4,917,350	4,646,766	270,584
Cultural and recreation services (3)	<u>1,117,440</u>	<u>1,117,440</u>	<u>1,007,512</u>	<u>109,928</u>
Total expenditures	<u>8,722,579</u>	<u>8,722,579</u>	<u>6,984,131</u>	<u>1,738,448</u>
Total excess (deficiency) of revenues over expenditures	(3,298,913)	(3,298,913)	(428,225)	2,870,688
Other financing sources (uses)				
Transfers in	675,000	675,000	972,131	297,131
Beginning fund balance	<u>2,623,913</u>	<u>2,623,913</u>	<u>2,623,913</u>	<u>--</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,167,819</u>	<u>\$ 3,167,819</u>

(1) Includes General Government, City Clerk, City Treasurer, City Attorney and Planning and Zoning, and Building Inspector, Maintenance Garage and Flood Plain Board

(2) Includes Municipal Court, Police, Fire, Dog Pound and Civil Emergency Management

(3) Includes Parks, Pool, Library and Cemetery

The basis of accounting for budgetary purposes for the General Fund is the modified accrual, i. e., revenues are recognized when received and expenses are recognized when encumbered.

The budget method authorized by Oklahoma Statute adopted by the City for its general fund places a limit on the amount that can be budgeted. The amount to be budgeted for the next fiscal year is the unreserved fund balance at the beginning of the fiscal year plus 90% of its revenues for the year just ended. An exception to this is that 100% of the funds budgeted by the Municipal Utility Department to be transferred to the City's General Fund in accordance with the City Charter is budgeted.

The budgetary fund balance is reconciled to the balance sheet fund balance in the Required Supplementary Information.

Generally, the City attempts to prepare a budget that will result in a small positive increase in the fund balance. Generally, this is accomplished by only budgeting 90% of the prior year revenues and budgeting amounts, primarily in General Government, that will not be expended.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's governmental investment in capital assets as of June 30, 2020 amounted to \$42,997,170 (net of accumulated depreciation and exclusive of related debt). This investment, detailed in Note 3.D. to the financial statements, in a broad range of capital assets includes land, structures and improvements, equipment, and construction in progress.

I invite you to review Note 3.D Capital Assets to the Financial Statements, which is included herein and details the capital asset activity. Also, see Part II for further discussion concerning the Municipal Utility Department.

Long-term Debt

Long-term debt has already been discussed in this report.

Additional information on long-term debt is included in Note 3.G to the financial statements.

ECONOMIC FACTORS AND NEW YEAR'S BUDGET

The City's major governmental sources of revenues, sales and use tax, has increased in the past two years. A smaller increase is expected in future years.

Other than having to address financial problems for the Golf Course, all other funds appear to be healthy.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This managements' discussion and analysis is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions or need additional financial information, please contact the City of Pryor Creek at (918) 825-0888.

PART II

WHO WE ARE

The Municipal Utility Department, City of Pryor Creek Oklahoma was created by the Pryor Creek City Charter in 1951. The current five-person board is listed below.

Chairman:	Mr. Garry J. Harris
Vice-Chairman:	Mr. Mark Roberts
Secretary:	Ms. Lorri Mitchell
Member:	Dr. Ken Rains
Member:	Dr. Arthur Sixkiller

The Utility Board has the care, custody, and management of the existing electric system, water system, gas distribution system, street lighting system, and sewage disposal system and may enlarge and extend them under the guidelines of the City Charter. The Board has under its control, the complete operation of these utilities and such other as the people of the City of Pryor Creek may acquire. All of these utilities shall be collectively known as the Municipal Utility Department.

The Utility Board shall employ all persons necessary in the operation of the utilities and fix their salaries, condition of servitude, and terms of office, and shall adopt such rules and regulations, as it may deem necessary for the proper conduct of business.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position (page 12) and Statement of Revenues, Expenses and Changes in Net Position (page 13) document the income and expenses (on a full accrual basis) of the Utility Board for the current fiscal year, and how they affect the Net Position of the Board. Net Position are ALL assets of the Board less ALL liabilities.

The Statement of Cash Flows (page 14) documents the sources and uses of cash, and shows whether cash increased or decreased during the current fiscal year. Notes to the financial statements (page 16) provide additional detail that further explain information found in the various statements.

FINANCIAL SUMMARY

The following presents the management overview and analysis of the Municipal Utility Board's financial condition and performance for the fiscal years ended June 30, 2019 and June 30, 2020, and proposed projects for fiscal year ending June 30, 2020.

For the years ended, Net Position changed as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Beginning net position	\$37,875,016	\$37,104,374
Increase in net position	<u>1,496,584</u>	<u>770,642</u>
Ending net position	<u>\$39,371,600</u>	<u>\$37,875,016</u>

Included in net position are amounts reserved for specific long-term purposes. The following reserve accounts have been funded by excess revenues over several fiscal years.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Reserve for extension, capital improvements	\$ 1,339,663	\$ 1,339,663
Reserve for emergency and natural disasters	<u>1,200,000</u>	<u>1,200,000</u>
	\$ 2,539,663	\$ 2,539,663
Reserve for capital improvements from sales Tax. This reserve is funded by \$0.005 sales tax and interest revenue. This account is used to fund the Wastewater Treatment Plant Depreciation Account; excess funds will be used for utility tensions.	<u>6,805,811</u>	<u>5,747,889</u>
Total	<u>\$ 9,345,474</u>	<u>\$ 8,287,552</u>

The primary source of revenues generated by the board are sales of utilities to its customers. Revenues are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Operating revenues	\$13,210,922	\$13,553,501
Sales tax revenue	1,191,325	1,082,796
Interest income	124,544	161,870
Gain on asset disposal	<u>31,660</u>	<u>--</u>
Total revenues	<u>\$14,558,451</u>	<u>\$14,798,167</u>

Utilities are purchased and then resold to Municipal Utility Board Customers. The annual cost of purchased utilities is \$7,359,117 and \$6,648,321 for the fiscal years ending June 30, 2019 and June 30, 2020 respectively.

Expenses are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Operating expenses	\$12,286,667	\$13,048,378
Loss on asset disposal	<u> --</u>	<u> 26,111</u>
Total expenses	<u>\$12,286,667</u>	<u>\$13,074,489</u>

Percentages by expense category are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Purchased utilities	54%	56%
Payroll and related expenses	31%	28%
Operation, maintenance and other	<u>15%</u>	<u>16%</u>
	<u>100%</u>	<u>100%</u>

The resulting net income before contributions and transfer is \$1,723,728 and \$2,271,784 for the fiscal years ending June 30, 2019 and 2020 respectively. The Board transfers to the City of Pryor Creek General fund an agreed upon amount of \$775,200. For the year ended June 30, 2019, the amount was \$953,0886. The projected amount to be transferred for the fiscal year ending June 30, 2020 is \$775,200.

DEPARTMENT ACCOMPLISHMENTS

ADMINISTRATIVE DEPARTMENT

Fiscal Year Ending June 30, 2020

1. Purchased Microsoft Surface Pro 6 with accessories and 3-year warranty for General Manager
2. Integrated Tyler Technologies Incode Software version 9.01.02 mobile service order module and accessories in a total of six (6) vehicles, three (3) service and three (3) foreman trucks
3. Revised the 2008 MUB’s capitalization and depreciation policy set for equipment and furniture to \$1,000 and continue to generate a property card that would be assigned to a department and tracked on the Master Equipment Listing, which is used during the annual audits and for quality control
4. Replaced nineteen (19) computers with a compatible window system to receive updates and support

5. Allowed employees to use accrued sick leave pay to care for child/children if no other alternative was available during the closing of schools and day care services due to the COVID-19 state of emergency declared by the City of Pryor Creek Mayor, Oklahoma Governor Stitt, and President of the United States of America
6. Adopted the federal mandated emergency paid sick leave policy and the family and medical leave expansion policy effective April 2, 2020 through December 31, 2020
7. Erwin Glass, Inc. installed bullet resistant/COVID-19 protection glass on the customer service counter.
8. Acquired Pictometry Data from Mayes County Assessor to enhance to GIS System at an annual cost of \$5,000

Proposed Projects for Fiscal Year Ending June 30, 2021

1. Explore/cost analysis of electronic scanning of Municipal Utility Board documents beginning 1951
2. Explore/cost analysis HP large format plotter printer/scanner for GIS mapping (GIS/network administrator)
3. Explore/cost analysis map room computer and 50-inch flat screen TV/monitor (GIS/network administrator)
4. Integrate GIS mapping system with SCADA systems, utility billing software and foreman's vehicles
5. Explore/cost analysis to add an e-statement option and late message text alerts with payment options that is compatible to Tyler Technologies Incode software
6. Explore/cost analysis to replace or upgrade the drive through payment window
7. Implement cash handling policy and enhanced utility clerk support training
8. Explore/cost analysis to add a Human Resource Administrator

GAS DEPARTMENT

Fiscal Year Ending June 30, 2020

1. New construction and replacement projects in the Gas Department funded out of operating funds in the amount of \$139,291.50
2. Installed new two-inch poly gas line along 49th Street between 300 SE 49th Street and Oakwood Road

3. Installed new two-inch poly-gas line from 1111 SE 9th Street (Pryor Creek Recreational Center) to 1551 SE 9th Street (Pryor School Vo-Ag and Bus Barn) then North to OMD Drive
4. Changed steel risers to anodeless on North Elliott Street from North side of 1st Street to South side of 5th Street
5. Replaced two-inch low-pressure steel gas line with two-inch low-pressure poly-gas line on SE 3rd Street between Adair Street and Rowe Street and extended two-inch poly-gas main by eighty feet in the alley between South Adair and South Vann in the 100 block
6. Built a new two-inch poly-gas line on SE 6th Street to Ragsdale addition
7. Installed new two-inch poly-gas line extension 90 feet on North 4323 Road
8. Relocated a two-inch gas line at Pryor High School for new baseball/softball fields
9. Extended four-inch poly-gas line approximately 2,700 feet (1/2 mile) along Old Airport Road (West 470)
10. Installed new four-inch and two-inch gas line for The District
11. Built new four-inch gas main extension on West 470 (Old Airport) Road, 1,950 feet east to east side of North 433 (Gaither) Road
12. Built new two-inch gas line for new First Church of God on 1500 East Graham

Proposed Projects for Fiscal Year Ending June 30, 2021

1. Rebuild and upgrade City Gate #1
2. Replace six-inch high-pressure steel (sixty pound) gas line with six-inch high-pressure poly (sixty pound) gas line on Adair Street from SE Fifth Street to SE Ninth Street
3. Replace two-inch low-pressure steel gas line with two-inch low-pressure poly gas line on Adair Street from SE Fifth Street to SE Ninth Street
4. Replace two-inch low-pressure steel gas line with two-inch low-pressure poly gas line on the east side of Surrey Drive.
5. Install six-inch steel natural gas line with six-inch poly natural gas line from west of swimming pool (315 Park Street) to Elliott Street
6. Perform annual gas leak survey

7. Rebuild regulator station at SE 17th Street and South Elliott Street
8. Change steel risers to anodeless on NE First Street and North Orphan and North Ora Streets

WATER DEPARTMENT

Fiscal Year Ending June 30, 2020

1. New construction and replacement projects in the Water Department funded out of operating funds in the amount of \$196,099.38
2. Installed new six-inch water main along 49th Street (West 520 Road) between 300 SE 49th Street and Oakwood Road to complete a loop to feed everything South on Highway 69
3. Installed new six-inch water main on NW 477 Road South of Old Airport Road to existing six-inch water line
4. Built new six-inch water main on SE Sixth Street to Ragsdale Addition and set a fire plug on the corner of SE Sixth Street and South Vann Street
5. Installed water taps and meters at The District
6. Installed water taps and meters at Winterfell Property on West 519 Road

Proposed Projects for Fiscal Year Ending June 30, 2021

1. Replace eight-inch water line on North Whitaker from NW First Street to NW Fifth Street
2. Replace eight-inch water line on NW Third Street from Taylor Street to Mayes Street
3. Replace four-inch water line with six-inch water line in "The Meadows"
4. Replace six-inch water line on South Pine Street
5. (Project 19-23) Westside Water Line Project – Build new six-inch water main from Strawhun Road to PHB Growers and set two fire hydrants
6. Extend new water main to property inside city limits on west side of Highway 69 at SE 49th Street
7. Build new service to 1500 NE First Street for new First Church of God

WASTEWATER COLLECTION SYSTEM

Fiscal Year Ending June 30, 2020

1. New construction and replacement projects in the Wastewater Collection Department funded out of operating funds in the amount of \$31,571.36
2. Built a new eight-inch sewer main from 2230 South Elliott Street up to the 2500 block of South Elliott Street (510 Road)
3. Installed new eight-inch sewer line to Ragsdale property on SE 6th Street

Installed new six-inch sewer line to Go Freedom Fuel property on South Elliott Street

Proposed Projects for Fiscal Year Ending June 30, 2021

1. Replace six-inch sewer main 314 and 316 South Elliott Street
2. Upgrade lift station on Ni-Pak Road
3. Implement SCADA System to all lift stations
4. Install natural gas generator at Southridge Lift Station
5. Extend new service to property inside city limits on west side of Highway 69 at SE 49th Street
6. Extend new sewer main towards Old Airport Road (West 470) on North side of Pryor

WASTEWATER TREATMENT PLANT

Fiscal Year Ending June 30, 2020

1. The Wastewater Treatment Plant major repairs and replacement of equipment are funded from the \$0.005 Sales Tax Reserve Capital Improvement Account.
2. Installed baffle walls in the chlorine contact basin in response to ODEQ (Oklahoma Department of Environmental Quality) discharge violations
3. Replaced the automatic security gate at the treatment plant

Proposed Projects for Fiscal Year Ending June 30, 2021

1. Install eighteen-inch (18") McCrometer Flow Meter
2. Renovation of SE 9th Street Lift Station and lagoons
3. Conduct engineer study of Wastewater Treatment Facility and Master Plan.
4. Upgrade controls/SCADA system at the Wastewater Treatment Plant and SE 9th Street Lift Station

ELECTRIC DEPARTMENT

Fiscal Year Ending June 30, 2020

1. New construction and replacement projects in the Electric Department funded out of operating funds in the amount of \$421,595.68
2. Reconstructed a single phase to 1/0 on Woodhaven
3. Built a new primary service to Pryor School Vo-Ag and bus barn at 1551 SE 9th Street and flattened phases for the lift station on 9th Street
4. Reconstructed single phase #2 to 1/0 underground in the Southridge area
5. Reconstructed single phase #2 to 1/0 underground on Gist Drive to Vann Street
6. Reconstructed UG primary to 1/0 at 17th Street and Bedford Street
7. Reconstructed #6 CU to #2 ACSR in the 1200 block of SE Graham Court for new First Church of God
8. Set thirteen (13) poles and pulled wire for the Oakwood line extension to the District
9. Replaced cobra-head lighting with LED lighting on US 69 Highway from NE Fifth Street to SE Ninth Street
10. Extended and upsized to #2 wire behind Pryor Lumber
11. Extended three-phase to concrete plant on NE First Street
12. Built new 1/0 single phase UG primary service on SE Sixth Street

Proposed projects for Fiscal Year Ending 30 June, 2021

1. Replace cobra head lighting with LED lighting on West Graham Avenue from US 69/20 intersection to City limits (Elks Lodge)
2. Upgrade underground service in Meadow Trace (One Grand Properties, LLC) apartment complex
3. Re-conduct a new underground single-phase primary under NE Third Street behind Damon Drive
4. Build new service to new Pryor Junior High gym
5. Build new fiber ring around Pryor

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 8,543,873	\$ 2,409,041	\$10,952,914
Taxes receivable	1,428,540	109,837	1,538,377
Accounts receivable (net)	--	1,746,685	1,746,685
Accounts receivable from intra-government	<u>27,625</u>	<u>2,198</u>	<u>29,823</u>
Total current assets	<u>10,000,038</u>	<u>4,267,761</u>	<u>14,267,799</u>
Noncurrent assets:			
Restricted assets:			
Cash, including time deposits	10,089,274	10,614,747	20,704,021
Taxes receivable	197,707	219,674	417,381
Net pension assets	23,670	--	23,670
Capital assets (net)	42,997,170	32,024,376	75,021,546
Inventory	<u>--</u>	<u>1,244,239</u>	<u>1,244,239</u>
Total noncurrent assets	<u>53,307,821</u>	<u>44,103,036</u>	<u>97,410,857</u>
Total assets	<u>63,307,859</u>	<u>48,370,797</u>	<u>111,678,656</u>
Deferred outflows of resources related to pensions	<u>1,216,955</u>	<u>--</u>	<u>1,216,955</u>
LIABILITIES			
Current liabilities			
Accounts payable	318,732	878,726	1,197,458
Accrued expenses	256,452	46,803	303,255
Notes payable, current portion	405,012	--	405,012
Payable to intra-government	2,198	27,625	29,823
Refundable court deposits	920	--	920
Accrued compensated absences	<u>146,883</u>	<u>184,284</u>	<u>331,167</u>
Total current liabilities	<u>1,130,197</u>	<u>1,137,438</u>	<u>2,267,635</u>
Payable from restricted assets			
Accrued expenses	<u>226,875</u>	<u>--</u>	<u>226,875</u>
Total	<u>1,357,072</u>	<u>1,137,438</u>	<u>2,494,510</u>
Noncurrent liabilities:			
Customer deposits payable	--	995,170	995,170
Notes and bonds payable, long-term portion	9,757,043	--	9,757,043
Net pension liability	<u>2,230,461</u>	<u>--</u>	<u>2,230,461</u>
Total noncurrent liabilities	<u>11,987,504</u>	<u>995,170</u>	<u>12,982,674</u>
Total liabilities	<u>13,344,576</u>	<u>2,132,608</u>	<u>15,477,184</u>
Deferred inflows of resources			
Deferred amounts related to pensions	<u>639,370</u>	<u>--</u>	<u>639,370</u>
NET POSITION			
Invested in capital assets, net of related debt	32,835,115	32,024,376	64,859,491
Restricted for:			
Capital projects and emergencies	10,102,703	9,345,474	19,448,177
Debt service	560,878	--	560,878
Other	3,912,489	493,777	4,406,266
Unrestricted	<u>3,129,683</u>	<u>4,374,562</u>	<u>7,504,245</u>
Total net position	<u>\$50,540,868</u>	<u>\$46,238,189</u>	<u>\$96,779,057</u>

**CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Statement 2

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities					
General government					
Community Development	\$ 111,672	\$ --	\$ --	\$ --	\$(111,672)
Planning and Zoning	111,142	--	--	--	(111,142)
Mayor and Council	199,064	--	--	--	(199,064)
City Clerk	274,626	--	--	--	(274,626)
City Treasurer	23,116	--	--	--	(23,116)
Maintenance Garage	2,028	--	--	--	(2,028)
General Government	<u>895,912</u>	<u>132,589</u>	<u>236,459</u>	<u>--</u>	<u>(526,864)</u>
Total general government	<u>1,617,560</u>	<u>132,589</u>	<u>236,459</u>	<u>--</u>	<u>(1,248,512)</u>
Public safety and judiciary					
City Attorney	55,741	--	--	--	(55,741)
Police	3,382,103	251,958	20,465	--	(3,109,680)
Fire	1,723,950	12,040	7,462	--	(1,704,448)
Civil Emergency Management	26,128	--	--	--	(26,128)
Municipal Court	<u>124,213</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(124,213)</u>
Total public safety and judiciary	<u>5,312,135</u>	<u>263,998</u>	<u>27,927</u>	<u>--</u>	<u>(5,020,210)</u>
Transportation					
Street	<u>2,149,605</u>	<u>--</u>	<u>13,281</u>	<u>--</u>	<u>(2,136,324)</u>
Cultural, parks and recreation					
Library	433,060	4,297	13,813	--	(414,950)
Cemetery	240,676	40,320	--	--	(200,356)
Recreation	479,680	19,565	15,000	--	(445,115)
Tourism	<u>66,270</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(66,270)</u>
Total cultural, parks and Recreation	<u>1,219,686</u>	<u>64,182</u>	<u>28,813</u>	<u>--</u>	<u>(1,126,691)</u>
Total governmental activities	<u>10,298,986</u>	<u>460,769</u>	<u>306,480</u>	<u>--</u>	<u>(9,531,737)</u>

**CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Business-type activities:					
Utilities	12,286,667	13,210,922	--	--	924,255
Golf	439,112	308,220	--	--	(130,892)
Recreation Center	<u>962,133</u>	<u>254,113</u>	<u>--</u>	<u>--</u>	<u>(708,020)</u>
Total business-type activities	<u>13,687,912</u>	<u>13,773,255</u>	<u>--</u>	<u>--</u>	<u>85,343</u>
Total	<u>\$ 23,986,898</u>	<u>\$ 14,234,024</u>	<u>\$ 306,480</u>	<u>\$ --</u>	<u>\$(9,446,394)</u>

CHANGES IN NET POSITION

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net (expense) /revenue	<u>\$ (9,531,737)</u>	<u>\$ 85,343</u>	<u>\$(9,446,394)</u>
General Revenues			
Taxes:			
Sales tax	7,839,670	1,786,987	9,626,657
Use tax	1,002,840	--	1,002,840
Alcohol beverage tax	120,062	--	120,062
E-911 tax	10,384	--	10,384
Hotel/motel tax	84,475	--	84,475
Gasoline tax	7,293	--	7,293
Motor vehicle tax	66,398	--	66,398
Franchise taxes	71,558	--	71,558
Cigarette tax	89,169	--	89,169
Reimbursements	303,089	--	303,089
Investment income	178,895	150,526	329,421
Miscellaneous	139,649	--	139,649
Disposal of assets	81,459	31,660	113,119
Transfers	507,797	(507,797)	--
Interest expense	<u>(238,615)</u>	<u>--</u>	<u>(238,615)</u>
Total general revenues and transfers	<u>10,264,123</u>	<u>1,461,376</u>	<u>11,725,499</u>
Change in net position	732,386	1,546,719	2,279,105
Net position - beginning	<u>49,808,482</u>	<u>44,691,470</u>	<u>94,499,952</u>
Net position - ending	<u>\$ 50,540,868</u>	<u>\$ 46,238,189</u>	<u>\$ 96,779,057</u>

**CITY OF PRYOR CREEK, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Street & Drainage Fund	PPWA Sinking Fund	Other Governmental Funds	PPWA Note Proceeds Fund	Total Governmental Funds
ASSETS						
Cash	\$3,588,189	\$2,923,675	\$ 590,046	\$2,032,009	\$ 9,499,228	\$18,633,147
Taxes receivable	980,594	297,288	197,707	150,658	--	1,626,247
Due from other funds	<u>24,628</u>	<u>--</u>	<u>--</u>	<u>2,997</u>	<u>--</u>	<u>27,625</u>
Total assets	<u>\$4,593,411</u>	<u>\$3,220,963</u>	<u>\$ 787,753</u>	<u>\$2,185,664</u>	<u>\$9,499,228</u>	<u>\$20,287,019</u>
LIABILITIES						
Accounts payable	165,555	134,049	--	19,128	--	318,732
Accrued expenses	251,697	4,755	226,875	--	--	483,327
Due to other funds	2,198	--	--	--	--	2,198
Accrued compensated absences	34,076	10,578	--	--	--	44,654
Refundable court bonds	<u>920</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>920</u>
Total liabilities	<u>454,446</u>	<u>149,382</u>	<u>226,875</u>	<u>19,128</u>	<u>--</u>	<u>849,831</u>
FUND BALANCES						
Restricted	--	3,071,581	560,878	1,444,383	9,499,228	14,576,070
Assigned	--	--	--	666,720	--	666,720
Unassigned	<u>4,138,965</u>	<u>--</u>	<u>--</u>	<u>55,433</u>	<u>--</u>	<u>4,194,398</u>
Total fund balance	<u>4,138,965</u>	<u>3,071,581</u>	<u>560,878</u>	<u>2,166,536</u>	<u>9,499,228</u>	<u>19,437,188</u>
Total liabilities and fund balances	<u>\$4,593,411</u>	<u>\$3,220,963</u>	<u>\$ 787,753</u>	<u>\$2,185,664</u>	<u>\$ 9,499,228</u>	<u>\$20,287,019</u>

**CITY OF PRYOR CREEK, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Total Governmental Funds</u>
Fund balance of governmental funds	\$ 19,437,188
Amounts reported for governmental activities in the Statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds, net of accumulated depreciation of \$36,497,153	42,997,170
Portion of accrued compensated absences does not require current financial resources. Therefore, \$102,229 of total of \$165,555 of accrued compensated absences is not reported as a liability in government funds balance sheet	(102,229)
Other long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds:	
Pension related deferred outflows	1,216,955
Net pension assets	23,670
Certain liabilities are not due and payable in the current period from current financial resources, and, therefore, are not reported in the funds	
Net pension liability	(2,230,461)
Pension related deferred inflows	(639,370)
Long-term debt	<u>(10,162,055)</u>
Net position of governmental activities	<u>\$ 50,540,868</u>

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal and long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Street & Drainage Fund	PPWA Sinking Fund	Other Governmental Funds	PPWA Note Proceeds Fund	Total Governmental Funds
REVENUES						
Sales tax	\$4,467,467	\$1,548,722	\$1,110,579	\$ 712,901	\$ --	\$7,839,669
Other taxes	1,212,072	73,692	--	94,859	--	1,380,623
Fines and forfeits	189,341	--	--	62,531	--	251,872
Licenses and permits	102,957	--	--	--	--	102,957
Franchise taxes	35,980	--	--	35,579	--	71,559
Fees and services	79,125	--	--	31,690	--	110,815
Interest	21,222	25,758	9,526	15,906	106,481	178,893
Reimbursements	256,930	--	--	--	--	256,930
Miscellaneous	38,236	99,829	--	83,130	--	221,195
Grants and contributions	<u>70,329</u>	<u>--</u>	<u>--</u>	<u>277,346</u>	<u>--</u>	<u>347,675</u>
Total revenues	<u>6,473,659</u>	<u>1,748,001</u>	<u>1,120,105</u>	<u>1,313,942</u>	<u>106,481</u>	<u>10,762,188</u>
EXPENDITURES						
Current						
General government:						
Community Development	82,836	--	--	--	--	82,836
Planning and Zoning	421	--	--	--	--	421
Mayor and Council	198,945	--	--	--	--	198,945
City Clerk	268,402	--	--	--	--	268,402
City Treasurer	23,116	--	--	--	--	23,116
Maintenance Garage	2,028	--	--	--	--	2,028
General Government	<u>731,177</u>	<u>--</u>	<u>3,000</u>	<u>170,951</u>	<u>--</u>	<u>905,128</u>
Total General Government	<u>1,306,925</u>	<u>--</u>	<u>3,000</u>	<u>170,951</u>	<u>--</u>	<u>\$1,480,876</u>
Public safety and judiciary:						
City Attorney	55,741	--	--	--	--	55,741
Police	3,168,975	--	--	52,109	--	3,221,084
Fire	1,280,532	--	--	19,736	--	1,300,268
Civil Emergency Management	19,164	--	--	--	--	19,164
Municipal Court	<u>124,125</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>124,125</u>
Total Public Safety and Judiciary	<u>4,648,537</u>	<u>--</u>	<u>--</u>	<u>71,845</u>	<u>--</u>	<u>4,720,382</u>
Transportation Street	<u>--</u>	<u>1,057,756</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,057,756</u>

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General Fund	Street & Drainage Fund	PPWA Sinking Fund	Other Governmental Funds	PPWA Note Proceeds Fund	Total Governmental Funds
Cultural, Parks and Recreation						
Library	413,993	--	--	2,628	--	416,621
Cemetery	219,720	--	--	8,163	--	227,883
Recreation	374,329	--	--	15,332	--	389,661
Tourism	<u>--</u>	<u>--</u>	<u>--</u>	<u>66,270</u>	<u>--</u>	<u>66,270</u>
Total cultural, Park and recreation	<u>1,008,042</u>	<u>--</u>	<u>--</u>	<u>92,393</u>	<u>--</u>	<u>1,100,435</u>
Debt service						
Principal	--	--	835,000	86,929	--	921,929
Interest and other charges	--	--	235,615	3,502	--	239,117
Capital outlay	<u>10,971</u>	<u>53,728</u>	<u>--</u>	<u>359,885</u>	<u>395,753</u>	<u>820,337</u>
Total expenditures	<u>6,974,475</u>	<u>1,111,484</u>	<u>1,073,615</u>	<u>785,505</u>	<u>395,753</u>	<u>10,340,832</u>
Excess (deficiency) of revenues over expenditures	<u>(500,816)</u>	<u>636,517</u>	<u>46,490</u>	<u>528,437</u>	<u>(289,272)</u>	<u>421,356</u>
Other financing sources (uses)						
Transfers in	775,200	--	--	--	--	775,200
Transfer out	<u>--</u>	<u>--</u>	<u>--</u>	<u>(267,403)</u>	<u>--</u>	<u>(267,403)</u>
Total other financing Sources (uses)	<u>775,200</u>	<u>--</u>	<u>--</u>	<u>(267,403)</u>	<u>--</u>	<u>507,797</u>
Net change in fund balances	274,384	636,517	46,490	261,034	(289,272)	929,153
Fund balance – beginning	<u>3,864,581</u>	<u>2,435,064</u>	<u>514,388</u>	<u>1,905,502</u>	<u>9,788,500</u>	<u>18,508,035</u>
Fund balances – ending	<u>\$ 4,138,965</u>	<u>\$ 3,071,581</u>	<u>\$ 560,878</u>	<u>\$ 2,166,536</u>	<u>\$ 9,499,228</u>	<u>\$ 19,437,188</u>

**CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds	<u>\$ 929,153</u>
<p>Amounts reported for governmental activities in the Statement of Activities are different because</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>	
Capital assets deleted	(34,999)
Capital asset purchase capitalized	904,698
Depreciation expense	<u>(1,673,774)</u>
	<u>\$(804,075)</u>
<p>Governmental funds do not report long-term financing as revenues and report payments as expenditures while governmental activities report such payments as debt activities</p>	
Payment of long-term debt	921,929
Issuance of note	(84,362)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	(14,161)
<p>In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The Fund Financial Statements report pension contributions as expenditures.</p>	
	<u>(216,098)</u>
Change in net position of governmental activities	<u>\$ 732,386</u>

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Recreation Center</u>	<u>Golf Course Fund</u>	<u>Municipal Utility Department</u>	
ASSETS				
Current assets				
Cash	\$1,503,701	\$ 33,763	\$ 871,577	\$2,409,041
Taxes receivable	109,837	--	--	109,837
Accounts receivable	--	--	1,746,685	1,746,685
Due from other funds	--	--	2,198	2,198
Total current assets	<u>1,613,538</u>	<u>33,763</u>	<u>2,620,460</u>	<u>4,267,761</u>
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	--	--	10,614,747	10,614,747
Taxes receivable	--	--	219,674	219,674
Inventory	--	--	1,244,239	1,244,239
Capital assets (net)	<u>4,568,592</u>	<u>736,529</u>	<u>26,719,255</u>	<u>32,024,376</u>
Total noncurrent assets	<u>4,568,592</u>	<u>736,529</u>	<u>38,797,915</u>	<u>44,103,036</u>
Total assets	<u>6,182,130</u>	<u>770,292</u>	<u>41,418,375</u>	<u>48,370,797</u>
LIABILITIES				
Current liabilities				
Accounts payable	33,934	44,432	800,360	878,726
Accrued expenses	1,894	1,317	43,592	46,803
Accrued compensated absences	2,834	1,422	180,028	184,284
Due other funds	--	--	27,625	27,625
	<u>38,662</u>	<u>47,171</u>	<u>1,051,605</u>	<u>1,137,438</u>
Non-current liabilities				
Customers' meter deposits (payable from restricted assets)	--	--	995,170	995,170
Total non-current liabilities	--	--	995,170	995,170
Total liabilities	<u>38,662</u>	<u>47,171</u>	<u>2,046,775</u>	<u>2,132,608</u>
NET POSITION				
Investment in capital assets, net of related debt	4,568,592	736,529	26,719,255	32,024,376
Restricted:				
Sales tax reserved for capital improvements	--	--	6,805,811	6,805,811
Charter required legal obligations	--	--	493,777	493,777
Property, plant and equipment and emergency and disaster	--	--	2,539,663	2,539,663
Unrestricted	<u>1,574,876</u>	<u>(13,408)</u>	<u>2,813,094</u>	<u>4,374,562</u>
Total net position	<u>\$ 6,143,468</u>	<u>\$ 723,121</u>	<u>\$39,371,600</u>	<u>\$46,238,189</u>

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Recreation Center</u>	<u>Golf Course Fund</u>	<u>Municipal Utility Department</u>	<u>Total</u>
Operating revenues				
Utility charge	\$ --	\$ --	\$ 12,832,898	\$ 12,832,898
Utility taps	--	--	32,499	32,499
Penalties	--	--	120,189	120,189
Miscellaneous	--	--	225,336	225,336
Fee income	<u>254,113</u>	<u>308,220</u>	<u>--</u>	<u>562,333</u>
Total operating revenues	<u>254,113</u>	<u>308,220</u>	<u>13,210,922</u>	<u>13,773,255</u>
Operating expenses				
Purchased utilities	--	--	6,648,321	6,648,321
Personnel services	319,167	187,497	2,712,216	3,218,880
Personnel benefits	96,064	26,713	1,130,173	1,252,950
Materials and supplies	51,568	--	709,735	761,303
Other expenses	295,604	148,581	794,618	1,238,803
Bad debts expense	--	--	29,857	29,857
Depreciation expense	199,730	76,321	1,050,305	1,326,356
Less: expenses capitalized	<u>--</u>	<u>--</u>	<u>(788,558)</u>	<u>(788,558)</u>
Total operating expense	<u>962,133</u>	<u>439,112</u>	<u>12,286,667</u>	<u>13,687,912</u>
Net operating income (loss)	<u>(708,020)</u>	<u>(130,892)</u>	<u>924,255</u>	<u>85,343</u>
Nonoperating revenue (expense)				
Cash (loss) on asset disposal	--	--	31,660	31,660
Sales tax revenue	595,662	--	1,191,325	1,786,987
Investment income	<u>25,657</u>	<u>325</u>	<u>124,544</u>	<u>150,526</u>
Total nonoperating revenue (expenses)	<u>621,319</u>	<u>325</u>	<u>1,347,529</u>	<u>1,969,173</u>
Net income (loss) before contributions and transfers	(86,701)	(130,567)	2,271,784	2,054,516
Operating transfers in (out)	<u>--</u>	<u>267,403</u>	<u>(775,200)</u>	<u>(507,797)</u>
Change in net position	(86,701)	136,836	1,496,584	1,546,719
Net position - beginning of year	<u>6,230,169</u>	<u>586,285</u>	<u>37,875,016</u>	<u>44,691,470</u>
Net position - end of year	<u>\$ 6,143,468</u>	<u>\$ 723,121</u>	<u>\$ 39,371,600</u>	<u>\$ 46,238,189</u>

CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Recreation Center</u>	<u>Golf Course Fund</u>	<u>Municipal Utility Department</u>	<u>Total</u>
Cash flows from operating activities				
Receipts from customers	\$ 254,113	\$ 308,220	\$ 13,137,041	\$ 13,699,374
Payments to suppliers	(413,694)	(129,852)	(9,265,694)	(9,809,240)
Payments to employees and benefits	(333,911)	(212,024)	(2,650,246)	(3,196,181)
Payments capitalized	--	--	788,558	788,558
Receipts over refunds of customer meter deposits	--	--	(27,208)	(27,208)
Net cash provided (used) by operating activities	<u>(493,492)</u>	<u>(33,656)</u>	<u>1,982,451</u>	<u>1,455,303</u>
Cash flows from noncapital financing activities				
Operating subsidies and transfers from (to) other funds	--	267,403	(974,086)	(706,683)
Net cash provided (used) by Non-capital financing activities	--	267,403	(974,086)	(706,683)
Cash flows from capital and related financing activities				
Sales tax receipts	581,774	--	1,163,549	1,745,323
Purchases of capital assets	(78,909)	(267,404)	(1,276,442)	(1,622,755)
Sale of capital assets	--	--	24,327	24,327
Net cash provided (used) by capital and related financing activities	<u>502,865</u>	<u>(267,404)</u>	<u>(88,566)</u>	<u>146,895</u>
Cash flows from investing activities				
Interest and dividends	25,657	325	124,544	150,526
Net cash provided (used) by investing activities	<u>25,657</u>	<u>325</u>	<u>124,544</u>	<u>150,526</u>
Net increase (decrease) in cash and cash equivalents	35,030	(33,332)	1,044,343	1,046,041
Cash balance - beginning of year	<u>1,468,671</u>	<u>67,095</u>	<u>10,441,981</u>	<u>11,977,747</u>
Cash balance - end of year	<u>\$ 1,503,701</u>	<u>\$ 33,763</u>	<u>\$ 11,486,324</u>	<u>\$ 13,023,788</u>
Cash, including time deposits	1,503,701	33,763	871,577	2,409,041
Restricted cash, including time deposits	--	--	10,614,747	10,614,747
Total cash and cash equivalents, end of year	<u>\$ 1,503,701</u>	<u>\$ 33,763</u>	<u>\$ 11,486,324</u>	<u>\$ 13,023,788</u>

**CITY OF PRYOR CREEK, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Recreation Center</u>	<u>Golf Course Fund</u>	<u>Municipal Utility Department</u>	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities)				
Operating income (loss)	\$(708,020)	\$(130,892)	\$ 924,255	\$ 85,343
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Cash flows reported in other categories:				
Depreciation expense	199,730	76,321	1,050,305	1,326,356
Bad debt expense	--	--	29,857	29,857
Change in assets and liabilities				
receivables, net	--	--	(73,881)	(73,881)
Inventories	--	--	(76,676)	(76,676)
Accounts and other payables	14,798	20,915	93,829	129,542
Customer meter deposits payable	--	--	(27,208)	(27,208)
Accrued expenses	--	--	61,970	61,970
	<u>\$(493,492)</u>	<u>\$(33,656)</u>	<u>\$ 1,982,451</u>	<u>\$ 1,455,303</u>

Noncash investing, capital and financing activities:

MUB wrote off assets with a cost of \$691,083 and accumulated depreciation of \$660,416 that was replaced or scrapped per department policy. A gain on asset disposal of \$31,660 resulted from sales of \$24,327 and trade in valuations of \$38,000 on the purchase of new equipment for the fiscal year ending June 30, 2020.

**CITY OF PRYOR CREEK, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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CITY OF PRYOR CREEK, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pryor Creek was created in 1871 and operates under a strong Mayor/Council form of government. The City's major operations include public safety, (Police, fire and civil defense), recreation, parks and library, provision and maintenance of streets and drainage, utility service (electric, gas, water and sewer), and general administrative services. In addition, the City exercises sufficient control over other governmental agencies that are included as part of the City's reporting entity.

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. The City was required to implement the new financial reporting requirements of GASB Statement Nos. 33 and 34 for the year ended June 30, 2003. Effective for the year ended June 30, 2006, the City is reporting all infrastructure. See Notes 3.D and 3.J.

1.A. FINANCIAL REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Pryor Creek
Blended Component Unit:	Pryor Public Works Authority
Blended Other Units	County Wide Fire Department Fund

In determining the financial reporting entity, The City complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board; the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria described above 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. The component unit's funds are blended into those of the City's by appropriate activity type to compose the primary government presentation.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

Blended Component Unit

<i>Component Unit</i>	<i>Brief Description/Inclusion Criteria</i>	<i>Reporting</i>
Pryor Public Works	The Authority is utilized for the purpose of entering into a long-term contract providing the Citizens of Pryor Creek with trash services. Its major source of income is franchise fees from such contract.	Special Revenues

Blended Other Units

A countywide sales tax was passed, effective January 1, 2003, for the purpose of providing revenues to the various fire departments of Mayes County. The sales tax receipts, which began in March, 2003 and are equally divided among the fire departments, is administered by the County which maintains a fund for each fire department, including that of the City of Pryor Creek. Purchases against the funds can only be initiated by each fire department, sometimes requiring its governing board approval.

Other Units by Reference

The Pryor Creek Economic Development Authority is included in this report. However, since the Authority has no assets, liabilities (only non-commitment debt to the City and the Authority), revenues or expenditures, it is included only by reference and explanation in the notes to the financial statements. The original amount of the debt was \$2,356,000.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are either legally or council restricted to expenditures for certain purposes.

Capital Project Funds

The Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. All capital project funds were created by Council action and derive their revenues as a result of Council action. Accordingly, the City Council can change or eliminate these funds by vote.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the City other than debt service payments made by other funds. This fund receives revenues from a 1/2 cent sales tax until the general obligation bonds are fully paid. Although not anticipated, the City may assess a property tax if such sales tax is insufficient.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Municipal Utility Department, Golf Course Fund and the Recreation Center constitute the Enterprise Funds. Beginning in June, 2019 the Swimming Pool was transferred out of the General Fund and became an Enterprise Fund. However, it was transferred back to the General Fund in the fiscal year ending June 30, 2020.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Fund	Brief Description
Major:	
General	See above for description
Special Revenue Fund Street & Drainage	Accounts for revenues and expenditures of maintaining, improving and extending streets and drainage
PPWA Sinking Fund	Accounts for sales tax revenues and debt service expenditures for 2011 bonds

Third, after application of the foregoing, any surplus revenues shall be applied first to the current interest and accruals in the sinking fund of the City of Pryor Creek and thereafter transferred to the general fund of the City of Pryor Creek.

Legal counsel has ruled that if sufficient funding is otherwise available for the sinking fund, then such surplus revenues may go directly to the general fund.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and businesslike activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus, except for sales tax revenues which are recognized on a "current financial resources" measurement by the Municipal Utility Department. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The City implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of June 30, 2003. Beginning with the year ended June 30, 2006, all infrastructure is reflected on the Statement of Net Position. Prior to then only additions to infrastructure for the years ended June 30, 2003, 2004 and 2005 were reflected on such statements. See Notes 3.D and 3.J pertaining to the capitalization of infrastructure in the current year.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and businesslike activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Specifically, taxes received in July and August after the year end are accrued when such taxes pertain to the period being reported.

In the fund financial statements, governmental funds are also presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Licenses and permits, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. Sales and other taxes, franchise taxes, grants and investment earnings are recorded when earned. Grant receivables are recognized when expenditures are incurred that are to be reimbursed. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt services, prepaid expenses, and other long-term obligations which are recognized when paid.

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Budget Basis of Accounting

Formal budgetary accounting is employed as a management control for the governmental funds of the City. Annual operating budgets are adopted each fiscal year for most funds. The basis of accounting for budgetary purposes for all funds is the modified accrual, i.e., revenues are recognized when received and expenditures are recognized when encumbered. The Enterprises Funds of the golf course and Municipal Utility Department also adopt budgets and revenues are recognized when earned and billed and expenditures are recognized when incurred.

The budget method authorized by Oklahoma Statute adopted by the City for its general fund places a limit on the amount that can be budgeted. The amount to be budgeted for the next fiscal year is the unreserved fund balance at the end of the fiscal year plus 90% of its revenues for the year just ended. However, the Municipal Utility Department, an Enterprise Fund, annually budgets an amount to remit to the City's general fund. The budgeted amount, not 90% of the amount remitted for the year then ended, is utilized in preparing the general fund's budget. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

1.D. ASSETS, LIABILITIES, AND EQUITY

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." See Note 3.I. for details of interfund transactions, including receivables and payables at year end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

The Municipal Utility Department is the only fund that has receivables that are essentially subject to bad debts. An allowance for uncollectible accounts has not been established, as is more fully explained in Note 3.C. Such receivables consist of utility charges to customers. The other proprietary fund, the golf course, has no receivables.

Inventories

The Municipal Utility Department is the only fund that has inventory in the financial statements. Such inventory is generally for repairs and improvements to the system and is classified as a noncurrent asset.

Fixed Assets

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

Government-wide statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which have recorded at their estimated fair value at the date of donation.

As of June 30, 2006 and later years, the governmental funds' infrastructure assets have been capitalized. Up to then, infrastructure was capitalized on prospective basis for the years ending June 30, 2003, 2004 and 2005.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-

line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Governmental</u>	<u>Proprietary</u>
Buildings	25 - 50 years	20 - 40 years
Machinery and Equipment	3 - 20 years	5 - 10 years
Utility System	25 - 50 years	7 - 100 years
Infrastructure	13 - 160 years	

Because certain system additions for the Municipal Utility Department are actually replacements of old system assets, an estimate has been made to reduce the value of the system by the amount of the replaced assets. An estimate of 40% of current year utility system additions are removed, along with applicable accumulated depreciation, from appropriate utility system accounts (gas, electric, water, sewer). The oldest assets recorded are the first retired.

Fund Financial Statements

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

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to charter and third party required reserves and utility meter deposits.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and leases payable, accrued compensated absences, and customer meter deposits.

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 principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation and other compensated time off permit employees to accumulate earned but unused time off. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Equity Classifications

Government-wide 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 attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

The Municipal Utility Department requires meter deposits for utility services. Such deposits are retained until services are discontinued. At that time, the deposits are applied first to any outstanding balances owed by the customers and the excess, if any, is refunded. No interest is paid on the deposits.

- c. Assigned net position - All net position that do not meet any of the definitions and are for a specific purpose
- d. Unassigned - All net position that do not meet any of the definitions and can be used for any purposes. Represents the net position of the General Fund.
- e. Unrestricted net position - All other net position of business-type activities that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements. See Note 3.G. for additional disclosures.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Sales Tax

The City levies a 4.000 cent sales tax. 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 Tax Commission receives the sales tax approximately one month after collection by vendors. The sales tax is allocated to the various funds by ordinance:

	Effective <u>7/1/2018</u>	Effective <u>1/1/2020</u>
General Fund	1.875	1.875
Street and Drainage	.650	.650
Municipal Utility Department	.500	.500
Capital Outlay	.225	.225
Recreation Center Cash Fund	.250	.250
Sinking Fund - Bonded Indebtedness	.500	.450
Main Street Fund	<u>.000</u>	<u>.050</u>
	<u>4.000</u> cents	<u>4.000</u> cents

The sales tax is recorded in the various funds with the exception of the sales tax for the Municipal Utility Department which is recorded in the General Fund and transferred to the Municipal Utility Department. The sales tax in the Municipal Utility Department is restricted as discussed in Note 3.J.

The sales tax allocated to the sinking fund will expire when the bonds are retired, projected to be in December, 2020. However, at that time a new sinking fund will be established for the bonds issued in June, 2020 and will receive .450 cent sales tax. At the same time a new fund "Main Street Corridor Fund" will receive .050 cent sales tax. Effective January 1, 2019, the sales tax rate was increased to 4.0% with the additional .25 cent sales allocated to the General Fund. Subsequent to June 30, 2020, .100 sales tax was transferred from the General Fund to the Capital Outlay Fund.

Use Tax

The City levies a 4.000 use tax on personal property purchased outside the city limits but stored, used, or consumed within the city. The use tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission, which is one month after the tax is received from the vendors. Effective for use tax earned in December 2009 and received in February, 2010, the use tax was allocated to the General Fund rather than the Capital Outlay Fund due to the downturn in the economy and is still being allocated to the General Fund.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities:

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the City include the following:

<i>Fund</i>	<i>Required By</i>
Cemetery Care Fund	State Law
Municipal Utility Department	City Charter
Street and Drainage	State Law
Public Works Authority	Trust Indenture

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U. S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A. Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

2.C. REVENUE RESTRICTIONS

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

Revenue Source	Legal Restrictions of Use
Sales Tax	See Notes 1.E. and 3.J.
Gasoline Excise & Commercial Vehicle Tax	Street and Alley Purposes
E-911 revenue	E-911 Emergency Services Purposes
Water, Sewer, Electrical, and Gas Revenue	Debt Service & Utility Operations
Cemetery Revenue (15%)	Cemetery Capital Improvements
Hotel/Motel Tax	Convention and Tourism
Golf Revenue	Golf Operations and Maintenance
Recreation Center Revenues	Recreation Center Operations and Maintenance

For the year ended June 30, 2020, the City complied, in all material respects, with these revenue restrictions.

2.D. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

Article 10, Sections 26 and 27, for the Oklahoma Constitution limits the amount of outstanding general obligation bonded debt of the municipality for nonutility or non-street purposes to no more than 10 percent of net assessed valuation. For the year ended June 30, 2020, the City complied with this provision.

Other Long-term Debt

Except as noted in the preceding paragraph, as required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue without first obtaining voter approval. For the year ended June 30, 2020, the City incurred no such indebtedness.

2.E. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Title 11, Section 17-211, of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund. The City of Pryor Creek complied with this statute in all material respects for the year ended June 30, 2020.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits

The City's policies regarding deposits of cash are discussed in Note 1.E. The table presented below is designed to disclose the level of custody credit risk assumed by the City based upon how its deposits were insured or secured with collateral at June 30, 2020. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the City (or public trust) or by its agent in its name

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized with no written or approved collateral agreement

<u>Type of Deposits</u>	<u>Total Bank Balance</u>	<u>Credit Risk Category</u>			<u>Total Carrying Value</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Total Deposits	<u>\$29,655,072</u>	<u>\$2,006,266</u>	<u>\$27,648,806</u>	<u>\$ --</u>	<u>\$31,656,935</u>
Reconciliation to Government-wide Statement of Net position:					
Unrestricted cash					\$ 10,952,914
Restricted cash, including time deposits					<u>20,704,021</u>
					<u>\$31,656,935</u>

3.B. RESTRICTED ASSETS

Restricted assets consist of cash, certificates of deposit, investments, and taxes receivable reserved as follows:

Municipal Utility Department

Customer meter deposits - reflected as a long-term liability on the balance sheet	\$ 1,022,378
Reserve for property, plant and equipment replacements and emergency and disaster relief - reflected as a reservation of retained earnings on the balance sheet	2,539,663
Sales tax allocated for capital improvements	5,747,889
Reserved for charter required legal obligations	<u>368,514</u>
	<u>\$ 9,678,444</u>

City of Pryor

Reserve fund for payment of principal and interest on bonds	581,103
Construction funds	<u>9,788,500</u>
	<u>10,369,603</u>
 Grand total	 <u>\$20,048,047</u>

Encumbrances are recognized as a reserve on the Municipal Utility Department, a proprietary type fund due to the City Charter's definition and allocation of such fund's computation and distribution of surplus revenues between the General Fund and the reserves of the Municipal Utility Department. See Note 3.J. for additional information.

3.C. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consist of utilities receivable. Accounts receivable of the governmental activities consist of grants receivable.

Accounts receivable of the Municipal Utility Department are reported at their gross value without an allowance for doubtful accounts. All accounts have utility deposits with the Department which can be applied to any unpaid balances. Management feels that such deposits will cover most accounts that might become uncollectible. Accordingly, no allowance for uncollectible accounts has been established. The following is a summary of the bad debts for the current and prior four fiscal years:

June 30, 2020	\$29,875
June 30, 2019	\$38,187
June 30, 2018	\$29,818
June 30, 2017	\$24,153
June 30, 2016	\$33,700

3.D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<i>Balance at July 1, 2019</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>Balance at June 30, 2020</i>
Governmental activities:					
Land	\$ 2,901,860	\$ 350,753	\$ --	\$ --	\$ 3,252,613
Buildings	7,265,131	--	--	--	7,265,131
Machinery and equipment	9,429,497	523,735	--	(231,340)	9,721,892
Infrastructure					
Improvements	52,176,276	33,410	--	--	52,209,686
Land, easements, etc.	7,045,000	--	--	--	7,045,000
Work in progress	<u>18,750</u>	<u>--</u>	<u>--</u>	<u>(18,750)</u>	<u>--</u>
Totals at historical cost	<u>78,836,514</u>	<u>907,898</u>	<u>--</u>	<u>(250,090)</u>	<u>79,494,322</u>
Less accumulated depreciation					
Buildings	(2,839,240)	(166,578)	--	--	(3,005,818)
Machinery and equipment	(5,958,517)	(643,391)	--	211,891	(6,390,017)
Infrastructure	<u>(26,237,512)</u>	<u>(863,805)</u>	<u>--</u>	<u>--</u>	<u>(27,101,317)</u>
Total accumulated depreciation	<u>(35,035,269)</u>	<u>(1,673,774)</u>	<u>--</u>	<u>211,891</u>	<u>(36,497,152)</u>
Governmental activities capital assets, net	<u>\$ 43,801,245</u>	<u>\$(765,876)</u>	<u>\$ --</u>	<u>\$(38,199)</u>	<u>\$ 42,997,170</u>
Business-type activities:					
Land and easements	350,426	--	--	--	350,426
Buildings	7,895,291	--	--	--	7,895,291
Machinery and equipment	4,054,492	709,665	--	(380,006)	4,384,151
Utility property	<u>40,616,272</u>	<u>951,089</u>	<u>--</u>	<u>(325,467)</u>	<u>41,241,894</u>
Total at historical cost	<u>52,916,481</u>	<u>1,660,754</u>	<u>--</u>	<u>(705,473)</u>	<u>53,871,762</u>

	<i>Balance at July 1, 2019</i>	<i>Additions</i>	<i>Transfers</i>	<i>Disposals</i>	<i>Balance at June 30, 2020</i>
Less accumulated depreciation:					
Buildings	(2,838,259)	(201,745)	--	--	(3,040,004)
Machinery and equipment	(2,994,001)	(208,205)	--	375,510	(2,826,696)
Utility property	<u>(15,363,578)</u>	<u>(916,405)</u>	<u> --</u>	<u>299,297</u>	<u>(15,980,686)</u>
Total accumulated depreciation	<u>(21,195,838)</u>	<u>(1,326,355)</u>	<u> --</u>	<u>674,807</u>	<u>(21,847,386)</u>
Business-type capital assets, net	<u>\$ 31,720,643</u>	<u>\$ 334,399</u>	<u>\$ --</u>	<u>\$ (30,666)</u>	<u>\$ 32,024,376</u>

* Depreciation expense was charged to governmental activities as follows:

General government:	
City Clerk	\$ 5,611
General government	<u>136,027</u>
Total General Government	<u>141,638</u>
Public safety and judiciary:	
Police	192,848
Fire	123,223
Civil emergency management	<u>6,964</u>
Total public safety and judiciary	<u>323,035</u>
Transportation:	
Streets	<u>1,091,849</u>
Total transportation	<u>1,091,849</u>
Cultural, parks and recreation:	
Library	15,908
Cemetery	12,437
Swimming pool and parks	<u>88,907</u>
Total cultural, parks and recreation	<u>117,252</u>
Total depreciation expense	<u>\$1,673,774</u>

3.E. INVENTORY

Inventory consists of utility materials and supplies that will be expensed when used for repairs and/or capitalized when used for improvements. The Department maintains such inventories for ordinary and emergency repairs and improvements and many of the items are in the nature of a back-up to parts of the utility system. Thus, many of the inventory items will not be used in the next fiscal year. Accordingly, inventory has not been classified as a current asset.

Inventory is stated at cost on a first-in, first-out basis.

3.F. ACCOUNTS PAYABLE

Payables in all funds are composed of payables to vendors only. Accrued expenses consist mainly of accrued payroll.

3.G. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities

The following is a summary of the City's (excluding Proprietary Funds) long-term debt transactions for the year ended June 30, 2020:

Debt outstanding, July 1, 2019	\$ 10,999,622
Additions	84,362
Retirements	<u>(921,929)</u>
Debt outstanding, June 30, 2020	<u>\$ 10,162,055</u>

The provisions of such debt at June 30, 2020 are as follows:

	<u>Total Debt</u>	<u>Due Within One Year</u>
2011 capital improvement bonds in the original amount of \$7,000,000, payable in varying amounts of principal and interest until September 1, 2026. The net interest cost is 3.23635% secured and paid by a 1/2 cent sales tax, which expires when the bonds are retired.	\$ 58,064	\$ 58,064
Lease purchase dated March 6, 2019 for 6 police cars payable in monthly installments of \$5,297.94, including 2.15% interest until March 6, 2022	103,991	61,948
2020 sales tax revenue note in the original amount of \$10,000,000, payable in varying amounts of principal and interest at 2.25% until January 1, 2035. Secured by a .75 cent sales tax	<u>10,000,000</u>	<u>285,000</u>
Total	10,162,055	<u>\$ 405,012</u>
Amount due on one year	<u>405,012</u>	
Long term portion	<u>\$ 9,757,043</u>	

The following is a summary of payments due until maturity:

	<u>Principal</u>
Year ending June 30, 2021	405,012
Year ending June 30, 2022	612,043
Year ending June 30, 2023	585,000
Year ending June 30, 2024	605,000
Year ending June 30, 2025	620,000
Five years ending June 30, 2030	3,770,000
Five years ending June 30, 2035	3,565,000

Although the capital improvement bonds were scheduled to be paid through the year ending June 30, 2027, sufficient funds will be available for the year ending June 30, 2020 to pay off the bonds as required.

Non-Commitment Debt

The notes and bonds payable comprising the Pryor Creek Economic Development Authority's indebtedness are not indebtedness of the State of Oklahoma, nor of the City of Pryor Creek, nor are they personal obligations of the Pryor Creek Economic Development Authority, but are obligations of the Authority payable solely from the Trust Estate consisting of the Authority notes and related Financing Agreements and other security outlined in the Mortgage or Bond indentures.

This debt is considered non-commitment debt to the City and Authority since the debt payments are made solely from the notes receivable or financing agreement proceeds from industrial occupants. Payments are made directly by the industrial occupants to trustee banks who pay the bondholders. In the event of default by the industrial occupants, the City or Authority has no obligation, in substance, to make any payments on the debt since the notes receivable, financing agreements and mortgages on the property with the industrial occupant are the only security for the debt.

As a result of the non-commitment determination, the Authority's indebtedness and related receivables from industrial occupants are not recorded in the financial statements.

3.H ACCRUED COMPENSATED ABSENCES

City employees are entitled to certain compensated absences based on their length of employment. This liability is reflected in the balance sheet of the proprietary funds. Additionally, the full amount of the accrual is included in the Street and Drainage Special Revenue Fund, as that fund appears to have sufficient expendable available financial resources to liquidate the obligation.

The accrued compensated absences for the Governmental Funds totals \$165,555. Consistent with prior years, only \$44,654 of this amount has been included as a liability in the General Fund in the Fund financial statements. However, the \$165,555 is reflected as a liability on the government-wide statements.

3.I. DUE TO/FROM OTHER FUNDS - OPERATING AND CAPITAL TRANSFERS

As of June 30, 2020, interfund receivables and payables which resulted from various interfund transactions were as follows:

	<i>Due From Other Funds</i>	<i>Due to Other Funds</i>
General Fund	\$ 24,628	\$ 2,198
Public Works Authority	2,997	--
Municipal Utility Department	<u>2,198</u>	<u>27,625</u>
	<u>\$ 29,823</u>	<u>\$ 29,823</u>

Operating transfers during the year consisted of the following:

	<i>From</i>		<i>To</i>	
	<i>Fund</i>	<i>Amount</i>	<i>Fund</i>	<i>Amount</i>
Distribution of current operating income	Municipal Utility Department	\$775,200	General Fund	\$775,200

3.J. EQUITY

Reserve for Charter Required Legal Obligations - It has been interpreted by legal counsel that the Department is to encumber cash for goods and services ordered but not received as of the end of the year for purposes of determining "surplus revenues" that can be added to reserves or remitted to the City of Pryor Creek. Accordingly, a reserve has been provided for such encumbrances.

Reserved for Capital Improvements from Sales Tax - This reserve is funded by a 1/2 cent sales tax and interest revenue. The Department is utilizing such revenues to fund depreciation for the waste water treatment plant as required in grant agreements. The excess can only be used for utility systems improvements and additions. The activity in this reserve account is summarized as follows:

Balance - July 1, 2019	<u>\$ 5,747,889</u>
Additions	
Reserve transfers in from sales tax	1,191,325
Interest income applicable to reserve balance	<u>113,151</u>
	<u>1,304,476</u>
Subtractions	
Equipment and system additions paid for from reserves	<u>246,554</u>
	<u>246,554</u>
Balance - June 30, 2020	<u>\$ 6,805,811</u>

Reserve for Property, Plant and Equipment and Emergency and Disaster Relief - This reserve is authorized in the Charter of the City of Pryor Creek and is in accordance with State Statutes. It provides a method of funding future replacements and additions to fixed assets and a reserve for disasters.

The activity in this reserve account is summarized as follows:

Balance - July 1, 2019	\$ 2,539,663
Subtractions	
Contribution of general operations to increase unreserved cash to level of liabilities as of June 30, 2020	<u> --</u>
Balance June 30, 2020	<u>\$ 2,539,663</u>

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

The City participates in four employee pension systems as follows:

Name of Plan /System	Type of Plan
Oklahoma Police Pension and Retirement Fund	Cost Sharing Multiple Employer-Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund	Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Municipal Retirement Fund (OkMRF)

Agent Multiple Employer -
Defined Contribution Plan

Oklahoma Municipal Retirement Fund (OkMRF)

Agent Multiple Employer -
Defined Contribution Plan

Oklahoma Police Pension and Retirement System

Plan description - The City of Pryor Creek, as the employer, participates in the Oklahoma Police Pension and Retirement Plan, a cost-sharing multiple employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at the Plan's administrative web site.

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

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participant's final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective, July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

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

Contributions - The contribution requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$181,736.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$ 14,205	\$177,816
Changes of assumptions	60,439	--
Net difference between projected and actual earnings on pension plan investments	394,113	111,756
Changes in proportion and differences between City contributions and proportionate share of contributions	--	--
City contributions subsequent to the measurement date	<u>181,736</u>	<u>--</u>
Total	<u>\$650,493</u>	<u>\$289,572</u>

\$181,736 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30

2020	\$ 102,709
2021	(31,544)
2022	34,480
2023	71,188
2024	<u>2,352</u>
	<u>\$ 179,185</u>

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

Inflation	2.75%
Salary increases	3.5% to 12% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined Table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and non-disabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collar Healthy Combined Table with age set forward 4 years with fully generational improvement using scale AA.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class:</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real estate	7.99%
Private equity	10.20%
Commodities	3.50%

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

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

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

	1% Decrease <u>(6.5%)</u>	Current Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Employer's net pension liability (asset)	\$1,008,413	\$(23,670)	\$(869,313)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPR, which can be located on the Plan Administrative web site.

Oklahoma Firefighter's Pension and Retirement System

Plan description - The City of Pryor Creek, as the employer, participates in the Firefighters Pension and Retirement, a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension and Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at the Plan's administrative web site.

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

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

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service a disability in-the-line-of-duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in-the-line-of-duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service with a maximum of 30 years.

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$107,302.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a net pension liability of \$2,230,461 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was 0.211085%.

\$107,302 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings	\$373,490	\$ 45,368
Changes of assumptions	--	57,299
Net difference between projected and actual earnings on pension plan investments	85,670	247,131
City contributions subsequent to the measurement date	<u>107,302</u>	<u>--</u>
Total	<u>\$566,462</u>	<u>\$349,798</u>
Year ended June 30		
2020	\$ 62,250	
2021	(7,223)	
2022	44,847	
2023	17,312	
2024	<u>(7,824)</u>	
	<u>\$109,362</u>	

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

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	7.09%
International equity	9.19%
Fixed income	4.90%
Real estate	7.99%
Other assets	5.57%

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

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

	1% Decrease <u>(6.5%)</u>	Current Discount Rate (7.5%)	1% Increase <u>(8.5%)</u>
Employer's net pension liability (asset)	\$2,880,156	\$2,230,461	\$1,517,038

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS, which can be located on the Plan Administrative web site.

III *Pryor Creek Public Employee Retirement System (PCPERS)*

A. Plan Description

The City of Pryor Creek contributes to the Pryor Creek Public Employee Retirement System (PCPERS), which is a defined contribution pension plan administered by an insurance company. The PCPERS covers all employees of the City of Pryor Creek who are not covered by the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, or the employees of the Municipal Utility Department, which has a separate plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Coverage is extended to eligible employees who have completed 6 months of service and attained the age of 20.5. Contributions made by an employee vest immediately and contributions made by the City vest 10% for each year of service beginning with the first year.

B. Contributions Required and Made

Employees contributions to the plan are voluntary. An employee can, however, make elective contributions to the plan so that his or her contributions can be 10% of gross earnings. The City's required contribution to the plan is 9% of employee's gross earnings during the current year.

During the fiscal year ending June 30, 2020, the City's required and actual contributions amounted to \$164,248, with a current year covered payroll of \$1,968,292.

C. Related Party Investments

The PCPERS held no securities of the City or other related parties during the year or as of the close of the fiscal year.

IV. *Municipal Utility Department of Pryor, Oklahoma Money Purchase Plan*

A. Plan Description

The Municipal Utility Board contributes to the Municipal Utility Department of Pryor, Oklahoma Money Purchase Plan, (MUDPOMPP) which is a defined contribution pension plan administered by an insurance company. The MUDPOMPP covers all employees of the Department.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Coverage is extended to eligible employees who have completed one year of service and attained the age of 21. Contributions are not made by an employee and contributions made by the Department are vested 20% in the plan after two years of service. After six years, employees are fully vested.

Contributions Required and Made

Employee contributions to the plan are not allowed. The Department's required contribution to the plan was 12% for the year.

During the fiscal year ending June 30, 2020, the Department's required and actual contributions amounted to \$293,043, with a current year covered payroll of \$2,442,028.

B. Related Party Investments

The MUDPOMPP held no securities of the City or other related parties during the year or as of the close of the fiscal year.

4.B. 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; and natural disasters. The City manages these various risks through the purchase of commercial insurance with varying deductibles. These deductibles are well below materiality levels for the City. Additionally, the Municipal Utility Department has reserves for replacement of assets as

described in Note 3.J. During the last three years no claim has been settled for amounts in excess of insurance coverage.

4.C. Subsequent Events

In March, 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on future contributions, revenue, and investment income of the Organization. The occurrence and extent of such an impact will depend on future developments, including

(i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

The total impact of COVID-19 on the Organization cannot be determined at this time.

There were no other subsequent events to disclose as of January 24, 2022.

4.D. Commitments and Contingencies

As of January 24, 2022, there were no pending commitments and contingencies to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Such information includes:

Defined Benefit Cost Sharing Plans:

Police:

Schedule of the City's Proportionate Share of the Net Pension Liability
(Asset)
Schedule of City Contributions

Fire:

Schedule of the City's Proportionate Share of the Net Pension Liability
(Asset)
Schedule of City Contributions

Budgetary Comparison Schedules - General Fund and Street and Drainage Fund

**CITY OF PRYOR CREEK, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

**Schedule of the City of Pryor's Proportionate Share
of the Net Pension Liability (Asset)
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.3660%	0.3667%	.3663%	.3314%	.3155%	.3708%
City's proportionate share of the net pension liability (asset)	\$(123,243)	\$ 14,994	\$551,848	\$ 25,492	\$(150,292)	\$(23,670)
City's covered employee payroll	\$ 1,063,308	\$1,084,017	\$1,054,994	\$986,806	\$1,205,704	\$1,465,497
City's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(11.59%)	1.38%	52.31%	2.584	(12.47%)	(1.62%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%	93.5%	99.68%	101.89%	100.24%

* The amounts present for each fiscal year were determined as of 6/30 of the previous fiscal year.

Notes to Schedule:

Only the current fiscal year and five previous years are presented because 10-year data is not yet available.

**Schedule of City of Pryor's Contributions
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contribution	\$ 135,130	\$ 138,587	\$ 128,478	\$ 125,111	\$ 156,741	\$ 181,736
Contributions in relation to the Statutorily required contribution	<u>135,130</u>	<u>138,587</u>	<u>128,478</u>	<u>125,111</u>	<u>156,741</u>	<u>181,736</u>
Contribution deficiency (excess)	---	---	---	---	---	---
City's covered employee payroll	<u>\$1,063,308</u>	<u>\$1,084,017</u>	<u>\$1,054,994</u>	<u>\$ 986,806</u>	<u>\$1,205,704</u>	<u>\$1,397,969</u>
Contributions as a percentage of covered employee payroll	13%	13%	13%	13%	13%	13%

Notes to Schedule:

Only the current and five prior fiscal years are presented because 10-year data is not yet available.

**Schedule of City of Pryor's Proportionate Share
of the Net Pension Liability (Asset)
Oklahoma Firefighters Pension and Retirement System
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability	0.216400%	.215800%	.216400%	.196970%	.184386%	.211085%
City's proportionate share of the net pension liability	\$2,225,501	\$2,290,679	\$2,601,588	\$2,477,344	\$2,079,533	\$2,230,461
City's covered employee payroll	\$593,815	\$597,498	\$576,380	\$561,212	\$645,477	\$771,028
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	374.78%	383.40%	451.37%	441.428%	321.55%	289.28%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%

Notes to Schedule:

Only the current fiscal year and five previous years are presented because 10-year data is not yet available.

**Schedule of City Contributions
Oklahoma Firefighters Pension and Retirement System
Last 10 Fiscal Years**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contribution	\$ 81,592	\$ 82,511	\$ 77,421	\$ 75,816	\$ 90,367	\$107,302
Contributions in relation to the Statutorily required contribution	<u>81,592</u>	<u>82,511</u>	<u>77,421</u>	<u>75,816</u>	<u>90,367</u>	<u>107,302</u>
Contribution deficiency (excess)	---	---	---	---	---	---
City's covered employee payroll	<u>\$593,815</u>	<u>\$597,498</u>	<u>\$576,380</u>	<u>\$561,212</u>	<u>\$645,477</u>	<u>\$771,028</u>
Contributions as a percentage Of covered employee payroll	13.74%	13.2%	13.43%	13.51%	14%	14%
Contributions per volunteer Fireman	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60

Notes to Schedule:

Only the current and five previous fiscal years are presented because 10-year data is not yet available.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB, but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules - General Fund and street and Drainage Fund

**CITY OF PRYOR CREEK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Beginning budgetary fund balance	<u>\$ 2,623,913</u>	<u>\$ 2,623,913</u>	<u>\$ 2,623,913</u>	<u>\$ --</u>
Resources (inflows)				
Taxes				
Cable TV franchise	--	--	22,724	22,724
Telephone franchise	5,614	5,614	5,361	(253)
Sales tax	3,660,769	3,660,769	4,363,304	702,535
Utility gross receipts tax	8,229	8,229	7,791	(438)
Cigarette tax	68,063	68,063	85,439	17,376
Use tax	<u>849,080</u>	<u>849,080</u>	<u>1,189,109</u>	<u>340,029</u>
Total taxes	<u>4,591,755</u>	<u>4,591,755</u>	<u>5,673,728</u>	<u>1,081,973</u>
Intergovernmental				
Alcoholic beverage tax	88,258	88,258	119,115	30,857
Grants and donations	<u>231,186</u>	<u>231,186</u>	<u>270,329</u>	<u>39,143</u>
Total intergovernmental	<u>319,444</u>	<u>319,444</u>	<u>389,444</u>	<u>70,000</u>
Charges for services				
Burial plots, etc.	36,964	36,964	30,620	(6,344)
Library	3,167	3,167	2,119	(1,048)
Swimming pool	<u>29,035</u>	<u>29,035</u>	<u>19,565</u>	<u>(9,470)</u>
Total charges for services	<u>69,166</u>	<u>69,166</u>	<u>52,304</u>	<u>(16,862)</u>
Fines and forfeitures				
Police fines	<u>254,432</u>	<u>254,432</u>	<u>194,777</u>	<u>(59,655)</u>
Licenses and permits				
Various licenses	<u>103,532</u>	<u>103,532</u>	<u>91,785</u>	<u>(11,747)</u>
Investment income	<u>34,626</u>	<u>34,626</u>	<u>21,223</u>	<u>(13,403)</u>
Miscellaneous				
Reimbursements	--	--	46,243	46,243
Rentals	24,309	24,309	26,821	2,512
Sale of assets	--	--	261	261
Miscellaneous	<u>26,402</u>	<u>26,402</u>	<u>59,320</u>	<u>32,918</u>
Total miscellaneous	<u>50,711</u>	<u>50,711</u>	<u>132,645</u>	<u>81,934</u>

**CITY OF PRYOR CREEK, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Operating transfers in	<u>675,000</u>	<u>675,000</u>	<u>972,131</u>	<u>297,131</u>
Amounts available for appropriation	<u>8,722,579</u>	<u>8,722,579</u>	<u>10,151,950</u>	<u>1,429,371</u>
General Government				
General government	1,956,684	1,954,684	754,348	1,200,336
City Clerk	336,810	336,810	268,198	68,612
City Treasurer	26,425	26,425	23,116	3,309
Planning and Zoning	7,000	7,000	421	6,579
Maintenance Garage	50,000	50,000	2,028	47,972
Building Inspector	83,920	83,920	82,836	1,084
Mayor and Council	225,350	225,350	198,906	26,444
Flood Plain Board	<u>3,600</u>	<u>3,600</u>	<u>--</u>	<u>3,600</u>
Total General Government	<u>2,689,789</u>	<u>2,687,789</u>	<u>1,329,853</u>	<u>1,357,936</u>
Public Safety				
City Attorney	54,250	56,250	55,741	509
Municipal Court	156,500	156,500	124,096	32,404
Police	3,058,450	3,058,450	2,933,332	125,118
Dog Pound	253,300	253,300	232,912	20,388
Civil Defense	22,500	22,500	19,164	3,336
Fire	<u>1,370,350</u>	<u>1,370,350</u>	<u>1,281,521</u>	<u>88,829</u>
Total Public Safety	<u>4,915,350</u>	<u>4,917,350</u>	<u>4,646,766</u>	<u>270,584</u>
Cultural Park and Recreation				
Park	428,100	428,100	374,095	54,005
Library	458,040	458,040	413,816	44,224
Cemetery	<u>231,300</u>	<u>231,300</u>	<u>219,601</u>	<u>11,699</u>
Total Cultural Park and Recreation	<u>1,117,440</u>	<u>1,117,440</u>	<u>1,007,512</u>	<u>109,928</u>
Total Charges to Operations	<u>8,722,579</u>	<u>8,722,579</u>	<u>6,984,131</u>	<u>1,738,448</u>
Ending Budgetary Fund Balances	<u>\$ --</u>	<u>\$ --</u>	3,167,819	<u>\$3,167,819</u>
Adjustments to reconcile to balance sheet				
Various receivables			1,005,222	
Accrued compensated absences			<u>(34,076)</u>	
Fund Balance			<u>\$ 4,138,965</u>	

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

Combining Statements - Nonmajor governmental funds

**CITY OF PRYOR CREEK, OKLAHOMA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2020**

SPECIAL REVENUE FUNDS

	E-911 Cash Fund	County-Wide Fire Dept. Funds	Cemetery Care Interest Fund	Cemetery Care Fund	Seizures Fund	Library Cash Fund	Donations & Earmarked Monies Fund	Public Works Authority	Hotel & Motel Tax Fund	Fee In-Lieu Fund
ASSETS										
Cash	\$ 13,149	\$ 235,279	\$ 14,465	\$ 135,854	\$ 176	\$ 68,324	\$ 176,446	\$ 60,836	\$ 107,009	\$ (7,612)
Taxes receivable	1,742	17,268	-	-	-	-	-	-	10,827	-
Due from other funds	-	-	-	-	-	-	-	2,997	-	-
Total assets	<u>14,891</u>	<u>252,547</u>	<u>14,465</u>	<u>135,854</u>	<u>176</u>	<u>68,324</u>	<u>176,446</u>	<u>63,833</u>	<u>117,836</u>	<u>(7,612)</u>
LIABILITIES										
Accounts payable	4,183	-	-	-	-	-	1,556	8,400	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>4,183</u>	<u>--</u>	<u>--</u>	<u>-</u>	<u>--</u>	<u>-</u>	<u>1,556</u>	<u>8,400</u>	<u>--</u>	<u>-</u>
FUND BALANCES										
Restricted	10,708	252,547	-	135,854	-	68,324	174,890	-	117,836	-
Assigned	-	-	14,465	-	176	-	-	-	-	(7,612)
Unassigned	-	-	-	-	-	-	-	55,433	-	-
Total fund balances	<u>10,708</u>	<u>252,547</u>	<u>14,465</u>	<u>135,854</u>	<u>176</u>	<u>68,324</u>	<u>174,890</u>	<u>55,433</u>	<u>117,836</u>	<u>(7,612)</u>
Total liabilities and fund balances	<u>\$ 14,891</u>	<u>\$ 252,547</u>	<u>\$ 14,465</u>	<u>\$ 135,854</u>	<u>\$ 176</u>	<u>\$ 68,324</u>	<u>\$ 176,446</u>	<u>\$ 63,833</u>	<u>\$ 117,836</u>	<u>\$ (7,612)</u>

CAPITAL PROJECTS

Main Street Fund	Police Cash Fund	Special Revenue Funds Total	Capital Outlay Fund	Capital Outlay Reserve Fund	Real Property Acquisition Fund	Library Building Fund	Capital Projects Funds Total	Total Non-major Governmental Funds
\$ 58,782	\$ 23,899	\$ 886,607	\$ 492,054	\$ 181,494	\$ 454,298	\$ 17,556	\$ 1,145,402	\$ 2,032,009
21,967	-	51,804	98,854	-	-	-	98,854	150,658
-	-	2,997	-	-	-	-	-	2,997
<u>80,749</u>	<u>23,899</u>	<u>941,408</u>	<u>590,908</u>	<u>181,494</u>	<u>454,298</u>	<u>17,556</u>	<u>1,244,256</u>	<u>2,185,664</u>
-	-	14,139	4,989	-	-	-	4,989	19,128
-	-	-	-	-	-	-	-	-
-	-	14,139	4,989	-	-	-	4,989	19,128
80,749	-	840,908	585,919	-	-	17,556	603,475	1,444,383
-	23,899	30,928	-	181,494	454,298	-	635,792	666,720
-	-	55,433	-	-	-	-	-	55,433
<u>80,749</u>	<u>23,899</u>	<u>927,269</u>	<u>585,919</u>	<u>181,494</u>	<u>454,298</u>	<u>17,556</u>	<u>1,239,267</u>	<u>2,166,536</u>
<u>\$ 80,749</u>	<u>\$ 23,899</u>	<u>\$ 941,408</u>	<u>\$ 590,908</u>	<u>\$ 181,494</u>	<u>\$ 454,298</u>	<u>\$ 17,556</u>	<u>\$ 1,244,256</u>	<u>\$ 2,185,664</u>

CITY OF PRYOR CREEK, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS									
	E-911 Cash Fund	County- Wide Fire Dept. Funds	Cemetery Care Interest Fund	Cemetery Care Fund	Seizures Fund	Library Cash Fund	Donations/ Earmarked Monies Fund	Public Works Authority	Hotel & Motel Tax Fund	Fee-In Lieu Fund
REVENUES										
Sales tax	\$ -	\$ 96,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	10,384	-	-	-	-	-	-	-	84,475	-
Grants/contributions	-	-	-	-	-	11,786	49,779	-	-	13,281
Interest	28	-	1,345	-	2	546	1,174	706	668	408
Franchise taxes	-	-	-	-	-	-	-	35,579	-	-
Fees and service	-	-	-	9,700	-	2,179	4,961	-	-	-
Police Fines	-	-	-	-	-	-	52,572	-	-	-
Miscellaneous	1,826	-	-	-	-	-	-	-	-	20
Total revenues	12,238	96,059	1,345	9,700	2	14,511	108,486	36,285	85,143	13,709
EXPENDITURES										
Current										
Library	-	-	-	-	-	2,356	272	-	-	-
Park	-	-	-	-	-	-	15,332	-	-	-
Police	19,223	-	-	-	-	-	28,710	-	-	-
Tourism	-	-	-	-	-	-	-	-	66,270	-
General Gov't	-	-	-	-	-	-	-	39,898	-	70,823
Fire	-	18,619	-	-	-	-	1,117	-	-	-
Cemetery	-	-	-	8,163	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Note payments	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Total expenditures	19,223	18,619	-	8,163	-	2,356	45,431	39,898	66,270	70,823
Excess (deficiency) of revenues over expenditures	(6,985)	77,440	1,345	1,537	2	12,155	63,055	(3,613)	18,873	(57,114)
OTHER FINANCING SOURCES/USES										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-	-
Net change in Fund balance	(6,985)	77,440	1,345	1,537	2	12,155	63,055	(3,613)	18,873	(57,114)
Fund balance, Beginning	17,693	175,107	13,120	134,317	174	56,169	111,835	59,046	98,963	49,502
Fund balance, Ending	\$ 10,708	\$ 252,547	\$ 14,465	\$ 135,854	\$ 176	\$ 68,324	\$ 174,890	\$ 55,433	\$ 117,836	\$ (7,612)

CAPITAL PROJECTS								
Main Street Fund	Police Cash Fund	Special Revenue Funds Total	Capital Outlay Fund	Capital Outlay Reserve Fund	Real Property Acquisition Fund	Library Building Fund	Capital Projects Funds Total	Total Non-major Governmental Funds
\$ 80,746	\$ -	\$ 176,805	\$ 536,096	\$ -	\$ -	\$ -	\$ 536,096	\$ 712,901
-	-	94,859	-	-	-	-	-	94,859
-	-	74,846	-	2,500	200,000	-	202,500	277,346
3	211	5,091	6,383	1,548	2,723	161	10,815	15,906
-	-	35,579	-	-	-	-	-	35,579
-	-	16,840	-	12,040	2,810	-	14,850	31,690
-	9,959	62,531	-	-	-	-	-	62,531
-	25,286	27,132	55,998	-	-	-	55,998	83,130
<u>80,749</u>	<u>35,456</u>	<u>493,683</u>	<u>598,477</u>	<u>16,088</u>	<u>205,533</u>	<u>161</u>	<u>820,259</u>	<u>1,313,942</u>
-	-	2,628	-	-	-	-	-	2,628
-	-	15,332	-	-	-	-	-	15,332
-	4,176	52,109	-	-	-	-	-	52,109
-	-	66,270	-	-	-	-	-	66,270
-	-	110,721	31,394	-	28,836	-	60,230	170,951
-	-	19,736	-	-	-	-	-	19,736
-	-	8,163	-	-	-	-	-	8,163
-	28,913	28,913	330,972	-	-	-	330,972	359,885
-	-	-	86,929	-	-	-	86,929	86,929
-	-	-	3,502	-	-	-	3,502	3,502
-	33,089	303,872	452,797	-	28,836	-	481,633	785,505
<u>80,749</u>	<u>2,367</u>	<u>189,811</u>	<u>145,680</u>	<u>16,088</u>	<u>176,697</u>	<u>161</u>	<u>338,626</u>	<u>528,437</u>
-	-	-	-	-	-	-	-	-
-	-	-	(267,403)	-	-	-	(267,403)	(267,403)
-	-	-	(267,403)	-	-	-	(267,403)	(267,403)
80,749	2,367	189,811	(121,723)	16,088	176,697	161	71,223	261,034
-	21,532	737,458	707,642	165,406	277,601	17,395	1,168,044	1,905,502
<u>\$ 80,749</u>	<u>\$ 23,899</u>	<u>\$ 927,269</u>	<u>\$ 585,919</u>	<u>\$ 181,494</u>	<u>\$ 454,298</u>	<u>\$ 17,556</u>	<u>\$ 1,239,267</u>	<u>\$ 2,166,536</u>

Unaudited



Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Trustees
City of Pryor Creek, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Pryor Creek, Oklahoma, as of and for the year ended June 30, 2020, which collectively comprise the City of Pryor Creek, Oklahoma's basic financial statements and have issued our report thereon dated January 24, 2022. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Pryor Creek, Oklahoma internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Pryor Creek, Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Pryor Creek, Oklahoma's internal control over financial reporting.

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 the internal control that is less severe than a material weakness, yet important enough to merit attention by those charged by 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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Pryor Creek, Oklahoma financial statements are free of material misstatement, we performed tests of the 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 that are required to be reported under *Government Auditing Standards*.

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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.

Hood & Associates, CPAs, PC.

Hood & Associates CPAs, PC

January 24, 2022

City of Pryor Creek, Oklahoma
Schedule of Findings and Results - Prior Year
For the Year Ended June 30, 2020

There were no significant audit findings noted during the audit performed for the fiscal year ended June 30, 2019.

City of Pryor Creek, Oklahoma
Schedule of Findings and Results – Current Year
For the Year Ended June 30, 2020

There were no significant audit findings noted during the audit performed for the fiscal year ended June 30, 2020.