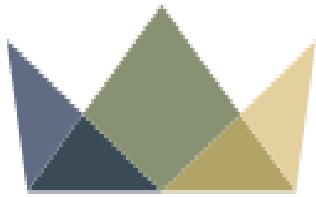


City of



KINGFISHER | OK

**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**THE CITY OF KINGFISHER,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024**

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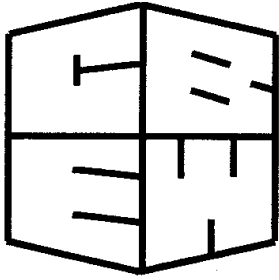
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INDEPENDENT AUDITOR'S REPORT

January 15, 2025

Honorable Board of City Commissioners
City of Kingfisher
Kingfisher, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingfisher, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Kingfisher, Oklahoma's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingfisher, Oklahoma, as of June 30, 2024, 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 of Kingfisher, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension exhibits and budgetary comparison information on pages 9–18 and 66–71 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kingfisher, Oklahoma'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 January 15, 2025 on our consideration of the City of Kingfisher, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kingfisher, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kingfisher, Oklahoma's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024**

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CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

Our discussion and analysis of the City of Kingfisher's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2024, the City's total net position decreased by \$0.5 million or -1.2% from the prior year.
- During the year, the City's expenses for governmental activities were \$8.7 million and were funded by program revenues of \$3.0 million and further funded with taxes and other general revenues and transfers that totaled \$6.9 million.
- In the City's business-type activities, such as utilities, program revenues were under expenses by \$1.8 million.
- For budgetary reporting purposes, the General Fund reported revenues over estimates by \$146,761 or 1.7%, while expenditures were under the final appropriations by \$147,610 or 1.6%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Kingfisher (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, including four active blended component units.

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 Kingfisher is an incorporated municipality with a population of approximately 4,903 located in northwestern Oklahoma. The City is a Council/Manager form of government and operates under a home-rule charter that provides for three branches of government:

- Legislative – the City Commission is a five-member governing body with the mayor and four commissioners elected by the citizens at large
- Executive – the City Manager is the Chief Executive Officer and appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Commissioners

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

The City's Financial Reporting Entity

This annual report includes all activities for which the City of Kingfisher 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.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

The City's financial reporting entity includes the primary government (City of Kingfisher) and the blended component units as follows.

- **The City of Kingfisher** – that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities
- **The Kingfisher Airport Authority** – that operates and manages the Kingfisher Municipal Airport.
- **The Kingfisher Public Works Authority** – that operates the electric, water, sewer, and sanitation services of the City
- **The Kingfisher Special Projects Authority** – that promotes, develops and secures industrial development within the City
- **The Kingfisher Recreation Authority** – that operates the swimming pool facility of the City and oversees the management of the municipal golf course of the City
- **The Kingfisher Hospital Authority** – sole purpose is to finance the Kingfisher Regional Hospital with the 1% sales tax through 2032. This Authority was formed in May 2007 and had no financial activity in the current year, since the City transfers the 1% sales tax directly to the Hospital.

All four active component units (Authorities) have the City Commissioners as their governing body (trustees) and the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities.

Using This Annual Report

This annual report is presented in a format that complies with 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 Schedules** – 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 residual difference between assets, deferred outflows, 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 electric, water, sewer, and sanitation activities are reported here, along with other smaller activities.

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. All of the funds of the City of Kingfisher can be divided into two categories: governmental funds and proprietary funds.

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

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

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. 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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by \$42.0 million at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Current assets	\$ 11,706	\$ 10,308	14%	\$ 4,221	\$ 5,553	-24%	\$ 15,927	\$ 15,861	0%
Non-current assets	12,355	12,254	1%	22,043	22,680	-3%	34,398	34,934	-2%
Total assets	<u>24,061</u>	<u>22,562</u>	7%	<u>26,264</u>	<u>28,233</u>	-7%	<u>50,325</u>	<u>50,795</u>	-1%
Deferred outflow of resources	<u>1,699</u>	<u>2,028</u>	-16%	<u>391</u>	<u>552</u>	-29%	<u>2,090</u>	<u>2,580</u>	-19%
Current liabilities	684	530	29%	516	687	-25%	1,200	1,217	-1%
Non-current liabilities	4,525	4,903	-8%	4,220	4,408	-4%	8,745	9,311	-6%
Total liabilities	<u>5,209</u>	<u>5,433</u>	-4%	<u>4,736</u>	<u>5,095</u>	-7%	<u>9,945</u>	<u>10,528</u>	-6%
Deferred inflow of resources	<u>324</u>	<u>150</u>	116%	<u>164</u>	<u>203</u>	-19%	<u>488</u>	<u>353</u>	38%
Net position									
Net investment in									
capital assets	11,966	12,070	-1%	17,695	18,337	-4%	29,661	30,407	-2%
Restricted	4,462	3,106	44%	595	595	0%	5,057	3,701	37%
Unrestricted	3,799	3,831	-1%	3,465	4,555	-24%	7,264	8,386	-13%
Total net position	<u>\$ 20,227</u>	<u>\$ 19,007</u>	6%	<u>\$ 21,755</u>	<u>\$ 23,487</u>	-7%	<u>\$ 41,982</u>	<u>\$ 42,494</u>	-1%

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 2024, this net investment in capital assets amounted to \$29.7 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.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

Another portion of the City's net position, \$5.1 million, also represents resources that are subject to external restrictions or internal legislation on how they may be used. The remaining balance of unrestricted net position approximately, \$7.3 million, is available to meet the government's ongoing obligations to citizens and creditors.

Business-Type current assets decreased due to a reduction in cash resulting from increased transfers to other funds.

The decrease in deferred outflows, the increase in deferred inflows and the decrease in non-current liabilities relates to several actuarial factors in all three defined benefit retirement plans. This also contributes to the increase in public safety expense.

Changes in Net Position

For the year ended June 30, 2024, 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>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Revenues									
Charges for service	\$ 1,560	\$ 1,619	-4%	\$ 8,588	\$ 9,390	-9%	\$ 10,148	\$ 11,009	-8%
Operating grants and contributions	600	1,387	-57%	25	29	-14%	625	1,416	-56%
Capital grants and contributions	872	817	7%	29	-	-	901	817	10%
Taxes	6,084	6,911	-12%	-	-	-	6,084	6,911	-12%
Intergovernmental revenue	133	139	-4%	37	91	-59%	170	230	-26%
Investment income	347	66	426%	68	21	224%	415	87	377%
Miscellaneous	195	147	33%	118	434	-73%	313	581	-46%
Total revenues	<u>9,791</u>	<u>11,086</u>	<u>-12%</u>	<u>8,865</u>	<u>9,965</u>	<u>-11%</u>	<u>18,656</u>	<u>21,051</u>	<u>-11%</u>
Expenses									
General government	499	471	6%	-	-	-	499	471	6%
Public safety	4,667	4,166	12%	-	-	-	4,667	4,166	12%
Highways and streets	732	805	-9%	-	-	-	732	805	-9%
Culture and recreation	1,101	889	24%	-	-	-	1,101	889	24%
Health and welfare	41	60	-32%	-	-	-	41	60	-32%
Airport	222	245	-9%	-	-	-	222	245	-9%
Hospital sales tax payment	1,479	1,562	-5%	-	-	-	1,479	1,562	-5%
Light and power	-	-	-	6,209	6,265	-1%	6,209	6,265	-1%
Water	-	-	-	1,522	1,176	29%	1,522	1,176	29%
Sewer	-	-	-	716	487	47%	716	487	47%
Sanitation	-	-	-	921	814	13%	921	814	13%
Golf course	-	-	-	110	138	-20%	110	138	-20%
Swimming pool	-	-	-	862	567	52%	862	567	52%
Economic development	-	-	-	87	87	0%	87	87	0%
Total expenses	<u>8,741</u>	<u>8,198</u>	<u>7%</u>	<u>10,427</u>	<u>9,534</u>	<u>9%</u>	<u>19,168</u>	<u>17,732</u>	<u>8%</u>
Excess (deficiency) before transfers	1,050	2,888	-64%	(1,562)	431	-462%	(512)	3,319	-115%
Transfers	170	-	100%	(170)	-	-100%	-	-	-
Change in net position	<u>1,220</u>	<u>2,888</u>	<u>-58%</u>	<u>(1,732)</u>	<u>431</u>	<u>-502%</u>	<u>(512)</u>	<u>3,319</u>	<u>-115%</u>
Beginning net position	<u>19,007</u>	<u>16,119</u>	<u>18%</u>	<u>23,487</u>	<u>23,056</u>	<u>2%</u>	<u>42,494</u>	<u>39,175</u>	<u>8%</u>
Ending net position	<u>\$ 20,227</u>	<u>\$ 19,007</u>	<u>6%</u>	<u>\$ 21,755</u>	<u>\$ 23,487</u>	<u>-7%</u>	<u>\$ 41,982</u>	<u>\$ 42,494</u>	<u>-1%</u>

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

Governmental Activities:

The large decrease in the governmental operating grants and contributions is due to a reduction of the ARPA grant money received in the current year.

Business-Type Activities:

Water expenses increased due to increased payroll, pension, and OPEB expenses.

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>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
General government	\$ 499	\$ 471	6%	(\$444)	\$447	-199%
Public safety	4,667	4,166	12%	(2,691)	(2,221)	21%
Highways and streets	732	805	-9%	87	(755)	-112%
Culture and recreation	1,101	889	24%	(1,005)	(131)	667%
Health and welfare	41	60	-32%	(11)	(30)	-63%
Airport	222	245	-9%	(165)	(124)	33%
Hospital sales tax payment	1,479	1,562	-5%	(1,479)	(1,562)	-5%
Total	<u>8,741</u>	<u>\$ 8,198</u>	7%	<u>(\$5,708)</u>	<u>(\$4,376)</u>	30%

Explanations for significant changes are listed above under Table 2.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

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>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Light and power	\$ 6,209	\$ 6,265	-1%	\$ (281)	\$ 548	-151%
Water	1,522	1,176	29%	(326)	(21)	1,452%
Sewer	716	487	47%	(105)	95	-211%
Sanitation	921	814	13%	(84)	(37)	127%
Golf course	110	138	-20%	(91)	(109)	-17%
Swimming pool	862	567	52%	(810)	(504)	61%
Economic development	87	87	0%	(87)	(87)	0%
Total	<u>\$ 10,427</u>	<u>\$ 9,534</u>	9%	<u>\$ (1,784)</u>	<u>\$ (115)</u>	1451%

The City's business-type activities include utility services for electric, water, sewer, sanitation, golf course, swimming pool and economic development.

In reviewing the business-type activities net (expense)/revenue, the following highlights should be noted:

- Total business-type activities reported net expense of \$1.8 million for the year ended June 30, 2024.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$10,844,731 which is an increase of \$1.4 million or 14.5% from 2023. The enterprise funds reported combined net position of \$21,755,122 or a decrease of 7%.

Other fund highlights include:

- In the General Fund there was a \$199,198 restriction for insurance, \$76,923 restricted for police, \$30,630 restricted for fire, a \$3,624,815 commitment for economic stabilization, a \$2,669,949 assignment for capital improvements, and a \$15,395 assignment for sick leave buyback.
- Proprietary fund net position restriction is \$595,212 for capital projects.

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 6.9% or \$0.5 million and an increase in appropriations (including transfers out) of 13.3% or \$1.1 million. Actual revenues and transfers were over estimates by \$146,761 or 1.7%, while expenditures and transfers were under final appropriations by \$147,610 or 1.6%.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the City had approximately \$33.5 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, and electric, water and sewer lines. (See Table 5). This represents a net decrease of approximately \$0.4 million over last year.

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

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,756	\$ 1,756	\$ 1,212	\$ 1,212	\$ 2,968	\$ 2,968
Buildings and Improvements	2,056	2,315	3,634	3,984	5,690	6,299
Machinery and Equipment	1,258	1,213	911	606	2,169	1,819
Infrastructure	6,727	4,873	657	697	7,384	5,570
Utility Property	-	-	14,836	11,813	14,836	11,813
SBITA- Intangibles	49	-	-	-	49	-
Construction in progress	419	1,926	30	3,543	449	5,469
Totals	\$ 12,265	\$ 12,083	\$ 21,280	\$ 21,855	\$ 33,545	\$ 33,938

This year's more significant capital asset additions included:

Wastewater Treatment Plant Project	\$3,527,364
Newfield Park Project	\$1,953,638

See Note 4 to the financial statements for more detailed information on the City's capital assets and changes therein.

Long- Term Debt

At year-end, the City had \$4.9 million in long-term debt outstanding which represents an approximate increase of \$0.1 million or 1% from the prior year. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Long-Term Debt

	Governmental		Business-Type		Total		Total
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>		<u>Percentage</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
Accrued absences	\$ 592	\$ 525	\$ 354	\$ 413	\$ 946	\$ 938	0.9%
Notes payable	-	-	3,320	3,313	3,320	3,313	0.2%
Meter deposit liability	-	-	618	592	618	592	4.4%
Totals	\$ 592	\$ 525	\$ 4,292	\$ 4,318	\$ 4,884	\$ 4,843	0.8%

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2024

See Note 5 to the financial statements for more detail information on the City's long-term debt and changes therein.

The Economic Outlook

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

- The City continue with construction of Starlite and Will Rogers Drive
- The City will continue to move forward with making plans for a new fire station.

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 Clerk's Office at 301 N. Main Kingfisher, Oklahoma 73750 or telephone at 405-375-3705.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Statement of Net Position— June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 6,765,339	\$ 532,044	\$ 7,297,383
Restricted cash and cash equivalents	-	518,441	518,441
Investments	3,346,145	650,000	3,996,145
Deposits with insurance pool	274,178	-	274,178
Accounts receivable, net	279,367	1,779,931	2,059,298
Court fine receivable, net	23,451	-	23,451
Internal balances	(19,693)	19,693	-
Due from other governments	1,037,164	33,799	1,070,963
Inventory	-	686,908	686,908
Total Current Assets	<u>11,705,951</u>	<u>4,220,816</u>	<u>15,926,767</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	-	291,869	291,869
Notes receivable, net of allowance (Note 4)	-	7,000	7,000
Restricted investments	-	273,533	273,533
Net pension asset	49,346	-	49,346
Net OPEB asset	40,756	56,543	97,299
Lease receivable	-	134,037	134,037
Capital Assets:			
Land and construction in progress	2,174,778	1,241,362	3,416,140
Other capital assets, net of depreciation	10,090,112	20,038,747	30,128,859
Total Noncurrent Assets	<u>12,354,992</u>	<u>22,043,091</u>	<u>34,398,083</u>
Total Assets	<u>24,060,943</u>	<u>26,263,907</u>	<u>50,324,850</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	1,677,334	360,025	2,037,359
Deferred amounts related to OPEB	21,553	31,365	52,918
	<u>1,698,887</u>	<u>391,390</u>	<u>2,090,277</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	384,649	203,280	587,929
Sales tax due to hospital	239,929	-	239,929
Accrued interest payable	-	17,854	17,854
Current portion of:			
Due to depositors	-	59,604	59,604
Unearned revenue	-	20,000	20,000
Notes payable	-	179,743	179,743
Accrued compensated absences	59,230	35,382	94,612
Total Current Liabilities	<u>683,808</u>	<u>515,863</u>	<u>1,199,671</u>
Noncurrent liabilities:			
Due to depositors	-	557,899	557,899
Notes payable	-	3,140,856	3,140,856
Accrued compensated absences	533,073	318,449	851,522
Net pension liability	3,992,479	202,630	4,195,109
Total Noncurrent Liabilities	<u>4,525,552</u>	<u>4,219,834</u>	<u>8,745,386</u>
Total Liabilities	<u>5,209,360</u>	<u>4,735,697</u>	<u>9,945,057</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	305,557	6,068	311,625
Deferred amounts related to leases	-	133,339	133,339
Deferred amounts related to OPEB	18,312	25,071	43,383
	<u>323,869</u>	<u>164,478</u>	<u>488,347</u>
NET POSITION			
Net investment in capital assets	11,965,651	17,695,358	29,661,009
Restricted for:			
Nonspendable	50,000	-	50,000
Library	437,417	-	437,417
Streets	909,290	-	909,290
Flood	215,697	-	215,697
Public Safety	2,202,238	-	2,202,238
Capital	448,153	595,212	1,043,365
Insurance	199,198	-	199,198
Unrestricted	3,798,957	3,464,552	7,263,509
Total Net Position	<u>\$ 20,226,601</u>	<u>\$ 21,755,122</u>	<u>\$ 41,981,723</u>

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Statement of Activities –Fiscal Year Ended June 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General government	\$ 498,970	\$ 55,394	\$ -	\$ -	\$ (443,576)	\$ -	\$ (443,576)
Public safety	4,666,683	1,405,500	542,385	27,883	(2,690,915)	-	(2,690,915)
Highways and streets	732,228	-	44,603	775,000	87,375	-	87,375
Culture and recreation	1,101,394	13,204	13,917	69,000	(1,005,273)	-	(1,005,273)
Health and welfare	41,005	29,600	-	-	(11,405)	-	(11,405)
Airport	221,584	56,538	-	-	(165,046)	-	(165,046)
Hospital sales tax payment	1,479,358	-	-	-	(1,479,358)	-	(1,479,358)
Total governmental activities	8,741,222	1,560,236	600,905	871,883	(5,708,198)	-	(5,708,198)
Business-type activities:							
Light and power	6,209,394	5,928,882	-	-	-	(280,512)	(280,512)
Water	1,521,774	1,166,374	-	29,483	-	(325,917)	(325,917)
Sewer	715,541	610,270	-	-	-	(105,271)	(105,271)
Sanitation	920,524	836,268	-	-	-	(84,256)	(84,256)
Golf course	109,613	-	19,049	-	-	(90,564)	(90,564)
Swimming pool	861,728	45,876	6,206	-	-	(809,646)	(809,646)
Economic development	87,061	-	-	-	-	(87,061)	(87,061)
Total business-type activities	10,425,635	8,587,670	25,255	29,483	-	(1,783,227)	(1,783,227)
Total primary government	\$ 19,166,857	\$ 10,147,906	\$ 626,160	\$ 901,366	(5,708,198)	(1,783,227)	(7,491,425)
General revenues:							
Taxes:							
Sales and use taxes					5,916,994	-	5,916,994
Franchise taxes and public service taxes					78,151	-	78,151
Hotel/motel taxes					88,983	-	88,983
Intergovernmental revenue not restricted to specific programs					132,860	35,556	168,416
Unrestricted investment earnings					346,447	67,180	413,627
Miscellaneous					194,787	118,496	313,283
Transfers - internal activities					170,000	(170,000)	-
Total general revenues and transfers					6,928,222	51,232	6,979,454
Change in net position					1,220,024	(1,731,995)	(511,971)
Net position - beginning					19,006,577	23,487,117	42,493,694
Net position - ending					\$ 20,226,601	\$ 21,755,122	\$ 41,981,723

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Governmental Funds Balance Sheet - June 30, 2024

	General Fund	F.I.R.E Tax Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,758,287	\$ 89,293	\$ 1,917,759	\$ 6,765,339
Investments	1,000,000	1,900,000	446,145	3,346,145
Receivables:				
Ambulance receivable, net	279,367	-	-	279,367
Court fines receivable, net	23,451	-	-	23,451
Due from other governments	908,365	119,965	5,210	1,033,540
Other receivables	3,624	-	-	3,624
Deposits in insurance pool	274,178	-	-	274,178
Total assets	<u>\$ 7,247,272</u>	<u>2,109,258</u>	<u>\$ 2,369,114</u>	<u>\$ 11,725,644</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 134,098	-	\$ 250,551	\$ 384,649
Due to other funds	19,693	-	-	19,693
Sales tax due to hospital	239,929	-	-	239,929
Total liabilities	<u>393,720</u>	<u>-</u>	<u>250,551</u>	<u>644,271</u>
Deferred Inflows of resources:				
Unavailable revenue	<u>236,642</u>	<u>-</u>	<u>-</u>	<u>236,642</u>
Fund balances:				
Nonspendable	-	-	50,000	50,000
Restricted for:				
Cemetery Capital Improvements	-	-	160,204	160,204
Library	-	-	437,417	437,417
Streets	-	-	909,290	909,290
Insurance	199,198	-	-	199,198
Flood Control	-	-	215,697	215,697
Military Memorial	-	-	86,229	86,229
Police	76,923	-	-	76,923
Fire	30,630	2,094,685	-	2,125,315
Improvements benefiting citizens	-	-	201,720	201,720
Committed to:				
Economic stabilization	3,624,815	-	-	3,624,815
Assigned to:				
Street	-	-	37,001	37,001
Capital Improvements	2,669,949	-	-	2,669,949
Airport	-	-	19,680	19,680
F.I.R.E. Tax	-	14,573	-	14,573
Flood Control	-	-	1,324	1,324
Sick leave buy back	15,395	-	-	15,395
Unassigned (deficit)	-	-	1	1
Total fund balances	<u>6,616,910</u>	<u>2,109,258</u>	<u>2,118,563</u>	<u>10,844,731</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,247,272</u>	<u>\$ 2,109,258</u>	<u>\$ 2,369,114</u>	<u>\$ 11,725,644</u>

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Fiscal Year Ended June 30, 2024

	General Fund	F.I.R.E Tax Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 5,287,830	\$ 739,679	\$ 88,983	\$ 6,116,492
Intergovernmental	966,845	-	824,603	1,791,448
Charges for services	1,355,852	-	30,103	1,385,955
Fines and forfeitures	63,348	-	-	63,348
Licenses and permits	43,378	-	-	43,378
Investment income	210,942	64,344	54,312	329,598
Donations	31,575	-	2,172	33,747
Miscellaneous	197,624	-	52,072	249,696
Total revenues	<u>8,157,394</u>	<u>804,023</u>	<u>1,052,245</u>	<u>10,013,662</u>
EXPENDITURES				
Current:				
Administrative	13,043	-	-	13,043
City Treasurer	113,355	-	-	113,355
City Attorney	37,446	-	-	37,446
Municipal Court	12,860	-	-	12,860
Police	1,665,805	-	-	1,665,805
Fire	2,629,369	-	-	2,629,369
Public Safety	-	6,628	-	6,628
Streets	511,776	-	100	511,876
Health and sanitation	-	-	-	-
Culture, tourism and recreation	493,141	-	25,513	518,654
General government	346,092	-	50	346,142
Library	341,617	-	1,652	343,269
Cemetery	31,321	-	-	31,321
Economic development	-	-	-	-
Airport	-	-	85,492	85,492
Capital Outlay	636,892	64,335	265,552	966,779
Debt Service:				
Principal	48,690	-	-	48,690
Interest and other charges	-	-	-	-
Total expenditures	<u>6,881,407</u>	<u>70,963</u>	<u>378,359</u>	<u>7,330,729</u>
Excess (deficiency) of revenues over expenditures	<u>1,275,987</u>	<u>733,060</u>	<u>673,886</u>	<u>2,682,933</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	420,723	-	18,000	438,723
Transfers out	(203,000)	-	(65,723)	(268,723)
Sales tax payment to hospital	(1,479,358)	-	-	(1,479,358)
Total other financing sources (uses)	<u>(1,261,635)</u>	<u>-</u>	<u>(47,723)</u>	<u>(1,309,358)</u>
Net change in fund balances	14,352	733,060	626,163	1,373,575
Fund balances - June 30, 2023, as previously reported	6,602,558	-	2,868,598	9,471,156
Restatements (see Note 10)	-	1,376,198	(1,376,198)	-
Fund balances - June 30, 2023, as restated	6,602,558	1,376,198	1,492,400	9,471,156
Fund balances - June 30, 2024	<u>\$ 6,616,910</u>	<u>\$ 2,109,258</u>	<u>\$ 2,118,563</u>	<u>\$ 10,844,731</u>

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$ 10,844,731
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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.	12,264,890
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Certain long-term assets and deferred outflows are not available to pay for current fund liabilities and therefore, are either deferred or not reported in the funds:

Net OPEB asset	40,756
Net pension asset	49,346
OPEB related deferred outflows	21,553
Pension related deferred outflows	1,677,334
Unavailable revenue	236,642

Certain long-term liabilities, along with certain deferred inflows, are not due and payable from current financial resources and therefore, are not reported in the funds:

Net pension liability	(3,992,479)
Pension related deferred inflows	(305,557)
OPEB related deferred inflows	(18,312)
Accrued compensated absences	(592,303)

Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 20,226,601</u>
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See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements (Continued):

Net change in fund balances - total governmental funds: \$ 1,373,575

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	1,027,625
Depreciation expense	(894,958)

In the Statement of Activities, the net cost of pension and OPEB benefits earned is calculated and reported as pension and OPEB expense. The fund financial statements report pension and OPEB contributions as expenditures. This amount represents the difference between pension and OPEB contributions and calculated pension and OPEB expense. (145,664)

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 (122,313)

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 SBITA obligation 48,690

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 accrued compensated absences (66,931)

Change in net position of governmental activities	\$ 1,220,024
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See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Proprietary Funds Statement of Net Position - June 30, 2024

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 427,142	\$ 43,988	\$ 60,914	\$ 532,044
Investments	650,000	-	-	650,000
Restricted:				
Cash and cash equivalents	518,441	-	-	518,441
Accounts receivable, net	1,779,931	-	-	1,779,931
Due from other governments	33,799	-	-	33,799
Notes receivable	-	7,000	-	7,000
Due from other funds	19,693	-	-	19,693
Inventory	686,908	-	-	686,908
Total current assets	<u>4,115,914</u>	<u>50,988</u>	<u>60,914</u>	<u>4,227,816</u>
Non-current assets:				
Restricted:				
Cash and cash equivalents	291,869	-	-	291,869
Investments	273,533	-	-	273,533
Net OPEB asset	54,779	-	1,764	56,543
Lease receivable	-	-	134,037	134,037
Capital assets:				
Land and construction in progress	228,744	12,493	1,000,125	1,241,362
Other capital assets, net of accumulated depreciation	17,144,208	9,701	2,884,838	20,038,747
Total non-current assets	<u>17,993,133</u>	<u>22,194</u>	<u>4,020,764</u>	<u>22,036,091</u>
Total assets	<u>\$ 22,109,047</u>	<u>\$ 73,182</u>	<u>\$ 4,081,678</u>	<u>\$ 26,263,907</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	347,131	-	12,894	360,025
Deferred amounts related to OPEB	28,993	-	2,372	31,365
	<u>376,124</u>	<u>-</u>	<u>15,266</u>	<u>391,390</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 191,664	\$ -	\$ 11,616	\$ 203,280
Accrued interest payable	17,854	-	-	17,854
Due to depositors	59,604	-	-	59,604
Notes payable	179,743	-	-	179,743
Accrued compensated absences	35,382	-	-	35,382
Total current liabilities	<u>484,247</u>	<u>-</u>	<u>11,616</u>	<u>495,863</u>
Non-current liabilities:				
Due to depositors	557,899	-	-	557,899
Unearned revenue	-	-	20,000	20,000
Notes payable	3,140,856	-	-	3,140,856
Accrued compensated absences	318,449	-	-	318,449
Net pension liability	196,307	-	6,323	202,630
Total non-current liabilities	<u>4,213,511</u>	<u>-</u>	<u>26,323</u>	<u>4,239,834</u>
Total liabilities	<u>4,697,758</u>	<u>-</u>	<u>37,939</u>	<u>4,735,697</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	5,945	-	123	6,068
Deferred amounts related to leases	-	-	133,339	133,339
Deferred amounts related to OPEB	24,106	-	965	25,071
	<u>30,051</u>	<u>-</u>	<u>134,427</u>	<u>164,478</u>
NET POSITION				
Net investment in capital assets	13,800,694	9,701	3,884,963	17,695,358
Restricted for capital projects	595,212	-	-	595,212
Unrestricted	3,361,456	63,481	39,615	3,464,552
Total net position	<u>\$ 17,757,362</u>	<u>\$ 73,182</u>	<u>\$ 3,924,578</u>	<u>\$ 21,755,122</u>

See accompanying notes to the basic financial statements.

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Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position – Fiscal Year Ended June 30, 2024

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
REVENUES				
Charges for services:				
Light and power charges	\$ 5,642,570	\$ -	\$ -	\$ 5,642,570
Water charges	1,148,069	-	-	1,148,069
Sewer charges	600,692	-	-	600,692
Penalties	76,464	-	-	76,464
Sanitation charges	823,143	-	-	823,143
Rental income	10,136	-	-	10,136
Recreation	-	-	45,876	45,876
Refunds and reimbursements	236,285	-	-	236,285
Miscellaneous	9,191	5,379	-	14,570
Total operating revenues	<u>8,546,550</u>	<u>5,379</u>	<u>45,876</u>	<u>8,597,805</u>
OPERATING EXPENSES				
Administration	1,480,034	-	-	1,480,034
Light and power	4,773,661	-	-	4,773,661
Power plant	119,439	-	-	119,439
Water	1,017,788	-	-	1,017,788
Sanitation	768,461	-	-	768,461
Sewer	342,115	-	-	342,115
Recreation	-	-	648,091	648,091
Economic development	-	82,000	-	82,000
Depreciation expense	784,549	5,061	323,250	1,112,860
Total operating expenses	<u>9,286,047</u>	<u>87,061</u>	<u>971,341</u>	<u>10,344,449</u>
Operating income (loss)	<u>(739,497)</u>	<u>(81,682)</u>	<u>(925,465)</u>	<u>(1,746,644)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	62,394	756	4,030	67,180
Grant revenue	35,556	-	-	35,556
Miscellaneous	108,360	-	25,255	133,615
Interest expense	(81,185)	-	-	(81,185)
Total non-operating revenue (expenses)	<u>125,125</u>	<u>756</u>	<u>29,285</u>	<u>155,166</u>
Income (loss) before contributions and transfers	(614,372)	(80,926)	(896,180)	(1,591,478)
Capital contributions	29,483	-	-	29,483
Transfers in	150,000	-	510,000	660,000
Transfers out	(830,000)	-	-	(830,000)
Change in net position	(1,264,889)	(80,926)	(386,180)	(1,731,995)
Total net position - beginning	19,022,251	154,108	4,310,758	23,487,117
Total net position - ending	<u>\$ 17,757,362</u>	<u>\$ 73,182</u>	<u>\$ 3,924,578</u>	<u>\$ 21,755,122</u>

See accompanying notes to the basic financial statements.

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Proprietary Funds Statement of Cash Flows – Fiscal Year Ended June 30, 2024

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,395,938	\$ 5,379	\$ 71,131	\$ 8,472,448
Payments to suppliers	(6,891,877)	-	(484,626)	(7,376,503)
Payments to employees	(1,893,527)	-	(162,635)	(2,056,162)
Receipts of customer deposits	88,011	-	-	88,011
Refunds of customer meter deposits	(62,437)	-	-	(62,437)
Receipts from other governments	521,532	-	-	521,532
Net cash provided by (used in) operating activities	157,640	5,379	(576,130)	(413,111)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	150,000	-	510,000	660,000
Transfers to other funds	(830,000)	-	-	(830,000)
Receipts from governmental grants	35,556	-	-	35,556
Net cash provided by (used in) noncapital financing activities	(644,444)	-	510,000	(134,444)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(522,138)	-	(15,493)	(537,631)
Debt issuance proceeds	206,723	-	-	206,723
Capital contributions	29,483	-	-	29,483
Principal paid on debt	(199,345)	-	-	(199,345)
Proceed from lease receivable	-	-	(725)	(725)
Interest and fiscal agent fees paid on debt	(63,331)	-	-	(63,331)
Net cash provided by (used in) capital and related financing activities	(548,608)	-	(16,218)	(564,826)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(7,503)	-	-	(7,503)
Interest and dividends	62,394	756	4,030	67,180
Net cash provided by investing activities	54,891	756	4,030	59,677
Net increase (decrease) in cash and cash equivalents	(980,521)	6,135	(78,318)	(1,052,704)
Balances - beginning of year	2,217,973	37,853	139,232	2,395,058
Balances - end of year	\$ 1,237,452	\$ 43,988	\$ 60,914	\$ 1,342,354
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 427,142	\$ 43,988	\$ 60,914	\$ 532,044
Restricted cash and cash equivalents - current	518,441	-	-	518,441
Restricted cash and cash equivalents - noncurrent	291,869	-	-	291,869
Total cash and cash equivalents, end of year	\$ 1,237,452	\$ 43,988	\$ 60,914	\$ 1,342,354
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (739,497)	\$ (81,682)	\$ (925,465)	\$ (1,746,644)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	784,549	5,061	323,250	1,112,860
Other non-operating revenues	108,360	-	25,255	133,615
Change in assets, liabilities and deferrals:				
Accounts receivable	(258,972)	82,000	-	(176,972)
Due from other governments	521,532	-	-	521,532
Net OPEB asset	(8,606)	-	990	(7,616)
Inventory	(6,247)	-	-	(6,247)
Accounts payable	(198,730)	-	3,385	(195,345)
Net Pension liability	(141,458)	-	(13,826)	(155,284)
Pension and OPEB deferrals	127,255	-	13,409	140,664
Deposits subject to refund	25,574	-	-	25,574
Accrued compensated absences	(56,120)	-	(3,128)	(59,248)
Net cash provided by (used in) operating activities	\$ 157,640	\$ 5,379	\$ (576,130)	\$ (413,111)

See accompanying notes to the basic financial statements.

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FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

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 Kingfisher) and the four active blended component units as noted below. This annual report includes all activities for which the City of Kingfisher City Commissioners are fiscally responsible.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," as amended by Statement 61, and includes all component units for which the City is financially accountable.

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

The City of Kingfisher has a population of 4,903 located in northwestern Oklahoma. The City is a Council/Manager form of government and operates under a home-rule charter that provides for three branches of government:

- Legislative – the City Commission is a five-member governing body with the mayor and four commissioners elected by the citizens at large
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Commissioners
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Commissioners

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

Component Units:

- **The Kingfisher Public Works Authority** – operates the electric, water, wastewater and sanitation services of the City
- **The Kingfisher Airport Authority** – that operates and manages the Kingfisher Municipal Airport.
- **The Kingfisher Special Projects Authority** – promotes, develops and secures industrial development within the City
- **The Kingfisher Recreation Authority** – operates the swimming pool facility of the City and oversees the management of the municipal golf course of the City
- **The Kingfisher Hospital Authority** – only finances the Kingfisher Regional Hospital with the 1% sales tax through 2032. This Authority was formed in May 2007 and had no financial activity in the current fiscal year.

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All four component units (Authorities) have the City Commissioners as their governing body (trustees) and the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities.

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. 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:

- General Government – licenses and permits, inspection fees, rental fees, operating grants
- Public Safety – fine revenue, fire run fees and ambulance fees, on-behalf pension payments, operating and capital grants
- Highways and Streets – Commercial vehicle and gasoline excise tax shared by the State
- Culture and Recreation – Library fines, operating grants
- Health and Welfare – Cemetery revenue
- Airport – rental fees, fuel sales, operating and capital 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 Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For financial statement reporting purposes the General Fund contains the following combining accounts
 - Sick Leave Buy Back
 - Capital Improvement
- F.I.R.E Tax Fund– accounts for one-half of one percent of sales tax restricted for fire, infrastructure, recreation, and emergency services. This tax is a 10 year tax.

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

Special Revenue Funds:

- Street and Alley Fund – accounts for revenues from gasoline and vehicle taxes restricted for street repairs and maintenance
- Cemetery Care Fund – accounts for the legally required 12.5 percent of cemetery revenue restricted by State law for cemetery capital improvements, however, the City transfers 25%, with interest used for maintenance or capital improvements
- Hotel/Motel Tax Fund – accounts for hotel/motel tax collections paid to the Chamber of Commerce for tourism
- Overstreet Memorial – accounts for donations to the City restricted for improvements benefiting the citizens of Kingfisher
- Military Memorial Fund – accounts for donations to the City restricted for maintenance of the military memorial monument
- Flood Control Fund– accounts for grant revenues, transfers, and expenditures for flood control relief
- Permanent Fund – Library Endowment Fund – accounts for funds donated to the City and interest earnings for use as deemed by the City Commissioners
- Kingfisher Airport Authority – accounts for transfers, revenues and expenditures for airport operations

The governmental funds are reported on the modified accrual basis of accounting in which 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 funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds include:

Enterprise Funds

- Kingfisher Public Works Authority - accounts for the activities of the public trust in providing electric, water, sewer, and sanitation services to the public. For financial statement reporting purposes the KPWA contains the following combining account:
 - Self Insurance
- Kingfisher Special Projects Authority - accounts for the activities related to promoting economic development.
- Kingfisher Recreation Authority – accounts for revenues and expenses of the municipal golf and swimming pool.

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The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus.

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:

- 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. Proprietary fund equity is classified as net position.
- c. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from FPRS's and OPPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS and OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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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, Deferrals 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 of the promissory note trustee accounts are considered cash equivalents.

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 and Related Deferred Inflows

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. 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 and leases 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 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.

Inventories

Inventories are valued at average cost. The cost of governmental funds inventories are recorded as expenditures when purchased rather than when consumed because they are immaterial.

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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, 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.

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	50 years
- Improvements other than buildings	20-30 years
- Machinery, furniture and equipment	3-24 years
- Utility property and improvements	15-50 years
- Infrastructure	15-50 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 capital improvement funds, 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.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable, deposits subject to refund 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

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expenditures. The accounting for the proprietary funds 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 June 30, 2024, the City's deferred outflows and deferred inflows of resources were comprised of pension, OPEB and lease receivable related deferrals. As mentioned in Note 1.H., certain pension and OPEB amounts are deferred, some as outflows and other as inflows, amortized as a component of pension and insurance expense in future periods.

Net Position and Fund Balances

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

Fund Balances:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes 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

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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 expenditure 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.

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

E. Revenues, Expenditures, and Expenses

Sales Tax

As of June 30, 2024, the City levies a three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Three cents of the sales tax is recorded in the General Fund, with one cent transferred to the local hospital. This transfer to the hospital is restricted by voter approval for debt service on the note payable issued to build the infrastructure and not for operations of the hospital. The other one-half cent is recorded in the F.I.R.E Tax Fund per voter approval and is restricted for Fire, Infrastructure, Recreation and Emergency Services.

Property Tax

At the present time the City levies no 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.

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

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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.

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, is 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.

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H. Pensions and OPEB

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OFPRS), Oklahoma Police Pension & Retirement System (OPPRS) and Oklahoma Public Employees Retirement System (OPERS) and additions to/deductions from OFPRS, OPPRS and OPERS's fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows and OPEB expense for the single employer other postemployment benefit plan the measurement has been prepared in accordance with GASB Statement No. 75.

2. Cash, Cash Equivalents, and Investments

For the purpose of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three-months or less.

At June 30, 2024, the reporting entity held the following deposits and investments:

Primary Government:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 8,107,693
Time deposits, due within one year	4,269,678
Total deposits and investments	<u><u>\$ 12,377,371</u></u>
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	\$ 7,297,383
Restricted cash and cash equivalents	518,441
Investments	3,996,145
Noncurrent restricted cash and cash equivalents	291,869
Noncurrent restricted investments	273,533
	<u><u>\$ 12,377,371</u></u>

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.

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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. At June 30, 2024, the City had no custodial credit risk as described above.

Investment Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy indicates that the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase.

Investment Credit Risk - The City's investment policy limits investments to the following:

- 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.
- 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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Concentration of Investment Credit Risk - the City limits, with the exception of U.S. Treasury and authorized pools, no more than 70% of total investments can be invested with a single financial institution.

The City was not exposed to concentration of credit risk as defined above.

Restricted Cash and Investments – The amounts reported as restricted assets of the proprietary fund statement of net position are comprised of amounts held by the Public Works Authority for utility deposits (refunded upon termination of service or applied to final bill), and amounts held in a capital improvement fund. The restricted assets as of June 30, 2024 are as follows:

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	Current	Noncurrent	Noncurrent
	Cash and cash equivalents	Cash and cash equivalents	Investments
Utility Deposits	\$ 59,604	\$ 291,869	\$ 273,533
Capital Improvement	458,837	-	-
Total	<u>\$ 518,441</u>	<u>\$ 291,869</u>	<u>\$ 273,533</u>

3. Accounts, Leases 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 ambulance and court fines receivables.

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Ambulance receivable	\$ 1,743,071	\$ (1,463,704)	\$ 279,367
Court fines	46,903	(23,452)	23,451
Total Governmental Activities	<u>\$ 1,789,974</u>	<u>\$ (1,487,156)</u>	<u>\$ 302,818</u>
Business-Type Activities:			
Utilities	\$ 1,900,931	\$ (121,000)	\$ 1,779,931
Total Business-Type Activities	<u>\$ 1,900,931</u>	<u>\$ (121,000)</u>	<u>\$ 1,779,931</u>

Leases Receivable – The City, as a lessor, has entered into lease agreements involving the municipal golf course. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$22,454.

Notes Receivable – The Kingfisher Special Projects Authority has a \$335,000 note receivable with Kingfisher Hospitality, LLC for the purposes of bringing a national brand hotel to the City of Kingfisher. This note is secured by a real estate mortgage on the franchise hotel real estate. The note is due on five anniversary dates in the amount of \$82,000. In the event that Kingfisher Hospitality, LLC shall continue to own and operate the franchise hotel on each anniversary, the payments will be forgiven. In the event that this has not been fulfilled the balance of the loan that is unpaid and unforgiven will be due and payable with an interest rate of 6% per annum until paid in full. As of June 30, 2024, \$328,000 has been forgiven.

4. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation.

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For the year ended June 30, 2024, capital assets balances changed as follows:

	Balance at July 1, 2023	Additions	Disposals	Balance at June 30, 2024
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,756,250	\$ -	\$ -	\$ 1,756,250
Construction in progress	1,925,745	661,820	2,169,037	418,528
Total capital assets not being depreciated	<u>3,681,995</u>	<u>661,820</u>	<u>2,169,037</u>	<u>2,174,778</u>
Other capital assets:				
Buildings	2,494,714		-	2,494,714
Improvements	3,821,726	7,700	-	3,829,426
Infrastructure	9,429,841	2,173,840	-	11,603,681
Machinery, furniture and equipment	5,358,799	353,302	47,470	5,664,631
Total other capital assets at historical cost	<u>21,105,080</u>	<u>2,534,842</u>	<u>47,470</u>	<u>23,592,452</u>
Less accumulated depreciation for:				
Buildings	1,567,364	46,782	-	1,614,146
Improvements	2,433,812	220,025	-	2,653,837
Infrastructure	4,556,425	319,979	-	4,876,404
Machinery, furniture and equipment	4,145,942	308,171	47,470	4,406,643
Total accumulated depreciation	<u>12,703,543</u>	<u>894,957</u>	<u>47,470</u>	<u>13,551,030</u>
SBITA assets:				
SBITA - intangibles	-	48,690	-	48,690
Less accumulated amortization for:				
SBITA - intangibles	-	-	-	-
Other capital and intangible assets, net	<u>8,401,537</u>	<u>1,688,575</u>	<u>-</u>	<u>10,090,112</u>
Governmental activities capital assets, net	<u>\$ 12,083,532</u>	<u>\$ 2,350,395</u>	<u>\$ 2,169,037</u>	<u>\$ 12,264,890</u>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,211,762	\$ -	\$ -	\$ 1,211,762
Construction in progress	3,542,752	51,805	3,564,957	29,600
Total capital assets not being depreciated	<u>4,754,514</u>	<u>51,805</u>	<u>3,564,957</u>	<u>1,241,362</u>
Other capital assets:				
Buildings	6,387,204	-	-	6,387,204
Improvements	2,125,386	-	-	2,125,386
Machinery, furniture and equipment	3,991,719	485,826	-	4,477,545
Utility property	19,935,389	3,554,302	-	23,489,691
Infrastructure	1,550,215	10,655	-	1,560,870
Total other capital assets at historical cost	<u>33,989,913</u>	<u>4,050,783</u>	<u>-</u>	<u>38,040,696</u>
Less accumulated depreciation for:				
Buildings	3,080,909	304,806	-	3,385,715
Improvements	1,447,022	44,748	-	1,491,770
Machinery, furniture and equipment	3,385,820	180,991	-	3,566,811
Utility property improvements	8,122,516	531,178	-	8,653,694
Infrastructure	852,822	51,137	-	903,959
Total accumulated depreciation	<u>16,889,089</u>	<u>1,112,860</u>	<u>-</u>	<u>18,001,949</u>
Other capital assets, net	<u>17,100,824</u>	<u>2,937,923</u>	<u>-</u>	<u>20,038,747</u>
Business-type activities capital assets, net	<u>\$ 21,855,338</u>	<u>\$ 2,989,728</u>	<u>\$ 3,564,957</u>	<u>\$ 21,280,109</u>

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Depreciation 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	\$ 24,182	Power and light	\$ 295,355
Public safety	196,800	Water	276,342
Highways and streets	371,433	Sewer	207,740
Culture, tourism, and recreation	156,766	Sanitation	3,754
Health and welfare	9,684	Administration	1,358
Airport	139,092	Pool	305,426
	<u>\$ 897,957</u>	Golf	17,824
		Economic development	5,061
			<u>\$ 1,112,860</u>

5. Debt and Debt Service Requirements

For the year ended June 30, 2024, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Accrued compensated absences	\$ 525,372	\$ 133,862	\$ 66,931	\$ 592,303	\$ 59,230
Total Governmental Activities	<u>\$ 525,372</u>	<u>\$ 133,862</u>	<u>\$ 66,931</u>	<u>\$ 592,303</u>	<u>\$ 59,230</u>
Business-Type Activities:					
Notes Payable-direct borrowings\placements	\$ 3,313,221	\$ 206,723	\$ 199,345	\$ 3,320,599	\$ 179,743
Deposits subject to refund	591,929	88,011	62,437	617,503	59,604
Accrued compensated absences	413,082	59,249	118,498	353,833	35,382
Total Business-Type Activities	<u>4,318,232</u>	<u>353,983</u>	<u>380,280</u>	<u>4,291,935</u>	<u>274,729</u>
Total Long-Term Debt	<u>\$ 4,843,604</u>	<u>\$ 487,845</u>	<u>\$ 447,211</u>	<u>\$ 4,884,238</u>	<u>\$ 333,959</u>

Governmental accrued compensated absences will be liquidated by the general fund.

Governmental activities long-term debt:

Governmental activities long-term debt payables from net revenues include the following:

Accrued Compensated Absences:

Current portion	\$ 59,230
Noncurrent portion	<u>533,073</u>
Total Accrued Compensated Absences	<u>\$ 592,303</u>

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Business-type activities long-term debt payable from direct borrowings and direct placements from net revenues generated by and taxes pledged to the City's business-type activities include the following:

Notes Payable (Direct Borrowings\Placements):

Note payable to OMPA dated July, 10, 2017 in the amount of \$1,073,602 due in monthly principal and interest payments in the amount of \$14,478 beginning December 1, 2017, with an interest rate of 3.60%, maturing November 1, 2024.

	\$	71,743
Total Notes Payable	\$	<u>71,743</u>

Current portion	\$	71,743
Noncurrent portion		<u>0</u>
Total Note Payable	\$	<u>71,743</u>

OWRB Clean Water SRF note payable, dated May 1, 2020 in the amount of \$4,328,000, interest rate of 1.37%, with a final maturity to be determined when entire balance of note is drawn. The OWRB loan is collateralized by the pledge of revenues. In the event of default, the lender may: 1) file suit to require any or all of the borrower covenants be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint the temporary trustees to take over, operate and maintain the System on a profitable basis; 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement; or 5) increase the interest rate to 14% on the defaulted payments.

	\$	3,248,856
Total Notes Payable	\$	<u>3,248,856</u>

Current portion	\$	108,000
Noncurrent portion		<u>3,140,856</u>
Total Note Payable	\$	<u>3,248,856</u>

Total Notes Payable Current portion	\$	179,743
Total Notes Payable Noncurrent portion		<u>3,140,856</u>
Total Notes Payable	\$	<u>3,320,599</u>

Meter Deposit Liability:

Current portion	\$	59,604
Noncurrent portion		<u>557,899</u>
Total Meter Deposit Liability	\$	<u>617,503</u>

Accrued Compensated Absences:

Current portion	\$	35,382
Noncurrent portion		<u>318,451</u>
Total Accrued Compensated Absences	\$	<u>353,833</u>

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>	
	Notes Payable	
	(direct borrowings\placements)	
	<u>Principal</u>	<u>Interest</u>
2025	179,743	62,041
2026	216,000	58,351
2027	220,000	54,250
2028	225,000	50,063
2029	230,000	45,792
2030-2034	1,226,000	161,496
2035-2039	1,361,000	41,533
2040-2042	737,000	-
Totals	\$ 4,394,743	\$ 473,526
Amount left to draw OWRB	(1,074,144)	
	<u>\$ 3,320,599</u>	

Non-Commitment Debt:

The Kingfisher Special Project Authority issued \$11,485,000 of Educational Facilities Lease Revenue Bonds, Series 2020, for the Kingfisher Public Schools Project, dated February 28, 2020. The property, upon which the Project is located, together with improvements, is leased by the School District to the Authority and then subsequently subleased by the Authority back to the District. The bonds are secured by an assignment of the lease revenues and the property leased and subleased. Debt service on the bonds is payable solely from the lease revenues described above. The Authority is not liable for debt payments if lease revenues are insufficient to service the debt. As a result, these bonds are not reported as liabilities within the financial statements.

Outstanding balance at June 30, 2024 \$6,225,000

In November 2007, the Kingfisher Hospital Authority issued its Series 2007 Hospital and Sales Tax Revenue Bonds for \$25,000,000 for the purpose of financing certain hospital facilities. These bonds were refinanced in July of 2021 through a local bank as a note payable in the amount of \$10,500,000. The note is secured and payable solely from a one cent sales tax restricted for hospital purposes. The City of Kingfisher and the Kingfisher Hospital Authority are not liable for this debt and have no obligation other than the annual appropriation and remittance of the pledged sales taxes to the Hospital.

Outstanding balance at June 30, 2024 \$7,653,091

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one cent (or 28.6%) of future sales tax revenues to repay \$10,500,000 of a loan at a local bank. Proceeds from the note provided refinancing for the 2007 Hospital Sales Tax Revenue Bond that paid for certain hospital facilities. The note is payable through 2033,

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however, the pledged sales tax revenues are only pledged through the fulfillment of the loan. Pledged sales taxes received in the current year were \$1,479,358. When the pledged sales tax revenue is received it is sent to the local bank to be held for debt service on the bonds. As noted above, the City of Kingfisher and the Kingfisher Hospital Authority are not liable for this debt and have no obligation other than the annual appropriation and remittance of the pledged sales taxes. The payments made to the trustee bank were \$1,479,358 and were 100% of the pledged sales tax received.

6. 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.

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	KAA	\$ 18,000	Operating subsidy
KPWA	KRA	5,000	Operating subsidy
General Fund	KRA	180,000	Operating subsidy
Self Insurance	General Fund	350,000	Ice storm loan funds
KPWA	KRA	330,000	Operating subsidy
Self Insurance	KPWA	150,000	Ice storm loan funds
Hotel/Motel Fund	General Fund	65,723	Administrative fee
Total		<u>\$ 1,098,723</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 438,723	\$ (268,723)	\$ 170,000
Proprietary Funds	660,000	(830,000)	(170,000)
	<u>\$ 1,098,723</u>	<u>\$ (1,098,723)</u>	<u>\$ -</u>

Balances:

Interfund receivable and payables at June 30, 2024 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
General Fund	KPWA	\$ 19,693	Operating
Total		<u>\$ 19,693</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ -	\$ (19,693)	\$ (19,693)
Proprietary Funds	19,693	-	19,693
Total	<u>\$ 19,693</u>	<u>\$ (19,693)</u>	<u>\$ -</u>

7. 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
- Worker's Compensation – Worker's compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool
- Employee's Group Medical – Covered through participation in commercial insurance

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.

8. 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 June 30, 2024, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in a subsequent fiscal year.

Federal and State Award Programs:

The City of Kingfisher participates in various federal and 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.

9. Pension Plan Participation

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

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Public Employees Retirement System (OPERS) – a state-wide cost-sharing plan

Firefighters' Plan:

Plan description - The City of Kingfisher, 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 high est 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-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service,

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with a maximum of 30 years.

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

Contributions - The contributions requirements of the Plan are at an established rate determine 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 \$170,631. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$419,076 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$340,720.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported a liability of \$3,846,424 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 0.2981146%.

For the year ended June 30, 2024, the City recognized pension expense of \$699,021. At June 30, 2024, 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	\$ 457,447	\$ -
Changes of assumptions	-	6,167
Net difference between projected and actual earnings on pension plan investments	253,745	4,883
Changes in proportion	39,566	184,217
City contributions during measurement date	855	4,216
City contributions subsequent to the measurement date	170,631	-
Total	<u>\$ 922,244</u>	<u>\$ 199,483</u>

\$170,631 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:		
2025	\$	190,922
2026		17,159
2027		379,642
2028		(35,593)
Total	\$	<u>552,130</u>

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
Cost-of-living adjustment:	Paid firefighters with 20 years of service prior to May 26, 1983, receive an increase of half of the dollar amount of 2.75% assumed pay increase in the base pay. No COLA is assumed for members not eligible for this increase.

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using the MP-2018 scale for healthy lives and no mortality improvement for disabled lives.

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 June 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>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability	\$ 5,012,057	\$ 3,846,424	\$ 2,871,647

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.

Police Plan:

Plan description-The City of Kingfisher, 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.

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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 pay. Contributions to the pension plan from the City were \$89,041. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$71,831 during the calendar year and this is reported as both an expenditure 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 \$93,579. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported an asset of \$49,346 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 0.161577%.

For the year ended June 30, 2024, the City recognized pension expense of \$138,689. At June 30, 2024, 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	\$ 135,083	\$ 7,610
Changes of assumptions	-	92,108
Net difference between projected and actual earnings on pension plan investments	244,487	-
Changes in proportion	28,284	2,466
City contributions during measurement date	1,008	1,394
City contributions subsequent to the measurement date	89,041	-
Total	<u>\$ 497,903</u>	<u>\$ 103,578</u>

\$89,041 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of or an increase to the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:		
2025	\$	52,896
2026		6,001
2027		197,318
2028		48,630
2029		439
	\$	<u>305,284</u>

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, 2017, to June 30, 2022.

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:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private Equity	9.66%

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 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Employers' net pension liability (asset)	\$ 465,903	\$ (49,346)	\$ (485,599)

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.

Oklahoma Public Employees Retirement System:

Plan description - The City of Kingfisher, as the employer, participates in Oklahoma Public Employees Retirement Plan —a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at www.opers.ok.gov.

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Benefits provided - OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

- Employees
 - Benefits are determined at 2% of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.
 - Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.
 - Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

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- Hazardous Duty Members

- Benefits are determined at (a) 2.5% of the final average compensation up to the applicable annual salary cap multiplied by the number of years of service as a hazardous duty member not to exceed 20 years and (b) 2.0% of the final average compensation multiplied by the number of years of service in excess of 20 years and any other years of service creditable. Normal retirement age under the Plan is 62 or at completion of 20 years of creditable service as a hazardous duty member or Rule of 80/90 if participant became a member prior to November 1, 2011, or age 65 or at completion of 20 years of creditable service as a hazardous duty member or Rule of 90 if participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay a \$5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Contributions - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 7.5% percent of their annual pay. Participating entities are required to contribute 12.5% of the employees' annual pay. A portion of the contributions received by OPERS are allocated to the Supplemental Health Insurance program; see Note 10. Contributions to the pension plan from the City were \$239,606.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported a liability of \$348,685 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 0.0762%.

For the year ended June 30, 2024, the City recognized pension expense of \$214,890. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,566.0	\$ 5,282
Changes of assumptions	73,661	-
Net difference between projected and actual earnings on pension plan investments	289,851	-
Changes in proportion	330	1,009
City contributions during measurement date	4,197	2,273
City contributions subsequent to the measurement date	239,606	-
Total	<u>\$ 617,211</u>	<u>\$ 8,564</u>

\$239,606 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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:

2025	\$ 104,048
2026	14,552
2027	316,514
2028	(66,073)
	<u>\$ 369,041</u>

Actuarial Assumptions- The total pension liability as of June 30, 2024, was determined based on an actuarial valuation prepared as of July 1, 2023, using the following actuarial assumptions:

- Investment return – 6.50% compounded annually net of investment expense and including inflation
- Salary increases – 3.5% to 9.25% per year including inflation
- Mortality rates – Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with basic rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25% per year
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

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The actuarial assumptions used in the July 1, 2023, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2022. The experience study report is dated April 12, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
US TIPS	3.5%	1.8%
Total	<u>100.0%</u>	

Discount Rate- The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those 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. The discount rate determined does not use a municipal bond rate.

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 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease Rate 5.50%	Current Discount Rate 6.50%	1% Increase Rate 7.50%
Net Pension Liability (Asset)	\$ 1,324,856	\$ 348,685	\$ (490,585)

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 OPERS; which can be located at www.opers.ok.gov.

10. Other Postemployment Benefits Plan

Plan description - The City of Kingfisher, as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Public Employees Retirement System (OPERS). The authority to establish and amend benefit provisions rests with the State Legislature. OPERS issues a publicly available financial report that can be obtained at www.ok.gov/OPERS

Benefits provided - OPERS pays a medical insurance supplement to eligible members who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries. The supplement payment is capped at \$105 per month per retiree, remitted to the (insurance provider or entity).

Contributions - The contribution rates for each member category of the System are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. An actuarially determined portion of the total contributions to the System are set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code. Based on the contribution requirements of the plan employers and employees contribute a single amount based on a single contribution rate as described in Note (pension note number); from this amount OPERS allocates a portion of the contributions to the supplemental health insurance program. Contributions allocated to the OPEB plan from the City were \$13,191.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2024, the City reported an asset of \$97,299 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023. The City's proportion of the net OPEB asset was based on the City's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was .0762% percent.

For the year ended June 30, 2024, the City recognized an OPEB benefit of \$3,919. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 34,844
Changes of assumptions	6,290	-
Net difference between projected and actual earnings on OPEB plan investments	18,200	-
Changes in proportion	13,674	8,036
City contributions during to the measurement date	1,175	503
City contributions subsequent to the measurement date	13,579	-
Total	\$ 52,918	\$ 43,383

The \$13,579 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net OPEB liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ (3,814)
2026	(3,229)
2027	6,230
2028	(3,625)
2029	394
Thereafter	-
	\$ (4,044)

Actuarial Assumptions- The total OPEB liability as of June 30, 2024, was determined based on an actuarial valuation prepared as of June 30, 2023 using the following actuarial assumptions:

- Investment return – 6.50% compounded annually net of investment expense and including inflation
- Salary increases – 3.25% to 9.25% per year including inflation
- Mortality-rates–Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25%
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

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The actuarial assumptions used in the July 1, 2023, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2022. The experience study report is dated April 12, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
US TIPS	3.5%	1.8%
Total	<u>100.0%</u>	

Discount Rate- A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2023. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate-The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 6.50%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	\$ (71,366)	\$ (97,299)	\$ (119,352)

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

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9. Accounting Changes & Error Corrections

Beginning as of the fiscal year ending June 30, 2024, the F.I.R.E Tax Fund met the quantitative threshold for presentation as a major fund. Due to this change, the Statement of Revenues, Expenditures and changes in Fund Balances for Nonmajor Governmental Funds' total beginning The effects of the accounting change to or within the financial reporting entity are summarized in the reconciliation below.

Reconciliation of Changes to or Within the Financial Reporting Entity – Year Ended June 30, 2024

	<u>Balance Before Restatement</u>	<u>Restatement for Reclassification of F.I.R.E Tax Fund</u>	<u>Balance After Restatement</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Beginning Fund Balance	\$ 2,868,598	\$ (1,376,198)	\$ 1,492,400
Total Change	<u>\$ 2,868,598</u>	<u>\$ (1,376,198)</u>	<u>\$ 1,492,400</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedule (Budgetary Basis)– General Fund – Fiscal Year Ended June 30, 2024

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 3,689,296	\$ 3,689,296	\$ 3,146,689	\$ (542,607)
Resources (Inflows):				
Taxes	6,231,250	5,931,250	6,077,863	146,613
Intergovernmental	970,000	1,336,895	1,371,581	34,686
Charges for services	369,200	429,200	389,694	(39,506)
Fines and Forfeitures	75,000	67,400	66,827	(573)
Licenses and Permits	28,000	37,500	43,378	5,878
Miscellaneous	85,800	162,300	164,797	2,497
Interest	15,500	107,500	115,943	8,443
Transfers in	177,000	427,000	415,723	(11,277)
Total Resources (Inflows)	<u>7,951,750</u>	<u>8,499,045</u>	<u>8,645,806</u>	<u>146,761</u>
Amounts available for appropriation	<u>11,641,046</u>	<u>12,188,341</u>	<u>11,792,495</u>	<u>(395,846)</u>
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
Commissioners	15,162	15,162	13,380	1,782
Treasurer	113,604	118,204	116,465	1,739
Attorney	30,618	44,618	42,756	1,862
Municipal Court	13,905	13,905	13,206	699
Police	1,596,582	1,701,582	1,637,896	63,686
Fire	2,182,181	2,356,181	2,323,907	32,274
Street	538,372	538,372	524,297	14,075
Parks and Recreation	461,903	716,303	694,924	21,379
General Government	234,500	442,400	415,520	26,880
Library	374,418	401,818	385,623	16,195
Cemetery	113,950	117,950	106,660	11,290
Building Inspector	83,236	100,836	93,569	7,267
Transfers out	2,179,250	2,429,250	2,480,768	(51,518)
Total Charges to Appropriations	<u>7,937,681</u>	<u>8,996,581</u>	<u>8,848,971</u>	<u>147,610</u>
Ending Budgetary Fund Balance	<u>\$ 3,703,365</u>	<u>\$ 3,191,760</u>	<u>\$ 2,943,524</u>	<u>\$ (248,236)</u>

See accompanying notes to budgetary comparison schedules.

CITY OF KINGFISHER, OKLAHOMA
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Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that reports revenues and expenditures on a modified cash basis.
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 Commission. 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:

Total budgetary revenues and transfers	\$ 8,645,806
Less: budgetary expenses and transfers	<u>(8,848,971)</u>
Net Change to Budgetary Fund Balance	(203,165)
Change in revenue accruals	566,377
Change in expenditure accruals	<u>(279,276)</u>
Change in Fund Balance- Modified Accrual	<u><u>\$ 83,936</u></u>

4. Expenditures exceeded appropriations in the following:
 - General Fund – Transfers Out \$51,518

CITY OF KINGFISHER, OKLAHOMA
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SCHEDULE OF THE CITY OF KINGFISHER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.245167%	0.277143%	0.270811%	0.261995%	0.271829%	0.315978%	0.324547%	0.320311%	0.318810%	0.298115%
City's proportionate share of the net pension liability	\$2,521,171	\$2,941,609	\$3,308,540	\$3,295,169	\$3,059,836	\$3,338,837	\$3,998,130	\$2,109,460	\$4,169,172	\$3,846,424
City's covered-employee payroll	\$ 665,806	\$ 757,126	\$ 755,600	\$ 772,571	\$ 807,186	\$ 912,107	\$1,003,471	\$1,040,121	\$1,054,821	\$1,110,071
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%	389%	438%	427%	379%	366%	398%	203%	395%	347%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.90%

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

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 105,998	\$ 105,784	\$ 108,160	\$ 113,006	\$ 127,695	\$ 140,486	\$ 145,617	\$ 147,675	\$ 155,410	\$ 170,631
Contributions in relation to the statutorily required contribution	105,998	105,784	108,160	113,006	127,695	140,486	145,617	147,675	155,410	170,631
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 757,126	\$ 755,600	\$ 772,571	\$ 807,186	\$ 912,107	\$ 1,003,471	\$1,040,121	\$ 1,054,821	\$ 1,110,071	\$ 1,218,793
Contributions as a percentage of coverd-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

CITY OF KINGFISHER, OKLAHOMA
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Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF KINGFISHER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability (asset)	0.1748%	0.1810%	0.1795%	0.1847%	0.1975%	0.1670%	0.1805%	0.1879%	0.1679%	0.1616%
City's proportionate share of the net pension liability (asset)	\$ (58,859)	\$ 7,379	\$ 274,934	\$ 14,207	\$ (94,073)	\$ (10,664)	\$207,313	\$ (901,177)	\$ (134,677)	\$ (49,346)
City's covered-employee payroll	\$ 506,050	\$ 512,283	\$ 529,392	\$ 551,654	\$ 581,169	\$ 540,315	\$583,785	\$ 650,077	\$ 601,562	\$ 608,992
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.63%	1.44%	51.93%	2.58%	16.19%	1.97%	35.51%	-138.63%	-22.39%	-8.10%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 66,596	\$ 68,821	\$ 71,715	\$ 75,552	\$ 70,241	\$ 75,892	\$ 84,510	\$ 78,203	\$ 79,169	\$ 89,041
Contributions in relation to the statutorily required contribution	<u>66,596</u>	<u>68,821</u>	<u>71,715</u>	<u>75,552</u>	<u>70,241</u>	<u>75,892</u>	<u>84,510</u>	<u>78,203</u>	<u>79,169</u>	<u>89,041</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 512,283	\$ 529,392	\$ 551,654	\$ 581,169	\$ 540,315	\$ 583,785	\$650,077	\$ 601,562	\$ 608,992	\$ 684,931
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%	13.00%

CITY OF KINGFISHER, OKLAHOMA
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SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
Last 10 Fiscal Years* (Dollar amounts in thousands)

	2015	2016	** 2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.0624%	0.0594%	0.0672%	0.0682%	0.0729%	0.0828%	0.0768%	0.0789%	0.0736%	0.0762%
City's proportionate share of the net pension liability (asset)	\$ 114,472	\$ 213,735	\$ 639,567	\$ 368,805	\$ 142,240	\$ 110,322	\$ 685,192	\$(1,059,109)	\$ 619,013	\$ 348,685
City's covered-employee payroll	\$1,394,587	\$1,386,599	\$1,501,544	\$1,464,328	\$1,511,128	\$1,740,104	\$1,683,320	\$ 1,725,232	\$1,797,088	\$1,797,904
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	8%	15%	43%	25%	9%	6%	41%	-61%	34%	19%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	96.00%	89.48%	94.28%	97.96%	98.63%	91.59%	112.51%	92.24%	95.91%

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

Notes to Schedule:

The Plan's net pension liability increased between 2015 and 2016 due to changes in assumptions adopted by the System's Board . The most notable change was the lowering of the System's discount: 6.50% for 2023, 2022, 2021 and 2020, 7.00% for 2019, 2018 and 2017, and 7.25% for 2016, compounded annually, net of investment expense and including inflation

** The net pension liability for fiscal year 2017 was restated due to the restatement of other post employment benefits at OPERS.

SCHEDULE OF THE CITY'S CONTRIBUTIONS
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
Last 10 Fiscal Years (Dollar amounts in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 173,326	\$ 187,693	\$ 183,041	\$ 188,891	\$ 217,513	\$ 210,415	\$ 215,654	\$ 224,636	\$ 224,738	\$ 239,606
Contributions in relation to the contractually required contribution	173,326	187,693	183,041	188,891	217,513	210,415	215,654	224,636	224,738	239,606
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,386,599	\$ 1,501,544	\$ 1,464,328	\$ 1,511,128	\$ 1,740,104	\$ 1,683,320	\$ 1,725,232	\$ 1,797,088	\$ 1,797,904	\$ 1,916,848
Contributions as a percentage of covered-employee payroll	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%

CITY OF KINGFISHER, OKLAHOMA
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Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023	2024
Center's proportion of the net OPEB liability (asset)	0.0682%	0.0729%	0.0828%	0.0768%	0.0789%	0.0904%	0.0762%
Center's proportionate share of the net OPEB liability (asset)	\$ 7,813	\$ (9,438)	\$ (32,201)	\$ (36,006)	\$ (108,486)	\$ (84,620)	\$ (97,299)
Center's covered payroll	\$ 1,464,328	\$ 1,511,128	\$ 1,740,104	\$ 1,683,320	\$ 1,725,232	\$ 1,797,088	\$ 1,904,424
Center's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.53%	-0.62%	-1.85%	-2.14%	-6.29%	-4.71%	-5.11%
Plan fiduciary net position as a percentage of the total OPEB liability	96.50%	103.94%	112.11%	114.27%	142.87%	130.01%	141.38%

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

Notes to Schedule:

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

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
Last 10 Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 12,810	\$ 13,220	\$ 16,030	\$ 14,985	\$ 15,125	\$ 14,450	\$ 13,191	\$ 13,579
Contributions in relation to the contractually required contribution	12,810	13,220	16,030	14,985	15,125	14,450	13,191	13,579
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 1,464,328	\$ 1,511,128	\$ 1,740,104	\$ 1,683,320	\$ 1,725,232	\$ 1,797,088	\$ 1,904,424	\$ 1,974,603
Contributions as a percentage of covered payroll	0.87%	0.87%	0.92%	0.89%	0.88%	0.80%	0.69%	0.69%

Notes to Schedule:

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

CITY OF KINGFISHER, OKLAHOMA
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OTHER SUPPLEMENTARY INFORMATION

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Combining Balance Sheet – General Fund Accounts – June 30, 2024

	General Fund	Capital Improvement Account	Sick Leave Buy Back Account	Total General Fund Accounts
ASSETS				
Cash and cash equivalents	\$ 2,078,336	\$ 2,664,556	\$ 15,395	\$ 4,758,287
Investments	1,000,000	-	-	1,000,000
Due from other governments	902,976	5,389	-	908,365
Court fines receivable, net	23,451	-	-	23,451
Ambulance receivable, net	279,367	-	-	279,367
Other receivables	3,620	4	-	3,624
Deposits with insurance pool	274,178	-	-	274,178
Total assets	<u>\$ 4,561,928</u>	<u>\$ 2,669,949</u>	<u>\$ 15,395</u>	<u>\$ 7,247,272</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 134,098	\$ -	\$ -	\$ 134,098
Due to other funds	19,693	-	-	19,693
Sales tax due to hospital	239,929	-	-	239,929
Total liabilities	<u>393,720</u>	<u>-</u>	<u>-</u>	<u>393,720</u>
Deferred Inflows of resources:				
Unavailable revenue	<u>236,642</u>	<u>-</u>	<u>-</u>	<u>236,642</u>
Fund balances:				
Restricted for:				
Insurance	199,198	-	-	199,198
Police	76,923	-	-	76,923
Fire	30,630	-	-	30,630
Committed to:				
Economic Stabilization	3,624,815	-	-	3,624,815
Assigned to:				
Capital Improvements	-	2,669,949	-	2,669,949
Sick leave buy back	-	-	15,395	15,395
Total fund balances	<u>3,931,566</u>	<u>2,669,949</u>	<u>15,395</u>	<u>6,616,910</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,561,928</u>	<u>\$ 2,669,949</u>	<u>\$ 15,395</u>	<u>\$ 7,247,272</u>

CITY OF KINGFISHER, OKLAHOMA
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As of and for the Fiscal Year Ended June 30, 2024

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2024

	General Fund	Capital Improvement Account	Sick Leave Buy Back Account	Total General Fund Accounts
REVENUES				
Taxes	\$ 5,252,061	\$ 35,769	\$ -	\$ 5,287,830
Fines and forfeitures	63,348	-	-	63,348
Licenses and permits	43,378	-	-	43,378
Intergovernmental	966,845	-	-	966,845
Charges for services	1,355,852	-	-	1,355,852
Investment earnings	126,521	83,950	471	210,942
Miscellaneous	197,624	-	-	197,624
Donations	31,575	-	-	31,575
Total revenues	<u>8,037,204</u>	<u>119,719</u>	<u>471</u>	<u>8,157,394</u>
EXPENDITURES				
Current:				
General government	346,092	-	-	346,092
City Treasurer	113,355	-	-	113,355
City Attorney	37,446	-	-	37,446
Municipal Court	12,860	-	-	12,860
Police	1,665,805	-	-	1,665,805
Fire	2,629,203	-	166	2,629,369
Streets	511,776	-	-	511,776
Culture, tourism and recreation	493,141	-	-	493,141
Cemetery	31,321	-	-	31,321
Administrative	13,043	-	-	13,043
Library	341,617	-	-	341,617
Debt Service	-	-	-	-
Principal	-	48,690	-	48,690
Capital Outlay	490,974	145,918	-	636,892
Total Expenditures	<u>6,686,633</u>	<u>194,608</u>	<u>166</u>	<u>6,881,407</u>
Revenues over (under) expenditures	<u>1,350,571</u>	<u>(74,889)</u>	<u>305</u>	<u>1,275,987</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	415,723	5,000	-	420,723
Transfers out	(203,000)	-	-	(203,000)
Sales tax payment to hospital	(1,479,358)	-	-	(1,479,358)
Total other financing sources (uses)	<u>(1,266,635)</u>	<u>5,000</u>	<u>-</u>	<u>(1,261,635)</u>
Net change in fund balances	83,936	(69,889)	305	14,352
Fund balances - June 30, 2023	<u>3,847,630</u>	<u>2,739,838</u>	<u>15,090</u>	<u>6,602,558</u>
Fund balances - June 30, 2024	<u>\$ 3,931,566</u>	<u>\$ 2,669,949</u>	<u>\$ 15,395</u>	<u>\$ 6,616,910</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2024

	Street and Alley Fund	Cemetery Care Fund	Hotel Motel Tax Fund	Military Memorial Fund	Flood Control Fund	Overstreet Memorial Fund	Library Endowment Fund	Kingfisher Airport Authority	Total-Other Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 1,191,632	\$ 100,125	\$ 1	\$ 6,229	\$ 217,021	\$ 191,720	\$ 191,351	\$ 19,680	\$ 1,917,759
Investments	-	60,079	-	80,000	-	10,000	296,066	-	446,145
Due from other governments	5,210	-	-	-	-	-	-	-	5,210
Total assets	<u>\$ 1,196,842</u>	<u>\$ 160,204</u>	<u>\$ 1</u>	<u>\$ 86,229</u>	<u>\$ 217,021</u>	<u>\$ 201,720</u>	<u>\$ 487,417</u>	<u>\$ 19,680</u>	<u>\$ 2,369,114</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 250,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,551
Total liabilities	<u>250,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,551</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	50,000	-	50,000
Restricted for:									
Cemetery Capital Improvements	-	160,204	-	-	-	-	-	-	160,204
Library	-	-	-	-	-	-	437,417	-	437,417
Streets	909,290	-	-	-	-	-	-	-	909,290
Flood Control	-	-	-	-	215,697	-	-	-	215,697
Military Memorial	-	-	-	86,229	-	-	-	-	86,229
Improvements benefiting citizens	-	-	-	-	-	201,720	-	-	201,720
Fire	-	-	-	-	-	-	-	-	-
Assigned to:									
Streets	37,001	-	-	-	-	-	-	-	37,001
Airport	-	-	-	-	-	-	-	19,680	19,680
F.I.R.E. Tax	-	-	-	-	-	-	-	-	-
Flood Control	-	-	-	-	1,324	-	-	-	1,324
Unassigned (deficit)	-	-	1	-	-	-	-	-	1
Total fund balances	<u>946,291</u>	<u>160,204</u>	<u>1</u>	<u>86,229</u>	<u>217,021</u>	<u>201,720</u>	<u>487,417</u>	<u>19,680</u>	<u>2,118,563</u>
Total liabilities and fund balances	<u>\$ 1,196,842</u>	<u>\$ 160,204</u>	<u>\$ 1</u>	<u>\$ 86,229</u>	<u>\$ 217,021</u>	<u>\$ 201,720</u>	<u>\$ 487,417</u>	<u>\$ 19,680</u>	<u>\$ 2,369,114</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Fiscal Year Ended June 30, 2024

	Street and Alley Fund	Cemetery Care Fund	Hotel Motel Tax Fund	Military Memorial Fund	Flood Control Fund	Overstreet Memorial Fund	Library Endowment Fund	F.I.R.E Tax Fund	Kingfisher Airport Authority	Total-Other Governmental Funds
REVENUES										
Taxes	\$ -	\$ -	\$ 88,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,983
Intergovernmental	819,603	-	-	-	-	-	5,000	-	-	824,603
Charges for services	-	8,788	-	-	-	-	-	-	21,315	30,103
Investment earnings	35,403	2,994	-	35	1,083	6,169	7,815	-	813	54,312
Miscellaneous	-	-	-	-	-	16,849	-	-	35,223	52,072
Donations	-	-	-	-	-	-	2,172	-	-	2,172
Total revenues	<u>855,006</u>	<u>11,782</u>	<u>88,983</u>	<u>35</u>	<u>1,083</u>	<u>23,018</u>	<u>14,987</u>	<u>-</u>	<u>57,351</u>	<u>1,052,245</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	50	-	-	-	-	50
Public Safety	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	100	-	-	-	100
Culture, tourism and recreation	-	-	22,601	2,912	-	-	-	-	-	25,513
Airport	-	-	-	-	-	-	-	-	85,492	85,492
Library	-	-	-	-	-	-	1,652	-	-	1,652
Capital Outlay	250,551	-	-	-	-	-	15,001	-	-	265,552
Total Expenditures	<u>250,551</u>	<u>-</u>	<u>22,601</u>	<u>2,912</u>	<u>50</u>	<u>100</u>	<u>16,653</u>	<u>-</u>	<u>85,492</u>	<u>378,359</u>
Revenues over (under) expenditures	<u>604,455</u>	<u>11,782</u>	<u>66,382</u>	<u>(2,877)</u>	<u>1,033</u>	<u>22,918</u>	<u>(1,666)</u>	<u>-</u>	<u>(28,141)</u>	<u>673,886</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	18,000	18,000
Transfers out	-	-	(65,723)	-	-	-	-	-	-	(65,723)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(65,723)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>(47,723)</u>
Net change in fund balances	604,455	11,782	659	(2,877)	1,033	22,918	(1,666)	-	(10,141)	626,163
Fund balances - June 30, 2023, as previously reported	341,836	148,422	(658)	89,106	215,988	178,802	489,083	1,376,198	29,821	2,868,598
Restatements (see Note 10)	-	-	-	-	-	-	-	(1,376,198)	-	(1,376,198)
Fund balances - June 30, 2023, as restated	<u>341,836</u>	<u>148,422</u>	<u>(658)</u>	<u>89,106</u>	<u>215,988</u>	<u>178,802</u>	<u>489,083</u>	<u>-</u>	<u>29,821</u>	<u>1,492,400</u>
Fund balances - June 30, 2024	<u>\$ 946,291</u>	<u>\$ 160,204</u>	<u>\$ 1</u>	<u>\$ 86,229</u>	<u>\$ 217,021</u>	<u>\$ 201,720</u>	<u>\$ 487,417</u>	<u>\$ -</u>	<u>\$ 19,680</u>	<u>\$ 2,118,563</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Combining Balance Sheet – KPWA – June 30, 2024

	<u>KPWA</u>	<u>Self Insurance</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 425,622	\$ 1,520	\$ 427,142
Investments	650,000	-	650,000
Restricted:			
Cash and cash equivalents	518,441	-	518,441
Due from other funds	19,693	-	19,693
Accounts Receivable, net	1,779,931	-	1,779,931
Due from other governments	-	33,799	33,799
Notes receivable	-	-	-
Inventories	686,908	-	686,908
Total current assets	<u>4,080,595</u>	<u>35,319</u>	<u>4,115,914</u>
Non-current assets:			
Restricted:			
Cash and cash equivalents	291,869	-	291,869
Investments	273,533	-	273,533
Net OPEB asset	54,779	-	54,779
Leases receivable	-	-	-
Capital Assets:			
Land and construction in progress	228,744	-	228,744
Other capital assets, net of accumulated depreciation	17,144,208	-	17,144,208
Total non-current assets	<u>17,993,133</u>	<u>-</u>	<u>17,993,133</u>
Total assets	<u>22,073,728</u>	<u>35,319</u>	<u>22,109,047</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	347,131	-	347,131
Deferred amounts related to OPEB	28,993	-	28,993
	<u>376,124</u>	<u>-</u>	<u>376,124</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	187,489	4,175	191,664
Accrued interest payable	17,854	-	17,854
Due to depositors	59,604	-	59,604
Notes payable	179,743	-	179,743
Compensated absences	35,382	-	35,382
Total current liabilities	<u>480,072</u>	<u>4,175</u>	<u>484,247</u>
Non-current liabilities:			
Due to depositors	557,899	-	557,899
Unearned revenue	-	-	-
Notes payable	3,140,856	-	3,140,856
Compensated absences	318,449	-	318,449
Net pension liability	196,307	-	196,307
Total non-current liabilities	<u>4,213,511</u>	<u>-</u>	<u>4,213,511</u>
Total liabilities	<u>4,693,583</u>	<u>4,175</u>	<u>4,697,758</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	5,945	-	5,945
Deferred amounts related to leases	-	-	-
Deferred amounts related to OPEB	24,106	-	24,106
	<u>30,051</u>	<u>-</u>	<u>30,051</u>
NET POSITION			
Net investment in capital assets	13,800,694	-	13,800,694
Restricted for capital projects	595,212	-	595,212
Unrestricted	3,330,312	31,144	3,361,456
Total net position	<u>\$ 17,726,218</u>	<u>\$ 31,144</u>	<u>\$ 17,757,362</u>

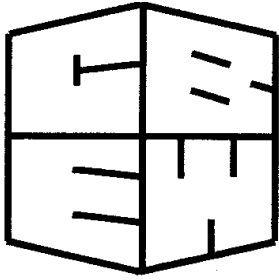
CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – KPWA – For the Fiscal Year Ended June 30, 2024

	<u>KPWA</u>	<u>Self Insurance</u>	<u>Total</u>
REVENUES			
Charges for services:			
Light and power charges	\$ 5,642,570	\$ -	\$ 5,642,570
Water charges	1,148,069	-	1,148,069
Sewer	600,692	-	600,692
Penalties	76,464	-	76,464
Unpledged:			
Sanitation	823,143	-	823,143
Rents and royalties	10,136	-	10,136
Recreation	-	-	-
Refunds and reimbursements	236,285	-	236,285
Miscellaneous	9,191	-	9,191
Total operating revenues	<u>8,546,550</u>	<u>-</u>	<u>8,546,550</u>
OPERATING EXPENSES			
Administration	894,899	585,135	1,480,034
Light and Power	4,773,661	-	4,773,661
Power Plant	119,439	-	119,439
Water	1,017,788	-	1,017,788
Sanitation	768,461	-	768,461
Sewer	342,115	-	342,115
Recreation	-	-	-
Economic development	-	-	-
Depreciation expense	784,549	-	784,549
Total Operating Expenses	<u>8,700,912</u>	<u>585,135</u>	<u>9,286,047</u>
Operating income (loss)	<u>(154,362)</u>	<u>(585,135)</u>	<u>(739,497)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	62,394	-	62,394
Grant revenue	-	35,556	35,556
Miscellaneous revenue	2,853	105,507	108,360
Interest expense	(81,185)	-	(81,185)
Total non-operating revenue (expenses)	<u>(15,938)</u>	<u>141,063</u>	<u>125,125</u>
Income (loss) before contributions and transfers	<u>(170,300)</u>	<u>(444,072)</u>	<u>(614,372)</u>
Capital contributions	29,483	-	29,483
Intra-account transfer	(100,000)	100,000	-
Transfers in	150,000	-	150,000
Transfers out	(330,000)	(500,000)	(830,000)
Change in net position	<u>(420,817)</u>	<u>(844,072)</u>	<u>(1,264,889)</u>
Total net position - beginning	18,147,035	875,216	19,022,251
Total net position - ending	<u>\$ 17,726,218</u>	<u>\$ 31,144</u>	<u>\$ 17,757,362</u>

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2024**

INTERNAL CONTROL AND COMPLIANCE INFORMATION



CBEW Professional Group, LLP

Certified Public Accountants

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918-225-4216 FAX 918-225-4315

Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

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

January 15, 2025

Honorable Board of City Commissioners
City of Kingfisher
Kingfisher, 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 Kingfisher, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Kingfisher, Oklahoma's basic financial statements, and have issued our report thereon dated January 15, 2025.

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 report is not suitable for any other purpose.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants