



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

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

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crescent, Oklahoma ("City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and post-employment benefit plan information on pages 7-13 and 47-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Supplementary Information***

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Elfrink and Associates, PLLC*

Elfrink and Associates, PLLC  
Tulsa, Oklahoma  
January 31, 2025

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

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As Management of the City of Crescent, we offer readers this narrative overview and analysis of the financial activities of the City of Crescent for the fiscal year ended June 30, 2024. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

## **FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$959,570 and the assets and deferred outflows of the City exceeded its liabilities and deferred inflows at June 30, 2024, by \$12.6 million (net position). Of this amount, \$1,126,396 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2024, the City's governmental funds reported combined ending fund balances of \$4.9 million. Of that amount \$989,614 is available for spending at the government's discretion (unassigned fund balance) of the General Fund. The Crescent Public Works Authority (CPWA) enterprise fund reported an ending net position of \$5.8 million of which \$297,349 is available for spending at the government's discretion (unrestricted net position).
- At the end of fiscal year 2024, unassigned fund balance for the General Fund was 58% of General Fund total revenues. The unrestricted net position of the CPWA was 29% of total CPWA revenues.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Crescent (the "City") and the Crescent Public Work Authority (the "Authority"). Included in this report are government-wide statements for each of two categories of activities – governmental and business-type.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt), along with any inflows and outflows considered deferred.

### **Reporting the City as a Whole - Statements of Net Position and Activities**

This discussion and analysis is intended to serve as an introduction to the City of Crescent's basic financial statements. 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.

(Unaudited. See accompanying auditor's report.)



**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

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These two statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets and deferred outflows less 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 are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other non-financial 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 of the City.

The Statement of Net Position and the Statement of Activities are divided into two types 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 grants finance most of these activities.
- **Business-type activities** – Activities where the City charges a fee to customers to help cover all or most of the cost of certain services it provides are reported here. The City's water, sewer, and sanitation utilities are reported as business-type 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. The City of Crescent, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law. 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 Crescent can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* -- Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". 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 the Governmental Fund financial statements.

*Proprietary funds* -- When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary fund and are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and sanitation services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

## Notes to the Financial Statements

The notes provide additional information that is essential to gain understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 26-45 of this report.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a Budgetary Comparison Schedule for the General Fund, Schedules of Share of Net Pension Asset or Liability for Firefighter's Pension and Police Pension, Schedules of City Contributions for Police and Firefighter's Retirement Systems, combining and individual financial statements and schedules, and a schedule of federal and state awards.

## 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 \$12.6 million at the close of the most recent fiscal year.

**TABLE 1**  
**NET POSITION (In Thousands)**

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Current and other assets	\$ 5,765	\$ 5,323	8%	\$ 586	\$ 856	-32%	\$ 6,351	\$ 6,179	3%
Capital assets, net	1,883	1,429	32%	10,020	9,746	3%	11,903	11,175	7%
<b>Total assets</b>	<u>7,648</u>	<u>6,752</u>	13%	<u>10,606</u>	<u>10,602</u>	0%	<u>18,254</u>	<u>17,354</u>	5%
<b>Deferred outflows of resources</b>	<u>110</u>	<u>73</u>	51%	<u>425</u>	<u>442</u>	-4%	<u>535</u>	<u>515</u>	4%
Long-term liabilities	86	86	0%	5,232	5,294	-1%	5,318	5,380	-1%
Other liabilities	811	809	0%	31	26	19%	842	835	1%
<b>Total liabilities</b>	<u>897</u>	<u>895</u>	0%	<u>5,263</u>	<u>5,320</u>	-1%	<u>6,160</u>	<u>6,215</u>	-1%
<b>Deferred inflows of resources</b>	<u>32</u>	<u>16</u>	100%	<u>-</u>	<u>-</u>	0%	<u>32</u>	<u>16</u>	100%
Net position									
Net investment in capital assets	1,876	1,415	33%	5,338	5,042	6%	7,214	6,457	12%
Restricted	4,125	4,171	-1%	132	269	-51%	4,257	4,440	-4%
Unrestricted	829	328	153%	297	413	-28%	1,126	741	52%
<b>Total net position</b>	<u>\$ 6,830</u>	<u>\$ 5,914</u>	15%	<u>\$ 5,767</u>	<u>\$ 5,724</u>	1%	<u>\$ 12,597</u>	<u>\$ 11,638</u>	8%

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that are still outstanding. This year the net investment in capital assets amounted to \$7.2 million.

A portion of the City's net position, \$4.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$1.1 million, may be used to meet the government's ongoing obligations to citizens and creditors.

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

**Changes in Net Position**

For the year ended June 30, 2024, net position of the primary government changed as follows:

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
<b>Revenues</b>									
Charges for service	\$ 277	\$ 268	3%	\$ 1,002	\$ 957	5%	\$ 1,279	\$ 1,225	4%
Operating grants and contributions	67	57	18%	11	-	-	78	57	37%
Capital grants and contributions	976	239	308%	20	121	-83%	996	360	177%
Taxes	786	749	5%	-	-	-	786	749	5%
Intergovernmental revenue	176	31	468%	-	-	-	176	31	468%
Investment income	153	37	314%	1	1	0%	154	38	305%
Miscellaneous	72	18	300%	11	69	-84%	83	87	-5%
<b>Total revenues</b>	<u>2,507</u>	<u>1,399</u>	79%	<u>1,045</u>	<u>1,148</u>	-9%	<u>3,552</u>	<u>2,547</u>	39%
<b>Expenses</b>									
General government	570	566	1%	-	-	-	570	566	1%
Public safety	603	472	28%	-	-	-	603	472	28%
Highways and streets	91	70	30%	-	-	-	91	70	30%
Culture and recreation	120	97	24%	-	-	-	120	97	24%
Water	-	-	-	710	597	19%	710	597	19%
Wastewater	-	-	-	198	179	11%	198	179	11%
Sanitation	-	-	-	265	240	10%	265	240	10%
Ambulance	-	-	-	36	36	0%	36	36	0%
<b>Total expenses</b>	<u>1,384</u>	<u>1,205</u>	15%	<u>1,209</u>	<u>1,052</u>	15%	<u>2,593</u>	<u>2,257</u>	15%
Excess (deficiency) before transfers	1,123	194	479%	(164)	96	-271%	959	290	231%
Transfers	(207)	47	-	207	(47)	-	-	-	-
<b>Change in net position</b>	<u>916</u>	<u>241</u>	280%	<u>43</u>	<u>49</u>	-12%	<u>959</u>	<u>290</u>	231%
<b>Beginning net position</b>	<u>5,914</u>	<u>5,673</u>	4%	<u>5,724</u>	<u>5,675</u>	1%	<u>11,638</u>	<u>11,348</u>	3%
<b>Ending net position</b>	<u>\$ 6,830</u>	<u>\$ 5,914</u>	15%	<u>\$ 5,767</u>	<u>\$ 5,724</u>	1%	<u>\$ 12,597</u>	<u>\$ 11,638</u>	8%

Overall, the City's net position increased by 8%. Governmental activities reported a \$916,414 increase, or 280% from the prior year net position increase, while the business-type activities had a \$43,156 increase, or 12 % decline from the prior year net position increase.

Capital grants and contributions in the governmental activities increased in the current year by approximately \$736,000 (or 308%), due mainly to \$401,490 2022 REAP grant received in the current year, and \$416,511 ODOT grant received in the current year. Intergovernmental revenue increased by approximately \$145,239 (or 468%) due mainly to 2023 REAP grant received for \$150,000 and 2024 REAP grant received for \$259,000 in the current year.

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

**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)**

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
General government	\$ 570	\$ 566	1%	\$ (474)	\$ (440)	8%
Public safety	603	472	28%	(282)	(52)	442%
Highways and streets	91	70	30%	337	(58)	-681%
Culture and recreation	120	97	24%	355	(91)	-490%
<b>Total</b>	<u>1,384</u>	<u>1,205</u>	15%	<u>\$ (64)</u>	<u>\$ (641)</u>	-90%

**Business-type Activities**

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

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Water	\$ 710	\$ 597	19%	\$ (258)	\$ (69)	-274%
Sewer	198	179	11%	125	126	-1%
Sanitation	265	240	10%	(47)	(36)	-31%
Ambulance	36	36	0%	5	5	0%
<b>Total</b>	<u>\$ 1,209</u>	<u>\$ 1,052</u>	15%	<u>\$ (175)</u>	<u>\$ 26</u>	773%

The above table shows that the sewer and ambulance activities had sufficient revenues to cover their costs while the water and sanitation activity reported more expenses than revenue and did not cover its costs of operations.

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

**A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$4.9 million, a 10.3% increase from the prior year. The enterprise fund reported net position of \$5.8 million, a .75% increase from the prior year.

**Other fund highlights include:**

- For the year ended June 30, 2024, the General Fund's total fund balance increased by \$72,516 or 1.7%.
- The Crescent Public Works Authority reported an increase in total net position, after transfers, of \$43,156, or .75%, for the year.

**General Fund Budgetary Highlights**

For the year ended June 30, 2024 the General Fund reported actual revenues and transfers in under final estimates by \$149,906 an 11.6% negative variance. General fund actual expenditures and transfers out were under final appropriations by \$247,092, a 19.2% positive variance.

**CAPITAL ASSETS & DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2024, the City had approximately \$11.9 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, and sewer systems, roads and bridges. This represents an increase of approximately \$728,000 from last year.

**Primary Government Capital Assets**  
**(In Thousands)**  
**(Net of accumulated depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 72	\$ 75	\$ 1,903	\$ 1,889	\$ 1,975	\$ 1,964
Buildings and Improvements	363	356	44	46	407	402
Machinery, furniture and equipment	493	557	1,106	561	1,599	1,118
Infrastructure	389	441	6,893	7,179	7,282	7,620
Construction in progress	566	-	74	71	640	71
<b>Totals</b>	<u>\$ 1,883</u>	<u>\$ 1,429</u>	<u>\$ 10,020</u>	<u>\$ 9,746</u>	<u>\$ 11,903</u>	<u>\$ 11,175</u>

Significant capital asset additions include:

- Bobcat T66HR Track loader \$ 66,241
- Clearwell Rehab/Chlorination Booster pump \$ 611,015

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**Management's Discussion and Analysis**  
**As of and for the Year Ended JUNE 30, 2024**

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**Long-Term Debt**

At year-end, the City had \$4,645,079 in long-term debt outstanding, which represents a \$77,087 decrease from the prior year. For more details on the long-term debt, see Note 5.

**TABLE 6**  
**Primary Government Long-Term Debt**  
**(In Thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Notes payable	\$ 9	\$ 18	\$ 4,636	\$ 4,704	\$ 4,645	\$ 4,722
<b>Totals</b>	<u>\$ 9</u>	<u>\$ 18</u>	<u>\$ 4,636</u>	<u>\$ 4,704</u>	<u>\$ 4,645</u>	<u>\$ 4,722</u>

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 205 N Grand, Crescent, Oklahoma 73028 or phone at (405) 310-8200 ext. 305.

(Unaudited. See accompanying auditor's report.)

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

**Statement of Net Position– June 30, 2024**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,541,320	\$ 231,538	\$ 1,772,858
Restricted cash and equivalents	124,027	158,123	282,150
Restricted investments	-	46,000	46,000
Receivables:			
Accounts receivable, net of allowance	13,120	132,298	145,418
Due from other governments	431,325	-	431,325
Court fine receivable, net	88,914	-	88,914
Other receivables	47,572	-	47,572
Other assets	3,888	2,385	6,273
Noncurrent restricted cash and cash equivalents	-	15,804	15,804
Noncurrent restricted investments	3,504,437	-	3,504,437
Net pension asset	10,290	-	10,290
Capital Assets:			
Land, improvements and construction in progress	638,263	1,976,618	2,614,881
Other Capital Assets, net of depreciation	1,245,123	8,043,142	9,288,265
Total assets	<u>7,648,279</u>	<u>10,605,908</u>	<u>18,254,187</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	110,416	-	110,416
Deferred amounts related to ARO	-	425,000	425,000
Total deferred outflow of resources	<u>110,416</u>	<u>425,000</u>	<u>535,416</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	453,077	28,986	482,063
Accrued interest	-	1,746	1,746
Unearned Revenue	357,418	-	357,418
Long-term liabilities:			
Due within one year	25,324	1,615,536	1,640,860
Due in more than one year	35,631	3,107,109	3,142,740
Net pension liability	25,234	-	25,234
Asset retirement obligation	-	510,000	510,000
Total liabilities	<u>896,684</u>	<u>5,263,377</u>	<u>6,160,061</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	<u>31,716</u>	<u>-</u>	<u>31,716</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,876,145	5,338,110	7,214,255
Restricted for:			
Permanent - trust corpus	3,615,204	-	3,615,204
Debt service	-	96,872	96,872
Other	509,899	35,200	545,099
Unrestricted	829,047	297,349	1,126,396
Total net position	<u>\$ 6,830,295</u>	<u>\$ 5,767,531</u>	<u>\$ 12,597,826</u>

See accompanying notes to the financial statements.



**CITY OF CRESCENT, OKLAHOMA**  
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**Statement of Activities – For the Year Ended June 30, 2024**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities							
General Government	\$ 569,980	\$ 5,096	\$ -	\$ 90,549	\$ (474,335)	\$ -	\$ (474,335)
Public Safety	602,883	268,902	52,148	-	(281,833)	-	(281,833)
Highways and Streets	91,337	-	12,186	416,511	337,360	-	337,360
Culture and Recreation	119,728	3,436	2,941	468,505	355,154	-	355,154
Total governmental activities	<u>1,383,928</u>	<u>277,434</u>	<u>67,275</u>	<u>975,565</u>	<u>(63,654)</u>	<u>-</u>	<u>(63,654)</u>
Business-type activities:							
Water	710,428	421,645	10,743	20,213	-	(257,827)	(257,827)
Sewer	197,684	322,614	-	-	-	124,930	124,930
Sanitation	264,984	217,618	-	-	-	(47,366)	(47,366)
Ambulance	35,694	40,425	-	-	-	4,731	4,731
Total business-type activities	<u>1,208,790</u>	<u>1,002,302</u>	<u>10,743</u>	<u>20,213</u>	<u>-</u>	<u>(175,532)</u>	<u>(175,532)</u>
Total primary government	<u>\$ 2,592,718</u>	<u>\$ 1,279,736</u>	<u>\$ 78,018</u>	<u>\$ 995,778</u>	<u>\$ (63,654)</u>	<u>\$ (175,532)</u>	<u>\$ (239,186)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes					\$ 735,580	\$ -	\$ 735,580
Franchise taxes					50,323	-	50,323
Intergovernmental, unrestricted					176,097	-	176,097
Unrestricted investment earnings					153,121	1,358	154,479
Miscellaneous					71,665	10,612	82,277
Transfers					(206,718)	206,718	-
Total general revenues					<u>980,068</u>	<u>218,688</u>	<u>1,198,756</u>
Change in net position					916,414	43,156	959,570
Net position - beginning					5,913,881	5,724,375	11,638,256
Net position - ending					<u>\$ 6,830,295</u>	<u>\$ 5,767,531</u>	<u>\$ 12,597,826</u>

See accompanying notes to the financial statements.

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

**CITY OF CRESCENT, OKLAHOMA**  
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**As of and for the Year Ended JUNE 30, 2024**

**Governmental Funds Balance Sheet – June 30, 2024**

	<b>General Fund</b>	<b>Capital Project Fund ODOT - Municipal Road Drilling Activity</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 964,269	\$ 500,000	\$ 201,078	\$ 1,665,347
Investments	3,504,437	-	-	3,504,437
Due from Other Funds	-	-	272,869	272,869
Court fines receivable	88,914	-	-	88,914
Due from other governments	156,622	-	1,385	158,007
Other receivables	61,338	-	-	61,338
Prepaid expenses	3,888	-	-	3,888
Total assets	<u>4,779,468</u>	<u>500,000</u>	<u>475,332</u>	<u>5,754,800</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	24,812	419,336	627	444,775
Due to Street and Alley Fund	197	-	-	197
Unearned revenue	273,929	83,489	-	357,418
Other payables	8,302	-	-	8,302
Total liabilities	<u>307,240</u>	<u>502,825</u>	<u>627</u>	<u>810,692</u>
Deferred inflows:				
Unavailable revenue	59,952	-	-	59,952
Fund balances:				
Nonspendable	3,615,204	-	-	3,615,204
Restricted	5,391	-	223,971	229,362
Assigned	16,256	-	33,720	49,976
Unassigned (deficit)	775,425	(2,825)	217,014	989,614
Total fund balances	<u>4,412,276</u>	<u>(2,825)</u>	<u>474,705</u>	<u>4,884,156</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,779,468</u>	<u>\$ 500,000</u>	<u>\$ 475,332</u>	<u>\$ 5,754,800</u>

See accompanying notes to the financial statements

**CITY OF CRESCENT, OKLAHOMA**  
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**Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2024**

	General Fund	Capital Project Fund ODOT - Municipal Road Drilling Activity	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 785,903	\$ -	\$ -	\$ 785,903
Fines and forfeitures	241,060	-	-	241,060
Licenses and permits	4,991	-	-	4,991
Intergovernmental	60,521	416,511	630,690	1,107,722
Charges for services	23,185	-	4,720	27,905
Investment earnings	153,121	-	-	153,121
Miscellaneous	75,322	-	-	75,322
Total revenues	<u>1,344,103</u>	<u>416,511</u>	<u>635,410</u>	<u>2,396,024</u>
<b>EXPENDITURES</b>				
Current:				
General government	450,841	-	-	450,841
Police	402,352	-	-	402,352
Municipal court	69,590	-	-	69,590
Community Center	10,006	-	-	10,006
Fire	42,783	-	-	42,783
Library	44,239	-	-	44,239
Street	-	-	8,324	8,324
Parks	17,990	-	-	17,990
Debt Service:				
Principal	8,183	-	-	8,183
Interest and other charges	486	-	-	486
Capital Outlay	64,918	440,328	781,336	1,286,582
Total Expenditures	<u>1,111,388</u>	<u>440,328</u>	<u>789,660</u>	<u>2,341,376</u>
Revenues over (under) expenditures	<u>232,715</u>	<u>(23,817)</u>	<u>(154,250)</u>	<u>54,648</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	20,992	541,304	562,296
Transfers out	(160,199)	-	-	(160,199)
Total other financing sources and uses	<u>(160,199)</u>	<u>20,992</u>	<u>541,304</u>	<u>402,097</u>
Net change in fund balances	72,516	(2,825)	387,054	456,745
Fund balances - beginning	4,339,760	-	87,651	4,427,411
Fund balances - ending	<u>\$ 4,412,276</u>	<u>\$ (2,825)</u>	<u>\$ 474,705</u>	<u>\$ 4,884,156</u>

See accompanying notes to the financial statements

**CITY OF CRESCENT, OKLAHOMA**  
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**Reconciliation of Governmental Fund and Government-Wide Financial Statements:**

**Fund Balance – Net Position Reconciliation:**

<b>Total fund balance, governmental funds</b>	<b>\$ 4,884,156</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds, net of accumulated depreciation of \$3,466,886	1,883,386
Certain long-term assets are not available to pay for current fund liabilities and therefore, are deferred or not reported in the funds:	
Unavailable revenues	59,952
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:	
Notes payable	(9,473)
Accrued compensated absences	(51,482)
Net pension liability and deferrals	63,756
	<u>63,756</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 6,830,295</u></u>

**Changes in Fund Balances – Changes in Net Position Reconciliation:**

<b>Net change in fund balances - total governmental funds:</b>	<b>\$ 456,745</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets	
Capital asset purchases capitalized	614,488
Depreciation expense	(160,610)
	<u>453,878</u>
In the Statement of Activities, the net cost of pension benefits earned is calculated and is reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.	<u>9,163</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable revenue	<u>3,478</u>
Some revenues and expenses reported in the Statement of Activities do not require the acquisition or use of current financial resources and therefore, are not reported as revenues or expenditures in governmental funds:	
Principal paid on note payable	8,183
Change in accrued compensated absences	(15,033)
	<u>(6,850)</u>
Change in net position of governmental activities	<u><u>\$ 916,414</u></u>

See accompanying notes to the financial statements

**CITY OF CRESCENT, OKLAHOMA**  
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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUND**

**CITY OF CRESCENT, OKLAHOMA**  
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**Proprietary Fund Statement of Net Position – June 30, 2024**

	<b><u>Crescent Public Works Authority</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 231,538
Restricted cash and cash equivalents	158,123
Accounts receivable, net	132,298
Prepaid Expenses	2,385
Total current assets	<u>524,344</u>
Noncurrent assets:	
Restricted cash and cash equivalents	15,804
Restricted investments	46,000
Capital assets:	
Land and improvements	1,976,618
Infrastructure	8,043,142
Total non-current assets	<u>10,081,564</u>
Total assets	<u>10,605,908</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred amounts related to asset retirement obligation	<u>425,000</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	28,986
Accrued interest payable	1,746
Due to depositors	13,378
Compensated absences	8,044
Notes payable	1,594,114
Total current liabilities	<u>1,646,268</u>
Noncurrent liabilities:	
Due to depositors	56,902
Compensated absences	8,714
Notes payable	3,041,493
Asset Retirement Obligation	510,000
Total non-current liabilities	<u>3,617,109</u>
Total liabilities	<u>5,263,377</u>
<b>NET POSITION</b>	
Net investment in capital assets	5,338,110
Restricted for debt service	96,872
Restricted for capital projects	35,200
Unrestricted	297,349
Total net position	<u>\$ 5,767,531</u>

See accompanying notes to the financial statements

**CITY OF CRESCENT, OKLAHOMA**  
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**Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position – Year Ended June 30, 2024**

	<b>Crescent Public Works Authority</b>
<b>REVENUES</b>	
Charges for services:	
Water charges	\$ 409,916
Sewer charges	313,596
Sanitation charges	211,490
Penalties	26,875
Ambulance fees	40,425
Miscellaneous	10,612
Total operating revenues	<u>1,012,914</u>
<b>OPERATING EXPENSES</b>	
Administration	126,151
Sanitation	146,049
Water/wastewater	326,217
Ambulance	35,694
Depreciation	395,429
Total operating expenses	<u>1,029,540</u>
Operating income (loss)	<u>(16,626)</u>
<b>NON-OPERATING REVENUES</b>	
Interest and investment revenue	1,358
Operating grants and contributions	20,213
Interest expense	(179,250)
Gain (loss) on capital asset disposals	10,743
Total non-operating revenue (expense)	<u>(146,936)</u>
Income before capital contributions and transfers	(163,562)
Capital contributions from governmental activities	608,815
Transfers out	(402,097)
Change in net position	43,156
Total net position - beginning	5,724,375
Total net position - ending	<u><u>\$ 5,767,531</u></u>

See accompanying notes to the financial statements



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**Proprietary Fund Statement of Cash Flows – Year Ended June 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 1,023,154
Payments to suppliers	(315,018)
Payments to employees	(293,787)
Receipt of customer deposits	13,360
Customer meter deposits refunded or applied	(9,655)
Net Cash Provided by Operating Activities	<u>418,054</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfers to other funds	(402,097)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(402,097)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of capital assets	(49,541)
Proceeds from capital debt	31,241
Change in capital debt	(100,144)
Interest and fiscal charges paid on capital debt	(179,290)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(297,734)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends	1,358
Net Cash Provided by Investing Activities	<u>1,358</u>

**Net Decrease in Cash and Cash Equivalents**

(280,419)

**Balances - beginning of the year**

685,884

**Balances - end of the year**

\$ 405,465

**Reconciliation to Statement of Net Position:**

Cash and cash equivalents	\$ 231,538
Current restricted cash and cash equivalents	158,123
Noncurrent restricted cash and cash equivalents	15,804
Total cash and cash equivalents	<u>\$ 405,465</u>

**Reconciliation of operating income (loss) to net cash provided by operating activities:**

Operating income (loss)	\$ (16,626)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation expense	395,429
Miscellaneous income	20,213
Change in assets, liabilities, and deferrals:	
Receivables	(9,973)
Prepaid items	(563)
Deferred outflows - Asset retirement obligation	17,000
Accounts payable	4,420
Meter deposit liability	3,705
Accrued compensated absences	4,449
Net Cash Provided by Operating Activities	<u>\$ 418,054</u>

**Noncash investing, capital, and financing activities:**

Transfer of construction in progress from governmental activities	\$ 608,815
Loss on disposal of assets	24,257
	<u>\$ 633,072</u>

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**FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS**

## **Footnotes to the Basic Financial Statements:**

### **1. Financial Reporting Entity**

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

**The City of Crescent** – that operates the public safety, health and welfare, streets and highways, parks and recreation and administrative activities.

The City is a Council/Manager form of government and operates under a charter that provides for three branches of government.

- Legislative – the City Council is a five-member governing body with the mayor elected by the council and five council members elected by each ward.
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council.
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council.

The City provides typical municipal services such as a public safety, health and welfare, street and alley maintenance, parks and recreation.

### **Blended Component Units:**

**Crescent Public Works Authority (CPWA)** – public trust created under 60 O.S. 162 with City as beneficiary that operates the water, sewer and sanitation services of the City. The component unit (Authority) has the City Council as their governing body (trustees) and the City is able to impose its will on the Authority through required approval of all debt obligations issued by these entities. The Authority is reported as a blended component unit.

**Crescent Economic Development Authority** - Created March 31, 1981, to stimulate economic growth and development, to promote, stimulate, encourage and finance the growth and development of the agricultural, commerce, and industry of the City of Crescent. The City council appoints the trustees with one current member of the City council serving as a trustee. Any issuances of debt would require a two-thirds approval of the City Council. The City of Crescent is the beneficiary of the trust. The CEDA is currently inactive.

### **2. Basis of Presentation and Accounting**

#### *Government-Wide Financial Statements:*

The statement of net position and activities are reported on the accrual basis of accounting and economic resource focus. Under the economic resource focus, all assets and liabilities, including current and non-current are reported along with any inflows and outflows that are deferred. 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.

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Program revenues within the statement of activities that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- General Government: Licenses and permits and contributed capital
- Public Safety: Fine revenue, animal fees, fire runs, on-behalf pension payments and rural fire operating grant
- Highways and Streets: Commercial vehicle and gasoline excise tax shared by the State
- Code Enforcement: permits and licenses
- Culture and Recreation: Pool fees, community center rentals, library donations, and library state operating grant

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; included within the General Fund for reporting purposes are the following accounts:

- Electric sale trust account – accounts for funds permanently restricted that can only be spent upon approval by a vote of the citizens; 75% of the investment income is transferred to the General Fund as allowed by an election.
- CLEET account – accounts for a portion of fines collected pursuant to state law and remitted to the state
- Police equipment account - accounts for funds assigned for police equipment.
- General Fund Reserve – set up to help create a cushion
- Insurance reimbursement – accounts for insurance reimbursement activity
- ARPA fund – accounts for ARPA grant activity

Capital Project Fund – ODOT Municipal Road Drilling Activity – accounts for the construction of municipal roads drilling activities.

Nonmajor Funds:

Special Revenue Fund:

- Street and Alley Fund – accounts for revenues from gasoline and vehicle taxes restricted for street repairs and maintenance

Capital Project Fund:

- Fire Department Capital Improvement Fund – Accounts for contributions and specific revenues and transfers from other city funds and expenditures for various capital projects, and the fees from fire runs.
- REAP Grant-Library/Fire Station Paving – accounts for grant received for paving at the library and fire station

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- REAP Grant-Community Center – accounts for grant received for repairs to the Community Center’s roof
- REAP Grant-Street Project – accounts for grant received for street repairs

The governmental funds are reported on a modified accrual basis of accounting and current financial resources measurement focus. Revenues are recorded on the modified accrual basis when earned and collected within 60 days of period end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

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 economic resources measurement focus and accrual basis of accounting at the government-wide level.

*Pensions:*

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 (OFPRS) and Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OFPRS’s and OPPRS’s fiduciary net position have been determined on the same basis as they are reported by OFPRS 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.

*Proprietary Fund:*

The City’s proprietary fund includes:

Major Enterprise Fund:

- Crescent Public Works Authority – accounts for the operation of the water, sewer, and sanitation activities.

The proprietary fund is 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.

### **3. Cash, Cash Equivalents, 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, certificates of deposit, and short-term investments with an original maturity of three months or less.

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

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**Deposits:**

Demand deposits			2,070,812
Time deposits	1 year or less	N/A	3,346,000

**Investments:**

U.S. Obligations	AAA-mf	Level 1	204,437
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**Total deposits**

\$ 5,621,249

**Reconciliation to Statement of Net Position:**

Cash and cash equivalents	\$ 1,772,858
Restricted cash and cash equivalents	282,150
Restricted investments	46,000
Noncurrent restricted cash and cash equivalents	15,804
Noncurrent restricted investments	3,504,437
	<u><u>\$ 5,621,249</u></u>

*Custodial Credit Risk* – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized 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 100% of the uninsured deposits and accrued interest thereon. At June 30, 2024, the City was not exposed to custodial credit as defined above.

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

*Investment Credit Risk* – the city has no investment policy that limits its investment choices other than the limitation of state law as follows:

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

The City was not exposed to investment credit rate risk.

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*Concentration of Investment Credit Risk* - the City places no limit on the amount it may invest in any one issuer. The City was not exposed to concentration of credit risk as defined above.

*Restricted Cash and Investments* - The amounts reported as restricted assets in the 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), USDA debt service amounts and trust corpus amounts held in the Electric Sale Trust account to be used for purposes as voted on by the citizens, and a contingency reserve. The restricted assets as of June 30, 2024 are as follows:

	Cash and Cash Equivalents	Investments	Noncurrent Cash and Cash Equivalents	Noncurrent Investments	Total
Governmental Activities:					
Contingency Reserve	\$ 26,380	\$ -	\$ -	\$ -	\$ 26,380
Electric Sale Trust	97,647	-	-	3,504,437	3,602,084
Business-type Activities:					
USDA debt service	132,072	-	-	-	132,072
Utility Meter Deposit	26,051	46,000	15,804	-	87,855
Total Restricted Assets	<u>\$ 282,150</u>	<u>\$ 46,000</u>	<u>\$ 15,804</u>	<u>\$ 3,504,437</u>	<u>\$ 3,848,391</u>

#### 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, 2024, capital assets balances changed as follows:

	Balance at July 1, 2023	Additions	Disposals	Balance at June 30, 2024
Governmental activities:				
Non-depreciable:				
Land	\$ 74,753	\$ -	\$ (3,000)	\$ 71,753
Construction-in-progress	-	566,510	-	566,510
Total non-depreciable assets at historical cost	<u>74,753</u>	<u>566,510</u>	<u>(3,000)</u>	<u>638,263</u>
Depreciable:				
Buildings and improvements	955,163	33,428	-	988,591
Machinery and equipment	2,169,020	17,550	-	2,186,570
Infrastructure	1,536,848	-	-	1,536,848
Total depreciable assets at historical cost	<u>4,661,031</u>	<u>50,978</u>	<u>-</u>	<u>4,712,009</u>
Less accumulated depreciation				
Buildings and improvements	598,714	26,320	-	625,034
Machinery and equipment	1,611,664	82,519	-	1,694,183
Infrastructure	1,095,898	51,771	-	1,147,669
Total accumulated depreciation	<u>3,306,276</u>	<u>160,610</u>	<u>-</u>	<u>3,466,886</u>
Net depreciable assets	<u>1,354,755</u>	<u>(109,632)</u>	<u>-</u>	<u>1,245,123</u>
Governmental activities capital assets, net	<u>1,429,508</u>	<u>456,878</u>	<u>(3,000)</u>	<u>1,883,386</u>

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	Balance at July 1, 2023	Additions	Disposals	Balance at June 30, 2024
Business-type activities				
Non-depreciable:				
Land	1,889,259	13,301	-	1,902,560
Construction-in-progress	71,258	613,815	(611,015)	74,058
Total non-depreciable assets at historical cost	<u>1,960,517</u>	<u>627,116</u>	<u>(611,015)</u>	<u>1,976,618</u>
Depreciable:				
Buildings and improvements	120,713	-	-	120,713
Machinery and equipment	1,168,113	677,256	(53,905)	1,791,464
Infrastructure	11,337,272	-	-	11,337,272
Totals depreciable assets at historical cost	<u>12,626,098</u>	<u>677,256</u>	<u>(53,905)</u>	<u>13,249,449</u>
Less accumulated depreciation				
Buildings and improvements	74,619	2,492	-	77,111
Machinery and equipment	607,570	107,343	(29,648)	685,265
Infrastructure	4,158,337	285,594	-	4,443,931
Total accumulated depreciation	<u>4,840,526</u>	<u>395,429</u>	<u>(29,648)</u>	<u>5,206,307</u>
Net depreciable assets	<u>7,785,572</u>	<u>281,827</u>	<u>(24,257)</u>	<u>8,043,142</u>
Business-type capital assets, net	<u>\$ 9,746,089</u>	<u>\$ 908,943</u>	<u>\$ (635,272)</u>	<u>\$ 10,019,760</u>

*Depreciation:*

Depreciable capital assets are depreciated on a straight-line basis over their estimated useful lives. A capitalization threshold of \$2,500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows: Buildings 25 years, Vehicles 4-5 years, Machinery, furniture and equipment 5-15 years, and Utility property and improvements and infrastructure 30 years.

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:**

General government	7,722
Public safety	69,143
Highways and streets	59,196
Culture and recreation	24,549
Total depreciation	<u>\$ 160,610</u>

**Business-Type Activities:**

Water	311,970
Wastewater	64,613
Administration	18,846 *
Total depreciation	<u>\$ 395,429</u>

\* Administration depreciation is allocated between water and wastewater activities based on proportionate share of revenues.

## 5. Long-Term Debt and Debt Service Requirements

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



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<u>Type of Debt</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Notes payable (direct borrowing)	\$ 17,656	\$ -	\$ 8,183	\$ 9,473	\$ 8,335
Accrued compensated absences	36,449	38,796	23,763	51,482	16,989
Total Governmental Long-Term Debt	<u>\$ 54,105</u>	<u>\$ 38,796</u>	<u>\$ 31,946</u>	<u>\$ 60,955</u>	<u>\$ 25,324</u>
<b>Business-Type Activities:</b>					
Note payable (direct borrowing)	\$ 4,704,510	\$ 31,241	\$ 100,145	\$ 4,635,606	\$ 1,594,114
Accrued compensated absences	12,309	16,787	12,338	16,758	8,044
Meter deposits	66,575	13,360	9,655	70,280	13,378
Total BTA Long-Term Debt	<u>\$ 4,783,394</u>	<u>\$ 61,388</u>	<u>\$ 122,138</u>	<u>\$ 4,722,644</u>	<u>\$ 1,615,536</u>

Governmental debt will be paid with General Fund revenues.

*Governmental activities long-term debt:*

*Notes Payable – Direct Borrowing:*

\$21,386 note payable with F & M Bank for the purchase of a 2021 Dodge Charger Police V-8 RWD Pursuit vehicle, due in 3 annual installments of \$7,493, with an interest rate of 2.536%, final payment due July, 2024. The note is secured by the 2021 Dodge Charger Police V-8. In the event the City determines that sufficient funds have not been appropriated to make the payments required under the terms of this note, the obligations of the City under this note shall terminate. In such event, the City shall give prompt written notice of the termination to the lender. If the City defaults, the collateralized equipment will be returned to the lender.

\$ 7,241

\$5,302 note payable with Watch Guard Video for the purchase of (3) Body Worn Cameras, due in 5 annual installments of \$1,176, final payment due April 2026. The note is secured by the body worn cameras. In the event of default, the collateralized equipment will be returned to the lender.

2,232

Total Notes Payable \$ 9,473

Current Portion \$ 8,335

Noncurrent Portion 1,138

Total Notes Payable - Direct Borrowings \$ 9,473

Accrued Compensated Absences:

Current portion \$ 16,989

Non-current portion 34,493

Total \$ 51,482

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*Business-type activities long-term debt:*

*Notes Payable – Direct Borrowings:*

Notes Payable ( direct borrowing):

\$3,600,000 USDA Rural Development note with an interest rate of 1.875%, due in 480 monthly installments of \$10,692, final payment due December 2056. The loan is secured by the water system and revenues of the water system. In the event of default, the lender has all rights and remedies as allowed by law including: 1) declare entire amount unpaid immediately due and payable; 2) incur and pay reasonable expenses for repair or maintenance of and take possession of, operate, or rent property; 3) have a receiver appointed for the property; 4) foreclose this instrument; 5) enforce any and all rights and remedies provided herein or by present or future laws.

\$ 3,090,684

\$84,762 note with F & M Bank for the purchase of a JD backhoe, due in 72 monthly installments of \$1,368, with an interest rate of 5.0%, final payment due November 2024. In the event that the City determines that sufficient funds have not been appropriated to make the payments required under the terms of this note, the obligations of the City under this note shall terminate. In such event, the City shall give prompt written notice of the termination to the lender. If the City defaults, the collateralized equipment will be returned to the lender.

6,748

\$33,663 note with F & M Bank for the purchase of a 2020 Ford F350 pickup truck, due in 60 monthly installments of \$614, with an interest rate of 3.55%, final payment due November 2025. In the event that the City determines that sufficient funds have not been appropriated to make the payments required under the terms of this note, the obligations of the City under this note shall terminate. In such event, the City shall give prompt written notice of the termination to the lender. If the City defaults, the collateralized equipment will be returned to the lender.

10,159

\$1,500,000 note with F & M Bank for the purchase of unimproved land, 150.98 acres, NE/4 Section 23, Township 17 N, Range 4 West in Crescent, Oklahoma, due in 11 consecutive payments of interest only beginning June 17, 2023, with one final balloon payment of \$1,509,687.50 due on May 17, 2024, with an interest rate of 7.75%. The loan is secured by a Mortgage/Deed of Trust/Security in the amount of \$1,500,000. In the event of default, Lender's obligations, if any, to make any advances will, at Lender's option, immediately terminate and Lender, at its option, may declare all indebtedness of Borrower to Lender under this Note immediately due and payable without further notice of any kind notwithstanding anything to the contrary in this

1,500,000

\$31,241 note with F & M Bank for the purchase of a Bobcat T66 HR Track Loader, due in 35 monthly installments of \$1,001.58, with an interest rate of 7.75%, final payment due January 2027. In the event that the City determines that sufficient funds have not been appropriated to make the payments required under the terms of this note, the obligations of the City under this note shall terminate. In such event, the City shall give prompt written notice of the termination to the lender. If the City defaults, the collateralized equipment will be returned

28,015

Total Notes Payable \$ 4,635,606

Current portion 1,594,114

Non-current portion 3,041,492

Total Notes Payable - Direct Borrowings \$ 4,635,606

Meter Deposit Liability:

Current portion 13,378  
Non-current portion 56,902  
Total \$ 70,280

Accrued Compensated Absences:

Current portion 8,044  
Non-current portion 8,714  
Total \$ 16,758

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*Payment requirements to maturity:*

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Notes Payable (direct borrowing)</u>		<u>Notes Payable (direct borrowing)</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	8,335	264	1,594,114	178,274
2026	1,138	40	85,463	57,929
2027	-	-	79,613	55,702
2028	-	-	74,178	54,126
2029-2033	-	-	392,766	248,754
2034-2038	-	-	431,876	209,644
2039-2043	-	-	474,881	166,639
2044-2048	-	-	522,168	119,352
2049-2053	-	-	574,165	67,355
2054-2057	-	-	406,382	18,811
Totals	<u>\$ 9,473</u>	<u>\$ 304</u>	<u>\$ 4,635,606</u>	<u>\$ 1,176,586</u>

## 6. Asset Retirement Obligations

The City has incurred certain asset obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater system was estimated to be \$510,000 as of June 30, 2024. This cost estimate is for abandoning the lagoon system, removing the dike system piping appurtenance, and residual bio solids, and the primary lift station. The average remaining life of these assets is 27 years and the associated deferred outflow of resources is being amortized over that period. There are no required funding and assurance provisions for the estimated liability and no assets are restricted for the payment of the liability.

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

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

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*Fund Statements:*

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 the 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.

The following schedule shows the detail of fund balance classifications as reported on the governmental balance sheet:

	General Fund	Capital Project Fund ODOT-Municipal Road Drilling Activity	Other Governmental Funds	TOTAL
Fund Balances:				
Nonspendable:				
Electric Sale Trust Corpus	\$ 3,615,204	\$ -	\$ -	\$ 3,615,204
Restricted for:				
Swimming pool	2,000	-	-	2,000
CLEET fees	3,391	-	-	3,391
Street and alley operations and capital	-	-	24,212	24,212
ODOT Municipal Road Drilling	-	-	-	-
REAP Grant-Community Center			199,759	199,759
Sub-total Restricted	5,391	-	223,971	229,362
Assigned to:				
Police	12,022	-	-	12,022
Fire operations	-	-	33,720	33,720
Insurance Reimbursement	4,234	-	-	4,234
Sub-total Assigned	16,256	-	33,720	49,976
Unassigned (deficit):	775,425	(2,825)	217,014	989,614
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,412,276</b>	<b>\$ (2,825)</b>	<b>\$ 474,705</b>	<b>\$ 4,884,156</b>

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

## 8. Sales Tax Revenues

The City levies a three cent sales tax on taxable sales within the city limits in accordance with Ordinance No. 433. The City records three cents in the General Fund for general municipal operations.

## **9. Electric Sale Trust**

On June 16, 1989, the City sold all the property comprising the City's electric distribution system. In accordance with a vote of the citizens, approximately, \$2,268,500 of the proceeds were designated as restricted for investment purposes and were invested in U.S. Treasury Bonds (with a \$2,000,000 par value) held in safekeeping by the Federal Reserve Bank in a Treasury Direct account. Of the interest earned on the investments, the City Council has earmarked, pursuant to an election, 75% to be transferred to the General Fund to be used to meet normal operating needs. The remaining 25% must be maintained in the Electric Sale Trust account.

## **10. Risk Management**

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

- General Liability and Physical Property – Covered through purchased commercial insurance with a deductible of \$1,000.
- Workers' Compensation – Workers' compensation is covered through purchased commercial insurance with a deductible of \$1,000.
- Employee's Group Medical –City participates in Blue Cross Blue Shield insurance with a deductible of \$1,000 for each individual.

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

## **11. Contingencies**

The City is a party to other 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.

### *Federal and State Award Programs:*

The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

## **12. Pension Plan Participation**

The City of Crescent participates in four 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 Municipal Retirement System Master Defined Contribution Plan and Trust (OkMRF-DCP) – an agent multi-employer defined contribution plan
- Oklahoma Municipal Retirement System City Manager Retirement Plan and Trust (OkMRF-CMO) – an agent multi-employer defined contribution plan

*OFPRS:*

**Plan description** -The City of Crescent, 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 (OFPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OFPRS. OFPRS issues a publicly available financial report that can be obtained at [www.ok.gov/fprs](http://www.ok.gov/fprs).

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

Normal Retirement:

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

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

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the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Volunteer firefighters have no contribution requirement. Participating cities are required to contribute \$60 annually for each volunteer firefighter. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$780. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of \$2,750 during the fiscal year. However, in the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$2,235. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2024, the City reported a liability of \$25,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.001956%.

For the year ended June 30, 2024, the City recognized pension expense of \$2,977. At June 30, 2024, 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	\$ 3,001	\$ 32
Changes of assumptions	-	40
Net difference between projected and actual earnings on pension plan investments	1,665	-
Changes in proportion and differences between City contributions and proportionate share of contributions	629	4,967
City contributions during the measurement period	8	193
City contributions subsequent to the measurement date	780	-
Total	<u>\$ 6,083</u>	<u>\$ 5,232</u>

\$780 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:		
2024	\$	(189)
2025		(825)
2026		1,734
2027		(649)
Thereafter		-
	\$	<u>71</u>

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

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

Mortality rates were based on the Pub-2010 Public Safety Table with generational mortality improvement using scale MP-2018 for active members, Pub 2010 Public Safety Below Median Table with generational mortality improvement using scale MP-2018 for retired members, and Pub-2010 Public Safety Disabled Table set forward 2 years for disabled members.

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

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

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

**Discount Rate**-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing an allocation of the insurance premium, as established by Oklahoma statute. Prior to July 1, 2023, the Plan was allocated 36% of the Statewide insurance premium tax. The State of Oklahoma has passed legislation that changes the allocation percentage as follows:

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



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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:

	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Current Discount</u> <u>Rate (7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
Employers' net pension liability	\$ 32,883	\$ 25,235	\$ 18,840

**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](http://www.ok.gov/fprs).

**OPPRS:**

**Plan description** - Effective July 1, 2018, the City of Crescent, 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](http://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

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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 \$18,453. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$18,738 during the fiscal year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$18,738. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Net Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2024, the City reported an asset of \$10,290 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.033693%.

For the year ended June 30, 2024, the City recognized pension expense of \$24,307. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,168	\$ 1,587
Changes of assumptions	-	19,207
Net difference between projected and actual earnings on pension plan investments	50,982	-
Changes in proportion and differences between City contributions and proportionate share of contributions	6,460	5,075
Contributions during the measurement period	270	614
City contributions subsequent to the measurement date	18,453	-
Total	<u>\$ 104,333</u>	<u>\$ 26,483</u>

In the year ending June 30, 2024, \$18,453 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 subsequent year. Other amounts reported as deferred

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outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2025	\$	6,980
2026		899
2027		40,840
2028		10,136
2029		542
Thereafter		-
	\$	<u>59,397</u>

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

Inflation: 2.75%

Salary increases: 3.5% to 12% average, including inflation

Investment rate of return: 7.5% net of pension plan investment expense

Cost-of-living

adjustments: Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Health combined table with fully generational improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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

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

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

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ 97,153	\$ (10,290)	\$ (101,260)

**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](http://www.ok.gov/OPPRS) .

*OkMRF Defined Contribution Plan:*

The City contributes to the Employee Retirement System of Crescent, Oklahoma in the form of The Oklahoma Municipal Retirement System Master Contribution Plan and Trust, an agent multiple employer - defined contribution plan, for all eligible employees except for those covered by the Firefighter Pension System or the Police Pension System. Administration of the City’s individual plan rests with the City Council. The overall operations of OMRF are supervised by a nine-member Council of Trustees elected by the participating municipalities. Bank One Trust Company of Oklahoma City acts as administrator and securities custodian.

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For the year ended June 30, 2024, the total contributions were 6 percent of covered payroll, of which 3 percent were contributed by both the employer and employee. For the year ended June 30, 2024, city contributions to the plan amounted to \$10,796 which was equal to the required contribution.

*OkMRF CMO Plan:*

Effective July 1, 2001, the City has also provided a defined contribution plan and trust known as the City of Crescent City Manager Retirement Plan and Trust (CMO Plan). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions and contribution requirements rests with the city council. The plan is available only to the City Manager. The employee contributed 10% to the plan in the current fiscal year and the employer contributes 10% to the fund.

For the year ended June 30, 2024, the employer contribution rate was 10%. Contributions to the plan for the year ended June 30, 2024 were \$14,058 which was equal to the required contribution.

OkMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma, 73105.

*Summary of Contributions:*

<u>Fiscal Year</u>	<u>Oklahoma Municipal Retirement Fund</u>		<u>Oklahoma Municipal Retirement Fund – (CMO Plan)</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2021	\$8,726	100%	\$11,985	100%
2022	8,643	100%	12,840	100%
2023	9,430	100%	13,409	100%
2024	10,796	100%	14,058	100%

### **13. 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, accounts and activities for the year ended June 30, 2024, were as follows:

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<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
FEMA Fund	ODOT Municipal Road Drilling Activity	10,792	Operating
CPWA	REAP Grant Library	5,038	Operating
FEMA Fund	REAP Grant Library	53,515	Operating
Insurance Reimbursement Fund	REAP Grant Library	4,998	Operating
CPWA	REAP Grant Community Center	79,592	Operating
WLRP Fund	REAP Grant Community Center	180,437	Operating
FEMA Fund	REAP Grant Community Center	43,725	Operating
Insurance Reimbursement Fund	REAP Grant Community Center	24,000	Operating
		<u>402,097</u>	

**Reconciliation to Fund Financial Statements and Statement of Activities:**

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 562,296	\$ (160,199)	\$ 402,097
Proprietary Funds		(402,097)	(402,097)
Total	<u>\$ 562,296</u>	<u>\$ (562,296)</u>	<u>\$ -</u>

## 14. Use of Estimates

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Beginning Budgetary Fund Balance:</b>	\$ 505,432	\$ 477,730	\$ 624,443	\$ 146,713
<b>Resources (Inflows):</b>				
Alcoholic beverage tax	22,000	22,000	22,355	355
Community park and building	2,500	2,500	3,436	936
Franchise fees	45,000	50,000	50,323	323
Miscellaneous	2,705	38,973	95,071	56,098
Fines and forfeitures	158,575	163,050	205,730	42,680
Permits and licenses	6,500	6,500	4,991	(1,509)
Sales tax	505,000	605,461	608,057	2,596
Use tax	100,000	125,000	127,523	2,523
Tobacco tax	3,500	3,500	3,743	243
Investment income	5,500	8,000	9,431	1,431
Grants	11,300	13,200	12,935	(265)
Transfer in	61,267	255,317	-	(255,317)
<b>Total Resources (Inflows)</b>	<u>923,847</u>	<u>1,293,501</u>	<u>1,143,595</u>	<u>(149,906)</u>
<b>Amounts available for appropriation</b>	<u>1,429,279</u>	<u>1,771,231</u>	<u>1,768,038</u>	<u>(3,193)</u>
<b>Charges to Appropriations (Outflows):</b>				
General government	340,299	505,818	491,629	14,189
Municipal court	60,086	69,558	69,590	(32)
City Clerk-Treas.	64,076	-	-	-
City Attorney	18,000	-	-	-
Community center	13,300	13,300	10,006	3,294
Library	54,031	46,372	44,239	2,133
Police	317,132	403,281	367,449	35,832
Fire	44,500	47,000	40,033	6,967
Parks	11,000	50,000	17,990	32,010
Transfer out	-	152,699	-	152,699
<b>Total Charges to Appropriations</b>	<u>922,424</u>	<u>1,288,028</u>	<u>1,040,936</u>	<u>247,092</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 506,855</u>	<u>\$ 483,203</u>	<u>\$ 727,102</u>	<u>\$ 243,899</u>

**Footnotes to Budgetary Comparison Schedules:**

- The budgetary comparison schedules are reported on a non-GAAP budgetary basis that report revenues and expenditures on a modified cash basis. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid.

	<u>General Fund</u>
<b>Sources/inflows of resources</b>	
Actual amounts "Total Resources" from the budgetary comparison schedule	\$1,143,595
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:	
On-behalf payments for police & fire pension	21,488
Revenues of General Fund Accounts not included in General Fund Budget:	
Electric Sale Trust	143,690
Police Equipment Account	15,050
Cleet Account	<u>20,280</u>
<i>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</i>	<u><u>\$1,344,103</u></u>

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**Uses/outflows of resources**

Actual amounts "Total Charges to Appropriations" from the budgetary comparison schedule	\$1,040,936
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance:	
On-behalf payments for police & fire pension	21,488
 Expenditures of General Fund Accounts not included in General Fund Budget:	
CLEET Account	19,834
Police Equipment Account	28,473
Insurance Reimbursement	<u>657</u>
 <i>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</i>	 <u><u>\$1,111,388</u></u>

2. The legal level of appropriation control is the department level within a fund. The City Manager has the authority to make line item transfers but any overall increases or decreases are to be approved by the City Council.

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Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF CRESCENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.313700%	0.260500%	0.002262%	0.002262%	0.002450%	0.002630%	0.002670%	0.002375%	0.002460%	0.001956%
City's proportionate share of the net pension liability	\$ 33,298	\$ 31,821	\$ 28,446	\$ 28,446	\$ 27,577	\$ 27,824	\$ 32,896	\$ 15,639	\$ 32,172	\$ 25,235
Plan fiduciary net position as a percentage of the total pension liability	68.27%	64.87%	66.61%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.85%

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

**Notes to Schedule:**

The city's participating members consist of volunteers; therefore, the city has no covered-employee payroll.

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 1,020	\$ 1,020	\$ 900	\$ 900	\$ 1,020	\$ 1,020	\$ 1,080	\$ 1,140	\$ 840	\$ 780
Contributions in relation to the statutorily required contribution	1,020	1,020	900	900	1,020	1,020	1,080	1,140	840	780
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

The cities participating members, consist of volunteers; therefore, the city has no covered-employee payroll.

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Schedules of Required Supplementary Information

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

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years\*

	<u>2019**</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City's proportion of the net pension liability(asset)		0.048329%	0.052132%	0.036341%	0.037601%	0.033693%
City's proportionate share of the net pension liability (assets)		\$ (3,085)	\$ 59,871	\$ (174,332)	\$ (30,153)	\$ (10,290)
City's covered-employee payroll		\$ 165,231	\$ 171,377	\$ 125,946	\$ 129,646	\$ 141,946
City's proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll		-1.86%	34.94%	-138.42%	-23.26%	-7.25%
Plan fiduciary net position as a percentage of the total pension liability		100.24%	95.80%	117.07%	102.74%	101.02%

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

**Notes to Schedule:**

Only five fiscal years are presented because the first year of participation in the pension plan was 2019.

\*\*There is no information presented for the reporting period of 6-30-2019 because the city was not participating in the plan as of the measurement date of 6-30-2018.

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Statutorially required contribution	\$ 21,480	\$ 22,279	\$ 16,373	\$ 16,854	\$ 16,479	\$ 18,453
Contributions in relation to the statutorially required contribution	<u>21,480</u>	<u>22,279</u>	<u>16,373</u>	<u>16,854</u>	<u>16,479</u>	<u>18,453</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 165,231	\$ 171,377	\$ 125,946	\$ 129,646	\$ 126,761	\$ 141,946
Contributions as a percentage of covered-employee payroll	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%

**Notes to Schedule:**

Only six fiscal years are presented because the first year of participation in the pension plan was 2019.

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**OTHER SUPPLEMENTARY INFORMATION**

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**General Fund Accounts Combining Balance Sheet – City of Crescent – June 30, 2024**

	General Fund	General Fund Reserve	Electric Sale Trust Account	CLEET Account	Insurance Reimbursement	Police Equipment Account	ARPA Account	Total General Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 569,398	\$ 4,167	\$ 97,647	\$ 3,391	\$ 4,891	\$ 10,846	\$ 273,929	\$ 964,269
Investments	-	-	3,504,437	-	-	-	-	3,504,437
Due from other funds	(1,373)	-	-	-	-	1,176	-	(197)
Court fines receivable	88,914	-	-	-	-	-	-	88,914
Due from other governments	156,622	-	-	-	-	-	-	156,622
Other receivables	48,218	-	13,120	-	-	-	-	61,338
Prepaid expenses	3,888	-	-	-	-	-	-	3,888
Total assets	<u>865,667</u>	<u>4,167</u>	<u>3,615,204</u>	<u>3,391</u>	<u>4,891</u>	<u>12,022</u>	<u>273,929</u>	<u>4,779,271</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	24,155	-	-	-	657	-	-	24,812
Unearned revenue	-	-	-	-	-	-	273,929	273,929
Other payables	8,302	-	-	-	-	-	-	8,302
Total liabilities	<u>32,457</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>657</u>	<u>-</u>	<u>273,929</u>	<u>307,043</u>
Deferred inflows:								
Unavailable revenue	59,952	-	-	-	-	-	-	59,952
Fund balances:								
Nonspendable	-	-	3,615,204	-	-	-	-	3,615,204
Restricted	2,000	-	-	3,391	-	-	-	5,391
Assigned	-	-	-	-	4,234	12,022	-	16,256
Unassigned	771,258	4,167	-	-	-	-	-	775,425
Total fund balances	<u>773,258</u>	<u>4,167</u>	<u>3,615,204</u>	<u>3,391</u>	<u>4,234</u>	<u>12,022</u>	<u>-</u>	<u>4,412,276</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 865,667</u>	<u>\$ 4,167</u>	<u>\$ 3,615,204</u>	<u>\$ 3,391</u>	<u>\$ 4,891</u>	<u>\$ 12,022</u>	<u>\$ 273,929</u>	<u>\$ 4,779,271</u>

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended JUNE 30, 2024

**General Fund Accounts Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – City of Crescent – Year Ended June 30, 2024**

	General Fund	General Fund Reserve	Electric Sale Trust Account	CLEET Account	Insurance Reimbursement	Police Equipment Account	ARPA Account	Total General Fund
<b>REVENUES</b>								
Taxes	785,903	-	-	-	-	-	-	785,903
Fines and forfeitures	205,730	-	-	20,280	-	15,050	-	241,060
Licenses and permits	4,991	-	-	-	-	-	-	4,991
Intergovernmental	60,521	-	-	-	-	-	-	60,521
Charges for services	23,185	-	-	-	-	-	-	23,185
Investment earnings	9,431	-	143,690	-	-	-	-	153,121
Miscellaneous	75,322	-	-	-	-	-	-	75,322
Total revenues	<u>1,165,083</u>	<u>-</u>	<u>143,690</u>	<u>20,280</u>	<u>-</u>	<u>15,050</u>	<u>-</u>	<u>1,344,103</u>
<b>EXPENDITURES</b>								
Current:								
General government	450,841	-	-	-	-	-	-	450,841
Police	377,518	-	-	19,834	-	5,000	-	402,352
Municipal court	69,590	-	-	-	-	-	-	69,590
Community Center	10,006	-	-	-	-	-	-	10,006
Fire	42,783	-	-	-	-	-	-	42,783
Library	44,239	-	-	-	-	-	-	44,239
Parks	17,990	-	-	-	-	-	-	17,990
Debt Service:								
Principal	8,183	-	-	-	-	-	-	8,183
Interest and other charges	486	-	-	-	-	-	-	486
Capital Outlay	40,788	-	-	-	657	23,473	-	64,918
Total Expenditures	<u>1,062,424</u>	<u>-</u>	<u>-</u>	<u>19,834</u>	<u>657</u>	<u>28,473</u>	<u>-</u>	<u>1,111,388</u>
Excess (deficiency) of revenues over expenditures	<u>102,659</u>	<u>-</u>	<u>143,690</u>	<u>446</u>	<u>(657)</u>	<u>(13,423)</u>	<u>-</u>	<u>232,715</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	(152,699)	-	-	-	(7,500)	-	-	(160,199)
Interaccount Transfers in	109,839	-	-	-	-	-	-	109,839
Interaccount Transfers out	-	-	(109,839)	-	-	-	-	(109,839)
Total other financing sources and uses	<u>(42,860)</u>	<u>-</u>	<u>(109,839)</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>	<u>-</u>	<u>(160,199)</u>
Net change in fund balances	59,799	-	33,851	446	(8,157)	(13,423)	-	72,516
Fund balances - beginning	<u>713,459</u>	<u>4,167</u>	<u>3,581,353</u>	<u>2,945</u>	<u>12,391</u>	<u>25,445</u>	<u>-</u>	<u>4,339,760</u>
Fund balances - ending	<u>773,258</u>	<u>4,167</u>	<u>3,615,204</u>	<u>3,391</u>	<u>4,234</u>	<u>12,022</u>	<u>-</u>	<u>4,412,276</u>

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended JUNE 30, 2024

**Combining Balance Sheet – Nonmajor Governmental Funds – City of Crescent – June 30, 2024**

	Special Revenue Fund	Capital Project Fund Fire Department Capital Improvement Fund	Capital Project Fund	Capital Project Fund	Capital Project Fund	Total Other Governmental Funds
	Street and Alley Fund		REAP Grant - Library	REAP Grant - Community Center	REAP Grant - Street Project	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 23,257	\$ 33,720	\$ -	144,101	\$ -	\$ 201,078
Due from other funds	197	-	67,015	55,658	149,999	272,869
Receivable from other governments	1,385	-	-	-	-	1,385
Total assets	<u>24,839</u>	<u>33,720</u>	<u>67,015</u>	<u>199,759</u>	<u>149,999</u>	<u>475,332</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	627	-	-	-	-	627
Total liabilities	<u>627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>627</u>
Fund balances:						
Restricted	24,212	-	-	199,759	-	223,971
Assigned	-	33,720	-	-	-	33,720
Unassigned	-	-	67,015	-	149,999	217,014
Total fund balances	<u>24,212</u>	<u>33,720</u>	<u>67,015</u>	<u>199,759</u>	<u>149,999</u>	<u>474,705</u>
Total liabilities and fund balances	<u>\$ 24,839</u>	<u>\$ 33,720</u>	<u>\$ 67,015</u>	<u>\$ 199,759</u>	<u>\$ 149,999</u>	<u>\$ 475,332</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds - City of Crescent - Year Ended June 30, 2024**

	Special Revenue Fund	Capital Project Fund Fire Department Capital Improvement Fund	Capital Project Fund	Capital Project Fund	Capital Project Fund	Total Other Governmental Funds
	Street and Alley Fund		REAP Grant - Library	REAP Grant - Community Center	REAP Grant - Street Project	
<b>REVENUES</b>						
Intergovernmental	\$ 12,186	\$ -	\$ 67,015	\$ 401,490	\$ 149,999	\$ 630,690
Charges for services	-	4,720	-	-	-	4,720
Total revenues	<u>12,186</u>	<u>4,720</u>	<u>67,015</u>	<u>401,490</u>	<u>149,999</u>	<u>635,410</u>
<b>EXPENDITURES</b>						
Current:						
Streets	8,324	-	-	-	-	8,324
Capital Outlay	-	-	52,063	579,274	149,999	781,336
Total Expenditures	<u>8,324</u>	<u>-</u>	<u>52,063</u>	<u>579,274</u>	<u>149,999</u>	<u>789,660</u>
Excess (deficiency) of revenues over expenditures	<u>3,862</u>	<u>4,720</u>	<u>14,952</u>	<u>(177,784)</u>	<u>-</u>	<u>(154,250)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	63,551	327,754	149,999	541,304
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>63,551</u>	<u>327,754</u>	<u>149,999</u>	<u>541,304</u>
Net change in fund balances	3,862	4,720	78,503	149,970	149,999	387,054
Fund balances - beginning	20,350	29,000	(11,488)	49,789	-	87,651
Fund balances - ending	<u>\$ 24,212</u>	<u>\$ 33,720</u>	<u>\$ 67,015</u>	<u>\$ 199,759</u>	<u>\$ 149,999</u>	<u>\$ 474,705</u>

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended JUNE 30, 2024

**Combining Schedule of Net Position – Enterprise Fund Accounts – City of Crescent – June 30, 2024**

	Crescent Public Works Authority	WLRPS Account	CPWA Reserve	CPWA Insurance Reimbursement	FEMA Grant	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 220,284	\$ -	\$ 4,000	\$ 4,624	\$ 2,630	\$ 231,538
Restricted cash and cash equivalents	26,051	132,072	-	-	-	158,123
Accounts receivable, net	132,298	-	-	-	-	132,298
Prepaid Expenses	2,385	-	-	-	-	2,385
Total current assets	381,018	132,072	4,000	4,624	2,630	524,344
Non-current assets:						
Restricted cash and cash equivalents	15,804	-	-	-	-	15,804
Restricted investments	46,000	-	-	-	-	46,000
Capital Assets:						
Land and other non-depreciable assets	1,976,618	-	-	-	-	1,976,618
Other capital assets, net of depreciation	8,023,996	-	-	19,146	-	8,043,142
Total non-current assets	10,062,418	-	-	19,146	-	10,081,564
Total assets	10,443,436	132,072	4,000	23,770	2,630	10,605,908
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred amounts related to asset retirement obligation	425,000	-	-	-	-	425,000
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable and accrued liabilities	28,986	-	-	-	-	28,986
Accrued interest payable	-	1,746	-	-	-	1,746
Due to depositors	13,378	-	-	-	-	13,378
Accrued Compensated absences	8,044	-	-	-	-	8,044
Notes payable	1,524,043	70,071	-	-	-	1,594,114
Total current liabilities	1,574,451	71,817	-	-	-	1,646,268
Non-current liabilities:						
Accrued Compensated absences	8,714	-	-	-	-	8,714
Due to depositors	56,902	-	-	-	-	56,902
Notes payable	20,879	3,020,614	-	-	-	3,041,493
Asset Retirement Obligation	510,000	-	-	-	-	510,000
Total non-current liabilities	596,495	3,020,614	-	-	-	3,617,109
Total liabilities	2,170,946	3,092,431	-	-	-	5,263,377
<b>NET POSITION</b>						
Net investment in capital assets	5,338,110	-	-	-	-	5,338,110
Restricted for debt service	-	96,872	-	-	-	96,872
Restricted for capital projects	-	35,200	-	-	-	35,200
Unrestricted (deficit)	3,359,380	(3,092,431)	4,000	23,770	2,630	297,349
Total net position	8,697,490	\$ (2,960,359)	\$ 4,000	\$ 23,770	\$ 2,630	\$ 5,767,531



**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended JUNE 30, 2024

**Combining Schedule of Revenues, Expenses and Changes in Net Position – Enterprise Fund Accounts - City of Crescent - Year Ended June 30, 2024**

	Crescent Public Works Authority	WLRPS Fund	CPWA Reserve	CPWA Insurance Reimbursement	FEMA Grant	Total
<b>REVENUES</b>						
Water Charges	\$ 409,916	\$ -	\$ -	\$ -	\$ -	\$ 409,916
Sewer Charges	313,596	-	-	-	-	313,596
Sanitation Charges	211,490	-	-	-	-	211,490
Penalties	26,875	-	-	-	-	26,875
Ambulance fees	40,425	-	-	-	-	40,425
Miscellaneous	10,612	-	-	-	-	10,612
Total operating revenues	<u>1,012,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,914</u>
<b>OPERATING EXPENSES</b>						
Administration	126,151	-	-	-	-	126,151
Sanitation	146,049	-	-	-	-	146,049
Water/wastewater	326,217	-	-	-	-	326,217
Ambulance	35,694	-	-	-	-	35,694
Depreciation	395,429	-	-	-	-	395,429
Total Operating Expenses	<u>1,029,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,029,540</u>
Operating income (loss)	<u>(16,626)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,626)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Interest and investment revenue	1,032	326	-	-	-	1,358
Operating grants and contributions	-	-	-	-	20,213	20,213
Interest expense	(120,628)	(58,622)	-	-	-	(179,250)
Gain (loss) on sale of capital assets	10,743	-	-	-	-	10,743
Total non-operating revenue (expenses)	<u>(108,853)</u>	<u>(58,296)</u>	<u>-</u>	<u>-</u>	<u>20,213</u>	<u>(146,936)</u>
Income (loss) before contributions and transfers	<u>(125,479)</u>	<u>(58,296)</u>	<u>-</u>	<u>-</u>	<u>20,213</u>	<u>(163,562)</u>
Capital contributions	608,815	-	-	-	-	608,815
Transfers out	(84,630)	(180,437)	-	(28,998)	(108,032)	(402,097)
Intra-account transfers out	(170,801)	-	-	-	-	(170,801)
Intra-account transfers in	-	170,801	-	-	-	170,801
Change in net position	<u>227,905</u>	<u>(67,932)</u>	<u>-</u>	<u>(28,998)</u>	<u>(87,819)</u>	<u>43,156</u>
Total net position - beginning	<u>8,469,585</u>	<u>(2,892,427)</u>	<u>4,000</u>	<u>52,768</u>	<u>90,449</u>	<u>5,724,375</u>
Total net position - ending	<u>\$ 8,697,490</u>	<u>\$ (2,960,359)</u>	<u>\$ 4,000</u>	<u>\$ 23,770</u>	<u>\$ 2,630</u>	<u>\$ 5,767,531</u>

**CITY OF CRESCENT, OKLAHOMA**  
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**As of and for the Year Ended JUNE 30, 2024**

**Schedule of Expenditures of Federal and State Awards – Year Ended June 30, 2024**

Federal/State Grantor/Pass Through Agency Grantor/Program Title	AL or Award Number	Award Amount	Awards Expended
<b>FEDERAL AWARDS:</b>			
U.S. DEPARTMENT OF TREASURY:			
ARPA	21.027	273,929	-
ARPA - OWRB	21.027	1,000,000	67,015
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ 1,273,929</u>	<u>\$ 67,015</u>
<b>STATE AWARDS:</b>			
Oklahoma Department of Libraries			
Library State Aid	N/A	2,941	2,941
Oklahoma Department of Agriculture			
Rural Fire Grant	N/A	9,994	9,994
Oklahoma Department of Transportation			
Municipal Roads and Drilling Activities Fund	SAP-242F(106)	500,000	416,511
FEMA - State Portion	4575DR-OK	7,511	7,511
FEMA - State Portion	4438DR-OK	12,702	12,702
ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS			
2022 REAP Grant	ED1-2022-2	401,490	401,490
2023 REAP Grant	EI-2023-2	149,999	-
2024 REAP Grant	EI-2024-3	259,483	-
<b>TOTAL STATE AWARDS</b>		<u>\$ 1,344,120</u>	<u>\$ 851,149</u>

**Footnotes to Schedule of Expenditures of Federal and State Awards:**

1. Basis of Presentation

The schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of the City under programs of the federal and State of Oklahoma governments for the year ended June 30, 2024. All federal and state awards received directly from federal and state agencies, as well as awards passed through other governmental agencies, and expended during the year are included in this Schedule. The federal award information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance for federal programs.

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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**INTERNAL CONTROL AND COMPLIANCE INFORMATION**

**CITY OF CRESCENT, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended JUNE 30, 2024**

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# Elfrink and Associates, PLLC

Certified Public Accountants

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

To the Honorable Mayor and Members of the City Council  
City of Crescent, 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 Crescent, Oklahoma ("City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 31, 2025.

### Report on Internal Control over Financial Reporting

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

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

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

### Report on Compliance and Other Matters

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

### Purpose of This Report

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

*Elfrink and Associates, PLLC*

Elfrink and Associates,  
PLLC Tulsa, Oklahoma  
January 31, 2025

3119 E 87th Street  
Tulsa, OK, 74137

Members of the AICPA, OSCP, and GAQC

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918-361-2133

[anne.elfrink@CPA.com](mailto:anne.elfrink@CPA.com)

Government Accounting and Auditing