



**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**THE CITY OF GUTHRIE,
OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended September 30, 2023

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended September 30, 2023

TABLE OF CONTENTS

	Page
Independent Auditor's Report on Financial Statements.....	5-6
Required Supplementary Information:	
Management's Discussion and Analysis	7-15
The Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Governmental Funds Financial Statements:	
Balance Sheet	20
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	21
Reconciliation of Governmental Funds and Government-Wide Financial Statements...	22-23
Proprietary Funds Financial Statements:	
Statement of Net Position.....	25
Statement of Revenues, Expenses, and Changes in Net Position.....	26
Statement of Cash Flows.....	27
Footnotes to the Basic Financial Statements	28-67
Required Supplementary Information:	
Budgetary Comparison Information (Budgetary Basis):	
Budgetary Comparison Schedule – General Fund.....	69
Budgetary Comparison Schedule – Grant Fund.....	70
Footnotes to Budgetary Comparison Schedules.....	71
Post-employment Benefit Plan Information	
Schedule of Share of Net Pension Liability – Firefighter's Pension & Retirement System.....	72
Schedule of City Contributions – Firefighter's Pension & Retirement System.....	72
Schedule of Share of Net Pension Liability (Asset)– Police Pension & Retirement System...	73
Schedule of City Contributions – Police Pension & Retirement System.....	73
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - OkMRF.....	74
Schedule of Employer Contributions – OkMRF.....	74
OPEB Schedule of Funding Progress.....	75
Other Supplementary Information:	
Nonmajor Governmental Fund Combining Statements	
Combining Balance Sheet – Nonmajor Governmental Funds.....	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	77

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended September 30, 2023

TABLE OF CONTENTS

General Fund Accounts Combining Schedules

Combining Balance Sheet – General Fund Accounts.....	78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund Accounts.....	79

Guthrie Public Works Authority Enterprise Fund Accounts Combining Schedules

Combining Schedule of Net Position.....	80
Combining Schedule of Revenues, Expenses and Changes in Net Position.....	81

Single Audit and Internal Control and Compliance over Financial Reporting:

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.....	83
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	85-86
Schedule of Expenditures of Federal Awards.....	87
Footnotes to Schedule of Expenditures of Federal Awards.....	88
Schedule of Findings and Questioned Costs	89
Status of Prior Year Audit Findings.....	89



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and post-employment benefit plan information on pages 7-15 and 69-74 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Elfrink and Associates, PLLC

Elfrink and Associates, PLLC
Tulsa, Oklahoma

July 5, 2024

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

Our discussion and analysis of the City of Guthrie's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended September 30, 2023, the City's total net position increased by \$4,399,547 from the prior year net position.
- During the year, the City's expenses for governmental activities were \$15 million and were funded by program revenues of \$6.2 million and further funded with taxes and other general revenues that totaled \$10.8 million.
- In the City's business-type activities, such as utilities, program revenues exceed expenses by \$638,596.
- Sales and use taxes increased by \$747,567 or 8% from the prior fiscal year.
- At September 30, 2023, the General Fund reported an unassigned fund balance of \$4,338,932, which is an increase of 30% from the prior year unassigned fund balance.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of \$658,966 or 6%, while expenditures were under the final appropriations by \$557,580 or 7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Guthrie (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39 and 61. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets), and deferred outflows as well as all liabilities (including all long-term debt), and deferred inflows.

About the City

The City of Guthrie is an incorporated municipality with a population of approximately 10,191 located in central Oklahoma. The City is a home rule charter form of government and operates under a charter that provides for three branches of government:

- Legislative – the City Council is a seven-member governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, and certain utility services including water, wastewater, and sanitation.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

The City's Financial Reporting Entity

This annual report includes all activities for which the City of Guthrie City Council is fiscally responsible. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

The City's financial reporting entity includes the primary government (City of Guthrie) and the component units as follows:

- **The City of Guthrie** – that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities
- **The City of Guthrie Public Works Authority** – (blended) that operates the water, sewer, and sanitation services of the City
- **The Guthrie Industrial Development Authority** – (blended) that operates to finance, develop and promote industrial development activities.
- **The Guthrie Public Transportation Authority** – (currently inactive) that, when active, operates to finance, acquire, construct, operate and provide improvements, services or facilities of the City.
- **The Guthrie Transportation Authority** – (currently inactive) that, when active, operates to furnish and supply facilities, property and equipment for transportation needs regarding tourism.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements
- **Supplemental Information** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the difference between assets and deferred outflows and liabilities and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, and sanitation activities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in reconciliations following the Governmental Fund financial statements.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position increased from \$40 million to \$44 million between fiscal years 2022 and 2023.

TABLE 1
NET POSITION (In Thousands)

	<u>Governmental Activities</u>		<u>% Inc. (Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc. (Dec.)</u>	<u>Total</u>		<u>% Inc. (Dec.)</u>
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Current assets	\$ 13,953	\$ 12,093	15%	\$ 8,560	\$ 7,450	15%	\$ 22,513	\$ 19,543	15%
Capital assets, net	17,551	17,326	1%	43,089	38,495	12%	60,640	55,821	9%
Total assets	<u>31,504</u>	<u>29,419</u>	7%	<u>51,649</u>	<u>45,945</u>	12%	<u>83,153</u>	<u>75,364</u>	10%
Deferred outflows of resources	3,757	4,079	-8%	569	736	-23%	4,326	4,815	-10%
Current liabilities	848	1,037	-18%	4,382	4,311	2%	5,230	5,348	-2%
Non-current liabilities	9,951	10,450	-5%	26,703	23,717	13%	36,654	34,167	7%
Total liabilities	<u>10,799</u>	<u>11,487</u>	-6%	<u>31,085</u>	<u>28,028</u>	11%	<u>41,884</u>	<u>39,515</u>	6%
Deferred inflows of resources	1,146	751	53%	330	193	71%	1,476	944	56%
Net position									
Net investment in capital assets	16,133	15,666	3%	14,579	12,538	16%	30,712	28,204	9%
Restricted	1,810	394	359%	662	624	6%	2,472	1,018	143%
Unrestricted	5,373	5,200	3%	5,562	5,298	5%	10,935	10,498	4%
Total net position	<u>\$ 23,316</u>	<u>\$ 21,260</u>	10%	<u>\$ 20,803</u>	<u>\$ 18,460</u>	13%	<u>\$ 44,119</u>	<u>\$ 39,720</u>	11%

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. For 2023, this net investment in capital assets amounted to \$30.7 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$2.5 million, also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is available to meet the government's ongoing obligations to citizens and creditors.

Restricted net position for governmental activities increased approximately \$1.4 million. This is due primarily to a decrease in transfers out in the capital project fund in the current fiscal year. Total fund balance increased in the capital project fund in the amount of \$1.8 million.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

The increase/decrease in deferred outflows, deferred inflows and other liabilities relates mostly to differences in actual investment earnings versus projected investment earnings, among other things, in all three defined benefit retirement plans.

Changes in Net Position

For the year ended September 30, 2023, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Revenues									
Charges for service	\$ 2,936	\$ 3,014	-3%	\$ 7,586	\$ 7,095	7%	\$ 10,522	\$ 10,109	4%
Operating grants and contributions	1,965	1,443	36%	-	-	-	1,965	1,443	36%
Capital grants and contributions	1,308	535	144%	-	-	-	1,308	535	144%
Taxes	11,007	9,988	10%	-	-	-	11,007	9,988	10%
Intergovernmental revenue	247	256	-4%	615	660	-7%	862	916	-6%
Investment income	70	22	218%	58	17	241%	128	39	228%
Miscellaneous	530	408	30%	17	8	113%	547	416	31%
Total revenues	<u>18,063</u>	<u>15,666</u>	15%	<u>8,276</u>	<u>7,780</u>	6%	<u>26,339</u>	<u>23,446</u>	12%
Expenses									
General government	2,501	2,268	10%	-	-	-	2,501	2,268	10%
Public safety	8,841	8,141	9%	-	-	-	8,841	8,141	9%
Streets	1,034	1,000	3%	-	-	-	1,034	1,000	3%
Culture, parks and recreation	1,526	1,589	-4%	-	-	-	1,526	1,589	-4%
Airport	869	898	-3%	-	-	-	869	898	-3%
Economic development	184	175	5%	-	-	-	184	175	5%
Interest on long-term debt	37	37	0%	-	-	-	37	37	0%
Water	-	-	-	2,889	2,797	3%	2,889	2,797	3%
Wastewater	-	-	-	2,257	1,679	34%	2,257	1,679	34%
Sanitation	-	-	-	1,801	1,872	-4%	1,801	1,872	-4%
Total expenses	<u>14,992</u>	<u>14,108</u>	6%	<u>6,947</u>	<u>6,348</u>	9%	<u>21,939</u>	<u>20,456</u>	7%
Excess (deficiency) before transfers	3,071	1,558	97%	1,329	1,432	-7%	4,400	2,990	47%
Transfers	(1,015)	79	-1385%	1,015	(79)	-1385%	-	-	0%
Change in net position	<u>2,056</u>	<u>1,637</u>	-26%	<u>2,344</u>	<u>1,353</u>	73%	<u>4,400</u>	<u>2,990</u>	47%
Beginning net position	<u>21,260</u>	<u>19,623</u>	8%	<u>18,459</u>	<u>17,107</u>	8%	<u>39,719</u>	<u>36,730</u>	8%
Ending net position	<u>\$ 23,316</u>	<u>\$ 21,260</u>	10%	<u>\$ 20,803</u>	<u>\$ 18,460</u>	13%	<u>\$ 44,119</u>	<u>\$ 39,720</u>	11%

Explanations for changes in excess of 20% and \$350,000 are as follows:

Governmental Activities:

Capital and operating grants and contributions revenue increased due to the City being awarded more grants in the current year than in the prior year.

Net transfer difference is due to the decrease in transfers out from the capital project fund.

Business-Type Activities:

Wastewater expense increased due to the increase in admin/general government expense in business-type activities. These administrative overhead departments are allocated at the government wide level for presentation.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue even if restricted for a specific purpose.

TABLE 3
Net Revenue (Expense) of Governmental Activities
(In Thousands)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
General government	\$ 2,501	\$ 2,268	10%	(\$621)	(\$1,483)	-58%
Public safety	8,841	8,141	9%	(5,345)	(4,827)	11%
Streets	1,034	1,000	3%	(657)	(564)	16%
Culture, parks and recreation	1,526	1,589	-4%	(1,286)	(1,323)	-3%
Airport	869	898	-3%	(652)	(714)	-9%
Economic development	184	175	5%	(184)	(168)	10%
Interest on long-term debt	37	37	0%	(38)	(38)	0%
Total	<u>\$ 14,992</u>	<u>\$ 14,108</u>	6%	<u>(\$8,783)</u>	<u>(\$9,117)</u>	-4%

Explanations for significant changes are listed above under Table 2.

Business-type Activities

TABLE 4
Net Revenue (Expense) of Business-Type Activities
(In Thousands)

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Water	\$ 2,889	\$ 2,797	3%	\$ 1,160	\$ 885	31%
Wastewater	2,257	1,679	34%	(333)	124	-369%
Sanitation	1,801	1,872	-4%	(188)	(262)	-28%
Total	<u>\$ 6,947</u>	<u>\$ 6,348</u>	9%	<u>\$ 639</u>	<u>\$ 747</u>	-14%

The City's business-type activities include utility services for water, wastewater, and sanitation.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$12.9 million or a 21% increase. The enterprise funds reported combined net position of \$20.8 million or an 13% increase from prior year.

Other fund highlights include:

- For the year ended September 30, 2023, the General Fund's total fund balance increased by \$1,047,062 or 19%.
- The General Fund has \$4,338,932 of unassigned fund balance while an additional \$1,514,170 is committed for stabilization, and \$666,151 is currently assigned for various purposes.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections (including transfers in) of 3% or \$617,840 and an increase in appropriations (including transfers out) of 3% or \$617,840. Actual revenues were over estimates by \$658,966 or 6%, while expenditures were under final appropriations by \$557,580 or 7%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of September 30, 2023, the City had \$60.6 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, and water lines and sewer lines. (See Table 5). This represents a net increase of approximately \$4.8 million over last year.

TABLE 5
Capital Assets
(In Thousands)
(Net of accumulated depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2021</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 2,155	\$ 2,155	\$ 791	\$ 791	\$ 2,946	\$ 2,946
Buildings	1,456	1,413	11,812	12,268	13,268	13,681
Imp. other than buildings	4,149	4,464	609	682	4,758	5,146
Machinery, furniture and equipment	3,970	3,103	917	1,150	4,887	4,253
Infrastructure	4,632	5,371	-	-	4,632	5,371
Utility property	-	-	7,604	8,453	7,604	8,453
Construction in progress	992	761	21,355	15,149	22,347	15,910
Leased assets	43	58	-	-	43	58
SBITA assets	154	-	-	-	154	-
Totals	\$ 17,551	\$ 17,325	\$ 43,088	\$ 38,493	\$ 60,639	\$ 55,818

This year's more significant capital asset additions included:

Motorola Fire Radios	\$229,271
Wastewater Treatment Plan	\$4,686,926
Water System Improvements	\$1,336,486
Downtown Street Scape	\$259,317

See Note 5 to the financial statements for more detail information on the City's capital assets and changes therein.

CITY OF GUTHRIE, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended September 30, 2023

Long- Term Debt

At year-end, the City had \$30.2 million in long-term debt outstanding which represents a \$3.3 million or 12.4% increase from the prior year. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Long-Term Debt
(In Thousands)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022-2023</u>
Lease obligations	\$ 44	\$ 59	\$ -	\$ -	\$ 44	\$ 59	-25.4%
Refundable grant obligation	2	14	-	-	2	14	-85.7%
Subscription based IT obligation	106	-	-	-	106	-	100.0%
Sales tax/ utility system revenue note	1,158	1,298	9,182	10,467	10,340	11,765	-12.1%
Notes Payable	31	62	18,650	14,314	18,681	14,376	29.9%
Accrued compensated absences	588	570	55	53	643	623	3.2%
Totals	\$ 1,929	\$ 2,003	\$ 27,887	\$ 24,834	\$ 29,816	\$ 26,837	11.1%

See Note 6 to the financial statements for more detail information on the City's long-term debt and changes therein.

The Economic Outlook

The City will continue with the construction of the new wastewater treatment facility. The City will also continue with various construction projects related to different departments.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City's Treasurer at 101 North Second Guthrie, Oklahoma 73044 or telephone at 405-282-2489.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Statement of Net Position– September 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 11,494,492	\$ 7,432,059	\$ 18,926,551
Investments	-	99,000	99,000
Accounts receivable, net of allowance	591,840	1,028,915	1,620,755
Internal balances	(133)	133	-
Due from other governmental agencies	1,722,422	-	1,722,422
Lease receivable	22,171	-	22,171
Net pension asset	122,586	-	122,586
Capital Assets:			
Land and construction in progress	3,146,602	22,146,102	25,292,704
Other capital assets, net of depreciation	14,207,076	20,942,797	35,149,873
Equipment leased, net of amortization	43,124	-	43,124
Subscription asset, net of amortization	153,880	-	153,880
Total Assets	<u>31,504,060</u>	<u>51,649,006</u>	<u>83,153,066</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	3,446,118	309,072	3,755,190
Deferred amounts related to OPEB	310,414	260,467	570,881
	<u>3,756,532</u>	<u>569,539</u>	<u>4,326,071</u>
LIABILITIES			
Accounts payable and accrued expenses	549,228	891,743	1,440,971
Accrued interest payable	14,010	125,903	139,913
Due to depositors	-	514,734	514,734
Due to bondholders	1,100	-	1,100
Unearned income	-	771,868	771,868
Long-term liabilities:			
Due within one year	283,298	2,078,130	2,361,428
Due in more than one year	2,372,198	26,529,052	28,901,250
Net pension liability	7,578,794	174,141	7,752,935
Total liabilities	<u>10,798,628</u>	<u>31,085,571</u>	<u>41,884,199</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	515,418	49,577	564,995
Deferred amounts related to leases	32,886	-	32,886
Deferred amounts related to OPEB	597,300	280,661	877,961
	<u>1,145,604</u>	<u>330,238</u>	<u>1,475,842</u>
NET POSITION			
Net investment in capital assets	16,132,994	14,579,153	30,712,147
Restricted for:			
Capital projects	1,206,533	-	1,206,533
Debt Service	72,227	661,836	734,063
Sports Fields	202,487	-	202,487
Cemetery	30,434	-	30,434
Parks	169,154	-	169,154
Small business loan program	128,680	-	128,680
Unrestricted	5,373,851	5,561,747	10,935,598
Total net position	<u>\$ 23,316,360</u>	<u>\$ 20,802,736</u>	<u>\$ 44,119,096</u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Statement of Activities –Year Ended September 30, 2023

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government								
Governmental Activities								
General Government	\$ 2,500,722	\$ -	\$ 215,704	\$ 573,589	\$ 1,090,706	\$ (620,723)	\$ -	\$ (620,723)
Public Safety	8,840,953	-	2,154,701	1,266,553	74,151	(5,345,548)	-	(5,345,548)
Streets	1,033,981	-	238,054	104,358	34,600	(656,969)	-	(656,969)
Culture and Recreation	1,525,867	-	169,055	20,684	49,933	(1,286,195)	-	(1,286,195)
Airport	869,182	-	157,986	38	59,000	(652,158)	-	(652,158)
Economic Development	183,741	-	-	-	-	(183,741)	-	(183,741)
Interest on Long-term debt	37,810	-	-	-	-	(37,810)	-	(37,810)
Total governmental activities	14,992,256	-	2,935,500	1,965,222	1,308,390	(8,783,144)	-	(8,783,144)
Business-Type Activities:								
Water	1,208,120	1,681,124	4,049,343	-	-	-	1,160,099	1,160,099
Wastewater	1,184,138	1,072,680	1,923,792	-	-	-	(333,026)	(333,026)
Sanitation	1,339,352	461,568	1,612,443	-	-	-	(188,477)	(188,477)
General Government	1,704,366	(1,704,366)	-	-	-	-	-	-
Administration	467,039	(467,039)	-	-	-	-	-	-
Line Maintenance	964,419	(964,419)	-	-	-	-	-	-
Meter Operations	79,548	(79,548)	-	-	-	-	-	-
Total business-type activities	6,946,982	-	7,585,578	-	-	-	638,596	638,596
Total primary government	\$ 21,939,238	\$ -	\$ 10,521,078	\$ 1,965,222	\$ 1,308,390	\$ (8,783,144)	\$ 638,596	\$ (8,144,548)
General revenues:								
Taxes:								
Sales and use taxes						\$ 9,998,402	\$ -	\$ 9,998,402
Property taxes						432	-	432
Franchise taxes and public service taxes						582,721	-	582,721
Hotel/motel taxes						426,254	-	426,254
Intergovernmental revenue not restricted to specific programs						247,153	614,651	861,804
Unrestricted investment earnings						69,960	58,020	127,980
Miscellaneous						529,834	16,668	546,502
Transfers						(1,015,338)	1,015,338	-
Total general revenues and transfers						10,839,418	1,704,677	12,544,095
Change in net position						2,056,274	2,343,273	4,399,547
Net position - beginning						21,260,086	18,459,463	39,719,549
Net position - ending						\$ 23,316,360	\$ 20,802,736	\$ 44,119,096

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Governmental Funds Balance Sheet - September 30, 2023

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 5,468,821	\$ 280,160	\$ 4,321,390	\$ 1,424,121	\$ 11,494,492
Receivable from other governments	1,314,366	387,367	-	19,486	1,721,219
Due from other funds	-	-	-	144	144
Taxes receivable, net	51,910	-	-	16,286	68,196
Court fines receivable, net	182,777	-	-	-	182,777
Ambulance receivable, net	253,700	-	-	-	253,700
Utilities receivable, net	-	-	87,167	-	87,167
Other receivables	1,203	-	-	-	1,203
Lease receivable	22,171	-	-	-	22,171
Total assets	<u>\$ 7,294,948</u>	<u>\$ 667,527</u>	<u>\$ 4,408,557</u>	<u>\$ 1,460,037</u>	<u>\$ 13,831,069</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 153,540	\$ 70,324	\$ 1	\$ 26,402	\$ 250,267
Accrued payroll payable	296,935	-	-	-	296,935
Due to other funds	110	-	167	-	277
Due to bondholders	1,100	-	-	-	1,100
Payable to other governments	2,025	-	-	-	2,025
Other accrued expenses	-	-	14,010	-	14,010
Total liabilities	<u>453,710</u>	<u>70,324</u>	<u>14,178</u>	<u>26,402</u>	<u>564,614</u>
Deferred inflows of resources:					
Deferred inflow lease	32,886	-	-	-	32,886
Unavailable revenue	289,099	32,487	51,649	-	373,235
Total deferred inflows	<u>321,985</u>	<u>32,487</u>	<u>51,649</u>	<u>-</u>	<u>406,121</u>
Fund balances:					
Restricted	-	-	1,292,171	531,354	1,823,525
Committed	1,514,170	-	-	-	1,514,170
Assigned	666,151	564,716	3,050,559	902,281	5,183,707
Unassigned	4,338,932	-	-	-	4,338,932
Total fund balances	<u>6,519,253</u>	<u>564,716</u>	<u>4,342,730</u>	<u>1,433,635</u>	<u>12,860,334</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,294,948</u>	<u>\$ 667,527</u>	<u>\$ 4,408,557</u>	<u>\$ 1,460,037</u>	<u>\$ 13,831,069</u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended September 30, 2023

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 10,581,123	\$ -	\$ -	\$ 508,503	\$ 11,089,626
Intergovernmental	1,298,799	1,618,574	546,819	55,020	3,519,212
Licenses and permits	161,966	-	-	-	161,966
Charges for services	2,142,866	-	238,054	31,334	2,412,254
Fees and fines	135,922	-	-	-	135,922
Investment earnings	37,172	2,716	26,765	3,307	69,960
Miscellaneous	531,823	-	-	52,342	584,165
Total revenues	<u>14,889,671</u>	<u>1,621,290</u>	<u>811,638</u>	<u>650,506</u>	<u>17,973,105</u>
EXPENDITURES					
Current:					
General government	2,223,180	270	281	4,545	2,228,276
Public safety	7,659,650	41,993	-	-	7,701,643
Public works	574,496	-	-	-	574,496
Culture and recreation	1,051,948	2,677	-	183,381	1,238,006
Economic development	179,670	-	-	-	179,670
Airport	179,212	-	-	-	179,212
Capital outlay	709,940	2,314,960	229,199	605,283	3,859,382
Debt service:					
Principal	33,061	-	187,004	12,500	232,565
Interest and other charges	4,477	-	31,815	-	36,292
Total expenditures	<u>12,615,634</u>	<u>2,359,900</u>	<u>448,299</u>	<u>805,709</u>	<u>16,229,542</u>
Excess (deficiency) of revenues over expenditures	<u>2,274,037</u>	<u>(738,610)</u>	<u>363,339</u>	<u>(155,203)</u>	<u>1,743,563</u>
OTHER FINANCING SOURCES (USES)					
Other source - SBITA proceeds	138,782	-	-	-	138,782
Other source - receipt of loan receivable	-	-	-	9,500	9,500
Transfers in	9,336,230	10,703	2,094,610	579,811	12,021,354
Transfers out	(10,701,987)	(163,827)	(670,019)	(105,288)	(11,641,121)
Total other financing sources and uses	<u>(1,226,975)</u>	<u>(153,124)</u>	<u>1,424,591</u>	<u>484,023</u>	<u>528,515</u>
Net change in fund balances	1,047,062	(891,734)	1,787,930	328,820	2,272,078
Fund balances - beginning	5,472,191	1,456,450	2,554,800	1,104,815	10,588,256
Fund balances - ending	<u>\$ 6,519,253</u>	<u>\$ 564,716</u>	<u>\$ 4,342,730</u>	<u>\$ 1,433,635</u>	<u>\$ 12,860,334</u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$ 12,860,334
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	17,550,682
Net pension asset not reported in the funds	122,586
Pension related deferred outflows not reported in the funds	3,446,118
OPEB related deferred outflows not reported in the funds	310,414
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	373,235
Net pension liability not reported in the funds	(7,578,794)
Some liabilities (such as Notes Payable, Long-term Compensated Absences and Total OPEB Liability), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	(2,655,497)
Pension related deferred inflows not reported in the funds	(515,418)
OPEB related deferred inflows not reported in the funds	(597,300)
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 23,316,360</u></u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Net change in fund balances - total governmental funds: \$ 2,272,078

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	2,115,823
SBITA assets capitalized	192,350
Depreciation expense	(2,013,338)
Donated assets	11,408
Amortization expense	(53,709)
CIP expensed	(28,000)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	39,599
-------------------------------	--------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal payments on long-term debt	183,121
Principal payments on leases	14,865
Principal payments on SBITA	33,061
SBITA proceeds	(138,782)

In the Statement of Activities, the net cost of pension benefits earned is calculated and is reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.

(779,321)

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in Total OPEB liability	225,116
Change in accrued compensated absences	(17,997)
Change in net position of governmental activities	\$ 2,056,274

See accompanying notes to the basic financial statements.

**CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Proprietary Funds Statement of Net Position - September 30, 2023

	<u>Guthrie Public</u> <u>Works Authority</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,169,525
Restricted:	
Cash and cash equivalents	1,262,534
Investments	99,000
Due from other funds	133
Accounts receivable, net	1,028,915
Total current assets	<u>8,560,107</u>
Non-current assets:	
Capital assets:	
Land and construction in progress	22,146,102
Other capital assets, net of accumulated depreciation	20,942,797
Total non-current assets	<u>43,088,899</u>
Total assets	<u>51,649,006</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	309,072
Deferred amounts related to OPEB	260,467
Total deferred outflows of resources	<u>569,539</u>
LIABILITIES	
Current liabilities:	
Accounts payable	852,448
Salaries payable	39,295
Accrued interest payable	125,903
Unearned revenue	771,868
Deposits subject to refund	514,734
Compensated absences	5,473
Lease obligation	78,731
Notes payable	1,993,926
Total current liabilities	<u>4,382,378</u>
Non-current liabilities:	
Compensated absences	49,266
Capital lease obligation	279,171
Notes payable	25,838,199
Total OPEB liability	362,416
Net pension liability	174,141
Total non-current liabilities	<u>26,703,193</u>
Total liabilities	<u>31,085,571</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	49,577
Deferred amounts related to OPEB	280,661
Total deferred inflows of resources	<u>330,238</u>
NET POSITION	
Net investment in capital assets	14,579,153
Restricted for debt service	661,836
Unrestricted	5,561,747
Total net position	<u>\$ 20,802,736</u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended September 30, 2023

	<u>Guthrie Public</u> <u>Works Authority</u>
REVENUES	
Water	\$ 4,049,343
Sewer	1,923,802
Sanitation	1,612,443
Rents and royalties	3,000
Miscellaneous	13,658
Total operating revenues	<u>7,602,246</u>
OPERATING EXPENSES	
General government	804,039
Administration	467,039
Water	932,323
Wastewater	379,101
Sanitation	1,114,920
Landfill operations	185,556
Line maintenance	844,933
Meter operations	127
Depreciation	1,698,455
Total Operating Expenses	<u>6,426,493</u>
Operating income	<u>1,175,753</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	58,020
Operating grants and contributions	614,651
Interest expense	<u>(520,489)</u>
Total non-operating revenue (expenses)	<u>152,182</u>
Income before contributions and transfers	1,327,935
Capital contributions	1,395,571
Transfers in	9,387,134
Transfers out	<u>(9,767,367)</u>
Change in net position	2,343,273
Total net position - beginning	18,459,463
Total net position - ending	<u><u>\$ 20,802,736</u></u>

See accompanying notes to the basic financial statements.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Proprietary Funds Statement of Cash Flows - Year Ended September 30, 2023

	<u>Guthrie Public Works Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and others	\$ 8,031,751
Payments to suppliers and employees	(5,180,949)
Receipts of customer meter deposits	90,218
Refunds of customer meter deposits	(76,652)
Interfund receipts/payments	(3,048)
Net cash provided by operating activities	<u>2,861,320</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	9,387,134
Transfers to other funds	(9,767,367)
Noncapital grants and contribution	1,023,124
Net cash provided by (used in) noncapital financing activities	<u>642,891</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(5,512,324)
Proceeds from debt	5,317,515
Principal paid on debt	(1,908,890)
Interest and fiscal agent fees paid on debt	(536,854)
Net cash provided by (used in) capital and related financing activities	<u>(2,640,553)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	58,015
Net cash provided by investing activities	<u>58,015</u>
Net increase (decrease) in cash and cash equivalents	921,673
Balances - beginning of year	<u>6,510,386</u>
Balances - end of year	<u>\$ 7,432,059</u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 6,169,525
Restricted cash and cash equivalents - current	1,262,534
Total cash and cash equivalents, end of year	<u>\$ 7,432,059</u>
Reconciliation of operating income to net cash provided by Operating Activities:	
Operating income	\$ 1,175,753
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,698,455
Operating grants and contributions	614,651
Change in assets and liabilities:	
Due from other funds	340
Due to other funds	(3,388)
Accounts receivable	(185,145)
Accounts payable	(550,004)
Net pension liability	41,677
Accrued salaries payable	(5,276)
Total OPEB liability	58,928
Deposits subject to refund	13,564
Accrued compensated absences	1,765
Net cash provided by operating activities	<u>\$ 2,861,320</u>
Noncash activities:	
Contributed capital assets	<u>\$ 1,395,571</u>

See accompanying notes to the basic financial statements.

**CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023**

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Guthrie) and the blended component units as noted below. This annual report includes all activities for which the City of Guthrie City Council/Manager is fiscally responsible.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – An Amendment of GASB Statement No. 14 and No. 34" and includes all component units for which the City is financially accountable.

The City of Guthrie – that provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of Guthrie has a population of approximately 10,191 located in central Oklahoma. The City is a Council/Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, street maintenance, culture, parks and recreation, airport, and certain utility services including water, wastewater, and sanitation.

Component Units:

- **The City of Guthrie Public Works Authority** – (Blended) that operates the water, sewer, and sanitation services of the City.
- **The Guthrie Industrial Development Authority** – (Blended) that operates to finance, develop and promote industrial development activities.
- **The Guthrie Public Transportation Authority** – (Currently inactive) that when active, operates to finance, acquire, construct, operate and provide improvements, services or facilities of the City.
- **The Guthrie Transportation Authority** – (Currently inactive) that, when active, operates to furnish and supply facilities, property and equipment for transportation needs regarding tourism.

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

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Program revenues in the Statement of Activities are revenues that are derived directly from each activity or from parties outside of the City's taxpayers. The City has the following program revenues in each activity:

- Public Safety – Fire, Police, Ambulance – fines and forfeitures, ambulance fees, fire run charges, 911 revenue and restricted operating and capital grants.
- Airport – rental fees, reimbursements from the City of Edmond, and capital grants.
- Streets – Commercial vehicle and gasoline excise tax shared by the State and other restricted operating grants.
- Culture, and recreation – cemetery revenues, lake fees, pool fees, library fees, operating and capital grants.
- General Government – licenses and permits, abatement fees, and restricted operating grants.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Funds:

The City's governmental funds include:

Major Fund:

General Fund

Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds:

- Capital Equipment Fund – accounts for the E911 revenue and grant revenues for capital equipment.
- Hotel/Motel Tax Fund – accounts for hotel/motel tax revenues to be used in parks and promotion of tourism.
- Cemetery Care Fund – accounts for 12.5% of cemetery revenue restricted by State law for cemetery capital improvements.
- USDA Rural Development Fund – accounts for a Rural Business Enterprise grant to provide a revolving loan fund for small businesses.
- Guthrie Industrial Development Fund – accounts for activity related to economic development and repayment of refundable grant obligation from the proceeds of a long-term note receivable.
- Grant Fund – accounts for grant activity.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

- Capital Project Fund – accounts for various capital projects and the restricted three-quarter percent sales tax for capital improvements is transferred into this fund.
- Debt Service Fund – accounts for funds restricted for debt service.
- Hotel Motel Sports Tax Fund– accounts for hotel/motel tax revenues to be used for sports fields improvements and maintenance.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting, revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

The General Fund is considered a major fund and therefore displayed in a separate column. All other governmental funds are considered non-major funds and are aggregated under the column titled Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds and are reported on the accrual basis of accounting and economic resources measure focus include:

Enterprise Fund

- Guthrie Public Works Authority Fund that accounts for the activities of the public trust in providing water, sewer, and sanitation services to the public.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

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

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within 60 days of period end) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

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

D. Assets, Liabilities, Deferred Outflows, Deferred Inflows and Equity

Cash and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

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

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1992.

Prior to October 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$2,500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	25-50 years
- Machinery and Equipment	3-20 years
- Utility System	25-50 years
- Infrastructure	25-50 years

Fund Financial Statements

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

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to promissory note trustee accounts and utility meter deposits.

Long-Term Debt

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

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of notes payable, capital leases, refundable grant obligations and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

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

Deferred Outflows and Inflows

Deferred outflows and inflows are the consumption or acquisition of net position by the City that are applicable to a future reporting period. At September 30, 2023, the City's deferred outflows of resources were comprised of pension and OPEB related deferrals. Certain pension and OPEB amounts are deferred, some are reported as outflows and others as inflows, and the deferrals are amortized as a component of pension and OPEB expense in future periods.

Equity Classifications

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted."

Fund Statements:

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned.

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Sales Tax

The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Sales tax proceeds, after initial recording in the General Fund, are distributed in accordance with two City ordinances, 3 cents to the GPWA with any unused portion subsequently returned to the General Fund, and $\frac{3}{4}$ cent to the Capital Improvement Fund.

Sales tax collected by the State in September and half of October 2023 and received by the City in October and half of November 2023, has been accrued and is included under the caption “Due from other governments” since they represent taxes on sales occurring prior to year-end.

Tax Abatements

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount equal to 50% of the incremental increase over a baseline sales tax amount determined at the beginning of the project and adjusted up (but not down) each year during the term of the agreement by the annual change in the Consumer Price Index for All Urban Customers. To be eligible for this program, the project area should be occupied by occupants operating a retail store of a requisite quality which are either existing businesses or new businesses. The sales tax rebate period varies with each agreement.

Property Tax

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments.

The property tax levy, as determined by the City’s judgment payment needs, is submitted to the County Excise Board for approval. County assessors, elected officials, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent nor more than 13 $\frac{1}{2}$ percent.

Property taxes levied by the City are billed and collected by the County Treasurer’s Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. Property taxes levied, but not collected during the year or within 60 days of year-end are reported as deferred revenue.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Proprietary Fund - By Operating and Non-Operating

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

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Investments

At September 30, 2023, the reporting entity held the following deposits and investments:

Primary Government:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits			\$ 18,065,477
Cash on hand			1,325
Time deposit	5/26/2024		99,000
			<u>18,165,802</u>
Investments:			
Federated Hermes Treasury Obligation Money Market Fund		AAAm	146,102
Federated Hermes Gov Oblig Tax-Managed		AAAm	713,647
			<u>859,749</u>
Total deposits and investments			<u>\$ 19,025,551</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 18,926,551
Investments			99,000
			<u>\$ 19,025,551</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name: or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. For investments in the Guthrie/OKC Waterline Fund, the trust agreement requires the investments to be collateralized with U. S. government-backed obligations. At September 30, 2023 the City was not exposed to custodial credit risk.

Investment Interest Rate Risk - the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk - The City has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a, b, c, and d.

Concentration of Investment Credit Risk - the City places no limit on the amount it may invest in any one issuer. Since the City has all investments in certificates of deposit, government securities, or money market accounts, there is no concentration of investment credit risk exposure.

Restricted Cash and Investments – The amounts reported as restricted assets of the proprietary fund statement of net position are comprised of amounts restricted for debt service, debt reserve, construction purposes, or refundable deposits. The restricted assets as of September 30, 2023 are as follows:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

	Current	
	Cash and cash equivalents	Investments
Series 2013 Revenue Bond Account	\$ 146,102	\$ -
2016 Revenue Account	628,009	-
Meter deposits	488,423	99,000
Total	<u>\$ 1,262,534</u>	<u>\$ 99,000</u>

3. Accounts and Notes Receivable

Accounts Receivable - Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include fines receivables.

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Franchise taxes	\$ 51,910	\$ -	\$ 51,910
Court fines	731,105	(548,328)	182,777
Ambulance fees	12,685,036	(12,431,336)	253,700
Other taxes	16,286	-	16,286
Street utilities	113,903	(26,736)	87,167
Total Governmental Activities	<u>\$ 13,598,240</u>	<u>\$ (13,006,400)</u>	<u>\$ 591,840</u>
Business-Type Activities:			
Utilities	<u>\$ 1,648,376</u>	<u>(619,461)</u>	<u>\$ 1,028,915</u>

Notes Receivable – Excel Jet – The Guthrie Industrial Development Authority has a \$375,000 note receivable with Excel-Jet with interest rates between 6% - 7%. The note was unsecured and matured in December 2013. The payments received on this note are used to secure two notes payable with Logan County Economic Development Council and Bancfirst. Monthly payments of \$4,849 began in January 2007. Management has determined that the receivable has been impaired and has provided an allowance for the entire note receivable.

The activity on the notes receivable at September 30, 2023 is as follows:

	Balance 10/1/2022	Additions	Deductions	Balance 9/30/2023	Due Within One Year
Governmental Activities:					
Excel Jet	\$ 375,000	\$ -	\$ -	\$ 375,000	\$ -
(Less allowance for uncollectible account)	(375,000)	-	-	(375,000)	-
Building Loans	-	-	-	-	-
Total Governmental Activities, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

4. Leases Receivables

The City is a party as lessor for one noncancelable long-term lease of an infrastructure. The corresponding lease receivable, is recorded in an amount equal to the present value of the expected future minimum lease payments received or received, respectively, discounted by an applicable interest rate.

Lease-related amounts are recognized at the inception of leases in which the city is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Governmental Activities

The City as a lessor, has entered into lease agreements involving an infrastructure. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$32,886.

5. Capital and Lease Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, infrastructure, and intangible leased assets. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. Intangible leased assets are recorded in an amount equal to the present value of the expected future minimum lease payments to be paid, respectively, discounted by an applicable interest rate and any ancillary cost related to the asset.

For the year ended September 30, 2023, capital assets balances changed as follows:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

	Restated Balance at October 1, 2022	Additions	Disposals	Balance at September 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,155,472	\$ -	\$ -	\$ 2,155,472
Construction in progress	761,482	408,002	178,354	991,130
Total capital assets not being depreciated	2,916,954	408,002	178,354	3,146,602
Other capital assets:				
Buildings	3,109,584	109,442	-	3,219,026
Improvements	10,351,870	150,355	-	10,502,225
Infrastructure	12,131,340	-	-	12,131,340
Machinery, furniture and equipment	12,258,485	1,609,788	-	13,868,273
Total other capital assets at historical cost	37,851,279	1,869,585	-	39,720,864
Less accumulated depreciation for:				
Buildings	1,696,880	65,750	-	1,762,630
Improvements	5,887,830	465,337	-	6,353,167
Infrastructure	6,760,734	738,823	-	7,499,557
Machinery, furniture and equipment	9,155,007	743,427	-	9,898,434
Total accumulated depreciation	23,500,451	2,013,337	-	25,513,788
Other capital assets, net	14,350,828	(143,752)	-	14,207,076
Leased Assets:				
Intangible Equipment	73,602	-	-	73,602
Less accumulated Amortization for Intangible Equipment	15,239	15,239	-	30,478
Total Leased Assets being amortized, net	58,363	(15,239)	-	43,124
Subscription-based IT assets (SBITA):				
Subscription-based IT Assets SBITA	-	192,350	-	192,350
Less accumulated Amortization for SBITA	-	38,470	-	38,470
Total SBITA assets being amortized, net	-	153,880	-	153,880
Governmental activities capital assets, net	\$ 17,326,145	\$ 402,891	\$ 178,354	\$ 17,550,682
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 790,967	\$ -	\$ -	\$ 790,967
Construction in progress	15,149,170	6,205,965	-	21,355,135
Total capital assets not being depreciated	15,940,137	6,205,965	-	22,146,102
Other capital assets:				
Buildings	18,291,139	-	-	18,291,139
Improvements	940,271	-	-	940,271
Machinery, furniture and equipment	5,573,333	87,279	-	5,660,612
Utility property	28,326,561	-	-	28,326,561
Total other capital assets at historical cost	53,131,304	87,279	-	53,218,583
Less accumulated depreciation for:				
Buildings	6,023,386	456,039	-	6,479,425
Improvements	258,742	72,088	-	330,830
Machinery, furniture and equipment	4,422,034	321,110	-	4,743,144
Utility property improvements	19,873,169	849,218	-	20,722,387
Total accumulated depreciation	30,577,331	1,698,455	-	32,275,786
Other capital assets, net	22,553,973	(1,611,176)	-	20,942,797
Business-type activities capital assets, net	\$ 38,494,110	\$ 4,594,789	\$ -	\$ 43,088,899

Depreciation and amortization of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
General government	\$ 107,555	Water	\$ 898,428
Public safety	545,179	Sewer	506,992
Highways and streets	440,467	Sanitation	20,264
Culture, tourism, and recreation	231,631	General government	153,288
Airport	688,505	Line maintenance	119,483
Total depreciation and amortization expense	\$ 2,013,337	Total depreciation expense	\$ 1,698,455

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

6. Long-Term Debt and Debt Service Requirements

For the year ended September 30, 2023, the reporting entity's long-term debt changed as follows:

<u>Type of Debt</u>	<u>Balance</u> <u>October 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Lease obligations (direct borrowing)	\$ 58,938	\$ -	\$ 14,865	\$ 44,073	\$ 15,220
Refundable grant obligation (direct borrowing)	14,583	-	12,500	2,083	2,083
Subscription based IT obligation (direct borrowing)	-	138,782	33,061	105,721	33,061
Sales Tax Revenue Note (direct placement)	1,297,800	-	139,800	1,158,000	142,800
Notes payable (direct borrowing)	62,186	-	30,821	31,365	31,365
Accrued compensated absences	569,687	440,624	422,623	587,688	58,769
Total Governmental Activities	<u>\$ 2,003,194</u>	<u>\$ 579,406</u>	<u>\$ 653,670</u>	<u>\$ 1,928,930</u>	<u>\$ 283,298</u>
				Total OPEB liability	726,566
				<u>\$</u>	<u>2,655,496</u>
Business-Type Activities:					
Notes Payable (direct borrowing)	\$ 14,314,202	\$ 4,902,607	\$ 566,684	\$ 18,650,125	\$ 671,726
Capital Lease Obligation	-	414,909	57,007	357,902	78,731
Utility System Revenue and Sales Tax Note (direct placement)	10,467,200	-	1,285,200	9,182,000	1,322,200
Accrued compensated absences	52,974	64,046	62,281	54,739	5,473
Total Business-Type Activities	<u>\$ 24,834,376</u>	<u>\$ 5,381,562</u>	<u>\$ 1,971,172</u>	<u>\$ 28,244,766</u>	<u>\$ 2,078,130</u>
				Total OPEB liability	362,416
				<u>\$</u>	<u>28,607,182</u>
Reconciliation to Statement of Net Position:					
Governmental Activities:					
Due within one year				\$ 283,298	
Due in more than one year				2,372,198	
Total Governmental Activities Long-Term Liabilities				<u>\$ 2,655,496</u>	
Business-Type Activities:					
Due within one year				\$ 2,078,130	
Due in more than one year				26,529,052	
Total Business-Type Activities Long-Term Liabilities				<u>\$ 28,607,182</u>	

Governmental accrued compensated absences will be liquidated by the general fund. Governmental notes payable and the refundable grant obligation are paid by the Guthrie Industrial Development Authority.

Governmental activities long-term debt – including long-term debt payable from direct borrowings and direct placements include the following:

Notes Payable (direct borrowings):

\$324,330 note payable for the purchase of a backhoe, grader and loader, payable in monthly installments of \$2,688 with an annual interest rate of 3.0%, final payment due October 2023.	\$	31,365
Total Notes Payable	<u>\$</u>	<u>31,365</u>
Current portion	\$	31,365
Noncurrent portion		-
Total Notes Payable	<u>\$</u>	<u>31,365</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Refundable Grant Obligation (direct borrowing):

CDBG Refundable Grant Obligation contract #14402 dated March 1, 2003, original amount of \$250,000 with 0% interest rate, due in monthly installments of \$1,041 and an economic payback #9793, secured with lease revenue from Spirit Wing Aviation, final payment due March 2024.

	\$	2,083
Total Refundable Grant Obligation	<u>\$</u>	<u>2,083</u>
Current portion	\$	2,083
Noncurrent portion		-
Total Refundable Grant Obligation	<u>\$</u>	<u>2,083</u>

Utility System and Sales Tax Revenue Note (direct placement):

2016 Series Utility System and Sales Tax Revenue Bonds original issue amount of \$16,955,000, dated May 12, 2016, issued by Guthrie Public Works Authority, interest rate of 2.42%, final maturity October 1, 2030. \$2,034,600 proceeds were allocated to Governmental Activities. This is secured by gross revenues generated by water and sewer systems and by a year to year pledge of certain sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; or 4) require sales tax revenue be deposited with the bank.

	\$	1,158,000
Total Revenue Bonds Payable	<u>\$</u>	<u>1,158,000</u>
Current portion	\$	142,800
Noncurrent portion		1,015,200
Total Revenue Bonds Payable	<u>\$</u>	<u>1,158,000</u>

Lease Obligations (direct borrowing):

\$73,602 note payable for purchase of copiers, payable in 60 monthly installments of \$1,341 with an annual interest rate of 2.36%, final payment due July 2026.

	\$	44,073
Total Lease Obligation	<u>\$</u>	<u>44,073</u>
Current portion	\$	15,220
Noncurrent portion		28,853
Total Lease Obligation	<u>\$</u>	<u>44,073</u>

Subscription Based IT Obligation (SBITA) (direct borrowing):

On 10/06/2022, the City of Guthrie entered into a 60 month subscription for the use of body cameras for the police department. An initial subscription liability was recorded in the amount of \$138,782. As of 9/30/23, the subscription liability is \$105,721. The City is required to make annual fixed payments of \$37,538. the subscription has an interest rate of 3.23%. The value of the right to use asset as of 9/30/23 is \$192,350 with accumulated amortization of \$38,470.

	\$	105,721
Total Lease Obligation	<u>\$</u>	<u>105,721</u>
Current portion	\$	33,061
Noncurrent portion		72,660
Total Lease Obligation	<u>\$</u>	<u>105,721</u>

Accrued Compensated Absences:

Current portion	\$	58,769
Noncurrent portion		528,919
Total Accrued Compensated Absences	<u>\$</u>	<u>587,688</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Business-type activities long-term debt payable, including those from direct borrowings and direct placements include the following:

Notes Payable (direct borrowings):

2004 SRF Note Payable to Oklahoma Water Resources Board dated September 1, 2004, original amount of \$607,000 with an annual interest rate of 2.17% due in semi-annual installments of principal and interest beginning March 15, 2005, final installment due September 15, 2024, payable from and secured by utility revenues. This is secured by net revenues available for debt service of the system less expenses. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; 4) file a suit to enforce or enjoin action or inaction of parties under provisions of the note agreement; or 5) increase interest rate to 14% from date of default until date of payment.	\$ 56,326
2010 CW Note Payable to Oklahoma Water Resources Board dated December 1, 2010, original amount of \$4,375,000 with an annual interest rate of 3.13% due in semi-annual installments of principal and interest beginning March 15, 2012, final installment due September 15, 2032, payable from and secured by utility revenues. This is secured by gross revenues from the system and sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; 4) file a suit to enforce or enjoin action or inaction of parties under provisions of the note agreement; or 5) increase interest rate to 14% from date of default until date of payment.	1,290,511
2020 CW Note Payable to Oklahoma Water Resources Board dated December 15, 2020, original amount of \$8,000,000 with an annual interest rate of 1.45% due in semi-annual installments of interest beginning March 15, 2021, final installment due September 15, 2038, payable from and secured by utility revenues. This is secured by gross revenues from the system and sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; 4) file a suit to enforce or enjoin action or inaction of parties under provisions of the note agreement; or 5) increase interest rate to 14% from date of default until date of payment.	7,800,000
2021 CW Note Payable to Oklahoma Water Resources Board dated December 15, 2020, original amount of \$8,000,000 with an annual interest rate of 1.44% due in semi-annual installments of principal and interest beginning March 15, 2021, final installment due September 15, 2038, payable from and secured by utility revenues. This is secured by gross revenues from the system and sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; 4) file a suit to enforce or enjoin action or inaction of parties under provisions of the note agreement; or 5) increase interest rate to 14% from date of default until date of payment.	7,800,000
2022 CW Note Payable to Oklahoma Water Resources Board dated January 18, 2022, original amount of \$4,100,000 with an annual interest rate of 1.61% due in semi-annual installments of principal and interest beginning March 15, 2022, final installment due September 15, 2038, payable from and secured by utility revenues. This is secured by gross revenues from the system and sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; 4) file a suit to enforce or enjoin action or inaction of parties under provisions of the note agreement; or 5) increase interest rate to 14% from date of default until date of payment.	1,703,288
\$414,909 note payable with F&M Bank, dated December 2022, for the purchase of a Vactor Sewer Cleaning Truck, payable in monthly installments of \$7,652.04 with an annual interest rate of 4%, final payment due December 2027. In the event litigation shall occur concerning the terms and conditions of this loan or the rights and duties of the parties, the parties agree that any such suit shall be maintained in the District Court in and for Logan County, State of Oklahoma.	357,902

Total Notes Payable	<u>\$ 19,008,027</u>
Current portion	\$ 750,457
Noncurrent portion	18,257,570
Total Notes Payable	<u>\$ 19,008,027</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Utility System and Sales Tax Revenue Note (direct placement):

2013 Series Utility System and Sales Tax Revenue Bonds original issue amount of \$2,975,000, dated July 24, 2013, issued by Guthrie Public Works Authority, interest rate of 2.76%, final maturity October 1, 2025. This is secured by gross revenues generated by water and sewer systems and by a year to year pledge of certain sales tax revenues. In an event of default, the lender may: 1) require sales tax revenue be deposited with the bank; 2) accelerate the payment of principal and interest accrued on all notes; 3) appoint temporary trustees to take over, operate and maintain the system; or 4) file a suit for specific performance of covenants.

\$ 690,000

2016 Series Utility System and Sales Tax Revenue Bonds original issue amount of \$16,955,000, dated May 12, 2016, issued by Guthrie Public Works Authority, interest rate of 2.42%, final maturity October 1, 2030. \$14,308,800 proceeds were allocated to Business-Type Activities. This is secured by gross revenues generated by water and sewer systems and by a year to year pledge of certain sales tax revenues. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on all notes; 2) appoint temporary trustees to take over, operate and maintain the system; 3) file a suit for specific performance of covenants; or 4) require sales tax revenue be deposited with the bank.

8,492,000

Total Revenue Bonds Payable	<u>\$ 9,182,000</u>
Current portion	\$ 1,322,200
Noncurrent portion	<u>7,859,800</u>
Total Revenue Bonds Payable	<u>\$ 9,182,000</u>

Accrued Compensated Absences:

Current portion	\$ 5,473
Noncurrent portion	<u>49,266</u>
Total Accrued Compensated Absences	<u>\$ 54,739</u>

Debt Service Requirements to Maturity:

Year Ending September 30,	Governmental Activities									
	Refundable		Note		Sales Tax Revenue		Future Minimum		Future Minimum	
	Grant Obligations		Payable		Revenue Note		Payments for Lease		Payments for SBITA	
	(direct borrowing)		(direct borrowing)		(direct placement)		Obligations (direct borrowing)		Obligations (direct borrowing)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	2,083	-	31,365	717	142,800	27,167	15,220	876	33,061	3,410
2025	-	-	-	-	147,000	23,689	15,583	513	35,228	2,310
2026	-	-	-	-	150,000	20,117	13,270	144	37,432	1,173
2027	-	-	-	-	153,600	16,466	-	-	-	-
2028	-	-	-	-	156,600	12,727	-	-	-	-
2029-2032	-	-	-	-	408,000	14,919	-	-	-	-
Totals	<u>\$ 2,083</u>	<u>\$ -</u>	<u>\$ 31,365</u>	<u>\$ 717</u>	<u>\$ 1,158,000</u>	<u>\$ 115,085</u>	<u>\$ 44,073</u>	<u>\$ 1,533</u>	<u>\$ 105,721</u>	<u>\$ 6,893</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

<u>Year Ending September 30,</u>	Business Type Activities			
	Notes Payable		Utility System Revenue	
	(direct borrowing)		and Sales Tax Note	
	(direct placement)			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	750,457	338,788	1,322,200	216,405
2025	739,893	322,743	1,353,000	183,313
2026	728,694	307,338	1,240,000	149,460
2027	766,806	291,905	1,126,400	120,748
2028	735,335	276,530	1,148,400	93,329
2029-2033	6,763,555	890,003	2,992,000	109,409
2034-2038	10,770,000	993,252	-	-
Totals	\$ 21,254,740	\$ 3,420,559	\$ 9,182,000	\$ 872,664
	(2,246,713)	OWRB Loan left to draw		
	<u>\$ 19,008,027</u>			

7. Net Position and Fund Balances

Fund Statements:

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

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

It is the City’s policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet:

CITY OF GUTHRIE
SCHEDULE OF FUND BALANCES
AS OF SEPTEMBER 30, 2023

	General Fund	Other Governmental Funds	TOTAL Governmental
Fund Balances:			
Restricted for:			
Sport Fields	\$ -	\$ 202,487	\$ 202,487
Capital projects	-	1,206,533	1,206,533
Parks	-	169,154	169,154
Library grant program	-	-	-
Cemetery	-	30,434	30,434
Fire state aid program	-	-	-
Revolving loan program for small businesses	-	128,680	128,680
2016 Utility System & Sales Tax Revenue Bond	-	-	-
Debt Service	-	86,237	86,237
Sub-total Restricted	-	1,823,525	1,823,525
Committed to:			
Stabilization	1,514,170	-	1,514,170
Sub-total Committed	1,514,170	-	1,514,170
Assigned to:			
Capital projects	-	3,050,559	3,050,559
Capital Equipment	-	569,064	569,064
Airport	502,661	-	502,661
Tourism/parks	-	117,404	117,404
Industrial Development	-	215,586	215,586
Sport Fields	-	227	227
Public Safety	-	564,716	564,716
Fire	163,490	-	163,490
Sub-total Assigned	666,151	4,517,556	5,183,707
Unassigned:	4,338,932	-	4,338,932
TOTAL FUND BALANCES	\$ 6,519,253	\$ 6,341,081	\$ 12,860,334

Net position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

It is the City’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

The enabling legislation restrictions are as follows:

	Enabling Legislation
Governmental Activities:	
Capital projects	\$ 1,206,533
Debt service	72,227
Sports fields	202,487
Cemetery	30,434
Parks	169,154
Small business loan program	128,680
Total Governmental Activities	<u>1,809,515</u>
TOTAL RESTRICTED NET POSITION	<u>\$ 1,809,515</u>

Stabilization Reserve

On October 20, 2015, the City Council adopted Ordinance No. 3276 which established requirements for a stabilization reserve for the General Fund. This ordinance requires that funds be set aside for the purpose of stabilization.

The minimum amount to be set aside for the General Fund stabilization is \$1,000,000.

When the balance is less than the minimum, it shall be funded with not less than 75% of assigned and unassigned General Fund balance as of the most recent financial statements.

Amounts held that are above the minimum balance may be spent for the following purposes:

- a. Expenditures for emergency situations for life, health or public safety issues for which no existing appropriations exist
- b. Situations where a significant revenue declaim in excess of 5% of General Fund original budgeted estimated revenues (excluding transfer in) arises that could not have 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;
- c. Correcting the results of an inaccurate estimate, accounting error, or budgeting error in excess of 5% of General Fund original budgeted estimated revenues (excluding transfers)
- d. Expenditures where the proposed use is of a nonoperational 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 an increased productivity for City employees.
- e. Expenditures where the proposed use is of a nonrecurring nature, such as start-up costs of a program whose ongoing costs are otherwise funded, matching funds for a grant, or up-front payment of grant eligible expenses to be reimbursed by grant revenues. These expenditures should result in tangible benefits that can be measured financially, through better service to the citizens, or an increased productivity for City employees.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Amounts held that are below the minimum balance may be spent for the following purposes:

- f. Expenditures for emergency situations for life, health or public safety issues for which no existing appropriations exist
- g. Situations where a significant revenue declaim in excess of 5% of General Fund original budgeted estimated revenues (excluding transfer in) arises that could not have 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;
- h. Correcting the results of an inaccurate estimate, accounting error, or budgeting error in excess of 5% of General Fund original budgeted estimated revenues (excluding transfers)

The amount of cash in the stabilization reserve account at September 30, 2023 is \$1,266,163 with an additional amount of cash that is due from another General Fund bank account of \$248,007 for a total amount of \$1,514,170.

The Guthrie Public Works Authority adopted Resolution No. 2012-10 with similar funding requirements and allowable spending purposes. The amount of cash in the stabilization reserve account at September 30, 2023 is \$1,018,132 with an additional amount of cash that is due from another GPWA bank account of \$389,120 for a total of \$1,407,252. For financial statement classification purposes, this amount is included in the unrestricted net position amount of \$5,561,747 on the GPWA's Statement of Net Position.

8. Internal and Interfund Balances and Transfers

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

Balances:

Interfund receivable and payables at September 30, 2023 were comprised of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
General Fund	Debt Service	144	Back property taxes
GPWA	Capital Project Fund	167	Utility adjustment
Total		<u>\$ 311</u>	
Reconciliation to Fund Financial Statements:			
	<u>Due From</u>	<u>Due To</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ 144	\$ (277)	\$ (133)
Proprietary Funds	133	-	133
Total	<u>\$ 277</u>	<u>\$ (277)</u>	<u>\$ -</u>

Transfers:

Internal transfers between funds and activities for the year ended September 30, 2023 were as follows:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	GPWA	8,717,115	Sales tax transfer
GPWA	General Fund	150,000	Operating transfer
GPWA	General Fund (Fire/EMS Cash)	200,000	Operating transfer
Debt Service	General Fund (Stabilization)	288	Debt service
Grant Fund	General Fund	163,827	Grant match
General Fund (Fire EMS Cash)	Grant Fund	10,703	Grant match
GPWA	Capital Equipment	261,679	Operating transfer
General Fund	Capital Equipment	186,875	Operating transfer
Capital Project Fund	GPWA	670,019	Capital asset purchase
General Fund	Capital Project Fund	17,614	Reimbursement of copier lease
General Fund	Capital Project Fund	1,743,423	Sales Tax
GPWA	Capital Project Fund	333,573	Operating transfer
GPWA	GIDA	105,000	Operating transfer
GPWA	General Fund	8,717,115	Return of sales tax transfer
General Fund	Hotel Motel Tax Fund	26,257	Operating transfer
GIDA	General Fund (Airport)	105,000	Operating transfer
Total		<u>\$ 21,408,488</u>	
Reconciliation to Fund Financial Statements:			
	Transfers In	Transfers Out	GW Capital Asset Transfers
Governmental Funds	\$ 12,021,354	\$ (11,641,121)	-
Proprietary Funds	9,387,134	(9,767,367)	-
	<u>21,408,488</u>	<u>(21,408,488)</u>	<u>-</u>
Reconciliation to Statement of Activities:			
Net Transfers	(380,233)		
Capital asset transfer	1,395,571		
Transfers - internal activity	<u>\$ 1,015,338</u>		

9. Pledged Future Revenues

Utility Net Revenues Pledge – The City has pledged the net water and sewer utility revenues to repay the following notes payable: \$607,000 of 2004 SRF, \$4,375,000 of 2010 SRF Oklahoma Water Resources Board Notes Payable, \$8,000,000 of 2020 SRF Oklahoma Water Resources Board Notes Payable and the 2021 SRF Oklahoma Water Resources Board Notes Payable, and \$4,100,000 of 2022 SRF Oklahoma Water Resources Board Notes Payable. The City has also pledged 1% of sales tax to repay the \$2,975,000 of 2013 Utility System and Sales Tax Revenue Note and 1.75% of sales tax to repay the \$16,955,000 of 2016 Utility System and Sales Tax Revenue note. Proceeds from the bonds and notes provided for the purchase or construction of water and utility systems. The bonds and notes are payable from pledged net water and sewer utility revenues through 2039. The total principal and interest payable for the remainder of the life of these bonds is \$30,060,318. Pledged sales tax and net water and sewer utility revenues in the current fiscal year were \$8,066,100. Debt service payments of \$2,547,499 for the current fiscal year were 31.58% of total pledged revenues for these notes.

Sales tax revenue represents a 3.75% tax on each dollar of taxable sales of which is recorded as follows:

- Three and three quarter cents are recorded in the General Fund. Three cents is pledged and transferred to the GPWA to assist in GPWA debt service coverage requirements. The unused portion of this is returned to the General fund. The three quarter cent tax is restricted for capital and is transferred to the City Capital Project Fund.

10. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool (1)
- Worker's Compensation – Worker's compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool (2)
- Employee's Group Medical – Covered through purchased insurance with United Health Care

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

The title to all assets acquired by the Plan are vested in the Group. In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating City pays all costs, premiums, or other fees attributable to its respective participation in the Plan, and is responsible for its obligation under any contract entered into with the Plan.

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

(2) Worker's Compensation

The title to all assets acquired by the Plan are vested in the Plan. In the event of termination of the Plan, such property shall belong to the then members of the Plan in equal shares. Each participating city pays for all costs, premiums, or other fees attributable to its respective participation in the Plan, policy or service established under the agreement establishing the Oklahoma Municipal Assurance Group, and is responsible for its obligations under any contract entered into with the Plan.

Specific aggregate stop loss coverage is provided by the State Insurance Fund and covers all claims above the loss reserve fund. The loss reserve fund amount for the fiscal year 2023 was \$44,820.

Reserves for policy and contract claims provide for reported claims on a case basis and a provision for incurred but not reported claims limited to specific retention levels for each member as outlined in the Plan's reinsurance agreement.

The Plan worker's compensation coverage is reinsured for losses in excess of respective retention levels. The reinsurance agreement covers losses incurred within the effective period of the agreement. Each Plan member's liability for claims losses is limited to their individual retention levels as outlined in the Plan's reinsurance agreement.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

11. Commitments and Contingencies

Litigation:

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

Asset Retirement Obligation:

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of September 30, 2023, since the specific legally required costs of retirement have not yet been identified. If any such costs exist, the City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in a subsequent fiscal year.

Federal and State Award Programs:

The City of Guthrie participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements.

Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

12. Pension Plan Participation

The City of Guthrie participates in three pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan.
- Oklahoma Municipal Retirement Fund (OkMRF) – an agent multiple-employer defined benefit plan.

Oklahoma Firefighter's Pension and Retirement System

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

Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- Hired Prior to November 1, 2013
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
- Hired After November 1, 2013
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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

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

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$300,154. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$610,087 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$640,411. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the City reported a liability of \$7,229,680 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.5603 percent.

For the year ended September 30, 2023, the City recognized pension expense of \$1,366,935. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 859,810	\$ 9,178
Changes of assumptions	-	11,592
Net difference between projected and actual earnings on pension plan investments	476,935	-
Changes in proportion and differences between City contributions and proportionate share of contributions	319,703	102,319
City contributions during measurement date	1,623	10,941
City contributions subsequent to the measurement date	87,303	-
Total	<u>\$ 1,745,374</u>	<u>\$ 134,030</u>

\$87,303 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 535,504
2025	210,991
2026	817,297
2027	(39,751)
Total	<u>\$ 1,524,041</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

Mortality rates were based on the PubS-2010 with generational mortality improvement using MP-2018.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to July 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
Fixed income	20%	5.80%
Domestic equity	47%	9.49%
International equity	15%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by Oklahoma statutes. Projected cash flows also assume the State of Oklahoma will continue contributing an allocation of the insurance premium, as established by Oklahoma statute. Prior to July 1, 2021, the Plan was allocated 36% of the Statewide insurance premium tax. The State of Oklahoma has passed legislation that changes the allocation percentage as follows:

- 25.2% effective September 1, 2020
- 36.0% effective July 1, 2021
- 37.8% effective July 1, 2022
- 36.0% effective July 1, 2027

Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability	\$ 9,420,585	\$ 7,229,680	\$ 5,397,503

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS which can be located at www.ok.gov/FPRS.

Oklahoma Police Pension and Retirement System

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

Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

pay. Contributions to the pension plan from the City were \$196,677. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$178,437 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$178,444. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the City reported a asset of \$122,586 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.40139 percent.

For the year ended September 30, 2023, the City recognized pension expense of \$349,365. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 335,580	\$ 18,906
Changes of assumptions	-	228,820
Net difference between projected and actual earnings on pension plan investments	607,365	-
Changes in proportion and differences between City contributions and proportionate share of contributions	112,895	23,850
City contributions during the measurement date	6,802	6,703
City contributions subsequent to the measurement date	44,680	-
Total	<u>\$ 1,107,322</u>	<u>\$ 278,279</u>

\$44,680 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:		
2024	\$	133,374
2025		17,515
2026		493,263
2027		129,035
2028		11,176
	<u>\$</u>	<u>784,363</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation)
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private Equity	11.64%

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

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

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

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

	<u>1% Decrease</u> 6.5%	<u>Current Discount</u> Rate 7.5%	<u>1% Increase</u> 8.5%
Employers' net pension liability (asset)	\$ 1,157,415	\$ (122,586)	\$ (1,206,345)

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

Defined Benefit Plan - Oklahoma Municipal Retirement Fund

Plan Description - The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Eligibility Factors and Benefit Provisions

<u>As of 07/01/23</u> <u>Provision</u>	<u>OMRF Plan</u>
a. Eligible to Participate	Full-time, non-uniformed employees of the City or Authority upon hire if less than age 60.
b. Contribution Requirements:	
- Authorization	By City ordinance
- Actuarially Determined	Yes
- Employer Rate	6.26% of covered payroll, 7.47% of covered payroll for July 2023 through September 2023
- Employee Rate	3.69% of covered payroll
c. Period Required to Vest	10 years of credited service
d. Eligibility for Distribution	<ul style="list-style-type: none"> - Normal retirement at age 65 with 10 years of service - Early retirement at age 55 with 10 years of service - Disability retirement upon disability with 10 years of service - Death benefit with 10 years of service for married employees
e. Benefit Determination Base	Final average salary – the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
f. Benefit Determination Methods:	
- Normal Retirement	2.625% of final average salary multiplied by credited years of service
- Early Retirement	Actuarially reduced benefit based upon age and years of service at termination.
- Disability Retirement	Benefit computed as for normal retirement based upon age and service at termination
- Death Benefit	50% of employee's accrued benefit, but terminates upon spouse re-marriage
- Prior to 10 Years Service	Return of employee contributions with accrued interest
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect. With City consent, optional form based on actuarial equivalent.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Employees Covered by Benefit Terms

Active Employees	53
Deferred Vested Former Employees	3
Retirees or Retiree Beneficiaries	<u>21</u>
Total	<u>77</u>

Contribution Requirements - The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 5.84% of covered payroll as of 7-1-22 and 6.26% of covered payroll as of 7-1-23. For the year ended September 30, 2023 the City recognized \$219,208 of employer contributions to the plan which is greater than the actuarially determined amount based on covered payroll of \$2,934,511. Employees' contribution is 3.69% of covered payroll as of 7-1-22 and 7-1-23.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2023
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.25%
c. Projected Salary Increase	Varies between 7.5% and 4.5% based on age
d. Post Retirement Cost-of-Living Increase	This plan has not elected the automatic post-retirement cost-of-living adjustments
e. Inflation Rate	2.75%
f. Mortality Table	PubG-2010, with projected mortality improvement
g. Percent of married employees	100%
h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are Added during the first 5 years: Year 1: 225 Year 2: 140 Year 3: 100 Year 4: 70 Year 5: 40

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

j. Date of last experience study

September 2012 for fiscal years 2007
thru 2011

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.25% since the plan’s net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	<u>100%</u>		<u>4.75%</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Changes in Net Pension Liability (Asset) – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2023 which is also the measurement date. There were no changes between the measurement date of July 1, 2023 and the City’s report ending date of September 30, 2023, that would have had a significant impact on the net pension liability (asset). The following table reports the components of changes in net pension liability (asset):

	SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances Beginning of Year	<u>\$ 7,844,074</u>	<u>\$ 7,389,338</u>	<u>\$ 454,736</u>
Changes for the Year:			
Service cost	236,606	-	236,606
Interest expense	569,250	-	569,250
Difference between expected and actual experience	204,284	-	204,284
Changes of assumptions	-	-	-
Contributions--City	-	199,158	(199,158)
Contributions--members	-	98,116	(98,116)
Net investment income (loss)	-	660,600	(660,600)
Benefits paid	(517,501)	(517,501)	-
Plan administrative expenses	-	(16,253)	16,253
Benefit changes due to plan amendments	-	-	-
Net Changes	<u>492,639</u>	<u>424,120</u>	<u>68,519</u>
Balances End of Year	<u>\$ 8,336,713</u>	<u>\$ 7,813,458</u>	<u>\$ 523,255</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.50 percent, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability (Asset)	\$ 1,646,952	\$ 523,255	\$ (403,934)

The City reported \$338,220 in pension expense for the year ended September 30, 2023. At September 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 377,733	\$ 56,513
Changes of assumptions	16,712	71,059
Net difference between projected and actual earnings on pension plan investments	426,082	-
Changes in proportion and differences between City contributions and proportionate share of contributions	34,971	25,113
City contributions subsequent to the measurement date	46,996	-
Total	<u>\$ 902,494</u>	<u>\$ 152,685</u>

Amortization of Pension Deferrals: \$49,996 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 171,146
2025	108,704
2026	371,856
2027	27,580
2028	23,527
	<u>\$ 702,813</u>

13. Annual OPEB Cost and Total OPEB Liability

Plan description – The City’s defined benefit OPEB plan provides OPEB to eligible retirees and their dependents. The City Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The City provides medical and prescription drug benefits to eligible retirees and their dependents. The benefits are provided in accordance with State law, police and firefighter's union contracts and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The retirees and dependents pay 110% of the active employee coverage rates; this results in the retirees and beneficiaries receiving an implicit rate subsidy. Retirees and dependents coverage ceases at age 65 and are no longer eligible for the City’s OPEB plan.

Employees covered by benefit terms - At September 30, 2023 the following employees were covered by the benefit terms:

Active Employees	102
Inactives or beneficiaries not yet receiving benefit payments	<u>2</u>
Total	<u>104</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,088,982 was performed as of September 30, 2023 with a measurement date as of September 30, 2023.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of September 30, 2023 (measured as of September 30, 2023) with roll-forward procedures, using the following actuarial assumptions:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 4.77%, based on September 30, 2021 published Bond Buyers’ bond index
 - 4.77%, based on September 30, 2022 published Bond Buyers’ bond index
- Termination – Civilian employees are based on actual experience of the Oklahoma Municipal Retirement Fund. Rates for police and firefighters are based on rates for these groups in Oklahoma.
- Retirement Age:

<u>Age</u>	<i>Civilian</i> <i>Retirement</i> <u>Rate</u>
55	7%
56	7%
57	7%
58	7%
59	7%
60	7%
61	7%
62	20%
63	20%
64	20%
65 - 69	30%
70	100%

Years of Service	Retirement Rate	
	Police	Fire
20	20%	10%
21	6%	5%
22	6%	5%
23	6%	5%
24	10%	10%
25	20%	15%
26	10%	15%
27	10%	15%
28	10%	15%
29	15%	15%
30	100%	20%
31	100%	20%
32	100%	20%
33	100%	20%
34	100%	25%
35	100%	100%

- Participation – 25% of currently covered civilian employees are assumed to elect retiree medical coverage and 50% for police and firefighters. Dependents are assumed acceptance rate is 50%
- Healthcare cost trend rates - Plan year dependent rates graded from 5.96% to 4.87%
- Mortality Rates - Pub2010 Mortality Table with cohort mortality projection using Scale AA

Changes in Total OPEB Liability—The following table reports the components of changes in total OPEB liability:

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

	Total OPEB Liability
Balances Beginning of Year	<u>\$ 1,521,258</u>
Change for the Year:	
Service cost	131,585
Interest Expense	37,354
Differences between expected and actual experience	(19,211)
Changes of assumptions	(574,227)
Benefits paid	<u>(7,777)</u>
Net Changes	<u>(432,276)</u>
Balances End of Year	<u><u>\$ 1,088,982</u></u>

Changes of assumptions reflects a change in discount rate from 2.26 percent to 4.77 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 4.77%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% Increase (5.77%)
Employers' total OPEB liability	\$ 1,359,407	\$ 1,088,982	\$ 882,346

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 5.94% grading to 3.94%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.94% grading to 2.94%) or 1-percentage-point higher (6.94% grading to 4.94%) than the current rate:

	1% Decrease (4.94% grading to 2.94%)	Healthcare Cost Trend Rates (5.94% grading to 3.94%)	1% Increase (6.94% grading to 4.94%)
Employers' total OPEB liability	\$ 885,378	\$ 1,088,982	\$ 1,349,251

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the City recognized OPEB expense of \$142,961. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 228,343	\$ 92,273
Changes of assumptions	166,251	609,401
Changes in City's proportionate share	176,287	176,287
Benefit payments subsequent to the measurement date	-	-
Total	<u><u>\$ 570,881</u></u>	<u><u>\$ 877,961</u></u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (25,978)
2025	(25,978)
2026	(25,978)
2027	(23,788)
2028	(18,558)
Thereafter	<u>(186,800)</u>
Total	<u>\$ (307,080)</u>

**CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Budgetary Comparison Schedule (Budgetary Basis) General Fund – Year Ended September 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	9,790,744	9,893,717	\$ 10,517,254	\$ 623,537
Licenses and permits	173,500	173,500	173,692	192
Intergovernmental	453,500	453,500	448,633	(4,867)
Charges for services	305,608	305,608	177,172	(128,436)
Fees and fines	140,000	140,000	147,230	7,230
Investment earnings	7,000	7,000	26,801	19,801
Miscellaneous	313,707	313,707	455,216	141,509
Total revenues	11,184,059	11,287,032	11,945,998	658,966
EXPENDITURES				
Departmental:				
<i>General Government:</i>				
General government	1,137,475	1,215,016	1,191,242	23,774
City manager	337,459	239,225	231,890	7,335
Human resources	132,785	132,785	126,023	6,762
City clerk	161,878	161,878	147,614	14,264
Building services	62,658	62,658	61,211	1,447
Planning and zoning	391,668	391,668	367,900	23,768
Economic development	186,819	186,819	177,248	9,571
Vehicle maintenance	192,056	150,002	134,892	15,110
<i>Total General Government</i>	2,602,798	2,540,051	2,438,020	102,031
<i>Public Safety:</i>				
Police administration	619,923	779,755	751,839	27,916
Police operations	1,774,459	1,659,616	1,539,579	120,037
Criminal investigations	493,349	426,734	385,665	41,069
Police support	338,449	307,551	233,012	74,539
Communications	430,448	458,982	419,799	39,183
Animal Control	145,300	169,290	151,502	17,788
<i>Total Public Safety</i>	3,801,928	3,801,928	3,481,396	320,532
<i>Street:</i>				
Street	761,298	618,298	575,954	42,344
<i>Total Street</i>	761,298	618,298	575,954	42,344
<i>Culture and Recreation:</i>				
Library	390,980	390,980	356,505	34,475
Municipal pool	21,500	42,193	33,232	8,961
Parks	710,910	709,089	659,852	49,237
<i>Total Culture and Recreation</i>	1,123,390	1,142,262	1,049,589	92,673
Total Expenditures	8,289,414	8,102,539	7,544,959	557,580
Excess (deficiency) of revenues over expenditures	2,894,645	3,184,493	4,401,039	1,216,546
OTHER FINANCING SOURCES (USES)				
Transfers in	8,835,772	9,350,639	9,230,942	(119,697)
Transfers out	(11,728,173)	(12,532,888)	(12,532,888)	-
Total other financing sources and uses	(2,892,401)	(3,182,249)	(3,301,946)	(119,697)
Net change in fund balances	2,244	2,244	1,099,093	1,096,849
Fund balances - beginning	(75,500)	(75,500)	4,444,081	4,519,581
Fund balances - ending	\$ (73,256)	\$ (73,256)	\$ 5,543,174	\$ 5,616,430

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Budgetary Comparison Schedule (Budgetary Basis) Grant Fund – Year Ended September 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,268,208	\$ 3,268,208	\$ 1,283,203	\$ (1,985,005)
Investment earnings	1,500	1,500	2,717	1,217
Total revenues	<u>3,269,708</u>	<u>3,269,708</u>	<u>1,285,920</u>	<u>(1,983,788)</u>
EXPENDITURES				
Departmental:				
<i>General Government:</i>				
General government	403,322	463,887	332,623	131,264
Economic development	2,847,410	2,955,597	148,991	2,806,606
<i>Total General Government</i>	<u>3,250,732</u>	<u>3,419,484</u>	<u>481,614</u>	<u>2,937,870</u>
<i>Public Safety:</i>				
Fire	-	238,833	238,833	-
Police	75,192	220,919	195,642	25,277
<i>Total Public Safety</i>	<u>75,192</u>	<u>459,752</u>	<u>434,475</u>	<u>25,277</u>
<i>Culture and Recreation:</i>				
Parks	444,033	71,155	71,155	-
Library	19,834	19,834	17,727	2,107
<i>Total Culture and Recreation</i>	<u>463,867</u>	<u>90,989</u>	<u>88,882</u>	<u>2,107</u>
<i>GPWA:</i>				
Public works	1,791,114	1,610,680	1,306,036	304,644
<i>Total GPWA</i>	<u>1,791,114</u>	<u>1,610,680</u>	<u>1,306,036</u>	<u>304,644</u>
Total Expenditures	<u>5,580,905</u>	<u>5,580,905</u>	<u>2,311,007</u>	<u>3,269,898</u>
Excess (deficiency) of revenues over expenditures	<u>(2,311,197)</u>	<u>(2,311,197)</u>	<u>(1,025,087)</u>	<u>1,286,110</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,169,004	1,179,708	10,703	(1,169,005)
Transfers out	(238,524)	(238,524)	(163,827)	74,697
Total other financing sources and uses	<u>930,480</u>	<u>941,184</u>	<u>(153,124)</u>	<u>(1,094,308)</u>
Net change in fund balances	(1,380,717)	(1,370,013)	(1,178,211)	191,802
Fund balances - beginning	1,612,739	1,612,739	-	(1,612,739)
Fund balances - ending	<u>\$ 232,022</u>	<u>\$ 242,726</u>	<u>\$ (1,178,211)</u>	<u>\$ (1,420,937)</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that report revenues and expenditures on a modified cash basis. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Council. All supplemental appropriations require the approval of the City Commission. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund		Grant Fund
Total revenue - budgetary basis	\$ 21,176,940	Total revenue - budgetary basis	\$ 1,296,623
Total expenses - budgetary basis	<u>(20,077,847)</u>	Total expenses - budgetary basis	<u>(2,474,834)</u>
Change in fund balance - budgetary basis	1,099,093	Change in fund balance - budgetary basis	(1,178,211)
Revenue accruals	81,908	Revenue accruals	380,857
Expenditure accruals	(177,520)	Expenditure accruals	(94,380)
Change in Fire/EMS Fund balance	(62,217)	Change in fund balance - GAAP basis	<u>\$ (891,734)</u>
Change in Airport Fund balance	255,446		
Change in GF Stabilization Fund balance	(149,648)		
Change in fund balance - GAAP basis	<u>\$ 1,047,062</u>		

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Schedules of Required Supplementary Information
Oklahoma Firefighters Pension & Retirement System
Schedule of the City of Guthrie's Proportionate Share of
the Net Pension Liability

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.453751%	0.509656%	0.538642%	0.466619%	0.512477%	0.511511%	0.533799%	0.573283%	0.560332%
City's proportionate share of the net pension liability	\$ 4,816,145	\$ 6,226,541	\$ 6,774,622	\$ 5,252,477	\$ 5,415,178	\$ 6,301,320	\$ 3,515,419	\$ 7,497,011	\$ 7,229,680
City's covered-employee payroll	\$ 1,200,607	\$ 1,352,571	\$ 1,531,014	\$ 1,414,279	\$ 1,519,312	\$ 1,641,900	\$ 1,734,079	\$ 1,897,514	\$ 2,037,364
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	401%	460%	442%	371%	356%	384%	203%	395%	355%
Plan fiduciary net position as a percentage of the total pension liability	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.85%

Notes to Schedule:

Only nine fiscal years are presented because 10-year data is not yet available.

Schedules of Required Supplementary Information
Oklahoma Firefighters Pension & Retirement System
Schedule of the City of Guthrie Contributions

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 173,566	\$ 199,586	\$ 209,595	\$ 203,089	\$ 222,627	\$ 231,674	\$ 245,721	\$ 284,213	\$ 300,154
Contributions in relation to the statutorily required contribution	173,566	199,586	209,595	203,089	222,627	231,674	245,721	284,213	300,154
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,239,757	\$ 1,425,614	\$ 1,497,107	\$ 1,450,636	\$ 1,590,193	\$ 1,654,814	\$ 1,755,150	\$ 2,030,093	\$ 2,143,957
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

Only nine fiscal years are presented because 10-year data is not yet available.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Schedules of Required Supplementary Information
Oklahoma Police Pension & Retirement System
Schedule of the City of Guthrie's Proportionate Share of
the Net Pension Liability (Asset)
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.3161%	0.3578%	0.3914%	0.4848%	0.3986%	0.4380%	0.4495%	0.4703%	0.4014%
City's proportionate share of the net pension liability (asset)	\$ 12,887	\$ 547,993	\$ 30,109	\$ (230,936)	\$ (25,449)	\$ 502,979	\$ (2,156,520)	\$ (377,171)	\$ (122,586)
City's covered-employee payroll	\$ 892,431	\$ 990,415	\$ 1,166,062	\$ 1,478,800	\$ 1,297,723	\$ 1,413,777	\$ 1,555,638	\$ 1,626,100	\$ 1,567,223
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.44%	55.33%	2.58%	-15.6%	-2.0%	35.6%	-138.6%	-23.2%	-7.8%
Plan fiduciary net position as a percentage of the total pension liability	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

Notes to Schedule:

Only nine fiscal years are presented because 10-year data is not yet available.

Oklahoma Police Pension & Retirement System
Schedule of the City of Guthrie Contributions
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorially required contribution	\$ 120,952	\$ 128,514	\$ 182,454	\$ 165,918	\$ 172,835	\$ 188,597	\$ 201,365	\$ 212,751	\$ 196,677
Contributions in relation to the statutorially required contribution	120,952	128,514	182,454	165,918	172,835	188,597	201,365	212,751	196,677
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 930,400	\$ 988,569	\$ 1,403,492	\$ 1,276,292	\$ 1,329,500	\$ 1,450,746	\$ 1,548,962	\$ 1,636,546	\$ 1,512,900
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

Only nine fiscal years are presented because 10-year data is not yet available.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability									
Service cost	\$ 165,947	\$ 182,677	\$ 194,734	\$ 185,966	\$ 174,309	\$ 185,570	\$ 203,710	\$ 206,357	\$ 236,606
Interest	370,915	401,086	432,197	442,746	444,433	473,436	512,850	534,728	569,250
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	30,985	54,794	(32,105)	(159,914)	(53,500)	154,207	(106,364)	260,561	204,284
Changes of assumptions	-	-	168,471	-	113,872	-	-	(112,983)	-
Benefit payments, including refunds of member contributions	(175,951)	(181,241)	(295,131)	(583,401)	(304,166)	(280,224)	(295,441)	(342,391)	(517,501)
Net change in total pension liability	391,896	457,316	468,166	(114,603)	374,948	532,989	314,755	546,272	492,639
Total pension liability - beginning	4,872,335	5,264,231	5,721,547	6,189,713	6,075,110	6,450,058	6,983,047	7,297,802	7,844,074
Total pension liability - ending (a)	\$ 5,264,231	\$ 5,721,547	\$ 6,189,713	\$ 6,075,110	\$ 6,450,058	\$ 6,983,047	\$ 7,297,802	\$ 7,844,074	\$ 8,336,713
Plan fiduciary net position									
Contributions - employer	\$ 140,558	\$ 144,170	\$ 154,484	\$ 144,168	\$ 145,941	\$ 156,806	\$ 166,647	\$ 175,875	\$ 199,158
Contributions - member	67,223	71,220	76,219	70,852	72,078	77,458	82,198	94,857	98,116
Net investment income	148,170	51,381	685,356	454,157	426,665	269,301	1,859,174	(1,058,283)	660,600
Benefit payments, including refunds of member contributions	(175,951)	(181,241)	(295,131)	(583,401)	(304,166)	(280,224)	(295,441)	(342,391)	(517,501)
Administrative expense	(11,002)	(10,824)	(11,980)	(14,028)	(13,073)	(13,913)	(13,768)	(14,645)	(16,253)
Net change in plan fiduciary net position	168,998	74,706	608,948	71,748	327,445	209,428	1,798,810	(1,144,587)	424,120
Plan fiduciary net position - beginning	5,273,843	5,442,840	5,517,546	6,126,494	6,198,242	6,525,687	6,735,115	8,533,925	7,389,338
Plan fiduciary net position - ending (b)	\$ 5,442,841	\$ 5,517,546	\$ 6,126,494	\$ 6,198,242	\$ 6,525,687	\$ 6,735,115	\$ 8,533,925	\$ 7,389,338	\$ 7,813,458
Net pension liability (asset) - ending (a) - (b)	\$ (178,610)	\$ 204,001	\$ 63,219	\$ (123,132)	\$ (75,629)	\$ 247,932	\$ (1,236,123)	\$ 454,736	\$ 523,255
Plan fiduciary net position as a percentage of the total pension liability	103.39%	96.43%	98.98%	102.03%	101.17%	96.45%	116.94%	94.20%	93.72%
Covered employee payroll	\$ 1,804,317	\$ 1,890,329	\$ 2,079,971	\$ 2,171,138	\$ 2,323,250	\$ 1,857,486	\$ 2,266,957	\$ 2,335,744	\$ 2,214,881
Net pension liability (asset) as a percentage of covered-employee payroll	(9.90%)	10.79%	3.04%	-5.67%	-3.26%	13.35%	-54.53%	19.47%	23.62%

Notes to Schedule:

Only nine fiscal years are presented because 10-year data is not yet available.
In FY 2017, the change in assumption discount rate decreased by .25 percent.

Required Supplementary Information
Oklahoma Municipal Retirement Fund

Schedule of Employer Contributions

Last Fiscal Year

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 138,867	\$ 151,440	\$ 155,062	\$ 144,091	\$ 146,776	\$ 165,490	\$ 164,510	\$ 168,407	\$ 174,018
Contributions in relation to the actuarially determined contribution	138,867	151,440	158,313	141,882	146,280	154,031	165,452	182,132	219,208
Contribution deficiency (excess)	\$ -	\$ -	\$ (3,251)	\$ 2,209	\$ 496	\$ 11,459	\$ (942)	\$ (13,726)	\$ (45,190)
Covered employee payroll	\$ 1,903,453	\$ 2,235,214	\$ 2,255,853	\$ 1,928,929	\$ 2,084,886	\$ 2,187,940	\$ 2,214,881	\$ 2,438,182	2,934,511
Contributions as a percentage of covered-employee payroll	7.30%	6.78%	6.87%	7.47%	7.04%	7.56%	7.43%	6.91%	7.47%

Notes to Schedule:

- Only nine current fiscal years are presented because 10-year data is not yet available.
- Latest Valuation Date: July 1, 2023
- Actuarially determined contribution rate is calculated as of July 1, 2022 and July 1, 2023
October 2022 through June 2023 contributions were at a rate of 5.84%.
July 2023 through September 2023 contributions were at a rate of 6.26%
- Methods and assumptions used to determine contribution rates:
Actuarial cost method - Entry age normal
Amortization method - Level percent of payroll, closed
Remaining amortization period - 30 years
Asset valuation method - Actuarial:
Smoothing period - 5 years
Recognition method - Non-asymptotic
Corridor - 70% - 130%
Salary increases - 5% to 8% (varies by attained age)
Investment rate of return - 7.25%
Mortality - PubG2010

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios

Last 10 Fiscal Years

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 76,056	\$ 56,125	\$ 62,733	\$ 62,733	\$ 152,478	\$ 131,585
Interest	18,109	28,931	31,102	31,102	35,978	37,354
Change in assumptions	(49,951)	(74,061)	283,535	113,956	(41,461)	(574,227)
Differences between expected and actual experience	-	-	(7,591)	-	(89,225)	(19,211)
Benefit payments, including refunds	-	-	-	-	(11,998)	(7,777)
Other changes	-	-	34,321	-	216,591	-
Net change in total OPEB liability	44,214	10,995	404,100	207,791	262,363	(432,276)
Total OPEB liability - beginning	591,795	636,009	647,004	1,051,104	1,258,895	1,521,258
Total OPEB liability - ending	\$ 636,009	\$ 647,004	\$ 1,051,104	\$ 1,258,895	\$ 1,521,258	\$ 1,088,982
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 4,700,000	\$ 5,004,579	\$ 4,818,000	\$ 5,383,808	\$ 5,264,000	\$ 5,390,000
Total OPEB liability as a percentage of covered-employee payroll	13.53%	12.93%	21.82%	23.38%	28.90%	20.20%

Notes to Schedule:

Only six years is presented because 10-year data is not yet available.

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

OTHER SUPPLEMENTARY INFORMATION

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Combining Balance Sheet – Nonmajor Governmental Funds – September 30, 2023

	<u>Capital Equipment Fund</u>	<u>Hotel Motel Tax Fund</u>	<u>Cemetery Care Fund</u>	<u>USDA Rural Development</u>	<u>Guthrie Industrial Development Fund</u>	<u>Debt Service</u>	<u>Hotel Motel Sports Tax Fund</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 583,337	\$ 275,280	\$ 30,434	\$ 128,680	\$ 215,586	\$ 455	\$ 190,349	\$ 1,424,121
Receivable from other governments	7,121	-	-	-	-	-	12,365	19,486
Due from other funds	-	-	-	-	-	144	-	144
Taxes receivable, net	-	16,286	-	-	-	-	-	16,286
Total assets	<u>\$ 590,458</u>	<u>\$ 291,566</u>	<u>\$ 30,434</u>	<u>\$ 128,680</u>	<u>\$ 215,586</u>	<u>\$ 599</u>	<u>\$ 202,714</u>	<u>\$ 1,460,037</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 21,394	\$ 5,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,402
Total liabilities	<u>21,394</u>	<u>5,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,402</u>
Fund balances:								
Restricted	-	169,154	30,434	128,680	-	599	202,487	531,354
Assigned	569,064	117,404	-	-	215,586	-	227	902,281
Total fund balances	<u>569,064</u>	<u>286,558</u>	<u>30,434</u>	<u>128,680</u>	<u>215,586</u>	<u>599</u>	<u>202,714</u>	<u>1,433,635</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 590,458</u>	<u>\$ 291,566</u>	<u>\$ 30,434</u>	<u>\$ 128,680</u>	<u>\$ 215,586</u>	<u>\$ 599</u>	<u>\$ 202,714</u>	<u>\$ 1,460,037</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended September 30, 2023

	<u>Capital Equipment Fund</u>	<u>Hotel Motel Tax Fund</u>	<u>Cemetery Care Fund</u>	<u>USDA Rural Development</u>	<u>Guthrie Industrial Development Fund</u>	<u>Debt Service</u>	<u>Hotel Motel Sports Tax Fund</u>	<u>Total-Other Governmental Funds</u>
REVENUES								
Taxes	\$ 81,817	\$ 242,722	\$ -	\$ -	\$ -	\$ 432	\$ 183,532	\$ 508,503
Intergovernmental	55,020	-	-	-	-	-	-	55,020
Charges for services	-	-	12,486	-	18,848	-	-	31,334
Investment earnings	1,727	601	61	125	566	-	227	3,307
Miscellaneous	30,325	22,017	-	-	-	-	-	52,342
Total revenues	<u>168,889</u>	<u>265,340</u>	<u>12,547</u>	<u>125</u>	<u>19,414</u>	<u>432</u>	<u>183,759</u>	<u>650,506</u>
EXPENDITURES								
Current:								
General government	4,545	-	-	-	-	-	-	4,545
Culture and recreation	-	179,111	4,270	-	-	-	-	183,381
Debt Service:								
Principal	-	-	-	-	12,500	-	-	12,500
Capital Outlay	575,395	2,604	12,284	-	15,000	-	-	605,283
Total Expenditures	<u>579,940</u>	<u>181,715</u>	<u>16,554</u>	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>805,709</u>
Excess (deficiency) of revenues over expenditures	<u>(411,051)</u>	<u>83,625</u>	<u>(4,007)</u>	<u>125</u>	<u>(8,086)</u>	<u>432</u>	<u>183,759</u>	<u>(155,203)</u>
OTHER FINANCING SOURCES (USES)								
Other source - receipt of loan receivable	-	-	-	9,500	-	-	-	9,500
Transfers in	448,554	26,257	-	-	105,000	-	-	579,811
Transfers out	-	-	-	-	(105,000)	(288)	-	(105,288)
Total other financing sources and uses	<u>448,554</u>	<u>26,257</u>	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>(288)</u>	<u>-</u>	<u>484,023</u>
Net change in fund balances	37,503	109,882	(4,007)	9,625	(8,086)	144	183,759	328,820
Fund balances - beginning	531,561	176,676	34,441	119,055	223,672	455	18,955	1,104,815
Fund balances - ending	<u>\$ 569,064</u>	<u>\$ 286,558</u>	<u>\$ 30,434</u>	<u>\$ 128,680</u>	<u>\$ 215,586</u>	<u>\$ 599</u>	<u>\$ 202,714</u>	<u>\$ 1,433,635</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Combining Balance Sheet – General Fund Accounts – September 30, 2023

	<u>General Fund</u>	<u>Fire/EMS Cash</u>	<u>Airport Account</u>	<u>General Fund Stabilization Account</u>	<u>Total General Fund Accounts</u>
ASSETS					
Cash and cash equivalents	\$ 3,452,465	278,971	\$ 471,222	\$ 1,266,163	\$ 5,468,821
Receivable from other governments	1,275,764	-	38,602	-	1,314,366
Due from other funds/accounts	591	1,439	-	248,007	250,037
Taxes receivable, net	51,910	-	-	-	51,910
Court fines receivable, net	182,777	-	-	-	182,777
Ambulance receivable, net	-	253,700	-	-	253,700
Other receivables	1,203	-	-	-	1,203
Lease receivable	22,171	-	-	-	22,171
Total assets	<u>\$ 4,986,881</u>	<u>\$ 534,110</u>	<u>\$ 509,824</u>	<u>\$ 1,514,170</u>	<u>\$ 7,544,985</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 110,053	\$ 36,324	\$ 7,163	\$ -	\$ 153,540
Accrued payroll payable	296,935	-	-	-	296,935
Due to other funds/accounts	47,126	203,021	-	-	250,147
Due to bondholders	1,100	-	-	-	1,100
Payable to other governments	2,025	-	-	-	2,025
Total liabilities	<u>457,239</u>	<u>239,345</u>	<u>7,163</u>	<u>-</u>	<u>703,747</u>
Deferred inflows of resources:					
Deferred inflow lease	32,886	-	-	-	32,886
Unavailable revenue	157,824	131,275	-	-	289,099
Total deferred inflows	<u>190,710</u>	<u>131,275</u>	<u>-</u>	<u>-</u>	<u>321,985</u>
Fund balances:					
Committed	-	-	-	1,514,170	1,514,170
Assigned	-	163,490	502,661	-	666,151
Unassigned	4,338,932	-	-	-	4,338,932
Total fund balances	<u>4,338,932</u>	<u>163,490</u>	<u>502,661</u>	<u>1,514,170</u>	<u>6,519,253</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,986,881</u>	<u>\$ 534,110</u>	<u>\$ 509,824</u>	<u>\$ 1,514,170</u>	<u>\$ 7,544,985</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – For the Year Ended September 30, 2023

	<u>General Fund</u>	<u>Fire/EMS</u> <u>Cash</u>	<u>Airport</u> <u>Account</u>	<u>General Fund</u> <u>Stabilization</u> <u>Account</u>	<u>Total General</u> <u>Fund Accounts</u>
REVENUES					
Taxes	\$ 10,581,123	\$ -	\$ -	\$ -	\$ 10,581,123
Intergovernmental	1,239,799	-	59,000	-	1,298,799
Licenses and permits	161,966	-	-	-	161,966
Charges for services	177,172	1,807,708	157,986	-	2,142,866
Fees and fines	135,922	-	-	-	135,922
Investment earnings	27,573	1,240	831	7,528	37,172
Miscellaneous	458,616	73,094	113	-	531,823
Total revenues	<u>12,782,171</u>	<u>1,882,042</u>	<u>217,930</u>	<u>7,528</u>	<u>14,889,671</u>
EXPENDITURES					
Current:					
General government	2,223,180	-	-	-	2,223,180
Public safety	4,094,556	3,565,094	-	-	7,659,650
Public works	574,496	-	-	-	574,496
Culture and recreation	1,051,948	-	-	-	1,051,948
Economic development	179,670	-	-	-	179,670
Airport	-	-	179,212	-	179,212
Capital outlay	431,524	235,346	43,070	-	709,940
Debt service:					
Principal	33,061	-	-	-	33,061
Interest and other charges	4,477	-	-	-	4,477
Total expenditures	<u>8,592,912</u>	<u>3,800,440</u>	<u>222,282</u>	<u>-</u>	<u>12,615,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,189,259</u>	<u>(1,918,398)</u>	<u>(4,352)</u>	<u>7,528</u>	<u>2,274,037</u>
OTHER FINANCING SOURCES (USES)					
Other source- SBITA proceeds	138,782	-	-	-	138,782
Intra-account transfers	(1,659,218)	1,661,884	154,798	(157,464)	-
Transfers in	9,030,942	200,000	105,000	288	9,336,230
Transfers out	(10,691,284)	(10,703)	-	-	(10,701,987)
Total other financing sources and uses	<u>(3,180,778)</u>	<u>1,851,181</u>	<u>259,798</u>	<u>(157,176)</u>	<u>(1,226,975)</u>
Net change in fund balances	1,008,481	(67,217)	255,446	(149,648)	1,047,062
Fund balances - beginning	3,330,451	230,707	247,215	1,663,818	5,472,191
Fund balances - ending	<u>\$ 4,338,932</u>	<u>\$ 163,490</u>	<u>\$ 502,661</u>	<u>\$ 1,514,170</u>	<u>\$ 6,519,253</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Combining Schedule of Net Position – Enterprise Fund Accounts – September 30, 2023

	<u>GPWA</u>	<u>Water Treatment Plant Account</u>	<u>Waste Water Treatment Plant</u>	<u>Meter Deposit Account</u>	<u>CMOM Account</u>	<u>GPWA Stabilization Account</u>	<u>Total</u>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 2,263,934	\$ 200,743	\$ 1,688,813	\$ 4,570	\$ 993,333	\$ 1,018,132	\$ 6,169,525
Restricted:							
Cash and cash equivalents	146,102	628,009	-	488,423	-	-	1,262,534
Investments	-	-	-	99,000	-	-	99,000
Due from other funds	2,163	741	-	68	729	389,120	392,821
Accounts receivable, net	685,341	227,021	-	-	116,553	-	1,028,915
Total current assets	<u>3,097,540</u>	<u>1,056,514</u>	<u>1,688,813</u>	<u>592,061</u>	<u>1,110,615</u>	<u>1,407,252</u>	<u>8,952,795</u>
Non-current assets:							
Capital assets:							
Land and construction in progress	22,035,584	-	-	-	110,518	-	22,146,102
Other capital assets, net of accumulated depreciation	10,814,527	10,128,270	-	-	-	-	20,942,797
Total non-current assets	<u>32,850,111</u>	<u>10,128,270</u>	<u>-</u>	<u>-</u>	<u>110,518</u>	<u>-</u>	<u>43,088,899</u>
Total assets	<u>35,947,651</u>	<u>11,184,784</u>	<u>1,688,813</u>	<u>592,061</u>	<u>1,221,133</u>	<u>1,407,252</u>	<u>52,041,694</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amounts related to pensions	309,072	-	-	-	-	-	309,072
Deferred amounts related to OPEB	260,467	-	-	-	-	-	260,467
Total deferred outflows of resources	<u>569,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,539</u>
LIABILITIES							
Current liabilities:							
Accounts payable	174,397	-	677,621	430	-	-	852,448
Salaries payable	39,295	-	-	-	-	-	39,295
Accrued interest payable	9,522	102,753	11,927	-	1,701	-	125,903
Due to other funds	390,692	1,030	-	-	966	-	392,688
Unearned revenue	771,868	-	-	-	-	-	771,868
Deposits subject to refund	-	-	-	514,734	-	-	514,734
Compensated absences	5,473	-	-	-	-	-	5,473
Capital lease obligation	-	-	-	-	78,731	-	78,731
Notes payable	312,297	1,047,200	500,000	-	134,429	-	1,993,926
Total current liabilities	<u>1,703,544</u>	<u>1,150,983</u>	<u>1,189,548</u>	<u>515,164</u>	<u>215,827</u>	<u>-</u>	<u>4,775,066</u>
Non-current liabilities:							
Compensated absences	49,266	-	-	-	-	-	49,266
Capital lease obligation	-	-	-	-	279,171	-	279,171
Notes payable	434,029	7,444,800	16,803,288	-	1,156,082	-	25,838,199
Total OPEB liability	362,416	-	-	-	-	-	362,416
Net pension liability	174,141	-	-	-	-	-	174,141
Total non-current liabilities	<u>1,019,852</u>	<u>7,444,800</u>	<u>16,803,288</u>	<u>-</u>	<u>1,435,253</u>	<u>-</u>	<u>26,703,193</u>
Total liabilities	<u>2,723,396</u>	<u>8,595,783</u>	<u>17,992,836</u>	<u>515,164</u>	<u>1,651,080</u>	<u>-</u>	<u>31,478,259</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred amounts related to pensions	49,577	-	-	-	-	-	49,577
Deferred amounts related to OPEB	280,661	-	-	-	-	-	280,661
Total deferred inflows of resources	<u>330,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,238</u>
NET POSITION							
Net investment in capital assets	32,103,785	958,649	(17,303,288)	-	(1,179,993)	-	14,579,153
Restricted for debt service	136,580	525,256	-	-	-	-	661,836
Unrestricted (deficit)	1,223,191	1,105,096	999,265	76,897	750,046	1,407,252	5,561,747
Total net position	<u>\$ 33,463,556</u>	<u>\$ 2,589,001</u>	<u>\$ (16,304,023)</u>	<u>\$ 76,897</u>	<u>\$ (429,947)</u>	<u>\$ 1,407,252</u>	<u>\$ 20,802,736</u>

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Combining Schedule of Revenues, Expenses, and Changes in Net Position – Enterprise Fund
Accounts – Year Ended September 30, 2023

	GPWA	Water Treatment Plant Account	Waste Water Treatment Plant	Meter Deposit Account	CMOM Account	GPWA Stabilization Account	Total
REVENUES							
Charges for services:							
Water	\$ 3,654,789	\$ 394,554	\$ -	\$ -	\$ -	\$ -	\$ 4,049,343
Sewer	1,557,831	-	-	-	365,971	-	1,923,802
Sanitation	1,612,443	-	-	-	-	-	1,612,443
Rents and royalties	3,000	-	-	-	-	-	3,000
Miscellaneous	13,657	-	-	1	-	-	13,658
Total operating revenues	<u>6,841,720</u>	<u>394,554</u>	<u>-</u>	<u>1</u>	<u>365,971</u>	<u>-</u>	<u>7,602,246</u>
OPERATING EXPENSES							
General government	803,914	-	-	-	125	-	804,039
Administration	467,039	-	-	-	-	-	467,039
Water	932,197	126	-	-	-	-	932,323
Wastewater	379,101	-	-	-	-	-	379,101
Sanitation	1,106,290	-	-	-	8,630	-	1,114,920
Landfill operations	185,556	-	-	-	-	-	185,556
Line maintenance	844,933	-	-	-	-	-	844,933
Meter operations	-	-	-	127	-	-	127
Depreciation	932,679	765,776	-	-	-	-	1,698,455
Total operating expenses	<u>5,651,709</u>	<u>765,902</u>	<u>-</u>	<u>127</u>	<u>8,755</u>	<u>-</u>	<u>6,426,493</u>
Operating income (loss)	<u>1,190,011</u>	<u>(371,348)</u>	<u>-</u>	<u>(126)</u>	<u>357,216</u>	<u>-</u>	<u>1,175,753</u>
	5,676,377						
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	22,035	13,777	12,821	1,871	3,634	3,882	58,020
Operating grants and contributions	614,651	-	-	-	-	-	614,651
Interest expense	(24,668)	(213,769)	(229,219)	-	(52,833)	-	(520,489)
Total non-operating revenue (expenses)	<u>612,018</u>	<u>(199,992)</u>	<u>(216,398)</u>	<u>1,871</u>	<u>(49,199)</u>	<u>3,882</u>	<u>152,182</u>
Income (loss) before contributions and transfers	<u>1,802,029</u>	<u>(571,340)</u>	<u>(216,398)</u>	<u>1,745</u>	<u>308,017</u>	<u>3,882</u>	<u>1,327,935</u>
Capital contributions	1,395,571	-	-	-	-	-	1,395,571
Transfer Intra-account	3,290,648	798,000	(4,286,926)	(1,722)	-	200,000	-
Transfers in	9,041,210	85,416	260,508	-	-	-	9,387,134
Transfers out	(9,767,367)	-	-	-	-	-	(9,767,367)
Change in net position	<u>5,762,091</u>	<u>312,076</u>	<u>(4,242,816)</u>	<u>23</u>	<u>308,017</u>	<u>203,882</u>	<u>2,343,273</u>
Total net position - beginning	<u>27,701,465</u>	<u>2,276,925</u>	<u>(12,061,207)</u>	<u>76,874</u>	<u>(737,964)</u>	<u>1,203,370</u>	<u>18,459,463</u>
Total net position - ending	<u>\$ 33,463,556</u>	<u>\$ 2,589,001</u>	<u>\$ (16,304,023)</u>	<u>\$ 76,897</u>	<u>\$ (429,947)</u>	<u>\$ 1,407,252</u>	<u>\$ 20,802,736</u>

**CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023**

SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION



Elfrink and Associates, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Guthrie, Oklahoma ("City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 5, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Elfrink and Associates, PLLC

Elfrink and Associates, PLLC
Tulsa, Oklahoma
July 5, 2024

8905 S Yale Avenue, Suite 102
Tulsa, OK, 74137
Members of the AICPA, OSCP, and GAQC



539-664-4662
anne.elfrink@CPA.com
Government Accounting and Auditing

**CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023**

THIS PAGE INTENTIONALLY LEFT BLANK



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 Members of the City Council
City of Guthrie, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Guthrie, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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 September 30, 2021.

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.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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's federal programs.

Auditor's Responsibilities 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 express an opinion on the City'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 material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that 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 judgment made by a reasonable user of the report on compliance about the City'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:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City'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 a 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 5, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Elfrink and Associates, PLLC

Elfrink and Associates, PLLC
Tulsa, Oklahoma
July 5, 2024

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal/State Grantor/Pass through agency Grantor/Program Title	Assistance Listing (AL) Number	Agency or Pass Thru Number	Federal Expenditures
FEDERAL ASSISTANCE:			
U.S. DEPARTMENT OF JUSTICE:			
Body Worn Camera Policy and Implementation	16.835	28544064	12,000
Public Safety Partnership and Community Policing Grant	16.710	15JCOPS-21-GG-02579-SPPS	30,000
BPV Grant	16.607	N/A	4,337
Passed through District Attorney's Council: Crime Victim Assistance Grant (VOCA)	16.575	2022-VOCA-Guthrie CI-012	128,614
Violence Against Women Formula Grants	16.588	2022/23-VAWA-GUTHRIE CI-00003	41,169
Violence Against Women Formula Grants	16.588	2024/25-VAWA-GUTHRIE CI-00002	2,982
Sub-total CFDA 16.588			44,151
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJA-2020-17373	61,772
Passed through Iowa Tribe of Oklahoma : VOCA Tribal Victim Services Set-Aside Program	16.841	15POVC-22-GG-01370-TVAG	16,096
Passed through National Association of VOCA Assistance Administrators (NAVAA) : Crime Victim Assistance/Discretionary Grants	16.582	CAP 23-1235	4,314
Total U.S. Department of Justice			301,284
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through Federal Aviation Administration: Airport Improvement Program, COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs	20.106	3-40-0036-022-2021	59,000
Sub-total CFDA 20.106			59,000
Oklahoma Department of Transportation:			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	ER REL 2019 SUP	546,819
Sub-total CFDA 20.205			546,819
Total U.S. Department of Transportation			605,819
U.S. DEPARTMENT OF HOMELAND SECURITY:			
Assistance to Firefighters Grant	97.044	EMW-2020-FG-19462	206,894
Passed through Oklahoma Emergency Management: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA 4575 PW 119	20,420
Total U.S. Department of Homeland Security			227,314
U.S. DEPARTMENT OF AGRICULTURE:			
Community Facilities Loans and Grants Cluster			
Community Facilities Direct Loans and Grants	10.766	N/A	34,600
Rural Business Development Grant	10.351	N/A	49,933
Total U.S. Department of Agriculture			84,533
U.S. DEPARTMENT OF TREASURY:			
Passed through Office of Management and Enterprise Services COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	ARPA	614,651
Total U.S. Department of Treasury			614,651
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Passed through OK Department of Commerce			
Community Development Block Grant/ State's program and Non-Entitlement Grants in Hawaii	14.228	18547 CDBG 21	397,446
Community Development Block Grant/ State's program and Non-Entitlement Grants in Hawaii	14.228	18230 CDBG 17	299,999
Community Development Block Grant/ State's program and Non-Entitlement Grants in Hawaii	14.228	18472 CDBG CR 20	262,296
Total U.S. Department of Housing and Urban Development			959,741
UNITED STATES DEPARTMENT OF ENERGY:			
Passed through OK Department of Commerce			
State Energy Program	81.041	SEPL-2022-GUTHRIE CI-00069	35,546
Total U.S. Department of Energy			35,546
TOTAL FEDERAL ASSISTANCE			\$ 2,828,888

CITY OF GUTHRIE, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended September 30, 2023

Footnotes to Schedules of Expenditures of Federal Awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Guthrie, Oklahoma (the "City") under programs of the federal government for the year ended September 30, 2023. 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

