



THE CITY OF
JENKS
OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

CITY OF JENKS, OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**CITY OF JENKS
Jenks, Oklahoma**

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Jenks, Oklahoma**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Jenks, Oklahoma

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of 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 of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit schedules on pages 5-16 and 60-65 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining general and nonmajor fund financial statements on pages 66-75 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Elfrink and Associates, PLLC". The signature is written in a cursive, flowing style.

Elfrink and Associates, PLLC

Tulsa, Oklahoma

June 3, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Introduction

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

Overview of Financial Statements and Financial Analysis

The financial statements presented herein include all of the activities of the City of Jenks (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type.

Government-wide Financial Statements

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure) and deferred outflows as well as all liabilities (including long-term debt) and deferred inflows. The two government-wide financial statements are, as follows:

Statement of Net Position

- The **Statement of Net Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Jenks is improving or deteriorating.
- The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues for uncollected taxes and expenses for future general obligation debt payments. The statement includes the annual depreciation for infrastructure and governmental assets.

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

- **Governmental activities.** Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, and fines finance most of these activities.
- **Business-type activities.** The City charges a fee to customers to cover the cost of certain services it provides. The City's water and sewer service, Aquarium, and Industrial Authority are reported here.

Reporting the City's Most Significant Funds

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

- **Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.
- **Proprietary funds** – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City's enterprise funds, along with certain capital project funds, are the same as the business-type activities we report in the government-wide statements but provide more details and additional information, such as cash flows.

The City of Jenks' Net Position

The following table reflects a summary statement of net position compared to the prior year:

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Current assets	\$ 56,841	\$62,710	-9%	\$53,396	\$55,983	-5%	\$ 110,237	\$ 118,693	-7%
Capital assets, net	87,912	76,266	15%	48,235	42,039	15%	136,147	118,305	15%
Total assets	<u>144,753</u>	<u>138,976</u>	4%	<u>101,631</u>	<u>98,022</u>	4%	<u>246,384</u>	<u>236,998</u>	4%
Total deferred outflows	<u>2,291</u>	<u>1,549</u>	48%	<u>4,547</u>	<u>4,613</u>	-1%	<u>6,838</u>	<u>6,162</u>	11%
Current liabilities	4,096	5,829	-30%	5,312	5,586	-5%	9,408	11,415	-18%
Non-current liabilities	35,086	36,278	-3%	39,504	40,652	-3%	74,590	76,930	-3%
Total liabilities	<u>39,182</u>	<u>42,107</u>	-7%	<u>44,816</u>	<u>46,238</u>	-3%	<u>83,998</u>	<u>88,345</u>	-5%
Total deferred inflows	<u>219</u>	<u>3,833</u>	-94%	<u>117</u>	<u>129</u>	-9%	<u>336</u>	<u>3,962</u>	-92%
Net position									
Net investment in capital assets	71,095	59,884	19%	23,981	23,562	2%	95,076	83,446	14%
Restricted	24,199	23,656	2%	504	477	6%	24,703	24,133	2%
Unrestricted	12,349	11,045	12%	36,760	32,229	14%	49,109	43,274	13%
Total net position	<u>\$ 107,643</u>	<u>\$94,585</u>	14%	<u>\$61,245</u>	<u>\$56,268</u>	9%	<u>\$ 168,888</u>	<u>\$ 150,853</u>	12%

Explanations for the significant changes exceeding 20% and \$500,000 include:

Governmental Activities:

Current liabilities – Decreased 30% (\$1.7 million) mainly due the City expending American Recovery Plan Act (ARPA) funds, which resulted in the reversal of the previously recognized \$2.1 million of unearned revenue.

Total deferred outflows – Increased 48% (\$742 thousand) mainly due to the increase in deferred amounts related to pensions (Police and Fire departments) primarily due to investment return changes year-over-year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Total deferred inflows – Decreased 94% (\$3.6 million) mainly due to the decrease in deferred amounts related to pensions (Police and Fire departments).

Business-Type Activities:

There were no significant changes noted between the two fiscal years.

City of Jenks' Changes in Net Position

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Revenues									
Charges for service	\$ 684	\$ 986	-31%	\$ 24,798	\$ 22,811	9%	\$ 25,482	\$ 23,797	7%
Operating grants and contributions	821	676	21%	411	441	-7%	1,232	1,117	10%
Capital grants and contributions	769	2,365	-67%	1,795	2,026	-11%	2,564	4,391	-42%
Taxes	21,366	19,975	7%	-	-	0%	21,366	19,975	7%
Intergovernmental revenue	4,504	141	3094%	-	-	0%	4,504	141	3094%
Investment income	1,507	(379)	498%	1,383	(193)	817%	2,890	(572)	-605%
Miscellaneous	773	544	42%	832	723	15%	1,605	1,267	27%
Total revenues	30,424	24,308	25%	29,219	25,808	13%	59,643	50,116	19%
Expenses									
General government	1,894	1,719	10%	-	-		1,894	1,719	10%
Public safety	8,674	6,815	27%	-	-		8,674	6,815	27%
Streets	3,735	3,526	6%	-	-		3,735	3,526	6%
Economic development	2,083	1,763	18%	-	-		2,083	1,763	18%
Culture, parks and recreation	896	679	32%	-	-		896	679	32%
Interest on long-term debt	517	1,689	-69%	-	-		517	1,689	-69%
Water	-	-		11,628	10,487	11%	11,628	10,487	11%
Wastewater	-	-		3,175	3,102	2%	3,175	3,102	2%
Sanitation	-	-		2,069	1,980	4%	2,069	1,980	4%
Stormwater	-	-		120	105	14%	120	105	14%
Aquarium	-	-		6,817	6,270	9%	6,817	6,270	9%
Total expenses	17,799	16,191	10%	23,809	21,944	8%	41,608	38,135	9%
Excess (deficiency) before transfers	12,625	8,117	56%	5,410	3,864	40%	18,035	11,981	51%
Transfers	432	(487)	-189%	(432)	487	189%	-	-	
Increase in net position	13,057	7,630	71%	4,978	4,351	-14%	18,035	11,981	51%
Net position, beginning	94,585	86,955	9%	56,268	51,917	-8%	150,853	138,872	9%
Net position, ending	<u>\$ 107,642</u>	<u>\$ 94,585</u>	14%	<u>\$ 61,246</u>	<u>\$ 56,268</u>	9%	<u>\$ 168,888</u>	<u>\$ 150,853</u>	12%

Explanations for the significant changes exceeding 20% and \$500,000 include:

Governmental Activities:

Capital grants and contributions - Decreased 67% (\$1.6 million) mainly due to the decrease of ODOT contributions for the fiscal year.

Intergovernmental revenue – Increased 3,094% (\$4.4 million) mainly due to the recognition of \$4.2 million of ARPA funding during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Investment income – Increased 498% (\$1.9 million) mainly due to overall improvements in investment returns year-over-year after market value losses were incurred in the previous fiscal year because of rising interest rates.

Public Safety – Increased 27% (\$1.9 million) due to various expense categories including payroll, insurance, and pension.

Interest on long-term debt – Decreased 69% (\$1.2 million) with the largest impact due to a decrease in the accrual for the 2020 G.O. Bonds after the first payment and related occurring in fiscal year 2022.

Business-type Activities:

Investment income – Increased 817% (\$1.6 million) mainly due to overall improvements in investment returns year-over-year after market value losses were incurred in the previous fiscal year because of rising interest rates.

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

Governmental Activities:

The following table compares fiscal year 2023 and 2022 total Governmental Activities expenses and net revenue (expense) of services:

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
General government	\$ 1,894	\$ 1,719	10%	\$ (1,372)	\$ (982)	40%
Public safety	8,674	6,815	27%	(7,959)	(6,272)	27%
Streets	3,735	3,526	6%	(2,721)	(675)	303%
Economic development	2,083	1,763	18%	(2,083)	(1,763)	18%
Culture and recreation	896	679	32%	(873)	(784)	11%
Interest on long-term debt	517	1,689	-69%	(516)	(1,689)	-69%
Total	\$17,799	\$16,191	10%	(\$15,524)	(\$12,165)	28%

Explanations for the significant changes exceeding 20% and \$500,000, not previously explained in Table 2, include:

Governmental Activities:

Streets net revenue (expense) – Increase of 303% (\$2.0 million) in net expense mainly due increased construction costs not being offset by ODOT contributions during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Business-type Activities:

The following table compares fiscal year 2023 and 2022 total Business-type Activities expenses and net revenue (expense) of services:

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Water	\$ 11,628	\$ 10,487	11%	\$ 1,433	\$ 1,497	-4%
Wastewater	3,175	3,102	2%	(44)	276	-116%
Sanitation	2,069	1,980	4%	(339)	(329)	3%
Stormwater	120	105	14%	881	484	82%
Aquarium	6,817	6,270	9%	1,263	1,406	-10%
Total	<u>\$ 23,809</u>	<u>\$ 21,944</u>	8%	<u>\$ 3,194</u>	<u>\$ 3,334</u>	-4%

No significant changes exceeding 20% and \$500,000 were noted between the two fiscal years.

A Financial Analysis of the City's Funds

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$55.3 million, a decrease of \$2.0 million from the previous fiscal year. The enterprise funds reported a combined net position of \$61.2 million, an increase of \$5.0 million.

Other funds highlights include:

The General Fund fund balance reported a decrease of \$837 thousand as the net transfers out of \$3.6 million exceeded the revenue over expense excess of \$2.8 million during the year. This represents a more normalized change during the fiscal year in comparison to fiscal year 2022 when transfers were made to fund the creation of the Jenks Economic Development Authority (JEDA), the City of Jenks Stabilization Reserve Fund, and the City of Jenks Capital Reserve Fund.

The Vision Sales Tax Fund increased its fund balance by \$1.8 million due to the unspent portion of sales and use tax revenue, which is restricted to fund future projects.

Budgetary Highlights

General Fund revenues were \$3.6 million (or 16.0%) more than final estimates, mainly due to the receipt of our second allocation of funds from the American Rescue Plan Act (ARPA). General Fund expenses were \$218 thousand (or 0.7%) less than final appropriations. Fund balances decreased with expenditures and transfers out for the year outpacing revenues and transfers in by \$5.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Capital Assets

At the end of June 30, 2023, the City had \$136.1 million invested in capital assets including police and fire equipment, buildings, water and sewer lines, roads, and park facilities. That's an increase of \$17.8 million over the previous year.

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

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 12,455	\$ 6,105	\$ 4,585	\$ 3,601	\$ 17,040	\$ 9,706
Buildings	4,434	2,967	9,191	9,569	13,625	12,536
Roads and bridges	4,014	2,770	-	-	4,014	2,770
Other improvements	1,453	1,224	49	61	1,502	1,285
Machinery and equipment	3,231	3,439	4,542	4,372	7,773	7,811
Infrastructure	43,044	45,429	11,309	9,904	54,353	55,333
Aquarium Exhibits	-	-	5,527	5,127	5,527	5,127
Intangible IT assets	110	-	-	-	110	-
Construction in progress	19,171	14,332	13,031	9,405	32,202	23,737
Totals	<u>\$ 87,912</u>	<u>\$ 76,266</u>	<u>\$ 48,234</u>	<u>\$ 42,039</u>	<u>\$ 136,146</u>	<u>\$ 118,305</u>

Table 5 above reflects the impact of the implementation of GASB Statement No. 96 and the inclusion of intangible IT assets.

This year's more significant capital asset additions include:

Land – 10596 S. Elm Street	\$4,995,000
Buildings – 10596 S. Elm Street	1,491,000
Infrastructure – 2900 West Main	1,390,000
Right-of-Way – NW Corner of Hwy 75 and W. 121 st	1,260,000
Radar Traffic Signalization Project	794,000
Carousel	751,000
Infrastructure – The Cottage at Jenks	403,000
Land – 124 N. 2 nd St. Property	401,000

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Debt Administration

At the end of June 30, 2023, the City had about \$69.1 million in outstanding notes, bonds, capital leases, accrued compensated absences, and subscription obligations. These debts are further detailed below:

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accrued absences	\$ 372	\$ 336	\$ 218	\$ 212	\$ 590	\$ 548
Revenue bonds	-	-	36,080	37,355	36,080	37,355
Notes payable	400	399	-	-	400	399
General obligation bonds	31,875	34,800	-	-	31,875	34,800
Subscription obligations	107	-	-	-	107	-
Totals	<u>\$ 32,754</u>	<u>\$ 35,535</u>	<u>\$ 36,298</u>	<u>\$ 37,567</u>	<u>\$ 69,052</u>	<u>\$ 73,102</u>

Subscription obligations are now reflected in the table above with the implementation of GASB Statement No. 96.

During the fiscal year, the City of Jenks issued \$115 thousand in notes payable for fire vehicles, \$222 thousand in notes payable for police vehicles, and \$137 thousand for a subscription obligation. No debt issuances occurred during fiscal year 2022.

Also, the JPWA acts as guarantor for the outstanding bonds and long term note of the Jenks Aquarium Authority as detailed in the above schedule pertaining to JAA in Business-Type Activities.

More detailed information about the City's long-term debt can be found in Note 2.

Operations Concerns and Anticipated Actions - City of Jenks

The City continues to perform well. The high inflationary environment continues to help boost sales and use tax receipts. The Federal Reserve's response to combat inflation by raising interest rates have resulted in higher interest income on our reserves. Sales and use tax revenue continued to exceed management projections. Throughout fiscal year 2023, the City averaged in excess of \$1.1 million in monthly sales and use tax remittance. Management expects this strong performance to continue into the coming fiscal years as Jenks continues to be an attractive place for commerce.

In October 2022, the City received the second half of its allocation from the Coronavirus Local Fiscal Recovery Fund through the American Rescue Plan Act; the total allocation is \$4,170,709.49. These funds were utilized to purchase land and buildings located at 10596 South Elm Street.

The City has historically been very conservative in its management practices. This is apparent in management's ability to control growth in personnel and operating expenses as it evaluates revenue performance. Evidence of such undertakings is reflected in higher-than-average cash reserves and investments for cities of similar circumstances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

During the previous fiscal year, the City Council approved two ordinances for the creation of two reserve funds: City of Jenks Stabilization Reserve Fund and City of Jenks Capital Reserve Fund. Unrestricted fund balance from the General Fund was transferred to fund these two new funds. The Stabilization Reserve Fund will continue to help the City build a strong financial foundation to weather future potential economic downturns. The Capital Reserve Fund will accumulate funds to help finance the capital needs of the City.

The expenses associated with the City's general fund are primarily associated with public safety (police and fire functions). With current funding sources and their current and projected growth, it is unlikely that the City could sustain additional expenses in this area at any significant level without a significant increase in operating revenue. A 0.55 percent sales and use tax increase on qualifying sales was approved by voters in 2016 in order to help fund a low water dam on the Arkansas River, as well as fund capital improvement projects. However, these funds may not be used for operating expenditures. The City's primary focus is to continue to encourage growth in existing sources of public income by expansion of private sector entrepreneurship.

The effects of the *McGirt v. Oklahoma* case will not be determined until other cases are litigated. The Oklahoma Tax Commission indicated in a September 30, 2020, memorandum that it may lack the jurisdiction to enforce sales tax on tribal citizens and businesses on tribal land. Although this may apply to only a very small percentage of the City's population and businesses, it could slightly impact sales tax revenue.

The City continues to work with the private sector to achieve high quality housing development and stimulate commercial and industrial development, which have contributed to a strong ad valorem base when compared to similar cities of size and circumstance. Economic development continues to be a top priority of the City Council and the Jenks Economic Development Authority (JEDA).

While the challenge to continue operational capabilities endures, the City strategically uses its reserves and other City Council initiatives to improve revenue streams to continue to provide quality public services. Such undertakings include having development projects pay its "fair share" in new infrastructure costs; pay back agreements to/from developers and/or the City for public infrastructure investments; charge reasonable permit fees for the review of development planning, engineering, and construction inspection; and in cooperation with other taxing authorities, structure tax increment financing districts and specialized charges and financing where city authorities and funds can be conservatively leveraged to stimulate development.

For example, in August 2021, the City used \$2.42 million of its fund balance to purchase prime real estate, 4.2 acres of land located on Main Street near the gateway to the City's downtown area. Management issued a request for proposals to developers soliciting their ideas to turn this property into a dynamic and innovative mixed-use development to spark the revitalization of the downtown area. An advisory panel of Jenks citizens and business owners reviewed the proposals and submitted their recommendation to the City Council. The City Council, recently, approved an economic development contract with the selected developer. The City eagerly awaits the groundbreaking of this transformative project.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

The City continues to use its general obligation (G.O.) bond capacity, with voter approval, to leverage significant investments in infrastructure improvements (primarily in the area of street construction) with other state and federal funding sources at a great benefit to the local taxpayers. For example, in the Fall of 2020, the City issued \$20.5 million in G.O. bonds, receiving an Aa2 rating from Moody's Investor Service, for street improvements. The majority of these funds are for the widening of south Elm Street from 111st to 131st street.

Until recently, the only allowed source of tax revenue available to Oklahoma cities to cover operating expenses came from sales and use tax. The reliance on a revenue source which tends to be volatile and dependent on economic conditions strengthens the need for stable revenue options. Via its membership with the Oklahoma Municipal League, the City continues to work with the State Legislature to strengthen the revenue options available to municipalities. In the Spring of 2021 during the legislative session, the Oklahoma State Legislature and Governor passed and signed a new bill into law allowing municipalities, with voter approval, to form a public safety district and levy up to 5 mills in ad valorem taxes. The ad valorem revenue generated by the district is restricted for public safety expenses for personnel and capital outlays. The additional revenue generated from this stable source will help the City weather the next economic downturn, potentially without having to reduce personnel citywide and/or in public safety. The City is has reviewed this opportunity and hopes to pursue it in a future city election. Another option for additional operating revenue could be asking residents to vote and approve an increase to the current sales tax rate.

Economic Factors and Next Year's Budget

The unemployment rate in the Tulsa Metro Area was approximately 3.3% in December of 2023. This rate is expected to remain low if favorable economic conditions continue. The State, while improving its overall business sector diversification, is still heavily centered on the energy sector. Other significant sectors include agriculture, tourism, health, and aerospace. The City of Jenks is the home to a Kimberly-Clark Manufacturing Facility and two gas fueled power plants. The housing stock is diversified, and the community has one of the highest average household incomes in the Tulsa Metro Area. The community is home to two quality public school districts one of which (Jenks Public Schools) has received the prestigious Malcolm Baldrige Award for Public Education. The City is the owner (through its Jenks Aquarium Authority) and home to the Oklahoma Aquarium, the only public aquarium of its size and quality in the state and region.

While revenue is expected to increase in the short term, economic development initiatives may diminish related fund balances in the short term to facilitate private sector business investments in the community through municipal capital investments. However, in some cases the economic investments from fund balances are contingent on a form of payback agreement. Fund balances required by resolutions as contingencies will be maintained.

Operations Concerns and Anticipated Actions - Jenks Public Works Authority (JPWA)

The City of Jenks is the beneficiary of the Jenks Public Works Authority (JPWA), which is the utility arm of the City. JPWA is responsible for:

- the water distribution system (buying potable water wholesale from the City of Tulsa),
- the wastewater treatment (by contract with private operator),
- the wastewater collection system, the storm water system, the refuse system (by contract with private operator),

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

- the solid waste collection system (by contract with a private operator),
- the emergency medical system (by contract with a City of Tulsa trust), and
- the connection to the Tulsa Transit System (by contract with a City of Tulsa trust).

The JPWA is an anchor to the City and its related entities' credit worthiness through being the enterprise financial vehicle, not only for itself, but as guarantor of the other related entities' revenue bonds and loans which are guaranteed by the JPWA revenue stream and its authorizations under the State Constitution and Statutes.

As the Statement of Activities shows, charges for services for water continue to increase with an approximate \$1.1 million increase noted year-over-year. We expect the water meter upgrades as previously implemented to continue generating more revenue for the Authority and minimize unbilled consumption. Management expects the city to continue to grow at a modest pace.

Historically, any wholesale water increases by the City of Tulsa to the JPWA have been passed through by rate increases to the Jenks rate payers when these costs have been increased by the wholesale provider. This has been the long-standing policy practice of the policy bodies to do so. Given that the JPWA does not own its own water supply, rate elasticity is limited. In comparison, sanitary sewer rates have higher elasticity at this time. The remaining enterprise functions have low to moderate rate elasticity.

Because so much of Jenks residential development is relatively new (over three decades), the overall infrastructure quality of water and sanitary sewer systems are considered to be above average at this time. JPWA initiated facility plan studies and evaluations for the Wastewater Treatment Plant and the Sanitary Sewer collection system – lines and lift stations. In December 2019, JPWA issued \$14,660,000 in Utility System Revenue Bonds to fund upgrades to the wastewater treatment plant. As part of this issuance, the outstanding JPWA Series 2012 Utility System Revenue Bonds were retired. The JPWA Utility System Revenue Bonds received a rating of AA from Standard & Poor's Financials Services. As of January 2024, phase one of the improvements at the wastewater treatment was nearly complete as a final walkthrough meeting was held.

The management of the wastewater treatment plant changed in April 2023 as the contract with Veolia North America was terminated. As a result of this, the JPWA approved a new management contract with USW Utility Group which began in April 2023. The new contract will increase expense by about \$350,000 annually. However, it is expected that the new management team will pursue opportunities to reduce operating costs at the plant.

Economic Factors and Next Year's Budget

The primary factors that affect the health of the water enterprise function of the Jenks Public Works Authority are rates and the weather. Rate elasticity is at least partially influenced by overall economic health within the City and by the size of any rate increases. It is anticipated that the Tulsa Water System wholesale supplier will hold its rates to the JPWA in place over the next year or so. The JPWA may use this as an opportunity to increase their own rates to increase revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

It is anticipated that the emergency medical services rate structure will be increased at a low to moderate level to reflect the continued subsidy of that function metro wide. No other adjustments to rate functions within the JPWA are known or projected at this time.

Weather tends to have a sizable impact on overall water consumption. However, it remains unpredictable. The Authority typically has lower water sales during rainy and cool periods, but higher sales during warm and dry periods. No water rate adjustments relative to weather trends are anticipated at this time. Generally, as of 2024, it is estimated that overall rate elasticity for all sources of services is low to moderate.

Operations Concerns and Anticipated Actions

The Jenks Aquarium Authority (JAA) relied heavily on revenue bonds to finance the construction of the Oklahoma Aquarium. As a result, the debt service requirements on an annual basis are relatively large in comparison to the organization's operating income. To guarantee the debt service requirement, the Jenks City Council appropriated \$12 million of Tulsa County Vision 2025 sales tax funds to the JAA over a 13-year period.

The Tulsa County Vision 2025 sales tax initiative ended in fiscal year 2016. At that time, the JAA was unable to cover the cost of debt service with operating income. In response, the Jenks Public Works Authority designated a specific revenue stream, industrial water sales, to be restricted for JAA debt service.

Before the COVID-19 pandemic, the JAA experienced substantial growth in four of the five fiscal years, from 2016 to 2019. Operating income (loss) changed from a loss of (\$85,782) to a gain of \$138,383, representing a 261% increase. The COVID-19 pandemic created several challenges for the organization. The facility closed to comply with state executive order 2020-07 on March 16, 2020, and remained closed until May 8, 2020. Spring break and most field trips typically occur during this time. As COVID-19 vaccines became readily available and the economy reopened, the JAA experienced a significant rebound in visitors and admissions. This continued into fiscal year 2022 as operating income increased to \$1.67 million; a 6,897% increase from fiscal year 2021. Operating income largely normalized between fiscal year 2022 and 2023 with a slight decrease of \$144,859 or 6.9%.

In the Spring of 2021, the JAA decided to take advantage of the low interest rate environment and issued the \$20,800,000 Jenks Aquarium Authority Revenue Bonds Series 2021. The bonds consist of \$7,275,000 Capital Improvement Revenue Bonds - Tax Exempt Series 2021A and \$13,525,000 Revenue Refunding Bonds - Federally Taxable Series 2021B. The proceeds from the Series 2021B, Revenue Refunding Bonds, are restricted for the refunding of the Jenks Aquarium Authority Refunding Revenue Bonds Series 2014 when the call date is triggered. The proceeds from the Series 2021A, Capital Improvement Revenue Bonds, are for improvements to the aquarium's infrastructure and to its facilities. Management's priority is to relocate and construct a new large animal quarantine building as the current one is in poor shape. If funds remain after completing the animal quarantine building, management plans to improve the facility's roof and emergency back-up generator system.

On May 4, 2021, the Oklahoma Governor signed House Bill (HB) 1566, allowing aquariums (non-profit or governmental entities) to retain the State's portion of sales tax (4.5%) generated from the sale of tickets for admission. These funds are to be used in marketing efforts primarily to out-of-state residents to encourage tourism to the aquarium and Oklahoma. The change was effective November 1, 2021, and generated about \$168,000 for fiscal year 2022. For fiscal year 2023, this portion of sales tax generated approximately \$280,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2023

Unaudited

Management continues to focus heavily on creating new ancillary income opportunities, maximizing operational efficiency, upselling memberships, and creating at least one new exhibit every fiscal year. The JAA's newest exhibit, the Hardesty Moon Jellyfish Touch Pool, was completed towards the end of the fiscal year and it opened to the public in July 2023. Management expects the new exhibit will drive an increase in admissions. After fiscal year-end on November 4, 2023, admission prices per ticket were increased \$5 for adults and \$4 for children, military, and seniors. Slight increases in all membership tiers have also occurred with individual memberships increasing \$10, family memberships increasing \$15, family plus memberships increasing \$20, and premier memberships increasing \$30.

Although the aquarium has increased operating revenue over the last several years, such growth rates are unlikely to be sustainable year-over-year. Management remains committed to creating ancillary income opportunities to maximize operating income growth. In December 2021, the JAA Trustees approved the purchase of an 18-seat carousel to be installed in the entry hall of the aquarium. The carousel was installed and in operation by the middle of October 2022. During the nine months the carousel was operational during fiscal year 2023, approximately \$154,000 of revenue was received.

Additionally, a 340,000 square foot Simon Premium Outlet Mall is currently being constructed on 50 acres just south of the Oklahoma Aquarium on the south side of the Creek Turnpike, and it is projected to open in August 2024. Once the outlet mall is open, it is anticipated that millions of additional people will visit the City of Jenks and drive within proximity to the Oklahoma Aquarium. Potentially, this additional traffic will increase the overall gate admissions at the facility.

Economic Outlook

The three core markets for the Oklahoma Aquarium are the Tulsa, Oklahoma metropolitan area, the Oklahoma City metropolitan area, and the Springdale/Bentonville, Arkansas metropolitan area. Other geographic markets include South and Southeast Kansas, Southwest Missouri, and North Central Texas. The Aquarium is attracting significant attendance from all these areas, and it is anticipated that these markets offer substantial additional opportunities for revenue growth.

The region enjoys relatively low unemployment. Individual and family income growth is expected to increase if the labor market remains tight. This will translate into modest growth for the organization in the absence of dramatic benefits from marketing or other programming efforts. The Oklahoma Aquarium remains a major cultural, recreational, entertainment, and educational point of destination for the Tulsa metropolitan area, the state of Oklahoma, and the Northeast Oklahoma multi-state region. Greater market penetration should be feasible regardless of slow to moderate overall economic growth in these geographic areas.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's office at P.O. Box 2007, Jenks, OK 74037 or phone at (918) 299-5883.

City of Jenks
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,155,222	\$ 30,006,761	\$ 48,161,983
Investments	35,417,675	21,206,925	56,624,600
Internal balances	340,182	(340,182)	-
Interest receivable	94,605	84,130	178,735
Accounts receivable, net of allowance	142,473	2,437,925	2,580,398
Court fine receivable, net of allowance	187,212	-	187,212
Due from other governments	2,183,687	-	2,183,687
Net pension asset	319,851	-	319,851
Capital assets:			
Land and construction in progress	31,626,132	17,615,871	49,242,003
Other capital assets, net of depreciation	56,286,107	30,618,666	86,904,773
 Total assets	 <u>144,753,146</u>	 <u>101,630,096</u>	 <u>246,383,242</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	1,219,298	1,219,298
Deferred amount on OPEB	29,924	49,812	79,736
Deferred amount on asset retirement obligation	-	3,277,884	3,277,884
Deferred amounts related to pensions	2,260,589	-	2,260,589
Total deferred outflows	<u>2,290,513</u>	<u>4,546,994</u>	<u>6,837,507</u>
LIABILITIES			
Accounts payable	415,960	2,467,296	2,883,256
Accrued payroll liabilities	8,499	55,498	63,997
Accrued interest payable	451,442	303,700	755,142
Due to other governments	51,737	-	51,737
Due to depositors	-	77,277	77,277
Unearned revenue	-	373,890	373,890
Long-term liabilities:			
Due to depositors	-	695,496	695,496
Due within one year	3,168,474	1,338,657	4,507,131
Due in more than one year	29,971,305	35,647,062	65,618,367
Total OPEB liability	98,816	108,177	206,993
Asset retirement obligation	-	3,748,500	3,748,500
Net pension liability	5,015,744	-	5,015,744
Total liabilities	<u>39,181,977</u>	<u>44,815,553</u>	<u>83,997,530</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to OPEB	100,933	116,707	217,640
Deferred amounts related to pensions	118,226	-	118,226
Total deferred inflows	<u>219,159</u>	<u>116,707</u>	<u>335,866</u>
NET POSITION			
Net investment in capital assets	71,094,818	23,980,981	95,075,799
Restricted for:			
Capital projects	4,758,536	-	4,758,536
Debt service	2,948,106	504,064	3,452,170
Streets	1,320,161	-	1,320,161
Culture and recreation	479,631	-	479,631
Public safety	856,197	-	856,197
Pension	261,692	-	261,692
Economic development	5,097,065	-	5,097,065
Vision projects	7,677,352	-	7,677,352
TIF projects	658,651	-	658,651
Opioid settlement	141,995	-	141,995
Unrestricted	12,348,319	36,759,785	49,108,104
Total net position	<u>\$ 107,642,523</u>	<u>\$ 61,244,830</u>	<u>\$ 168,887,353</u>

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Activities
For the Year Ended June 30, 2023

						Net (Expense) Revenue and Changes in Net Position		
						Primary Government		
		Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs	Expenses							
Primary government								
Governmental activities:								
General government	\$ 1,894,241	\$ -	\$ 497,603	\$ 25,017	\$ -	\$ (1,371,621)	\$ -	\$ (1,371,621)
Public safety	8,674,272	-	163,563	551,847	-	(7,958,862)	-	(7,958,862)
Streets	3,735,131	-	-	245,008	769,319	(2,720,804)	-	(2,720,804)
Economic development	2,083,310	-	-	-	-	(2,083,310)	-	(2,083,310)
Culture and recreation	896,000	-	23,275	-	-	(872,725)	-	(872,725)
Interest on long-term debt	516,662	-	-	-	-	(516,662)	-	(516,662)
Total governmental activities	17,799,616	-	684,441	821,872	769,319	(15,523,984)	-	(15,523,984)
Business-type activities								
Water	8,823,236	2,805,200	12,402,685	-	658,526	-	1,432,775	1,432,775
Wastewater	2,497,252	677,541	2,995,627	-	135,158	-	(44,008)	(44,008)
Sanitation	1,677,602	391,302	1,730,070	-	-	-	(338,834)	(338,834)
Stormwater	120,327	-	-	-	1,001,224	-	880,897	880,897
Aquarium	6,816,804	-	7,669,234	410,866	-	-	1,263,296	1,263,296
General Operations	3,874,043	(3,874,043)	-	-	-	-	-	-
Total business-type activities	23,809,264	-	24,797,616	410,866	1,794,908	-	3,194,126	3,194,126
Total primary government	\$ 41,608,880	\$ -	\$ 25,482,057	\$ 1,232,738	\$ 2,564,227	(15,523,984)	3,194,126	(12,329,858)
General revenues:								
Taxes:								
Sales and use taxes						13,446,275	-	13,446,275
Property taxes						3,931,579	-	3,931,579
Franchise and public service taxes						1,549,118	-	1,549,118
Hotel/motel taxes						157,422	-	157,422
Tax apportionment revenue						2,078,550	-	2,078,550
E-911 taxes						202,568	-	202,568
Intergovernmental revenue not restricted to specific programs						4,503,693	-	4,503,693
Investment income						1,506,771	1,383,189	2,889,960
Miscellaneous						772,967	831,549	1,604,516
Transfers - Internal activity						432,112	(432,112)	-
Total general revenues and transfers						28,581,055	1,782,626	30,363,681
Change in net position						13,057,071	4,976,752	18,033,823
Net position - beginning						94,585,452	56,268,078	150,853,530
Net position - ending						\$ 107,642,523	\$ 61,244,830	\$ 168,887,353

See accompanying notes to the basic financial statements.

**City of Jenks
Balance Sheet
Governmental Funds
June 30, 2023**

	General Fund	Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,035,420	\$ 1,706,545	\$ 1,390,492	\$ 13,022,765	\$ 18,155,222
Investments	737,693	1,507,450	15,081,765	18,090,767	35,417,675
Accrued interest receivable	8,979	-	52,771	32,855	94,605
Due from other funds	-	-	-	341,842	341,842
Due from other governments	1,893,725	222,632	-	67,330	2,183,687
Accounts receivable	142,473	-	-	-	142,473
Court fines receivable, net	187,212	-	-	-	187,212
Total assets	<u>\$ 5,005,502</u>	<u>\$ 3,436,627</u>	<u>\$ 16,525,028</u>	<u>\$ 31,555,559</u>	<u>\$ 56,522,716</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 228,808	\$ -	\$ 102,064	\$ 93,587	\$ 424,459
Accrued interest payable	-	176,224	-	-	176,224
Due to other funds	1,660	-	-	-	1,660
Due to other governments	51,737	-	-	-	51,737
Total liabilities	<u>282,205</u>	<u>176,224</u>	<u>102,064</u>	<u>93,587</u>	<u>654,080</u>
Deferred Inflow of Resources:					
Unavailable revenue	<u>313,740</u>	<u>170,354</u>	<u>17,257</u>	<u>17,860</u>	<u>519,211</u>
Fund balances:					
Restricted	142,153	2,910,817	15,950,749	20,826,900	39,830,619
Committed	-	-	-	5,076,304	5,076,304
Assigned	4,267,404	179,232	454,958	5,540,908	10,442,502
Total fund balances	<u>4,409,557</u>	<u>3,090,049</u>	<u>16,405,707</u>	<u>31,444,112</u>	<u>55,349,425</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,005,502</u>	<u>\$ 3,436,627</u>	<u>\$ 16,525,028</u>	<u>\$ 31,555,559</u>	<u>\$ 56,522,716</u>

See accompanying notes to the basic financial statements.

City of Jenks
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Fund Balance - Net Position Reconciliation: \$ 55,349,425

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/amortization of \$36,839,673 87,912,239

Other long-term assets and deferrals are not available to pay for current period expenditures and therefore are deferred or not reported in the funds:

OPEB deferred outflows	29,924
Pension related deferred outflows of resources	2,260,589
Opioid settlement receivable	141,995
Unavailable revenue	377,216
Net pension asset	319,851
	3,129,575

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

Accrued interest payable	(275,218)
Notes payable	(400,377)
General obligation bond	(31,875,000)
Unamortized premium on general obligation bonds	(385,486)
Net pension liability	(5,015,744)
Pension related deferred inflows of resources	(118,226)
Total OPEB liability	(98,816)
OPEB related deferred inflows of resources	(100,933)
Subscription liability - SBITA	(107,307)
Accrued compensated absences	(371,609)
	(38,748,716)

Net Position of Governmental Activities in the Statement of Net Position \$ 107,642,523

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 15,234,146	\$ 3,973,980	\$ -	\$ 2,438,540	\$ 21,646,666
Intergovernmental	4,863,888	-	-	997,253	5,861,141
Charges for services	108,206	-	-	-	108,206
Fines and forfeitures	158,836	-	-	-	158,836
Licenses and permits	345,887	-	-	23,275	369,162
Investment income	191,197	75,709	454,958	755,405	1,477,269
Miscellaneous	223,662	-	81,750	150,511	455,923
Total revenues	<u>21,125,822</u>	<u>4,049,689</u>	<u>536,708</u>	<u>4,364,984</u>	<u>30,077,203</u>
EXPENDITURES					
Current:					
General government	2,816,796	2,000	-	831,973	3,650,769
Public safety	6,977,070	-	-	132,592	7,109,662
Urban development	7,890,693	-	-	1,362,689	9,253,382
Streets	-	-	-	39,717	39,717
Culture and recreation	676,218	-	-	80,291	756,509
Capital Outlay	-	-	3,356,348	3,368,626	6,724,974
Debt Service:					
Principal	-	2,925,000	-	365,711	3,290,711
Interest	-	964,843	-	14,061	978,904
Total expenditures	<u>18,360,777</u>	<u>3,891,843</u>	<u>3,356,348</u>	<u>6,195,660</u>	<u>31,804,628</u>
Excess (deficiency) of revenues over expenditures	<u>2,765,045</u>	<u>157,846</u>	<u>(2,819,640)</u>	<u>(1,830,676)</u>	<u>(1,727,425)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,861,786	-	-	2,972,210	12,833,996
Transfers out	(13,463,737)	-	-	(150,000)	(13,613,737)
Proceeds from long-term debt	-	-	-	337,049	337,049
Other financing sources (SBITA proceeds)	-	-	-	137,067	137,067
Total other financing sources (uses)	<u>(3,601,951)</u>	<u>-</u>	<u>-</u>	<u>3,296,326</u>	<u>(305,625)</u>
Net change in fund balances	(836,906)	157,846	(2,819,640)	1,465,650	(2,033,050)
Fund balances - beginning	5,246,463	2,932,203	19,225,347	29,978,462	57,382,475
Fund balances - ending	<u>\$ 4,409,557</u>	<u>\$ 3,090,049</u>	<u>\$ 16,405,707</u>	<u>\$ 31,444,112</u>	<u>\$ 55,349,425</u>

See accompanying notes to the basic financial statements.

City of Jenks
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ (2,033,050)

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

Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	14,628,749
Intangible subscription asset amortized	137,067
Contributed capital	274,319
Capital assets transferred from business-type activities	1,412,720
Capital assets transferred to business-type activities	(200,867)
Depreciation/amortization expense	(4,605,667)
	<u>11,646,321</u>

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

Change in unavailable revenue (8,172)

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense. 70,942

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

Principal payment on G.O. bonds payable	2,925,000
Principal payment on notes payable	335,951
Bond premium amortization	22,239
Proceeds from notes payable	(337,049)
	<u>2,946,141</u>

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

Change in accrued interest payable	440,003
Change in total OPEB liability and related deferrals	(4,178)
Change in accrued compensated absences	(35,624)
Change in SBITA liability	(107,307)
Opioid settlement	141,995
	<u>434,889</u>

Change in net position of governmental activities \$ 13,057,071

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,722,089	\$ 3,462,567	\$ 559	\$ 16,185,215
Restricted cash and cash equivalents	4,389,672	8,519,119	-	12,908,791
Investments	16,793,333	4,413,592	-	21,206,925
Interest receivable	75,526	8,604	-	84,130
Accounts receivable, net	2,352,908	82,873	-	2,435,781
Due from other governments	-	2,144	-	2,144
Due from other funds	679,970	-	-	679,970
Total current assets	37,013,498	16,488,899	559	53,502,956
Non-current assets:				
Restricted cash and cash equivalents	598,875	313,880	-	912,755
Capital assets:				
Land and other non-depreciable assets	17,095,712	520,159	-	17,615,871
Other capital assets, net of depreciation	17,887,067	12,475,422	256,177	30,618,666
Total non-current assets	35,581,654	13,309,461	256,177	49,147,292
Total assets	72,595,152	29,798,360	256,736	102,650,248
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	8,432	41,380	-	49,812
Deferred amount on refunding	-	1,219,298	-	1,219,298
Deferred amount on asset retirement obligation	3,277,884	-	-	3,277,884
Total deferred outflows	3,286,316	1,260,678	-	4,546,994
LIABILITIES				
Current liabilities:				
Accounts payable	2,261,762	205,534	-	2,467,296
Accrued payroll liabilities	2,466	53,032	-	55,498
Due to other funds	455,442	564,710	-	1,020,152
Accrued interest payable	61,838	241,862	-	303,700
Unearned revenue	-	373,890	-	373,890
Current portion of:				
Due to depositors	77,277	-	-	77,277
Revenue bonds payable	575,000	720,000	-	1,295,000
Accrued compensated absences	15,377	28,280	-	43,657
Total current liabilities	3,449,162	2,187,308	-	5,636,470
Non-current liabilities:				
Due to depositors	695,496	-	-	695,496
Total OPEB liability	39,526	68,651	-	108,177
Revenue bonds payable, net	15,904,250	19,568,184	-	35,472,434
Asset retirement obligation	3,748,500	-	-	3,748,500
Accrued compensated absences	61,507	113,121	-	174,628
Total non-current liabilities	20,449,279	19,749,956	-	40,199,235
Total liabilities	23,898,441	21,937,264	-	45,835,705
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	42,899	73,808	-	116,707
NET POSITION				
Net investment in capital assets	20,233,893	3,490,911	256,177	23,980,981
Restricted for debt service	415,797	88,267	-	504,064
Unrestricted	31,290,438	5,468,788	559	36,759,785
Total net position	\$ 51,940,128	\$ 9,047,966	\$ 256,736	\$ 61,244,830

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total
REVENUES				
Water charges	\$ 12,361,487	\$ -	\$ -	\$ 12,361,487
Sewer charges	2,967,292	-	-	2,967,292
Sanitation	1,730,070	-	-	1,730,070
Licenses and permits	37,251	-	-	37,251
Aquarium charges:				
Fees	-	5,983,931	-	5,983,931
Catering	-	252,090	-	252,090
Gift shop	-	678,131	-	678,131
Other charges	-	755,082	-	755,082
Miscellaneous	717,046	126,599	-	843,645
Total operating revenues	<u>17,813,146</u>	<u>7,795,833</u>	<u>-</u>	<u>25,608,979</u>
OPERATING EXPENSES				
General and administrative	2,921,293	-	-	2,921,293
Economic development	353,477	-	-	353,477
Cultural and recreational	82,438	-	-	82,438
Water service	8,087,539	-	-	8,087,539
Sewer service	1,954,672	-	-	1,954,672
Solid waste service	1,677,602	-	-	1,677,602
Stormwater drainage	268,657	-	-	268,657
Aquarium operations	-	5,236,382	-	5,236,382
Depreciation expense	1,177,229	1,002,857	17,218	2,197,304
Total operating expenses	<u>16,522,907</u>	<u>6,239,239</u>	<u>17,218</u>	<u>22,779,364</u>
Operating income (loss)	<u>1,290,239</u>	<u>1,556,594</u>	<u>(17,218)</u>	<u>2,829,615</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	935,820	447,369	-	1,383,189
Grants and Contributions	-	294,733	-	294,733
Miscellaneous	4,942	750	-	5,692
Gain on disposal of capital assets	130,627	-	-	130,627
Transfer capital assets to governmental activities	(1,404,945)	(7,775)	-	(1,412,720)
Interest expense and fiscal charges	(452,335)	(577,565)	-	(1,029,900)
Total non-operating revenue (expenses)	<u>(785,891)</u>	<u>157,512</u>	<u>-</u>	<u>(628,379)</u>
Income (loss) before contributions and transfers	504,348	1,714,106	(17,218)	2,201,236
Capital contributions from governmental activities	1,988,975	6,800	-	1,995,775
Transfers in	16,330,507	-	-	16,330,507
Transfers out	(15,550,766)	-	-	(15,550,766)
Change in net position	<u>3,273,064</u>	<u>1,720,906</u>	<u>(17,218)</u>	<u>4,976,752</u>
Total net position - beginning	48,667,064	7,327,060	273,954	56,268,078
Total net position - ending	<u>\$ 51,940,128</u>	<u>\$ 9,047,966</u>	<u>\$ 256,736</u>	<u>\$ 61,244,830</u>

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 17,639,410	\$ 8,315,883	\$ -	\$ 25,955,293
Payments to suppliers	(12,805,809)	(2,628,528)	-	(15,434,337)
Payments to employees	(2,685,663)	(2,697,206)	-	(5,382,869)
Receipts of customer meter deposits	209,592	-	-	209,592
Refunds of customer meter deposits	(156,829)	-	-	(156,829)
Interfund receipts/payments	76,594	(78,254)	-	(1,660)
Net cash provided by operating activities	<u>2,277,295</u>	<u>2,911,895</u>	<u>-</u>	<u>5,189,190</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	16,330,507	(7,775)	-	16,322,732
Transfers to other funds	(15,550,766)	-	-	(15,550,766)
Net cash provided by noncapital financing activities	<u>779,741</u>	<u>(7,775)</u>	<u>-</u>	<u>771,966</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(5,548,711)	(1,154,014)	-	(6,702,725)
Capital contributions	-	294,733	-	294,733
Capital assets purchased for and transferred to governmental activities	(1,404,945)	-	-	(1,404,945)
Proceeds from sale of capital assets	141,186	-	-	141,186
Principal paid on capital debt	(560,000)	(715,000)	-	(1,275,000)
Interest and fiscal agent fees paid on capital debt	(486,275)	(486,961)	-	(973,236)
Net cash provided by (used in) capital and related financing activities	<u>(7,858,745)</u>	<u>(2,061,242)</u>	<u>-</u>	<u>(9,919,987)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(2,856,880)	(1,156,043)	-	(4,012,923)
Interest and dividends	612,419	444,959	-	1,057,378
Net cash provided by (used in) investing activities	<u>(2,244,461)</u>	<u>(711,084)</u>	<u>-</u>	<u>(2,955,545)</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,046,170)</u>	<u>131,794</u>	<u>-</u>	<u>(6,914,376)</u>
Balances - beginning of year	<u>24,756,806</u>	<u>12,163,772</u>	<u>559</u>	<u>36,921,137</u>
Balances - end of year	<u>\$ 17,710,636</u>	<u>\$ 12,295,566</u>	<u>\$ 559</u>	<u>\$ 30,006,761</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 12,722,089	\$ 3,462,567	\$ 559	\$ 16,185,215
Restricted cash and cash equivalents - current	4,389,672	8,519,119	-	12,908,791
Restricted cash and cash equivalents - noncurrent	598,875	313,880	-	912,755
Total cash and cash equivalents, end of year	<u>\$ 17,710,636</u>	<u>\$ 12,295,566</u>	<u>\$ 559</u>	<u>\$ 30,006,761</u>

See accompanying notes to the basic financial statements.

City of Jenks
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,290,239	\$ 1,556,594	\$ (17,218)	\$ 2,829,615
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,177,229	1,002,857	17,218	2,197,304
Grants and contributions	-	294,733	-	294,733
Miscellaneous income	4,942	750	-	5,692
Change in assets, liabilities, and deferrals:				
Due from other funds	106,159	-	-	106,159
Due from other governments	-	188,787	-	188,787
Accounts receivable	(178,678)	3,621	-	(175,057)
Total OPEB liability	2,924	7,997	-	10,921
OPEB deferred inflows	(3,573)	(9,030)	-	(12,603)
OPEB deferred outflows	1,470	5,743	-	7,213
Accounts payable	(269,900)	(36,625)	-	(306,525)
Accrued payroll payable	526	(66,223)	-	(65,697)
Change in asset retirement obligation and related deferral	124,950	-	-	124,950
Due to other funds	(29,565)	(78,254)	-	(107,819)
Unearned revenue	-	32,159	-	32,159
Deposits subject to refund	52,763	-	-	52,763
Accrued compensated absences	(2,191)	8,786	-	6,595
Net cash provided by operating activities	\$ 2,277,295	\$ 2,911,895	\$ -	\$ 5,189,190
Noncash activities:				
Contributed capital assets	\$ 1,988,975	\$ 6,800	\$ -	\$ 1,995,775

See accompanying notes to the basic financial statements.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jenks, Oklahoma (the "City") complies with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Jenks
Component Units:	Jenks Public Works Authority
	Jenks Aquarium Authority
	Jenks Industrial Authority

In determining the financial reporting entity, the City complies with the provisions of GASB No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and includes all component units of which the City is fiscally accountable.

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

Blended Component Units/Trusts:

The Jenks Public Works Authority (JPWA) was created pursuant to a Trust Indenture, for the benefit of the City of Jenks, Oklahoma. JPWA was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water and sanitary sewer facilities for the City of Jenks. The water, sanitary sewer and solid waste disposal systems owned by the City have been leased to JPWA until such date that all indebtedness of the Authority is retired or provided for. JPWA is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of seven trustees identical with the City Council. JPWA is exempt from State and Federal Income taxes. Any issuances of debt by the JPWA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JPWA is reported as an enterprise fund.

The Jenks Aquarium Authority (JAA) is a public trust created under and pursuant to the provisions of Title 60, Oklahoma Statutes 1991, Section 176, et seq., for the use and benefit of the City of Jenks, Oklahoma. The JAA was created to finance, develop and operate the Oklahoma Aquarium. Four City Council members and three members of the Oklahoma Aquarium Foundation serve as the governing body (Trustees). JAA is exempt from State and Federal Income taxes. Any issuances of debt by the JAA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JAA is reported as an enterprise fund.

The Jenks Industrial Authority (JIA) is a public trust created under and pursuant to the provisions of Title 60, Oklahoma Statutes 1991, Section 176, et seq., for the use and benefit of the City of Jenks, Oklahoma. JIA was created to promote the development of industry and to provide additional employment in the Jenks, Oklahoma area. JIA is governed by a board consisting of seven trustees identical with the City Council.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

JIA is exempt from State and Federal Income taxes. Any issuances of debt by the JIA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JIA is reported as an enterprise fund.

B. 1. Basis of Presentation

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines, and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred inflows of resources, liabilities, deferred outflows of resources, or fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.
- b. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. A fund that does not meet the criteria of (a) and (b), but for which management has determined is of such significance to be reported as a major fund.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

The following are the City's major governmental funds:

General Fund – is the general operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund. It also includes the following accounts that do not meet the qualifications to be reported as another governmental fund type:

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

City Risk Management – accounts for insurance reimbursements and transfers assigned for risk management expenses.

Municipal Court – accounts for fines, bonds, and other assets held for distribution to the General Fund and others.

Sinking Fund – a debt service fund that accounts for and reports ad valorem taxes levied by the City for use in retiring court-assessed judgments and general obligation bonds and their related interest expense.

2020 GO Bond Issue – accounts for the proceeds of the 2020 Bond Issue for the construction, reconstruction, improvement and repair of streets within the City.

Other governmental funds of the City that are considered non-major funds include:

Special Revenue Funds – account for specific revenue sources that are restricted or committed to expenditures for specific purposes. The following are the City's Special Revenue Funds:

Street and Alley – Accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.

Park Recreation Funds – Accounts for fees on new residents to be used for parks and recreation expenses in accordance with enabling legislation in Article 4, Section 15-4-1 of the City Code.

Economic Development Accommodation – Accounts for 87.5% of accommodation tax to be used for economic development.

Vision Sales Tax – Accounts for a .55 cents sales taxes approved by the voters as outlined in Ordinance No. 1392, in effect for 15 years from January 1, 2017. The funds are to be used for specific capital projects to include Jenks/Tulsa Arkansas River Low Water Dam Project, constructing roads and road maintenance, park improvements and construction, sidewalks and trails, upgrades to stormwater and sewer infrastructure.

TIF District #3 – Accounts for tax increment revenues to be used for TIF projects within District #3

TIF District #4 – Accounts for tax increment revenues to be used for TIF projects within District #4

E-911 - Accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.

TIF District #1 – Accounts for tax increment revenues to be used for TIF projects within District #1

TIF District #2 – Accounts for tax increment revenues to be used for TIF projects within District #2.

Jenks Economic Development Authority – Accounts to support and promote economic development and commerce to foster economic growth and stability within the City.

City Stabilization Reserve- Accounts for receiving, holding and accounting for amounts designated as stabilization reserves. The minimum amount to be contained in this fund is 30% of budgeted annual non-capital operating expenses for each of the Funds contributing stabilization reserves.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

Capital Projects Funds – which accounts for and reports resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities, other than those activities financed by proprietary activities or held in trust for individuals, private organizations or other governments. Capital Project Funds of the City include:

2002 GO Bond, City Capital Reserve, 2014 GO Bond, Fire Suppression Fund, 2010 GO Bond, Radio Communications, 2006 GO Bond, and Uniformed Patrol Vehicles.

PROPRIETARY FUNDS

Proprietary funds include enterprise funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

Jenks Public Works Authority (major fund) – accounts for the operations of providing public works (water, sewer and sanitation) to the City.

Jenks Aquarium Authority (major fund) – accounts for the operations of the Oklahoma Aquarium.

Jenks Industrial Authority (non-major fund) – accounts for promotion of the development of industry and provides additional employment in the Jenks, Oklahoma area.

B. 2. Measurement Focus and Basis of Accounting

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

Measurement Focus

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary fund statements, the “*economic resources*” measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Fund equity is classified as net position.

Governmental Fund Financial Statements

In the governmental fund financial statements, a “*current financial resources*” measurement focus is applied. Under this focus, only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

Basis of Accounting

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements, the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined “available” as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt, bond premiums, and capital leases are reported as other financial sources.

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

1. Deposits and Investments

Oklahoma Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the City can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with original maturity date of three months or less. Debt instruments with a maturity date of more than three months from date of purchase are considered to be investments. Investments are stated at fair value.

2. Restricted Cash and Investments

The restricted bond fund cash and investments are the result of financial requirements of bond issues and consist of funds held in Bond Fund Reserve Accounts, Bond Fund Principal Accounts, Bond Fund Interest Accounts, Construction Accounts, and Sales Tax Revenue Accounts. Under the terms and provisions of the Bond Indenture, these special accounts and reserve funds are maintained with the Trustee bank for the benefit of the holders of the bonds and are not subject to lien or attachment by any other creditors. These accounts and reserve funds are to be maintained so long as any bonds are outstanding. Monies contained in the accounts and reserve funds held by the Trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

3. Estimates

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

4. Internal and Interfund Balances and Activities

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

Government-Wide Financial Statements:

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

Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds are not eliminated in the statement of activities.

Fund Financial Statements:

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

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

CITY OF JENKS
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5. Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, grants, property tax, and police fines since they are usually both measurable and available. Property tax and police fines are reported net of allowances for uncollectible accounts. Revenue from non-exchange transactions collectible but not available are deferred in accordance with GASB Statement 33 at the fund level.

Proprietary funds and business-type activities material receivables consist of all revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. They are reported net of allowances for uncollectible accounts.

6. Inventories

Inventories in both governmental funds and proprietary funds normally consist of minimal amounts of expendable supplies held for consumption. The costs of such inventories are recorded as expenditures when purchased rather than when consumed.

7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value as of the date received. The City maintains a capitalization threshold of \$5,000 for the governmental and proprietary funds.

The City's infrastructure consists of roads, bridges, culverts, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City. Such infrastructure assets acquired are capitalized in accordance with the requirements of GASB 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Buildings	10 - 40 years	10 - 40 years
Other improvements	5 - 40 years	5 - 40 years
Equipment and vehicles	3 - 30 years	3 - 30 years
Infrastructure	5 - 50 years	5 - 50 years

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8. Subscription-based Information Technology Arrangements (SBITA)

The City is a party as lessor to non-cancellable long-term subscriptions of intangible IT related software. The corresponding subscription payable is recorded in an amount equal to the present value of the expected future minimum subscription payments discounted by an applicable interest rate. As part of the implementation of GASB Statement No. 96, no restatement or impact on beginning net position occurred.

9. Compensated Absences

Employees are granted vacation and sick leave based upon length of employment. For vacation leave, time is accrued each pay period by years of employment. The accrual of vacation leave may not exceed 2 times the number of hours an employee would accrue in 1 year. In the event of separation, the employee is paid for accumulated vacation leave, provided the employee has completed 12 months of employment. For sick leave, time is accrued in the amount of 3.69 hours per pay period. Sick leave may accumulate to a maximum of 60 days. Upon separation, the employee will not be compensated for unused sick leave, except if an employee has accumulated 20 days of sick leave days (or 160 hours) at the time of separation, then the employee will be compensated for one-fourth (1/4) of those unused sick leave hours at the final hourly rate of pay. The expense and related liability for vacation benefits and sick leave is recorded in the respective funds of the City or component unit. The liability is computed based on pay rates in effect as of June 30, 2023.

10. Deferred Outflow/Inflow of Resources

In addition to assets and liabilities, the statement of financial position reports a separate section for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

11. 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 and proprietary funds are reported as liabilities as incurred. The long-term debt presently is primarily comprised of general obligation bonds, SBITA obligations payable, notes payable, revenue bonds payable, net pension liability, total OPEB liability, and accrued compensated absences. This long-term debt is reported net of unamortized discounts and premiums.

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 payments of principal and interest are reported as expenditures.

12. Pensions

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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13. Net Position/Fund Balance

In the government-wide financial statement and proprietary fund financial statements, net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on its use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts) but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The City Ordinance is the highest level of decision-making authority of the City.

Assigned fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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14. Stabilization Reserve Fund

On June 7, 2022 the City Council adopted an ordinance which established requirements for a stabilization reserve. This fund is created for the purpose of receiving, holding, and accounting for amounts designated as stabilization reserves. Funds are to be contributed by the General Fund and other funds as deemed appropriate by Resolution of the City Council.

The ordinance also established a minimum amount that must be set aside for this purpose. The amount committed for stabilization should be 30% of budgeted annual non-capital operating expenses for each of the funds contributing stabilization reserves into the stabilization reserve fund.

Amounts held in the stabilization reserve fund in excess of the minimum amount may be used only in certain limited and unusual circumstances that must be declared to exist by a 4/5th's majority vote of all of the members of the governing body establishing that one or more of the following criteria exists:

- a. Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriation are not considered feasible or appropriate in maintaining existing service levels;
- b. Correcting the results of an inaccurate estimate, accounting error, or budgeting error;
- c. Expenditures where the proposed use is of a nonoperational nature involving capital or technical purchases having a useful life of greater than five years that will improve the efficiency of the city government. These efficiency improvements should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for city employees;
- d. Expenditures where the proposed use is of a nonrecurring nature, such as a study, start-up costs of a program whose ongoing costs are otherwise funded, or matching funds for a grant. These expenditures should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for city employees.

Amounts held in the stabilization reserve fund that are below the minimum threshold may be expended only under specific limited circumstances. The existence of this circumstance must be declared by a 4/5th's majority vote of all the member of the governing body establishing that one or more of the criteria listed below exists:

- a. Expenditures for emergency situations for life, health, or public safety issues for which no existing appropriation exists;
- b. Situations where a significant revenue declines arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining existing service levels;
- c. Correcting the results of an inaccurate estimate, accounting error, or budgeting error.

As of June 30, 2023, the City had the following balances committed for stabilization:

	<u>Amount Committed for Stabilization</u>	<u>Original Budgeted Operating Expenses</u>	<u>Stabilization as % of Budgeted Expenses</u>
General	\$ 5,076,304	\$ 10,540,500	48.2%
	<u>\$ 5,076,304</u>	<u>\$ 10,540,500</u>	48.2%

**CITY OF JENKS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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15. Resource Use Policy

It is in the City's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the City considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the City's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the City considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

16. Revenues, Expenditures, and Expenses

Sales and Use Tax – The City presently levies 3.55 cent sales and use tax on taxable sales within the City. All sales and use tax are initially deposited into the General Fund. Then .55 cents is transferred to the Vision Sales Tax Fund to be used for specific purposes in accordance with Ordinance 1392, effective for 15 years from January 1, 2017. Additionally, a pledge of sales and use tax revenue for JPWA bonds requires all 3 cents initially deposited into the General Fund be transferred to the JPWA for debt service and then 2 cents is transferred back to the General Fund and the remaining one cent transferred to the JPWA One Cent Capital Fund to be used for capital and related debt service.

Property Tax – Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. At the present time the City levies a property tax to fund the annual debt service requirements of the following general obligation bonds:

2006 General Obligation Bonds
2010 General Obligation Bonds
2014 General Obligation Bonds
2020 General Obligation Bonds

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors, elected officials, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent or more than 13 ½ percent.

Property taxes levied by the City are billed and collected by the County Treasurer's office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October.

For the year ended June 30, 2023, the City's net assessed valuation of taxable property was \$356,541,898. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2023 was \$10.95.

Expenditures/Expenses – In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In proprietary fund financial statements, expenses are reported by activity.

**CITY OF JENKS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

2. DETAILED NOTES –TRANSACTION CLASSES/ACCOUNTS

A. Deposits and Investments

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government deposits may not be returned to it. The City is governed by the State Public Deposits Act which requires that the City obtain and hold collateral whose fair value exceeds the amount of uninsured deposits. Investment securities are exposed to custody credit risk if the securities are uninsured, are not registered in the name of the government, and if held by a counterparty's trust department or agent, but not in the government's name. As of June 30, 2023, the City, as a whole, was not exposed to custodial credit risk as defined above.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investment. The City does not have a formal investment risk policy. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Investment Credit Risk

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City 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 year-end. Investments of the City (excluding Public Trusts) are limited by state law to the following:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State 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 banker's acceptances, prime commercial paper and repurchase agreements.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-e.).

Public trusts created under O.S. Title 60, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. The City complied, in all material respects, with the above noted investment restrictions.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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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. The City was not exposed to this risk as defined above.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City did not hold investments that were measured at fair value as of June 30, 2023.

The City held the following deposits and investments at June 30, 2023:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits and cash on hand	n/a		\$ 35,974,077
Time deposits	Due within one year		11,326,929
			<u>\$ 47,301,006</u>
Investments:			
Money market funds	n/a	AAA	\$ 12,872,887
Treasury Bills and Notes	Due within one year		39,034,641
Treasury Bills and Notes	Due in 1 - 5 years		5,578,049
			<u>57,485,577</u>
Total deposits and investments			<u><u>\$ 104,786,583</u></u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 48,161,983
Investments			56,624,600
			<u><u>\$ 104,786,583</u></u>

B. Restricted Assets

The amounts reported as restricted assets on the Proprietary Funds Statement of Net Position are comprised of cash and investments held by the trustee bank on behalf of the public trusts related to its required revenue bond accounts and amounts due to depositors related to utility deposits.

CITY OF JENKS
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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	Current Cash and cash Equivalents	Noncurrent Cash and cash Equivalents
Utility Deposits	\$ 72,001	\$ 598,875
Trustee Accounts:		
JAA 2021 Bond Fund	13,993	-
JAA 2021 Bond Reserver Fund	-	313,880
JAA 2021A Bond Fund	2,256	-
JAA 2021A Constuction Fund	7,540,106	-
JAA 2021A & 2021B Sinking Fund	962,764	-
JPWA 2019 Bond Fund	216,679	-
JPWA 2019 Bond Project Fund	3,241,375	-
JPWA 2020 Bond Fund	282,229	-
JPWA 2020 Bond Project	577,388	-
Total	<u>\$ 12,908,791</u>	<u>\$ 912,755</u>

C. Accounts Receivable, Court Fines Receivable, and Due from Other Governments

The City's estimate of uncollectible accounts receivable by fund and activity is as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
<u>Business Type Activities:</u>			
Utilities	2,885,636	\$ (530,584)	\$ 2,355,052
Aquarium	<u>\$ 82,873</u>	<u>-</u>	<u>82,873</u>
Total Enterprise Fund Accounts Receivable	<u>\$ 2,968,509</u>	<u>\$ (530,584)</u>	<u>\$ 2,437,925</u>
 <u>Governmental Activities:</u>			
Property Tax	\$ 261,678	\$ (39,046)	\$ 222,632
Sales and Use Tax	1,767,942	-	1,767,942
Other amounts Due from Other Governments	193,113	-	193,113
Total Due from Other Governments	<u>\$ 2,222,733</u>	<u>\$ (39,046)</u>	<u>\$ 2,183,687</u>
 Opioid Settlement Funds	\$ 141,995		\$ 141,995
Miscellaneous Receivables	478	-	478
Total Accounts receivable	<u>\$ 142,473</u>	<u>\$ -</u>	<u>\$ 142,473</u>
 Court Fines Receivable	<u>\$ 1,193,990</u>	<u>\$ (1,006,778)</u>	<u>\$ 187,212</u>

Opioid Settlement Funds

In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states. Oklahoma's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 25% of Net Opioid Funds to Litigating Political Subdivisions
- 10% of allocation to establish an appeal fund
- 75% to the State of Oklahoma

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The City as a litigating party received \$ 13,618 as part of this settlement of \$155,613 in fiscal year 2023. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2023. Additional settlement amounts are not listed that the City could be a litigating party; these amounts could not be estimated at this time.

D. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

	Balance at June 30, 2022	Additions	Transfers	Disposals	Balance at June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 6,105,220	\$ 5,089,790	\$ 1,260,000	\$ -	\$ 12,455,010
Construction in progress	14,331,669	7,273,358	(2,433,905)	-	19,171,122
Total capital assets not being depreciated	20,436,889	12,363,148	(1,173,905)	-	31,626,132
Other capital assets:					
Buildings	8,052,984	1,803,559			9,856,543
Roads and Bridges	3,153,915	556,819	973,038	-	4,683,772
Other improvements	1,356,088	352,428	-	-	1,708,516
Furniture & equipment	2,543,487	68,660	-	(19,500)	2,592,647
Machinery and equipment	234,672	-	-	-	234,672
Other equipment	1,132,817	94,497	-	-	1,227,314
Vehicles	4,132,452	340,648	-	(145,370)	4,327,730
Infrastructure	67,621,490	736,029	-	-	68,357,519
Total other capital assets at historical cost	88,227,905	3,952,640	973,038	(164,870)	92,988,713
Less accumulated depreciation for:					
Buildings	(5,086,309)	(336,364)	-	-	(5,422,673)
Roads and Bridges	(384,325)	(285,037)	-	-	(669,362)
Machinery & heavy equipment	(151,805)	(46,934)	-	-	(198,739)
Other improvements	(132,224)	(123,585)	-	-	(255,809)
Furniture & equipment	(1,529,383)	(155,492)	-	19,500	(1,665,375)
Vehicles	(2,489,473)	(352,070)	-	145,370	(2,696,173)
Other equipment	(433,396)	(157,806)	-	-	(591,202)
Infrastructure	(22,191,961)	(3,120,966)	-	-	(25,312,927)
Total accumulated depreciation	(32,398,876)	(4,578,254)	-	164,870	(36,812,260)
Other capital assets, net	55,829,029	(625,614)	973,038	-	56,176,453
Subscription Assets being amortized:					
Intangible IT assets	-	137,067	-	-	137,067
Total other capital assets at historical cost	-	137,067	-	-	137,067
Less accumulated amortization for:					
Intangible IT assets	-	(27,413)	-	-	(27,413)
Total accumulated amortization	-	(27,413)	-	-	(27,413)
Intangible IT assets, net	-	109,654	-	-	109,654
Governmental activities capital assets, net	\$ 76,265,918	\$ 11,847,188	\$ (200,867)	\$ -	\$ 87,912,239

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	Balance at June 30, 2022	Additions	Transfers	Disposals	Balance at June 30, 2023
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 3,601,073	\$ 984,070	\$ -	\$ -	\$ 4,585,143
Construction in progress	9,405,322	4,442,047	(816,641)	-	13,030,728
Total capital assets not being depreciated	13,006,395	5,426,117	(816,641)	-	17,615,871
Other capital assets:					
Buildings	21,406,561	180,098	29,096	-	21,615,755
Other improvements	116,476	-	-	-	116,476
Furniture & equipment	1,494,591	78,781	-	(16,458)	1,556,914
Vehicles	1,574,648	129,652	-	(89,300)	1,615,000
Exhibits	9,613,808	23,875	922,674	-	10,560,357
Machinery and equipment	4,050,549	430,945	65,738	-	4,547,232
Infrastructure	17,194,915	1,933,432	-	-	19,128,347
Total other capital assets at historical cost	55,451,548	2,776,783	1,017,508	(105,758)	59,140,081
Less accumulated depreciation for:					
Buildings	(11,837,355)	(599,228)	-	12,069	(12,424,514)
Furniture & equipment	(1,286,902)	(67,826)	-	-	(1,354,728)
Other improvements	(55,332)	(11,648)	-	-	(66,980)
Vehicles	(1,103,336)	(138,845)	-	83,130	(1,159,051)
Exhibits	(4,487,277)	(546,210)	-	-	(5,033,487)
Other equipment	(357,794)	(305,589)	-	-	(663,383)
Infrastructure	(7,291,314)	(527,958)	-	-	(7,819,272)
Total accumulated depreciation	(26,419,310)	(2,197,304)	-	95,199	(28,521,415)
Other capital assets, net	29,032,238	579,479	1,017,508	(10,559)	30,618,666
Business-type activities capital assets, net	\$ 42,038,633	\$ 6,005,596	\$ 200,867	\$ (10,559)	\$ 48,234,537

Depreciation expense was charged to the following activities:

Governmental Activities:		Business-type Activities:	
General government	\$ 242,499	Water	\$ 395,362
Public safety	683,411	Wastewater	569,429
Economic development	161,184	Industrial authority	17,219
Streets	3,230,372	Aquarium	1,002,857
Culture and recreation	288,201	Drainage	120,327
Total governmental activities depreciation/amortization expense	\$ 4,605,667	General operations	92,111
		Total business-type activities depreciation expense	\$ 2,197,304

E. Interfund balances and activities

Interfund receivables and payables at June 30, 2023, were as follows:

Payable To	Receivable From	Amount	Nature of Interfund Balance
Economic Development Accommodation Fund	JPWA Fund	341,842	For Small Animal Wet Lab
JPWA Fund	JAA Fund	341,842	For Small Animal Wet Lab
JPWA Fund	JAA Fund	222,868	Pledged Loan
JPWA Fund	General Fund	1,260	Permits collected for the WWTP Fund
JPWA Fund	General Fund	400	Permits collected for the Economic Development Fund
JPWA Risk Management	JPWA Fund	113,600	JPWA Dump Truck Payment
		<u>\$ 1,021,812</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 341,842	\$ (1,660)	\$ 340,182
Proprietary Funds	\$ 679,970	\$ (1,020,152)	\$ (340,182)
	<u>\$ 1,021,812</u>	<u>\$ (1,021,812)</u>	<u>\$ -</u>

CITY OF JENKS
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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Interfund transfers for the year ended June 30, 2023, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	JPWA	\$ 9,011,450	Pledged sales tax, 3 cents - bond indenture
General Fund	JPWA	2,309,888	Use tax 3 cents
General Fund	JPWA	545,498	Capital Purchase - Horse Ranch
General Fund	Vision Tax Fund	2,075,579	Sales tax .55 cents per ordinance
General Fund	TIF #4	23,896	Half Cent sales tax revenue - TIF #4
General Fund	TIF District #3	21,893	Half Cent sales tax revenue - TIF #3
General Fund	TIF #1	21,031	Half Cent sales tax revenue - TIF #1
General Fund	JPWA	1,184,400	Capital Purchase - ROW purchase
Uniformed Patrol	General Fund	93,000	One Cent Capital for capital outlay
Fire Suppression	General Fund	597,311	One Cent Capital for capital outlay
E-911	General Fund	150,000	Central Dispatch E-911
JPWA	WWTP	5,009,169	Debt Service Payments
JPWA	General Fund	434,329	EMSA fees collected by JPWA
JPWA	General Fund	7,547,559	Return of 2 cents sales tax
JPWA Risk Management	Economic Development	139,500	AQ Parking Lot Expansion
Total		<u>\$ 29,164,503</u>	

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Capital Asset Activity</u>	<u>Net Transfers/ Internal Activity</u>
Reconciliation to Fund				
Financial Statements:				
Governmental Funds	\$ 12,833,996	\$ (13,613,737)	\$ 1,211,853	\$ 432,112
Proprietary Funds	16,330,507	\$ (15,550,766)	(1,211,853)	(432,112)
Total Transfers	<u>\$ 29,164,503</u>	<u>\$ (29,164,503)</u>	<u>\$ -</u>	<u>\$ -</u>

F. Allocation of Indirect Expenses

Certain indirect expenses (expenses benefiting more than one function) have been allocated to specific functions in the Statement of Activities, while other indirect expenses have not been allocated.

Indirect expenses reported in the Statement of Activities under the function of General Government have not been allocated for governmental purposes.

Indirect expenses of the proprietary funds, classified in the proprietary funds' statement of revenues, expenses and changes in net position as General and Administrative have been allocated to the utility functions on a percentage of total utility revenues in the Statement of Activities.

G. Long-term Debt

The City's long-term debt is described below, segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The governmental long-term debt of the financial reporting entity consisted of the following:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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Governmental Activities Long-Term Debt:

General Obligation Bonds:

\$16,090,000 General Obligation Bonds of 2006, due in annual installments of \$850,000 plus semi-annual interest payments; final installment of \$850,000 plus interest due January 1, 2026; with interest rates at 4.00% to 5.00%	2,550,000
\$5,200,000 General Obligation Bonds of 2010, due in annual installments of \$275,000 plus semi-annual interest payments; final installment of \$275,000 plus interest due June 1, 2030; with interest rates at 2.25% - 5.25%	1,925,000
\$13,760,000 General Obligation Bonds of 2014, due in annual installments of \$725,000 plus semi-annual interest payments; final installment of \$725,000 plus interest due February 1, 2034; with interest rates at 1.00% - 4.00%	7,975,000
\$20,500,000 General Obligation Bonds of 2020, due in annual installments of \$1,075,000 plus semi-annual interest payments; final installment of \$1,150,000 plus interest due November 1, 2040; with interest rates at 2.00% -2.50%	19,425,000
Total General Obligation Bonds	<u>\$ 31,875,000</u>
Current portion	\$ 2,925,000
Non-current portion	28,950,000
	<u>\$ 31,875,000</u>

Notes Payable - Direct Borrowings:

\$115,095 note payable with BancFirst, dated March 2, 2023, payable in monthly installments of \$2,175 with a maturity date of March 1, 2028, with an interest rate of 4.99%, used to purchase two new command vehicles for the Fire Department. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on the note, 2) require the borrower to assemble the collateral and deliver it to the lender, or 3) sell, lease, transfer, or otherwise dispose of the collateral.	109,999
\$221,954 note payable with BancFirst, dated February 1, 2023, payable in monthly installments of \$4,194 with a maturity date of February 1, 2028, with an interest rate of 4.99%, used to purchase 4 vehicles for the Police Department. In the even of default, the lender may:1) accelerate the payment of principal and interest accrued on the note, 2) require the borrower to assemble the collateral and deliver it to the lender, or 3) sell, lease, transfer, or otherwise dispose of the collateral.	208,784
\$1,494,776 note payable with BancFirst, dated September 14, 2018, payable in monthly installments of \$27,226 with a maturity date of September 14, 2023, with interest at 3.50%, used to purchase two fire trucks. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on the note, 2) require the borrower to assemble the collateral and deliver it to the lender, or 3) sell, lease, transfer, or otherwise dispose of the collateral.	81,594
Total Notes Payable	<u>\$ 400,377</u>
Current portion	\$ 143,277
Non-current portion	257,100
	<u>\$ 400,377</u>

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Subscriptions Payable

\$137,067 subscription payable with LensLock for intangible IT assets, dated July 1, 2022, payable in annual installments of ranging from \$29,760 to \$28,465 with a final date of 2026, with interest at 2.41%.

107,307

Total Subscriptions Payable

107,307

Current portion

\$ 25,875

Non-current portion

81,432

107,307

Amortization Schedule for Subscriptions Payable

	Principal	Interest	Total
2024	25,875	2,590	28,465
2025	26,499	1,966	28,465
2026	27,139	1,326	28,465
2027	27,794	671	28,465
Total	<u>107,307</u>	<u>6,553</u>	<u>113,860</u>

Business-Type Activities Long-Term Debt:

Revenue Bonds:

\$14,660,000 JPWA Refunding Revenue Bonds, Series 2019, issued date December 1, 2019 with a maturity date of December 1, 2049; annual payments approximately \$280,000 to \$695,000 and interest rates from 2.00% - 3.00%; purpose is to aide in enlarging, extending and improving the Authority's sanitary sewer system. Funds were used to refund the Authority's Series 2012 Bonds.

\$ 13,795,000

\$2,920,000 JPWA Refunding Revenue Bonds, Series 2020, issued date August 12, 2020 with a maturity date of August 1, 2030; annual payments approximately \$230,000 to 335,000 and interest rates of 3.00%; purposes in providing (i) an automated meter reading system for the Authority's water system and (ii) payment for all costs of issuance on the Series 2020 Bonds.

2,425,000

\$20,800,000 JAA Revenue Bonds, consisting of \$7,275,000 Capital Improvement Revenue Bonds Series 2021A and \$13,525,000 Revenue Refunding Bonds Series 2021B, issued on April 1, 2021:

\$7,275,000 Capital Improvement Revenue Bonds, Series 2021A with annual payments of approximately \$460,000 to \$1,065,000 and interest rates of 3.00% with a maturity date of July 1, 2045; purpose is to provide certain capital improvement projects to the aquarium facility including a new shark quarantine building, improving the facility's roof and emergency back-up generator system and providing for miniature golf course and carousel and paying all costs of their issuance.

7,275,000

\$13,525,000 Revenue Refunding Bonds, Series 2021B with annual payments of approximately \$225,000 to \$515,000 and interest rates of 0.30% to 2.16% with a maturity date of July 1, 2038; purpose of the taxable advance refunding of the JAA Revenue Refunding Bonds, Series 2014 previously issued for the purpose of providing capital improvements to the Facilities, it will fund a debt service reserve fund, and will pay all costs of their issuance.

12,585,000

Total Revenue Bonds

\$ 36,080,000

Current portion

\$ 1,295,000

Non-current portion

34,785,000

\$ 36,080,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following is a summary of long-term debt transactions of the City:

Type of Debt	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 34,800,000	\$ -	\$ 2,925,000	\$ 31,875,000	\$ 2,925,000
Notes payable - direct borrowings	399,279	337,049	335,951	400,377	143,277
Subscription obligations	-	137,067	29,760	107,307	25,875
Accrued compensated absences	335,985	100,636	65,013	371,609	74,322
Total Governmental Activities	<u>\$ 35,535,264</u>	<u>\$ 574,752</u>	<u>\$ 3,355,724</u>	<u>\$ 32,754,293</u>	<u>\$ 3,168,474</u>
Add: Unamortized bond premium				385,486	
				<u>\$ 33,139,779</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 3,168,474	
Due in More than One Year				29,971,305	
				<u>\$ 33,139,779</u>	
Business-Type Activities:					
Revenue bonds payable	\$ 37,355,000	\$ -	\$ 1,275,000	36,080,000	\$ 1,295,000
Accrued compensated absences	211,690	59,114	52,519	218,284	43,657
Total Business-Type Activities	<u>\$ 37,566,690</u>	<u>\$ 59,114</u>	<u>\$ 1,327,519</u>	<u>\$ 36,298,284</u>	<u>\$ 1,338,657</u>
Add: Unamortized bond premium				687,435	
				<u>\$ 36,985,719</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 1,338,657	
Due in More than One Year				35,647,062	
				<u>\$ 36,985,719</u>	

The annual debt service requirements to maturity, including principal, interest and administrative fees, for long-term debt are as follows:

Year Ending June 30,	GOVERNMENTAL ACTIVITY DEBT			
	General Obligation Bonds		Notes Payable - Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 2,925,000	\$ 900,613	\$ 143,277	\$ 15,240
2025	2,925,000	803,125	64,916	11,519
2026	2,925,000	702,750	68,278	8,157
2027	2,075,000	602,375	71,813	4,622
2028	2,075,000	544,500	52,093	1,039
2029-2030	4,150,000	916,256	-	-
2031-2035	8,275,000	1,339,406	-	-
2036-2041	6,525,000	528,032	-	-
Totals	<u>\$ 31,875,000</u>	<u>\$ 6,337,057</u>	<u>\$ 400,377</u>	<u>\$ 40,577</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

<u>Year Ending June 30,</u>	<u>BUSINESS-TYPE ACTIVITY DEBT</u>	
	<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,295,000	\$ 882,274
2025	1,330,000	871,622
2026	1,345,000	858,919
2027	1,370,000	844,094
2028	1,390,000	827,077
2029-2030	2,910,000	1,587,049
2031-2035	6,645,000	3,424,213
2036-2040	7,240,000	2,426,696
2041-2045	7,905,000	1,304,626
2046-2050	4,650,000	291,300
Totals	<u>\$ 36,080,000</u>	<u>\$ 13,317,869</u>

Defeased Bonds Outstanding – The Refunding Revenue Bonds of 2021B resulted in the defeasance of the Revenue Bonds of 2014 by placing deposits in an escrow account where the city will make principal and interest payments on the defeased note were paid off in full in July of 2022. As a result, at fiscal year-end the remaining outstanding balance of these defeased bonds is \$0.

H. Pledge of Future Revenues

The Jenks Aquarium Authority (JAA) has pledged revenues to repay the Series 2021A \$7,275,000 Capital Improvement Revenue Bonds and 2021B \$13,525,000 Refunding Revenue Bonds payable. The total principal and interest payable for the remainder of the life of the note, as of June 30, 2023 is \$11,500,425 and \$15,226,444 respectively. Debt service payments began this fiscal year. The bonds are secured by a first mortgage on the aquarium facilities and a first lien on the gross revenues derived from the operation of the aquarium which as of June 30, 2023 were \$7,795,833. Additionally, the Jenks Public Works Authority (JPWA) has entered into a replenishment agreement whereby JPWA has agreed to replenish the reserve fund in the event withdrawals are made from the reserve. The debt service payments of \$1,201,962 for fiscal year 2023 were 15.09% of the pledged gross revenues.

The Jenks Public Works Authority (JPWA) has pledged net revenues and three cents sales tax to repay the Series 2019, \$14,660,000 and Series 2020, \$2,920,000 Refunding Bonds payable. The total principal and interest payable for the remainder of the life of these notes as of June 30, 2023, is \$20,246,000 and \$2,727,025 respectively. Debt service payments on the note were \$1,041,275 in fiscal year 2023. The pledged net revenues and sales taxes were \$10,281,474. The debt service payments were 10.13% of the pledged net revenues and sales taxes.

I. Commitments

The City has agreed to remit 75% of its tax apportionment property tax revenues and 100% of its incremental ½ cent sales tax levied within TIF District #1 to be applied toward the debt service payments on an \$11,415,000 Tax Apportionment Note between the Tulsa County Industrial Authority and Village on Main, LLC. The City's only obligation is to remit the taxes received. If the taxes remitted are insufficient to service the debt, the City is not obligated to make up the difference. Village on Main, LLC is responsible for debt payments in excess of the tax apportionment taxes remitted by the City. The term of the note is for 15 years and matures in June 2031. As of June 30, 2023, \$7,940,000 had been drawn on the note. The proceeds of the note will be used to reimburse the City and Village on Main, LLC for the construction of public infrastructure.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023**

3. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City has established a self-insurance fund to cover deductibles on claims related to destruction, theft or damage of assets. Losses related to other risks or those exceeding deductibles are covered by commercial insurance. Management believes that such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

B. Contingent Liabilities

The City is a defendant in ongoing litigation and various legal actions arising from normal governmental activities. Although most of such actions are covered by insurance, certain actions might have some degree of exposure to the City. The outcome of these lawsuits is not presently determinable, and it is not known if the resolution of these matters will have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system is \$3.7 million as of June 30, 2023. This cost estimate is for abandoning the lagoon system, removing the dike system piping appurtenance, and residual bio solids, and the primary lift station. The average remaining life of these assets is 27 years and the associated deferred outflow of resources is being amortized over that period. There are no required funding and assurance provisions for the estimated liability and no assets are restricted for the payment of the liability.

D. Employee Retirement System and Other Benefit Plans

The City participates in three employee pension systems as follows:

Oklahoma Police Pension and Retirement Plan--Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Firefighters Pension and Retirement Plan--Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Municipal Retirement Fund (OKMRF) – Agent Multiple Employer - Defined Contribution Plan

A summary of all the amounts recorded in the City's financial statements for the plans is as follows:

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	Governmental Activities
Net Pension Asset	
Police Pension System	\$ 319,851
Net Pension Liability	
Police Pension System	\$ -
Firefighter's Pension System	5,015,744
Total Net Pension Liability	\$ 5,015,744
Deferred Outflows of Resources	
Police Pension System	\$ 713,405
Firefighter's Pension System	1,547,184
Total Deferred Outflows of Resources	\$ 2,260,589
Deferred Inflows of Resources	
Police Pension System	\$ 58,159
Firefighter's Pension System	60,067
Total Deferred Inflows of Resources	\$ 118,226

Oklahoma Police Pension and Retirement Plan

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

Benefits provided – OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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

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

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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 City were \$191,723. The State of Oklahoma also made on behalf contributions to OPPRS in the amount of \$174,258 during the fiscal year and this is reported as both a revenue and an expenditure 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 \$158,936. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Asset, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a asset of \$319,851 for its proportionate share of the 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 City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.3988562%.

For the year ended June 30, 2023, the City recognized pension expense of \$77,300. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 156,891	\$ 34,840
Changes of assumptions	11,136	-
Net difference between projected and actual earnings on pension plan investments	312,109	-
Changes in proportion	38,074	17,538
City contributions during measurement date	3,472	5,781
City contributions subsequent to the measurement date	191,723	-
Total	<u>\$ 713,405</u>	<u>\$ 58,159</u>

The \$191,723 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of 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	\$ 101,871
2025	29,065
2026	(83,511)
2027	391,076
2028	25,022
	<u>\$ 463,523</u>

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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
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
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): RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: Blue Collar Healthy Combined table with age set forward 4 years.

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%
Commodities	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

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rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 926,702	\$ (319,851)	\$ (1,373,493)

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

Oklahoma Firefighters Pension & Retirement Plan

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

Benefits provided – FPRS provides retirement benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more service.

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more service.

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.

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June 30, 2023

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% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$196,752 (fiscal year contributions). The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$438,359 during the fiscal year and this is reported as both a revenue and an expenditure 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 \$392,911. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a liability of \$5,015,744 for its proportionate share of the 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 City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information the City's proportion was 0.383545%.

For the year ended June 30, 2023, the City recognized pension expense of \$792,080. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 643,887	\$ 25,321
Changes of assumptions	-	31,980
Net difference between projected and actual earnings on pension plan investments	582,884	-
Changes in proportion and differences between City contributions and proportionate share of contributions	119,962	-
City contributions during the measurement date	3,699	2,766
City contributions subsequent to the measurement date	196,752	-
Total	<u>\$ 1,547,184</u>	<u>\$ 60,067</u>

The \$196,752 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 380,621
2025	285,311
2026	86,902
2027	537,531
Total	<u>\$ 1,290,365</u>

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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 Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

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	\$ 6,463,176	\$ 5,015,744	\$ 3,805,042

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

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June 30, 2023

Defined Contribution Plan

The City participates in a defined contribution plan with Oklahoma Municipal Retirement Fund (OKMRF) Plan. Plan provisions are established or amended by City Council resolution. The City and its related entities are required to contribute 6.8% of annual covered payroll. Participants may make voluntary contributions to the plan. The plan participants include all employees not participating in the police or firefighter pension plans. Participants vest after one year of service and are entitled to 100 percent of vested contributions. The plan is a variable funding option plan where the contribution may be varied from year to year by the employer.

In addition to the 6.8% contributed for all employees, the City contributes an additional percentage amount for the City Manager, Assistant City Manager, and the City Attorney based on their contractual agreements. These amounts are as follows:

	<u>Contribution Percentage</u>	<u>Total Contributed</u>
City Manager	8%	\$13,196
Asst. City Manager	3%	\$ 4,185
City Attorney	7.5%	\$10,820

For the year ended June 30, 2023, the following amounts related to the defined contribution plan:

Payroll for covered employees	\$5,330,304
Employer (City) contributions made	\$363,284

OPEB Plan

Plan Description - The City participates in a defined benefit plan, a single-employer defined benefit OPEB plan administered by the City of Jenks. The City Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The City of Jenks provides medical coverage to eligible retirees and their dependents. Employees are eligible to receive medical coverage if they have 8 or more years of service at retirement. Employees may continue coverage into retirement on the City's plan if they pay the entire premium. Dependents may also continue coverage on a pay-all basis. Coverage ceases upon the retiree reaching Medicare eligibility age. Retiree premiums are the same as active employee premiums. This results in the retirees and beneficiaries receiving an implicit rate subsidy.

Employees covered by benefit terms – At June 30, 2023 the following employees were covered by the benefit terms:

Active employees	154
Inactives or beneficiaries currently receiving benefit payments	<u>0</u>
Total	<u>154</u>

Discount Rate – A single discount rate of 4.13% was used to measure the total OPEB liability as of June 30, 2023. Since there is no dedicated trust to pay retiree healthcare benefits, the discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2023 was used.

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate – The following presents the total OPEB liability of the City calculated using the health care cost trend rates of 6.0% to 4.5%,

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

as well as what the Plan's Total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower (5.0% to 3.5%) or 1-percentage-point higher (7.0% to 5.5%) than the current rate.

	1% Decrease (5.0% to 3.5%)	Current Health Care Trend Rate (6.0% to 4.5%)	1% Increase (7.0% to 5.5%)
Total OPEB Liability	\$ 182,152	\$ 206,993	\$ 236,431

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City calculated using the discount rate of 4.13%, as well as what the Plan's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 227,769	\$ 206,993	\$ 188,357

Actuarial Assumptions – The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022 with roll forward procedures to June 30, 2023, using the following actuarial assumptions:

Discount Rate	4.13%
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Initial Health Care Cost Trend Rate	6.5%
Ultimate Health Care Cost Trend Rate	4.5%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2038
Retiree Contribution Trend	Same as Health Care Trend
Mortality	PubG.H-2010 Mortality Table-General
Disability Rates	None
Retirement Rates	Later of age 58 or the first age with 8 years of service
Withdrawal Rates	Table T-5 from Pension Actuary's Handbook
Election at Retirement	5% of active employees will elect medical coverage at retirement
Marital Status	40% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males 3 years older than females. Actual spouse data was used for current retirees.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

Total OPEB Liability, OPEB Expense, and Deferred Inflows of Resources Related to OPEB –

The following table reports the components of changes in total OPEB liability:

Balance Beginning of Year	\$ 177,779
Changes for the Year:	
Service Cost	22,741
Interest on total OPEB liability	7,271
Difference between expected and actual	-
Changes of assumptions	(798)
Benefit Payments	-
Other Changes	-
Net changes	<u>29,214</u>
Balance End of Year	<u>\$ 206,993</u>
Governmental Activities	\$ 98,816
Business-type Activities	<u>108,177</u>
	<u>\$ 206,993</u>

For the year ended June 30, 2023, the City recognized OPEB expense of \$4,178. At June 30, 2023, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 86,659
Changes of proportion	69,107	69,107
Changes of assumptions	<u>10,629</u>	<u>61,874</u>
Total	<u>\$ 79,736</u>	<u>\$ 217,640</u>

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

Year ended June 30:	
2024	\$ (20,303)
2025	(20,303)
2026	(20,303)
2027	(20,303)
2028	(19,057)
Thereafter	<u>(37,635)</u>
Total	<u>\$ (137,904)</u>

CITY OF JENKS
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2023

4. FUND BALANCES AND NET POSITION

Fund Balance

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

	General Fund	G.O. Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	TOTAL
Fund Balances:					
Restricted for:					
Streets	\$ -	\$ -	\$ -	\$ 1,302,904	\$ 1,302,904
E911	-	-	-	853,590	853,590
Economic Development	-	-	-	5,097,065	5,097,065
Capital Improvements	-	-	15,950,749	4,758,536	20,709,285
Debt Service	142,153	2,910,817	-	-	3,052,970
Vision Projects	-	-	-	7,676,523	7,676,523
TIF Projects	-	-	-	658,651	658,651
Park and recreation	-	-	-	479,631	479,631
Sub-total Restricted	142,153	2,910,817	15,950,749	20,826,900	39,830,619
Committed to:					
Stabilization				5,076,304	5,076,304
Sub-total Committed	-	-	-	5,076,304	5,076,304
Assigned to:					
Subsequent Year Budget	3,474,425	-	-	-	3,474,425
Risk management	792,979	-	-	-	792,979
Debt service	-	179,232	-	-	179,232
Streets	-	-	-	78,699	78,699
Park and recreation	-	-	-	44,401	44,401
Vision Projects	-	-	-	264,522	264,522
TIF projects	-	-	-	47,097	47,097
E911	-	-	-	83,602	83,602
Economic Development	-	-	-	44,817	44,817
Capital Improvements	-	-	454,958	4,977,770	5,432,728
Sub-total Assigned	4,267,404	179,232	454,958	5,540,908	10,442,502
TOTAL FUND BALANCES	\$ 4,409,557	\$ 3,090,049	\$ 16,405,707	\$ 31,444,112	\$ 55,349,425

5. SUBSEQUENT EVENT

In November of 2023, the City entered into an agreement to lease purchase a new PUC Rescue Engine and 100' Pierce Mid-Mount Platform for the amount of \$2,858,000. This was approved in the September 2023 City Council Meeting.

CITY OF JENKS
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REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES AND TRANSFERS IN				
Taxes	\$ 13,933,410	\$ 13,933,410	\$ 15,150,371	\$ 1,216,961
Intergovernmental	65,000	65,000	81,969	16,969
Charges for services	102,500	102,500	112,479	9,979
Fines and forfeitures	175,000	175,000	161,268	(13,732)
Licenses and permits	468,300	468,300	345,887	(122,413)
Investment income	43,300	43,300	169,713	126,413
Miscellaneous	151,400	151,400	2,314,582	2,163,182
Transfers in	7,876,990	7,876,990	8,131,888	254,898
Total revenues	<u>22,815,900</u>	<u>22,815,900</u>	<u>26,468,157</u>	<u>3,652,257</u>
EXPENDITURES AND TRANSFERS OUT				
City manager	299,900	299,900	242,311	57,589
City clerk	300,400	300,400	304,038	(3,638)
City treasury	218,900	218,900	228,419	(9,519)
City attorney	199,100	199,100	159,359	39,741
Personnel	222,300	222,300	208,188	14,112
Admin Support/records	81,600	81,600	79,898	1,702
Municipal court	91,400	91,400	89,099	2,301
General government	231,500	231,500	225,241	6,259
City planner	99,500	99,500	24,769	74,731
Community development	30,000	30,000	67,406	(37,406)
Uniformed patrol	3,068,500	3,068,500	2,949,832	118,668
Police reserve	276,100	276,100	194,329	81,771
Central dispatch	625,000	625,000	588,029	36,971
Code Enforcement	79,800	79,800	76,335	3,465
Fire suppression	2,963,500	2,963,500	2,994,259	(30,759)
Fire volunteers	74,400	74,400	17,598	56,802
Protective inspections	288,400	288,400	267,738	20,662
Street maintenance	576,000	576,000	552,132	23,868
General maintenance	27,000	27,000	19,112	7,888
Small Capital Projects	6,520,000	6,520,000	6,671,085	(151,085)
Parks & grounds	607,000	607,000	670,408	(63,408)
Animal control	180,200	180,200	172,496	7,704
Transfers out	13,523,400	13,523,400	13,563,737	(40,337)
Total Expenditures	<u>30,583,900</u>	<u>30,583,900</u>	<u>30,365,818</u>	<u>218,082</u>
Excess (deficiency) of revenues over expenditures	<u>(7,768,000)</u>	<u>(7,768,000)</u>	<u>(3,897,661)</u>	<u>3,870,339</u>
Net change in fund balances	(7,768,000)	(7,768,000)	(3,897,661)	3,870,339
Fund balances - beginning	2,576,255	(7,712,745)	8,433,759	16,146,504
Fund balances - ending	<u>\$ (5,191,745)</u>	<u>\$ (15,480,745)</u>	<u>\$ 4,536,098</u>	<u>\$ 20,016,843</u>

CITY OF JENKS
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REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2023

Footnote to Budgetary Comparison Schedules:

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

REVENUES AND TRANSFERS IN:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 26,468,157
Differences - budgetary basis to GAAP:	
State payments made on-behalf of police and fire pension not considered a budgetary resource	551,847
Change in accruals for revenue items	2,767,331
City Risk Management account revenue and transfers in balances	1,200,273
Total revenues and transfers in as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 30,987,608</u>
 Total Revenues - General Fund	 \$ 21,125,822
Transfers In - General Fund	9,861,786
	<u>\$ 30,987,608</u>

EXPENDITURES AND TRANSFERS OUT:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 30,365,818
Differences - budgetary basis to GAAP:	
Prior year encumbrances recorded as actual expenditures in current year	173,416
Current year outstanding encumbrances not recorded as actual expenditures in current year	(438,268)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	551,847
Change in accruals for expenditure items	(81,711)
City Risk Management account expenditures and transfers out balances	1,253,412
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 31,824,514</u>
 Total Expenditures - General Fund	 \$ 18,360,777
Transfers Out - General Fund	13,463,737
	<u>\$ 31,824,514</u>

**CITY OF JENKS
Jenks, Oklahoma**

**REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2023**

Budget Law

The City has adopted the provisions of the Municipal Budget Act of 1979 (the "Budget Act"). In accordance with the Budget Act, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. By July 31, the adopted budget is filed with the Office of State Auditor and Inspector.

Per State law, the legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. All transfers of appropriation between departments and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

Budgetary Accounting

The annual operating budgets are prepared and presented on a budgetary basis of accounting. The differences between budgetary basis and modified accrual basis are shown in the preceding reconciliation schedule.

The City utilizes encumbrance accounting under which all 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 at year-end are considered expenditures for budgetary purposes. All unencumbered appropriations lapse at year end.

Expenditures Exceeding Appropriations

Expenditures exceeded appropriations as follows:

General Fund-City clerk	\$ 3,638
General Fund-City treasury	\$ 9,519
General Fund-Community development	\$ 37,406
General Fund-Fire suppression	\$ 30,759
General Fund-Small Capital Projects	\$151,085
General Fund-Parks & grounds	\$ 63,408
General Fund-Transfers out	\$ 40,337

CITY OF JENKS
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REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF JENKS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.3180%	0.3116%	0.3467%	0.3527%	0.4210%	0.3873%	0.4523%	0.4302%	0.3989%
City's proportionate share of the net pension liability (asset)	\$ (107,080)	\$ 14,051	\$ 530,903	\$ 27,129	\$ (200,557)	\$ (24,727)	\$ 519,510	\$ (2,063,575)	\$ (319,851)
City's covered-employee payroll	\$ 908,769	\$ 995,569	\$ 1,046,800	\$ 1,073,823	\$ 1,197,885	\$ 1,263,845	\$ 1,470,446	\$ 1,489,223	\$ 1,428,677
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.78%	1.41%	50.72%	2.53%	-16.74%	-1.96%	35.33%	-138.57%	-22.39%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

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

Notes to Schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorially required contribution	\$ 129,424	\$ 136,084	\$ 139,597	\$ 155,725	\$ 164,300	\$ 191,158	\$ 193,599	\$ 185,728	\$ 191,723
Contributions in relation to the statutorially required contribution	129,424	136,084	139,597	155,725	164,300	191,158	193,599	185,728	191,723
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 995,569	\$ 1,046,800	\$ 1,073,823	\$ 1,197,885	\$ 1,263,845	\$ 1,470,446	\$ 1,489,223	\$ 1,428,677	\$ 1,474,792
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

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

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF JENKS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.3448%	0.3678%	0.3283%	0.3467%	0.3615%	0.3696%	0.3755%	0.3779%	0.3835%
City's proportionate share of the net pension liability	\$ 3,546,247	\$ 3,903,848	\$ 4,010,356	\$ 4,360,871	\$ 4,069,148	\$ 3,905,090	\$ 4,626,369	\$ 2,489,136	\$ 5,015,744
City's covered-employee payroll	\$ 932,521	\$ 1,014,036	\$ 927,043	\$ 940,236	\$ 1,342,450	\$ 1,138,650	\$ 1,162,423	\$ 1,221,714	\$ 1,262,664
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	380%	385%	433%	464%	303%	343%	398%	204%	397%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%

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

Notes to Schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorially required contribution	\$ 141,965	\$ 129,786	\$ 131,633	\$ 187,943	\$ 159,411	\$ 162,739	\$ 171,040	\$ 176,773	\$ 196,752
Contributions in relation to the statutorially required contribution	141,965	129,786	131,633	187,943	159,411	162,739	171,040	176,773	196,752
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,014,036	\$ 927,043	\$ 940,236	\$ 1,342,450	\$ 1,138,650	\$ 1,162,423	\$ 1,221,714	\$ 1,262,664	\$ 1,405,371
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

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

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Required Supplementary Information
Other Post-Employment Benefits
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB Liability:						
Service cost	\$ 30,998	\$ 32,877	\$ 30,813	\$ 31,532	\$ 29,295	\$ 22,741
Interest	6,644	6,621	7,271	5,225	5,288	7,271
Difference between expected and actual experience	(12,568)	-	(55,758)	-	(59,833)	-
Change in assumptions	4,733	4,174	(27,600)	11,147	(39,557)	(798)
Benefit payments	(11,982)	(13,554)	-	(3,451)	-	-
Other changes	(10,761)	1,514	(17,185)	-	-	-
Net change in total OPEB liability	7,064	31,632	(62,459)	44,453	(64,807)	29,214
Total OPEB Liability - beginning	221,896	228,960	260,592	198,133	242,586	177,779
Total OPEB Liability - ending	\$ 228,960	\$ 260,592	\$ 198,133	\$ 242,586	\$ 177,779	\$ 206,993
Covered employee payroll	\$ 4,749,848	\$ 4,749,848	\$ 6,880,145	\$ 6,880,145	\$ 7,179,595	\$ 7,179,595
Total OPEB liability as a percentage of covered employee payroll	4.82%	5.49%	2.88%	3.53%	2.48%	2.88%

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

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

General Fund Combining Balance Sheet Accounts – June 30, 2023

City of Jenks
Combining Balance Sheet - General Fund Accounts
June 30, 2023

	General Fund	City Risk Management	Municipal Court Fund	Total General Fund Accounts
ASSETS				
Cash and cash equivalents	\$ 1,178,431	\$ 793,979	\$ 63,010	\$ 2,035,420
Investments	737,693	-	-	737,693
Deposits with insurance pool	-	-	-	-
Deposits with fiscal agent	-	-	-	-
Accrued interest receivable	8,979	-	-	8,979
Due from other funds	-	-	-	-
Intra-account balances	11,705	-	(11,705)	-
Due from other governments	1,893,725	-	-	1,893,725
Accounts receivable	142,473	-	-	142,473
Court fines receivable, net	187,212	-	-	187,212
Total assets	<u>\$ 4,160,218</u>	<u>\$ 793,979</u>	<u>\$ 51,305</u>	<u>\$ 5,005,502</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 227,808	\$ 1,000	\$ -	\$ 228,808
Due to other funds	1,660	-	-	1,660
Due to other governments	432	-	51,305	51,737
Total liabilities	<u>229,900</u>	<u>1,000</u>	<u>51,305</u>	<u>282,205</u>
Deferred Inflow of Resources:				
Unavailable revenue	<u>313,740</u>	<u>-</u>	<u>-</u>	<u>313,740</u>
Fund balances:				
Restricted	142,153	-	-	142,153
Assigned	7,087,358	792,979	-	7,880,337
Unassigned	(3,612,933)	-	-	(3,612,933)
Total fund balances	<u>3,616,578</u>	<u>792,979</u>	<u>-</u>	<u>4,409,557</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 4,160,218</u>	<u>\$ 793,979</u>	<u>\$ 51,305</u>	<u>\$ 5,005,502</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

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

City of Jenks
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts
For the Year Ended June 30, 2023

	General Fund	City Risk Management	Municipal Court Fund	Total General Fund Accounts
REVENUES				
Taxes	\$ 15,234,146	\$ -	\$ -	\$ 15,234,146
Intergovernmental	4,863,888	-	-	4,863,888
Charges for services	108,206	-	-	108,206
Fines and forfeitures	158,836	-	-	158,836
Licenses and permits	345,887	-	-	345,887
Investment income	175,324	15,873	-	191,197
Miscellaneous	223,662	-	-	223,662
Total revenues	<u>21,109,949</u>	<u>15,873</u>	<u>-</u>	<u>21,125,822</u>
EXPENDITURES				
Current:				
General government	1,563,384	1,253,412	-	2,816,796
Public safety	6,977,070	-	-	6,977,070
Public services	7,890,693	-	-	7,890,693
Culture and recreation	676,218	-	-	676,218
Total expenditures	<u>17,107,365</u>	<u>1,253,412</u>	<u>-</u>	<u>18,360,777</u>
Excess (deficiency) of revenues over expenditures	<u>4,002,584</u>	<u>(1,237,539)</u>	<u>-</u>	<u>2,765,045</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,677,386	1,184,400	-	9,861,786
Transfers out	(13,463,737)	-	-	(13,463,737)
Intra-account transfers	(100,000)	100,000	-	-
Total other financing sources and uses	<u>(4,886,351)</u>	<u>1,284,400</u>	<u>-</u>	<u>(3,601,951)</u>
Net change in fund balances	(883,767)	46,861	-	(836,906)
Fund balances - beginning	4,500,345	746,118	-	5,246,463
Fund balances - ending	<u>\$ 3,616,578</u>	<u>\$ 792,979</u>	<u>\$ -</u>	<u>\$ 4,409,557</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Balance Sheet – June 30, 2023

City of Jenks
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds						
	Street and Alley	Park Recreation	Economic Development Accomodation	Vision Sales Tax	TIF District #3	TIF District #4
ASSETS						
Cash and cash equivalents	\$ 1,095,180	\$ 524,032	\$ 561,372	\$ 1,473,887	\$ 224,107	\$ 98,521
Investments	254,444	-	-	6,481,104	-	-
Due from other funds	-	-	341,842	-	-	-
Due from other governments	31,817	-	11,531	-	-	-
Interest receivable	162	-	-	835	-	-
Total assets	<u>\$ 1,381,603</u>	<u>\$ 524,032</u>	<u>\$ 914,745</u>	<u>\$ 7,955,826</u>	<u>\$ 224,107</u>	<u>\$ 98,521</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 57,717	\$ 13,952	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>57,717</u>	<u>13,952</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources:						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>829</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	1,302,904	479,631	812,211	7,676,523	194,707	95,213
Committed	-	-	-	-	-	-
Assigned	78,699	44,401	44,817	264,522	29,400	3,308
Total fund balances	<u>1,381,603</u>	<u>524,032</u>	<u>857,028</u>	<u>7,941,045</u>	<u>224,107</u>	<u>98,521</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,381,603</u>	<u>\$ 524,032</u>	<u>\$ 914,745</u>	<u>\$ 7,955,826</u>	<u>\$ 224,107</u>	<u>\$ 98,521</u>

(continued)

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Balance Sheet – June 30, 2023, (Continued)

City of Jenks
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds					Capital Project Funds	
	E911	TIF District #1	TIF District #2	Jenks Eco. Dev. Authority	City Stabilization Reserve	2002 GO Bond Fund	City Capital Reserve
ASSETS							
Cash and cash equivalents	\$ 29,313	\$ 338,231	\$ 44,889	\$ 109,633	\$ 27,761	\$ 80,802	\$ 2,036,265
Investments	887,227	-	-	4,170,206	5,048,543	-	1,249,243
Due from other funds	-	-	-	-	-	-	-
Due from other governments	20,943	-	-	-	-	-	-
Interest receivable	2,691	-	-	14,205	14,308	-	654
Total assets	<u>\$ 940,174</u>	<u>\$ 338,231</u>	<u>\$ 44,889</u>	<u>\$ 4,294,044</u>	<u>\$ 5,090,612</u>	<u>\$ 80,802</u>	<u>\$ 3,286,162</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 375	\$ -	\$ -	\$ 9,190	\$ -	\$ -	\$ -
Total liabilities	<u>375</u>	<u>-</u>	<u>-</u>	<u>9,190</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources:							
Unavailable revenue	2,607	-	-	-	14,308	-	116
Fund balances:							
Restricted	853,590	325,131	43,600	4,284,854	-	74,968	-
Committed	-	-	-	-	5,076,304	-	-
Assigned	83,602	13,100	1,289	-	-	5,834	3,286,046
Total fund balances	<u>937,192</u>	<u>338,231</u>	<u>44,889</u>	<u>4,284,854</u>	<u>5,076,304</u>	<u>80,802</u>	<u>3,286,046</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 940,174</u>	<u>\$ 338,231</u>	<u>\$ 44,889</u>	<u>\$ 4,294,044</u>	<u>\$ 5,090,612</u>	<u>\$ 80,802</u>	<u>\$ 3,286,162</u>

(continued)

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Balance Sheet – June 30, 2023, (Continued)

City of Jenks
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Capital Project Funds

	2014 GO Bond Fund	Fire Suppression Vehicles	2010 GO Bond Fund	Radio Communications	2006 GO Bond Fund	Uniformed Patrol Vehicles	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,834,941	\$ 739,474	\$ 2,033,850	\$ 310,262	\$ 430,763	\$ 29,482	\$ 13,022,765
Investments	-	-	-	-	-	-	18,090,767
Due from other funds	-	-	-	-	-	-	341,842
Due from other governments	-	-	3,039	-	-	-	67,330
Interest receivable	-	-	-	-	-	-	32,855
Total assets	<u>\$ 2,834,941</u>	<u>\$ 739,474</u>	<u>\$ 2,036,889</u>	<u>\$ 310,262</u>	<u>\$ 430,763</u>	<u>\$ 29,482</u>	<u>\$ 31,555,559</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,080	\$ 1,378	\$ 9,895	\$ -	\$ -	\$ -	\$ 93,587
Total liabilities	<u>1,080</u>	<u>1,378</u>	<u>9,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,587</u>
Deferred Inflow of Resources:							
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,860</u>
Fund balances:							
Restricted	2,528,531	-	1,810,499	-	344,538	-	20,826,900
Committed	-	-	-	-	-	-	5,076,304
Assigned	305,330	738,096	216,495	310,262	86,225	29,482	5,540,908
Total fund balances	<u>2,833,861</u>	<u>738,096</u>	<u>2,026,994</u>	<u>310,262</u>	<u>430,763</u>	<u>29,482</u>	<u>31,444,112</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 2,834,941</u>	<u>\$ 739,474</u>	<u>\$ 2,036,889</u>	<u>\$ 310,262</u>	<u>\$ 430,763</u>	<u>\$ 29,482</u>	<u>\$ 31,555,559</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

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

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					
	Street and Alley	Park Recreation	Economic Development Accommodation	Vision Sales Tax	TIF District #3	TIF District #4
REVENUES						
Taxes	\$ -	\$ -	\$ 157,422	\$ -	\$ 691,148	\$ 160,787
Intergovernmental	740,008	-	-	-	-	-
Licenses and permits	-	23,275	-	-	-	-
Investment income	30,795	14,344	17,882	209,037	23,279	1,558
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>770,803</u>	<u>37,619</u>	<u>175,304</u>	<u>209,037</u>	<u>714,427</u>	<u>162,345</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	656,207	-
Public safety	-	-	-	-	-	-
Streets	39,717	-	-	-	-	-
Culture and recreation	-	80,291	-	-	-	-
Urban development	-	-	96,770	-	-	131,043
Capital outlay	784,517	-	1,037,975	448,931	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>824,234</u>	<u>80,291</u>	<u>1,134,745</u>	<u>448,931</u>	<u>656,207</u>	<u>131,043</u>
Excess (deficiency) of revenues over expenditures	<u>(53,431)</u>	<u>(42,672)</u>	<u>(959,441)</u>	<u>(239,894)</u>	<u>58,220</u>	<u>31,302</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	139,500	2,075,579	21,893	23,896
Transfers out	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-
Other financing sources (SBITA proceeds)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>139,500</u>	<u>2,075,579</u>	<u>21,893</u>	<u>23,896</u>
Net change in fund balances	(53,431)	(42,672)	(819,941)	1,835,685	80,113	55,198
Fund balances - beginning	1,435,034	566,704	1,676,969	6,105,360	143,994	43,323
Fund balances - ending	<u>\$ 1,381,603</u>	<u>\$ 524,032</u>	<u>\$ 857,028</u>	<u>\$ 7,941,045</u>	<u>\$ 224,107</u>	<u>\$ 98,521</u>

(continued)

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2023, (Continued)

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds					Capital Project Funds	
	E911	TIF District #1	TIF District #2	Jenks Eco. Dev. Authority	City Stabilization Reserve	2002 GO Bond Fund	City Capital Reserve
REVENUES							
Taxes	\$ 202,568	\$ 1,052,210	\$ 174,405	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Investment income	17,466	6,230	1,237	97,328	113,503	1,988	70,930
Miscellaneous	1,132	-	-	-	-	-	-
Total revenues	<u>221,166</u>	<u>1,058,440</u>	<u>175,642</u>	<u>97,328</u>	<u>113,503</u>	<u>1,988</u>	<u>70,930</u>
EXPENDITURES							
Current:							
General government	-	-	175,766	-	-	-	-
Public safety	107,105	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban development	-	1,120,559	-	14,317	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>107,105</u>	<u>1,120,559</u>	<u>175,766</u>	<u>14,317</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>114,061</u>	<u>(62,119)</u>	<u>(124)</u>	<u>83,011</u>	<u>113,503</u>	<u>1,988</u>	<u>70,930</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	21,031	-	-	-	-	-
Transfers out	(150,000)	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-
Other financing sources (SBITA proceeds)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>21,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(35,939)	(41,088)	(124)	83,011	113,503	1,988	70,930
Fund balances - beginning	973,131	379,319	45,013	4,201,843	4,962,801	78,814	3,215,116
Fund balances - ending	<u>\$ 937,192</u>	<u>\$ 338,231</u>	<u>\$ 44,889</u>	<u>\$ 4,284,854</u>	<u>\$ 5,076,304</u>	<u>\$ 80,802</u>	<u>\$ 3,286,046</u>

(continued)

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2023, (Continued)

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Capital Project Funds						
	2014 GO Bond Fund	Fire Suppression Vehicles	2010 GO Bond Fund	Radio Communications	2006 GO Bond Fund	Uniformed Patrol Vehicles	Total Governmental Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,438,540
Intergovernmental	-	4,823	252,422	-	-	-	997,253
Licenses and permits	-	-	-	-	-	-	23,275
Investment income	68,080	15,215	47,112	8,079	10,598	744	755,405
Miscellaneous	131,579	12,700	-	-	-	5,100	150,511
Total revenues	199,659	32,738	299,534	8,079	10,598	5,844	4,364,984
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	831,973
Public safety	-	-	-	25,487	-	-	132,592
Streets	-	-	-	-	-	-	39,717
Culture and recreation	-	-	-	-	-	-	80,291
Urban development	-	-	-	-	-	-	1,362,689
Capital outlay	244,502	377,028	64,291	-	-	411,382	3,368,626
Debt service:							
Principal	-	322,782	-	-	-	42,929	365,711
Interest	-	10,453	-	-	-	3,608	14,061
Total expenditures	244,502	710,263	64,291	25,487	-	457,919	6,195,660
Excess (deficiency) of revenues over expenditures	(44,843)	(677,525)	235,243	(17,408)	10,598	(452,075)	(1,830,676)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	597,311	-	-	-	93,000	2,972,210
Transfers out	-	-	-	-	-	-	(150,000)
Proceeds from long-term debt	-	115,095	-	-	-	221,954	337,049
Other financing sources (SBITA proceeds)	-	-	-	-	-	137,067	137,067
Total other financing sources (uses)	-	712,406	-	-	-	452,021	3,296,326
Net change in fund balances	(44,843)	34,881	235,243	(17,408)	10,598	(54)	1,465,650
Fund balances - beginning	2,878,704	703,215	1,791,751	327,670	420,165	29,536	29,978,462
Fund balances - ending	\$ 2,833,861	\$ 738,096	\$ 2,026,994	\$ 310,262	\$ 430,763	\$ 29,482	\$ 31,444,112

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

Combining Schedule of Net Position – Jenks Public Works Authority Accounts – June 30, 2023

	Public Works Authority	JPWA Sinking Fund	JPWA One Cent Capital	JPWA WW Treatment	JPWA Reimbursement to JPWA	JPWA Economic Development	JPWA Risk Management	Total
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 2,540,013	\$ 206,142	\$ 5,015,203	\$ 1,143,013	\$ 1,362,615	\$ 464,581	\$ 1,990,522	\$ 12,722,089
Restricted cash and cash equivalents	72,001	4,317,671	-	-	-	-	-	4,389,672
Investments	13,534,371	249,496	2,021,981	473,482	254,798	-	259,205	16,793,333
Interest receivable	51,467	1,375	16,567	1,812	-	-	4,305	75,526
Accounts receivable, net	2,352,908	-	-	-	-	-	-	2,352,908
Due from other funds	341,842	-	-	1,260	-	400	336,468	679,970
Total current assets	18,892,602	4,774,684	7,053,751	1,619,567	1,617,413	464,981	2,590,500	37,013,498
Non-current assets:								
Restricted cash and cash equivalents	598,875	-	-	-	-	-	-	598,875
Capital assets:								
Land and other non-depreciable assets	17,095,712	-	-	-	-	-	-	17,095,712
Other capital assets, net of depreciation	17,887,067	-	-	-	-	-	-	17,887,067
Total non-current assets	35,581,654	-	-	-	-	-	-	35,581,654
Total assets	54,474,256	4,774,684	7,053,751	1,619,567	1,617,413	464,981	2,590,500	72,595,152
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to OPEB	8,432	-	-	-	-	-	-	8,432
Deferred amount on Asset Retirement Obligation	3,277,884	-	-	-	-	-	-	3,277,884
Total deferred outflows	3,286,316	-	-	-	-	-	-	3,286,316
LIABILITIES								
Current liabilities:								
Accounts payable	1,387,793	-	77,923	593,547	198,549	-	3,950	2,261,762
Accrued payroll liabilities	2,466	-	-	-	-	-	-	2,466
Due to other funds	455,442	-	-	-	-	-	-	455,442
Accrued interest payable	-	61,838	-	-	-	-	-	61,838
Current portion of:								
Due to depositors	77,277	-	-	-	-	-	-	77,277
Revenue bonds payable	-	575,000	-	-	-	-	-	575,000
Accrued compensated absences	15,377	-	-	-	-	-	-	15,377
Total current liabilities	1,938,355	636,838	77,923	593,547	198,549	-	3,950	3,449,162
Non-current liabilities:								
Due to depositors	695,496	-	-	-	-	-	-	695,496
Total OPEB liability	39,526	-	-	-	-	-	-	39,526
Revenue bonds payable, net	-	15,904,250	-	-	-	-	-	15,904,250
Asset retirement obligation	3,748,500	-	-	-	-	-	-	3,748,500
Accrued compensated absences	61,507	-	-	-	-	-	-	61,507
Total non-current liabilities	4,545,029	15,904,250	-	-	-	-	-	20,449,279
Total liabilities	6,483,384	16,541,088	77,923	593,547	198,549	-	3,950	23,898,441
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to OPEB	42,899	-	-	-	-	-	-	42,899
NET POSITION								
Net investment in capital assets	28,632,881	(8,398,988)	-	-	-	-	-	20,233,893
Restricted for debt service	-	415,797	-	-	-	-	-	415,797
Unrestricted (deficit)	22,601,408	(3,783,213)	6,975,828	1,026,020	1,418,864	464,981	2,586,550	31,290,438
Total net position	\$ 51,234,289	\$ (11,766,404)	\$ 6,975,828	\$ 1,026,020	\$ 1,418,864	\$ 464,981	\$ 2,586,550	\$ 51,940,128

**CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION**

Combining Schedule of Revenues, Expenses and Changes in Net Position – Jenks Public Works Authority Accounts – Year Ended June 30, 2023

City of Jenks
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
JPWA Accounts
For the Year Ended June 30, 2023

	Public Works Authority	JPWA Sinking Fund	JPWA One Cent Capital	JPWA WW Treatment	JPWA Reimbursement to JPWA	JPWA Economic Development	JPWA Risk Management	Total
REVENUES								
Water charges	\$ 12,361,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,361,487
Sewer charges	2,967,212	-	-	-	80	-	-	2,967,292
Sanitation	1,730,070	-	-	-	-	-	-	1,730,070
Licenses and permits	-	-	-	28,335	-	8,916	-	37,251
Miscellaneous	717,046	-	-	-	-	-	-	717,046
Total operating revenues	17,775,815	-	-	28,335	80	8,916	-	17,813,146
OPERATING EXPENSES								
General and administrative	2,913,534	-	7,759	-	-	-	-	2,921,293
Economic development	353,477	-	-	-	-	-	-	353,477
Cultural and recreational	82,438	-	-	-	-	-	-	82,438
Water service	8,077,860	-	9,645	34	-	-	-	8,087,539
Sewer service	1,847,801	-	103,569	-	-	-	3,302	1,954,672
Solid waste service	1,677,602	-	-	-	-	-	-	1,677,602
Stormwater drainage	268,657	-	-	-	-	-	-	268,657
Depreciation expense	1,177,229	-	-	-	-	-	-	1,177,229
Total operating expenses	16,398,598	-	120,973	34	-	-	3,302	16,522,907
Operating income (loss)	1,377,217	-	(120,973)	28,301	80	8,916	(3,302)	1,290,239
NON-OPERATING REVENUES (EXPENSES)								
Investment income	398,164	182,673	164,102	37,450	42,125	11,518	99,788	935,820
Miscellaneous	4,882	-	60	-	-	-	-	4,942
Gain (loss) on disposal of capital assets	(10,559)	-	141,186	-	-	-	-	130,627
Transfer capital assets to governmental activities	(1,404,945)	-	-	-	-	-	-	(1,404,945)
Interest expense and fiscal charges	-	(452,335)	-	-	-	-	-	(452,335)
Total non-operating revenue (expenses)	(1,012,458)	(269,662)	305,348	37,450	42,125	11,518	99,788	(785,891)
Income (loss) before contributions and transfers	364,759	(269,662)	184,375	65,751	42,205	20,434	96,486	504,348
Capital contributions	1,988,975	-	-	-	-	-	-	1,988,975
Interaccount transfers	1,932,145	1,160,000	1,071,446	(3,693,503)	(259,186)	-	(210,902)	-
Transfers in	11,321,338	-	-	5,009,169	-	-	-	16,330,507
Transfers out	(7,981,888)	(5,009,169)	(690,311)	-	-	-	(1,869,398)	(15,550,766)
Change in net position	7,625,329	(4,118,831)	565,510	1,381,417	(216,981)	20,434	(1,983,814)	3,273,064
Total net position - beginning	43,608,960	(7,647,573)	6,410,318	(355,397)	1,635,845	444,547	4,570,364	48,667,064
Total net position - ending	\$ 51,234,289	\$ (11,766,404)	\$ 6,975,828	\$ 1,026,020	\$ 1,418,864	\$ 464,981	\$ 2,586,550	\$ 51,940,128

SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION

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Elfrink and Associates, PLLC

Certified Public Accountants

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

To the Honorable Mayor and City Council
City of Jenks, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Jenks, Oklahoma ("City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 3, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

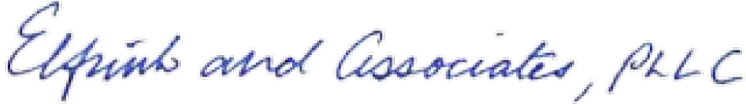
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.



Purpose of this Report

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

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Elfrink and Associates, PLLC

Tulsa, Oklahoma

June 3, 2024



Elfrink and Associates, PLLC

Certified Public Accountants

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

To the Honorable Mayor and City Council
City of Jenks, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on the Major Program

We have audited City of Jenks, Oklahoma's ("City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed no instance of noncompliance which is required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 3, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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Elfrink and Associates, PLLC

Tulsa, Oklahoma

June 3, 2024

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CITY OF JENKS, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Federal Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Grant Number	Program or Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. Department of Transportation</u>				
Passed through Indian Nations Council of Governments Highway Planning and Construction	20.205	CMAQ	\$ 495,000	\$ 495,000
Total U.S. Department of Transportation			\$ 495,000	\$ 495,000
 <u>U.S. Department of Treasury:</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	OK1271		
American Rescue Plan Act			\$ 4,170,834	\$ 4,170,834
Total U.S. Department of Treasury			\$ 4,170,834	\$ 4,170,834
 TOTAL FEDERAL AWARDS			 \$ 4,665,834	 \$ 4,665,834

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Jenks, Oklahoma (the "City") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

City of Jenks

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

Summary of Auditors' Results

1. The opinion expressed in the independent accountants' report was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed
2. The independent accountants' report on internal control over financial reporting described:
Significant deficiencies? ☐ Yes ☒ None Reported
Material weaknesses? ☐ Yes ☒ No
3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No
4. The independent accountants' report on internal control over compliance for major federal awards programs described:
Significant deficiencies? ☐ Yes ☒ None Reported
Material weakness? ☐ Yes ☒ No
5. The opinion expressed in the independent accountants' report for major federal awards was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed
6. The audit disclosed findings required to be reported by Uniform Guidance? ☐ Yes ☒ No
7. The City's major program was:

Program
American Rescue Plan Act

ALN
21.027

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
9. Auditee qualified as a low-risk auditee as that term is defined in the Uniform Guidance. ☐ Yes ☒ No

Status of Previous Year's Findings

There were no findings in the previous year's report