

**CITY OF WEATHERFORD, OKLAHOMA**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORTS**

**DECEMBER 31, 2022**

**CITY OF WEATHERFORD, OKLAHOMA**  
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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners  
City of Weatherford, Oklahoma

### Report on the Audit of the Financial Statements

#### Qualified Opinions

We have audited the accompanying financial statements - modified cash basis - of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Oklahoma, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph below, the accompanying financial statements referred to above, present fairly in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, and the major funds General, PWA, Stafford Museum, and the aggregate remaining governmental fund information of the City of Weatherford, Oklahoma, at December 31, 2022, and the respective changes in modified cash basis financial position and the cash flows of the business-type activities for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### Basis for Qualified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent

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

As described in Note 1, the City has included non-cash accounts receivable, net, and accrued compensated absences in the government-wide governmental activity and business-type activities in these modified cash basis financial statements. The business-type activities also have accrued interest payable for its revenue bonds payable. The following major funds have accounts receivable, net, recorded: General, PWA, and the nonmajor aggregate remaining governmental funds. The PWA major fund has accrued interest payable recorded. Both the PWA and Stafford Museum major funds have accrued compensated absences recorded.

The effect of the above transactions would affect the modified cash basis financial statements as follows:

	<u>Increase (Decrease)</u>
Government-wide	
Governmental Activity	
Assets	\$ ( 13,237)
Liabilities	(498,930)
Net Position	485,693
Revenues	( 1,442)
Expenditures	(37,002)
Business-type Activity	
Assets	(136,556)
Liabilities	(247,773)
Net Position	111,217
Revenues	95,148
Expenses	(8,880)
Fund Financial Statements	
General	
Assets	( 2,822)
Liabilities	-0-
Fund Balance	( 2,822)
Revenues	4,452)
Expenditures	
Non-major Governmental	
Assets	(10,415)
Liabilities	-0-
Net Position	(10,415)
Revenues	(5,894)
Expenditures	

PWA	
Assets	(136,556)
Liabilities	(233,555)
Net Position	96,999
Revenues	95,148
Expenses	(3,946)
Stafford Museum	
Assets	-0-
Liabilities	( 14,218)
Net Position	14,218
Revenues	-0-
Expenses	(4,934)

### **Emphasis of Matter - Basis of Accounting**

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will

always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

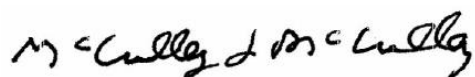
#### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's accompanying modified cash basis financial statements. The accompanying combining financial information, and the schedule of expenditures of federal awards, as required by Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are

not a required part of the accompanying modified cash basis financial statements of the City of Weatherford, Oklahoma. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the modified cash financial statements. The budgetary comparison information on pages 49 - 50 and the pension funding progress as prepared from information provided by the actuary on page 51 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the accompanying financial statements, and accordingly, we do not express an opinion or provide any assurance on it. The combining and individual nonmajor 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the accompanying modified cash basis financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions" paragraph above, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the accompanying modified cash basis financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued a report dated December 28, 2023, on our consideration of the City of Weatherford, Oklahoma's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Weatherford, Oklahoma's internal control over financial reporting and compliance.



Weatherford, Oklahoma

December 28, 2023



**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION**  
**MODIFIED CASH BASIS**  
**DECEMBER 31, 2022**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash on Hand	\$ 1,680	\$ 785	\$ 2,465
Cash in Bank, Including Time Deposits	13,895,036	4,852,987	18,748,023
Accounts Receivable, Net	13,237	336,933	350,170
Restricted Assets:			
Cash in Bank, Including Time Deposits	52,858	311,720	364,578
Short Term Investments, at Cost		4,127,845	4,127,845
Escrowed Funds - Fire Truck	1,012,448		1,012,448
			0
<b>TOTAL ASSETS</b>	<u>14,975,259</u>	<u>9,630,270</u>	<u>24,605,529</u>
<b>LIABILITIES</b>			
Accounts Payable	19,812		21,185
Unapplied Payments	212	9,139	9,351
Accrued Interest Payable		74,429	74,429
Customer Deposits		199,027	199,027
Long-term Liabilities:			
Due Within One Year	373,709	3,047,111	3,420,820
Due in More Than One Year	1,137,669	15,161,495	16,299,164
<b>TOTAL LIABILITIES</b>	<u>1,531,402</u>	<u>18,492,574</u>	<u>20,023,976</u>
<b>NET POSITION</b>			
Net Debt used for Capital Assets		(14,369,995)	(14,369,995)
Restricted for:			
Debt Service		601,104	601,104
Capital Improvements, Net of Debt		0	0
Restricted Sales Tax/ Capital Impr.	3,138,887		3,138,887
Tourism and Promotions	354,740		354,740
Permanent Fund (Nonexpendable)	52,858		52,858
Other Purposes	2,214,787		2,214,787
Unrestricted	7,682,585	4,906,587	12,589,172
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>\$ 13,443,857</u>	<u>\$ (8,862,304)</u>	<u>\$ 4,581,553</u>

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT</b>							
<b>Governmental Activities:</b>							
Mayor and Commissioners	\$ 106,634	\$	\$	\$	\$ (106,634)	\$	\$ (106,634)
City Attorney	65,893				(65,893)		(65,893)
Administration	240,628				(240,628)		(240,628)
Data Processing	37,902				(37,902)		(37,902)
Municipal Court	177,374				(177,374)		(177,374)
Police Department	3,154,635	98,481			(3,056,154)		(3,056,154)
Fire Department	1,588,211	38,137			(1,550,074)		(1,550,074)
Street Department (Div. I)	464,210				(464,210)		(464,210)
Street Department (Div. II)	2,803,542		99,494		(2,704,048)		(2,704,048)
Central Garage	191,800				(191,800)		(191,800)
Parks Department	647,251				(647,251)		(647,251)
Cemetery Department	116,233	52,636			(63,597)		(63,597)
Swimming Pool	55,602	8,305			(47,297)		(47,297)
Inspection Department	121,152	97,995			(23,157)		(23,157)
Economic Development	119,135		141,885		22,750		22,750
Library	5,425				(5,425)		(5,425)
Senior Citizens	148,925	18,184			(130,741)		(130,741)
Custodian	28,648				(28,648)		(28,648)
Airport	792,977	796,759			3,782		3,782
Recycling	38,775	95,553			56,778		56,778
Capital Outlays	3,814,766				(3,814,766)		(3,814,766)
Restricted Sales Tax Payments:							
Hospital Authority	421,677			421,677	0		0
Local University	787,130			787,130	0		0
Public School	140,559			140,559	0		0
Capital Improvements	469,425			2,923,625	2,454,200		2,454,200
General Expense:							
Workers Compensation	113,309				(113,309)		(113,309)
Utilities	347,960				(347,960)		(347,960)
Insurance	160,519				(160,519)		(160,519)
Gasoline, Diesel & Oil	220,609				(220,609)		(220,609)
Other Materials and Service	504,909				(504,909)		(504,909)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>17,885,815</b>	<b>1,206,050</b>	<b>241,379</b>	<b>4,272,991</b>	<b>(12,165,395)</b>	<b>0</b>	<b>(12,165,395)</b>
<b>Business-type Activities:</b>							
Administration	142,667					(142,667)	(142,667)
Data Processing	45,191					(45,191)	(45,191)
Water & Sewer Maintenance	870,759	2,208,805				1,338,046	1,338,046
Sewer Plant	793,628	1,518,956				725,328	725,328
Sanitation Department	1,236,521	1,960,322				723,801	723,801
Ambulance Services	330,000	355,762				25,762	25,762
Stafford Museum	454,357	267,675				(186,682)	(186,682)
General Expenses:							
Workers Compensation	83,673					(83,673)	(83,673)
Utilities	477,707					(477,707)	(477,707)
Insurance	96,486					(96,486)	(96,486)
Gasoline, Diesel & Oil	222,495					(222,495)	(222,495)
Bad Debt Expense	8,656					(8,656)	(8,656)
Other Materials, Services & Charges	99,596					(99,596)	(99,596)
Interest Expense	346,893					(346,893)	(346,893)
Trustee Fees Paid	6,500					(6,500)	(6,500)
Capital Improvements	9,300,354					(9,300,354)	(9,300,354)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>14,515,483</b>	<b>6,311,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,203,963)</b>	<b>(8,203,963)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 32,401,298</b>	<b>\$ 7,517,570</b>	<b>\$ 241,379</b>	<b>\$ 4,272,991</b>	<b>(12,165,395)</b>	<b>(8,203,963)</b>	<b>(20,369,358)</b>
<b>General Revenues</b>							
Sales and Use Taxes					10,189,101		10,189,101
Tobacco Tax					92,509		92,509
Hotel/Motel Tax					315,660		315,660
Hotel/Motel Tax Funds Returned					1,334		1,334
Franchise Taxes					730,039		730,039
Intergovernmental Revenue					2,778,791		2,778,791
Rents and Royalties					24,048		24,048
Leases and Easements					54,404		54,404
Connecting and Transfer Fees						57,983	57,983
Late Penalties						53,495	53,495
Interest Income					129,254	130,737	259,991
Donations					43,764	12,000	55,764
Recovery of Expenditures					132,553	9,634	142,187
Insurance Proceeds					102,894		102,894
County Distribution of Surplus					26,072		26,072
Sales of Capital Assets					47,206		47,206
Miscellaneous Income					253,081	40,355	293,436
<b>Transfers</b>					(2,367,736)	2,367,736	0
<b>Total General Revenues and Transfers</b>					<b>12,552,974</b>	<b>2,671,940</b>	<b>15,224,914</b>
<b>Change in Net Position</b>					<b>387,579</b>	<b>(5,532,023)</b>	<b>(5,144,444)</b>
<b>NET POSITION</b>							
Beginning of Year					13,056,278	(3,330,281)	9,725,997
End of Year					<b>\$ 13,443,857</b>	<b>\$ (8,862,304)</b>	<b>\$ 4,581,553</b>

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES -**  
**GOVERNMENTAL FUNDS -**  
**MODIFIED CASH BASIS**  
**DECEMBER 31, 2022**

	GENERAL FUND	OTHER GOVERN- MENTAL FUNDS	TOTAL GOVERN- MENTAL FUNDS
<b>ASSETS</b>			
Cash on Hand	\$ 1,180	\$ 500	\$ 1,680
Cash in Bank, Including Time Deposits	11,985,567	1,909,469	13,895,036
Accounts Receivable, Net	2,822	10,415	13,237
Restricted Assets:			
Cash in Bank, Including Time Deposits		52,858	52,858
			0
<b>TOTAL ASSETS</b>	<b>\$ 11,989,569</b>	<b>\$ 1,973,242</b>	<b>\$ 13,962,811</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,871	\$ 15,941	\$ 19,812
Deferred Revenue	212		212
<b>TOTAL LIABILITIES</b>	<b>4,083</b>	<b>15,941</b>	<b>20,024</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Permanent Funds		52,858	52,858
Restricted	3,138,887	2,569,527	5,708,414
Committed		681,235	681,235
Assigned		82,665	82,665
Unassigned	8,846,599	(1,428,984)	7,417,615
<b>TOTAL FUND BALANCES</b>	<b>11,985,486</b>	<b>1,957,301</b>	<b>13,942,787</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,989,569</b>	<b>\$ 1,973,242</b>	

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Escrowed funds for fire truck are reported in the General Long-term Debt Account Group and therefore are not reported in the funds.	1,012,448
Long-term capital lease agreements are reported in the General Long-term Debt Account Group and therefore are not reported in the funds.	(1,012,448)
Long-term accrued compensated absences are reported in the General Long-term Debt Account Group and therefore are not reported in the funds.	(498,930)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 13,443,857</b>

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2022**

	<b>GENERAL FUND</b>	<b>OTHER GOVERN- MENTAL FUNDS</b>	<b>TOTAL GOVERN- MENTAL FUNDS</b>
<b>REVENUES</b>			
Sales and Use Tax	\$ 10,189,101	\$	\$ 10,189,101
Restricted Sales Tax	4,272,991		4,272,991
Tobacco Tax	92,509		92,509
Hotel/Motel Tax		315,660	315,660
Hotel/Motel Tax Funds Returned		1,334	1,334
Franchise Taxes	730,039		730,039
Licenses, Permits & Inspections	97,995		97,995
Cemetery Lots & Services	47,161	5,475	52,636
Swimming Pool	8,305		8,305
Senior Citizens		18,184	18,184
Fire Department		38,137	38,137
Recycling		95,553	95,553
Fines	5,440	93,041	98,481
Rents & Royalties	24,048		24,048
Leases & Easements	54,404		54,404
Economic Development	141,885		141,885
Recovery of Expenditures	95,773	36,780	132,553
Intergovernmental Revenue	251,031	2,627,254	2,878,285
Interest	128,899	355	129,254
Airport Rental and Fuel		796,759	796,759
Property Sales	44,956	2,250	47,206
Insurance Proceeds	73,118	29,776	102,894
County Distribution of Surplus	26,072		26,072
Donations	6,650	37,114	43,764
Other Miscellaneous	42,451	210,630	253,081
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>16,332,828</b>	<b>4,308,302</b>	<b>20,641,130</b>
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Mayor and Commissioners	106,634		106,634
City Attorney	65,893		65,893
Administration	240,836		240,836
Data Processing	37,902		37,902
Municipal Court	176,677		176,677
Police Department	3,136,509		3,136,509
Fire Department	1,554,563	18,565	1,573,128
Street Department (Div. I)	464,417		464,417
Street Department (Div. II)	2,803,542		2,803,542
Central Garage	190,914		190,914
Parks Department	646,368		646,368
Cemetery Department	115,353		115,353
Swimming Pool	55,602		55,602
Inspection Department	120,522		120,522
Economic Development	118,978		118,978
Library	5,425		5,425
Senior Citizens	137,811	11,362	149,173
Custodian	28,648		28,648
Airport		792,654	792,654

(Continued)

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2022**  
(Continued)

	<b>GENERAL FUND</b>	<b>OTHER GOVERN- MENTAL FUNDS</b>	<b>TOTAL GOVERN- MENTAL FUNDS</b>
Recycling		38,775	38,775
Capital Outlays	996,449	2,818,317	3,814,766
Restricted Sales Tax Payments:			
Hospital Authority	421,677		421,677
Local University	787,130		787,130
Public School	140,559		140,559
Capital Improvements	469,425		469,425
General Expense:			
Workers Compensation	113,309		113,309
Utilities	347,960		347,960
Insurance	160,519		160,519
Gasoline, Diesel & Oil	220,609		220,609
Other Materials and Service	116,092	388,817	504,909
<b>TOTAL EXPENDITURES</b>	<b>13,780,323</b>	<b>4,068,490</b>	<b>17,848,813</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>2,552,505</b>	<b>239,812</b>	<b>2,792,317</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	187,141	4,549	191,690
Transfers (Out)	(2,472,284)	(87,142)	(2,559,426)
<b>TOTAL OTHER FINANCING</b>	<b>(2,285,143)</b>	<b>(82,593)</b>	<b>(2,367,736)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>267,362</b>	<b>157,219</b>	<b>424,581</b>
<b>FUND BALANCE</b>			
Beginning of Year	11,718,124	1,800,082	13,518,206
End of Year	<b>\$ 11,985,486</b>	<b>\$ 1,957,301</b>	<b>\$ 13,942,787</b>

The accompanying notes are an integral part of these statements.



**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION**  
**ALL PROPRIETARY FUND TYPES**  
**MODIFIED CASH BASIS**  
**DECEMBER 31, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>PWA</b>	<b>STAFFORD MUSEUM</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current Assets:			
Petty Cash	\$ 60	\$ 725	\$ 785
Cash in Bank, Including Time Deposits	4,851,457	1,530	4,852,987
Restricted Assets:			
Cash in Bank, Including Time Deposits	311,720		311,720
Short Term Investments, at Fair Value	4,127,845		4,127,845
Accounts Receivable, Net	336,933		336,933
Total Current Assets	<u>9,628,015</u>	<u>2,255</u>	<u>9,630,270</u>
Noncurrent Assets:			
			<u>0</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>9,628,015</u></b>	<b>\$ <u>2,255</u></b>	<b>\$ <u>9,630,270</u></b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 1,190	\$ 183	\$ 1,373
Unapplied Payments	9,139		9,139
Accrued Interest Payable	74,429		74,429
Customer Meter Deposits	199,027		199,027
Current Portion of Long-term Liabilities	3,039,003	8,108	3,047,111
Total Current Liabilities	<u>3,322,788</u>	<u>8,291</u>	<u>3,331,079</u>
Noncurrent Liabilities:			
Accrued Compensated Absences	113,875	6,110	119,985
Capital Lease Obligations	81,510		81,510
Revenue Bonds Payable	14,960,000		14,960,000
Total Noncurrent Liabilities	<u>15,155,385</u>	<u>6,110</u>	<u>15,161,495</u>
<b>TOTAL LIABILITIES</b>	<b><u>18,478,173</u></b>	<b><u>14,401</u></b>	<b><u>18,492,574</u></b>
<b>NET POSITION (DEFICIT)</b>			
Net Debt used for Capital Assets	(14,369,995)		(14,369,995)
Restricted for Debt Service	601,104		601,104
Restricted for Capital Improvements - Net of Debt	0		0
Unrestricted	4,718,733	(12,146)	4,706,587
Designated for Water System Improv.	200,000		200,000
			<u>0</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<b><u>(8,850,158)</u></b>	<b><u>(12,146)</u></b>	<b><u>(8,862,304)</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>9,628,015</u></b>	<b>\$ <u>2,255</u></b>	<b>\$ <u>9,630,270</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUND TYPE**  
**MODIFIED CASH BASIS**  
**YEAR ENDING DECEMBER 31, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>PWA</b>	<b>STAFFORD MUSEUM</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Water, Sewer, Garbage & Ambulance	\$ 6,029,295	\$	\$ 6,029,295
Meter Installation	14,550		14,550
Connecting & Transfer Fees	57,983		57,983
Late Penalties	53,495		53,495
Recovery of Expenses	9,634	42,000	51,634
Retail Sales from Gift Shop		106,465	106,465
Admissions		103,897	103,897
Rental of Facilities		15,313	15,313
Donations	12,000		12,000
Other Miscellaneous Revenue	39,053	1,302	40,355
<b>TOTAL OPERATING REVENUES</b>	<b>6,216,010</b>	<b>268,977</b>	<b>6,484,987</b>
<b>OPERATING EXPENSES</b>			
Administration	142,667	307,314	449,981
Data Processing	45,191		45,191
Water & Sewer Maintenance	870,759		870,759
Sewer Plant	579,886		579,886
Sewer CMON	213,742		213,742
Sanitation Department	1,236,521		1,236,521
Gift Shop Purchases for Resale		57,574	57,574
General Expenses:			
Workers Compensation	83,673		83,673
Utilities	477,707		477,707
Insurance	96,486		96,486
Gasoline, Diesel & Oil	222,495		222,495
Ambulance Subsidy	330,000		330,000
Bad Debt Expense	8,656		8,656
Other Materials, Services & Charges	99,596	89,469	189,065
<b>TOTAL OPERATING EXPENSES</b>	<b>4,407,379</b>	<b>454,357</b>	<b>4,861,736</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>1,808,631</b>	<b>(185,380)</b>	<b>1,623,251</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and Dividend Income	130,737		130,737
Interest Expense	(346,893)		(346,893)
Trustee Fees Paid	(6,500)		(6,500)
Capital Improvements	(9,288,434)	(11,920)	(9,300,354)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(9,511,090)</b>	<b>(11,920)</b>	<b>(9,523,010)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(7,702,459)</b>	<b>(197,300)</b>	<b>(7,899,759)</b>
<b>TRANSFERS IN (OUT)</b>			
Transfers In	2,274,736	193,000	2,467,736
Transfers (Out)	(100,000)		(100,000)
<b>NET TRANSFERS</b>	<b>2,174,736</b>	<b>193,000</b>	<b>2,367,736</b>
<b>CHANGE IN NET POSITION</b>	<b>(5,527,723)</b>	<b>(4,300)</b>	<b>(5,532,023)</b>
<b>NET POSITION</b>			
Beginning of Year	(3,322,435)	(7,846)	(3,330,281)
End of Year	<u>\$ (8,850,158)</u>	<u>\$ (12,146)</u>	<u>\$ (8,862,304)</u>

The accompanying notes are an integral part of these statements.



**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**MODIFIED CASH BASIS**  
**YEAR ENDING DECEMBER 31, 2022**

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>PWA</b>	<b>STAFFORD MUSEUM</b>	<b>TOTAL</b>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 6,294,006	\$ 268,977	\$ 6,562,983
Cash Paid to Suppliers and Other Services	(2,772,698)	(146,551)	(2,919,249)
Cash Paid to Employees for Services and Benefits	(1,610,028)	(302,380)	(1,912,408)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>1,911,280</u>	<u>(179,954)</u>	<u>1,731,326</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfer In	2,274,736	193,000	2,467,736
Transfer (Out)	(100,000)		(100,000)
			<u>0</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>2,174,736</u>	<u>193,000</u>	<u>2,367,736</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Interest Paid on Revenue Bond Payable and Capital Lease Obligations	(362,841)		(362,841)
Principal Paid on Revenue Bond Payable and Capital Lease Obligations	(3,052,116)		(3,052,116)
Trustee Fees Paid	(6,500)		(6,500)
Acquisition of Capital Assets	(9,288,434)	(11,920)	(9,300,354)
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<u>(12,608,128)</u>	<u>(11,920)</u>	<u>(12,620,048)</u>
<b>Cash Flows from Investing Activities</b>			
Interest and Dividends Received on Cash and Investments	130,737		130,737
<b>Net Cash Provided by Investing Activities</b>	<u>130,737</u>	<u>0</u>	<u>130,737</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(8,391,375)	1,126	(8,390,249)
<b>Balance of Cash and Cash Equivalents</b>			
Beginning of Year	<u>17,682,457</u>	<u>1,129</u>	<u>17,683,586</u>
End of Year	<u>\$ 9,291,082</u>	<u>\$ 2,255</u>	<u>\$ 9,293,337</u>

(Continued on next page)

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**MODIFIED CASH BASIS**  
**YEAR ENDING DECEMBER 31, 2022**

(CONTINUED)

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>PWA</b>	<b>STAFFORD MUSEUM</b>	<b>TOTAL</b>
<b>Reconciliation of Change in Net Position to Net Cash and Cash Equivalents Provided by (Used for) Operating Activities:</b>			
Change in Net Position	\$ (5,527,723)	\$ (4,300)	\$ (5,532,023)
Adjustments to Reconcile Change in Net Position to Net Cash and Cash Equivalents Provided by (Used for) Operating Activities			
Interest Income	(130,737)		(130,737)
Interest Expense	362,841		362,841
Trustee Fees Paid	6,500		6,500
Acquisition of Capital Assets	9,288,434	11,920	9,300,354
Transfers (In)	(2,274,736)	(193,000)	(2,467,736)
Transfers Out	100,000		100,000
Changes in Assets and Liabilities:			
Decrease in Accounts and Notes Receivable	66,855		66,855
Decrease in Prepaid Expenses	3,988	309	4,297
Increase in Allowance for Loss	8,656		8,656
Increase in Accounts Payable	771	183	954
(Decrease) in Unapplied Payments	(1,478)		(1,478)
(Decrease) in Accrued Interest Payable	(15,948)		(15,948)
Increase in Accrued Compensated Absences	11,238	4,934	16,172
Increase in Customer Deposits	12,619		12,619
Total Adjustments	7,439,003	(175,654)	7,263,349
<b>Net Cash and Cash Equivalents Provided by (Used for) Operating Activities</b>	\$ 1,911,280	\$ (179,954)	\$ 1,731,326

The accompanying notes are an integral part of these statements.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies.**

The accounting policies of the City of Weatherford, Oklahoma, (the City) do not conform to accounting principles generally accepted in the United States of America as applicable to governments, as noted below. These standards are set by the Government Accounting Standards Board (GASB). However, the City reports on the modified cash basis of accounting as described below. The following is a summary of the more significant current policies.

**A. Reporting Entity.**

The City of Weatherford, Oklahoma, is an incorporated municipality under the provisions of the State of Oklahoma. It operates under the Mayor - Commission form of government with a home rule provision. The City provides the following services: public safety (fire & police), streets, parks and recreation, water, sewer, and sanitation utilities, and general administrative services.

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Weatherford. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the City of Weatherford.

The financial statements of the City include those of any separately administered organization that is within the scope of public service of the City or whose exclusion from a reporting entity's financial statements would be misleading. Scope of public service include those who benefit from the activity and whether it is conducted within the entity's geographic boundaries. Other criteria considered in determining which activities to report include the degree of oversight responsibility exercised by the Mayor and/or City Commission members.

Based on the foregoing criteria, the operations of the Weatherford Public Works Authority (the Authority) is included in the accompanying financial statements. The Trustees of the Authority are the same persons who are currently the members of the City Commission of the City of Weatherford and as such, they continue to hold office until their successors are elected to the governing board of the City of Weatherford. The City of Weatherford is the designated beneficiary of the Authority. Operations of the Weatherford Public Works Authority is reported as an enterprise fund in the proprietary fund type.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**A. Reporting Entity (continued).**

The City Commissioners also have the responsibility to confirm the appointment of the trustees of the Weatherford Industrial Trust. The City's accountability for this organization does not extend beyond ratifying these appointments.

**B. Financial Statements.**

Financial statements include a Statement of Assets, Liabilities, and Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis for the government-wide and business-type activities. The government-wide financial statements report on the City as a whole within the limitations of the modified cash basis of accounting. These limitations are that the modified cash basis of accounting financial statements are not intended to be representative of the complete economic financial position of the City. Certain significant assets and liabilities may be excluded for the modified cash basis financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the modified cash basis of accounting versus the economic resources measurement focus and the accrual basis of accounting required by generally accepted accounting principles, which include long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effects of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Assets, Liabilities, and Net Position - Modified Cash Basis reports limited financial and capital resources of the City. It is displayed in a format of assets plus deferred outflows of resources, less liabilities less deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Since the City reports on the modified cash basis of accounting, it has no deferred outflows or deferred inflows of resources. Net position

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**B. Financial Statements (continued).**

is required to be displayed in three components: 1) net investment in capital assets (net debt used for capital assets), 2) restricted, and 3) unrestricted. Net investment in capital assets are capital assets net of accumulated depreciation and reduced by the outstanding balances of any mortgages or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Since the City does not capitalize its capital assets nor depreciate them in these financial statements, then the amounts shown are the borrowings used to purchase capital assets. Restricted Net Position are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provision or enabling legislation. Net position not otherwise classified as restricted are shown as unrestricted. Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The government-wide Statement of Activities - Modified Cash Basis demonstrates the degree to which the direct expenses of a functional category or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) grant and contributions that are restricted to meeting the operational requirements of a particular function or activity, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues. General revenues normally support the net costs of the functions and programs not covered by program revenues.

Financial statements also include fund financial statements for the governmental and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds based upon a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined, it also gives governments the option of displaying selected funds as major funds. Other nonmajor funds are combined into a single column on the fund financial statements.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**B. Financial Statements (continued).**

The following funds are presented for the City:

**Governmental Funds.**

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted in another fund or limited by the modified cash basis of accounting. The general fund is always presented as a major fund.

Other Governmental Funds - This column is the summarization of all the nonmajor governmental funds. These were known as special revenue funds, fiduciary funds, or debt service funds under the previous reporting model. Special revenue funds were used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Fiduciary funds were trust or agency funds used to account for assets held by the City in a trustee capacity or as an agent. Trust funds are similar to governmental funds. Agency funds are reported as fiduciary funds as noted below in the reporting model. The cemetery perpetual care fund is presented as a permanent fund. Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Debt service funds were used to report the resources accumulated to pay the principal and interest on the City's general long-term debt obligations.

Fiduciary - Agency funds report resources held by the City in a purely custodial capacity (assets equals liabilities). This fund is reported separately from other governmental funds. The City discontinued the use of this agency fund and makes its contributions each month.

**Proprietary Fund Types.**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises (ie. where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges); or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

control, accountability, or other purposes. The City has two enterprise funds, the Weatherford Public Works Authority (PWA) and the Stafford Museum fund. Each fund is reported as a major fund.

**C. Basis of Accounting.**

Basis of accounting refers to when revenues and expenditures (or expenses, as appropriate) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements, governmental fund types, and proprietary fund types are all reported using the modified cash basis of accounting. The modified cash basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles.

Under the modified cash basis of accounting, revenues are recognized when cash is received and expenditures (expenses) are recognized when actually paid, with modifications that have substantial support arising from the cash receipt or disbursement transactions or events. Professional standards do not specifically define the modified cash basis of accounting, but current accounting literature states it should not include accounts receivable or accruals. The auditor's report is modified since these financial statements include those items for consistency purposes. The City records accounts receivable and revenue on selected governmental funds, including establishing an allowance for loss and related expense for any uncollectible account receivable. The City has also established an accrued compensated absences liability and selected accounts payable for the governmental and proprietary type funds and records the related expenditure/expense. The Weatherford Public Works Authority uses a cycle utility billing system. The utility billings are accrued and recorded as accounts receivable and revenue when the customers are billed. Unbilled receivables are not recorded. Payments received in excess of the amount billed are recorded as unapplied payments. The Authority and Stafford Museum also record other billed receivables and revenue on its books. An allowance for loss and expense is recorded for any potential uncollectible utility and other receivables. The Authority records its revenue bonds as a liability and accrues the interest payable

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**C. Basis of Accounting (continued).**

and related interest expense. Capital lease obligations are also recorded as a liability when incurred since they are considered "in substance" a cash transaction.

Under generally accepted accounting principles, the government-wide financial statements would be reported using the economic resources measurement focus and the accrual basis of accounting, as would the proprietary fund statements. Revenues would be recorded when earned and expenses would be recorded when a liability is incurred, regardless of the timing of the related cash flows. The governmental funds would use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues would be recognized when they become measurable and available (collected within sixty days after year-end). Expenditures would be generally recognized when the related fund liability is incurred, provided the liability normally would be liquidated with expendable available financial resources.

**D. Accounts Receivable, Net.**

The City periodically reviews the various funds accounts receivable for accounts which may not be collectible. For the year ending December 31, 2022, the City's policy is to write off known uncollectible utility accounts against the related income account and, if appropriate, send it to a collection agency. An allowance for loss has been established for potential unknown uncollectible utility and other accounts receivable.

**E. Short Term Investments.**

Short Term Investments are stated at cost (cost approximates fair value) and consists of a money market fund held for proceeds of revenue bonds for capital projects, and money market funds held for payment of principal and interest on revenue bonds. Authorized legal investments include certificates of deposit (time deposits), money market funds, and obligations of the U. S. Government or its agencies.

**F. Compensated Absences.**

Full-time City of Weatherford, Weatherford Public Works Authority and Stafford Museum employees earn sick leave at the rate



**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**F. Compensated Absences (continued).**

of 10 days per year which can accumulate up to 130 days. If accumulated sick leave is not used prior to resignation or termination, then the employees can receive payment for accumulated unused sick leave if they were employed by the City prior to March 1, 2009. If they were employed on or after March 1, 2009, the City will not pay for unused accumulated sick leave.

Full-time employees earn between ten to twenty days of vacation time per year, depending upon their length of service to the City. Prior to March 1, 2009, unused vacation time did not accumulate, but was lost if not taken during the year. City Commissioners approved a new employee handbook at its February 27, 2009, meeting. Effective March 1, 2009, unused vacation time may be accumulated up to twice the amount of annual vacation time earned. The employee will be paid for unused vacation time upon termination or retirement. Those employees who earn more than two weeks vacation each year may exercise the option of receiving pay up to two full weeks (but not less than one full week) of vacation time over and above the earned two weeks while continuing to work and receive pay for the time worked.

Full-time union firefighters have different calculations for sick and vacation time based upon working shifts. Sick leave can accumulate up to 78 working shifts. Each regular, full time firefighter hired before January 1, 2011, in good standing, and gives proper notice will be paid unused sick leave not to exceed 1,872 hours upon termination or retirement. Each regular, full time firefighter hired on or after January 1, 2011, with 20 years of service with the City, in good standing, and gives proper notice will be paid unused sick leave not to exceed 936 hours upon termination or retirement. Vacation time cannot be carried over or accumulated from year to year. Bargaining unit members who earn more than two weeks vacation each year may exercise the option of receiving pay for six shifts (144 hours) above the earned two weeks while continuing to work and receive pay for the time worked. Nothing over six shifts will be allowed.

The government-wide financial statements report the accrued compensated absences as a long-term liability. The current portion of this debt is estimated to be the amount earned within the past year. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources as they are considered matured, ie. when an employee resigns or retires. The proprietary funds report the liability as it is incurred.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**1. Summary of Significant Accounting Policies (continued).**

**G. Payroll.**

The City of Weatherford, Weatherford Public Works Authority, and Stafford Museum pay their employees on a bi-weekly basis. These entities do not accrue for incurred (but not paid) payroll expenditures (or expenses).

**H. Operating Revenues and Expenses.**

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the respective enterprise funds. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities.

**I. Fund Balance Classifications.**

The following fund balance classifications have been required by the Governmental Accounting Standards Board:

Nonspendable - Amounts that are not in a spendable form or are required to be maintained intact.

Restricted - Amounts that can be spent only for the specific purposes stipulated by external resource providers, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of the resource providers.

Committed - Amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority (City Commissioners). Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned - Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Commissioners has not officially adopted a policy on who can assign fund balance. In governmental funds other than the general fund, assigned fund balance represents the

CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued).

I. Fund Balance Classifications (continued).

amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned - residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, than it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Generally, the City would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

2. Cash in Bank, Including Time Deposits, Short Term Investments and Restricted Assets.

The City of Weatherford, Authority, and Stafford Museum maintain a common cash pool for use by all funds except the cemetery perpetual care fund, fire fund, and Pioneer Center fund, and certain other activities that require separate bank accounts with Federal Deposit Insurance Corporation (FDIC) insured banks. This common cash pool utilizes the bank's establishment of a "sweep account" in order to maximize earnings. This "sweep account" is a government obligations tax-managed mutual fund which are not deposits or obligations of any bank and not insured or guaranteed by the FDIC or any other government agency. The bank will sweep any excess available funds into this fund and then sweep it back into the checking account as needed. As a result, the City reports these funds as cash in bank in these financial statements.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy to require collateral for amounts in excess of FDIC levels.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**2. Cash in Bank, Including Time Deposits, Short Term Investments and Restricted Assets (continued).**

At December 31, 2022, the City's cash in bank and time deposits are insured or collateralized as noted below:

<u>Total Deposits</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured by Federal Depository Insurance	\$ 4,897,503	\$ 5,125,114
Not Insured, Collateral Held by Pledging Bank's Agent in City's Name	667,217	746,547
Not Insured nor Collateralized		
Subtotal	<u>5,564,720</u>	<u>5,871,661</u>
Not Insured Mutual Fund	<u>13,547,881</u>	<u>14,512,889</u>
Total	<u>\$19,112,601</u>	<u>\$20,384,550</u>

The City of Weatherford and Weatherford Public Works Authority maintain a common cash and time deposit pool for the governmental activities and business-type activities. Income on the pooled cash is allocated between the General fund and Public Works Authority fund. Income on the pooled time deposits is allocated based upon the outstanding balance of the time deposit in the respective fund.

Restricted assets consist of cash in bank, including time deposits, and short term investments held for customer meter deposits and revenue bond indenture agreements. Detail is as follows:

<u>Restricted Assets</u>	<u>Cash and Time Deposits</u>
Governmental Activities:	
Escrowed Funds-Fire Truck	\$1,012,448
Permanent Fund - Cemetery Perpetual Care	52,858
Total Governmental	<u>\$1,065,306</u>

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**2. Cash in Bank, Including Time Deposits, Short Term Investments and Restricted Assets (continued).**

<u>Restricted Assets</u>	<u>Cash and Time Deposits</u>	<u>Short Term Investments</u>	<u>Total</u>
Business-type Activities:			
Enterprise Funds:			
Public Works Authority:			
Customer Meter Deposits	\$ 199,027	\$	\$ 199,027
Revenue Bond Projects		3,565,005	3,565,005
Revenue Bonds Debt Ser.	112,693	562,840	675,533
 Total Business-Type Act.	 \$ 311,720	 \$ 4,127,845	 \$ 4,439,565

The time deposits are held by the City or its agent and are in the City's name.

The escrowed funds - fire truck are the proceeds of a long term capital lease obligation between the City and the Lessor for the purchase of a fire truck. The Lessor has placed these funds into an escrow account and assigned it to a bank. Once the fire truck is completed and accepted by the City, these funds will be expended to purchase the fire truck. All earnings on the escrowed funds will be paid to the bank in consideration of managing the escrow account. The capital lease obligation is shown as a long term liability in these financial statements. Permanent fund is for the cemetery perpetual care trust fund. These funds represent the principal amounts donated to the cemetery trust for the special care of specified lots. These principal amounts cannot be expended by the City. Only the interest earned on these amounts may be expended. Total Customer Meter Deposits cash and time deposits have a related liability account. The Revenue Bonds Debt Service and Project investments are in a Short-term money market portfolio maintained by the trustee bank. The money market ratings are not known.

The money market mutual funds are investments held by the trustee bank or the investment broker in the Authority's or Trust's name. They are not insured by the FDIC nor guaranteed by any government agency or the bank.

**3. Cash and Cash Equivalents.**

Cash and cash equivalents for cash flow presentation purposes includes the entity's cash on hand, cash in bank, including time deposits, short term investments, restricted cash in bank, including time deposits, and restricted short term investments.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**4. Accounts Receivable, Net.**

The City has the following accounts receivable as of December 31, 2022:

	Governmental Act.		Business-Type Act.
	General	Other	PWA
	Fund	Gov't	
Accounts Receivable	\$ 42,446	\$15,500	\$ 48,278
Water, Sewer, Sanitation, Ambulance, Late Charges			347,568
Golf Course Receivable			200,377
Allowance for Loss	( 39,624)	( 5,085)	(259,290)
Net Accounts Receivable	\$ 2,822	\$10,415	\$336,933
Golf Course Receivable not Expected to be Collected within One Year			\$166,868

**5. Long-term Liabilities.**

Long-term liabilities consist of the following:

	Governmental Act.		Business-Type Act.	
	Within	More Than	Within	More Than
	One Year	One Year	One Year	One Year
Compensated Absences	\$ 188,499	\$ 310,431	\$ 53,359	\$ 119,985
Revenue Bonds Payable			2,975,000	14,960,000
Capital Lease Oblig.	185,210	827,238	18,752	81,510
Total Long Term Liab	\$ 373,709	\$1,137,669	\$3,047,111	\$15,161,495

**Revenue Bonds Payable - Business-Type Activities.**

The Weatherford Public Works Authority has entered into several revenue bonds payable to bondholders. Debt issue costs and discounts on these bonds were expended as incurred.

On September 28, 2017, the Authority issued its \$8,020,000 Utility System Revenue Bonds, Series 2017, for the advance refunding of the \$11,115,000 Utility System Revenue Bonds, Series 2010 outstanding balance and paying for certain costs associated with the issuance of the Series 2017 bonds. The net proceeds of the 2017 bonds of \$7,833,188 plus an additional \$1,264,298 of 2010 Series Bond sinking fund monies were used to purchase U. S. Treasury securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2010 Series bonds, with the final payout to be on December 1, 2019. At December 31, 2019, the outstanding defeased bond balance was paid off by the escrow trust account.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**5. Long-Term Liabilities (continued).**

**Revenue Bonds Payable - Business-type Activities (continued).**

The Series 2017 bonds are secured by a mortgage on the leasehold of the properties and by the net revenues of the leasehold of the water, sanitary sewer and garbage systems, and facilities owned by and serving the City of Weatherford and leased to the Authority. Principal amount issued was \$8,020,000 with various semi-annual maturities beginning December 1, 2017, and ending on December 1, 2029. Interest rate is 2.2%. Total principal and interest remaining at December 31, 2022, on this debt is \$5,241,921.

Remaining annual principal and interest requirements range from \$744,496 to \$752,377. For the current year, principal and interest paid by the Authority and the net operating revenue were \$747,716 and \$1,808,631, respectively.

On July 1, 2018, the Authority issued its Sales Tax Revenue Note Series 2018, for financing certain street improvements including specifically reconstruction of Lyle Road, including drainage improvements, sidewalk installation, and utility relocation, along with related costs, and pay certain costs associated with the issuance of the Note. The City has pledged to the Authority all its rights, title, and interest in one half of one percent (0.5%) of the Sales Tax Revenues adopted by the City as Ordinance No. 1988-4 (unlimited in duration) and all (0.5%) of the Sales Tax Revenues adopted by the City as Ordinance No. 2018-01 (Street Improvement Ordinance to fund the reconstruction of Lyle Road with said reconstruction to include related drainage improvements, sidewalk installation, and utility relocation, and with any remaining proceeds to be used to fund other road and drainage improvements in the City of Weatherford, and/or for the payment of debt service in connection with obligations heretofore issued or to be issued by the City and any public trust having the City as beneficiary thereof to finance or refinance the referenced expenditures and related costs). The Street Improvement Ordinance expires and shall cease to be collected on June 30, 2024, unless it is extended by the electorate in an election held for that purpose. The notes are special limited obligations of the Authority, payable solely from the Street Improvement Ordinance pledge of the one half of one percent sales tax revenues collected by the City of Weatherford and the sales tax agreement pledging the sales tax revenues. Principal amount issued was \$6,100,000 with various semi-annual maturities beginning March 1, 2019, and ending on September 1, 2024. Interest rate is at 2.83%. Total principal and interest remaining on this debt is \$2,242,117.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**5. Long-Term Liabilities (continued).**

**Revenue Bonds Payable - Business-type Activities (continued).**

Remaining annual principal and interest requirements range from \$1,118,770 to \$1,123,348. For the current year, principal and interest paid by the Authority and the total pledged sales tax revenues paid to the Authority were \$1,118,202 and \$1,118,200, respectively.

On September 1, 2020, the Authority issued its Sales Tax Revenue Bonds (Weatherford Capital Improvement Projects) Series 2020, for financing the acquisition, construction, and improvement of multiple capital improvement projects for the City of Weatherford. The City has pledged to the Authority all its rights, title, and interest in one-half of the one percent Sales Tax Revenues approved by the electorate on December 13, 1988 and all of the revenues generated by the capital project ordinance equal to a fifty-two hundredths of one percent (beginning October 1, 2020 and expiring on September 30, 2030). Total pledged is 1.02% of the sales tax revenues per the sales tax agreement. These bonds are special limited obligations of the Authority, payable solely from the pledge of the sales tax revenues collected by the City of Weatherford and the sales tax agreement pledging the sales tax revenues. Principal amount issued was \$13,315,000 with various semi-annual maturities beginning June 1, 2021, and ending on December 1, 2030. Interest rate is 1.35%. Total principal and interest remaining on this debt is \$11,584,929. Remaining annual principal and interest requirements range from \$1,408,404 to \$1,489,951. For the current year, principal and interest paid by the Authority and the total pledged sales tax revenues paid to the Authority was \$1,395,178 and \$1,156,536.

A summary of the changes in revenue bonds payable follows:

	Series 2017	Series 2018
	<u>Utility</u>	<u>Sales Tax</u>
Payable at December 31, 2021	\$ 5,460,000	\$3,200,000
New Debt Issued		
Debt Retired	( 630,000)	(1,035,000)
Payable at December 31, 2022	<u>\$ 4,830,000</u>	<u>\$2,165,000</u>
	Series 2020	
	<u>Sales Tax</u>	
Payable at December 31, 2021	\$12,175,000	
New Debt Issued		
Debt Retired	( 1,235,000)	
Payable at December 31, 2022	<u>\$10,940,000</u>	



**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**5. Long-Term Liabilities (continued).**

**Revenue Bonds Payable - Business-type Activities (continued).**

The schedule of maturities of all the revenue bonds payable repayment requirements follows:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2023	2,975,000	300,848
2024	3,050,000	238,850
2025	1,995,000	183,279
2026	2,035,000	150,317
2027	2,085,000	116,673
2028-2030	<u>5,795,000</u>	<u>144,000</u>
Total	<u>\$17,935,000</u>	<u>\$1,133,967</u>

**Capital Lease Obligations.**

**Governmental Activities.**

**Fire Department.**

On November 30, 2021, the City approved the lease purchase of a fire truck with Leasing 2 Inc. for \$1,012,448. Terms call for annual payments beginning April 25, 2023 of \$219,035. Interest is at 2.34%. The proceeds of the long term capital lease obligation was placed into an escrow account and assigned to a bank. Once the fire truck is completed and accepted by the City, these funds will be expended to purchase the fire truck. All earnings on the escrowed funds will be paid to the bank in consideration of managing the escrow account.

A summary of the changes in the long term debt obligation of the governmental type activities follows:

	<u>Governmental Type Activities</u>
	<u>Fire</u>
Balance at 12/31/21	<u>\$1,012,448</u>
New Debt	
Debt Retired	
Balance at 12/31/22	<u>\$1,012,448</u>

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**5. Long-Term Liabilities (continued).**

**Capital Lease Obligations (continued).**

The schedule of maturities of all the governmental lease obligations repayment requirements follows:

Year Ending December 31	<u>Principal</u>	<u>Interest</u>
2023	\$ 185,210	\$ 33,825
2024	199,698	19,337
2025	204,366	14,669
2026	209,143	9,892
2027	<u>214,031</u>	<u>5,003</u>
Total	<u>\$1,012,448</u>	<u>\$ 82,726</u>

**Business-Type Activities.**

The City Commission uses the borrowing power of the Weatherford Public Works Authority to fund purchases for the Authority and various departments of the City. The following summarizes the borrowings authorized and utilized.

On November 14, 2017, the City approved the lease purchase of a new fire rescue pumper truck for \$525,254, 2.37% interest, 60 month term. Monthly payments are \$9,292. This loan is secured by the fire truck.

On January 30, 2018, the City Commission approved the lease purchase of equipment for the golf course for \$121,680. The Authority makes the payments to the bank and the golf course has agreed to reimburse the Authority for all monies expended. The amount due from the golf course is shown as an account receivable. Terms call for monthly payments of \$2,300 from April through November only, interest rate at 3.40%, with a final balloon payment due on February 10, 2023. The City has the option to terminate or renew the lease at the end of its fiscal year.

The authority has a lease purchase agreement for a new clubhouse for the Prairie West golf course for \$178,512. The lease purchase documents were executed on May 11, 2016, by the Weatherford Public Works Authority and a local bank. The Authority makes the payments to the bank and the golf course has agreed to reimburse the Authority for all monies expended. The amount due from the golf course is shown

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**5. Long-Term Liabilities (continued).**

**Capital Lease Obligations (continued).**

as an account receivable. Terms call for monthly payments of \$1,850 from May to October and \$1,000 from November to April of the following year, interest rate at 2.60%, 60 month term with a balloon payment. In December 2017, the City Commission approved the consolidation of another golf course lease purchase for equipment that was accounted for in the governmental activities with this lease purchase agreement and modified the payment amounts accordingly effective January 4, 2018. The amount consolidated was \$10,926 in 2017 and the new payments schedule call for monthly payments of \$2,250 from May to October and \$750 from November to April of the following year. The Authority paid off this capital lease obligation on May 11, 2021. However, the related receivable was not paid off but was re-amortized with a new balloon payment from the golf course on April 11, 2026. No formal agreement was made between the Authority and Golf Course.

On September 30, 2022, the City Commission approved the lease purchase of equipment for the golf course for \$101,763. The Authority makes the payments to the bank and the golf course has agreed to reimburse the Authority for all monies expended. The amount due from the golf course is shown as an account receivable. Terms call for monthly payments of \$1,918, interest rate at 4.95%, with a maturity on September 27, 2027. The City has the option to terminate or renew the lease at the end of its fiscal year.

A summary of the changes in the long term debt obligation of business type activities follows:

	Business Type Activities			
	Fire Truck	Golf	Golf	Total
Balance at 12/31/21	\$ 100,474	\$ 50,141	\$	\$ 150,615
New Debt			101,763	101,763
Debt Retired	(100,474)	( 50,141)	(1,501)	( 152,116)
Balance at 12/31/22	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 100,262</u>	<u>\$ 100,262</u>

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**5. Long-Term Liabilities (continued).**

**Capital Lease Obligations (continued).**

The schedule of maturities of all the governmental lease obligations repayment requirements follows:

Year Ending December 31	<u>Principal</u>	<u>Interest</u>
2023	\$ 18,752	\$ 4,264
2024	19,632	3,383
2025	20,575	2,440
2026	21,553	1,463
2027	<u>19,750</u>	<u>445</u>
Total	<u>\$100,262</u>	<u>\$ 11,995</u>

**6. Pension Plans.**

The City, Authority, and Stafford Museum participate in various retirement plans as more fully disclosed below:

**Oklahoma Municipal Retirement Fund.**

**Plan Description.** The City, Authority, and Stafford Museum participate in the Oklahoma Municipal Retirement Fund (the Fund) which provides coverage to substantially all full-time employees not covered by the Oklahoma Fire Fighters Pension and Retirement System and the Oklahoma Police Pension and Retirement System. The Fund provides retirement benefits based on members' final average compensation, age, and term of service, plus annual cost-of-living adjustments, if so elected. The Plan has not elected the post-retirement cost-of-living adjustments. A member is eligible for disability benefits upon becoming vested. The authority to amend and establish the benefit provisions of the Plan rests with the City Commissioners. This Plan offers both a defined contribution plan and defined benefit plan. Employees participated in both plans. The Fund issues a publically available financial report that can be obtained at [www.okmrf.org](http://www.okmrf.org).

**Funding Policy.** The Fund's defined contribution plan is funded through selected rates of contributions as elected by each municipality. The defined contribution amounts were 5.00% for the City, Authority, and Stafford Museum, and 0.75% for the employees. The funds are credited to individual participant accounts and pooled for investment through the Fund. All gains

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**6. Pension Plans (continued).**

and/or losses are credited directly to each participant. Upon retirement, termination of employment, disability, or death, the vested portion of a participant's account is paid to the participant or beneficiary. This amount is based on an accumulation of employee and employer contributions, forfeitures, and earnings. Pension benefits are 100% vested after 10 years of service.

The Fund's defined benefit plan is funded through an actuarial determined rate of contributions of 9.16% and 8.14%, effective July 1, 2021 and 2022, respectively, for the City, Authority, and Stafford Museum. The employee contribution rate is fixed by the terms of the plan at 6.25% of participant payroll. The City has elected to change the contribution rates in January. This makes the City contributing 9.16% to the defined benefit plan in 2022. Upon retirement, termination of employment, disability, or death, the accrued benefit payable is paid to the participant or beneficiary according to the plan provisions. Pension benefits are 100% vested after 7 years of credited service. The Plan has changed the valuation date from the January 1 preceding the contribution effective date to the July 1 preceding the contribution effective date. As of 7/1/2022, the plan has an actuarial value of assets of \$7,751,923 with an unfunded actuarial accrued liability of \$ 492,005. This liability is not recorded in these financial statements but disclosed here as a commitment. The annual amount to amortize the unfunded actuarial liability over 27 years is \$ 42,020 per the actuarial report. In the other supplementary information section is the schedule of progress toward funding the retirement program from information prepared by the actuary.

**Annual Pension Cost.** The City, Authority, and Stafford Museum contributed \$259,088, \$167,497 and \$30,421, respectively, and the employees contributed \$225,127 to the plans for the year ending December 31, 2022.

**Actuarial Assumptions.** Significant actuarial assumptions used include: a) a rate of return on the investment of present and future assets of 7.25%, b) normal retirement age of 65, and c) no post-retirement cost-of-living adjustments. The actuarial value of the Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments. The Plan's unfunded actuarial accrued liability is calculated using the entry age normal (EAN) method. It is being amortized as a level dollar amount on a closed basis.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**6. Pension Plans (continued).**

**Oklahoma Fire Fighters Pension and Retirement System.**

**Plan Description.** The City participates in the Oklahoma Fire Fighters Pension and Retirement System (the Plan) for its full-time paid and volunteer fire fighters. The Plan provides retirement, death and disability benefits to plan members and beneficiaries. The Plan is an agent multiple-employer (or municipality) contributory defined benefit pension plan. The authority to amend and establish the benefit provisions of the Plan rests with the Board of Trustees of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Oklahoma Fire Pension and Retirement System, 6601 Broadway Extension, Suite 100, Oklahoma City, OK 73116, or on-line at <http://www.ok.gov/fprs/>.

**Funding Policy.** Voluntary firemen do not contribute to the Plan. The City contributes \$60 for each volunteer fireman as set by the Oklahoma Statutes. Contribution requirements of the Plan are established by Oklahoma Statute and are not based on actuarial calculations. The State normally contributes 36% of the Insurance Premium Tax to the Plan. These on-behalf payments are not recognized in these financial statements since the City reports on the modified cash basis. Contribution rates are 14.0% of gross salaries for the City and 9% from the employees for the paid fire fighters. Fire fighters with 20 or more years of service may elect to participate in the Oklahoma Deferred Option Plan. Participation is limited to five years. Under this plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the member are deposited into a deferred retirement account which earns interest. The other half of the municipal contributions goes into the retirement system. The member is no longer required to make contributions.

**Annual Pension Cost.** During the year ended December 31, 2022, the City contributed \$900 for voluntary fire fighters and \$127,864 for paid fire fighters to the Plan. Paid fire fighters contributed \$79,793 to the Plan.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**6. Pension Plans (continued).**

**Actuarial Assumptions.** Significant actuarial assumptions used include: a) a rate of return on the investment of present and future assets of 7.5%, b) a constant benefit level for voluntary fire fighters, c) projected salary increases ranging from 2.75% to 10.5% per year, and d) a cost-of-living allowance of at least 2.75% annually. The actuarial value of the Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments. The Plan's unfunded actuarial accrued liability is calculated using the entry age actuarial cost method. It is being amortized as a level dollar amount on a closed basis. The amortization period was reset beginning July 1, 2014, to 30 years. The City of Weatherford's portion of the unfunded pension liability at the 7.5% discount rate was calculated by the Plan's auditors to be \$3,577,288 at June 30, 2022 (Plan's year end). This liability is not recorded in these financial statements but disclosed here as a commitment.

**Oklahoma Police Pension and Retirement System.**

**Plan Description.** The City approved participation in the Oklahoma Police Pension and Retirement System (the Plan) effective March 1, 2008, for its full-time paid police officers. The Plan provides retirement, death and disability benefits to plan members and beneficiaries. The Plan is an agent multiple-employer (or municipality) contributory defined benefit pension plan. The authority to amend and establish the benefit provisions of the Plan rest with the Board of Trustees of the Plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Oklahoma Police Pension and Retirement System, 1001 N. W. 63<sup>rd</sup> Street, Suite 305, Oklahoma City, OK 73116-7335 or on-line at <http://www.opprs.ok.gov/>.

**Funding Policy.** Contribution requirements of the Plan are determined by Oklahoma Statute and are not based on actuarial calculations. The State normally contributes an allocation of the insurance premium tax to the Plan. These on-behalf payments are not recognized in these financial statements since the City reports on the modified cash basis. Contribution rates are 13.0% of gross salaries for the City and 8% of gross salaries from

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**6. Pension Plans (continued).**

the employees. Participants with 20 or more years of service may elect to participate in the Oklahoma Deferred Option Plan. Participation is limited to five years. Under this plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the member are deposited into a deferred retirement account which earns interest. The other half of the municipal contributions goes into the retirement system. The member is no longer required to make contributions.

**Annual Pension Cost.** During the year ended December 31, 2022, the City contributed \$177,478 to the Plan. Employees contributed \$109,217 to the Plan.

**Actuarial Assumptions.** Significant actuarial assumptions used include: a) a rate of return on the investment of present and future assets of 7.5%, b) projected salary increases ranging from 3.5% to 12% per year, and c) a cost-of-living allowance of 2.75% annually. The actuarial value of the Plan assets was determined by using techniques that smooth the effects of short-term volatility in the market value of investments over a 5-year period. The Plan's unfunded actuarial accrued liability is calculated using the entry age actuarial cost method. It is being amortized as a level dollar amount over a 5 year open period. The City of Weatherford's portion of the net pension liability (asset) at 7.5% discount rate was calculated by the Plan's auditors to be (\$305,874) at June 30, 2022 (Plan's year end). This (asset) is not recorded in these financial statements but disclosed here.

**7. Internal Revenue Code Section 457 Deferred Compensation Plan.**

The City has established a deferred compensation plan under Internal Revenue Code Section 457 for the purpose of enabling employees of the City to defer a portion of their compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergencies. All amounts of compensation deferred pursuant to the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights, shall be held in trust for the exclusive benefit of participants and beneficiaries under the plan. During the year ending December 31, 2022, employees contributed \$3,400 to this plan.



**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
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**8. Risk Management.**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance to manage these risks. Deductibles range from \$0 to \$5,000, depending upon the insurance coverage.

The City participates in a workers compensation plan that carries a requirement for a self-funded retention level. At December 31, 2022, the City's loss retention level was unknown. At June 30, 2023, its loss retention level was \$87,026. The City has a right to the return of any of these funds which have not been paid out in benefits and to receive the interest earnings on them, subject to the plan's bank charges and audit fees. The Plan purchases excess workers compensation insurance so the City's liability is limited to their retention level. Failure of the excess workers compensation insurer to honor its obligations could result in losses to the plan. However, the plan administrators believe the excess workers compensation insurer will be able to meet its contractual obligations. The plan was also holding an escrow account at June 30, 2023, of \$56,110. The City's insurer also has established loss fund reserves for the liability and property insurance coverages. As of June 30, 2023, the loss fund for the liability and property coverages was \$ 9,739 and \$3,429, respectively.

**9. Net Position (Deficit) - Business Type Activities.**

The business-type activities on the Statement of Assets, Liabilities and Net Position-Modified Cash Basis show a deficit net position balance of \$(8,862,304) because of the net debt used for capital assets sub-title. This deficit is the result of the City not capitalizing the Public Works Authority capital assets and depreciating them. The City's policy is to expend the costs of capital items, even if the funds were obtained from borrowed money. The borrowed money is shown as a liability. The amount that could be capitalized as capital assets and depreciated is not known.

**10. Reservations and Designations of Unrestricted Net Position.**

The City Commissioners designated a time deposit for future water system improvements until the principal and interest balance equals or exceeds \$200,000. Any amount in excess of \$200,000 is not designated. At December 31, 2022, this time deposit balance had exceeded \$200,000. This designated amount is shown on the proprietary funds statement of assets, liabilities, and net position-modified cash basis under unrestricted net position.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**11. Interfund Transfers.**

The City periodically makes transfers to different funds to move funds from the other funds to increase their liquidity and ability to purchase goods and services or reflect interfund receivables/payables. Interfund transfers for the year ending December 31, 2022, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers (Out)</u>
Governmental Funds:		
General Fund	\$ 187,141	\$ (2,472,284)
Other Governmental Funds	4,549	( 87,142)
Proprietary Fund Type:		
Public Works Authority	2,274,736	(100,000)
Stafford Museum	<u>193,000</u>	<u>                    </u>
Total	<u>\$2,659,426</u>	<u>\$ (2,659,426)</u>

**12. Commitments and Contingencies.**

The City has various construction contracts under various stages of completion at December 31, 2022. Many of these construction contracts are being funded by the revenue bonds issued.

From time to time the City may receive a claim or litigation alleging damages suffered by the claimant. The City normally denies liability and the claim. The claim is then sent to their liability insurance company for disposition.

In 2020 the City was awarded an Economic Development Administration grant for \$2,865,000 for infrastructure improvements at the Weatherford Business & Technology North Park. Total construction costs are estimated to be \$3,581,250. Of the matching amount of \$716,250, the City has an agreement with the Weatherford Industrial Trust to pay \$430,000 which leaves the City's portion to be \$286,250. The City has received a total of \$793,925 of these grant funds as of December 31, 2022. Total accumulated expenditures at December 31, 2022 were \$1,558,823. The cash balance of \$(764,898) at December 31, 2022 consists of a grant claim of \$453,134 received in 2023 and unfunded matching funds of \$311,764.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**12. Commitments and Contingencies (continued).**

In September, 2021, the City accepted a grant from the Federal Aviation Administration (FAA) for \$743,321 and the Oklahoma Aeronautics Commission for \$500,000 to be used for the construction of a new terminal building at the airport. The City has agreed to provide \$373,854 to the project resulting in a total project cost of \$1,617,175. At December 31, 2022, total accumulated grant proceeds received for the project was \$786,855 with \$402,111 received from the FAA and \$384,744 received from the Oklahoma Aeronautics Commission. The total accumulated construction costs paid was \$1,446,382. The cash balance of \$(633,806) at December 31, 2022 consists of a grant claim of \$100,181 received in 2023 and unfunded matching funds of \$533,625.

In 2021 and 2022, the City received \$1,049,416 and \$1,059,366 of the American Rescue Plan Act funds. Total is \$2,108,782. No funds were expended as of December 31, 2022.

**13. Restricted Sales Tax.**

On June 30, 2020, the citizens of Weatherford approved a renewal of the expiring 1% sales tax for another ten years. This sales tax will be levied from October 1, 2020 to September 30, 2030. The new proceeds would be allocated with 0.52% to the City, 0.28% to Southwestern Oklahoma State University with a cap of \$7,000,000, 0.15% to the Weatherford Regional Hospital with a cap of \$3,750,000, and 0.05% to the Weatherford Public Schools with a cap of \$1,250,000. Any amounts collected in excess of these caps will be used to fund capital projects benefitting the City. The City remits to the university, hospital authority, and public school their portion of the restricted sales tax proceeds immediately after confirmation of the receipt of funds. Total accumulated funds paid to the university, hospital authority, and public school totaled \$1,574,963, \$843,730, and 281,243, respectively, at December 31, 2022.

On April 3, 2018, the citizens of Weatherford voted for a restricted sales tax of one-half of one percent (0.5%) for the purpose of funding the reconstruction of Lyle Road with said reconstruction to include related drainage improvements, sidewalk installation and utility relocation, and with any remaining proceeds to be used to fund other road and drainage improvements in the City of Weatherford. This sales tax began on July 1, 2018, for six years.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**14. Stabilization Reserve Fund and Capital Reserve Fund.**

On November 30, 2022, the City Commissioners adopted an ordinance which established requirements for a stabilization reserve. This ordinance requires that the General Fund, Public Works Authority (water, wastewater, and sanitation) and other funds as deemed appropriate by resolution of the City Commission set aside a certain amount each year which will be committed for the purpose of stabilization. The ordinance also established a minimum and maximum amount that should be contained in the stabilization reserve fund. The amount committed for stabilization for each fund should be between 16% and 35% of budgeted annual non-capital operating expenses. Minimum funding for the stabilization reserve fund when the balance is less than the maximum level shall not be less than two (2) percent of budgeted non-capital operating expenditures. This funding is to be transferred annually from the participating funds to the stabilization reserve fund. Amounts committed for stabilization may be used only in certain specific and unusual circumstances that must be declared to exist by a 4/5th's majority vote of the City Commissioners. The circumstances differ depending on whether the amounts to be used are in excess of the minimum required balance or below this level. For amounts in excess of the minimum required balances, one of the following criteria must be declared by the City Commissioners:

- Expenditures for emergency situations for life, health, or public safety issues for which no existing appropriation exists;
- Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining existing service levels;
- Correcting the results of an inaccurate estimate, accounting error, or budgeting error;
- Expenditures where the proposed use is of a non-operational nature involving capital or technical purchases having a useful life of greater than five years that will improve the efficiency of the City government. These efficiency improvements should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for City employees;
- Expenditures where the proposed use is of a nonrecurring nature, such as a study, start-up costs of a program whose ongoing costs are otherwise funded, or matching funds for a grant. These expenditures should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for City employees.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**14. Stabilization Reserve Fund and Capital Reserve Fund  
(continued).**

For amounts that are below the minimum required balances, or would cause the stabilization reserve fund to spend below the minimum amount required, one of the following criteria must be declared by the City Commissioners:

- Expenditures for emergency situations for life, health, or public safety issues for which no existing appropriation exists;
- Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining exiting service levels;
- Correcting the results of an inaccurate estimate, accounting error, or budgeting error.

As of December 31, 2022, the City had not actually transferred any amount to the stabilization reserve fund.

The City also created a capital reserve fund for the purpose of accumulating funds for making purchases of capital items for the Public Works Authority and other funds as deemed appropriate by resolution of the City Commission. Funds held in the capital reserve fund are intended to only be expended in accordance with a multi-year capital plan. Certain circumstances may arise for other expenditures that must be declared by a majority vote of the governing body as follows:

- i. Situation in which an unexpected capital need has arisen outside of the bounds of the established multi-year plan that could not have been foreseen;
- ii. Circumstances when amounts included in the capital reserve fund are determined to be in excess of the amounts needed to fund the current multi-year capital plan and a need for other capital items outside of the current capital plan exists;
- iii. Expenditures for emergency situations for life, health, or public safety issues that involve public infrastructure for which no existing appropriation exists. Under these circumstances, the City Commission may also elect to allow capital reserve balances from other purposes to be borrowed for a definite period of time.

CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2022

**14. Stabilization Reserve Fund and Capital Reserve Fund  
(continued).**

The initial funds required to participate in the capital reserve fund for which no current long term capital plan exists must create a long-term capital plan prior to the adoption of the fiscal year 2023 budget. These funds will begin contributing to the capital reserve fund at that time. Funds that are required to participate by a resolution of the City Commission shall be given fifteen (15) months from the adoption of said resolution to create a long-term capital plan and will begin participating in the budget year immediately following the adoption of the capital plan.

As of December 31, 2022, no funds have actually been contributed to the capital reserve fund.

**CITY OF WEATHERFORD, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**15. Fund Balance Classifications.**

	<u>GENERAL FUND</u>	<u>OTHER GOVERN- MENTAL FUNDS</u>		<u>TOTAL GOVERN- MENTAL FUNDS</u>
<b>FUND BALANCES:</b>				
Nonexpendable:				
Permanent Fund Principal	\$	\$	52,858	\$ 52,858
Restricted for:				
Rural Fire Protection		72,207		72,207
Cemetery Improvements		8,220		8,220
Tourism (Hotel/Motel Tax)		354,740		354,740
Donors Restrictions		7,177		7,177
Airport Operations		15,211		15,211
American Recovery Plan Act		2,108,782		2,108,782
Police Department		3,190		3,190
Restricted Sales Tax/Capital Improvements	3,138,887			3,138,887
Committed to:				
Fire Department		61,254		61,254
Senior Citizens Department		72,689		72,689
Police Department		263,094		263,094
Recycling Program		284,198		284,198
Assigned to:				
Fire Department		1,197		1,197
Senior Citizens Department		4,170		4,170
Emergency Management		36,217		36,217
Police Department		29		29
Property Lease Fund		41,052		41,052
Unassigned:				
Total Fund Balances	\$ <u>8,846,599</u>	\$ <u>(1,428,984)</u>		\$ <u>7,417,615</u>
	\$ <u>11,985,486</u>	\$ <u>1,957,301</u>		\$ <u>13,942,787</u>

Restricted fund balances are funds with resources restricted by state statutes, federal guidelines, donor restrictions, or by the vote of the citizens of Weatherford.

Committed fund balances are special revenue funds that have been established by the governing body with resources used for specific purposes as noted.

Assigned fund balances are special revenue funds that have earned revenue or interest and represents the unexpended accumulated earnings obtained from the readily available records since fiscal year 1997. Any unexpended accumulated earnings prior to that time is considered to be committed.

The City of Weatherford has not established a formal policy on the order of spending. This report assumes that restricted resources will be expended first, then unrestricted (in this order - committed, assigned, and unassigned).

**OTHER SUPPLEMENTARY INFORMATION**



CITY OF WEATHERFORD, OKLAHOMA  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
 OTHER GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
 DECEMBER 31, 2022

	NONMAJOR SPECIAL REVENUE FUNDS												
	CEMETERY CARE FUND	PIONEER CENTER FUND	WESTERN OKLAHOMA HERITAGE CENTER FUND	RURAL FIRE PROTECTION FUND	FIREMEN FUND	RECYCLING FUND	AIRPORT OPERATIONS FUND	HOTEL/MOTEL OPERATING FUND	OTHER NONMAJOR FUNDS	TOTAL NONMAJOR SPECIAL REVENUE	DEBT SERVICE FUND	PERMANENT FUND	TOTAL OTHER GOVERN- MENTAL
<b>ASSETS</b>													
Cash on Hand	\$	\$ 50	\$	\$	\$	\$ 250	\$	\$ 200	\$ 500	\$	\$	\$ 500	\$
Cash in Bank, Including Time Deposits	8,220	76,809		72,207	62,451	284,198	4,610	354,740	1,046,004	1,909,239		230	1,909,469
Restricted Assets:													
Cash in Bank, Including Time Deposits							10,415		0		52,858	52,858	
Accounts Receivable, Net									10,415			10,415	
<b>TOTAL ASSETS</b>	<u>\$ 8,220</u>	<u>\$ 76,859</u>	<u>\$ 0</u>	<u>\$ 72,207</u>	<u>\$ 62,451</u>	<u>\$ 284,198</u>	<u>\$ 15,275</u>	<u>\$ 354,740</u>	<u>\$ 1,046,204</u>	<u>\$ 1,920,154</u>	<u>\$ 0</u>	<u>\$ 53,088</u>	<u>\$ 1,973,242</u>
<b>LIABILITIES</b>													
Accounts Payable	\$	\$	\$	\$	\$	\$	64	\$	15,877	15,941	\$	\$	15,941
<b>TOTAL LIABILITIES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64</u>	<u>0</u>	<u>15,877</u>	<u>15,941</u>	<u>0</u>	<u>0</u>	<u>15,941</u>
<b>FUND EQUITY</b>													
Nonspendable									0			52,858	52,858
Restricted	8,220			72,207			15,211	354,740	2,119,149	2,569,527			2,569,527
Committed		72,689			61,254	284,198			263,094	681,235			681,235
Assigned		4,170			1,197				77,298	82,665			82,665
Unassigned								(1,429,214)	(1,429,214)		230	(1,428,984)	
<b>TOTAL FUND EQUITY</b>	<u>8,220</u>	<u>76,859</u>	<u>0</u>	<u>72,207</u>	<u>62,451</u>	<u>284,198</u>	<u>15,211</u>	<u>354,740</u>	<u>1,030,327</u>	<u>1,904,213</u>	<u>0</u>	<u>53,088</u>	<u>1,957,301</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 8,220</u>	<u>\$ 76,859</u>	<u>\$ 0</u>	<u>\$ 72,207</u>	<u>\$ 62,451</u>	<u>\$ 284,198</u>	<u>\$ 15,275</u>	<u>\$ 354,740</u>	<u>\$ 1,046,204</u>	<u>\$ 1,920,154</u>	<u>\$ 0</u>	<u>\$ 53,088</u>	<u>\$ 1,973,242</u>

See accompanying auditor's report.

CITY OF WEATHERFORD, OKLAHOMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS  
 MODIFIED CASH BASIS  
 YEAR ENDING DECEMBER 31, 2022

	NONMAJOR SPECIAL REVENUE FUNDS											TOTAL OTHER GOVERN- MENTAL
	CEMETERY CARE FUND	PIONEER CENTER FUND	WESTERN OKLAHOMA HERITAGE CENTER FUND	RURAL FIRE PROTECTION FUND	FIREMEN FUND	RECYCLING FUND	AIRPORT OPERATIONS FUND	HOTEL/MOTEL OPERATING FUND	OTHER NONMAJOR FUNDS	TOTAL NONMAJOR SPECIAL REVENUE	DEBT SERVICE FUND	
<b>REVENUES</b>												
Charges for Services	\$ 2,569	\$ 18,184	\$	\$	\$ 38,137	\$ 95,553	\$	\$	\$ 154,443	\$	\$	\$ 154,443
Intergovernmental Revenue								2,627,254	2,627,254			2,627,254
Hotel/Motel Tax							315,660		315,660			315,660
Hotel/Motel Tax Funds Returned							1,334		1,334			1,334
Property Sales	2,906			2,250					5,156			5,156
Fines								93,041	93,041			93,041
Interest Income		26			90			2	118		237	355
Airport Rental and Fuel							796,759		796,759			796,759
Insurance Proceeds				29,776					29,776			29,776
Recovery of Expense				36,780					36,780			36,780
Miscellaneous							293	3,150	210,630	207,187		210,630
Donations				131			2,133		37,114	34,850		37,114
<b>TOTAL REVENUES</b>	<u>5,475</u>	<u>18,210</u>	<u>0</u>	<u>68,937</u>	<u>38,227</u>	<u>97,979</u>	<u>799,909</u>	<u>316,994</u>	<u>4,308,065</u>	<u>0</u>	<u>237</u>	<u>4,308,302</u>
<b>EXPENDITURES</b>												
Personal Services							165,258		165,258			165,258
Capital Outlay	16,442	2,892		33,908			36,356	2,728,719	2,818,317			2,818,317
Other Materials and Services		11,362	4,755		18,565	38,775	627,396	296,625	1,084,915			1,084,915
<b>TOTAL EXPENDITURES</b>	<u>16,442</u>	<u>14,254</u>	<u>4,755</u>	<u>33,908</u>	<u>18,565</u>	<u>38,775</u>	<u>829,010</u>	<u>296,625</u>	<u>4,068,490</u>	<u>0</u>	<u>0</u>	<u>4,068,490</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,967)	3,956	(4,755)	35,029	19,662	59,204	(29,101)	20,369	239,575	0	237	239,812
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers In			4,549						4,549			4,549
Transfers (Out)								(86,905)	(86,905)		(237)	(87,142)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	(10,967)	3,956	(206)	35,029	19,662	59,204	(29,101)	20,369	157,219		0	157,219
<b>FUND BALANCE</b>												
Beginning of Year	19,187	72,903	206	37,178	42,789	224,994	44,312	334,371	1,746,994		53,088	1,800,082
									0			0
End of Year	<u>\$ 8,220</u>	<u>\$ 76,859</u>	<u>\$ 0</u>	<u>\$ 72,207</u>	<u>\$ 62,451</u>	<u>\$ 284,198</u>	<u>\$ 15,211</u>	<u>\$ 354,740</u>	<u>\$ 1,904,213</u>	<u>\$ 0</u>	<u>\$ 53,088</u>	<u>\$ 1,957,301</u>

See accompanying auditor's report.

CITY OF WEATHERFORD, OKLAHOMA  
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES-  
 OTHER NONMAJOR SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS  
 DECEMBER 31, 2022

OTHER NONMAJOR SPECIAL REVENUE FUNDS

	MUNICIPAL COURT FUND	PROPERTY LEASE FUND	UNCLAIMED PROPERTY FUND	FEDERAL AVIATION ADMINISTRATION TERMINAL BLDG 3-40-0106-014-2021	ARMORY BUILDING FUND	DARE PROJECT FUND	EMERGENCY MANAGEMENT FUND	SPECIAL PROJECTS FUND	F. P. L. SPECIAL PROJECTS FUND	AMERICAN RECOVERY PLAN ACT	ECONOMIC DEVELOPMENT ADMINISTRATION GRANT	CDBG GRANT	NARCOTIC CONTROL FUND	INSITE GRANT	WESTERN OK LAW ENFORCEMENT SUMMIT FUND	POLICE GUN AND EQUIP. & ASSET FORFEITURE FUND	TOTAL OTHER NONMAJOR FUND
<b>ASSETS</b>																	
Cash on Hand	\$ 200	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 200
Cash in Bank, Including Time Deposits	5,839	41,052	213,172	(633,806)	1,500	29,102	36,217	(20,672)	5,677	2,108,782	(764,898)		20,698		151	3,190	1,046,004
Accounts Receivable, Net																	0
<b>TOTAL ASSETS</b>	<u>\$ 6,039</u>	<u>\$ 41,052</u>	<u>\$ 213,172</u>	<u>\$ (633,806)</u>	<u>\$ 1,500</u>	<u>\$ 29,102</u>	<u>\$ 36,217</u>	<u>\$ (20,672)</u>	<u>\$ 5,677</u>	<u>\$ 2,108,782</u>	<u>\$ (764,898)</u>	<u>\$ 0</u>	<u>\$ 20,698</u>	<u>\$ 0</u>	<u>\$ 151</u>	<u>\$ 3,190</u>	<u>\$ 1,046,204</u>
<b>LIABILITIES</b>																	
Accounts Payable	\$ 15,877	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 15,877
Due to Other Funds																	0
<b>TOTAL LIABILITIES</b>	<u>15,877</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,877</u>
<b>FUND EQUITY</b>																	
Restricted					1,500				5,677	2,108,782						3,190	2,119,149
Committed			213,150			29,102	36,217						20,691		151		263,094
Assigned		41,052	22										7				77,298
Unassigned	(9,838)			(633,806)				(20,672)			(764,898)						(1,429,214)
<b>TOTAL FUND EQUITY</b>	<u>(9,838)</u>	<u>41,052</u>	<u>213,172</u>	<u>(633,806)</u>	<u>1,500</u>	<u>29,102</u>	<u>36,217</u>	<u>(20,672)</u>	<u>5,677</u>	<u>2,108,782</u>	<u>(764,898)</u>	<u>0</u>	<u>20,698</u>	<u>0</u>	<u>151</u>	<u>3,190</u>	<u>1,030,327</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 6,039</u>	<u>\$ 41,052</u>	<u>\$ 213,172</u>	<u>\$ (633,806)</u>	<u>\$ 1,500</u>	<u>\$ 29,102</u>	<u>\$ 36,217</u>	<u>\$ (20,672)</u>	<u>\$ 5,677</u>	<u>\$ 2,108,782</u>	<u>\$ (764,898)</u>	<u>\$ 0</u>	<u>\$ 20,698</u>	<u>\$ 0</u>	<u>\$ 151</u>	<u>\$ 3,190</u>	<u>\$ 1,046,204</u>

See accompanying auditor's report.

CITY OF WEATHERFORD, OKLAHOMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - OTHER NONMAJOR SPECIAL REVENUE FUNDS  
 MODIFIED CASH BASIS  
 YEAR ENDING DECEMBER 31, 2022

OTHER NONMAJOR SPECIAL REVENUE FUNDS

	MUNICIPAL COURT FUND	PROPERTY LEASE FUND	UNCLAIMED PROPERTY FUND	FEDERAL AVIATION ADMINISTRATION TERMINAL BLDG 3-40-0106-014-2021	ARMORY BUILDING FUND	DARE PROJECT FUND	EMERGENCY MANAGEMENT FUND	SPECIAL PROJECTS FUND	F. P. L. SPECIAL PROJECTS FUND	AMERICAN RECOVERY PLAN ACT	ECONOMIC DEVELOPMENT ADMINISTRATION GRANT	CDBG GRANT	NARCOTIC CONTROL FUND	INSITE GRANT	WESTERN OK LAW ENFORCEMENT SUMMIT FUND	POLICE GUN AND EQUIP. & ASSET FORFEITURE FUND	TOTAL OTHER NONMAJOR FUND
<b>REVENUES</b>																	
Intergovernmental Revenue	\$	\$	\$	\$ 746,121	\$	\$	\$ 65,094	\$	\$	\$ 1,059,366	\$ 727,073	\$ 5,600	\$	\$ 24,000	\$	\$	\$ 2,627,254
Fines	93,041																93,041
Interest Income	2																2
Miscellaneous	152		206,915													120	207,187
Donations								9,850	25,000								34,850
<b>TOTAL REVENUES</b>	<u>93,195</u>	<u>0</u>	<u>206,915</u>	<u>746,121</u>	<u>0</u>	<u>0</u>	<u>65,094</u>	<u>9,850</u>	<u>25,000</u>	<u>1,059,366</u>	<u>727,073</u>	<u>5,600</u>	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>120</u>	<u>2,962,334</u>
<b>EXPENDITURES</b>																	
Capital Outlay				1,251,037			54,294		42,545		1,380,843						2,728,719
Other Materials and Services	4,242		3,950			11,581	14,734		2,000			5,600	21,330	24,000			87,437
<b>TOTAL EXPENDITURES</b>	<u>4,242</u>	<u>0</u>	<u>3,950</u>	<u>1,251,037</u>	<u>0</u>	<u>11,581</u>	<u>69,028</u>	<u>0</u>	<u>44,545</u>	<u>0</u>	<u>1,380,843</u>	<u>5,600</u>	<u>21,330</u>	<u>24,000</u>	<u>0</u>	<u>0</u>	<u>2,816,156</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	88,953	0	202,965	(504,916)	0	(11,581)	(3,934)	9,850	(19,545)	1,059,366	(653,770)	0	(21,330)	0	0	120	146,178
<b>OTHER FINANCING SOURCES (USES)</b>																	
Transfers In																	0
Transfers (Out)	(86,905)																(86,905)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	2,048	0	202,965	(504,916)	0	(11,581)	(3,934)	9,850	(19,545)	1,059,366	(653,770)	0	(21,330)	0	0	120	59,273
<b>FUND BALANCE</b>																	
Beginning of Year	(11,886)	41,052	10,207	(128,890)	1,500	40,683	40,151	(30,522)	25,222	1,049,416	(111,128)		42,028		151	3,070	971,054
End of Year	<u>(9,838)</u>	<u>41,052</u>	<u>213,172</u>	<u>(633,806)</u>	<u>1,500</u>	<u>29,102</u>	<u>36,217</u>	<u>(20,672)</u>	<u>5,677</u>	<u>2,108,782</u>	<u>(764,898)</u>	<u>0</u>	<u>20,698</u>	<u>0</u>	<u>151</u>	<u>3,190</u>	<u>1,030,327</u>

See accompanying auditor's report.

**CITY OF WEATHERFORD, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**MODIFIED CASH BASIS**  
**YEAR ENDING DECEMBER 31, 2022**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE -</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(UNFAVORABLE)</b>
<b>REVENUES</b>				
Sales and Use Tax	\$ 12,700,000	\$ 12,700,000	\$ 10,189,101	\$ (2,510,899)
Restricted Sales Tax	4,210,278	4,210,278	4,272,991	62,713
Tobacco Tax	100,000	100,000	92,509	(7,491)
Franchise Taxes	626,728	626,728	730,039	103,311
Licenses, Permits & Inspections	123,200	123,200	97,995	(25,205)
Intergovernmental Revenue	220,000	220,000	251,031	31,031
Cemetery Lots & Services	45,000	45,000	47,161	2,161
Swimming Pool	7,000	7,000	8,305	1,305
Fines	6,000	6,000	5,440	(560)
Rents & Royalties	19,000	19,000	24,048	5,048
Leases & Easements	36,000	36,000	54,404	18,404
Economic Development	100,000	100,000	141,885	41,885
Recovery of Expenditures	45,000	45,000	95,773	50,773
Interest	12,000	12,000	128,899	116,899
Property Sales	2,000	2,000	44,956	42,956
Insurance Proceeds			73,118	73,118
Donations	3,000	3,000	6,650	3,650
Other Miscellaneous	19,000	19,000	42,451	23,451
<b>TOTAL REVENUES</b>	<b>18,274,206</b>	<b>18,274,206</b>	<b>16,332,828</b>	<b>(1,941,378)</b>
<b>EXPENDITURES</b>				
Mayor and Commissioners	113,262	106,637	106,634	3
City Attorney	35,018	65,894	65,893	1
Administration	272,010	243,638	240,836	2,802
Municipal Court	190,950	176,679	176,677	2
Police Department	2,946,887	3,120,572	3,136,509	(15,937)
Fire Department	1,653,554	1,631,540	1,554,563	76,977
Street Department (Div. I)	499,421	464,421	464,417	4
Street Department (Div. II)	971,000	2,857,323	2,803,542	53,781
Central Garage	195,636	190,918	190,914	4
Parks Department	501,007	646,373	646,368	5
Cemetery Department	92,128	115,355	115,353	2
Swimming Pool	35,000	55,604	55,602	2
Inspection Department	139,588	120,525	120,522	3
Data Processing	35,000	37,903	37,902	1
Economic Development	118,146	109,382	118,978	(9,596)
Library	16,000	5,426	5,425	1
Senior Citizens	147,687	139,235	137,811	1,424
Building Maintenance	28,500	28,649	28,648	1
Capital Improvements	680,521	862,987	996,449	(133,462)
Restricted Sales Tax Payments:				
Hospital Authority	350,000	350,000	421,677	(71,677)
Local University	653,333	653,333	787,130	(133,797)
Public School	116,667	116,667	140,559	(23,892)
Capital Improvements	1,250,000	1,250,000	469,425	780,575
General Expense:				
Workers Compensation	120,000	113,309	113,309	0
Utilities	275,000	347,962	347,960	2
Insurance	130,000	160,519	160,519	0
Gasoline, Diesel & Oil	150,000	220,119	220,609	(490)
Other Materials and Service	136,875	116,095	116,092	3
<b>TOTAL EXPENDITURES</b>	<b>11,853,190</b>	<b>14,307,065</b>	<b>13,780,323</b>	<b>526,742</b>

(Continued on next page)

See the accompanying auditor's report.

**CITY OF WEATHERFORD, OKLAHOMA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
MODIFIED CASH BASIS  
YEAR ENDING DECEMBER 31, 2022**

(CONTINUED)

	BUDGET		ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)</b>	6,421,016	3,967,141	2,552,505	(1,414,636)
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Transfers In	200,000	200,000	187,141	(12,859)
Transfers (Out)	(7,292,436)	(7,355,150)	(2,472,284)	4,882,866
<b>TOTAL OTHER FINANCIAL SOURCES (USES)</b>	(7,092,436)	(7,155,150)	(2,285,143)	4,870,007
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	\$ (671,420)	\$ (3,188,009)	267,362	\$ 3,455,371
<b>FUND BALANCE</b>				
Beginning of Year			11,718,124	
			0	
End of Year			\$ 11,985,486	

See the accompanying auditor's report.

**Oklahoma Municipal Retirement Fund  
Employee Retirement System of Weatherford, Oklahoma**

**SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Value of Assets</b>	<b>Asset Valuation Basis</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Type</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
1/1/2012	1,884,886	Actuarial	3,728,616	EAN	1,843,729	50.6%	2,424,956	76.0%
1/1/2013	2,369,585	Actuarial	3,995,272	EAN	1,625,687	59.3%	2,433,866	66.8%
1/1/2014	2,946,018	Actuarial	4,541,787	EAN	1,595,769	64.9%	2,602,869	61.3%
7/1/2014	3,239,713	Actuarial	4,532,751	EAN	1,293,038	71.5%	2,515,639	51.4%
7/1/2015	3,794,522	Actuarial	5,090,706	EAN	1,296,184	74.5%	2,657,615	48.8%
7/1/2016	4,371,874	Actuarial	5,545,507	EAN	1,173,633	78.8%	2,736,200	42.9%
7/1/2017	4,991,505	Actuarial	6,319,436	EAN	1,327,931	79.0%	2,882,090	46.1%
7/1/2018	5,477,297	Actuarial	6,748,989	EAN	1,271,692	81.2%	2,705,793	47.0%
7/1/2019	5,966,781	Actuarial	7,319,798	EAN	1,353,017	81.5%	2,915,499	46.4%
7/1/2020	6,442,611	Actuarial	7,808,077	EAN	1,365,466	82.5%	3,020,571	45.2%
7/1/2021	7,217,661	Actuarial	7,962,847	EAN	745,186	90.6%	3,099,307	24.0%
7/1/2022	7,751,923	Actuarial	8,243,928	EAN	492,005	94.0%	3,006,521	16.4%

Covered Payroll is the total annualized rate of pay as of the valuation date based on actual pay for the preceding year.

Information taken from the actuarial reports for actuarial valuation date indicated.  
Actuarial valuation date was changed from January 1 to July 1 beginning 7/1/2014.

**CITY OF WEATHERFORD, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>FEDERAL AGENCY/ PROGRAM TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS-THOUGH GRANTOR NUMBER/ OR GRANT ID NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
United States Department of Transportation:			
Federal Aviation Administration	14.226	3-40-0106-016-2021	\$ 725,690
Federal Highway Administration	20.205	SPRY-0010 (087)PL	<u>9,600</u>
Total United States Dept. of Transportation			<u>735,290</u>
United States Department of Homeland Security			
Federal Emergency Management Agency			
Pass-through Oklahoma Department of Emergency Management			
Homeland Security Grant Program	97.073	Radio Project /IF #5	54,294
Homeland Security Grant Program	97.042	ODEMHS FY 21 EMPG	10,000
Homeland Security Grant Program	97.042	ODEMHS FY 21 EMPG-ARPA	<u>800</u>
Total United States Dept. of Homeland Security			<u>65,094</u>
United States Department of Commerce			
Economic Development Administration			
Economic Adjustment Assistance	11.307	08-79-05369	1,162,217
Pass-through the Oklahoma Dept. of Commerce			
Targeted Opportunities Award	11.307	ED22AUS3070005	<u>24,000</u>
Total United States Dept. of Commerce			<u>1,186,217</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,986,601</u></u>

Note 1 This Schedule of Expenditures of Federal Awards is prepared on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the accompanying financial statements. Expenditures are limited to the amount of Federal awards received from the granting agency, and does not include expenditures of local matching funds. Since it presents only a selected portion of the operations of the City of Weatherford, Oklahoma, it is not intended to and does not present the total assets, liabilities, and net assets, changes in net assets, or cash flows of the City of Weatherford, Oklahoma.

See accompanying auditor's report.



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**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Commissioners  
City of Weatherford, Oklahoma

We have audited, 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, the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Weatherford, Oklahoma, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Weatherford's financial statements and have issued our report dated December 28, 2023. The City prepares its financial statements on the modified cash basis of accounting, which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our report was qualified for the respective modified cash basis financial statements of the governmental activities, the business-type activities, and the major funds General, PWA, Stafford Museum, and the aggregate remaining governmental fund information of the City of Weatherford, Oklahoma, at December 31, 2022, based upon different interpretations of what constitutes the modified cash basis of accounting.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Weatherford's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose

of expressing our opinions on the accompanying financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying statement of findings and responses, we identified certain deficiencies in internal control that we considered to be a material weakness and a significant deficiency.

A deficiency in internal control exist 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. We consider the deficiencies described in the accompanying statement of findings and questioned costs as item 2022-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Weatherford, Oklahoma's accompanying financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 and other matters that are required to be reported under Government Auditing Standards.

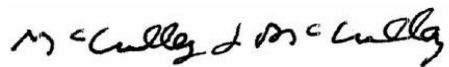
#### City of Weatherford, Oklahoma's Response to Findings

The City of Weatherford, Oklahoma's, response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of Weatherford's response was not subjected to the auditing procedures applied in the

audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.



Weatherford, Oklahoma

December 28, 2023

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Commissioners  
City of Weatherford, Oklahoma

Report on Compliance for each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Weatherford, Oklahoma's, compliance with the types of compliance requirements identified as subject to audit in the U. S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Weatherford, Oklahoma's, major federal programs for the year ended December 31, 2022. The City of Weatherford, Oklahoma's, major federal programs are identified in the summary of auditor's results section of the accompanying statement of findings and questioned costs.

In our opinion, the City of Weatherford, Oklahoma, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the

Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Weatherford, Oklahoma's federal programs.

#### Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on City of Weatherford, Oklahoma's, compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Weatherford, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Weatherford, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
3. Obtain an understanding of City of Weatherford, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of

expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

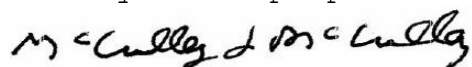
#### Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Weatherford, Oklahoma  
December 28, 2023

**CITY OF WEATHERFORD, OKLAHOMA  
STATEMENT OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**A. SUMMARY OF AUDIT RESULTS.**

**FINANCIAL STATEMENTS.**

1. The auditor's report issued a modified opinion on the governmental activities, business-type activities, each major fund, and the aggregate remaining funds based upon different interpretations of what constitutes the modified cash basis of accounting.
2. Internal control over financial reporting identified one material weakness and one significant deficiency during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

**FEDERAL AWARDS.**

1. The auditor's report on compliance for the major federal award programs issued an unmodified opinion on all major federal award programs.
2. Internal control over major programs identified no material weakness.
3. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in section C of this schedule.
4. The following programs were tested as a major program:

Assistance Listing 11.307 U. S. Department of  
Commerce Economic Development Administration
5. The threshold for distinguishing Types A and B programs was \$750,000.
6. City of Weatherford, Oklahoma, was not considered to be a low risk auditee.

**CITY OF WEATHERFORD, OKLAHOMA  
STATEMENT OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**B. FINANCIAL STATEMENT FINDINGS.**

**Material Weaknesses:**

**2022-001. Segregation of Duties.**

**CONDITION AND EFFECT** - The City has employees in several departments who have inappropriate segregation of duties. In some instances, there may be a limited number of employees in these departments. These conditions could result in material errors or fraud occurring and not be detected in a timely manner.

**RECOMMENDATION** - The City should review its personnel assignments and segregate these duties to the extent possible.

**CORRECTIVE ACTION PLAN** - The City has limited personnel and cannot adequately segregate duties. It will review its personnel assignments and consider modification to the extent possible.

**Significant Deficiencies:**

**2022-002. Municipal Court Accounting Records.**

**CONDITION AND EFFECT** - The City changed its municipal court record keeping system to the one offered by its software vendor. The City used this system to post the receipts to the accounting records. We did note that the municipal court accounting system did not post certain transactions to the accounting records (ie. child restitution, OBN drug and OSBI fees et al). The receipts can only be posted to the municipal court bond bank account by the system but the court uses a total of three bank accounts (municipal court bond, state assessment funds, and juvenile fund). The court will make actual bank deposits into all three bank accounts but no adjustments are made by journal entry in the accounting records to adjust the other bank accounts for the actual deposits that were made to them. This year the court posted some of the checks written in the municipal court bond fund and the accounting department also posted these in its monthly accounting adjustments. This resulted in duplicate postings. The court also only partially posted some checks that were written. No one was reviewing the accounting records and reconciling them to the respective bank statements at any time during the year. The result of these activities overstated the municipal



**CITY OF WEATHERFORD, OKLAHOMA  
STATEMENT OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**B. FINANCIAL STATEMENT FINDINGS (continued).**

**2021-002. Municipal Court Accounting Records (continued).**

court bond accounting bank balance and understated the state assessment fund accounting bank balance and the total overall related liabilities were understated. The juvenile fund did not have any activity for this calendar year. These balances have been adjusted for the audit.

**RECOMMENDATION** - When the City changes its systems, it needs to test the system at that time to ensure it is working properly. All deposits and checks should be posted to the accounting records. The City needs to make accounting entries to adjust the computer records to what is really happening in the different bank accounts. Accounting records should be reviewed and reconciled to the bank statements monthly. Recommend the accounting department reconcile the accounting records to the bank statements. Recommend the municipal court consider adjusting its methods and processes to utilize the computerized records more efficiently. The respective payable accounts would be used to determine the bonds outstanding, alcohol support payable, and state assessment payable.

**CORRECTIVE ACTION PLAN** - The city treasurer states the accounting department is understaffed and would like to hire a consulting firm to help in implementing these recommendations.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS.**

None.

**CITY OF WEATHERFORD, OKLAHOMA  
PRIOR YEAR AUDIT FINDINGS AND RESPONSES  
FOR THE YEAR ENDING DECEMBER 31, 2022**

**2021-001. Segregation of Duties.**

CONDITION AND EFFECT - The City has employees in several departments who have inappropriate segregation of duties. In some instances, there may be a limited number of employees in these departments. These conditions could result in material errors or fraud occurring and not be detected in a timely manner.

RECOMMENDATION - The City should review its personnel assignments and segregate these duties to the extent possible.

RESPONSE - The City has limited personnel and cannot adequately segregate duties. It will review its personnel assignments and consider modification to the extent possible.

UPDATED COMMENT - Situation the same. Comment repeated and included in the current year's audit report.

**2021-002. Municipal Court Accounting Records.**

CONDITION AND EFFECT - The City changed its municipal court record keeping system to the one offered by its software vendor. The City used this system to post the receipts to the accounting records. We did note that the municipal court accounting system did not post certain transactions to the accounting records (ie. child restitution, OBN drug and OSBI fees et al). The receipts can only be posted to the municipal court bond bank account by the system but the court uses a total of three bank accounts (municipal court bond, state assessment funds, and juvenile fund). The receipts can only be posted to one bank account by the system but the court uses three bank accounts. The court will make actual bank deposits into all three bank accounts but no adjustments are made by journal entry in the accounting records to adjust the other bank accounts for the actual deposits that were made to them. This year the court posted some of the checks written in the municipal court bond fund and the accounting department also posted these in its monthly accounting adjustments. This resulted in duplicate postings. The court also only partially posted some checks that were written. No one was reviewing the accounting records and reconciling them to the respective bank statements at any time during the year. The result of these activities overstated the municipal court bond accounting bank balance and understated the state assessment fund accounting

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**2021-002. Municipal Court Accounting Records (continued).**

bank balance and the total overall related liabilities were understated. The juvenile fund did not have any activity for this calendar year. These balances have been adjusted for the audit.

RECOMMENDATION - When the City changes its systems, it needs to test the system at that time to ensure it is working properly. All deposits and checks should be posted to the accounting records. The City needs to make accounting entries to adjust the computer records to what is really happening in the different bank accounts. Accounting records should be reviewed and reconciled to the bank statements monthly. Recommend the accounting department reconcile the accounting records to the bank statements. Recommend the municipal court consider adjusting its methods and processes to utilize the computerized records more efficiently. The respective payable accounts would be used to determine the bonds outstanding, alcohol support payable, and state assessment payable.

RESPONSE - The city treasurer states the accounting department is understaffed and would like to hire a consulting firm to help in implementing these recommendations.

UPDATED COMMENT - Situation mostly the same. Comment repeated and included in the current year's audit report.