

City of
**KINGFISHER,
OKLAHOMA**

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

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

**THE CITY OF KINGFISHER,
OKLAHOMA**

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

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

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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

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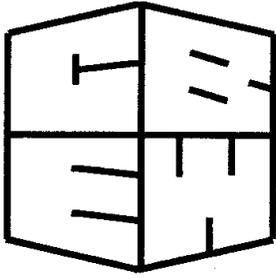
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INDEPENDENT AUDITOR'S REPORT

December 18, 2023

Honorable Board of City Commissioners
City of Kingfisher
Kingfisher, Oklahoma

Report on the Audit of the Financial Statements

Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension exhibits and budgetary comparison information on pages 8–17 and 66–71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kingfisher, Oklahoma’s basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the City of Kingfisher, Oklahoma’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kingfisher, Oklahoma’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kingfisher, Oklahoma’s internal control over financial reporting and compliance.

CBEW Professional Group, LLP
CBEW Professional Group, LLP
Certified Public Accountants

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

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

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2023, the City's total net position increased by \$3.3 million or 8.5% from the prior year.
- During the year, the City's expenses for governmental activities were \$8 million and were funded by program revenues of \$3.8 million and further funded with taxes and other general revenues and transfers that totaled \$7.3 million.
- In the City's business-type activities, such as utilities, program revenues were under expenses by \$115,070.
- For budgetary reporting purposes, the General Fund reported revenues under estimates by \$400,245 or 3.7%, while expenditures were under the final appropriations by \$483,075 or 4.7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Kingfisher (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39, and 61. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, including four active blended component units.

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

About the City

The City of Kingfisher is an incorporated municipality with a population of approximately 4,633 located in northwestern Oklahoma. The City is a Council/Manager form of government and operates under a home-rule charter that provides for three branches of government:

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

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

The City's Financial Reporting Entity

This annual report includes all activities for which the City of Kingfisher City Council is fiscally responsible. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

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

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

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

Using This Annual Report

This annual report is presented in a format that complies with the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements

- **Supplemental Schedules** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows, using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the residual difference between assets, deferred outflows, liabilities and deferred inflows, – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

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

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's electric, water, sewer, and sanitation activities are reported here, along with other smaller activities.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Governmental funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City’s enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by \$42.5 million at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Current assets	\$ 10,308	\$ 9,110	13%	\$ 5,553	\$ 4,852	14%	\$ 15,861	\$ 13,962	14%
Non-current assets	12,254	12,286	0%	22,680	21,358	6%	34,934	33,644	4%
Total assets	<u>22,562</u>	<u>21,396</u>	5%	<u>28,233</u>	<u>26,210</u>	8%	<u>50,795</u>	<u>47,606</u>	7%
Deferred outflow of resources	<u>2,028</u>	<u>1,430</u>	42%	<u>552</u>	<u>213</u>	159%	<u>2,580</u>	<u>1,643</u>	57%
Current liabilities	530	1,152	-54%	687	1,241	-45%	1,217	2,393	-49%
Non-current liabilities	4,903	2,522	94%	4,408	1,169	277%	9,311	3,691	152%
Total liabilities	<u>5,433</u>	<u>3,674</u>	48%	<u>5,095</u>	<u>2,410</u>	111%	<u>10,528</u>	<u>6,084</u>	73%
Deferred inflow of resources	<u>150</u>	<u>3,032</u>	-95%	<u>203</u>	<u>957</u>	-79%	<u>353</u>	<u>3,989</u>	-91%
Net position									
Net investment in capital assets	12,070	10,670	13%	18,337	19,025	-4%	30,407	29,695	2%
Restricted	3,106	2,015	54%	595	438	36%	3,701	2,453	51%
Unrestricted	3,831	3,435	12%	4,555	3,593	27%	8,386	7,028	19%
Total net position	<u>\$ 19,007</u>	<u>\$ 16,120</u>	18%	<u>\$23,487</u>	<u>\$ 23,056</u>	2%	<u>\$ 42,494</u>	<u>\$ 39,176</u>	8%

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. For 2023, this net investment in capital assets amounted to \$30.4 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$3.7 million, also represents resources that are subject to external restrictions or internal legislation on how they may be used. The remaining balance of unrestricted net position approximately, \$8.4 million, is available to meet the government's ongoing obligations to citizens and creditors.

Business-Type non-current liabilities increased due to the KPWA drawing down funds from the Clean Water OWRB loan for the wastewater treatment plant.

Governmental current liabilities decreased due to the City expending the ARPA Grant money from last year that was previously booked as unearned revenue. This resulted in unearned revenues decreasing by the amount of \$428,604.

Governmental restricted net position increased due to the collection of the Fire Tax that was voted on and passed by citizens in the previous year. This was collected for the whole fiscal year and not just a portion of the year as it was the previous year.

Business-Type and Governmental activities current liabilities decreased due to accounts payable decreasing by \$789,920 from the prior year.

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

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Changes in Net Position

For the year ended June 30, 2023, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Revenues									
Charges for service	\$ 1,619	\$ 1,440	12%	\$ 9,390	\$ 9,582	-2%	\$ 11,009	\$ 11,022	0%
Operating grants and contributions	1,386	440	215%	29	19	53%	1,415	459	208%
Capital grants and contributions	817	652	25%	-	-	-	817	652	25%
Taxes	6,911	6,365	9%	-	-	-	6,911	6,365	9%
Intergovernmental revenue	139	140	-1%	91	559	-84%	230	699	-67%
Investment income	67	58	16%	21	7	200%	88	65	35%
Miscellaneous	147	154	-5%	434	74	486%	581	228	155%
Total revenues	11,086	9,249	20%	9,965	10,241	-3%	21,051	19,490	8%
Expenses									
General government	471	404	17%	-	-	-	471	404	17%
Public safety	4,166	3,243	28%	-	-	-	4,166	3,243	28%
Highways and streets	805	746	8%	-	-	-	805	746	8%
Culture and recreation	889	833	7%	-	-	-	889	833	7%
Health and welfare	60	58	3%	-	-	-	60	58	3%
Airport	245	162	51%	-	-	-	245	162	51%
Hospital sales tax payment	1,562	1,504	4%	-	-	-	1,562	1,504	4%
Light and power	-	-	-	6,265	6,529	-4%	6,265	6,529	-4%
Water	-	-	-	1,176	1,063	11%	1,176	1,063	11%
Sewer	-	-	-	487	451	8%	487	451	8%
Sanitation	-	-	-	814	746	9%	814	746	9%
Golf course	-	-	-	138	134	3%	138	134	3%
Swimming pool	-	-	-	567	572	-1%	567	572	-1%
Economic development	-	-	-	87	87	0%	87	87	0%
Total expenses	8,198	6,950	18%	9,534	9,582	-1%	17,732	16,532	7%
Excess (deficiency) before transfers	2,888	2,299	26%	431	659	-35%	3,319	2,958	12%
Transfers	-	(25)	-100%	-	25	100%	-	-	-
Change in net position	2,888	2,274	27%	431	684	-37%	3,319	2,958	12%
Beginning net position	16,119	13,846	16%	23,056	22,372	3%	39,175	36,218	8%
Ending net position	\$ 19,007	\$ 16,120	18%	\$ 23,487	\$ 23,056	2%	\$ 42,494	\$ 39,176	8%

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

Governmental Activities:

The large increase in the governmental operating grants and contributions is due to recognition of the ARPA grant money in the current year that was booked as unearned revenue in the prior year.

Business-Type Activities:

Intergovernmental revenue decreased due to the accrual of FEMA money in the prior year for past disaster assistance in the amount of \$480,030 that was obligated to the City prior to year-end.

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Governmental Activities

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

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

	Total Expense		% Inc.	Net Revenue		% Inc.
	of Services			(Expense)		
	2023	2022	2023	2022		
General government	\$ 471	\$ 404	17%	\$447	(\$362)	-223%
Public safety	4,166	3,243	28%	(2,221)	(1,576)	41%
Highways and streets	805	746	8%	(755)	(701)	8%
Culture and recreation	889	833	7%	(131)	(375)	-65%
Health and welfare	60	58	3%	(30)	(23)	30%
Airport	245	162	51%	(124)	122	-202%
Hospital sales tax payment	1,562	1,504	4%	(1,562)	(1,504)	4%
Total	8,198	\$ 6,950	18%	(\$4,376)	(\$4,419)	-1%

Explanations for significant changes are listed above under Table 2.

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

	Total Expense		% Inc.	Net Revenue		% Inc.
	of Services			(Expense)		
	2023	2022	2023	2022		
Light and power	\$ 6,265	\$ 6,529	-4%	\$ 548	\$ 474	16%
Water	1,176	1,063	11%	(21)	167	-113%
Sewer	487	451	8%	95	133	-29%
Sanitation	814	746	9%	(37)	(42)	-12%
Golf course	138	134	3%	(109)	(114)	-4%
Swimming pool	567	572	-1%	(504)	(510)	-1%
Economic development	87	87	0%	(87)	(87)	0%
Total	\$ 9,534	\$ 9,582	-1%	\$ (115)	\$ 21	-648%

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

CITY OF KINGFISHER, OKLAHOMA
Management’s Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

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

- Total business-type activities reported net expense of \$115,070 for the year ended June 30, 2023.
- While light and sewer activities reported net revenues for the year ended June 30, 2023, sewer, sanitation, golf course, swimming pool and economic development all had net expenses.

A FINANCIAL ANALYSIS OF THE CITY’S FUNDS

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$9,471,156 which is an increase of \$1.6 million or 21% from 2022. The enterprise funds reported combined net position of \$23,487,117 or a decrease of 2%.

Other fund highlights include:

- In the General Fund there was a \$199,198 restriction for insurance, \$66,118 restricted for police, \$24,080 restricted for fire, a \$3,558,234 commitment for economic stabilization, a \$2,739,838 assignment for capital improvements, and a \$15,010 assignment for sick leave buyback.
- Proprietary fund net position restriction is \$595,212 for capital projects.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections (including transfers in) of 42% or \$3.2 million and an increase in appropriations (including transfers out) of 37.8% or \$2.8 million. Actual revenues and transfers were under estimates by \$400,245 or 3.7%, while expenditures and transfers were under final appropriations by \$483,073 or 4.7%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the City had approximately \$33.9 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, and electric, water and sewer lines. (See Table 5). This represents a net increase of approximately \$3.2 million over last year.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,756	\$ 1,154	\$ 1,212	\$ 1,212	\$ 2,968	\$ 2,366
Buildings and Improvements	2,315	2,577	3,984	4,339	6,299	6,916
Machinery and Equipment	1,213	1,184	606	650	1,819	1,834
Infrastructure	4,873	4,871	697	733	5,570	5,604
Utility Property	-	-	11,813	12,102	11,813	12,102
Construction in progress	1,926	1,141	3,543	752	5,469	1,893
Totals	<u>\$ 12,083</u>	<u>\$ 10,927</u>	<u>\$ 21,855</u>	<u>\$ 19,788</u>	<u>\$ 33,938</u>	<u>\$ 30,715</u>

CITY OF KINGFISHER, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

This year's more significant capital asset additions included:

Wastewater Treatment Plant Project	\$2,939,907
Fire station land	\$602,234
Newfield Park Project	\$1,056,725

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

Long- Term Debt

At year-end, the City had \$4.8 million in long-term debt outstanding which represents an approximate increase of \$3 million or 157% from the prior year. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Long-Term Debt

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		<u>Percentage</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022-2023</u>
Accrued absences	\$ 525	\$ 459	\$ 413	\$ 342	\$ 938	\$ 801	17.1%
Notes payable	-	-	3,313	504	3,313	504	557.3%
Meter deposit liability	-	-	592	575	592	575	3.0%
Totals	\$ 525	\$ 459	\$ 4,318	\$ 1,421	\$ 4,843	\$ 1,880	157.6%

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

The Economic Outlook

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

- The City continue with phase II of Newfield park.
- They City will finish up with the wastewater treatment plant improvements.
- The City will move forward with making plans for a new fire station.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 301 N. Main Kingfisher, Oklahoma 73750 or telephone at 405-375-3705.

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Statement of Net Position– June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 7,176,539	\$ 1,473,947	\$ 8,650,486
Restricted cash and cash equivalents	-	652,111	652,111
Investments	1,446,145	650,000	2,096,145
Deposits with insurance pool	199,198	-	199,198
Accounts receivable, net	226,500	1,520,959	1,747,459
Court fine receivable, net	22,334	-	22,334
Internal balances	(19,693)	19,693	-
Due from other governments	1,256,484	555,331	1,811,815
Inventory	-	680,661	680,661
Total Current Assets	10,307,507	5,552,702	15,860,209
Noncurrent Assets:			
Restricted cash and cash equivalents	-	269,000	269,000
Notes receivable, net of allowance (Note 4)	-	89,000	89,000
Restricted investments	-	266,030	266,030
Net pension asset	134,677	-	134,677
Net OPEB asset	35,693	48,927	84,620
Lease receivable	-	152,361	152,361
Capital Assets:			
Land and construction in progress	3,681,993	4,754,514	8,436,507
Other capital assets, net of depreciation	8,401,538	17,100,824	25,502,362
Total Noncurrent Assets	12,253,901	22,680,656	34,934,557
Total Assets	22,561,408	28,233,358	50,794,766
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	2,004,664	518,565	2,523,229
Deferred amounts related to OPEB	23,416	33,142	56,558
	2,028,080	551,707	2,579,787
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	198,311	398,625	596,936
Sales tax due to hospital	279,083	-	279,083
Current portion of:			
Due to depositors	-	56,899	56,899
Unearned revenue	-	20,000	20,000
Notes payable	-	169,862	169,862
Accrued compensated absences	52,537	41,308	93,845
Total Current Liabilities	529,931	686,694	1,216,625
Noncurrent liabilities:			
Due to depositors	-	535,030	535,030
Notes payable	-	3,143,359	3,143,359
Accrued compensated absences	472,835	371,773	844,608
Net pension liability	4,430,273	357,912	4,788,185
Total Noncurrent Liabilities	4,903,108	4,408,074	9,311,182
Total Liabilities	5,433,039	5,094,768	10,527,807
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	127,268	21,531	148,799
Deferred amounts related to leases	-	152,388	152,388
Deferred amounts related to OPEB	22,604	29,261	51,865
	149,872	203,180	353,052
NET POSITION			
Net investment in capital assets	12,069,831	18,336,939	30,406,770
Restricted for:			
Nonspendable	50,000	-	50,000
Library	439,083	-	439,083
Streets	340,238	-	340,238
Flood	215,697	-	215,697
Public Safety	1,445,204	-	1,445,204
Capital	416,330	595,212	1,011,542
Insurance	199,198	-	199,198
Unrestricted	3,830,996	4,554,966	8,385,962
Total Net Position	\$ 19,006,577	\$ 23,487,117	\$ 42,493,694

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Statement of Activities –Fiscal Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General government	\$ 471,248	\$ 56,960	\$ 861,270	\$ -	\$ 446,982	\$ -	\$ 446,982
Public safety	4,166,083	1,459,540	459,730	25,656	(2,221,157)	-	(2,221,157)
Highways and streets	804,839	-	43,572	6,642	(754,625)	-	(754,625)
Culture and recreation	888,694	12,242	22,620	723,332	(130,500)	-	(130,500)
Health and welfare	60,345	30,281	-	-	(30,064)	-	(30,064)
Airport	245,349	60,281	-	61,427	(123,641)	-	(123,641)
Hospital sales tax payment	1,561,993	-	-	-	(1,561,993)	-	(1,561,993)
Total governmental activities	<u>8,198,551</u>	<u>1,619,304</u>	<u>1,387,192</u>	<u>817,057</u>	<u>(4,374,998)</u>	<u>-</u>	<u>(4,374,998)</u>
Business-type activities:							
Light and power	6,266,002	6,814,016	-	-	-	548,014	548,014
Water	1,175,615	1,154,941	-	-	-	(20,674)	(20,674)
Sewer	486,681	581,342	-	-	-	94,661	94,661
Sanitation	813,914	776,731	-	-	-	(37,183)	(37,183)
Golf course	137,585	-	29,049	-	-	(108,536)	(108,536)
Swimming pool	567,221	62,930	-	-	-	(504,291)	(504,291)
Economic development	87,061	-	-	-	-	(87,061)	(87,061)
Total business-type activities	<u>9,534,079</u>	<u>9,389,960</u>	<u>29,049</u>	<u>-</u>	<u>-</u>	<u>(115,070)</u>	<u>(115,070)</u>
Total primary government	<u>\$ 17,732,630</u>	<u>\$ 11,009,264</u>	<u>\$ 1,416,241</u>	<u>\$ 817,057</u>	<u>(4,374,998)</u>	<u>(115,070)</u>	<u>(4,490,068)</u>
General revenues:							
Taxes:							
Sales and use taxes					6,701,597	-	6,701,597
Franchise taxes and public service taxes					103,160	-	103,160
Hotel/motel taxes					105,581	-	105,581
Intergovernmental revenue not restricted to specific programs					138,877	90,488	229,365
Unrestricted investment earnings					66,162	20,327	86,489
Miscellaneous					146,711	434,130	580,841
Total general revenues and transfers					<u>7,262,088</u>	<u>544,945</u>	<u>7,807,033</u>
Change in net position					2,887,090	429,875	3,316,965
Net position - beginning					16,119,487	23,057,242	39,176,729
Net position - ending					<u>\$ 19,006,577</u>	<u>\$ 23,487,117</u>	<u>\$ 42,493,694</u>

See accompanying notes to the basic financial statements.

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Governmental Funds Balance Sheet - June 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,894,714	\$ 2,281,825	\$ 7,176,539
Investments	1,000,000	446,145	1,446,145
Receivables:			
Ambulance receivable, net	226,500	-	226,500
Court fines receivable, net	22,334	-	22,334
Due from other governments	1,105,009	145,312	1,250,321
Other receivables	6,163	-	6,163
Deposits in insurance pool	199,198	-	199,198
Total assets	\$ 7,453,918	\$ 2,873,282	\$ 10,327,200
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 193,627	\$ 4,684	\$ 198,311
Due to other funds	19,693	-	19,693
Sales tax due to hospital	279,083	-	279,083
Total liabilities	492,403	4,684	497,087
Deferred Inflows of resources:			
Unavailable revenue	358,957	-	358,957
Fund balances:			
Nonspendable	-	50,000	50,000
Restricted for:			
Cemetery Capital Improvements	-	148,422	148,422
Library	-	439,083	439,083
Streets	-	340,238	340,238
Insurance	199,198	-	199,198
Flood Control	-	215,697	215,697
Military Memorial	-	89,106	89,106
Police	66,118	-	66,118
Fire	24,080	1,355,006	1,379,086
Improvements benefiting citizens	-	178,802	178,802
Committed to:			
Economic stabilization	3,558,234	-	3,558,234
Assigned to:			
Street	-	1,598	1,598
Capital Improvements	2,739,838	-	2,739,838
Airport	-	29,821	29,821
F.I.R.E. Tax	-	21,192	21,192
Flood Control	-	291	291
Sick leave buy back	15,090	-	15,090
Unassigned (deficit)	-	(658)	(658)
Total fund balances	6,602,558	2,868,598	9,471,156
Total liabilities, deferred inflows and fund balances	\$ 7,453,918	\$ 2,873,282	\$ 10,327,200

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 6,060,329	\$ 887,349	\$ 6,947,678
Intergovernmental	2,051,331	104,999	2,156,330
Charges for services	1,341,739	31,140	1,372,879
Fines and forfeitures	74,973	-	74,973
Licenses and permits	44,958	-	44,958
Investment income	38,038	9,418	47,456
Donations	41,720	12,567	54,287
Miscellaneous	152,077	58,847	210,924
Total revenues	<u>9,805,165</u>	<u>1,104,320</u>	<u>10,909,485</u>
EXPENDITURES			
Current:			
Administrative	11,514	-	11,514
City Treasurer	107,417	-	107,417
City Attorney	39,520	-	39,520
Municipal Court	11,827	-	11,827
Police	1,439,915	-	1,439,915
Fire	2,386,060	-	2,386,060
Streets	434,031	104	434,135
Culture, tourism and recreation	405,481	24,611	430,092
General government	324,909	787	325,696
Library	332,855	1,597	334,452
Cemetery	58,744	-	58,744
Airport	-	68,123	68,123
Capital Outlay	1,984,509	73,905	2,058,414
Total expenditures	<u>7,536,782</u>	<u>169,127</u>	<u>7,705,909</u>
Excess (deficiency) of revenues over expenditures	<u>2,268,383</u>	<u>935,193</u>	<u>3,203,576</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	80,215	10,374	90,589
Transfers out	(10,374)	(80,215)	(90,589)
Sales tax payment to hospital	(1,561,993)	-	(1,561,993)
Total other financing sources (uses)	<u>(1,492,152)</u>	<u>(69,841)</u>	<u>(1,561,993)</u>
Net change in fund balances	776,231	865,352	1,641,583
Fund balances - beginning	5,826,327	2,003,246	7,829,573
Fund balances - ending	<u>\$ 6,602,558</u>	<u>\$ 2,868,598</u>	<u>\$ 9,471,156</u>

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	9,471,156
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		12,083,531
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Certain long-term assets and deferred outflows are not available to pay for current fund liabilities and therefore, are either deferred or not reported in the funds:

Net OPEB asset		35,693
Net pension asset		134,677
OPEB related deferred outflows		23,416
Pension related deferred outflows		2,004,664
Unavailable revenue		358,957

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

Net pension liability		(4,430,273)
Pension related deferred inflows		(127,268)
OPEB related deferred inflows		(22,604)
Accrued compensated absences		(525,372)

Net Position of Governmental Activities in the Statement of Net Position	\$	19,006,577
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See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds: \$ 1,641,583

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	1,952,769
Contributed capital	34,450
Depreciation expense	(830,830)

In the Statement of Activities, the net cost of pension and OPEB benefits earned is calculated and reported as pension and OPEB expense. The fund financial statements report pension and OPEB contributions as expenditures. This amount represents the difference between pension and OPEB contributions and calculated pension and OPEB expense. (28,653)

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

Change in deferred revenue	184,388
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued compensated absences	(66,617)
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Change in net position of governmental activities	\$ 2,887,090
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See accompanying notes to the basic financial statements.

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Proprietary Funds Statement of Net Position - June 30, 2023

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,296,862	\$ 37,853	\$ 139,232	\$ 1,473,947
Investments	650,000	-	-	650,000
Restricted:				
Cash and cash equivalents	652,111	-	-	652,111
Accounts receivable, net	1,520,959	-	-	1,520,959
Due from other governments	555,331	-	-	555,331
Notes receivable	-	89,000	-	89,000
Due from other funds	19,693	-	-	19,693
Inventory	680,661	-	-	680,661
Total current assets	<u>5,375,617</u>	<u>126,853</u>	<u>139,232</u>	<u>5,641,702</u>
Non-current assets:				
Restricted:				
Cash and cash equivalents	269,000	-	-	269,000
Investments	266,030	-	-	266,030
Net OPEB asset	46,173	-	2,754	48,927
Lease receivable	-	-	152,361	152,361
Capital assets:				
Land and construction in progress	3,741,896	12,493	1,000,125	4,754,514
Other capital assets, net of accumulated depreciation	13,893,467	14,762	3,192,595	17,100,824
Total non-current assets	<u>18,216,566</u>	<u>27,255</u>	<u>4,347,835</u>	<u>22,591,656</u>
Total assets	<u>\$ 23,592,183</u>	<u>\$ 154,108</u>	<u>\$ 4,487,067</u>	<u>\$28,233,358</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	489,397	-	29,168	518,565
Deferred amounts related to OPEB	30,867	-	2,275	33,142
	<u>520,264</u>	<u>-</u>	<u>31,443</u>	<u>551,707</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 390,394	\$ -	\$ 8,231	\$ 398,625
Due to depositors	56,899	-	-	56,899
Notes payable	169,862	-	-	169,862
Accrued compensated absences	40,994	-	314	41,308
Total current liabilities	<u>658,149</u>	<u>-</u>	<u>8,545</u>	<u>666,694</u>
Non-current liabilities:				
Due to depositors	535,030	-	-	535,030
Unearned revenue	-	-	20,000	20,000
Notes payable	3,143,359	-	-	3,143,359
Accrued compensated absences	368,957	-	2,816	371,773
Net pension liability	337,765	-	20,147	357,912
Total non-current liabilities	<u>4,385,111</u>	<u>-</u>	<u>42,963</u>	<u>4,428,074</u>
Total liabilities	<u>5,043,260</u>	<u>-</u>	<u>51,508</u>	<u>5,094,768</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	19,558	-	1,973	21,531
Deferred amounts related to leases	-	-	152,388	152,388
Deferred amounts related to OPEB	27,378	-	1,883	29,261
	<u>46,936</u>	<u>-</u>	<u>156,244</u>	<u>203,180</u>
NET POSITION				
Net investment in capital assets	14,116,964	27,255	4,192,720	18,336,939
Restricted for capital projects	595,212	-	-	595,212
Unrestricted	4,310,075	126,853	118,038	4,554,966
Total net position	<u>\$ 19,022,251</u>	<u>\$ 154,108</u>	<u>\$ 4,310,758</u>	<u>\$23,487,117</u>

See accompanying notes to the basic financial statements.

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
REVENUES				
Charges for services:				
Light and power charges	\$ 6,589,726	\$ -	\$ -	\$ 6,589,726
Water charges	1,140,658	-	-	1,140,658
Sewer charges	574,153	-	-	574,153
Penalties	81,353	-	-	81,353
Sanitation charges	767,126	-	-	767,126
Rental income	10,136	-	-	10,136
Recreation	-	-	62,930	62,930
Refunds and reimbursements	161,203	-	-	161,203
Miscellaneous	7,432	5,379	-	12,811
Total operating revenues	<u>9,331,787</u>	<u>5,379</u>	<u>62,930</u>	<u>9,400,096</u>
OPERATING EXPENSES				
Administration	1,028,904	-	-	1,028,904
Light and power	5,079,133	-	-	5,079,133
Power plant	128,682	-	-	128,682
Water	769,393	-	-	769,393
Sanitation	723,153	-	-	723,153
Sewer	245,163	-	-	245,163
Recreation	-	-	377,807	377,807
Economic development	-	82,000	-	82,000
Depreciation expense	740,880	5,061	326,999	1,072,940
Total operating expenses	<u>8,715,308</u>	<u>87,061</u>	<u>704,806</u>	<u>9,507,175</u>
Operating income (loss)	<u>616,479</u>	<u>(81,682)</u>	<u>(641,876)</u>	<u>(107,079)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	17,720	136	2,471	20,327
Grant revenue	90,488	-	-	90,488
Miscellaneous	423,994	-	29,049	453,043
Interest expense	(26,904)	-	-	(26,904)
Total non-operating revenue (expenses)	<u>505,298</u>	<u>136</u>	<u>31,520</u>	<u>536,954</u>
Income (loss) before transfers	1,121,777	(81,546)	(610,356)	429,875
Transfers in	-	-	312,000	312,000
Transfers out	(312,000)	-	-	(312,000)
Change in net position	809,777	(81,546)	(298,356)	429,875
Total net position - beginning	18,212,474	235,654	4,609,114	23,057,242
Total net position - ending	<u>\$ 19,022,251</u>	<u>\$ 154,108</u>	<u>\$ 4,310,758</u>	<u>\$ 23,487,117</u>

See accompanying notes to the basic financial statements.

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Proprietary Funds Statement of Cash Flows – Fiscal Year Ended June 30, 2023

	Kingfisher Public Works Authority	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,090,233	\$ 5,379	\$ 91,979	\$ 10,187,591
Payments to suppliers	(6,948,655)	-	(206,803)	(7,155,458)
Payments to employees	(1,640,108)	-	(175,023)	(1,815,131)
Receipts of customer deposits	81,989	-	-	81,989
Refunds of customer meter deposits	(65,365)	-	-	(65,365)
Receipts from other governments	(75,300)	-	-	(75,300)
Net cash provided by (used in) operating activities	1,442,794	5,379	(289,847)	1,158,326
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	312,000	312,000
Transfers to other funds	(312,000)	-	-	(312,000)
Receipts from governmental grants	90,488	-	-	90,488
Net cash provided by (used in) noncapital financing activities	(221,512)	-	312,000	90,488
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(3,141,621)	-	-	(3,141,621)
Proceeds debt issuance	2,973,056	-	-	2,973,056
Principal paid on debt	(163,935)	-	-	(163,935)
Proceed from lease receivable	-	-	(924)	(924)
Interest and fiscal agent fees paid on debt	(26,904)	-	-	(26,904)
Net cash provided by (used in) capital and related financing activities	(359,404)	-	(924)	(360,328)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(930)	-	-	(930)
Interest and dividends	17,720	136	2,471	20,327
Net cash provided by investing activities	16,790	136	2,471	19,397
Net increase in cash and cash equivalents	878,668	5,515	23,700	907,883
Balances - beginning of year	1,339,305	32,338	115,532	1,487,175
Balances - end of year	\$ 2,217,973	\$ 37,853	\$ 139,232	\$ 2,395,058
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 1,296,862	\$ 37,853	\$ 139,232	\$ 1,473,947
Restricted cash and cash equivalents - current	652,111	-	-	652,111
Restricted cash and cash equivalents - noncurrent	269,000	-	-	269,000
Total cash and cash equivalents, end of year	\$ 2,217,973	\$ 37,853	\$ 139,232	\$ 2,395,058
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 616,479	\$ (81,682)	\$ (641,876)	\$ (107,079)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	740,880	5,061	326,999	1,072,940
Other non-operating revenues	423,994	-	29,049	453,043
Change in assets, liabilities and deferrals:				
Accounts receivable	334,452	82,000	-	416,452
Due from other governments	(75,300)	-	-	(75,300)
Net OPEB asset	16,558	-	501	17,059
Net pension asset	612,421	-	31,779	644,200
Inventory	(65,922)	-	-	(65,922)
Accounts payable	(568,144)	-	(1,591)	(569,735)
Net Pension liability	337,765	-	20,145	357,910
Pension and OPEB deferrals	(1,016,392)	-	(56,821)	(1,073,213)
Deposits subject to refund	16,624	-	-	16,624
Accrued compensated absences	69,379	-	1,968	71,347
Net cash provided by (used in) operating activities	\$ 1,442,794	\$ 5,379	\$ (289,847)	\$ 1,158,326

See accompanying notes to the basic financial statements.

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FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Kingfisher) and the four active blended component units as noted below. This annual report includes all activities for which the City of Kingfisher City Commissioners are fiscally responsible.

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

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

The City of Kingfisher has a population of 4,633 located in northwestern Oklahoma. The City is a Council/Manager form of government and operates under a home-rule charter that provides for three branches of government:

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

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

Component Units:

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

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

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used.

Program revenues in the Statement of Activities are revenues that are derived directly from each activity or from parties outside of the City's taxpayers. The City has the following program revenues in each activity:

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

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds

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

Special Revenue Funds:

- Street and Alley Fund – accounts for revenues from gasoline and vehicle taxes restricted for street repairs and maintenance
- Cemetery Care Fund – accounts for the legally required 12.5 percent of cemetery revenue restricted by State law for cemetery capital improvements, however, the City transfers 25%, with interest used for maintenance or capital improvements
- Hotel/Motel Tax Fund – accounts for hotel/motel tax collections paid to the Chamber of Commerce for tourism
- Overstreet Memorial – accounts for donations to the City restricted for improvements benefiting the citizens of Kingfisher
- Military Memorial Fund – accounts for donations to the City restricted for maintenance of the military memorial monument
- Flood Control Fund– accounts for grant revenues, transfers, and expenditures for flood control relief
- Permanent Fund – Library Endowment Fund – accounts for funds donated to the City and interest earnings for use as deemed by the City Commissioners
- Kingfisher Airport Authority – accounts for transfers, revenues and expenditures for airport operations
- F.I.R.E Tax Fund– accounts for one-half of one percent of sales tax restricted for fire, infrastructure, recreation, and emergency services. This tax is a 10 year tax.

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

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

The General Fund is considered a major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds include:

Enterprise Funds

- Kingfisher Public Works Authority - accounts for the activities of the public trust in providing electric, water, sewer, and sanitation services to the public.
- Kingfisher Special Projects Authority - accounts for the activities related to promoting economic development.
- Kingfisher Recreation Authority – accounts for revenues and expenses of the municipal golf and swimming pool.

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

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

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS) and Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from FPRS's and OPPRS's fiduciary net position have been determined on the same basis as they are reported by FPRS and OPPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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Basis of Accounting

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

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

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

D. Assets, Liabilities, Deferrals and Equity

Cash and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

Receivables and Related Deferred Inflows

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and leases as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

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Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

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

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1992.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$2,500 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to capital improvement funds, promissory note trustee accounts and utility meter deposits.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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

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

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Deferred Outflows and Inflows

Deferred outflows and inflows are the consumption or acquisition of net position by the City that are applicable to a future reporting period. At June 30, 2023, the City's deferred outflows and deferred inflows of resources were comprised of pension, OPEB and lease receivable related deferrals. As mentioned in Note 1.H., certain pension and OPEB amounts are deferred, some as outflows and other as inflows, amortized as a component of pension and insurance expense in future periods.

Net Position and Fund Balances

Net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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Fund Balances:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

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

E. Revenues, Expenditures, and Expenses

Sales Tax

As of June 30, 2023, the City levies a three and one-half cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Three cents of the sales tax is recorded in the General Fund, with one cent transferred to the local hospital. This transfer to the hospital is restricted by voter approval for debt service on the note payable issued to build the infrastructure and not for operations of the hospital. The other one-half cent is recorded in the F.I.R.E Tax Fund per voter approval and is restricted for Fire, Infrastructure, Recreation and Emergency Services.

Property Tax

At the present time the City levies no property tax. Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements:

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

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

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Government-Wide Financial Statements:

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

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, is not eliminated in the Statement of Activities.

G. Use of Estimates

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

H. Pensions and OPEB

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

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

2. Cash, Cash Equivalents, and Investments

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

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At June 30, 2023, the reporting entity held the following deposits and investments:

Primary Government:

<u>Type</u>	<u>Credit Rating</u>	<u>Fair Value Valuation Level</u>	<u>Carrying Value</u>
Deposits:			
Demand deposits			\$ 9,571,597
Time deposits, due within one year			<u>2,362,175</u>
Total deposits and investments			<u><u>\$ 11,933,772</u></u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 8,650,486
Restricted cash and cash equivalents			652,111
Investments			2,096,145
Noncurrent restricted cash and cash equivalents			269,000
Noncurrent restricted investments			<u>266,030</u>
			<u><u>\$ 11,933,772</u></u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2023, the City had no custodial credit risk as described above.

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

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

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

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- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

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

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

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

Restricted Cash and Investments – The amounts reported as restricted assets of the proprietary fund statement of net position are comprised of amounts held by the Public Works Authority for utility deposits (refunded upon termination of service or applied to final bill), and amounts held in a capital improvement fund. The restricted assets as of June 30, 2023 are as follows:

	Current	Noncurrent	Noncurrent
	Cash and cash equivalents	Cash and cash equivalents	Investments
Utility Deposits	\$ 56,899	\$ 269,000	\$ 266,030
Capital Improvement	595,212	-	-
Total	\$ 652,111	\$ 269,000	\$ 266,030

3. Accounts, Leases and Notes Receivable

Accounts Receivable - Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include ambulance and court fines receivables.

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	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Ambulance receivable	\$ 1,466,459	\$ (1,239,959)	\$ 226,500
Court fines	44,670	(22,336)	22,334
Total Governmental Activities	<u>\$ 1,511,129</u>	<u>\$ (1,262,295)</u>	<u>\$ 248,834</u>
Business-Type Activities:			
Utilities	\$ 1,631,653	\$ (110,694)	\$ 1,520,959
Total Business-Type Activities	<u>\$ 1,631,653</u>	<u>\$ (110,694)</u>	<u>\$ 1,520,959</u>

Leases Receivable – The City, as a lessor, has entered into lease agreements involving the municipal golf course. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$20,924.

Notes Receivable – The Kingfisher Special Projects Authority has a \$335,000 note receivable with Kingfisher Hospitality, LLC for the purposes of bringing a national brand hotel to the City of Kingfisher. This note is secured by a real estate mortgage on the franchise hotel real estate. The note is due on five anniversary dates in the amount of \$82,000. In the event that Kingfisher Hospitality, LLC shall continue to own and operate the franchise hotel on each anniversary, the payments will be forgiven. In the event that this has not been fulfilled the balance of the loan that is unpaid and unforgiven will be due and payable with an interest rate of 6% per annum until paid in full. As of June 30, 2023, \$246,000 has been forgiven.

4. Capital Assets and Depreciation

Capital Assets:

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

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

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	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,154,016	\$ 602,234	\$ -	\$ 1,756,250
Construction in progress	1,141,160	1,106,498	321,915	1,925,743
Total capital assets not being depreciated	<u>2,295,176</u>	<u>1,708,732</u>	<u>321,915</u>	<u>3,681,993</u>
Other capital assets:				
Buildings	2,494,714	-	-	2,494,714
Improvements	3,801,070	20,656	-	3,821,726
Infrastructure	9,125,912	303,930	-	9,429,842
Machinery, furniture and equipment	5,138,582	275,817	55,600	5,358,799
Total other capital assets at historical cost	<u>20,560,278</u>	<u>600,403</u>	<u>55,600</u>	<u>21,105,081</u>
Less accumulated depreciation for:				
Buildings	1,517,081	50,283	-	1,567,364
Improvements	2,201,571	232,241	-	2,433,812
Infrastructure	4,255,273	301,152	-	4,556,425
Machinery, furniture and equipment	3,954,388	247,154	55,600	4,145,942
Total accumulated depreciation	<u>11,928,313</u>	<u>830,830</u>	<u>55,600</u>	<u>12,703,543</u>
Other capital assets, net	8,631,965	(230,427)	-	8,401,538
Governmental activities capital assets, net	<u>\$ 10,927,141</u>	<u>\$ 1,478,305</u>	<u>\$ 321,915</u>	<u>\$ 12,083,531</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,211,762	\$ -	\$ -	\$ 1,211,762
Construction in progress	751,662	2,983,245	192,155	3,542,752
Total capital assets not being depreciated	<u>1,963,424</u>	<u>2,983,245</u>	<u>192,155</u>	<u>4,754,514</u>
Other capital assets:				
Buildings	6,387,204	-	-	6,387,204
Improvements	2,125,386	-	-	2,125,386
Machinery, furniture and equipment	3,845,243	146,476	-	3,991,719
Utility property	19,743,235	192,154	-	19,935,389
Infrastructure	1,538,315	11,900	-	1,550,215
Total other capital assets at historical cost	<u>33,639,383</u>	<u>350,530</u>	<u>-</u>	<u>33,989,913</u>
Less accumulated depreciation for:				
Buildings	2,773,093	307,816	-	3,080,909
Improvements	1,400,790	46,232	-	1,447,022
Machinery, furniture and equipment	3,195,408	190,412	-	3,385,820
Utility property improvements	7,641,646	480,870	-	8,122,516
Infrastructure	805,213	47,609	-	852,822
Total accumulated depreciation	<u>15,816,150</u>	<u>1,072,939</u>	<u>-</u>	<u>16,889,089</u>
Other capital assets, net	17,823,233	(722,409)	-	17,100,824
Business-type activities capital assets, net	<u>\$ 19,786,657</u>	<u>\$ 2,260,836</u>	<u>\$ 192,155</u>	<u>\$ 21,855,338</u>

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Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
General government	\$ 21,158	Power and light	\$ 300,152
Public safety	172,134	Water	270,948
Highways and streets	377,823	Sewer	161,295
Culture, tourism, and recreation	118,955	Sanitation	3,754
Health and welfare	9,684	Administration	4,730
Airport	131,076	Pool	309,407
	<u>\$ 830,830</u>	Golf	17,592
		Economic development	5,061
			<u>\$ 1,072,939</u>

5. Debt and Debt Service Requirements

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

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Accrued compensated absences	\$ 458,754	\$ 133,236	\$ 66,618	\$ 525,372	\$ 52,537
Total Governmental Activities	<u>\$ 458,754</u>	<u>\$ 133,236</u>	<u>\$ 66,618</u>	<u>\$ 525,372</u>	<u>\$ 52,537</u>
Business-Type Activities:					
Notes Payable-direct borrowings\placements	\$ 504,100	\$ 2,973,056	\$ 163,935	\$ 3,313,221	\$ 169,862
Deposits subject to refund	575,305	81,989	65,365	591,929	56,899
Accrued compensated absences	341,736	142,690	71,345	413,081	41,308
Total Business-Type Activities	<u>1,421,141</u>	<u>3,197,735</u>	<u>300,645</u>	<u>4,318,231</u>	<u>268,069</u>
Total Long-Term Debt	<u>\$ 1,879,895</u>	<u>\$ 3,330,971</u>	<u>\$ 367,263</u>	<u>\$ 4,843,603</u>	<u>\$ 320,606</u>

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

Governmental activities long-term debt:

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

Accrued Compensated Absences:

Current portion	\$ 52,537
Noncurrent portion	<u>472,835</u>
Total Accrued Compensated Absences	<u>\$ 525,372</u>

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

Notes Payable (Direct Borrowings\Placements):

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

	\$	239,605
Total Notes Payable	\$	<u>239,605</u>
Current portion	\$	167,862
Noncurrent portion		<u>71,743</u>
Total Note Payable	\$	<u>239,605</u>

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

	\$	3,073,616
Total Notes Payable	\$	<u>3,073,616</u>
Current portion	\$	2,000
Noncurrent portion		<u>3,071,616</u>
Total Note Payable	\$	<u>3,073,616</u>

	\$	169,862
Total Notes Payable Current portion		<u>3,143,359</u>
Total Notes Payable Noncurrent portion		<u>3,313,221</u>
Total Notes Payable	\$	<u>3,313,221</u>

Meter Deposit Liability:

	\$	56,899
Current portion		<u>535,030</u>
Noncurrent portion		<u>591,929</u>
Total Meter Deposit Liability	\$	<u>591,929</u>

Accrued Compensated Absences:

	\$	41,308
Current portion		<u>371,773</u>
Noncurrent portion		<u>413,081</u>
Total Accrued Compensated Absences	\$	<u>413,081</u>

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>	
	<u>Notes Payable</u>	
	<u>(direct borrowings\placements)</u>	
	<u>Principal</u>	<u>Interest</u>
2024	169,862	82,809
2025	179,743	74,009
2026	216,000	69,721
2027	220,000	66,013
2028	225,000	62,234
2029-2033	1,200,000	251,958
2033-2038	1,211,500	146,260
2039-2042	1,162,500	34,010
Totals	\$ 4,584,605	\$ 787,014
Amount left to draw OWRB	(1,271,384)	
	\$ 3,313,221	

Non-Commitment Debt:

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

Outstanding balance at June 30, 2023 \$8,965,000

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

Outstanding balance at June 30, 2023 \$8,336,639

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one cent (or 28.6%) of future sales tax revenues to repay \$10,500,000 of a loan at a local bank. Proceeds from the note provided refinancing for the 2007 Hospital Sales Tax Revenue Bond that paid for certain hospital facilities. The note is payable through 2033, however, the pledged sales tax revenues are only pledged through the fulfillment of the loan. The total principal and interest payable for the remainder of the life of this loan is \$10,424,015. Pledged sales taxes

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received in the current year were \$1,561,993. When the pledged sales tax revenue is received it is sent to the local bank to be held for debt service on the bonds. As noted above, the City of Kingfisher and the Kingfisher Hospital Authority are not liable for this debt and have no obligation other than the annual appropriation and remittance of the pledged sales taxes. The payments made to the trustee bank were \$1,561,993 and were 100% of the pledged sales tax received.

6. Internal and Interfund Balances and Transfers

The City's policy is to eliminate interfund transfers and balances in the statements of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances and then offset in the total column in the government-wide statements. Interfund transfers and balances between funds are not eliminated in the fund financial statements.

Transfers:

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
General Fund	KAA	\$ 8,000	Operating subsidy
General Fund	Library Endowment	2,374	Operating subsidy
F.I.R.E Tax Fund	General Fund	771	Operating subsidy
KPWA	KRA	312,000	Operating subsidy
Hotel/Motel Fund	General Fund	79,444	Administrative fee
Total		<u>\$ 402,589</u>	
Reconciliation to Fund Financial Statements:			
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 90,589	\$ (90,589)	\$ -
Proprietary Funds	312,000	(312,000)	-
	<u>\$ 402,589</u>	<u>\$ (402,589)</u>	<u>\$ -</u>

Balances:

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

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
Public Works Authority	General Fund	\$ 19,693	Operating
Total		<u>\$ 19,693</u>	
Reconciliation to Fund Financial Statements:			
	<u>Due From</u>	<u>Due To</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ -	\$ (19,693)	\$ (19,693)
Proprietary Funds	19,693	-	19,693
Total	<u>\$ 19,693</u>	<u>\$ (19,693)</u>	<u>\$ -</u>

7. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool
- Worker’s Compensation – Worker’s compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool
- Employee’s Group Medical – Covered through participation in commercial insurance

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

8. Commitments and Contingencies

Litigation:

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

Asset Retirement Obligation:

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

Federal and State Award Programs:

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

9. Pension Plan Participation

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

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

Firefighters’ Plan:

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

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

Normal Retirement:

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

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

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with a maximum of 30 years.

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$155,410. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$364,372 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$326,595.

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 \$4,169,172 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 0.318810%.

For the year ended June 30, 2023, the City recognized pension expense of \$665,064. 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	\$ 535,209	\$ 21,047
Changes of assumptions	-	26,582
Net difference between projected and actual earnings on pension plan investments	484,503	-
Changes in proportion	148,939	40,342
City contributions during measurement date	1,336	4,246
City contributions subsequent to the measurement date	155,410	-
Total	<u>\$ 1,325,397</u>	<u>\$ 92,217</u>

\$155,410 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:

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Year ended June 30:	
2024	\$ 348,558
2025	236,383
2026	52,792
2027	440,037
Total	<u>\$ 1,077,770</u>

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustment:	Paid firefighters with 20 years of service prior to May 26, 1983, receive an increase of half of the dollar amount of 2.75% assumed pay increase in the base pay. No COLA is assumed for members not eligible for this increase.

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

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

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

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

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability	\$ 5,372,313	\$ 4,169,172	\$ 3,162,822

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

Police Plan:

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

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

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

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

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

Contributions -The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$79,169. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$71,828 during the calendar year and this is reported as both an expenditure and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$66,922. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported an asset of \$134,677 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 0.167943%.

For the year ended June 30, 2023, the City recognized pension expense of \$36,803. 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	\$ 66,061	\$ 14,670
Changes of assumptions	4,689	-
Net difference between projected and actual earnings on pension plan investments	131,417	-
Changes in proportion	25,213	3,834
City contributions during measurement date	1,326	2,380
City contributions subsequent to the measurement date	79,169	-
Total	<u>\$ 307,875</u>	<u>\$ 20,884</u>

\$76,169 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of or an increase to the net pension liability (asset) in the year ended June 30, 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:

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Year ended June 30:	
2024	\$ 47,049
2025	15,923
2026	(32,749)
2027	166,043
2028	11,556
	\$ 207,822

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 of 3.5% (wage inflation).

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

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

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

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

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

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

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability (asset)	\$ 390,199	\$ (134,677)	\$ (578,325)

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

Oklahoma Public Employees Retirement System:

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

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

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

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

Benefits are calculated for each member category as follows:

- Employees
 - Benefits are determined at 2% of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.
 - Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.
 - Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.
- Hazardous Duty Members
 - Benefits are determined at (a) 2.5% of the final average compensation up to the applicable annual salary cap multiplied by the number of years of service as a hazardous duty member not to exceed 20 years and (b) 2.0% of the final average compensation multiplied by the number of years of service in excess of 20 years and any other years of service creditable. Normal retirement age under the Plan is 62 or at completion of 20 years of

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creditable service as a hazardous duty member or Rule of 80/90 if participant became a member prior to November 1, 2011, or age 65 or at completion of 20 years of creditable service as a hazardous duty member or Rule of 90 if participant became a member on or after November 1, 2011.

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

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

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

Contributions - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 7.5% percent of their annual pay. Participating entities are required to contribute 12.5% of the employees' annual pay. A portion of the contributions received by OPERS are allocated to the Supplemental Health Insurance program; see Note 10. Contributions to the pension plan from the City were \$224,738.

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 \$619,013 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 0.0736%.

For the year ended June 30, 2023, the City recognized pension expense of \$146,366. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,381
Changes of assumptions	(1)	-
Net difference between projected and actual earnings on pension plan investments	649,731	-
Changes in proportion	4,975	5,989
City contributions during measurement date	10,513	1,328
City contributions subsequent to the measurement date	224,738	-
Total	\$ 889,956	\$ 35,698

\$224,738 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 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	\$	97,584
2025		95,984
2026		66,266
2027		369,686
	\$	629,520

Actuarial Assumptions- The total pension liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of July 1, 2022, using the following actuarial assumptions:

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

The actuarial assumptions used in the July 1, 2022, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

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

Discount Rate- The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

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

	1% Decrease Rate 5.50%	Current Discount Rate 6.50%	1% Increase Rate 7.50%
Net Pension Liability (Asset)	\$ 1,517,204	\$ 619,013	\$ (140,596)

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

10. Other Postemployment Benefits Plan

Plan description - The City of Kingfisher, as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the

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Oklahoma Public Employees Retirement System (OPERS). The authority to establish and amend benefit provisions rests with the State Legislature. OPERS issues a publicly available financial report that can be obtained at www.ok.gov/OPERS

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

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

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2023, the City reported an asset of \$84,620 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net OPEB asset was based on the City's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was .0904% percent.

For the year ended June 30, 2023, the City recognized an OPEB benefit of \$7,568. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 42,278
Changes of assumptions	7,149	-
Net difference between projected and actual earnings on OPEB plan investments	32,027	-
Changes in proportion	3,022	8,846
City contributions during to the measurement date	1,173	745
City contributions subsequent to the measurement date	13,191	-
Total	\$ 56,562	\$ 51,869

The \$13,191 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net OPEB liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024	\$	(4,963)
2025		(4,138)
2027		(3,394)
2028		7,849
2029		(3,852)
Thereafter		-
	\$	(8,498)

Actuarial Assumptions- The total OPEB liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

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

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The actuarial assumptions used in the July 1, 2022, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

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

Discount Rate- A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2022. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset)	\$ (54,622)	\$ (84,620)	\$ (110,324)

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

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REQUIRED SUPPLEMENTARY INFORMATION

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Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that reports revenues and expenditures on a modified cash basis.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Commission. All supplemental appropriations require the approval of the City Commission. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

General Fund:

Total budgetary revenues and transfers	\$ 10,299,148
Less: budgetary expenses and transfers	(9,883,272)
Net Change to Budgetary Fund Balance	<u>415,876</u>
Change in revenue accruals	1,529,826
Change in expenditure accruals	(1,471,888)
Capital Improvement sub-account change in balance	<u>302,337</u>
Change in Fund Balance- Modified Accrual	<u><u>\$ 776,151</u></u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.245167%	0.277143%	0.270811%	0.261995%	0.271829%	0.315978%	0.324547%	0.320311%	0.318810%
City's proportionate share of the net pension liability	\$2,521,171	\$2,941,609	\$3,308,540	\$3,295,169	\$3,059,836	\$3,338,837	\$3,998,130	\$2,109,460	\$4,169,172
City's covered-employee payroll	\$ 665,806	\$ 757,126	\$ 755,600	\$ 772,571	\$ 807,186	\$ 912,107	\$1,003,471	\$1,040,121	\$1,054,821
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%	389%	438%	427%	379%	366%	398%	203%	395%
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
Statutorily required contribution	\$ 105,998	\$ 105,784	\$ 108,160	\$ 113,006	\$ 127,695	\$ 140,486	\$ 145,617	\$ 147,675	\$ 155,410
Contributions in relation to the statutorily required contribution	<u>105,998</u>	<u>105,784</u>	<u>108,160</u>	<u>113,006</u>	<u>127,695</u>	<u>140,486</u>	<u>145,617</u>	<u>147,675</u>	<u>155,410</u>
Contribution deficiency (excess)	<u>\$ -</u>								
City's covered-employee payroll	\$ 757,126	\$ 755,600	\$ 772,571	\$ 807,186	\$ 912,107	\$ 1,003,471	\$ 1,040,121	\$ 1,054,821	\$ 1,110,071
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.

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Schedules of Required Supplementary Information

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

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.1748%	0.1810%	0.1795%	0.1847%	0.1975%	0.1670%	0.1805%	0.1879%	0.1679%
City's proportionate share of the net pension liability (asset)	\$ (58,859)	\$ 7,379	\$ 274,934	\$ 14,207	\$ (94,073)	\$ (10,664)	\$207,313	\$(901,177)	\$(134,677)
City's covered-employee payroll	\$ 506,050	\$ 512,283	\$ 529,392	\$ 551,654	\$ 581,169	\$ 540,315	\$583,785	\$ 650,077	\$ 601,562
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.63%	1.44%	51.93%	2.58%	16.19%	1.97%	35.51%	-138.63%	-22.39%
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
Statutorily required contribution	\$ 66,596	\$ 68,821	\$ 71,715	\$ 75,552	\$ 70,241	\$ 75,892	\$ 84,510	\$ 78,203	\$ 79,169
Contributions in relation to the statutorily required contribution	<u>66,596</u>	<u>68,821</u>	<u>71,715</u>	<u>75,552</u>	<u>70,241</u>	<u>75,892</u>	<u>84,510</u>	<u>78,203</u>	<u>79,169</u>
Contribution deficiency (excess)	<u>\$ -</u>								
City's covered-employee payroll	\$ 512,283	\$ 529,392	\$ 551,654	\$ 581,169	\$ 540,315	\$ 583,785	\$650,077	\$ 601,562	\$ 608,992
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 KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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

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

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

Notes to Schedule:

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

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

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

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

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

Notes to Schedule:

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

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

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

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

Notes to Schedule:

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

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
Last 10 Fiscal Years (Dollar amounts in thousands)

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

Notes to Schedule:

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

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

OTHER SUPPLEMENTARY INFORMATION

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

	General Fund	Sick Leave Buy Back Account	Total General Fund Accounts
ASSETS			
Cash and cash equivalents	\$ 4,879,624	\$ 15,090	\$ 4,894,714
Investments	1,000,000	-	1,000,000
Due from other governments	1,105,009	-	1,105,009
Court fines receivable, net	22,334	-	22,334
Ambulance receivable, net	226,500	-	226,500
Other receivables	6,163	-	6,163
Deposits with insurance pool	199,198	-	199,198
Total assets	\$ 7,438,828	\$ 15,090	\$ 7,453,918
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 193,627	\$ -	\$ 193,627
Due to other funds	19,693	-	19,693
Sales tax due to hospital	279,083	-	279,083
Total liabilities	492,403	-	492,403
 Deferred inflows of resources:			
Unavailable revenue	358,957	-	358,957
 Fund balances:			
Restricted for:			
Insurance	199,198	-	199,198
Police	66,118	-	66,118
Fire	24,080	-	24,080
Committed to:			
Economic Stabilization	3,558,234	-	3,558,234
Assigned to:			
Capital Improvements	2,739,838	-	2,739,838
Sick leave buy back	-	15,090	15,090
Total fund balances	6,587,468	15,090	6,602,558
Total liabilities, deferred inflows and fund balances	\$ 7,438,828	\$ 15,090	\$ 7,453,918

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Sick Leave Buy Back Account</u>	<u>Total General Fund Accounts</u>
REVENUES			
Taxes	\$ 6,060,329	\$ -	\$ 6,060,329
Fines and forfeitures	74,973	-	74,973
Licenses and permits	44,958	-	44,958
Intergovernmental	2,051,331	-	2,051,331
Charges for services	1,341,739	-	1,341,739
Investment earnings	37,958	80	38,038
Miscellaneous	152,077	-	152,077
Donations	41,720	-	41,720
Total revenues	<u>9,805,085</u>	<u>80</u>	<u>9,805,165</u>
EXPENDITURES			
Current:			
General government	324,909	-	324,909
City Treasurer	107,417	-	107,417
City Attorney	39,520	-	39,520
Municipal Court	11,827	-	11,827
Police	1,439,915	-	1,439,915
Fire	2,386,060	-	2,386,060
Highways and streets	434,031	-	434,031
Culture, tourism and recreation	405,481	-	405,481
Cemetery	58,744	-	58,744
Administrative	11,514	-	11,514
Library	332,855	-	332,855
Capital Outlay	1,984,509	-	1,984,509
Total Expenditures	<u>7,536,782</u>	<u>-</u>	<u>7,536,782</u>
Revenues over (under) expenditures	<u>2,268,303</u>	<u>80</u>	<u>2,268,383</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	80,215	-	80,215
Transfers out	(10,374)	-	(10,374)
Sales tax payment to hospital	(1,561,993)	-	(1,561,993)
Total other financing sources (uses)	<u>(1,492,152)</u>	<u>-</u>	<u>(1,492,152)</u>
Revenues and other sources over (under) expenditures and other uses	776,151	80	776,231
Fund balances - beginning	5,811,317	15,010	5,826,327
Fund balances - ending	<u>\$ 6,587,468</u>	<u>\$ 15,090</u>	<u>\$ 6,602,558</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

	Street and Alley Fund	Cemetery Care Fund	Hotel Motel Tax Fund	Military Memorial Fund	Flood Control Fund	Overstreet Memorial Fund	Library Endowment Fund	F.I.R.E Tax Fund	Kingfisher Airport Authority	Total-Other Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 336,066	\$ 88,343	\$ 1	\$ 9,106	\$ 215,988	\$ 168,802	\$ 193,017	\$ 1,236,656	\$ 33,846	\$ 2,281,825
Investments	-	60,079	-	80,000	-	10,000	296,066	-	-	446,145
Due from other governments	5,770	-	-	-	-	-	-	139,542	-	145,312
Total assets	\$ 341,836	\$ 148,422	\$ 1	\$ 89,106	\$ 215,988	\$ 178,802	\$ 489,083	\$ 1,376,198	\$ 33,846	\$ 2,873,282
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,025	\$ 4,684
Total liabilities	-	-	659	-	-	-	-	-	4,025	4,684
Fund balances:										
Nonspendable	-	-	-	-	-	-	50,000	-	-	50,000
Restricted for:										
Cemetery Capital Improvements	-	148,422	-	-	-	-	-	-	-	148,422
Library	-	-	-	-	-	-	439,083	-	-	439,083
Streets	340,238	-	-	-	-	-	-	-	-	340,238
Flood Control	-	-	-	-	215,697	-	-	-	-	215,697
Military Memorial	-	-	-	89,106	-	-	-	-	-	89,106
Improvements benefiting citizens	-	-	-	-	-	178,802	-	-	-	178,802
Fire	-	-	-	-	-	-	-	1,355,006	-	1,355,006
Assigned to:										
Streets	1,598	-	-	-	-	-	-	-	-	1,598
Airport	-	-	-	-	-	-	-	-	29,821	29,821
F.I.R.E. Tax	-	-	-	-	-	-	-	21,192	-	21,192
Flood Control	-	-	-	-	291	-	-	-	-	291
Unassigned (deficit)	-	-	(658)	-	-	-	-	-	-	(658)
Total fund balances	\$ 341,836	\$ 148,422	\$ (658)	\$ 89,106	\$ 215,988	\$ 178,802	\$ 489,083	\$ 1,376,198	\$ 29,821	\$ 2,868,598
Total liabilities and fund balances	\$ 341,836	\$ 148,422	\$ 1	\$ 89,106	\$ 215,988	\$ 178,802	\$ 489,083	\$ 1,376,198	\$ 33,846	\$ 2,873,282

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Fiscal Year Ended June 30, 2023

	Street and Alley Fund	Cemetery Care Fund	Hotel Motel Tax Fund	Military Memorial Fund	Flood Control Fund	Overstreet Memorial Fund	Library Endowment Fund	F.I.R.E Tax Fund	Kingfisher Airport Authority	Total-Other Governmental Funds
REVENUES										
Taxes	\$ -	\$ -	\$ 105,581	\$ -	\$ -	\$ -	\$ -	\$ 781,768	\$ -	\$ 887,349
Intergovernmental	43,572	-	-	-	-	-	-	-	61,427	104,999
Charges for services	-	11,000	-	-	-	-	-	-	20,140	31,140
Investment earnings	1,598	630	-	280	1,078	855	1,229	3,621	127	9,418
Miscellaneous	-	-	-	-	-	18,706	-	-	40,141	58,847
Donations	-	-	-	-	-	-	12,567	-	-	12,567
Total revenues	45,170	11,630	105,581	280	1,078	19,561	13,796	785,389	121,835	1,104,320
EXPENDITURES										
Current:										
General government	-	-	-	-	787	-	-	-	-	787
Highways and streets	-	-	-	-	-	104	-	-	-	104
Culture, tourism and recreation	-	-	24,421	190	-	-	-	-	-	24,611
Airport	-	-	-	-	-	-	-	-	68,123	68,123
Library	-	-	-	-	-	-	1,597	-	-	1,597
Capital Outlay	-	-	-	-	-	-	6,075	-	67,830	73,905
Total Expenditures	-	-	24,421	190	787	104	7,672	-	135,953	169,127
Revenues over (under) expenditures	45,170	11,630	81,160	90	291	19,457	6,124	785,389	(14,118)	935,193
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	-	2,374	-	8,000	10,374
Transfers out	-	-	(79,444)	-	-	-	-	(771)	-	(80,215)
Total other financing sources (uses)	-	-	(79,444)	-	-	-	2,374	(771)	8,000	(69,841)
Revenues and other sources over (under) expenditures and other uses	45,170	11,630	1,716	90	291	19,457	8,498	784,618	(6,118)	865,352
Fund balances - beginning	296,666	136,792	(2,374)	89,016	215,697	159,345	480,585	591,580	35,939	2,003,246
Fund balances - ending	\$ 341,836	\$ 148,422	\$ (658)	\$ 89,106	\$ 215,988	\$ 178,802	\$ 489,083	\$ 1,376,198	\$ 29,821	\$ 2,868,598

CITY OF KINGFISHER, OKLAHOMA
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Combining Balance Sheet – Proprietary Funds – June 30, 2023

	KPWA	Self Insurance	Kingfisher Special Projects Authority	Kingfisher Recreation Authority	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 963,747	\$ 333,115	\$ 37,853	\$ 139,232	\$ 1,473,947
Investments	650,000	-	-	-	650,000
Restricted:					
Cash and cash equivalents	652,111	-	-	-	652,111
Due from other funds	19,693	-	-	-	19,693
Accounts Receivable, net	1,520,959	-	-	-	1,520,959
Due from other governments	-	555,331	-	-	555,331
Notes receivable	-	-	89,000	-	89,000
Inventories	680,661	-	-	-	680,661
Total current assets	<u>4,487,171</u>	<u>888,446</u>	<u>126,853</u>	<u>139,232</u>	<u>5,641,702</u>
Non-current assets:					
Restricted:					
Cash and cash equivalents	269,000	-	-	-	269,000
Investments	266,030	-	-	-	266,030
Net OPEB asset	46,173	-	-	2,754	48,927
Leases receivable	-	-	-	152,361	152,361
Capital Assets:					
Land and construction in progress	3,741,896	-	12,493	1,000,125	4,754,514
Other capital assets, net of accumulated depreciation	13,893,467	-	14,762	3,192,595	17,100,824
Total non-current assets	<u>18,216,566</u>	<u>-</u>	<u>27,255</u>	<u>4,347,835</u>	<u>22,591,656</u>
Total assets	<u>22,703,737</u>	<u>888,446</u>	<u>154,108</u>	<u>4,487,067</u>	<u>28,233,358</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts related to pensions	489,397	-	-	29,168	518,565
Deferred amounts related to OPEB	30,867	-	-	2,275	33,142
	<u>520,264</u>	<u>-</u>	<u>-</u>	<u>31,443</u>	<u>551,707</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	377,164	13,230	-	8,231	398,625
Due to depositors	56,899	-	-	-	56,899
Notes payable	169,862	-	-	-	169,862
Compensated absences	40,994	-	-	314	41,308
Total current liabilities	<u>644,919</u>	<u>13,230</u>	<u>-</u>	<u>8,545</u>	<u>666,694</u>
Non-current liabilities:					
Due to depositors	535,030	-	-	-	535,030
Unearned revenue	-	-	-	20,000	20,000
Notes payable	3,143,359	-	-	-	3,143,359
Compensated absences	368,957	-	-	2,816	371,773
Net pension liability	337,765	-	-	20,147	357,912
Total non-current liabilities	<u>4,385,111</u>	<u>-</u>	<u>-</u>	<u>42,963</u>	<u>4,428,074</u>
Total liabilities	<u>5,030,030</u>	<u>13,230</u>	<u>-</u>	<u>51,508</u>	<u>5,094,768</u>
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pensions	19,558	-	-	1,973	21,531
Deferred amounts related to leases	-	-	-	152,388	152,388
Deferred amounts related to OPEB	27,378	-	-	1,883	29,261
	<u>46,936</u>	<u>-</u>	<u>-</u>	<u>156,244</u>	<u>203,180</u>
NET POSITION					
Net investment in capital assets	14,116,964	-	27,255	4,192,720	18,336,939
Restricted for capital projects	595,212	-	-	-	595,212
Unrestricted	3,434,859	875,216	126,853	118,038	4,554,966
Total net position	<u>\$ 18,147,035</u>	<u>\$ 875,216</u>	<u>\$ 154,108</u>	<u>\$ 4,310,758</u>	<u>\$ 23,487,117</u>

CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Proprietary Funds – For the Fiscal Year Ended June 30, 2023

	<u>KPWA</u>	<u>Self Insurance</u>	<u>Kingfisher Special Projects Authority</u>	<u>Kingfisher Recreation Authority</u>	<u>Total</u>
REVENUES					
Charges for services:					
Light and power charges	\$ 6,589,726	\$ -	\$ -	\$ -	\$ 6,589,726
Water charges	1,140,658	-	-	-	1,140,658
Sewer	574,153	-	-	-	574,153
Penalties	81,353	-	-	-	81,353
Unpledged:					
Sanitation	767,126	-	-	-	767,126
Rents and royalties	10,136	-	-	-	10,136
Recreation	-	-	-	62,930	62,930
Refunds and reimbursements	161,203	-	-	-	161,203
Miscellaneous	7,432	-	5,379	-	12,811
Total operating revenues	<u>9,331,787</u>	<u>-</u>	<u>5,379</u>	<u>62,930</u>	<u>9,400,096</u>
OPERATING EXPENSES					
Administration	830,732	198,172	-	-	1,028,904
Light and Power	5,079,133	-	-	-	5,079,133
Power Plant	128,682	-	-	-	128,682
Water	769,393	-	-	-	769,393
Sanitation	723,153	-	-	-	723,153
Sewer	245,163	-	-	-	245,163
Recreation	-	-	-	377,807	377,807
Economic development	-	-	82,000	-	82,000
Depreciation expense	740,880	-	5,061	326,999	1,072,940
Total Operating Expenses	<u>8,517,136</u>	<u>198,172</u>	<u>87,061</u>	<u>704,806</u>	<u>9,507,175</u>
Operating income (loss)	<u>814,651</u>	<u>(198,172)</u>	<u>(81,682)</u>	<u>(641,876)</u>	<u>(107,079)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	17,720	-	136	2,471	20,327
Grant revenue	-	90,488	-	-	90,488
Miscellaneous revenue	1,785	422,209	-	29,049	453,043
Interest expense	(26,904)	-	-	-	(26,904)
Total non-operating revenue (expenses)	<u>(7,399)</u>	<u>512,697</u>	<u>136</u>	<u>31,520</u>	<u>536,954</u>
Income (loss) before transfers	<u>807,252</u>	<u>314,525</u>	<u>(81,546)</u>	<u>(610,356)</u>	<u>429,875</u>
Transfers in	-	-	-	312,000	312,000
Transfers out	(312,000)	-	-	-	(312,000)
Change in net position	495,252	314,525	(81,546)	(298,356)	429,875
Total net position - beginning	17,651,783	560,691	235,654	4,609,114	23,057,242
Total net position - ending	<u>\$ 18,147,035</u>	<u>\$ 875,216</u>	<u>\$ 154,108</u>	<u>\$ 4,310,758</u>	<u>\$ 23,487,117</u>

**CITY OF KINGFISHER, OKLAHOMA
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Schedule of Expenditures of State Awards

State Grantor/Pass Through Agency Grantor/Program Title	Pass-thru Grant #	Award Amount	Awards Expended
STATEAWARDS:			
Department of Libraries:			
State Aid FY 2023	N/A	\$ 6,642	\$ 6,642
Total Department of Libraries		<u>6,642</u>	<u>6,642</u>
Department of Agriculture:			
State Aid FY 2022	N/A	10,053	10,053
Total Department of Agruculture		<u>10,053</u>	<u>10,053</u>
 TOTAL STATEAWARDS		 <u>\$ 16,695</u>	 <u>\$ 16,695</u>

Footnotes to Schedule of Expenditures of State Awards:

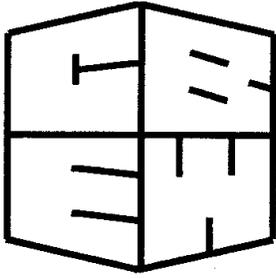
1. The Schedules is prepared on an accrual basis of accounting. The expenditures are recorded when the liability is incurred regardless of when the award proceeds are received.

**CITY OF KINGFISHER, OKLAHOMA
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SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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

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

December 18, 2023

Honorable Board of City Commissioners
City of Kingfisher
Kingfisher, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kingfisher, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Kingfisher, Oklahoma's basic financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

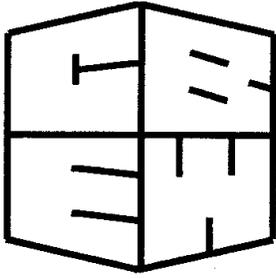
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

CBEW Professional Group, LLP

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Certified Public Accountants



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

December 18, 2023

The Honorable Governance Board
City of Kingfisher
Kingfisher, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Kingfisher, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Kingfisher, Oklahoma's major federal programs for the year ended June 30, 2023. City of Kingfisher, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Kingfisher, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 City of Kingfisher, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Kingfisher, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

City of Kingfisher
December 18, 2023

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

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

**CITY OF KINGFISHER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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**CITY OF KINGFISHER, OKLAHOMA
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<u>Federal Grantor/ Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Treasury:</u>			
<u>Passed through the Oklahoma Office of Management and Enterprise Services:</u>			
Coronavirus State & Local Recovery Funds	21.027	861,272	861,272
<u>U.S. Department of Transportation:</u>			
Recreational Trails Program	20.219	300,000	285,970
<u>National Endowment for the Humanities:</u>			
Grants to States	45.310	1,000	752
<u>U.S. Department of Homeland Security:</u>			
FEMA-06-OK-4575-PW-00185	97.036	85,792	85,792
<u>U.S. Department of the Interior:</u>			
<u>Passed through the Oklahoma Department of Tourism & Recreation:</u>			
Newfield Community Park	15.916	872,781	428,528
Total Expenditures of Federal Awards		\$ 2,120,845	\$ 1,662,314

Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the City, it is not intended and does not present the financial position, changes in net assets, or cash flows of the City.

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

**CITY OF KINGFISHER
Kingfisher, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Internal Control Over Financial Reporting:

Material Weakness(es) identified? Yes No

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

Noncompliance material to financial statements noted? Yes No

Federal Awards:

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

Internal Control Over Major Programs:

Material Weakness(es) identified? Yes No

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

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

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

Auditee Qualified as low-risk auditee? Yes No

Identification of Major Programs:

CFDA#

21.027 Coronavirus State & Local Recovery Funds

FINDINGS - FINANCIAL STATEMENT AUDIT

1. None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

**CITY OF KINGFISHER
Kingfisher, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023**

There were no prior year audit findings.