

**TOWN OF**  
**FORT GIBSON**



**OLDEST TOWN IN OKLAHOMA**

**ANNUAL FINANCIAL REPORT AND  
ACCOMPANYING INDEPENDENT AUDITOR'S REPORT**

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

**THE TOWN OF FORT GIBSON, OKLAHOMA**

**ANNUAL FINANCIAL REPORT AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORT**

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



**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Town Trustees  
Town of Fort Gibson, Oklahoma

### **Report on 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 Town of Fort Gibson, Oklahoma (the "Town") as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the Town'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 Town as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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.

#### **Emphasis of Matter**

As discussed in Note 6 to the financial statements, the Town made prior period adjustments to the beginning net positions of the government—wide financial statements, the beginning net position of the proprietary funds, and the beginning fund balance of a certain governmental fund due to the correction of an understatement of unearned grant revenue. The prior period adjustments resulted in a net decrease in the governmental activities of the government—wide and proprietary funds beginning net position of \$299,000, and a net decrease in the governmental funds beginning net position of \$46,643. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States, 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.

(Continued)

## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

### **Responsibilities of Management for the Financial Statements, Continued**

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 Town'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.

### **Auditors' 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 auditors' 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 Town'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 Town'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.

(Continued)

## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis, budgetary comparison information, the schedule of Town's proportionate share of net pension liability—Oklahoma Firefighters Pension and Retirement System, the schedule of Town contributions—Oklahoma Firefighters Pension and Retirement System, the schedule of Town's proportionate share of net pension liability (asset)—Oklahoma Police Pension and Retirement System, and the schedule of Town contributions—Oklahoma Police Pension and Retirement System as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The combining schedules of general fund accounts, the combining statements of nonmajor governmental funds, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining schedules of general fund accounts, the combining statements of nonmajor governmental funds, the schedule of expenditures of federal awards, and the schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

(Continued)



## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the Town'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 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 Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The script is cursive and fluid, with the letters "F" and "C" being particularly large and stylized.

Shawnee, Oklahoma  
February 24, 2025

As management of the Town of Fort Gibson, we offer readers this narrative overview and analysis of the financial activities of the Town of Fort Gibson for the fiscal year ended June 30, 2023. We encourage readers to use this information in conjunction with the Town's financial statements, which follow this section.

### ***FINANCIAL HIGHLIGHTS***

- The Town's overall net position improved during the year ended June 30, 2023. Total net position increased by \$1,730,117 with the Town's total government-wide assets and deferred outflows continuing to exceed its total liabilities and deferred inflows at June 30, 2023, by \$25,096,631 which represents its total government-wide net position.
- During the year, the City's expenses for governmental activities were \$3,011,275 and were funded by program revenues of \$737,380 and further funded with taxes and other general revenues that totaled \$3,514,853 excluding net transfers.
- In the City's business-type activities, such as utilities, total revenues exceeded program expenses by \$29,445.
- At June 30, 2023, unassigned fund balance for the General Fund was \$661,093, or 27.3% of General Fund revenues.
- For budgetary purposes, the General Fund reported revenues under estimates by \$452,682 or 9.2%, while expenditures were under final appropriations by \$3,063,903 or 62.3%.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

The financial statements presented herein include all of the activities of the financial reporting entity of the Town of Fort Gibson (the "Town"). The financial reporting entity consists of the following separate legal entities:

- The Primary Government
  - Town of Fort Gibson
  - Fort Gibson Utilities Authority

The entities included as part of the primary government are included in this report within the governmental-wide statements in either of two categories of activities – governmental and business-type. This management discussion and analysis focuses on the primary government as defined above.

The governmental-wide financial statements present the complete financial picture of the Town's reporting entity 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 Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. These government-wide statements include all assets of the Town (including infrastructure) and deferred outflows, as well as all liabilities (including long-term debt) and deferred inflows.

## **Reporting the Town as a Whole**

### ***The Statement of Net Position and Statement of Activities***

This discussion and analysis is intended to serve as an introduction to the Town of Fort Gibson's basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 & 13, respectively) report information about the Town as a whole and about its activities in a way that helps answer questions. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues, expenses and deferrals are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in net position from the prior year. You can think of the Town's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure the Town's financial condition, or position. Over time, increases or decreases in the Town'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 Town's tax base, the condition of the Town's roads and other infrastructure, and the quality of services to assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities are divided into two types of activities:

- Governmental activities -- Most of the Town's basic services are reported here, including the police, fire, general administration, streets, cemetery, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities -- The Town's activities that charge a fee to customers to help cover all or most of the cost of certain services it provides. The Town's water, sewer, and solid waste collections utilities are reported here.

## **Reporting the Town's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole. The Town of Fort Gibson, 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 and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Fort Gibson can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* -- Most of the Town'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 Town'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

Town's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

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

### ***A FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE***

For the year ended June 30, 2023, net position for the governmental activities and business-type activities totaled \$25,096,631, which was an increase of \$1,730,117. The results indicate the Town, as a whole, improved its financial position from the prior year.

#### **The Town of Fort Gibson's Change in Net Position**

	Governmental Activities	Business-type Activities	Total
Beginning net position, restated	\$ 11,320,234	\$ 12,046,280	\$ 23,366,514
Increase in net position	1,256,474	473,643	1,730,117
<b>Ending net position</b>	<b>\$ 12,576,708</b>	<b>\$ 12,519,923</b>	<b>\$ 25,096,631</b>

Following is a summary comparison of change in net position from last year for the Town of Fort Gibson.

#### **The Town of Fort Gibson's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
<b>Assets:</b>						
Current and other assets	\$ 8,017,174	\$ 7,247,134	\$ 7,035,893	\$ 6,948,785	\$ 15,053,067	\$ 14,195,919
Capital assets	5,264,360	5,253,473	13,571,043	13,789,092	18,835,403	19,042,565
<b>Total assets</b>	<b>13,281,534</b>	<b>12,500,607</b>	<b>20,606,936</b>	<b>20,737,877</b>	<b>33,888,470</b>	<b>33,238,484</b>
<b>Deferred Outflows of Resources:</b>						
Deferred amounts related to pensions	515,073	298,645	-	-	515,073	298,645
<b>Liabilities:</b>						
Long-term liabilities	659,997	389,340	7,468,145	8,146,114	8,128,142	8,535,454
Other liabilities	500,020	175,571	532,760	434,606	1,032,780	610,177
<b>Total liabilities</b>	<b>1,160,017</b>	<b>564,911</b>	<b>8,000,905</b>	<b>8,580,720</b>	<b>9,160,922</b>	<b>9,145,631</b>
<b>Deferred Inflows of Resources:</b>						
Deferred amounts related to pensions	59,882	914,107	-	-	59,882	914,107
Deferred amounts related to leases	-	-	86,108	110,877	86,108	110,877
<b>Total deferred inflows</b>	<b>59,882</b>	<b>914,107</b>	<b>86,108</b>	<b>110,877</b>	<b>145,990</b>	<b>1,024,984</b>
<b>Net position:</b>						
Net investment in capital assets	5,220,661	5,183,951	7,616,563	7,458,739	12,837,224	12,642,690
Restricted	3,947,255	3,389,288	-	-	3,947,255	3,389,288
Unrestricted	3,408,792	2,746,995	4,903,360	4,587,541	8,312,152	7,334,536
<b>Total net position</b>	<b>\$ 12,576,708</b>	<b>\$ 11,320,234</b>	<b>\$ 12,519,923</b>	<b>\$ 12,046,280</b>	<b>\$ 25,096,631</b>	<b>\$ 23,366,514</b>

**MANAGEMENT'S DISCUSSION & ANALYSIS  
TOWN OF FORT GIBSON, OKLAHOMA  
JUNE 30, 2023**

The largest portion of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to approximately \$12.8 million. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Town's net position, approximately \$3.9 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is generally considered to be available to be used to meet the government's ongoing obligations to citizens and creditors. For the current year, this unrestricted net position amounted to \$8,312,152.

**The Town of Fort Gibson's Statement of Activities**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 526,918	\$ 462,194	\$ 3,511,489	\$ 3,518,217	\$ 4,038,407	\$ 3,980,411
Grants & Contributions	210,462	177,086	-	-	210,462	177,086
Capital Grants & Contributions	-	383,805	-	-	-	383,805
General Revenues:						
Sales & Use Tax	2,790,405	2,510,275	-	-	2,790,405	2,510,275
Other Taxes	226,693	174,589	-	-	226,693	174,589
Other General Revenues	497,755	103,501	459,714	83,628	957,469	187,129
<b>Total Revenues</b>	<b>4,252,233</b>	<b>3,811,450</b>	<b>3,971,203</b>	<b>3,601,845</b>	<b>8,223,436</b>	<b>7,413,295</b>
<b>Program Expenses:</b>						
General government	517,577	508,878	-	-	517,577	508,878
Public safety	1,914,501	1,590,707	-	-	1,914,501	1,590,707
Culture and recreation	308,350	229,854	-	-	308,350	229,854
Streets	215,537	412,246	-	-	215,537	412,246
Cemetery	51,224	68,687	-	-	51,224	68,687
Economic development	450	-	-	-	450	-
Interest on long-term debt	3,636	4,755	-	-	3,636	4,755
Water	-	-	1,783,180	1,769,150	1,783,180	1,769,150
Sewer	-	-	1,126,997	1,047,532	1,126,997	1,047,532
Sanitation	-	-	571,867	613,544	571,867	613,544
<b>Total Expenses</b>	<b>3,011,275</b>	<b>2,815,127</b>	<b>3,482,044</b>	<b>3,430,226</b>	<b>6,493,319</b>	<b>6,245,353</b>
Revenues in excess of expenses	1,240,958	996,323	489,159	171,619	1,730,117	1,167,942
Net Transfers	15,516	(38,873)	(15,516)	38,873	-	-
<b>Change in Net Position</b>	<b>1,256,474</b>	<b>957,450</b>	<b>473,643</b>	<b>210,492</b>	<b>1,730,117</b>	<b>1,167,942</b>
<b>Net Position - beginning, restated</b>	<b>11,320,234</b>	<b>10,362,784</b>	<b>12,046,280</b>	<b>11,835,788</b>	<b>23,366,514</b>	<b>22,198,572</b>
<b>Net Position - ending</b>	<b>\$ 12,576,708</b>	<b>\$ 11,320,234</b>	<b>\$ 12,519,923</b>	<b>\$ 12,046,280</b>	<b>\$ 25,096,631</b>	<b>\$ 23,366,514</b>

For the year ended June 30, 2023, on a government-wide basis, the Town experienced an improvement in its financial condition resulting in an increase in total net position of \$1,730,117. When compared to the prior year increase in net position, this year's increase is primarily attributable to an increase of Sales and Use Tax of \$280,130 and an increase of Other General Revenues of \$770,340 offset with an increase in Expenses of \$247,966.

The Town's current year governmental activities change in net position of \$1,256,474 represents an increase from the change in net position of \$957,450 experienced in the prior year. This year's increase in the change in net position from the prior year change can be attributable in large part to an increase in sales & use tax of \$280,130 from the prior year.

The business-type activities experienced a current year change in net position of \$473,643 which represents an increase from the change in net position of \$210,492 experienced in the prior year. This year's increase in the change in net position from the prior year change can be attributable in large part to an increase in other general revenues of \$376,086 from the prior year.

In reviewing the activity net (expense)/revenue of business-type functions, water and sanitation charges for services were sufficient to cover all related expenses, while sewer charges for services did not cover all related expenses.

### ***A FINANCIAL ANALYSIS OF THE TOWN'S FUNDS***

As the Town completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$6,652,603. However, that amount is the result of \$3,957,219 of restricted fund balance, \$2,034,291 of assigned fund balance, and \$661,093 of unassigned fund balance.

For the reasons discussed previously in regards to business-type activities, the enterprise funds reported combined net position of approximately \$12.5 million.

The General Fund's total fund balance increased by \$452,590 or 21.0%, which is an improvement from the change in total fund balance of the prior year. This is due in large part to a decrease in capital outlay expense from the prior year.

The Fort Gibson Utilities Authority enterprise fund reported an increase in net position, after transfers and capital contributions of \$473,643 for the year.

### **General Fund Budgetary Highlights**

For the year ended June 30, 2023, the General Fund reported actual budgetary basis amounts available for appropriations below final estimates by \$452,682 or a 9.2% negative variance. General Fund actual expenditures were under final appropriations by \$3,063,903 or a 62.3% positive variance.

### ***CAPITAL ASSETS & DEBT ADMINISTRATION***

#### **Capital Assets**

At June 30, 2023, the Town had approximately \$18.8 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer systems, roads and bridges. This represents a net decrease of \$207,161 from the prior year.

Below are details regarding the Town's capital assets for the years ended June 30, 2023 and 2022.<sup>1</sup>

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<sup>1</sup> For more detailed information on capital asset activity please refer to pages 28-30, Note 4. Capital Assets and Depreciation

### The Town of Fort Gibson's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 306,021	\$ 306,021	\$ -	\$ -	\$ 306,021	\$ 306,021
Construction-in-progress	315,801	7,839	-	41,161	315,801	49,000
Buildings	2,956,346	2,956,346	1,867,187	1,867,187	4,823,533	4,823,533
Machinery and Equipment	3,579,039	3,706,534	1,613,845	1,549,081	5,192,884	5,255,615
Improvements	3,018,669	3,010,469	1,127,968	847,101	4,146,637	3,857,570
Infrastructure	1,283,188	1,283,188	15,823,515	15,782,353	17,106,703	17,065,541
Leased assets	23,084	23,084	17,107	24,295	40,191	47,379
Totals	11,482,148	11,293,481	20,449,622	20,111,178	31,931,770	31,404,659
Less depreciation and amortization	(6,217,788)	(6,040,008)	(6,878,579)	(6,322,086)	(13,096,367)	(12,362,094)
<b>Totals, Net</b>	<b>\$ 5,264,360</b>	<b>\$ 5,253,473</b>	<b>\$ 13,571,043</b>	<b>\$ 13,789,092</b>	<b>\$ 18,835,403</b>	<b>\$ 19,042,565</b>

This year's more significant capital asset additions include \$104,764 for (2) 2022 Ford Explorers, \$100,867 for a new fence around the wastewater treatment plant, and \$180,000 for the rock filter media replacement at the wastewater treatment plant.

### Debt Administration

At year-end, the Town had \$7.9 million in long-term debt outstanding, which represents a \$334,626 decrease from the prior year. <sup>2</sup>

### The Town of Fort Gibson's Long-term Debt

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Accrued compensation	\$ 29,416	\$ 28,239	\$ 27,693	\$ 31,227	\$ 57,109	\$ 59,466
Notes Payable	29,382	41,873	7,614,269	7,925,758	7,643,651	7,967,631
Lease obligations	11,440	17,428	9,439	17,035	20,879	34,463
Deposits subject to refund	-	-	177,389	172,094	177,389	172,094
<b>Totals</b>	<b>\$ 70,238</b>	<b>\$ 87,540</b>	<b>\$ 7,828,790</b>	<b>\$ 8,146,114</b>	<b>\$ 7,899,028</b>	<b>\$ 8,233,654</b>

### ECONOMIC FACTORS AND NEXT YEAR'S ESTIMATES

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

During FY-2023, the Town's economic outlook remained strong despite some instability in the national and global markets. Sales and use taxes which are the primary funding source of the general government experienced modest growth during the year of approximately 5%. As discussed below, the Town is experiencing sales and use tax growth due to economic development efforts and tax base expansion via a growing population. The Town anticipates continued growth but will be projecting FY-2024 revenues conservatively.

<sup>2</sup> For more detailed information on long-term debt activity please refer to pages 30-33, Note 5. Long-Term Debt and Debt Service Requirements

The Town anticipates the continuation of infrastructure projects which include major street resurfacing and the upgrading of water and sewer lines during the upcoming year. The estimated costs for the planned projects exceed \$900,000 and will be funded through tax revenues, program fees, and federal grant awards.

The Town also continues to see an increase in revenues due to a growing tax base as more families relocate to the Fort Gibson area and new businesses continue to enter the market. O'Reilly Auto Parts has been operational, and we expect revenues to grow as this new business positively impacts the community. A new Family Dollar/Dollar Tree retail store is expected to begin construction and should open in late FY 2023 or early 2024. Also, land has been purchased and engineering complete for construction of a hotel, which we anticipate opening sometime in late calendar year 2024 or early 2025. We are anticipating significant revenue growth from the hotel, which will include a hotel tax that will be put to a vote of the citizens in 2024.

Although the economic outlook continues to remain strong, there also continues to be some potential negative factors we must consider in the upcoming fiscal year. Inflation remains at an all-time high, which could slow the growth of consumer spending and, in turn, negatively impact the Town's tax revenue. The rising cost of materials and product availability continues to increase costs to all business and slows progression, which are also factors we must consider when projecting the continued economic health of our Town. Although uncertainties remain in the market, we are confident the Town's fiscal outlook for the upcoming year will remain very strong.

#### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Clerk's Office at 200 W Poplar St, Fort Gibson, Oklahoma 74434, or phone at (918) 478-3551.



## **BASIC FINANCIAL STATEMENTS**

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Government-Wide Statement of Net Position– June 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,120,542	\$ 5,973,222	\$ 10,093,764
Investments	2,191,605	629,453	2,821,058
Deposits with insurance pool	50,128	-	50,128
Accounts receivable, net of allowance	-	347,538	347,538
Franchise tax receivable	181,009	-	181,009
Court fines receivable, net of allowance	804,719	-	804,719
Due from other governments	196,024	-	196,024
Notes receivable	176,278	-	176,278
Other receivables	155,674	-	155,674
Lease receivables	-	85,680	85,680
Net pension asset	141,195	-	141,195
Capital assets:			
Land and construction in progress	621,822	-	621,822
Other capital assets, net of depreciation	4,642,538	13,571,043	18,213,581
Total assets	<u>13,281,534</u>	<u>20,606,936</u>	<u>33,888,470</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	515,073	-	515,073
Total deferred outflows of resources	<u>515,073</u>	<u>-</u>	<u>515,073</u>
<b>LIABILITIES:</b>			
Accounts payable	306,159	138,220	444,379
Accrued payroll liabilities	33,422	22,665	56,087
Accrued interest payable	2,877	11,230	14,107
Unearned revenue	135,158	-	135,158
Long-term liabilities:			
Due within one year	22,404	360,645	383,049
Due in more than one year	47,834	7,468,145	7,515,979
Net pension liability	612,163	-	612,163
Total liabilities	<u>1,160,017</u>	<u>8,000,905</u>	<u>9,160,922</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	59,882	-	59,882
Deferred amounts related to leases	-	86,108	86,108
	<u>59,882</u>	<u>86,108</u>	<u>145,990</u>
<b>NET POSITION:</b>			
Net investment in capital assets	5,220,661	7,616,563	12,837,224
Restricted	3,947,255	-	3,947,255
Unrestricted	3,408,792	4,903,360	8,312,152
Total net position	<u>\$ 12,576,708</u>	<u>\$ 12,519,923</u>	<u>\$ 25,096,631</u>

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Government-Wide Statement of Activities –Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental Activities							
General government	\$ 517,577	\$ 81,561	\$ -	\$ -	\$ (436,016)	\$ -	\$ (436,016)
Public safety	1,914,501	431,050	175,697	-	(1,307,754)	-	(1,307,754)
Culture and recreation	308,350	1,785	-	-	(306,565)	-	(306,565)
Streets	215,537	547	34,665	-	(180,325)	-	(180,325)
Cemetery	51,224	11,975	100	-	(39,149)	-	(39,149)
Economic development	450	-	-	-	(450)	-	(450)
Interest on long-term debt	3,636	-	-	-	(3,636)	-	(3,636)
Total governmental activities	<u>3,011,275</u>	<u>526,918</u>	<u>210,462</u>	<u>-</u>	<u>(2,273,895)</u>	<u>-</u>	<u>(2,273,895)</u>
Business-type activities:							
Water	1,783,180	1,958,987	-	-	-	175,807	175,807
Sewer	1,126,997	946,803	-	-	-	(180,194)	(180,194)
Sanitation	571,867	605,699	-	-	-	33,832	33,832
Total business-type activities	<u>3,482,044</u>	<u>3,511,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,445</u>	<u>29,445</u>
Total primary government	<u>\$ 6,493,319</u>	<u>\$ 4,038,407</u>	<u>\$ 210,462</u>	<u>\$ -</u>	<u>(2,273,895)</u>	<u>29,445</u>	<u>(2,244,450)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes					2,790,405	-	2,790,405
Franchise and public service taxes					226,693	-	226,693
Intergovernmental revenue not restricted to specific programs					303,850	299,000	602,850
Investment income					108,728	112,788	221,516
Miscellaneous					85,177	47,926	133,103
Transfers					15,516	(15,516)	-
Total general revenues and transfers					<u>3,530,369</u>	<u>444,198</u>	<u>3,974,567</u>
Change in net position					1,256,474	473,643	1,730,117
Net position - beginning, restated					11,320,234	12,046,280	23,366,514
Net position - ending					<u>\$ 12,576,708</u>	<u>\$ 12,519,923</u>	<u>\$ 25,096,631</u>

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Governmental Funds Balance Sheet - June 30, 2023**

		Special Revenue				
	General Fund	Street & Alley Fund	1.25 Sales Tax Fund	Other Governmental Funds	Total Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 1,319,015	\$ 1,236,301	\$ 999,443	\$ 565,783	\$ 4,120,542	
Investments	868,483	337,934	629,293	355,895	2,191,605	
Deposit with insurance pool	50,128	-	-	-	50,128	
Notes receivable	-	-	-	176,278	176,278	
Due from other governments	185,447	10,577	-	-	196,024	
Franchise tax receivable	181,009	-	-	-	181,009	
Court fines receivable, net of allowance	804,719	-	-	-	804,719	
Other receivables	295	37,907	75,814	41,658	155,674	
Total assets	<u>\$ 3,409,096</u>	<u>\$ 1,622,719</u>	<u>\$ 1,704,550</u>	<u>\$ 1,139,614</u>	<u>\$ 7,875,979</u>	
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 23,064	\$ 275,736	\$ -	\$ 7,359	\$ 306,159	
Accrued payroll liabilities	26,174	1,060	296	5,892	33,422	
Unearned revenue	-	135,158	-	-	135,158	
Total liabilities	<u>49,238</u>	<u>411,954</u>	<u>296</u>	<u>13,251</u>	<u>474,739</u>	
Deferred Inflows of Resources:						
Unavailable revenue	<u>748,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>748,637</u>	
Fund balances:						
Restricted	50,128	1,151,946	1,672,923	1,082,222	3,957,219	
Assigned	1,900,000	58,819	31,331	44,141	2,034,291	
Unassigned	661,093	-	-	-	661,093	
Total fund balances	<u>2,611,221</u>	<u>1,210,765</u>	<u>1,704,254</u>	<u>1,126,363</u>	<u>6,652,603</u>	
Total liabilities, deferred inflows and fund balances	<u>\$ 3,409,096</u>	<u>\$ 1,622,719</u>	<u>\$ 1,704,550</u>	<u>\$ 1,139,614</u>	<u>\$ 7,875,979</u>	

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Total fund balance, governmental funds	\$	6,652,603
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation and amortization of \$6,217,788		5,264,360
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Certain other long-term assets and deferred outflow s are not available to pay current period expenditures and therefore are deferred or not reported in the funds:

Pension related deferred outflow s		515,073
Unavailable revenue		748,637
Net pension asset		141,195
		1,404,905

Certain long-term liabilities and related accounts, are not due and payable from current financial resources and therefore, they, along with deferred inflow s, are not reported in the funds:

Accrued interest payable		(2,877)
Notes payable		(29,382)
Lease obligations payable		(11,440)
Accrued compensated absences		(29,416)
Net pension liability		(612,163)
Pension related deferred inflow s		(59,882)
		(745,160)

Net Position of Governmental Activities in the Statement of Net Position	\$	12,576,708
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See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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

	General Fund	Special Revenue		Other Governmental Funds	Total Governmental Funds
		Street & Alley Fund	1.25 Sales Tax Fund		
<b>REVENUES</b>					
Taxes	\$ 1,775,641	\$ 310,364	\$ 620,729	\$ 310,364	\$ 3,017,098
Intergovernmental	198,491	295,070	-	10,053	503,614
Charges for services	71,175	-	-	109,993	181,168
Fines and forfeitures	290,117	-	-	-	290,117
Licenses and permits	22,609	547	-	-	23,156
Investment earnings	49,617	20,542	19,604	18,965	108,728
Miscellaneous	14,283	25,461	-	66,284	106,028
Total revenues	<u>2,421,933</u>	<u>651,984</u>	<u>640,333</u>	<u>515,659</u>	<u>4,229,909</u>
<b>EXPENDITURES</b>					
Current:					
Legislature	25,160	-	-	-	25,160
General government	415,081	-	4,433	-	419,514
Public safety	1,303,034	-	334,086	260,997	1,898,117
Culture and recreation	138,586	-	-	-	138,586
Cemetery	49,020	-	1,667	-	50,687
Streets	-	87,907	24,271	-	112,178
Economic development	-	-	-	450	450
General government - FGUA	-	-	29,754	-	29,754
Water	-	-	6,026	-	6,026
Sewer	-	-	4,207	-	4,207
Sanitation	-	-	7,982	-	7,982
Capital Outlay	26,653	315,926	-	128,170	470,749
Debt Service:					
Principal	18,479	-	-	-	18,479
Interest and other charges	4,850	-	-	-	4,850
Total expenditures	<u>1,980,863</u>	<u>403,833</u>	<u>412,426</u>	<u>389,617</u>	<u>3,186,739</u>
Excess of revenues over expenditures	441,070	248,151	227,907	126,042	1,043,170
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	11,520	46,643	-	4,873	63,036
Transfers out	-	-	-	(3,750)	(3,750)
Total other financing sources and uses	<u>11,520</u>	<u>46,643</u>	<u>-</u>	<u>1,123</u>	<u>59,286</u>
Net change in fund balances	452,590	294,794	227,907	127,165	1,102,456
Fund balances - beginning, restated	<u>2,158,631</u>	<u>915,971</u>	<u>1,476,347</u>	<u>999,198</u>	<u>5,550,147</u>
Fund balances - ending	<u>\$ 2,611,221</u>	<u>\$ 1,210,765</u>	<u>\$ 1,704,254</u>	<u>\$ 1,126,363</u>	<u>\$ 6,652,603</u>

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Net change in fund balances - total governmental funds: \$ 1,102,456

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	458,476
Capital assets contributed	4,199
Book value on capital assets disposed	(4,994)
Depreciation and amortization expense	(446,794)
	10,887

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	32,477
	32,477

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.

92,138

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

Note principal payments	12,491
Lease obligation principal payments	5,988
	18,479

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in accrued interest expense	1,214
Change in accrued compensated absences expenses	(1,177)
	37

Change in net position of governmental activities	\$ 1,256,474
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See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Proprietary Funds Statement of Net Position - June 30, 2023**

	<u>Enterprise Fund</u>
	<u>Fort Gibson Utilities Authority</u>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 4,115,374
Restricted cash and cash equivalents	1,857,848
Investments	629,453
Accounts receivable, net	347,538
Lease receivable	85,680
<b>Total current assets</b>	<u>7,035,893</u>
<b>Noncurrent assets:</b>	
Capital assets:	
Other capital assets, net of depreciation	13,571,043
<b>Total noncurrent assets</b>	<u>13,571,043</u>
<b>Total assets</b>	<u>20,606,936</u>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable	138,220
Accrued payroll liabilities	22,665
Accrued interest payable	11,230
Due to depositors	35,478
Notes payable	318,376
Accrued compensated absences	2,769
Lease obligations	4,022
<b>Total current liabilities</b>	<u>532,760</u>
<b>Noncurrent liabilities:</b>	
Due to depositors	141,911
Notes payable	7,295,894
Accrued compensated absences	24,923
Lease obligations	5,417
<b>Total non-current liabilities</b>	<u>7,468,145</u>
<b>Total liabilities</b>	<u>8,000,905</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred amounts related to leases	<u>86,108</u>
<b>NET POSITION</b>	
Net investment in capital assets	7,616,563
Unrestricted	4,903,360
<b>Total net position</b>	<u>\$ 12,519,923</u>

See accompanying notes to the basic financial statements.



**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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

	<u>Enterprise Funds</u>
	<u>Fort Gibson Utilities Authority</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water	\$ 1,898,681
Sewer	918,313
Sanitation	582,537
Water taps	1,565
Sewer taps	100
Landfill	5,155
Penalties	30,660
Capital improvement fee	60,670
Miscellaneous	13,808
<b>Total operating revenues</b>	<u>3,511,489</u>
<b>OPERATING EXPENSES</b>	
Utility office	939,582
Sanitation	362,750
Sewer	602,728
Water	750,746
Depreciation and amortization expense	603,542
<b>Total operating expenses</b>	<u>3,259,348</u>
<b>Operating income</b>	252,141
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	112,788
Interest expense and fiscal charges	(174,727)
Miscellaneous revenue	34,884
Operating grant revenue	299,000
Gain on sale of assets	13,042
<b>Total non-operating revenue (expenses)</b>	<u>284,987</u>
<b>Income before transfers</b>	537,128
Transfers out	<u>(63,485)</u>
<b>Change in net position</b>	473,643
<b>Total net position - beginning, restated</b>	<u>12,046,280</u>
<b>Total net position - ending</b>	<u><u>\$ 12,519,923</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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

	<u>Enterprise Funds</u>
	<u>Fort Gibson</u>
	<u>Utilities</u>
	<u>Authority</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,487,886
Payments to suppliers	(1,383,342)
Payments to employees	(1,238,361)
Receipts of customer meter deposits	29,769
Refund of customer meter deposits	(24,474)
Other receipts	34,884
	<u>906,362</u>
Net Cash Provided by Operating Activities	<u>906,362</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	(63,485)
	<u>(63,485)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(63,485)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(386,726)
Proceeds from sale of capital assets	14,275
Principal payment of capital debt	(319,084)
Interest and fiscal charges paid on capital debt	(175,856)
	<u>(867,391)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(867,391)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	112,788
Purchase of investments	(12,072)
	<u>100,716</u>
Net Cash Provided by Investing Activities	<u>100,716</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>76,202</u>
<b>Balances - beginning of the year</b>	<u>5,897,020</u>
<b>Balances - end of the year</b>	<u>\$ 5,973,222</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 252,141
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	603,542
Operating grant	299,000
Other non-operating revenues (expenses)	34,884
Change in assets, liabilities, and deferrals:	
Receivables, net	(24,408)
Leases receivable	25,574
Accounts payable	82,376
Accrued payroll liabilities	(44,738)
Unearned revenue	(299,000)
Deferred inflows related to leases	(24,769)
Due to depositors	5,295
Accrued compensated absences	(3,535)
	<u>(3,535)</u>
Net Cash Provided by Operating Activities	<u>\$ 906,362</u>

See accompanying notes to the basic financial statements.

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The Town's financial reporting entity includes the primary government (Town of Fort Gibson), and one blended component unit (Fort Gibson Utilities Authority).

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

**The Town of Fort Gibson** – operates the public safety, streets and highways, parks and recreation, cemetery, and administrative activities.

The Town of Fort Gibson is an incorporated municipality with a population of approximately 3,823 located in northeast Oklahoma. The Town operates under the statutory form of government and is governed by a five (5) member board of trustees elected by the citizens of the Town.

The Town provides typical municipal services such as public safety, street and alley maintenance, parks and recreation, economic development, and certain utility services including water, wastewater, and sanitation.

**The Fort Gibson Utilities Authority** – operates the water, wastewater, and sanitation activities of the Town, with the Fort Gibson Town Board serving as trustees of the Authority.

**B. Basis of Presentation and Accounting**

*Government-Wide Financial Statements:*

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used. In accordance with the economic resources measurement focus, all assets and liabilities, both current and noncurrent are reported, along with any related deferred outflows and deferred inflows.

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

- Public safety – fines and forfeitures, and capital and operating grants and contributions
- Culture and recreation – rentals and capital and operating grants and contributions
- Cemetery - cemetery openings and closings
- General Government – abatements and licenses and permits
- Streets – gas excise and motor vehicle tax

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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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 Town's governmental funds are comprised of the following:

**Major Funds:**

- General Fund – accounts for general operations of the Town including: public safety, parks and recreation, and street maintenance.
- Street & Alley Fund – special revenue fund that accounts for revenue from a sales tax (.625 cents) approved by the voters, as well as gas and commercial vehicle tax restricted for the purpose of street improvements and personnel costs of the street department.
- 1.25 Sales Tax Fund – special revenue fund that accounts for revenue received from a sales tax (1.25 cents) approved by the voters to be used for the purpose of competitive compensation and benefits for police officers, equipment needs for police department, competitive compensation and benefits for firefighters, competitive compensation for town and Fort Gibson Utility Authority nonuniformed employees, and for the capital and equipment needs for the Town of Fort Gibson.

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

**Special Revenue Funds:**

- Fire Sales Tax Fund – accounts for one-fourth of the 1 ¼% sales tax (.3125) restricted for personnel costs and equipment needs for the fire department.
- Police Sales Tax Fund – accounts for one-fourth of the 1 ¼% sales tax (.3125) restricted for personnel costs and equipment needs for the police department.

**Capital Project Funds:**

- Cemetery Fund – accounts for statutorily restricted cemetery revenues and the expenditures of those revenues.
- Fire Special Equipment Fund – accounts for revenues and expenditures of donor restricted monies related to the fire department.
- PD Special Fund - accounts for revenues and expenditures of donor restricted monies related to the police department.
- Fort Gibson Development Fund – accounts for revenues and expenditures related to economic development activities.

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

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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.

*Proprietary Funds:*

When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Enterprise funds are used to account for business-like activities provided to the general public. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

The Town's enterprise funds include the following major fund:

- Fort Gibson Utilities Authority Fund - that accounts for the activities of the Fort Gibson Utilities Authority in providing water, sewer, and sanitation services to the public.

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

**C. 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, and money market investments. Investments consist of long-term time deposits, and U.S. agency bonds and notes. Certificates of deposit are reported at cost while investments in the U.S. agency bonds and notes and other marketable investments are reported at fair value.

**D. Inventories**

Inventories of goods and supplies on hand at year end are not material. Therefore, purchases of inventory type items are recorded as expenditures or expenses at the time purchased, and no balances for such inventories on hand are reported.

**E. Capital Assets and Depreciation**

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide and proprietary fund financial statements, property, plant and equipment are accounted for as capital assets, net of accumulated depreciation where applicable. In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. A capitalization threshold of \$2,500 is used for additions to report capital assets. Capital assets are reported at actual or estimated historical cost. Prior to July 1, 2001,

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governmental activities' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost. Donated assets are recorded at their acquisition value at the date of donation.

Depreciable capital assets are depreciated on a straight-line basis over useful lives. The range of estimated useful lives by type of asset is as follows:

- |                                     |               |
|-------------------------------------|---------------|
| • Buildings                         | 50 years      |
| • Improvements other than buildings | 15 - 50 years |
| • Machinery and Equipment           | 5 - 15 years  |
| • Infrastructure                    | 15 - 50 years |

Intangible leased assets are amortized over the life of the associated contract.

#### **F. Long-Term Debt**

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, leases obligations, and notes payable. This long-term debt is reported net of unamortized premiums and discounts.

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

#### **G. Compensated Absences**

Under terms of union contracts and Town personnel policies, Town employees are granted comp time, vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and comp time. The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating or retiring employees.

#### **H. Fund Balances and Net Position**

##### *Net Position:*

Net position reported in the government-wide, proprietary fund and fiduciary fund financial statements are displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

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

*Fund 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. The Town currently reports no nonspendable fund balance.

b. Restricted – consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority. The Town’s highest level of decision-making authority is made by ordinance. The Town currently reports no committed fund balance.

d. Assigned – includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by Town Board action or management decision when the Town Board 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.

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

**I. Interfund Activities and Balances**

The Town’s policy is to eliminate interfund transfers and balances in the statement 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 then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements.

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## J. 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.

## 2. Deposits and Investments

### Primary Government Deposits and Investments:

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

At June 30, 2023, the primary government held the following deposits and investments:

Type of Deposits and Investments - Primary Government	Carrying Value	Maturities in Years				
		On Demand	Less Than One	1 - 5	6 - 10	More Than 10
Deposits:						
Petty Cash	\$ 2,394	\$ 2,394	\$ -	\$ -	\$ -	\$ -
Demand deposits	8,411,255	8,411,255	-	-	-	-
Time deposits	2,821,058	-	1,743,121	1,077,937	-	-
	<u>11,234,707</u>	<u>8,413,649</u>	<u>1,743,121</u>	<u>1,077,937</u>	<u>-</u>	<u>-</u>
	<b>Credit Rating</b>	<b>Fair Value Categories</b>				
Investments:						
Note Trustee Accounts:						
Cavalan Hill U.S. Treasury-Admin #0002	Aaa	N/A	1,680,115	1,680,115	-	-
			<u>1,680,115</u>	<u>1,680,115</u>	<u>-</u>	<u>-</u>
<b>Total Deposits and Investments</b>			<u>\$ 12,914,822</u>	<u>\$ 10,093,764</u>	<u>\$ 1,743,121</u>	<u>\$ 1,077,937</u>
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents			\$ 10,093,764			
Investments			<u>2,821,058</u>			
			<u>\$ 12,914,822</u>			

## Deposit and Investment Risks

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

The Town does not have a formal investment policy as it relates to custodial credit risk. Acceptable collateral is limited to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Town must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2023, the Town was under-collateralized at Firstar Bank by \$421,862.



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*Investment Credit Risk* – State law limits the investments available to the Town and is described below.

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma 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., d., and e.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The Town has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end in the schedule above. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy to manage exposure to fair value losses arising from increasing interest rates. The Town discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments in the schedule above.

*Concentration of Investment Credit Risk* - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. At June 30, 2023, the Town had no concentration of credit risk as defined above.

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*Restricted Cash and Investments* – The amounts reported as restricted assets on the statement of net position are comprised of the following:

	Current Cash and cash Equivalents
Utility deposits	\$ 177,389
EDA grant cash account	344
2011 OWRB Cwsrf debt service	22,603
2016 Note construction account	1,614,212
2016 Note interest account	8,632
2016 Note principal account	34,668
Total Restricted Assets	<u>\$ 1,857,848</u>

### 3. Receivables

*Accounts Receivables:*

Accounts receivable of the business-type activities consists of customers utilities. Accounts receivable of the governmental activities consists of court receivables. Receivables detail at June 30, 2023, is as follows:

	General Fund		Fort Gibson
	Court		Utilities Authority
Accounts receivable	\$ 1,609,439	\$	374,907
Allowance for doubtful accounts	<u>(804,720)</u>		<u>(27,369)</u>
Accounts receivable, net	<u>\$ 804,719</u>	\$	<u>347,538</u>

*Lease Receivables:*

The Fort Gibson Utilities Authority as a lessor, has entered into lease agreements involving leasing space on Town infrastructure. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$25,615. Lease receivable balances at June 30, 2023, were as follows:

Cross Wireless Tower Lease	\$ 47,598
US Cellular Tower Lease	<u>38,082</u>
Total Lease Receivable	<u>\$ 85,680</u>

### 4. Capital Assets and Depreciation

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

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	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental activities:				
Non-depreciable:				
Land	\$ 306,021	\$ -	\$ -	\$ 306,021
Construction-in-progress	7,839	307,962	-	315,801
Total non-depreciable assets at historical cost	<u>313,860</u>	<u>307,962</u>	<u>-</u>	<u>621,822</u>
Depreciable:				
Buildings	2,956,346	-	-	2,956,346
Machinery and equipment	3,706,534	146,513	(274,008)	3,579,039
Improvements	3,010,469	8,200	-	3,018,669
Infrastructure	1,283,188	-	-	1,283,188
Total depreciable assets at historical cost	<u>10,956,537</u>	<u>154,713</u>	<u>(274,008)</u>	<u>10,837,242</u>
Less accumulated depreciation				
Buildings	(1,642,293)	(68,739)	-	(1,711,032)
Machinery and equipment	(2,905,295)	(167,119)	269,014	(2,803,400)
Improvements	(767,891)	(141,105)	-	(908,996)
Infrastructure	(718,518)	(63,820)	-	(782,338)
Total accumulated depreciation	<u>(6,033,997)</u>	<u>(440,783)</u>	<u>269,014</u>	<u>(6,205,766)</u>
Other Assets:				
Leased equipment	23,084	-	-	23,084
Less accumulated amortization for:				
Leased equipment	(6,011)	(6,011)	-	(12,022)
Net depreciable assets	<u>4,939,613</u>	<u>(292,081)</u>	<u>(4,994)</u>	<u>4,642,538</u>
Governmental activities capital assets, net	<u>\$ 5,253,473</u>	<u>\$ 15,881</u>	<u>\$ (4,994)</u>	<u>\$ 5,264,360</u>
Business-type activities				
Non-depreciable:				
Construction-in-progress	41,161	180,000	(221,161)	-
Total non-depreciable assets at historical cost	<u>41,161</u>	<u>180,000</u>	<u>(221,161)</u>	<u>-</u>
Depreciable:				
Buildings	1,867,187	-	-	1,867,187
Machinery and equipment	1,549,081	105,857	(41,093)	1,613,845
Improvements	847,101	280,867	-	1,127,968
Infrastructure	15,782,353	41,162	-	15,823,515
Total depreciable assets at historical cost	<u>20,045,722</u>	<u>427,886</u>	<u>(41,093)</u>	<u>20,432,515</u>
Less accumulated depreciation				
Buildings	(1,255,825)	(34,311)	-	(1,290,136)
Machinery and equipment	(944,592)	(124,939)	39,860	(1,029,671)
Improvements	(62,175)	(61,159)	-	(123,334)
Infrastructure	(4,051,880)	(375,520)	-	(4,427,400)
Total accumulated depreciation	<u>(6,314,472)</u>	<u>(595,929)</u>	<u>39,860</u>	<u>(6,870,541)</u>
Other Assets:				
Leased equipment	24,295	-	(7,188)	17,107
Less accumulated amortization for:				
Leased equipment	(7,614)	(7,612)	7,188	(8,038)
Net depreciable assets	<u>13,747,931</u>	<u>(175,655)</u>	<u>(1,233)</u>	<u>13,571,043</u>
Business-type capital assets, net	<u>\$ 13,789,092</u>	<u>\$ 4,345</u>	<u>\$ (222,394)</u>	<u>\$ 13,571,043</u>

Depreciation/amortization of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Leased assets are amortized over the life of the associated contract. Depreciation/amortization expense has been allocated as follows:

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Depreciation/amortization expense charged to governmental activities:

Depreciation:	
General government	\$ 66,218
Public safety	109,730
Parks and recreation	168,942
Streets	95,893

Total depreciation expense	<u>\$ 440,783</u>
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Amortization:

General government	\$ 6,011
Total amortization expense	<u>6,011</u>
Total depreciation/amortization expense	<u>\$ 446,794</u>

Depreciation expense charged to business-type activities:

Water	\$ 312,154
Sewer	209,742
Sanitation	25,477
General government	48,556
Total depreciation expense	<u>\$ 595,929</u>

Amortization:

General government	\$ 7,612
Total amortization expense	<u>7,612</u>
Total depreciation/amortization expense	<u>\$ 603,541</u>

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

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

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Notes payable-direct borrowings/placements	\$ 41,873	\$ -	\$ 12,491	\$ 29,382	\$ 13,439
Accrued compensated absences	28,239	1,177	-	29,416	2,942
Lease obligations	17,428	-	5,988	11,440	6,023
Total Governmental Long-Term Debt	<u>\$ 87,540</u>	<u>\$ 1,177</u>	<u>\$ 18,479</u>	<u>\$ 70,238</u>	<u>\$ 22,404</u>
<b>Business-type Activities:</b>					
Due to depositors	\$ 172,094	\$ 29,769	\$ 24,474	\$ 177,389	\$ 35,478
Notes payable-direct borrowings/placements	7,925,758	-	311,489	7,614,269	318,376
Accrued compensated absences	31,227	-	3,534	27,693	2,769
Lease obligations	17,035	-	7,596	9,439	4,022
Total Business-type Long-Term Debt	<u>\$ 8,146,114</u>	<u>\$ 29,769</u>	<u>\$ 347,093</u>	<u>\$ 7,828,790</u>	<u>\$ 360,645</u>

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***Governmental activities long-term debt:***

Notes Payable:

\$52,993 note payable for the purchase of a camera system upgrade, payable in annual installments of \$12,691 with an annual interest rate of 9.494%, final payment due August 20, 2024.	\$ 22,051
\$14,821 note payable for the purchase of a camera system for the skate park, payable in annual installments of \$4,555 with an annual interest rate of 14.749%, final payment due August 20, 2024.	7,331
	<u>29,382</u>
Total Notes Payable	<u>\$ 29,382</u>
Current portion	\$ 13,439
Non-current portion	15,943
	<u>\$ 29,382</u>

Lease Obligations Payable:

The Town of Fort Gibson as a lessee, has entered into multiple lease agreements involving equipment for operations.

Current portion	\$ 6,023
Non-current portion	5,417
	<u>\$ 11,440</u>

Accrued Compensated Absences:

Current portion	\$ 2,942
Noncurrent portion	26,474
Total Accrued Compensated Absences	<u>\$ 29,416</u>

***Business-type activities long-term debt:***

Notes Payable-Direct borrowings/placements:

\$980,000 FGUA 2011 OWRB Clean Water SRF Loan, dated June 30, 2012, due in semi-annual installments through September 30, 2029, with interest at 2.42%, secured by a pledge of the net water and sewer revenues. Proceeds were used to fund sewer system improvements. In the event of default, the following remedies are available to the lender: 1) file suit to require any or all of the borrower covenants to be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint temporary trustees to take over, operate and maintain the system on a profitable basis; or 4) file suit to enforce or enjoin action or inaction of the borrower under the provisions of the loan agreement.	\$ 240,525
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\$1,600,000 FGUA Utility System Revenue Note, Series 2016, dated March 14, 2016, due in semi-annual principal installments of \$21,000 to \$97,000 through March 1, 2031, with interest at 2.13%, secured by a pledge of the net water and sewer revenues. Proceeds of the note were used to fund sewer system improvements. In the event of default, the following remedies are available to the lender: 1) lender may accelerate the payment of the principal and interest accrued on the note; 2) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement; or 3) appoint a temporary trustee to take over, operate and maintain the system on a profitable basis	1,179,000
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\$7,055,000 Fort Gibson Utilities Authority 2016 USDA Rural Development Note, dated June 27, 2016, due in monthly principal installments through March 27, 2054, with interest at 2.25%, secured by a pledge of the net water revenues. Proceeds were used to rehabilitate the existing water treatment plant, including replacement of pumps and installation of a liner in the clearwell, as well as construction of a new building for the clarifiers and filters, and a new chemical feed building. In the event of default, the following remedies are available to the lender: 1) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, 2) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, 3) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, 4) foreclose this instrument as provided herein or by law, and 5) enforce any and all other rights and remedies provided herein or by present or future laws.

5,953,971

\$705,000 Fort Gibson Utilities Authority 2016 USDA Rural Development Note, dated June 27, 2016, due in monthly principal installments through March 27, 2054, with interest at 2.25%, secured by a pledge of the net water revenues. Proceeds were used to rehabilitate the existing water treatment plant, including replacement of pumps and installation of a liner in the clearwell, as well as construction of a new building for the clarifiers and filters, and a new chemical feed building. In the event of default, the following remedies are available to the lender: 1) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, 2) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, 3) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, 4) foreclose this instrument as provided herein or by law, and 5) enforce any and all other rights and remedies provided herein or by present or future laws.

240,773

Total notes payable-direct borrowings/placements

\$ 7,614,269

Current portion  
Non-current portion

\$ 318,376  
7,295,893  
\$ 7,614,269

Lease Obligations Payable:

The Fort Gibson Utilities Authority as a lessee, has entered into multiple lease agreements involving equipment for operations.

Current portion  
Non-current portion

\$ 4,022  
5,417  
\$ 9,439

Accrued Compensated Absences:

Current portion	\$ 2,769
Noncurrent portion	24,924
Total Accrued Compensated Absences	<u>\$ 27,693</u>

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Deposits Subject to Refund:	
Current portion	\$ 35,478
Noncurrent portion	141,911
Total Deposits Subject to Refund	<u>\$ 177,389</u>

Debt Service Requirements to Maturity

Long-term debt service requirements to maturity of the primary government are as follows:

Governmental Activity Debt

Year Ended June 30,	<u>Notes Payable-Direct Borrowing/Placement</u>		<u>Lease Obligation Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	13,439	3,345	6,023	59
2025	15,943	1,766	2,540	31
2026	-	-	2,558	12
2027	-	-	319	-
Total	<u>\$ 29,382</u>	<u>\$ 5,111</u>	<u>\$ 11,440</u>	<u>\$ 102</u>

Business-Type Activity Debt

Year Ended June 30,	<u>Notes Payable-Direct Borrowing/Placement</u>		<u>Lease Obligation Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	318,376	167,899	4,022	54
2025	327,398	160,661	2,540	31
2026	334,525	153,245	2,558	12
2027	343,770	145,657	319	-
2028	351,247	137,916	-	-
2029-2033	1,490,792	575,569	-	-
2034-2038	889,761	452,139	-	-
2039-2043	995,603	346,297	-	-
2044-2048	1,114,034	227,866	-	-
2049-2053	1,246,553	95,347	-	-
2054	202,210	1,921	-	-
	<u>\$ 7,614,269</u>	<u>\$ 2,464,517</u>	<u>\$ 9,439</u>	<u>\$ 97</u>

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**6. Fund Balances**

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Street & Alley Fund	1.25 Sales Tax Fund	Fire Sales Tax Fund	Police Sales Tax Fund	Parks & Rec Special	Cemetery Fund	Fire Special Equip Fund	Police Special Fund	Fort Gibson Development Authority	Total
Fund Balance:											
Restricted For:											
Deposits with Insurance Pool	\$ 50,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,128
Streets	-	1,151,946	-	-	-	-	-	-	-	-	1,151,946
Personnel & Capital*	-	-	1,672,923	-	-	-	-	-	-	-	1,672,923
Parks & Rec	-	-	-	-	-	4,873	-	-	-	-	4,873
Public Safety	-	-	-	327,294	137,427	-	-	100,669	91,979	-	657,369
Cemetery	-	-	-	-	-	-	28,880	-	-	-	28,880
Economic Development	-	-	-	-	-	-	-	-	-	391,100	391,100
Sub-total Restricted	50,128	1,151,946	1,672,923	327,294	137,427	4,873	28,880	100,669	91,979	391,100	3,957,219
Assigned to:											
Public Safety	-	-	-	7,927	2,681	-	-	2,071	653	-	13,332
Economic development	-	-	-	-	-	-	-	-	-	30,747	30,747
Streets	-	58,819	-	-	-	-	-	-	-	-	58,819
Personnel & Capital*	-	-	31,331	-	-	-	-	-	-	-	31,331
Parks & Rec	-	-	-	-	-	62	-	-	-	-	62
Budget balancing purposes	1,900,000	-	-	-	-	-	-	-	-	-	1,900,000
Sub-total Assigned	1,900,000	58,819	31,331	7,927	2,681	62	-	2,071	653	30,747	2,034,291
Unassigned	661,093	-	-	-	-	-	-	-	-	-	661,093
Total Fund Balance	\$ 2,611,221	\$ 1,210,765	\$ 1,704,254	\$ 335,221	\$ 140,108	\$ 4,935	\$ 28,880	\$ 102,740	\$ 92,632	\$ 421,847	\$ 6,652,603

\*Used for the purpose of competitive compensation and benefits for police officers, equipment needs for police department, competitive compensation and benefits for firefighters, competitive compensation for town and Fort Gibson utility authority nonuniformed employees, and for the capital and equipment needs for the town of Fort Gibson.

**Restricted Net Position – Governmental Activities**

The following table shows the net position restricted for other purposes as shown on the Statement of Net Position:

Fund	Restricted By	Amount
Fire Special Equipment Fund	Enabling legislation	\$ 100,669
		<u>\$ 100,669</u>
Street & Alley Fund	State statutes and/or debt indentures	\$ 34,665
Cemetery Fund	State statutes and/or debt indentures	28,880
		<u>\$ 63,545</u>
Street & Alley Fund	External parties (voters)	\$ 1,117,281
1.25 Sales Tax Fund	External parties (voters)	1,672,923
Fire Sales Tax Fund	External parties (voters)	327,294
Police Sales Tax Fund	External parties (voters)	137,427
Parks & Rec Special	External parties (donors)	4,873
Police Special Fund	External parties (donors)	91,979
Fort Gibson Development Fund	External parties	391,100
General Fund	External parties	50,128
		<u>\$ 3,793,005</u>



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**Prior Period Adjustments**

The following table shows the prior period adjustments of beginning fund balance/net position for the year ending June 30, 2023:

	Governmental					Proprietary	Government-Wide	
	General Fund	Street & Alley Fund	1.25% Sales Tax Fund	Other Governmental Funds	Total Governmental Funds	Fort Gibson Utilities Authority	Governmental Activities	Business-type Activities
Beginning fund balance/net position, as previously reported:	2,158,631	962,614	1,476,347	999,198	5,596,790	12,345,280	11,366,877	12,345,280
Adjustments:								
Understatement of unearned revenue-grants	-	(46,643)	-	-	(46,643)	(299,000)	(46,643)	(299,000)
Beginning fund balance/net position, restated	<u>2,158,631</u>	<u>915,971</u>	<u>1,476,347</u>	<u>999,198</u>	<u>5,550,147</u>	<u>12,046,280</u>	<u>11,320,234</u>	<u>12,046,280</u>

**7. Dedicated Tax Revenues and Pledges of Future Revenues**

**Sales and Use Tax**

Sales and use tax revenue represents a 4.5 cents tax on each dollar of taxable sales which is recorded as revenue within the respective funds. Upon receipt, the sales tax is recorded as follows:

- 2 cents recorded in the General Fund.
- 1.25 cents recorded in the 1.25 Sales Tax Fund to be spent only for the purpose of competitive compensation and benefits for police officers, equipment needs for police department, competitive compensation and benefits for firefighters, competitive compensation for town and Fort Gibson Utility Authority nonuniformed employees, and for the capital and equipment needs for the Town of Fort Gibson.
- .625 cents recorded in the Street & Alley Fund for street improvements and personnel costs of the street department.
- .3125 cents recorded in the Fire Sales Tax Fund for personnel costs and equipment needs for the fire department.
- .3125 cents recorded in the Police Sales Tax Fund for personnel costs and equipment needs for the police department.

**Pledge of Future Revenues**

*Utility Net Revenues Pledge* – The Series 2016 Note and 2011 OWRB Note are secured by net water and sewer revenues. The notes are payable in 2029 and 2031. The total principal and interest payable for the remainder of the life of these bonds is \$1,554,048. The net utility revenues were \$659,229. Debt service payments of \$192,058 for the current fiscal year were 29.1% of the net utility revenues.

The 2016 USDA loans are secured by net water revenues. The loans are payable in 2033 and 2054. The total principal and interest payable for the remainder of the life of these bonds is \$8,524,733. The net utility revenues were \$664,748. Debt service payments of \$295,200 for the current fiscal year were 44.4% of the net utility revenues.

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## 8. Internal and Interfund Balances and Transfers

### *Transfers:*

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

Transfer From	Transfer To	Amount	Nature of Transfer
FGUA	General Fund	\$ 7,770	Debt activity
FGUA	Street & Alley	46,463	Grant activity
FGUA	Street & Alley	180	Operating transfer
FGUA	Park & Rec Special	4,873	Transfer of donations
FGUA	Governmental Activites-GW	4,199	Capital assets transferred
PD Special	General Fund	3,750	Operating transfer
		<u>\$ 67,235</u>	
	Transfers In	Transfers Out	Net Transfers/ Internal Activity
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$ 63,036	\$ (3,750)	\$ 59,286
Enterprise Funds	-	(63,485)	(63,485)
Total Transfers	<u>\$ 63,036</u>	<u>\$ (67,235)</u>	<u>\$ (4,199)</u>
Reconciliation to statement of activities:		Governmental	Business-Type
Net transfers		\$ 59,286	\$ (63,485)
Reclassification of capital asset purchases and expense between activities		(43,770)	47,969
Total Transfers - Internal Activity		<u>\$ 15,516</u>	<u>\$ (15,516)</u>

### *Balances:*

There were no interfund receivables and payables at June 30, 2023.

## 9. Risk Management

The Town 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 Town manages these various risks of loss as follows:

- General Liability and Physical Property – Covered through participation in the Oklahoma Municipal Assurance Group risk entity pool.
- Workers' Compensation – Workers' compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool.
- Employee's Group Medical – Covered through purchased commercial insurance with no risk of loss retained.

The Town's general liability, physical property and workers compensation risks are transferred to the risk entity pool except for claim deductible amounts. The risk pool maintains deposits for claims reserves and

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other purposes for the benefit of the Town. The portion of the reserves to which the Town has access is reported as Deposits with Insurance Pool.

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

## **10. Contingencies**

### *Litigation:*

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

### *Federal and State Award Programs:*

The Town of Fort Gibson participates in various federal or state grant/loan programs from year to year. In 2023, the Town's involvement in federal and state award programs was significant. 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 Town 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.

### *Asset Retirement Obligation:*

The Town has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2023, since the specific legally required costs of retirement have not yet been identified. The Town anticipates identifying those specific legally required costs and obtaining an estimate of those costs, if any, in the near future.

## **11. Pension Plan Participation**

The Town of Fort Gibson participates in three pension or retirement plans:

1. Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
2. Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
3. Town of Fort Gibson Employee's Retirement System – a single-employer defined contribution plan

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	Governmental Activities
Net Pension Liability (Asset):	
Police Pension System	\$ (141,195)
Firefighter's Pension System	612,163
Total Net Pension Liability (Asset)	<u>\$ 470,968</u>
Deferred Outflows of Resources:	
Police Pension System	\$ 291,945
Firefighter's Pension System	223,128
Total Deferred Outflows of Resources	<u>\$ 515,073</u>
Deferred Inflows of Resources:	
Police Pension System	\$ 29,697
Firefighter's Pension System	30,185
Total Deferred Inflows of Resources	<u>\$ 59,882</u>
Pension Expense:	
Police Pension System	\$ 30,172
Firefighter's Pension System	102,927
Total Pension Expense	<u>\$ 133,099</u>

***Firefighter Pension System:***

**Plan Summary Information.** The Town of Fort Gibson, as the employer, participates in a statewide cost-sharing multiple employer defined benefit pension plan through the Oklahoma Firefighter's Pension and Retirement System (OFPRS). The OFPRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Pursuant to the requirements of Title 11, section 22-102, the Town must participate in the plan if they employ fulltime or volunteer firefighters.

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

Normal Retirement:

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

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participating service. Also, participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities/towns are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the Town were \$27,836. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$53,502 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$47,954. These on-behalf payments did not meet the criteria of a special funding situation.

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OFPRS, 6601 Broadway Ext. #100, Oklahoma City, OK 73116.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the Town reported a net pension liability of \$612,163 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Town's proportion of the net pension liability was based on the Town's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the Town's proportion was 0.0468 percent.

For the year ended June 30, 2023, the Town recognized pension expense of \$102,927. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,585	\$ 3,090
Changes of assumptions	-	3,903
Net difference between projected and actual earnings on pension plan investments	71,140	-
Changes in proportion	45,564	21,513
Town contributions during measurement date	3	1,679
Town contributions subsequent to the measurement date	27,836	-
Total	<u>\$ 223,128</u>	<u>\$ 30,185</u>

\$27,836 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 53,380
2025	38,977
2026	6,926
2027	65,824
Total	<u>\$ 165,107</u>

**Actuarial Assumptions-** The total pension liability was determined by an actuarial valuation as of July 1, 2022, 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 following:

- *Active members* – Pub-2010 Public Safety Table with generational mortality improvements using MP-2018.
- *Retired members* – Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018.
- *Disabled members* – Pub-2010 Public Safety Disabled Table set forward 2 years.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

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

**Discount Rate-** The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 788,819	\$ 612,163	\$ 464,399

**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).

***Police Pension System:***

**Plan Summary Information.** Pursuant to the requirements of Title 11, section 22-102, the Town of Fort Gibson participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Police Pension and Retirement System (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

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined 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 Town were \$79,288. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$69,772 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$70,161. These on-behalf payments did not meet the criteria of a special funding situation.

The OPPRS issues a publicly available report that includes financial statements, which can be obtained from the Oklahoma Police Pension and Retirement System, 1001 N.W. 63<sup>rd</sup> Street, Oklahoma City, OK, 73116-7335.

**Net Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the Town reported a net pension asset of \$141,195 for its proportionate share of the total net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The Town's proportion of the net pension asset was based on the Town's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the Town's proportion was 0.1761 percent.

For the year ended June 30, 2023, the Town recognized pension expense of \$30,172. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,258	\$ 15,380
Changes of assumptions	4,916	-
Net difference between projected and actual earnings on pension plan investments	137,777	-
Changes in proportion	-	12,237
Town contributions during measurement date	706	2,080
Town contributions subsequent to the measurement date	79,288	-
Total	<u>\$ 291,945</u>	<u>\$ 29,697</u>

\$79,288 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	40,533
2025		8,008
2026		(40,294)
2027		167,214
2028		7,499
Total	<u>\$</u>	<u>182,960</u>

**Actuarial Assumptions-** The total pension liability was determined by an actuarial valuation as of July 1, 2022, 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
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.
	Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

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The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private equity	9.66%
Other assets	0.00%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% 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)	\$ 409,083	\$ (141,195)	\$ (606,314)

**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).

**TOWN OF FORT GIBSON, OKLAHOMA**  
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*Summary of Contributions:*

Oklahoma Firefighter's Pension and Retirement System			Oklahoma Police Pension and Retirement System		
<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2021	20,313	94%	2021	83,279	91%
2022	22,648	91%	2022	89,742	88%
2023	30,542	91%	2023	87,284	91%

*OMRF Defined Contribution Plan:*

All full time non-uniformed Town employees are provided pension benefits through a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The employee begins participation on the date of employment. Benefits vest after 10 years credited service, with normal retirement at age 65, early retirement at age 55, with 10 years or more of service. Participants are required to contribute 0% of their covered compensation and the Town is required to contribute 12% of covered compensation. Participants are permitted to make voluntary deductible contributions to the plan.

Under Ordinance 2015-003, the Town's contribution for each employee begins vesting after 1 year and is fully vested after 10 years. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited are allocated between the active participants.

Salary deferred under the plan is not available to employees until termination, death, retirement or unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with these amounts and all income attributable to these amounts remain the property of the Town without being restricted to the provisions of benefits under the plan until such amounts are paid or made available to the employees, subject only to the claims of the Town's general creditors.

The plan is administered by the Oklahoma Municipal Retirement Fund. Neither the Oklahoma Municipal Retirement Fund nor the Town have a liability for losses under the plan but have the duty of due care that would be required of an ordinary prudent investor.

For the year ended June 30, 2023, the Town contributed \$116,004 to the plan.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 1001 N.W. 63<sup>rd</sup>, Suite 260, Oklahoma City, Oklahoma, 73116.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2023**

<b>GENERAL FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 2,500,000	\$ 2,506,474	\$ 2,158,631	\$ (347,843)
Resources (Inflows):				
Taxes	1,385,000	1,885,651	1,775,641	(110,010)
Fees and fines	200,925	273,850	290,117	16,267
Charges for services	61,700	62,995	71,175	8,180
Intergovernmental	46,000	47,125	75,217	28,092
Licenses and permits	13,060	22,605	22,609	4
Investment income	15,000	48,496	49,617	1,121
Miscellaneous	59,700	74,296	14,283	(60,013)
Transfers in	-	-	11,520	11,520
Amounts available for appropriation	<u>4,281,385</u>	<u>4,921,492</u>	<u>4,468,810</u>	<u>(452,682)</u>
Charges to appropriations (outflows):				
Trustees	39,375	39,375	25,160	14,215
Clerk	8,817	8,817	8,526	291
Treasurer	3,875	3,875	2,915	960
Attorney	32,600	40,400	39,000	1,400
Court clerk	51,635	51,981	45,112	6,869
Police	1,267,856	1,341,273	1,059,137	282,136
Fire	36,965	36,970	20,460	16,510
Animal control	87,300	88,115	53,266	34,849
Building inspector	92,355	97,691	51,491	46,200
Parks and recreation	826,300	827,110	130,652	696,458
General government	1,591,391	2,138,863	344,476	1,794,387
Library	140,396	140,396	21,589	118,807
Cemetery	84,420	88,526	53,219	35,307
Emergency Mgmt	18,100	18,100	2,586	15,514
Total Charges to Appropriations	<u>4,281,385</u>	<u>4,921,492</u>	<u>1,857,589</u>	<u>3,063,903</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,611,221</u>	<u>\$ 2,611,221</u>

See accompanying notes to budgetary comparison schedules

**TOWN OF FORT GIBSON, OKLAHOMA**  
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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2023, (Continued)**

<b>SPECIAL REVENUE - STREET &amp; ALLEY FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 1,020,000	\$ 1,334,125	\$ 915,971	\$ (418,154)
Resources (Inflows):				
Taxes	250,000	334,330	310,364	(23,966)
Intergovernmental	36,500	433,402	295,070	(138,332)
Licenses and permits	1,069	1,196	547	(649)
Investment income	3,500	20,541	20,542	1
Miscellaneous	-	25,460	25,461	1
Transfers in	-	-	46,643	46,643
Amounts available for appropriation	<u>1,311,069</u>	<u>2,149,054</u>	<u>1,614,598</u>	<u>(534,456)</u>
Charges to appropriations (outflows):				
Sales Tax	652,069	1,478,917	386,721	1,092,196
State Collections	659,000	670,137	17,112	653,025
Total Charges to Appropriations	<u>1,311,069</u>	<u>2,149,054</u>	<u>403,833</u>	<u>1,745,221</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,210,765</u>	<u>\$ 1,210,765</u>

See accompanying notes to budgetary comparison schedules

<b>SPECIAL REVENUE - 1.25 SALES TAX FUND (Budgetary Basis)</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Beginning Budgetary Fund Balance	\$ 1,200,000	\$ 1,414,617	\$ 1,476,347	\$ 61,730
Resources (Inflows):				
Taxes	500,000	668,661	620,729	(47,932)
Investment income	2,500	19,598	19,604	6
Amounts available for appropriation	<u>1,702,500</u>	<u>2,102,876</u>	<u>2,116,680</u>	<u>13,804</u>
Charges to appropriations (outflows):				
Municipal court	1,975	1,975	747	1,228
Police dept	204,500	204,500	167,744	36,756
Fire dept	152,685	162,661	162,292	369
Animal control	2,700	4,700	3,303	1,397
Building inspector	2,050	2,650	1,751	899
General government	1,259,720	1,638,520	2,682	1,635,838
Cemetery	4,295	4,295	1,667	2,628
Street & alley	22,650	25,650	24,271	1,379
UA general government	32,175	36,175	29,754	6,421
UA sanitation	8,850	10,850	7,982	2,868
UA wastewater	4,300	4,300	4,207	93
UA water plant	6,600	6,600	6,026	574
Total Charges to Appropriations	<u>1,702,500</u>	<u>2,102,876</u>	<u>412,426</u>	<u>1,690,450</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,704,254</u>	<u>\$ 1,704,254</u>

See accompanying notes to budgetary comparison schedules

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2023, (Continued)**

**Footnotes to Budgetary Comparison Schedules:**

1. The Town prepares its budgets for all funds on the modified accrual basis of accounting for all revenues except for on-behalf payments made. The modified accrual basis of accounting is used for budgeting of expenditures with the exception of on-behalf payments made. The Town utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding and their related appropriations are lapsed at year end and are re-appropriated and re-encumbered in the subsequent fiscal year.
  
2. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	<b><u>General Fund</u></b>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$4,468,810
Differences – budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(2,158,631)
The Town reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	123,274
Transfers from other funds are inflows of budgetary resources but are not Revenues for financial reporting purposes.	<u>(11,520)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$2,421,933</u>
<b>Uses/Outflows of resources</b>	
Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$1,857,589
Differences – budget to GAAP:	
The Town reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	<u>123,274</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$1,980,863</u>

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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	<b><u>Street &amp; Alley Fund</u></b>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$1,614,598
Differences – budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(915,971)</u>
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(46,643)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$651,984</u>

	<b><u>1.25 Sales Tax Fund</u></b>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$2,116,680
Differences – budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(1,476,347)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$640,333</u>

3. For the year ended June 30, 2023, the Town complied, in all material respects, with the applicable budget laws.



# TOWN OF FORT GIBSON, OKLAHOMA

## ANNUAL FINANCIAL REPORT

### As of and for the Year Ended June 30, 2023

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE TOWN OF FORT GIBSON'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Town's proportion of the net pension liability	0.037%	0.040%	0.040%	0.040%	0.039%	0.049%	0.046%	0.047%
Town's proportionate share of the net pension liability	\$ 455,258	\$ 497,313	\$ 445,092	\$ 411,561	\$ 414,863	\$ 607,610	\$ 301,800	\$ 612,163
Town's covered payroll	\$ 109,509	\$ 100,075	\$ 112,919	\$ 119,753	\$ 130,337	\$ 132,670	\$ 145,095	\$ 161,771
Town's proportionate share of the net pension liability as a percentage of its covered payroll	416%	497%	394%	344%	318%	458%	208%	378%
Plan fiduciary net position as a percentage of the total pension liability	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	68.12%	69.49%

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

**Notes to Schedule:**

\*Only eight years are presented because 10-year data is not yet available.  
Current year measurement date is June 30, 2022.

**SCHEDULE OF TOWN CONTRIBUTIONS**

**OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorily required contribution	\$ 14,011	\$ 15,809	\$ 16,765	\$ 18,247	\$ 18,574	\$ 20,313	\$ 22,648	\$ 30,542
Contributions in relation to the statutorily required contribution	13,433	15,191	16,064	16,938	17,811	19,042	20,552	27,836
Contribution deficiency (excess)	\$ 578	\$ 618	\$ 701	\$ 1,309	\$ 763	\$ 1,271	\$ 2,096	\$ 2,706
City's covered payroll	\$ 100,075	\$ 112,919	\$ 119,753	\$ 130,337	\$ 132,670	\$ 145,095	\$ 161,771	\$ 218,156
Contributions as a percentage of covered payroll	13.42%	13.45%	13.41%	13.00%	13.43%	13.12%	12.70%	12.76%

**Notes to Schedule:**

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

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE TOWN OF FORT GIBSON'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City's proportion of the net pension liability (asset)	0.098%	0.106%	0.106%	0.115%	0.125%	0.132%	0.169%	0.176%
City's proportionate share of the net pension liability (asset)	\$ 149,705	\$ 8,180	\$ (50,660)	\$ (7,316)	\$ (7,954)	\$ 152,030	\$ (809,347)	\$ (141,195)
City's covered payroll	\$ 287,621	\$ 311,481	\$ 346,450	\$ 372,562	\$ 469,993	\$ 520,954	\$ 640,610	\$ 690,324
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.05%	2.63%	-14.62%	(1.96)%	(1.69)%	-(29.18)%	(126.34)%	(20.45)%
Plan fiduciary net position as a percentage of the total pension liability	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

**Notes to Schedule:**

\*Only eight years are presented because 10-year data is not yet available.  
Current year measurement date is June 30, 2022.

**SCHEDULE OF TOWN CONTRIBUTIONS**  
**OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorially required contribution	\$ 40,493	\$ 45,039	\$ 48,433	\$ 61,099	\$ 67,724	\$ 83,279	\$ 89,742	\$ 87,284
Contributions in relation to the statutorially required contribution	<u>37,908</u>	<u>39,419</u>	<u>45,441</u>	<u>52,668</u>	<u>57,866</u>	<u>75,991</u>	<u>79,223</u>	<u>79,288</u>
Contribution deficiency (excess)	<u>\$ 2,585</u>	<u>\$ 5,620</u>	<u>\$ 2,992</u>	<u>\$ 8,431</u>	<u>\$ 9,858</u>	<u>\$ 7,288</u>	<u>\$ 10,519</u>	<u>\$ 7,996</u>
City's covered payroll	\$ 311,481	\$ 346,450	\$ 372,562	\$ 469,993	\$ 520,954	\$ 640,610	\$ 690,324	\$ 671,414
Contributions as a percentage of covered payroll	12.17%	11.38%	12.20%	11.21%	11.11%	11.86%	11.48%	11.81%

**Notes to Schedule:**

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

## **OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Combining Balance Sheet, General Fund Accounts – June 30, 2023**

	<b>General Fund</b>	<b>Municipal Court Account</b>	<b>Total General Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,317,072	\$ 1,943	\$ 1,319,015
Investments	867,511	972	868,483
Deposits with insurance pool	50,128	-	50,128
Due from other governments	185,447	-	185,447
Franchise tax receivable	181,009	-	181,009
Due from (to) other accounts	2,915	(2,915)	-
Court fines receivable, net of allowance	804,719	-	804,719
Other receivables, net of allowance	295	-	295
	<u>\$ 3,409,096</u>	<u>\$ -</u>	<u>\$ 3,409,096</u>
Total assets			
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 23,064	\$ -	\$ 23,064
Accrued payroll liabilities	26,174	-	26,174
	<u>49,238</u>	<u>-</u>	<u>49,238</u>
Total liabilities			
Deferred inflows of resources:			
Unavailable revenue	<u>748,637</u>	<u>-</u>	<u>748,637</u>
Fund balances:			
Restricted	50,128	-	50,128
Assigned	1,900,000	-	1,900,000
Unassigned	<u>661,093</u>	<u>-</u>	<u>661,093</u>
Total fund balances	<u>2,611,221</u>	<u>-</u>	<u>2,611,221</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,409,096</u>	<u>\$ -</u>	<u>\$ 3,409,096</u>

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, General Fund**  
**Accounts – Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Municipal Court Account</b>	<b>Total General Fund</b>
<b>REVENUES</b>			
Taxes	\$ 1,775,641	\$ -	\$ 1,775,641
Intergovernmental	198,491	-	198,491
Charges for services	71,175	-	71,175
Fines and forfeitures	290,117	-	290,117
Licenses and permits	22,609	-	22,609
Investment earnings	49,617	-	49,617
Miscellaneous	14,283	-	14,283
	<u>2,421,933</u>	<u>-</u>	<u>2,421,933</u>
<b>Total revenues</b>			
<b>EXPENDITURES</b>			
Current:			
Legislative	25,160	-	25,160
General government	415,081	-	415,081
Public safety	1,303,034	-	1,303,034
Culture and recreation	138,586	-	138,586
Cemetery	49,020	-	49,020
Debt Service:			
Principal	18,479	-	18,479
Interest and other charges	4,850	-	4,850
Capital Outlay	26,653	-	26,653
	<u>1,980,863</u>	<u>-</u>	<u>1,980,863</u>
<b>Total expenditures</b>			
<b>Excess of revenues over expenditures</b>	<u>441,070</u>	<u>-</u>	<u>441,070</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	11,520	-	11,520
Total other financing sources	11,520	-	11,520
<b>Net change in fund balances</b>	452,590	-	452,590
<b>Fund balances - beginning</b>	2,158,631	-	2,158,631
<b>Fund balances - ending</b>	<u>\$ 2,611,221</u>	<u>\$ -</u>	<u>\$ 2,611,221</u>

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2023**

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS				
	Fire Sales Tax Fund	Police Sales Tax Fund	Parks & Rec Special Fund	Cemetery Fund	Fire Special Equipment Fund	PD Special Fund	Fort Gibson Development Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 202,047	\$ 74,712	\$ 3,028	\$ 17,722	\$ 63,044	\$ 54,541	\$ 150,689	\$ 565,783
Investments	127,217	46,696	1,907	11,158	39,696	34,341	94,880	355,895
Receivables:								
Notes receivable	-	-	-	-	-	-	176,278	176,278
Other receivables	18,954	18,954	-	-	-	3,750	-	41,658
Total assets	<u>\$ 348,218</u>	<u>\$ 140,362</u>	<u>\$ 4,935</u>	<u>\$ 28,880</u>	<u>\$ 102,740</u>	<u>\$ 92,632</u>	<u>\$ 421,847</u>	<u>\$ 1,139,614</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 7,105	\$ 254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,359
Accrued payroll liabilities	5,892	-	-	-	-	-	-	5,892
Total liabilities	<u>12,997</u>	<u>254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,251</u>
Fund Balances:								
Restricted	327,294	137,427	4,873	28,880	100,669	91,979	391,100	1,082,222
Assigned	7,927	2,681	62	-	2,071	653	30,747	44,141
Total fund balances	<u>335,221</u>	<u>140,108</u>	<u>4,935</u>	<u>28,880</u>	<u>102,740</u>	<u>92,632</u>	<u>421,847</u>	<u>1,126,363</u>
Total liabilities and fund balances	<u>\$ 348,218</u>	<u>\$ 140,362</u>	<u>\$ 4,935</u>	<u>\$ 28,880</u>	<u>\$ 102,740</u>	<u>\$ 92,632</u>	<u>\$ 421,847</u>	<u>\$ 1,139,614</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2023**

	SPECIAL REVENUE FUNDS			CAPITAL PROJECT FUNDS				
	Fire Sales Tax Fund	Police Sales Tax Fund	Parks & Rec Special Fund	Cemetery Fund	Fire Special Equipment Fund	PD Special Fund	Fort Gibson Development Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>								
Taxes	\$ 155,182	\$ 155,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,364
Intergovernmental	-	-	-	-	10,053	-	-	10,053
Charges for services	-	-	-	2,918	26,075	81,000	-	109,993
Investment earnings	4,477	1,257	62	365	1,272	651	10,881	18,965
Miscellaneous	14,805	34,520	-	100	4,777	12,082	-	66,284
Total revenues	<u>174,464</u>	<u>190,959</u>	<u>62</u>	<u>3,383</u>	<u>42,177</u>	<u>93,733</u>	<u>10,881</u>	<u>515,659</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	210,138	15,977	-	-	26,529	8,353	-	260,997
Economic development	-	-	-	-	-	-	450	450
Capital Outlay	13,045	106,075	-	750	8,300	-	-	128,170
Total expenditures	<u>223,183</u>	<u>122,052</u>	<u>-</u>	<u>750</u>	<u>34,829</u>	<u>8,353</u>	<u>450</u>	<u>389,617</u>
Excess (deficiency) of revenues over expenditures	(48,719)	68,907	62	2,633	7,348	85,380	10,431	126,042
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	4,873	-	-	-	-	4,873
Transfers out	-	-	-	-	-	(3,750)	-	(3,750)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>4,873</u>	<u>-</u>	<u>-</u>	<u>(3,750)</u>	<u>-</u>	<u>1,123</u>
Net change in fund balances	(48,719)	68,907	4,935	2,633	7,348	81,630	10,431	127,165
Fund balances - beginning, restated	383,940	71,201	-	26,247	95,392	11,002	411,416	999,198
Fund balances - ending	<u>\$ 335,221</u>	<u>\$ 140,108</u>	<u>\$ 4,935</u>	<u>\$ 28,880</u>	<u>\$ 102,740</u>	<u>\$ 92,632</u>	<u>\$ 421,847</u>	<u>\$ 1,126,363</u>

**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

**Schedule of Federal Awards Expended – Year Ended June 30, 2023**

**TOWN OF FORT GIBSON, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended June 30, 2023**

Federal/State Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Grant #	Award Amount	Federal Expenditures
<b>FEDERAL AWARDS:</b>				
<u>U.S. DEPARTMENT OF TREASURY:</u>				
American Rescue Plan Act-Tranche #1	21.027	N/A	\$ 345,643	\$ 299,000
American Rescue Plan Act-Tranche #2 & 3	21.027	N/A	348,920	260,405
Total U.S. Department of Treasury			694,563	559,405
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 694,563</b>	<b>\$ 559,405</b>

**Notes to Schedule of Expenditures of Federal Awards**

Note A - Significant Accounting Policies - The accompanying schedule of expenditures of federal awards is prepared on the basis of accounting consistent with the definition of federal awards expended in the Uniform Guidance (UG).

**Schedule of State Awards Expended – Year Ended June 30, 2023**

**TOWN OF FORT GIBSON, OKLAHOMA**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the fiscal year ended June 30, 2023**

State Grantor/Pass through agency Grantor/Program Title	Grant #	Award Amount	State Expenditures
<b>STATE AWARDS:</b>			
<u>OKLAHOMA DEPARTMENT OF AGRICULTURE:</u>			
Rural Fire Grant	N/A	\$ 10,053	\$ 10,053
Total Oklahoma Department of Agriculture		10,053	10,053
<b>TOTAL STATE AWARDS</b>		<b>\$ 10,053</b>	<b>\$ 10,053</b>

**INTERNAL CONTROL AND COMPLIANCE  
INFORMATION**



**TOWN OF FORT GIBSON, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2023**

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**INDEPENDENT AUDITORS' 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**

Honorable Mayor and Town Trustees  
Town of Fort Gibson, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Town of Fort Gibson, Oklahoma (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 24, 2025. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing the 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

**INDEPENDENT AUDITORS' 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, CONTINUED**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma  
February 24, 2025