



City of
**KINGFISHER,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**THE CITY OF KINGFISHER,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

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CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

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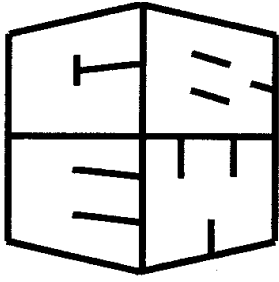
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INDEPENDENT AUDITOR'S REPORT

February 6, 2023

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, 2022, 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, 2022, 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 8–17 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 and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the 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 and the schedule of expenditures of federal awards 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 February 6, 2023 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, 2022**

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CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

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, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2022, the City's total net position increased by \$2.9 million or 8% from the prior year.
- During the year, the City's expenses for governmental activities were \$7 million and were funded by program revenues of \$2.5 million and further funded with taxes and other general revenues and transfers that totaled \$6.7 million.
- In the City's business-type activities, such as utilities, program revenues were under expenses by \$19,870.
- For budgetary reporting purposes, the General Fund reported revenues under estimates by \$1 million or 11%, while expenditures were under the final appropriations by \$1.2 million or 12%.

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 4,633 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.

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 City of 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.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

Governmental funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in 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 \$39.1 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.)
	2022	2021		2022	2021		2022	2021	
Current assets	\$ 9,110	\$ 6,899	32%	\$ 4,852	\$ 3,494	39%	\$ 13,962	\$ 10,393	34%
Non-current assets	12,286	10,880	13%	21,358	21,113	1%	33,644	31,993	5%
Total assets	21,396	17,779	20%	26,210	24,607	7%	47,606	42,386	12%
Deferred outflow of resources	1,430	1,728	-17%	213	346	-38%	1,643	2,074	-21%
Current liabilities	1,152	504	129%	1,241	844	47%	2,393	1,348	78%
Non-current liabilities	2,522	4,891	-48%	1,169	1,710	-32%	3,691	6,601	-44%
Total liabilities	3,674	5,395	-32%	2,410	2,554	-6%	6,084	7,949	-23%
Deferred inflow of resources	3,032	267	1036%	957	26	3581%	3,989	293	1261%
Net position									
Net investment in capital assets	10,670	10,866	-2%	19,025	19,626	-3%	29,695	30,492	-3%
Restricted	2,015	1,474	37%	438	183	139%	2,453	1,657	48%
Unrestricted	3,434	1,505	128%	3,594	2,564	40%	7,028	4,069	73%
Total net position	\$ 16,119	\$ 13,845	16%	\$ 23,057	\$ 22,373	3%	\$ 39,176	\$ 36,218	8%

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

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 2022, 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.

Another portion of the City's net position, \$2.5 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 million, is available to meet the government's ongoing obligations to citizens and creditors.

Governmental current assets increased due to sales tax revenue increasing by \$1.4 million in the current year. This also contributes to the increase in unrestricted net position.

Governmental current liabilities increased due to the City receiving the ARPA Grant money but not expending it prior to fiscal year end. This resulted in unearned revenues in the amount of \$428,604.

Governmental restricted net position increased due to the implementation of the Fire Tax that was voted on and passed by citizens.

Business-Type activities current liabilities increased due to accounts payable increasing by \$422,656 from the prior year.

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

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

Changes in Net Position

For the year ended June 30, 2022, 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.)
	2022	2021		2022	2021		2022	2021	
Revenues									
Charges for service	\$ 1,440	\$ 1,363	6%	\$ 9,582	\$ 7,999	20%	\$ 11,022	\$ 9,362	18%
Operating grants and contributions	439	1,165	-62%	19	-	-	458	1,165	-61%
Capital grants and contributions	652	119	448%	-	-	-	652	119	448%
Taxes	6,365	4,937	29%	-	-	-	6,365	4,937	29%
Intergovernmental revenue	140	137	2%	559	-	100%	699	137	410%
Investment income	58	54	7%	8	13	-38%	66	67	-1%
Miscellaneous	154	140	10%	74	19	289%	228	159	43%
Total revenues	9,248	7,915	17%	10,242	8,031	28%	19,490	15,946	22%
Expenses									
General government	404	452	-11%	-	-	-	404	452	-11%
Public safety	3,243	4,423	-27%	-	-	-	3,243	4,423	-27%
Highways and streets	746	788	-5%	-	-	-	746	788	-5%
Culture and recreation	833	836	0%	-	-	-	833	836	0%
Health and welfare	58	43	35%	-	-	-	58	43	35%
Airport	162	176	-8%	-	-	-	162	176	-8%
Hospital sales tax payment	1,504	1,224	23%	-	-	-	1,504	1,224	23%
Interest on long-term debt	-	2	-100%	-	-	-	-	2	-100%
Light and power	-	-	-	6,529	5,970	9%	6,529	5,970	9%
Water	-	-	-	1,063	1,121	-5%	1,063	1,121	-5%
Sewer	-	-	-	451	506	-11%	451	506	-11%
Sanitation	-	-	-	746	843	-12%	746	843	-12%
Golf course	-	-	-	134	105	28%	134	105	28%
Swimming pool	-	-	-	572	575	-1%	572	575	-1%
Economic development	-	-	-	87	87	0%	87	87	0%
Total expenses	6,950	7,944	-13%	9,582	9,207	4%	16,532	17,151	-4%
Excess (deficiency) before transfers	2,298	(29)	-8024%	660	(1,176)	-156%	2,958	(1,205)	-345%
Transfers	(25)	(350)	-93%	25	350	93%	-	-	-
Change in net position	2,273	(379)	-700%	685	(826)	-183%	2,958	(1,205)	-345%
Beginning net position	13,846	14,224	-3%	22,372	23,199	-4%	36,218	37,423	-3%
Ending net position	\$ 16,119	\$ 13,845	16%	\$ 23,057	\$ 22,373	3%	\$ 39,176	\$ 36,218	8%

Explanations for changes in excess of 20% and \$200,000 are as follows:

Governmental Activities:

The large decrease in the governmental operating grants and contributions is due to receiving CARES grant money in the prior year.

The increase in the governmental capital grants and contributions is due to receiving the two grants for the Newfield Park Project and receiving an Oklahoma Aeronautics Grant.

Sales tax increased by \$1.4 million over the prior year. This also contributes to the increase in net position and the increase in the transfer to the hospital.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

Business-Type Activities:

The large increase in change in net position is due to the City receiving the FEMA reimbursement for the debris removal from the October 2020 ice storm. This is also the reason for the increase in intergovernmental revenue. This also contributes to the increase in current assets.

Charges for services revenue changed for the positive due to the electric revenue increasing over the prior year.

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.)
	2022	2021		2022	2021	
	General government	\$ 404	\$ 452	-11%	(\$362)	\$202
Public safety	3,243	4,423	-27%	(1,576)	(2,666)	-41%
Highways and streets	746	788	-5%	(701)	(744)	-6%
Culture and recreation	833	836	0%	(375)	(729)	-49%
Health and welfare	58	43	35%	(23)	(3)	667%
Airport	162	176	-8%	122	(132)	-192%
Hospital sales tax payment	1,504	1,224	23%	(1,504)	(1,224)	23%
Interest on long-term debt	-	2	-100%	-	(2)	-100%
Total	<u>6,950</u>	<u>\$ 7,944</u>	-13%	<u>(\$4,419)</u>	<u>(\$5,298)</u>	-17%

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, 2022

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>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
Light and power	\$ 6,529	\$ 5,970	9%	\$ 474	\$ (396)	-220%
Water	1,063	1,121	-5%	166	(17)	-1076%
Sewer	451	506	-11%	133	25	432%
Sanitation	746	843	-12%	(42)	(139)	-70%
Golf course	134	105	28%	(114)	(105)	9%
Swimming pool	572	575	-1%	(510)	(489)	4%
Economic development	87	87	0%	(87)	(87)	0%
Total	<u>\$ 9,582</u>	<u>\$ 9,207</u>	4%	<u>\$ 20</u>	<u>\$ (1,208)</u>	-102%

The City's business-type activities include utility services for electric, water, sewer, sanitation, winter nights, 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 \$20,000 for the year ended June 30, 2022.
- While light, water and sewer activities reported net revenues for the year ended June 30, 2022, sanitation, golf course, swimming pool and economic development all had net expenses.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$7,829,573 which is an increase of \$1.5 million or 23.5% from 2021. The enterprise funds reported combined net position of \$23,057,242 or a decrease of 3%.

Other fund highlights include:

- In the General Fund there was a \$190,085 restriction for insurance, a \$3,119,713 commitment for economic stabilization, a \$2,437,501 assignment for capital improvements, and a \$15,010 assignment for sick leave buyback.
- Proprietary fund net position restriction is \$438,460 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 25% or \$1.9 million and an increase in appropriations (including transfers out) of 25% or \$1.9 million. Actual revenues and transfers were under estimates by \$1 million or 11%, while expenditures and transfers were under final appropriations by \$1.2 million or 12%.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2022, the City had approximately \$30.7 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 \$493 thousand over last year.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,154	\$ 1,154	\$ 1,212	\$ 1,212	\$ 2,366	\$ 2,366
Buildings and Improvements	2,577	2,847	4,339	4,698	6,916	7,545
Machinery and Equipment	1,184	1,232	650	724	1,834	1,956
Infrastructure	4,871	5,156	733	780	5,604	5,936
Utility Property	-	-	12,101	12,604	12,101	12,604
Construction in progress	1,141	478	752	323	1,893	801
Totals	\$ 10,927	\$ 10,867	\$ 19,787	\$ 20,341	\$ 30,714	\$ 31,208

This year's more significant capital asset additions included:

Wastewater Treatment Plant Project	\$273,097
Airport Taxilane Apron Project	\$225,344
Newfield Park Project	\$355,539

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

Long- Term Debt

At year-end, the City had \$1.9 million in long-term debt outstanding which represents an approximate decrease of \$173,000 or 8.4% 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 Percentage Change
	Activities		Activities		Total		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Accrued absences	\$ 459	\$ 450	\$ 342	\$ 338	\$ 801	\$ 788	1.6%
Notes payable	-	-	504	716	504	716	-29.6%
Meter deposit liability	-	-	575	549	575	549	4.7%
Totals	\$ 459	\$ 450	\$ 1,421	\$ 1,603	\$ 1,880	\$ 2,053	-8.4%

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2022

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 phase II of Newfield park.
- They City will also continue with the wastewater treatment plant improvements.

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, 2022**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Statement of Net Position– June 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,949,601	\$ 738,510	\$ 6,688,111
Restricted cash and cash equivalents	-	493,627	493,627
Investments	1,446,145	650,000	2,096,145
Deposits with insurance pool	190,085	-	190,085
Accounts receivable, net	157,438	1,855,411	2,012,849
Court fine receivable, net	20,546	-	20,546
Internal balances	(19,693)	19,693	-
Due from other governments	1,366,055	480,031	1,846,086
Inventory	-	614,739	614,739
Total Current Assets	<u>9,110,177</u>	<u>4,852,011</u>	<u>13,962,188</u>
Noncurrent Assets:			
Restricted cash and cash equivalents	-	255,038	255,038
Notes receivable, net of allowance (Note 4)	-	171,000	171,000
Restricted investments	-	265,100	265,100
Net pension asset	1,316,086	644,200	1,960,286
Net OPEB asset	42,500	65,986	108,486
Lease receivable	-	170,486	170,486
Capital Assets:			
Land and construction in progress	2,295,176	1,963,424	4,258,600
Other capital assets, net of depreciation	8,631,965	17,823,233	26,455,198
Total Noncurrent Assets	<u>12,285,727</u>	<u>21,358,467</u>	<u>33,644,194</u>
Total Assets	<u>21,395,904</u>	<u>26,210,478</u>	<u>47,606,382</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	1,418,686	196,751	1,615,437
Deferred amounts related to OPEB	11,405	16,621	28,026
	<u>1,430,091</u>	<u>213,372</u>	<u>1,643,463</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	418,496	968,360	1,386,856
Sales tax due to hospital	258,936	-	258,936
Current portion of:			
Due to depositors	-	55,167	55,167
Unearned revenue	428,604	20,000	448,604
Notes payable	-	162,935	162,935
Accrued compensated absences	45,875	34,173	80,048
Total Current Liabilities	<u>1,151,911</u>	<u>1,240,635</u>	<u>2,392,546</u>
Noncurrent liabilities:			
Due to depositors	-	520,138	520,138
Notes payable	-	341,165	341,165
Accrued compensated absences	412,879	307,563	720,442
Net pension liability	2,109,460	-	2,109,460
Total Noncurrent Liabilities	<u>2,522,339</u>	<u>1,168,866</u>	<u>3,691,205</u>
Total Liabilities	<u>3,674,250</u>	<u>2,409,501</u>	<u>6,083,751</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	3,005,945	743,993	3,749,938
Deferred amounts related to leases	-	171,437	171,437
Deferred amounts related to OPEB	26,313	41,677	67,990
	<u>3,032,258</u>	<u>957,107</u>	<u>3,989,365</u>
NET POSITION			
Net investment in capital assets	10,670,044	19,024,895	29,694,939
Restricted for:			
Nonspendable	50,000	-	50,000
Library	430,585	-	430,585
Streets	296,666	-	296,666
Flood	215,697	438,460	654,157
Public Safety	637,256	-	637,256
Other	385,153	-	385,153
Unrestricted	3,434,086	3,593,887	7,027,973
Total Net Position	<u>\$ 16,119,487</u>	<u>\$ 23,057,242</u>	<u>\$ 39,176,729</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, 2022

Statement of Activities –Fiscal Year Ended June 30, 2022

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	\$ 404,045	\$ 41,935	\$ -	\$ -	\$ (362,110)	\$ -	\$ (362,110)
Public safety	3,243,272	1,285,726	364,930	17,044	(1,575,572)	-	(1,575,572)
Highways and streets	745,502	-	44,548	-	(700,954)	-	(700,954)
Culture and recreation	833,060	10,078	30,053	417,677	(375,252)	-	(375,252)
Health and welfare	58,272	35,602	-	-	(22,670)	-	(22,670)
Airport	162,083	67,092	-	217,089	122,098	-	122,098
Hospital sales tax payment	1,504,008	-	-	-	(1,504,008)	-	(1,504,008)
Total governmental activities	<u>6,950,242</u>	<u>1,440,433</u>	<u>439,531</u>	<u>651,810</u>	<u>(4,418,468)</u>	<u>-</u>	<u>(4,418,468)</u>
Business-type activities:							
Light and power	6,528,537	7,002,247	-	-	-	473,710	473,710
Water	1,063,012	1,229,368	-	-	-	166,356	166,356
Sewer	451,102	584,403	-	-	-	133,301	133,301
Sanitation	746,260	704,662	-	-	-	(41,598)	(41,598)
Golf course	133,542	-	19,049	-	-	(114,493)	(114,493)
Swimming pool	571,776	61,431	-	-	-	(510,345)	(510,345)
Economic development	87,061	-	-	-	-	(87,061)	(87,061)
Total business-type activities	<u>9,581,290</u>	<u>9,582,111</u>	<u>19,049</u>	<u>-</u>	<u>-</u>	<u>19,870</u>	<u>19,870</u>
Total primary government	<u>\$ 16,531,532</u>	<u>\$ 11,022,544</u>	<u>\$ 458,580</u>	<u>\$ 651,810</u>	<u>(4,418,468)</u>	<u>19,870</u>	<u>(4,398,598)</u>
General revenues:							
Taxes:							
Sales and use taxes					6,157,916	-	6,157,916
Franchise taxes and public service taxes					98,419	-	98,419
Hotel/motel taxes					109,448	-	109,448
Intergovernmental revenue not restricted to specific programs					139,618	558,613	698,231
Unrestricted investment earnings					57,785	6,701	64,486
Miscellaneous					154,328	74,337	228,665
Transfers - internal activities					(25,092)	25,092	-
Total general revenues and transfers					<u>6,692,422</u>	<u>664,743</u>	<u>7,357,165</u>
Change in net position					<u>2,273,954</u>	<u>684,613</u>	<u>2,958,567</u>
Net position - beginning					<u>13,845,533</u>	<u>22,372,629</u>	<u>36,218,162</u>
Net position - ending					<u>\$ 16,119,487</u>	<u>\$ 23,057,242</u>	<u>\$ 39,176,729</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, 2022**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Governmental Funds Balance Sheet - June 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,478,758	\$ 1,470,843	\$ 5,949,601
Investments	1,000,000	446,145	1,446,145
Receivables:			
Ambulance receivable, net	157,438	-	157,438
Court fines receivable, net	20,546	-	20,546
Due from other governments	1,063,751	293,855	1,357,606
Other receivables	8,449	-	8,449
Deposits in insurance pool	190,085	-	190,085
Total assets	\$ 6,919,027	\$ 2,210,843	\$ 9,129,870
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 210,899	\$ 207,597	\$ 418,496
Due to other funds	19,693	-	19,693
Sales tax due to hospital	258,936	-	258,936
Unearned revenue	428,604	-	428,604
Total liabilities	918,132	207,597	1,125,729
Deferred Inflows of resources:			
Unavailable revenue	174,568	-	174,568
Fund balances:			
Nonspendable	-	50,000	50,000
Restricted for:			
Cemetery Capital Improvements	-	136,792	136,792
Library	-	430,585	430,585
Streets	-	296,666	296,666
Insurance	190,085	-	190,085
Flood Control	-	215,697	215,697
Military Memorial	-	89,016	89,016
Police	51,463	159,345	210,808
Fire	12,555	573,238	585,793
Committed to:			
Economic stabilization	3,119,713	-	3,119,713
Assigned to:			
Capital Improvements	2,437,501	-	2,437,501
Airport	-	35,939	35,939
Health, Exercise, Aquatics, Recreation and Trails	-	18,342	18,342
Sick leave buy back	15,010	-	15,010
Unassigned (deficit)	-	(2,374)	(2,374)
Total fund balances	5,826,327	2,003,246	7,829,573
Total liabilities, deferred inflows and fund balances	\$ 6,919,027	\$ 2,210,843	\$ 9,129,870

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, 2022

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 5,721,121	\$ 681,723	\$ 6,402,844
Intergovernmental	830,161	261,637	1,091,798
Charges for services	1,243,733	29,274	1,273,007
Fines and forfeitures	64,501	-	64,501
Licenses and permits	29,240	-	29,240
Investment income	35,982	3,318	39,300
Donations	122,228	14,111	136,339
Miscellaneous	145,438	69,685	215,123
Total revenues	<u>8,192,404</u>	<u>1,059,748</u>	<u>9,252,152</u>
EXPENDITURES			
Current:			
Administrative	12,517	-	12,517
City Treasurer	103,412	-	103,412
City Attorney	21,163	-	21,163
Municipal Court	11,526	-	11,526
Police	1,463,303	-	1,463,303
Fire	2,205,746	-	2,205,746
Streets	390,955	79	391,034
Culture, tourism and recreation	362,582	48,544	411,126
General government	280,878	688	281,566
Library	313,015	4,541	317,556
Cemetery	47,298	-	47,298
Airport	-	47,592	47,592
Capital Outlay	607,999	310,637	918,636
Total expenditures	<u>5,820,394</u>	<u>412,081</u>	<u>6,232,475</u>
Excess (deficiency) of revenues over expenditures	<u>2,372,010</u>	<u>647,667</u>	<u>3,019,677</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	140,924	8,000	148,924
Transfers out	(8,000)	(164,424)	(172,424)
Sales tax payment to hospital	(1,504,008)	-	(1,504,008)
Total other financing sources (uses)	<u>(1,371,084)</u>	<u>(156,424)</u>	<u>(1,527,508)</u>
Net change in fund balances	1,000,926	491,243	1,492,169
Fund balances - beginning	4,825,401	1,512,003	6,337,404
Fund balances - ending	<u>\$ 5,826,327</u>	<u>\$ 2,003,246</u>	<u>\$ 7,829,573</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, 2022

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	7,829,573
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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.		10,927,141
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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		42,500
Net pension asset		1,316,086
OPEB related deferred outflows		11,405
Pension related deferred outflows		1,418,686
Unavailable revenue		174,568

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		(2,109,460)
Pension related deferred inflows		(3,005,945)
OPEB related deferred inflows		(26,313)
Accrued compensated absences		(458,754)

Net Position of Governmental Activities in the Statement of Net Position		\$ 16,119,487
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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, 2022

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

Net change in fund balances - total governmental funds:		\$ 1,492,169
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Capital asset purchases capitalized		859,308
Contributed capital		34,800
Depreciation expense		(817,723)
<p>Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.</p>		
Book value of disposed capital assets		(14,940)
<p>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.</p>		
		656,645
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in deferred revenue		72,359
<p>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:</p>		
Change in accrued compensated absences		(8,664)
Change in net position of governmental activities		<u>\$ 2,273,954</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, 2022**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Proprietary Funds Statement of Net Position - June 30, 2022

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 590,640	\$ 32,338	\$ 115,532	\$ 738,510
Investments	650,000	-	-	650,000
Restricted:				
Cash and cash equivalents	493,627	-	-	493,627
Accounts receivable, net	1,855,411	-	-	1,855,411
Due from other governments	480,031	-	-	480,031
Notes receivable	-	171,000	-	171,000
Due from other funds	19,693	-	-	19,693
Inventory	614,739	-	-	614,739
Total current assets	<u>4,704,141</u>	<u>203,338</u>	<u>115,532</u>	<u>5,023,011</u>
Non-current assets:				
Restricted:				
Cash and cash equivalents	255,038	-	-	255,038
Investments	265,100	-	-	265,100
Net pension asset	612,421	-	31,779	644,200
Net OPEB asset	62,731	-	3,255	65,986
Lease receivable	-	-	170,486	170,486
Capital assets:				
Land and construction in progress	950,806	12,493	1,000,125	1,963,424
Other capital assets, net of accumulated depreciation	14,283,816	19,823	3,519,594	17,823,233
Total non-current assets	<u>16,429,912</u>	<u>32,316</u>	<u>4,725,239</u>	<u>21,187,467</u>
Total assets	<u>\$ 21,134,053</u>	<u>\$ 235,654</u>	<u>\$ 4,840,771</u>	<u>\$ 26,210,478</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	185,439	-	11,312	196,751
Deferred amounts related to OPEB	15,075	-	1,546	16,621
	<u>200,514</u>	<u>-</u>	<u>12,858</u>	<u>213,372</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 958,538	\$ -	\$ 9,822	\$ 968,360
Due to depositors	55,167	-	-	55,167
Notes payable	162,935	-	-	162,935
Accrued compensated absences	34,056	-	117	34,173
Total current liabilities	<u>1,210,696</u>	<u>-</u>	<u>9,939</u>	<u>1,220,635</u>
Non-current liabilities:				
Due to depositors	520,138	-	-	520,138
Unearned revenue	-	-	20,000	20,000
Notes payable	341,165	-	-	341,165
Accrued compensated absences	306,516	-	1,047	307,563
Total non-current liabilities	<u>1,167,819</u>	<u>-</u>	<u>21,047</u>	<u>1,188,866</u>
Total liabilities	<u>2,378,515</u>	<u>-</u>	<u>30,986</u>	<u>2,409,501</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	704,208	-	39,785	743,993
Deferred amounts related to leases	-	-	171,437	171,437
Deferred amounts related to OPEB	39,370	-	2,307	41,677
	<u>743,578</u>	<u>-</u>	<u>213,529</u>	<u>957,107</u>
NET POSITION				
Net investment in capital assets	14,472,860	32,316	4,519,719	19,024,895
Restricted for capital projects	438,460	-	-	438,460
Unrestricted	3,301,154	203,338	89,395	3,593,887
Total net position	<u>\$ 18,212,474</u>	<u>\$ 235,654</u>	<u>\$ 4,609,114</u>	<u>\$ 23,057,242</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, 2022

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position – Fiscal Year Ended June 30, 2022

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
REVENUES				
Charges for services:				
Light and power charges	\$ 6,724,659	\$ -	\$ -	\$ 6,724,659
Water charges	1,217,599	-	-	1,217,599
Sewer charges	578,808	-	-	578,808
Penalties	68,704	-	-	68,704
Sanitation charges	697,916	-	-	697,916
Recreation	-	-	61,431	61,431
Refunds and reimbursements	213,576	-	-	213,576
Miscellaneous	12,527	6,891	-	19,418
Total operating revenues	<u>9,513,789</u>	<u>6,891</u>	<u>61,431</u>	<u>9,582,111</u>
OPERATING EXPENSES				
Administration	848,450	-	-	848,450
Light and power	5,472,955	-	-	5,472,955
Power plant	162,171	-	-	162,171
Water	650,560	-	-	650,560
Sanitation	678,273	-	-	678,273
Sewer	227,362	-	-	227,362
Recreation	-	-	378,423	378,423
Economic development	-	82,000	-	82,000
Depreciation expense	763,309	5,061	326,895	1,095,265
Total operating expenses	<u>8,803,080</u>	<u>87,061</u>	<u>705,318</u>	<u>9,595,459</u>
Operating income (loss)	<u>710,709</u>	<u>(80,170)</u>	<u>(643,887)</u>	<u>(13,348)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	6,701	-	-	6,701
Grant revenue	558,613	-	-	558,613
Miscellaneous	110,729	-	19,049	129,778
Interest expense	(20,631)	-	-	(20,631)
Total non-operating revenue (expenses)	<u>655,412</u>	<u>-</u>	<u>19,049</u>	<u>674,461</u>
Income (loss) before contributions and transfers	1,366,121	(80,170)	(624,838)	661,113
Capital contributions	-	-	68,449	68,449
Transfers in	-	-	318,000	318,000
Transfers out	(362,949)	-	-	(362,949)
Change in net position	1,003,172	(80,170)	(238,389)	684,613
Total net position - beginning	<u>17,209,302</u>	<u>315,824</u>	<u>4,847,503</u>	<u>22,372,629</u>
Total net position - ending	<u>\$ 18,212,474</u>	<u>\$ 235,654</u>	<u>\$ 4,609,114</u>	<u>\$ 23,057,242</u>

See accompanying notes to the basic financial statements.

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Proprietary Funds Statement of Cash Flows – Fiscal Year Ended June 30, 2022

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,277,772	\$ 6,891	\$ 80,480	\$ 9,365,143
Payments to suppliers	(6,218,113)	-	(217,692)	(6,435,805)
Payments to employees	(1,784,197)	-	(168,566)	(1,952,763)
Receipts of customer deposits	92,847	-	-	92,847
Refunds of customer meter deposits	(66,846)	-	-	(66,846)
Receipts from other governments	(480,031)	-	-	(480,031)
Net cash provided by (used in) operating activities	821,432	6,891	(305,778)	522,545
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	318,000	318,000
Transfers to other funds	(362,949)	-	-	(362,949)
Receipts from governmental grants	558,613	-	-	558,613
Net cash provided by noncapital financing activities	195,664	-	318,000	513,664
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(471,614)	-	-	(471,614)
Principal paid on debt	(212,218)	-	-	(212,218)
Proceed from lease receivable	-	-	20,951	20,951
Interest and fiscal agent fees paid on debt	(20,631)	-	-	(20,631)
Net cash provided by (used in) capital and related financing activities	(704,463)	-	20,951	(683,512)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(926)	-	-	(926)
Interest and dividends	6,701	-	-	6,701
Net cash provided by investing activities	5,775	-	-	5,775
Net increase in cash and cash equivalents	318,408	6,891	33,173	358,472
Balances - beginning of year	1,020,897	25,447	82,359	1,128,703
Balances - end of year	\$ 1,339,305	\$ 32,338	\$ 115,532	\$ 1,487,175
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 590,640	\$ 32,338	\$ 115,532	\$ 738,510
Restricted cash and cash equivalents - current	493,627	-	-	493,627
Restricted cash and cash equivalents - noncurrent	255,038	-	-	255,038
Total cash and cash equivalents, end of year	\$ 1,339,305	\$ 32,338	\$ 115,532	\$ 1,487,175
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 710,709	\$ (80,170)	\$ (643,887)	\$ (13,348)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	763,309	5,061	326,895	1,095,265
Other non-operating revenues	110,729	-	19,049	129,778
Change in assets, liabilities and deferrals:				
Accounts receivable	(346,746)	82,000	-	(264,746)
Due from other governments	(480,031)	-	-	(480,031)
Net OPEB asset	(43,109)	-	(1,614)	(44,723)
Net pension asset	(612,421)	-	(31,779)	(644,200)
Inventory	(195,505)	-	-	(195,505)
Accounts payable	418,805	-	3,851	422,656
Net Pension liability	(373,410)	-	(31,237)	(404,647)
Pension and OPEB deferrals	838,538	-	53,694	892,232
Deposits subject to refund	26,001	-	-	26,001
Accrued compensated absences	4,563	-	(750)	3,813
Net cash provided by (used in) operating activities	\$ 821,432	\$ 6,891	\$ (305,778)	\$ 522,545

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 4,633 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 City of 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

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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
- 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.

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.
- 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.

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Basis of Accounting

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

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

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

D. Assets, Liabilities, 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.

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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.

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 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, 2022, 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.

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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 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, 2022, 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

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.

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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.

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.

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

Primary Government:

<u>Type</u>	<u>Credit Rating</u>	<u>Fair Value Valuation Level</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$ 7,436,776
Time deposits, due within one year			<u>2,361,245</u>
Total deposits and investments			<u>\$ 9,798,021</u>
 Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 6,688,111
Restricted cash and cash equivalents			493,627
Investments			2,096,145
Noncurrent restricted cash and cash equivalents			255,038
Noncurrent restricted investments			<u>265,100</u>
			<u>\$ 9,798,021</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.

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, 2022, 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.

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- 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), amounts held by the trustee bank for debt retirement, and amounts held in a capital improvement fund. The restricted assets as of June 30, 2022 are as follows:

	Current	Noncurrent	Noncurrent
	Cash and cash equivalents	Cash and cash equivalents	Investments
Utility Deposits	\$ 55,167	\$ 255,038	\$ 265,100
Capital Improvement	438,460	-	-
Total	\$ 493,627	\$ 255,038	\$ 265,100

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.

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	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Ambulance receivable	\$ 1,158,889	\$ (1,001,451)	\$ 157,438
Court fines	41,093	(20,547)	20,546
Total Governmental Activities	<u>\$ 1,199,982</u>	<u>\$ (1,021,998)</u>	<u>\$ 177,984</u>
Business-Type Activities:			
Utilities	\$ 1,936,231	\$ (80,820)	\$ 1,855,411
Total Business-Type Activities	<u>\$ 1,936,231</u>	<u>\$ (80,820)</u>	<u>\$ 1,855,411</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 \$19,049.

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, 2022, \$164,000 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.

For the year ended June 30, 2022, capital assets balances changed as follows:

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	Balance at July 1, 2021	Additions	Disposals	Balance at June 30, 2022
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,154,016	\$ -	\$ -	\$ 1,154,016
Construction in progress	478,386	662,774	-	1,141,160
Total capital assets not being depreciated	<u>1,632,402</u>	<u>662,774</u>	<u>-</u>	<u>2,295,176</u>
Other capital assets:				
Buildings	2,477,845	16,869	-	2,494,714
Improvements	3,801,070	-	-	3,801,070
Infrastructure	9,125,912	-	-	9,125,912
Machinery, furniture and equipment	4,977,046	214,465	52,929	5,138,582
Total other capital assets at historical cost	<u>20,381,873</u>	<u>231,334</u>	<u>52,929</u>	<u>20,560,278</u>
Less accumulated depreciation for:				
Buildings	1,467,327	49,754	-	1,517,081
Improvements	1,965,433	236,138	-	2,201,571
Infrastructure	3,970,386	284,887	-	4,255,273
Machinery, furniture and equipment	3,745,433	246,944	37,989	3,954,388
Total accumulated depreciation	<u>11,148,579</u>	<u>817,723</u>	<u>37,989</u>	<u>11,928,313</u>
Other capital assets, net	<u>9,233,294</u>	<u>(586,389)</u>	<u>14,940</u>	<u>8,631,965</u>
Governmental activities capital assets, net	<u>\$ 10,865,696</u>	<u>\$ 76,385</u>	<u>\$ 14,940</u>	<u>\$ 10,927,141</u>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,211,762	\$ -	\$ -	\$ 1,211,762
Construction in progress	323,466	428,196	-	751,662
Total capital assets not being depreciated	<u>1,535,228</u>	<u>428,196</u>	<u>-</u>	<u>1,963,424</u>
Other capital assets:				
Buildings	6,387,204	-	-	6,387,204
Improvements	2,125,386	-	-	2,125,386
Machinery, furniture and equipment	3,733,377	111,866	-	3,845,243
Utility property	19,743,235	-	-	19,743,235
Infrastructure	1,538,315	-	-	1,538,315
Total other capital assets at historical cost	<u>33,527,517</u>	<u>111,866</u>	<u>-</u>	<u>33,639,383</u>
Less accumulated depreciation for:				
Buildings	2,461,845	311,248	-	2,773,093
Improvements	1,352,162	48,628	-	1,400,790
Machinery, furniture and equipment	3,009,787	185,621	-	3,195,408
Utility property improvements	7,138,827	502,819	-	7,641,646
Infrastructure	758,265	46,948	-	805,213
Total accumulated depreciation	<u>14,720,886</u>	<u>1,095,264</u>	<u>-</u>	<u>15,816,150</u>
Other capital assets, net	<u>18,806,631</u>	<u>(983,398)</u>	<u>-</u>	<u>17,823,233</u>
Business-type activities capital assets, net	<u>\$ 20,341,859</u>	<u>\$ (555,202)</u>	<u>\$ -</u>	<u>\$ 19,786,657</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	\$ 23,218	Power and light	\$ 294,003
Public safety	163,657	Water	290,510
Highways and streets	378,306	Sewer	168,482
Culture, tourism, and recreation	128,367	Sanitation	3,754
Health and welfare	9,684	Administration	6,559
Airport	114,491	Pool	306,210
	<u>\$ 817,723</u>	Golf	20,685
		Economic development	5,061
			<u>\$ 1,095,264</u>

5. Debt and Debt Service Requirements

For the year ended June 30, 2022, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Accrued compensated absences	\$ 450,090	\$ 17,328	\$ 8,664	\$ 458,754	\$ 45,875
Total Governmental Activities	<u>\$ 450,090</u>	<u>\$ 17,328</u>	<u>\$ 8,664</u>	<u>\$ 458,754</u>	<u>\$ 45,875</u>
Business-Type Activities:					
Notes Payable-direct borrowings\placements	\$ 716,318	\$ 132,685	\$ 344,903	\$ 504,100	\$ 162,935
Deposits subject to refund	549,304	92,847	66,846	575,305	55,167
Accrued compensated absences	337,925	7,622	3,811	341,736	34,173
Total Business-Type Activities	<u>1,603,547</u>	<u>233,154</u>	<u>415,560</u>	<u>1,421,141</u>	<u>252,275</u>
Total Long-Term Debt	<u>\$ 2,053,637</u>	<u>\$ 250,482</u>	<u>\$ 424,224</u>	<u>\$ 1,879,895</u>	<u>\$ 298,150</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	\$ 45,875
Noncurrent portion	412,879
Total Accrued Compensated Absences	<u>\$ 458,754</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.

	<u>\$</u>	<u>401,540</u>
Total Notes Payable	<u>\$</u>	<u>401,540</u>
Current portion	\$	161,935
Noncurrent portion		<u>239,605</u>
Total Note Payable	<u>\$</u>	<u>401,540</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.

	<u>\$</u>	<u>102,560</u>
Total Notes Payable	<u>\$</u>	<u>102,560</u>
Current portion	\$	1,000
Noncurrent portion		<u>101,560</u>
Total Note Payable	<u>\$</u>	<u>102,560</u>

	<u>\$</u>	<u>162,935</u>
Total Notes Payable Current portion		<u>341,165</u>
Total Notes Payable Noncurrent portion		<u>504,100</u>
Total Notes Payable	<u>\$</u>	<u>504,100</u>

Meter Deposit Liability:

	<u>\$</u>	<u>55,167</u>
Current portion		<u>520,138</u>
Noncurrent portion		<u>575,305</u>
Total Meter Deposit Liability	<u>\$</u>	<u>575,305</u>

Accrued Compensated Absences:

	<u>\$</u>	<u>34,173</u>
Current portion		<u>307,563</u>
Noncurrent portion		<u>341,736</u>
Total Accrued Compensated Absences	<u>\$</u>	<u>341,736</u>

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Business-Type Activities	
	Notes Payable (direct borrowings\placements)	
	<u>Principal</u>	<u>Interest</u>
2023	162,935	92,244
2024	358,062	82,809
2025	265,517	74,009
2026	197,414	69,721
2027	201,123	66,013
2028-2032	1,063,734	271,943
2033-2037	1,167,485	168,194
2038-2042	1,332,270	54,325
Totals	\$ 4,748,540	\$ 879,258
Amount left to draw OWRB	(4,244,440)	
	\$ 504,100	

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, 2022 \$8,965,000

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. 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, 2022 \$9,682,944

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one cent (or 28.6%) of future sales tax revenues to repay \$25,000,000 of Series 2007 Hospital and Sales Tax Revenue Bonds. Proceeds from the notes provided financing for certain hospital facilities. The bonds are payable through 2042, however, the pledged sales tax revenues are only pledged through 2032. The total principal and interest payable for the remainder of the life of these bonds is \$38,336,738. Pledged sales taxes received in the current year were \$1,504,008.

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When the pledged sales tax revenue is received it is sent to the trustee 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 \$1,504,008 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, 2022 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	KAA	\$ 8,000	Operating subsidy
H.E.A.R.T Tax Fund	General Fund	61,669	Operating subsidy
H.E.A.R.T Tax Fund	KRA	23,500	Operating subsidy
KPWA	KRA	318,000	Operating subsidy
Self Insurance	KRA	44,949	Operating subsidy
Hotel/Motel Fund	General Fund	79,255	Administrative fee
Total		<u>\$ 535,373</u>	
Reconciliation to Fund Financial Statements:			
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 148,924	\$ (172,424)	\$ (23,500)
Proprietary Funds	318,000	(362,949)	(44,949)
	<u>\$ 466,924</u>	<u>\$ (535,373)</u>	<u>\$ (68,449)</u>
Reconciliation to Statement of Activities:			
Net Transfers Governmental Funds			\$ (23,500)
Net transfer capital assets purchased by business-type activities			(1,592)
			<u>\$ (25,092)</u>

Balances:

Interfund receivable and payables at June 30, 2022 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
Public Works Authority	General Fund	\$ 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, 2022, 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.

Other Contingencies:

The novel coronavirus (“COVID-19”), which was declared a global health emergency in January 2021 and a pandemic in March 2021, has caused significant changes in political and economic conditions around the world, including disruptions and volatility in the global capital markets. In response, the State of Oklahoma and local municipalities have taken various preventative or protective actions, such as imposing restrictions on business operations and advising or requiring individuals to limit or forgo their time outside of their homes. The City’s management has considered the economic implications of the COVID-19 pandemic in making critical and significant accounting estimates included in the June 30, 2022, financial statements.

The extent to which the COVID-19 pandemic may impact the City will depend on future developments which are uncertain, such as the duration of the outbreak, additional governmental mandates issued to mitigate the spread of the disease, business closures, economic disruptions, and the effectiveness of actions taken to contain and treat the virus. Accordingly, the COVID-19 pandemic may have a negative impact on the City's future operations, the size and duration of which is difficult to predict. The City's management will continue to actively monitor the situation and may take further actions altering operations that the City's management determines are in the best interests of its employees and stakeholders, or as required by federal, state, or local authorities.

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.

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- 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, 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 \$147,675. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$316,629 (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 \$233,583.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$2,109,460 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021. Based upon this information, the City's proportion was 0.320311%.

For the year ended June 30, 2022, the City recognized pension expense of \$77,225. At June 30, 2022, 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	\$ 765,053	\$ 37,046
Changes of assumptions	-	46,788
Net difference between projected and actual earnings on pension plan investments	-	1,676,930
Changes in proportion	269,030	58,202
City contributions during measurement date	891	7,156
City contributions subsequent to the measurement date	<u>147,675</u>	-
Total	<u>\$ 1,182,649</u>	<u>\$ 1,826,122</u>

\$147,675 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, 2023. 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:	
2023	\$ (67,234)
2024	(104,938)
2025	(217,336)
2026	<u>(401,640)</u>
Total	<u>\$ (791,148)</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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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, 2021, 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%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability	\$ 3,296,468	\$ 2,109,460	\$ 1,115,691

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.

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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.

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 \$78,203. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$66,921 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 \$53,291. These on-behalf payments did not meet the criteria of a special funding situation.

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Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$901,177 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. 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, 2021. Based upon this information, the City's proportion was 0.187856%.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$90,163). At June 30, 2022, 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	\$ 12,939	\$ 35,569
Changes of assumptions	13,704	-
Net difference between projected and actual earnings on pension plan investments	-	657,378
Changes in proportion	7,390	5,231
City contributions during measurement date	903	3,758
City contributions subsequent to the measurement date	78,203	-
Total	\$ 113,139	\$ 701,936

\$78,203 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, 2023. 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:	
2023	\$ (150,242)
2024	(131,500)
2025	(166,323)
2026	(220,555)
2027	1,620
	\$ (667,000)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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

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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, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private Equity	9.36%

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

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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:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability (asset)	\$ (337,969)	\$ (901,177)	\$ (1,377,412)

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.

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.

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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.
- 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.

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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 \$224,636.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$1,059,109 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. 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, 2021. Based upon this information, the City's proportion was 0.0789%.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$80,071). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 26,627
Changes of assumptions	78,041	-
Net difference between projected and actual earnings on pension plan investments	-	1,181,100
Changes in proportion	12,969	9,425
City contributions during measurement date	4,003	4,728
City contributions subsequent to the measurement date	224,636	-
Total	<u>\$ 319,649</u>	<u>\$ 1,221,880</u>

\$224,636 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 2023. 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:

2023	\$	(232,700)
2024		(279,523)
2025		(289,515)
2026		(325,129)
	\$	<u>(1,126,867)</u>

Actuarial Assumptions- The total pension liability as of June 30, 2022, was determined based on an actuarial valuation prepared as of July 1, 2021, 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 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

The actuarial assumptions used in the July 1, 2021, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int's Developed Equity	23.0%	6.5%
Emerging Market Equity	5.0%	8.5%
Core Fixed Income	25.0%	0.5%
Long Term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
Total	100.0%	

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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)	\$ (98,325)	\$ (1,059,109)	\$ (2,155,278)

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 \$14,450.

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OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2022, the City reported an asset of \$108,486 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the City's proportion was .0789% percent.

For the year ended June 30, 2022, the City recognized OPEB revenue of \$1,502. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 35,166
Changes of assumptions	9,644	-
Net difference between projected and actual earnings on OPEB plan investments	-	30,890
Changes in proportion	2,544	1,625
City contributions during to the measurement date	1,388	309
City contributions subsequent to the measurement date	14,450	-
Total	\$ 28,026	\$ 67,990

The \$14,450 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, 2023 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:

2022	\$ (14,282)
2023	(13,318)
2024	(12,612)
2025	(11,999)
2027	(2,203)
Thereafter	-
	\$ (54,414)

Actuarial Assumptions- The total OPEB liability (asset) as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2021 using the following actuarial assumptions:

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- 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

The actuarial assumptions used in the July 1, 2021, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int's Developed Equity	23.0%	6.5%
Emerging Market Equity	5.0%	8.5%
Core Fixed Income	25.0%	50.0%
Long Term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
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, 2021. 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.

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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)	\$ (81,575)	\$ (108,486)	\$ (131,552)

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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REQUIRED SUPPLEMENTARY INFORMATION

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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	\$ 8,450,875
Less: budgetary expenses and transfers	<u>(8,336,388)</u>
Net Change to Budgetary Fund Balance	114,487
Change in revenue accruals	(160,178)
Change in expenditure accruals	(82,801)
Capital Improvement sub-account change in balance	<u>1,129,418</u>
Change in Fund Balance- Modified Accrual	<u><u>\$ 1,000,926</u></u>

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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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City's proportion of the net pension liability	0.245167%	0.277143%	0.270811%	0.261995%	0.271829%	0.315978%	0.324547%	0.320311%
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
City's covered-employee payroll	\$ 665,806	\$ 757,126	\$ 755,600	\$ 772,571	\$ 807,186	\$ 912,107	\$1,003,471	\$1,040,121
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%
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%

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

Notes to Schedule:

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

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

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

Notes to Schedule:

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

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

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*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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%
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)
City's covered-employee payroll	\$ 506,050	\$ 512,283	\$ 529,392	\$ 551,654	\$ 581,169	\$ 540,315	\$ 583,785	\$ 650,077
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%
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%

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

Notes to Schedule:

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Statutorily required contribution	\$ 66,596	\$ 68,821	\$ 71,715	\$ 75,552	\$ 70,241	\$ 75,892	\$ 84,510	\$ 78,203
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>
Contribution deficiency (excess)	<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
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

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

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

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
City's proportion of the net pension liability	0.0624%	0.0594%	0.0672%	0.0682%	0.0729%	0.0828%	0.0768%	0.0789%
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)
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
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%
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%

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

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.
The Plan's net pension liability increased between 2015 and 2016 due to changes in assumptions adopted by the Systems Board .
The most notable change was the lowering of the System's discount rate from 7.5% to 6.50%.

** 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
Contractually required contribution	\$ 173,326	\$ 187,693	\$ 183,041	\$ 188,891	\$ 217,513	\$ 210,415	\$ 215,654	\$ 224,636
Contributions in relation to the contractually required contribution	<u>173,326</u>	<u>187,693</u>	<u>183,041</u>	<u>188,891</u>	<u>217,513</u>	<u>210,415</u>	<u>215,654</u>	<u>224,636</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
Contributions as a percentage of covered-employee payroll	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%

Notes to Schedule:

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

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

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* (Dollar amounts in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Center's proportion of the net OPEB liability (asset)	0.0682%	0.0729%	0.0828%	0.0768%	0.0789%
Center's proportionate share of the net OPEB liability (asset)	\$ 7,813	\$ (9,438)	\$ (32,201)	\$ (36,006)	\$ (108,486)
Center's covered payroll	\$ 1,464,328	\$ 1,511,128	\$ 1,740,104	\$ 1,683,320	\$ 1,725,232
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%
Plan fiduciary net position as a percentage of the total OPEB liability	96.50%	103.94%	112.11%	114.27%	142.87%

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

Notes to Schedule:

Only five 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 (Dollar amounts in thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 12,810	\$ 13,220	\$ 16,030	\$ 14,985	\$ 15,125	\$ 14,450
Contributions in relation to the contractually required contribution	<u>12,810</u>	<u>13,220</u>	<u>16,030</u>	<u>14,985</u>	<u>15,125</u>	<u>14,450</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,464,328	\$ 1,511,128	\$ 1,740,104	\$ 1,683,320	\$ 1,725,224	\$ 1,911,928
Contributions as a percentage of covered payroll	0.87%	0.87%	0.92%	0.89%	0.88%	0.76%

Notes to Schedule:

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

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

OTHER SUPPLEMENTARY INFORMATION

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Combining Balance Sheet – General Fund Accounts – June 30, 2022

	General Fund	Sick Leave Buy Back Account	Total General Fund Accounts
ASSETS			
Cash and cash equivalents	\$ 4,463,748	\$ 15,010	\$ 4,478,758
Investments	1,000,000	-	1,000,000
Due from other governments	1,063,751	-	1,063,751
Court fines receivable, net	20,546	-	20,546
Ambulance receivable, net	157,438	-	157,438
Other receivables	8,449	-	8,449
Deposits with insurance pool	190,085	-	190,085
Total assets	\$ 6,904,017	\$ 15,010	\$ 6,919,027
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 210,899	\$ -	\$ 210,899
Due to other funds	19,693	-	19,693
Unearned revenue	428,604	-	428,604
Sales tax due to hospital	258,936	-	258,936
Total liabilities	918,132	-	918,132
 Deferred Inflows of resources:			
Unavailable revenue	174,568	-	174,568
 Fund balances:			
Restricted for:			
Insurance	190,085	-	190,085
Police	51,463	-	51,463
Fire	12,555	-	12,555
Committed to:			
Economic Stabilization	3,119,713	-	3,119,713
Assigned to:			
Capital Improvements	2,437,501	-	2,437,501
Sick leave buy back	-	15,010	15,010
Total fund balances	5,811,317	15,010	5,826,327
Total liabilities, deferred inflows and fund balances	\$ 6,904,017	\$ 15,010	\$ 6,919,027

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Sick Leave Buy Back Account</u>	<u>Total General Fund Accounts</u>
REVENUES			
Taxes	\$ 5,721,121	\$ -	\$ 5,721,121
Fines and forfeitures	64,501	-	64,501
Licenses and permits	29,240	-	29,240
Intergovernmental	830,161	-	830,161
Charges for services	1,243,733	-	1,243,733
Investment earnings	35,982	-	35,982
Miscellaneous	145,438	-	145,438
Donations	122,228	-	122,228
Total revenues	<u>8,192,404</u>	<u>-</u>	<u>8,192,404</u>
EXPENDITURES			
Current:			
General government	280,878	-	280,878
City Treasurer	103,412	-	103,412
City Attorney	21,163	-	21,163
Municipal Court	11,526	-	11,526
Police	1,463,303	-	1,463,303
Fire	2,205,746	-	2,205,746
Highways and streets	390,955	-	390,955
Culture, tourism and recreation	362,582	-	362,582
Cemetery	47,298	-	47,298
Administrative	12,517	-	12,517
Library	313,015	-	313,015
Capital Outlay	607,999	-	607,999
Total Expenditures	<u>5,820,394</u>	<u>-</u>	<u>5,820,394</u>
Revenues over (under) expenditures	<u>2,372,010</u>	<u>-</u>	<u>2,372,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	140,924	-	140,924
Transfers out	(8,000)	-	(8,000)
Sales tax payment to hospital	(1,504,008)	-	(1,504,008)
Total other financing sources (uses)	<u>(1,371,084)</u>	<u>-</u>	<u>(1,371,084)</u>
Revenues and other sources over (under) expenditures and other uses	1,000,926	-	1,000,926
Fund balances - beginning	4,810,391	15,010	4,825,401
Fund balances - ending	<u>\$ 5,811,317</u>	<u>\$ 15,010</u>	<u>\$ 5,826,327</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	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
ASSETS										
Cash and cash equivalents	\$ 291,218	\$ 76,713	\$ 1	\$ 9,016	\$ 215,697	\$ 149,345	\$ 197,807	\$ 462,112	\$ 68,934	\$ 1,470,843
Investments	-	60,079	-	80,000	-	10,000	296,066	-	-	446,145
Due from other governments	5,448	-	-	-	-	-	-	129,468	158,939	293,855
Total assets	\$ 296,666	\$ 136,792	\$ 1	\$ 89,016	\$ 215,697	\$ 159,345	\$ 493,873	\$ 591,580	\$ 227,873	\$ 2,210,843
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 2,375	\$ -	\$ -	\$ -	\$ 13,288	\$ -	\$ 191,934	\$ 207,597
Total liabilities	-	-	2,375	-	-	-	13,288	-	191,934	207,597
Fund balances:										
Nonspendable	-	-	-	-	-	-	50,000	-	-	50,000
Restricted for:										
Cemetery Capital Improvements	-	136,792	-	-	-	-	-	-	-	136,792
Library	-	-	-	-	-	-	430,585	-	-	430,585
Streets	296,666	-	-	-	-	-	-	-	-	296,666
Flood Control	-	-	-	-	215,697	-	-	-	-	215,697
Military Memorial	-	-	-	89,016	-	-	-	-	-	89,016
Improvements benefiting citizens	-	-	-	-	-	159,345	-	-	-	159,345
Fire	-	-	-	-	-	-	-	573,238	-	573,238
Assigned to:										
Airport	-	-	-	-	-	-	-	-	35,939	35,939
Health, Exercise, Aquatics, Recreation and Trails	-	-	-	-	-	-	-	18,342	-	18,342
Unassigned (deficit)	-	-	(2,374)	-	-	-	-	-	-	(2,374)
Total fund balances	296,666	136,792	(2,374)	89,016	215,697	159,345	480,585	591,580	35,939	2,003,246
Total liabilities and fund balances	\$ 296,666	\$ 136,792	\$ 1	\$ 89,016	\$ 215,697	\$ 159,345	\$ 493,873	\$ 591,580	\$ 227,873	\$ 2,210,843

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Fiscal Year Ended June 30, 2022

	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	\$ -	\$ -	\$ 109,448	\$ -	\$ -	\$ -	\$ -	\$ 572,275	\$ -	\$ 681,723
Intergovernmental	44,548	-	-	-	-	-	-	-	217,089	261,637
Charges for services	-	12,419	-	-	-	-	-	-	16,855	29,274
Investment earnings	-	210	-	280	1,077	35	1,227	489	-	3,318
Miscellaneous	-	-	-	-	-	18,485	-	963	50,237	69,685
Donations	-	-	-	-	-	-	14,111	-	-	14,111
Total revenues	44,548	12,629	109,448	280	1,077	18,520	15,338	573,727	284,181	1,059,748
EXPENDITURES										
Current:										
General government	-	-	-	-	688	-	-	-	-	688
Highways and streets	-	-	-	-	-	79	-	-	-	79
Culture, tourism and recreation	-	-	32,568	120	-	-	-	15,856	-	48,544
Airport	-	-	-	-	-	-	-	-	47,592	47,592
Library	-	-	-	-	-	-	4,541	-	-	4,541
Capital Outlay	-	-	-	-	-	-	17,890	54,235	238,512	310,637
Total Expenditures	-	-	32,568	120	688	79	22,431	70,091	286,104	412,081
Revenues over (under) expenditures	44,548	12,629	76,880	160	389	18,441	(7,093)	503,636	(1,923)	647,667
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	-	-	8,000	8,000
Transfers out	-	-	(79,255)	-	-	-	-	(85,169)	-	(164,424)
Total other financing sources (uses)	-	-	(79,255)	-	-	-	-	(85,169)	8,000	(156,424)
Revenues and other sources over (under) expenditures and other uses	44,548	12,629	(2,375)	160	389	18,441	(7,093)	418,467	6,077	491,243
Fund balances - beginning	252,118	124,163	1	88,856	215,308	140,904	487,678	173,113	29,862	1,512,003
Fund balances - ending	\$ 296,666	\$ 136,792	\$ (2,374)	\$ 89,016	\$ 215,697	\$ 159,345	\$ 480,585	\$ 591,580	\$ 35,939	\$ 2,003,246

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Combining Balance Sheet – Proprietary Funds – June 30, 2022

	KPWA	Self Insurance	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 505,805	\$ 84,835	\$ 32,338	\$ 115,532	\$ 738,510
Investments	650,000	-	-	-	650,000
Restricted:					
Cash and cash equivalents	493,627	-	-	-	493,627
Due from other funds	19,693	-	-	-	19,693
Accounts Receivable, net	1,855,411	-	-	-	1,855,411
Due from other governments	-	480,031	-	-	480,031
Notes receivable	-	-	171,000	-	171,000
Inventories	614,739	-	-	-	614,739
Total current assets	<u>4,139,275</u>	<u>564,866</u>	<u>203,338</u>	<u>115,532</u>	<u>5,023,011</u>
Non-current assets:					
Restricted:					
Cash and cash equivalents	255,038	-	-	-	255,038
Investments	265,100	-	-	-	265,100
Net pension asset	612,421	-	-	31,779	644,200
Net OPEB asset	62,731	-	-	3,255	65,986
Leases receivable	-	-	-	170,486	170,486
Capital Assets:					
Land and construction in progress	950,806	-	12,493	1,000,125	1,963,424
Other capital assets, net of accumulated depreciation	14,283,816	-	19,823	3,519,594	17,823,233
Total non-current assets	<u>16,429,912</u>	<u>-</u>	<u>32,316</u>	<u>4,725,239</u>	<u>21,187,467</u>
Total assets	<u>20,569,187</u>	<u>564,866</u>	<u>235,654</u>	<u>4,840,771</u>	<u>26,210,478</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts related to pensions	185,439	-	-	11,312	196,751
Deferred amounts related to OPEB	15,075	-	-	1,546	16,621
	<u>200,514</u>	<u>-</u>	<u>-</u>	<u>12,858</u>	<u>213,372</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	954,363	4,175	-	9,822	968,360
Due to depositors	55,167	-	-	-	55,167
Notes payable	162,935	-	-	-	162,935
Compensated absences	34,056	-	-	117	34,173
Total current liabilities	<u>1,206,521</u>	<u>4,175</u>	<u>-</u>	<u>9,939</u>	<u>1,220,635</u>
Non-current liabilities:					
Due to depositors	520,138	-	-	-	520,138
Unearned revenue	-	-	-	20,000	20,000
Notes payable	341,165	-	-	-	341,165
Compensated absences	306,516	-	-	1,047	307,563
Total non-current liabilities	<u>1,167,819</u>	<u>-</u>	<u>-</u>	<u>21,047</u>	<u>1,188,866</u>
Total liabilities	<u>2,374,340</u>	<u>4,175</u>	<u>-</u>	<u>30,986</u>	<u>2,409,501</u>
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pensions	704,208	-	-	39,785	743,993
Deferred amounts related to leases	-	-	-	171,437	171,437
Deferred amounts related to OPEB	39,370	-	-	2,307	41,677
	<u>743,578</u>	<u>-</u>	<u>-</u>	<u>213,529</u>	<u>957,107</u>
NET POSITION					
Net investment in capital assets	14,472,860	-	32,316	4,519,719	19,024,895
Restricted for capital projects	438,460	-	-	-	438,460
Unrestricted	2,740,463	560,691	203,338	89,395	3,593,887
Total net position	<u>\$ 17,651,783</u>	<u>\$ 560,691</u>	<u>\$ 235,654</u>	<u>\$ 4,609,114</u>	<u>\$ 23,057,242</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Proprietary Funds – For the Fiscal Year Ended June 30, 2022

	<u>KPWA</u>	<u>Self Insurance</u>	<u>Kingfisher Special Projects Authority</u>	<u>Kingfisher Recreation Authority</u>	<u>Total</u>
REVENUES					
Charges for services:					
Light and power charges	\$ 6,724,659	\$ -	\$ -	\$ -	\$ 6,724,659
Water charges	1,217,599	-	-	-	1,217,599
Sewer	578,808	-	-	-	578,808
Penalties	68,704	-	-	-	68,704
Sanitation	697,916	-	-	-	697,916
Recreation	-	-	-	61,431	61,431
Refunds and reimbursements	213,576	-	-	-	213,576
Miscellaneous	12,527	-	6,891	-	19,418
Total operating revenues	<u>9,513,789</u>	<u>-</u>	<u>6,891</u>	<u>61,431</u>	<u>9,582,111</u>
OPERATING EXPENSES					
Administration	777,419	71,031	-	-	848,450
Light and Power	5,472,955	-	-	-	5,472,955
Power Plant	162,171	-	-	-	162,171
Water	650,560	-	-	-	650,560
Sanitation	678,273	-	-	-	678,273
Sewer	227,362	-	-	-	227,362
Recreation	-	-	-	378,423	378,423
Economic development	-	-	82,000	-	82,000
Depreciation expense	763,309	-	5,061	326,895	1,095,265
Total Operating Expenses	<u>8,732,049</u>	<u>71,031</u>	<u>87,061</u>	<u>705,318</u>	<u>9,595,459</u>
Operating income (loss)	<u>781,740</u>	<u>(71,031)</u>	<u>(80,170)</u>	<u>(643,887)</u>	<u>(13,348)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	6,701	-	-	-	6,701
Grant revenue	-	558,613	-	-	558,613
Miscellaneous revenue	14,496	96,233	-	19,049	129,778
Interest expense	(20,631)	-	-	-	(20,631)
Total non-operating revenue (expenses)	<u>566</u>	<u>654,846</u>	<u>-</u>	<u>19,049</u>	<u>674,461</u>
Income (loss) before contributions and transfers	<u>782,306</u>	<u>583,815</u>	<u>(80,170)</u>	<u>(624,838)</u>	<u>661,113</u>
Capital contributions	-	-	-	68,449	68,449
Transfers in	-	-	-	318,000	318,000
Transfers out	(318,000)	(44,949)	-	-	(362,949)
Change in net position	464,306	538,866	(80,170)	(238,389)	684,613
Total net position - beginning	17,187,477	21,825	315,824	4,847,503	22,372,629
Total net position - ending	<u>\$ 17,651,783</u>	<u>\$ 560,691</u>	<u>\$ 235,654</u>	<u>\$ 4,609,114</u>	<u>\$ 23,057,242</u>

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

Schedule of Expenditures of State Awards

State Grantor/Pass Through Agency Grantor/Program Title	Pass-thru Grant #	Award Amount	Awards Expended
STATE AWARDS:			
Department of Libraries:			
State Aid FY 2022	N/A	\$ 6,724	\$ 6,724
Total Department of Libraries		<u>6,724</u>	<u>6,724</u>
Oklahoma Aeronautics Commission:			
Airport Improvement Program	N/A	374,312	217,889
Flight School	N/A	5,000	2,374
Total Oklahoma Aeronautics Commission		<u>379,312</u>	<u>220,263</u>
Department of Agriculture:			
State Aid FY 2021	N/A	4,763	4,763
Total Department of Agriculture		<u>4,763</u>	<u>4,763</u>
Oklahoma Emergency Management			
Disaster Assistance	N/A	1,207	1,207
Disaster Assistance	N/A	1,433	1,433
Total Oklahoma Department of Health		<u>2,640</u>	<u>2,640</u>
TOTAL STATE AWARDS		<u>\$ 393,439</u>	<u>\$ 234,390</u>

Footnotes to Schedule of Expenditures of State Awards:

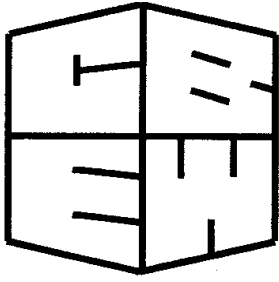
1. The Schedules is prepared on an accrual basis of accounting. The expenditures are recorded when the liability is incurred regardless of when the award proceeds are received.

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022**

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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

February 6, 2023

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, 2022, 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 February 6, 2023.

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

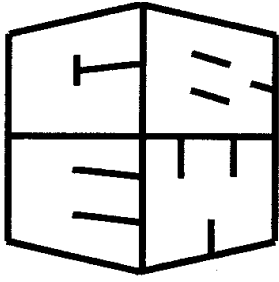
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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

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Certified Public Accountants



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

February 6, 2023

The Honorable Governance Board
City of Kingfisher
Kingfisher, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Kingfisher, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Kingfisher, Oklahoma's major federal programs for the year ended June 30, 2022. City of Kingfisher, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Kingfisher, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Kingfisher, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Kingfisher, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Kingfisher, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Kingfisher, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Kingfisher, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

City of Kingfisher
February 6, 2023

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

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, 2022**

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CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2022

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor/ Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Program or Award Amount</u>	<u>Revenue Collected</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation:</u>				
Recreational Trails Program	20.219	300,000	14,030	14,030
Sub-total U.S. Department of Transportation		300,000	14,030	14,030
<u>National Endowment for the Humanities:</u>				
Grants to States	45.310	6,843	6,843	6,843
<u>U.S. Environmental Protection Agency:</u>				
Capitalization Grants for Clean Water Revolving	66.458	4,328,000	132,685	132,685
<u>U.S. Department of Homeland Security:</u>				
Staffing for Adequate Fire & Emergency Response - EMW-2017-FH-00314	97.083	360,802	30,728	30,728
Disaster Grants - Public Assistance	97.039	555,974	555,974	555,974
Sub-total U.S. Department of Homeland Security		916,776	586,702	586,702
<u>U.S. Department of the Interior:</u>				
<u>Passed through the Oklahoma Department of Tourism & Recreation:</u>				
Newfield Community Park	15.916	840,000	157,258	157,258
Total Expenditures of Federal Awards		\$ 6,391,619	\$ 897,518	\$ 897,518

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

Note B - Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported using accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF KINGFISHER
Kingfisher, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report Issued: An unmodified opinion on the basic financial statements.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Type of auditors report issued on compliance for major programs: Unmodified

Internal Control Over Major Programs:

Material Weakness(es) identified? Yes No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes No

Dollar threshold used to distinguish Type A and Type B programs \$750,000

Auditee Qualified as low-risk auditee? Yes No

Identification of Major Programs:

CFDA#

97.036 Disaster Grants – Public Assistance

FINDINGS - FINANCIAL STATEMENT AUDIT

1. None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

**CITY OF KINGFISHER
Kingfisher, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2022**

There were no prior year audit findings.