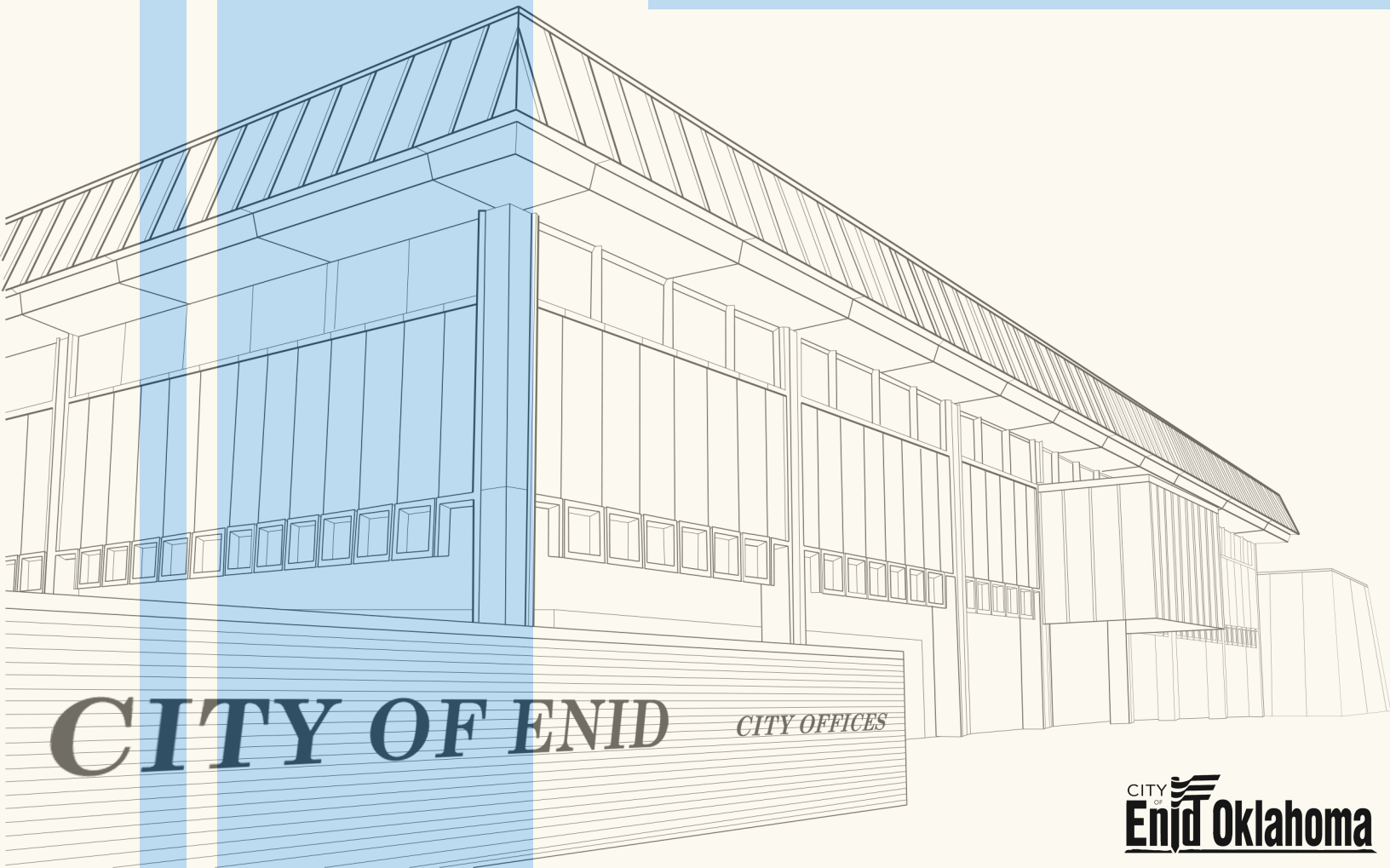


ENID OKLAHOMA

A U D I T

REPORT

2022-2023



CITY OF ENID

CITY OFFICES

City of Enid, Oklahoma
June 30, 2023

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June 30, 2023

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110 N. Elgin Avenue, Suite 400 / Tulsa, OK 74120

P 918.878.9060 / F 918.584.2931

forvis.com

Independent Auditor's Report

Honorable Mayor and City Council
City of Enid, Oklahoma
Enid, Oklahoma

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison, and pension and other postemployment benefit information, as listed in the table of contents, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, including the 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the other supplementary information is 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 also have issued our report date December 29, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

Tulsa, Oklahoma
December 29, 2023

City of Enid, Oklahoma

Management's Discussion and Analysis

Year Ended June 30, 2023

The following discussion and analysis of the City of Enid's (the City) 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 basic financial statements, which begin on page 13.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of June 30, 2023 by \$346,089,934 (net position).

During the year, the City's total net position increased by \$22,847,801 from its beginning balance. This is largely attributed to activity related to the Kaw Lake Water Supply Project and increased grant funding.

Governmental activities accounted for an increase of \$9,884,565. Business-type activities increased overall net position by \$12,963,236.

The City's total long-term liabilities increased \$102,622,878 during the current fiscal year. The key factor in the increase is due to draws of funds from Oklahoma Water Resources Board State Revolving Funds related to the Kaw Lake Water Supply Project.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,106,408, a decrease of \$5,394,712 in comparison with the prior year. Fund balance of \$318,626 is considered nonspendable, consisting of inventories and prepaid expenses. A total of \$541,791 is restricted by contractual agreements, state statutes, or enabling legislation. Fund balance of \$22,464,468 is committed by the City Council for various uses, leaving an unassigned deficit fund balance of \$2,218,477, which is primarily the result of the timing of activity and transfers related to the Kaw Lake Water Supply Project.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,329,372, or 13.0% of total General Fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad view of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, deferred inflows/outflows, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (*e.g.*, uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include the Enid Municipal Authority, which includes the City's water, wastewater, landfill, and sanitation utility operations. Business-type activities also include the Enid Events Center and Convention Hall (Stride Bank Center), Woodring Regional Airport, Meadowlake Golf Course, and the Enid Public Transit Authority.

The government-wide financial statements can be found on pages 13 through 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances with the government-wide statements of net position and activities provide a comparison between governmental funds and governmental activities.

The City maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Police Fund, Fire Fund, and Water Capital Improvements Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for its General Fund, Police Fund, and Fire Fund. A budgetary comparison statement has been provided, as required supplementary information, for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

Proprietary Funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs

internally among the entity's various functions. The City uses an internal service fund to account for its healthcare plan. Because this service predominately services governmental functions, it is included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Enid Municipal Authority, which is considered to be a major fund of the City. The City maintains a total of five proprietary funds. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements found elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 through 24 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by the Employee Retirement System of Enid, Oklahoma. The custodial funds report sources held by the City in a custodial capacity for individuals, private organizations, and other governments.

The basic fiduciary fund financial statements can be found on pages 25 through 26 of this report.

Notes to Financial Statements

The notes to financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 27 through 74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide pension benefits to its employees, and actual revenues and expenditures on a budgetary basis compared with the original and final budgets for the General Fund, Police Fund, and Fire Fund.

Required supplementary information can be found on pages 75 through 85 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information on pensions and budgetary comparisons.

Combining statements and schedules can be found on pages 86 through 97 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$94,804,833 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$251,285,101.

The following table presents the City's net position for the primary government at June 30:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 69,520,593	\$ 69,888,467	\$ 36,747,284	\$ 18,521,988	\$ 106,267,877	\$ 88,410,455
Capital, lease & SBITA assets	94,649,506	79,808,696	395,258,429	296,619,030	489,907,935	376,427,726
Noncurrent assets	1,108,173	6,507,716	131,974,703	143,242,304	133,082,876	149,750,020
Total assets	165,278,272	156,204,879	563,980,416	458,383,322	729,258,688	614,588,201
Deferred outflows of resources	9,660,056	7,562,173	232,976	609,811	9,893,032	8,171,984
Current liabilities	45,958,367	41,302,753	13,563,129	12,522,945	59,521,496	53,825,698
Long-term liabilities	32,163,489	20,346,705	299,024,559	207,528,108	331,188,048	227,874,813
Total liabilities	78,121,856	61,649,458	312,587,688	220,051,053	390,709,544	281,700,511
Deferred inflows of resources	2,011,639	17,197,326	340,603	620,215	2,352,242	17,817,541
Net position						
Net investment in capital assets	77,761,806	56,248,492	161,126,927	160,280,928	238,888,733	216,529,420
Restricted	1,646,436	7,029,438	43,404,321	72,255,475	45,050,757	79,284,913
Unrestricted	15,396,591	21,642,338	46,753,853	5,785,462	62,150,444	27,427,800
Total net position	\$ 94,804,833	\$ 84,920,268	\$ 251,285,101	\$ 238,321,865	\$ 346,089,934	\$ 323,242,133

By far the largest portion of the City's net position (69%) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. 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.

An additional portion of the City's net position (13%) represents resources that are subject to external restrictions on how they may be used either by external groups, such as creditors, grantors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. The remaining balance is unrestricted net position of \$62,150,444 (18%).

The City's ending total net position increased by \$22,847,801 during the current fiscal year, compared with the beginning total net position. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

The changes in net position for the years ended June 30 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 1,897,877	\$ 1,974,502	\$ 49,005,259	\$ 46,624,653	\$ 50,903,136	\$ 48,599,155
Grants/contributions	5,644,413	3,075,397	1,575,191	836,745	7,219,604	3,912,142
General revenues	47,349,933	47,481,751	8,034,029	1,459,516	55,383,962	48,941,267
Total revenues	54,892,223	52,531,650	58,614,479	48,920,914	113,506,702	101,452,564
Expenses						
General government	8,757,322	6,802,153	-	-	8,757,322	6,802,153
Public safety	23,341,458	19,018,477	-	-	23,341,458	19,018,477
Public works	14,311,817	18,391,928	-	-	14,311,817	18,391,928
Culture and recreation	2,855,208	2,788,156	-	-	2,855,208	2,788,156
Utility operations	-	-	28,960,040	26,426,147	28,960,040	26,426,147
Airport	-	-	4,381,958	3,422,954	4,381,958	3,422,954
Economic development	1,374,259	1,493,400	-	-	1,374,259	1,493,400
Golf	-	-	929,773	844,031	929,773	844,031
Event center	-	-	5,011,494	5,137,178	5,011,494	5,137,178
Transit	-	-	764,256	715,416	764,256	715,416
Other	10,603	28,082	-	-	10,603	28,082
Total expenses	50,650,667	48,522,196	40,047,521	36,545,726	90,698,188	85,067,922
Increase in Net Position Before						
Transfers and Capital Contributions	4,241,556	4,009,454	18,566,958	12,375,188	22,808,514	16,384,642
Gain on sale of capital assets	-	-	39,287	110,242	39,287	110,242
Transfers of capital assets	(106,087,934)	(89,625,597)	106,087,934	89,625,597	-	-
Other transfers, net	111,730,943	72,769,525	(111,730,943)	(72,769,525)	-	-
Increase (Decrease) in Net Position	9,884,565	(12,846,618)	12,963,236	29,341,502	22,847,801	16,494,884
Net Position, Beginning of Year	84,920,268	97,766,886	238,321,865	208,980,363	323,242,133	306,747,249
Net Position, End of Year	\$ 94,804,833	\$ 84,920,268	\$ 251,285,101	\$ 238,321,865	\$ 346,089,934	\$ 323,242,133

Governmental Activities

Governmental activities increased the City's net position by \$9,884,565. The key elements of this increase are due to the current year receipts and use of federal funding related to the COVID-19 pandemic and the timing of transfers related to the construction activity of the Kaw Lake Water Supply Project.

	Program Revenues		Cost of Services	
	2023	2022	2023	2022
General government	\$ 3,216,863	\$ 100,944	\$ 8,757,322	\$ 6,802,153
Public safety	3,893,187	3,833,491	23,341,458	19,018,477
Public works	320,732	1,005,430	14,311,817	18,391,928
Culture and recreation	111,508	110,034	2,855,208	2,788,156
Economic development	-	-	1,374,259	1,493,400
Interest on long-term debt	-	-	10,603	28,082
	<u>\$ 7,542,290</u>	<u>\$ 5,049,899</u>	<u>\$ 50,650,667</u>	<u>\$ 48,522,196</u>

Business-Type Activities

Business-type activities increased the City's net position by \$12,963,236. The key element in this increase was transfer-related activity of the Kaw Lake Water Supply Project.

	Program Revenues		Cost of Services	
	2023	2022	2023	2022
Utility operations	\$ 43,379,407	\$ 41,514,179	\$ 28,960,040	\$ 26,426,147
Airport	4,177,860	3,166,265	4,381,958	3,422,954
Golf	787,432	702,131	929,773	844,031
Event center	1,522,338	1,584,934	5,011,494	5,137,178
Transit	713,413	493,889	764,256	715,416
	<u>\$ 50,580,450</u>	<u>\$ 47,461,398</u>	<u>\$ 40,047,521</u>	<u>\$ 36,545,726</u>

Governmental Funds Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,106,408, a decrease of \$5,394,712 in comparison with the prior year. Approximately -10.5% of this total amount (\$2,218,477) constitutes unassigned fund balance (deficits). The remainder of fund balance is nonspendable, or restricted by contractual obligations, laws and regulations, or enabling legislation as approved by a vote of the citizens of the City or committed by the City Council for specific purposes.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,329,372. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 13.0% of total General Fund expenditures and transfers out.

The fund balance of the City's General Fund decreased \$9,431,779 during the current fiscal year primarily due to an increase in transfers to other funds, primarily for the Kaw Lake Water Supply Project.

The Police Fund has a total fund balance of \$5,303,842, substantially all of which was committed. The net increase in fund balance during the current year was \$1,428,095 due to the City have multiple unfilled positions throughout the year.

The Fire Fund has a total fund balance of \$1,202,951, substantially all of which was committed. The net increase in fund balance during the current year was \$288,783, which is due to the City having a decrease in personnel services and plans to upgrade 911 communications that were encumbered and ordered but not purchased by the end of the year.

The water capital improvements fund has a deficit fund balance of \$11,345,108. The increase in fund balance during the year was \$7,846,444, which is due to the Kaw Lake Water Supply Project OWRB loan proceeds transferred in for capital outlay expenditures.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Enid Municipal Authority had total net position of \$207,041,431. Unrestricted net position of the Enid Municipal Authority at the end of the year was \$43,761,878. The total increase in net position was \$14,267,477. Net operating income increased net position by \$21,290,724. Operating revenues increased by \$1,865,228 while operating expenses increased by \$2,533,893. The changes in operating revenues were due to increased utility services provided to customers, and expenses increased due to debt closing expenses related to the 2020 Oklahoma Water Resources State Revolving Fund loan. Net nonoperating revenues (expenses) increased net position of the Enid Municipal Authority by \$267,162, substantially all of which was attributable to increases in investment income. Capital asset contributions increased net position by \$106,079,534, and net interfund transfers decreased net position by a net of \$113,369,943.

Other nonmajor proprietary funds had combined total net position of \$44,086,557, of which \$41,251,695 was net investment in capital assets and \$2,834,862 was unrestricted. Overall combined net position decreased by \$1,309,292 during the year. Operating income (loss) incurred a loss of \$5,461,630, and net nonoperating revenues and transfers from other funds offset that by a combined \$4,152,338.

Budgetary Highlights of Major Governmental Funds

The final General Fund budget reflected a total of \$73,755,647 for departmental expenditures and transfers to other funds, compared to the original budget of \$59,120,270, an increase of \$14,635,377. The final budget for revenues and transfers from other funds was \$58,016,945 compared to the original budget of \$58,016,945, showing no change. The General Fund breakdown by department is outlined on the accompanying budgetary comparison schedule – general fund and major special revenue funds (budgetary basis) in the “Required Supplementary Information” section of the report.

General Fund revenues received on a budgetary basis were more than final budget estimates by \$4,591,192, and actual expenditures and transfers were less than final budget appropriations by \$2,744,950, resulting in an overall net increase in budgetary fund balance of \$7,336,142 prior to adjustments outlined on the accompanying reconciliation of budgetary comparison schedule (budgetary basis) to fund financial statements in the “Required Supplementary Information” section of the report. As a result, the City did not need to use a portion of its fund balance to cover expenditures and transfers.

The final Police Fund budget reflected a total of \$12,817,788 in its budgeted expenditures and transfers to other funds during the year, an increase of \$617,373 over the original budget. Budgeted revenues and transfers from other funds were \$12,076,661, an increase of \$140,461 over the original budget. Actual revenues and transfers in totaled \$15,762,028 or \$59,368 more than budget estimates. Expenditures and transfers out of \$10,441,432 were less than budgeted by \$2,376,356, resulting in an overall net increase in budgetary fund balance of \$2,435,724.

The final Fire Fund budget reflected a total of \$10,981,706 in its budgeted expenditures and transfers to other funds during the year, an increase of \$512,686 over the original budget. Budgeted revenues and transfers from other funds were \$10,233,154, compared to the original budget of \$9,798,410, an increase of \$434,744. Actual revenues and transfers in totaled \$10,335,686, or more than budget estimates by \$102,532. Expenditures and transfers out of \$9,810,471 were less than the budget appropriations by \$1,171,235, resulting in an overall net increase in budgetary fund balance of \$1,273,767.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 totaled \$489,907,935 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, infrastructure, equipment, vehicles, and lease and subscription-based information technology arrangement (SBITA) assets.

The following table presents a summary of the City's capital assets, net of accumulated depreciation:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 8,774,096	\$ 8,155,410	\$ 8,062,951	\$ 8,062,951	\$ 16,837,047	\$ 16,218,361
Construction in progress	15,840,197	12,965,842	207,227,546	103,842,636	223,067,743	116,808,478
Buildings	10,985,818	5,428,313	41,350,656	45,464,373	52,336,474	50,892,686
Infrastructure	52,572,891	48,863,485	124,639,479	126,308,370	177,212,370	175,171,855
Equipment	3,775,739	1,220,925	9,379,134	8,420,938	13,154,873	9,641,863
Vehicles	2,589,261	3,174,721	4,581,214	4,431,649	7,170,475	7,606,370
Lease assets	-	-	17,449	88,113	17,449	88,113
SBITA	111,504	-	-	-	111,504	-
Capital assets, net	<u>\$ 94,649,506</u>	<u>\$ 79,808,696</u>	<u>\$ 395,258,429</u>	<u>\$ 296,619,030</u>	<u>\$ 489,907,935</u>	<u>\$ 376,427,726</u>

Major capital asset events during the current fiscal year included the following:

- Kaw Lake Water Supply Project
- Weather siren improvements
- Waterline improvements
- Soccer complex infrastructure improvements
- Stormwater channel improvements
- Vermeer municipal waste grinder
- 4 police SUV vehicles
- Commercial landfill access road
- Snowplow and 6 mowers
- Landfill compactor
- 3 Mack sideload trash trucks

Additional information regarding the City's capital assets can be found in *Note 3* on pages 44 through 46 of this report.

Long-Term Obligations

At June 30, 2023, the City had total long-term obligations outstanding of \$338,510,569. These obligations include debt secured solely by specified revenue sources (*i.e.*, revenue bonds and notes); tax apportionment bonds (TIF); lease and direct financing obligations; judgments against the City; the long-term portion of accrued compensated absences; total OPEB liability; workers' compensation reserve liability; net pension liability; and landfill closure and post-closure liability and other long-term liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Net pension liability	\$ 28,189,621	\$ 16,567,455	\$ 1,889,122	\$ 2,023,246	\$ 30,078,743	\$ 18,590,701
Total OPEB liability	2,033,319	1,957,227	145,237	139,802	2,178,556	2,097,029
Workers' compensation claims	842,229	926,148	322,245	379,315	1,164,474	1,305,463
Compensated absences	2,543,213	2,388,809	329,960	283,213	2,873,173	2,672,022
Notes payable	-	310,000	294,264,123	203,279,759	294,264,123	203,589,759
Subscription payables	104,920	-	-	-	104,920	-
Lease obligations	-	-	56,436	123,076	56,436	123,076
Direct financing obligations	126,844	186,639	1,757,091	1,974,149	1,883,935	2,160,788
Landfill closure and post-closure and other long-term liabilities	-	-	5,906,209	5,348,853	5,906,209	5,348,853
Total long-term obligations	<u>\$ 33,840,146</u>	<u>\$ 22,336,278</u>	<u>\$ 304,670,423</u>	<u>\$ 213,551,413</u>	<u>\$ 338,510,569</u>	<u>\$ 235,887,691</u>

The City's total long-term obligations increased \$102,622,878 during the current fiscal year. The key factors in the increase are due to draw of funds from Oklahoma Water Resources Board State Revolving Funds related to the Kaw Lake Water Supply Project and increases in pension liabilities.

Additional information on the City's long-term debt can be found in *Note 3* on pages 46 through 50 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2024 revenue and expense budgets.

When setting the fiscal year 2024 expenditure budget, the City's staff worked diligently to keep increases in expenditures to a minimum.

The City will be looking at using general obligation bonds and revenue notes in the future to increase the funding available to build and repair infrastructure, such as streets, water lines, sewer lines, storm water drains, parks, and quality of life improvements.

The City currently has three recognized unions. The current agreement with the American Federation of State, County, and Municipal Employees (AFSCME) #1136 and the Fraternal Order of Police (FOP) is through June 2024. The International Association of Fire Fighters (IAFF) is through June 2025.

Requests for Information

This financial report is designed to provide the City's citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City of Enid's Chief Financial Officer, at City of Enid, P.O. Box 1768, Enid, Oklahoma 73702-1768 or telephone 580.616.7283. You may also visit www.enid.org for more budgetary and contact information.

City of Enid, Oklahoma
Statement of Net Position
June 30, 2023

Assets and Deferred Outflows of Resources

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,536,579	\$ 2,393,326	\$ 7,929,905
Investments	58,820,296	24,328,406	83,148,702
Receivables, net of allowance for uncollectibles	7,424,475	7,125,984	14,550,459
Receivables for property taxes – succeeding year	2,465	-	2,465
Internal balances	(2,583,203)	2,583,203	-
Inventories	-	291,033	291,033
Prepaid expenses	319,981	25,332	345,313
Restricted cash and investments	3,528	131,974,703	131,978,231
Net pension asset	1,104,645	-	1,104,645
Capital and lease assets			
Lease assets	-	17,449	17,449
Subscription assets	111,504	-	111,504
Land and construction in progress	24,614,293	215,290,497	239,904,790
Depreciable buildings, improvements, equipment, and vehicles, net of accumulated depreciation	<u>69,923,709</u>	<u>179,950,483</u>	<u>249,874,192</u>
Total assets	<u>165,278,272</u>	<u>563,980,416</u>	<u>729,258,688</u>
Deferred Outflows of Resources			
Deferred amounts related to OPEB	114,324	8,166	122,490
Deferred amounts related to pensions	<u>9,545,732</u>	<u>224,810</u>	<u>9,770,542</u>
Total deferred outflows of resources	<u>9,660,056</u>	<u>232,976</u>	<u>9,893,032</u>

City of Enid, Oklahoma
Statement of Net Position, continued
June 30, 2023

Liabilities and Deferred Inflows of Resources

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable and accrued liabilities	\$ 31,563,290	\$ 2,592,669	\$ 34,155,959
Claims payable	595,511	-	595,511
Payable from restricted assets			
Accrued interest	1,125	2,627,245	2,628,370
Customer deposits	-	1,375,520	1,375,520
Unearned revenue	12,121,784	1,321,831	13,443,615
Long-term liabilities			
Due within one year	1,676,657	5,645,864	7,322,521
Due in more than one year	32,163,489	299,024,559	331,188,048
	<u>78,121,856</u>	<u>312,587,688</u>	<u>390,709,544</u>
Deferred Inflows of Resources			
Property taxes – succeeding year	2,465	-	2,465
Deferred amounts related to OPEB	596,017	42,573	638,590
Deferred amounts related to pensions	1,205,640	195,925	1,401,565
Deferred amounts related to leases	207,517	102,105	309,622
	<u>2,011,639</u>	<u>340,603</u>	<u>2,352,242</u>
Net Position			
Net investment in capital assets	77,761,806	161,126,927	238,888,733
Restricted:			
Debt service	673	3,616,148	3,616,821
Capital improvements	215,830	39,788,173	40,004,003
Public safety	325,288	-	325,288
Pension benefits	1,104,645	-	1,104,645
Unrestricted	15,396,591	46,753,853	62,150,444
	<u>\$ 94,804,833</u>	<u>\$ 251,285,101</u>	<u>\$ 346,089,934</u>

City of Enid, Oklahoma
Statement of Activities
Year Ended June 30, 2023

	Program Revenues				Net (Expenses) Revenues and Change 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	\$ 8,757,322	\$ 143,917	\$ 3,072,946	\$ -	\$ (5,540,459)	\$ -	\$ (5,540,459)
Public safety	23,341,458	1,387,491	2,498,895	6,801	(19,448,271)	-	(19,448,271)
Public works	14,311,817	320,732	-	-	(13,991,085)	-	(13,991,085)
Culture and recreation	2,855,208	45,737	17,614	48,157	(2,743,700)	-	(2,743,700)
Economic development	1,374,259	-	-	-	(1,374,259)	-	(1,374,259)
Interest on long-term debt	10,603	-	-	-	(10,603)	-	(10,603)
Total governmental activities	<u>50,650,667</u>	<u>1,897,877</u>	<u>5,589,455</u>	<u>54,958</u>	<u>(43,108,377)</u>	<u>-</u>	<u>(43,108,377)</u>
Business-type activities							
Utility operations	28,960,040	43,379,407	-	-	-	14,419,367	14,419,367
Airport	4,381,958	3,186,095	-	991,765	-	(204,098)	(204,098)
Golf	929,773	787,432	-	-	-	(142,341)	(142,341)
Event center	5,011,494	1,522,338	-	-	-	(3,489,156)	(3,489,156)
Transit and other	764,256	129,987	583,426	-	-	(50,843)	(50,843)
Total business-type activities	<u>40,047,521</u>	<u>49,005,259</u>	<u>583,426</u>	<u>991,765</u>	<u>-</u>	<u>10,532,929</u>	<u>10,532,929</u>
Total primary government	<u>\$ 90,698,188</u>	<u>\$ 50,903,136</u>	<u>\$ 6,172,881</u>	<u>\$ 1,046,723</u>	<u>(43,108,377)</u>	<u>10,532,929</u>	<u>(32,575,448)</u>
General revenues							
Taxes							
Sales and use					44,441,434	-	44,441,434
Property					540,579	1,108,975	1,649,554
Franchise					3,432,924	-	3,432,924
Other					776,085	-	776,085
Investment income (loss)					(3,577,857)	6,887,173	3,309,316
Miscellaneous					1,736,768	37,881	1,774,649
Gain on disposal of capital assets					-	39,287	39,287
Transfers of capital assets					(106,087,934)	106,087,934	-
Transfers – internal activity					111,730,943	(111,730,943)	-
Total general revenues and transfers					<u>52,992,942</u>	<u>2,430,307</u>	<u>55,423,249</u>
Change in Net Position					<u>9,884,565</u>	<u>12,963,236</u>	<u>22,847,801</u>
Net Position, Beginning of Year					<u>84,920,268</u>	<u>238,321,865</u>	<u>323,242,133</u>
Net Position, End of Year					<u>\$ 94,804,833</u>	<u>\$ 251,285,101</u>	<u>\$ 346,089,934</u>

City of Enid, Oklahoma
Balance Sheet – Governmental Funds
June 30, 2023

	General	Police Fund	Fire Fund	Water Capital Improvements	Nonmajor Governmental Funds	Total
Assets						
Cash and cash equivalents	\$ 1,873,958	\$ 420,195	\$ 120,585	\$ 806,408	\$ 1,993,566	\$ 5,214,712
Investments	18,219,279	5,093,131	1,461,598	9,774,371	20,370,602	54,918,981
Receivables						
Taxes	5,909,900	163,994	163,994	-	272,374	6,510,262
Due from other governments	-	24,330	-	-	161,090	185,420
Other	46,508	-	2,243	-	15,027	63,778
Prepaid expenses	199,914	33,081	18,788	-	66,843	318,626
Restricted cash and investments	-	-	-	-	3,528	3,528
	<u>\$ 26,249,559</u>	<u>\$ 5,734,731</u>	<u>\$ 1,767,208</u>	<u>\$ 10,580,779</u>	<u>\$ 22,883,030</u>	<u>\$ 67,215,307</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 1,655,693	\$ 430,889	\$ 564,257	\$ 21,925,887	\$ 6,824,721	\$ 31,401,447
Due to other funds	2,583,203	-	-	-	-	2,583,203
Unearned revenue	12,108,085	-	-	-	13,699	12,121,784
	<u>16,346,981</u>	<u>430,889</u>	<u>564,257</u>	<u>21,925,887</u>	<u>6,838,420</u>	<u>46,106,434</u>
Deferred Inflows of Resources						
Property taxes – succeeding year	2,465	-	-	-	-	2,465
	<u>2,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,465</u>
Fund Balances						
Nonspendable						
Inventories and prepaid expenses	199,914	33,081	18,788	-	66,843	318,626
Restricted						
Public safety	-	-	-	-	325,288	325,288
Public works	-	-	-	-	215,830	215,830
Debt service	-	-	-	-	673	673
Committed						
Public safety	-	5,270,761	1,184,163	-	304,108	6,759,032
Public works	-	-	-	-	1,034,747	1,034,747
Other	370,827	-	-	-	-	370,827
Capital improvements	-	-	-	-	14,299,862	14,299,862
Unassigned	9,329,372	-	-	(11,345,108)	(202,741)	(2,218,477)
	<u>9,900,113</u>	<u>5,303,842</u>	<u>1,202,951</u>	<u>(11,345,108)</u>	<u>16,044,610</u>	<u>21,106,408</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,249,559</u>	<u>\$ 5,734,731</u>	<u>\$ 1,767,208</u>	<u>\$ 10,580,779</u>	<u>\$ 22,883,030</u>	<u>\$ 67,215,307</u>

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

Total fund balance – governmental funds	<u>\$ 21,106,408</u>
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<u>94,649,506</u>
Certain long-term assets are not available to pay for period expenditures and, therefore, are either not reported or reported as deferred inflows in the funds	<u>667,481</u>
The net pension liability (asset) and the total OPEB liability and the pension and OPEB-related deferred outflows and deferred inflows of resources are not due and payable from current financial resources and, therefore, are not reported in these fund financial statements but are reported in the governmental activities – statement of net position	
Net pension liability	(28,189,621)
Net pension asset	1,104,645
Lease deferred inflows	(207,517)
Total OPEB liability	(2,033,319)
Pension-related deferred outflows	9,545,732
OPEB-related deferred outflows	114,324
Pension-related deferred inflows	(1,205,640)
OPEB-related deferred inflows	<u>(596,017)</u>
	<u>(21,467,413)</u>
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as health insurance, to individual funds. The assets and liabilities of the internal service funds are reported in governmental activities	<u>3,467,182</u>
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest payable	(1,125)
Accrued compensated absences	(2,543,213)
Accrued liability for workers’ compensation claims incurred	(842,229)
Direct financing obligations	(126,844)
Subscription-based information technology arrangements	<u>(104,920)</u>
	<u>(3,618,331)</u>
Net position of governmental activities in the statement of net position	<u>\$ 94,804,833</u>

City of Enid, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Governmental Funds
Year Ended June 30, 2023

	General	Police Fund	Fire Fund	Water Capital Improvements	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 45,275,686	\$ 1,299,336	\$ 1,299,336	\$ -	\$ 540,578	\$ 48,414,936
Licenses and permits	244,236	-	-	-	-	244,236
Intergovernmental	552,509	651,881	1,838,822	-	4,099,503	7,142,715
Fines and forfeitures	630,941	-	-	-	-	630,941
Charges for services	319,801	14,633	-	-	77,597	412,031
Other	803,480	30,337	16,158	-	251,971	1,101,946
Investment income (loss)						
Net decrease in the fair value of investments	(564,977)	(157,612)	(45,231)	(3,416,512)	(630,386)	(4,814,718)
Interest	609,916	110,587	33,026	-	505,075	1,258,604
Total revenues	<u>47,871,592</u>	<u>1,949,162</u>	<u>3,142,111</u>	<u>(3,416,512)</u>	<u>4,844,338</u>	<u>54,390,691</u>
Expenditures						
Current						
General government	7,102,752	-	-	-	253,223	7,355,975
Public safety	-	9,987,665	11,190,108	-	1,253,975	22,431,748
Public works	7,549,401	-	-	-	3,423,334	10,972,735
Culture and recreation	2,678,949	-	-	-	-	2,678,949
Economic development	-	-	-	-	1,351,349	1,351,349
Debt service						
Principal	278,513	-	-	-	310,000	588,513
Interest	92	-	-	-	3,156	3,248
Capital outlay	1,569,783	623,467	410,387	106,118,137	17,412,054	126,133,828
Total expenditures	<u>19,179,490</u>	<u>10,611,132</u>	<u>11,600,495</u>	<u>106,118,137</u>	<u>24,007,091</u>	<u>171,516,345</u>
Excess (Deficiency) of Revenues over Expenditures	<u>28,692,102</u>	<u>(8,661,970)</u>	<u>(8,458,384)</u>	<u>(109,534,649)</u>	<u>(19,162,753)</u>	<u>(117,125,654)</u>
Other Financing Sources (Uses)						
Transfers in	14,402,837	10,540,065	8,997,167	226,311,401	13,990,335	274,241,805
Transfers out	(52,526,718)	(450,000)	(250,000)	(108,930,308)	(353,837)	(162,510,863)
Total other financing sources (uses)	<u>(38,123,881)</u>	<u>10,090,065</u>	<u>8,747,167</u>	<u>117,381,093</u>	<u>13,636,498</u>	<u>111,730,942</u>
Net Change in Fund Balances	(9,431,779)	1,428,095	288,783	7,846,444	(5,526,255)	(5,394,712)
Fund Balances, Beginning of Year	<u>19,331,892</u>	<u>3,875,747</u>	<u>914,168</u>	<u>(19,191,552)</u>	<u>21,570,865</u>	<u>26,501,120</u>
Fund Balances, End of Year	<u>\$ 9,900,113</u>	<u>\$ 5,303,842</u>	<u>\$ 1,202,951</u>	<u>\$ (11,345,108)</u>	<u>\$ 16,044,610</u>	<u>\$ 21,106,408</u>

City of Enid, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances – total governmental funds	<u>\$ (5,394,712)</u>
<p>Amounts reported for governmental activities in the statement of activities are different because Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets</p>	
Capital outlay expenditures capitalized	20,420,989
Depreciation expense	<u>(5,945,649)</u>
	<u>14,475,340</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position</p>	
Principal payments on notes payable and bonds payable	310,000
Principal payments on subscription assets	118,593
Principal payments on lease assets	<u>67,242</u>
	<u>495,835</u>
<p>Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain revenues/expenses are reported in governmental activities on the statement of activities, net of amounts allocated to business-type activities</p>	
	<u>36,213</u>
<p>Some (expenses) revenues in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds</p>	
Accrued compensated absences, net of change	(154,404)
Pension expense	331,741
Accrued liability for workers' compensation claims incurred	259,461
Interest expense	899
Other postemployment benefits	<u>(165,808)</u>
	<u>271,889</u>
Change in net position of governmental activities	<u><u>\$ 9,884,565</u></u>

City of Enid, Oklahoma
Statement of Net Position – Proprietary Funds
June 30, 2023

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Internal</u>
	<u>Enid</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
<u>Municipal</u>	<u>Enterprise</u>	<u>Health Care</u>		
	<u>Authority</u>	<u>Funds</u>		<u>Fund</u>
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 1,714,150	\$ 679,176	\$ 2,393,326	\$ 321,867
Investments	20,777,013	3,551,393	24,328,406	3,901,315
Receivables				
Accounts, net of uncollectibles	5,177,465	312,683	5,490,148	-
Accrued interest	574,229	1,758	575,987	-
Taxes	-	105,584	105,584	-
Due from other governments	-	843,510	843,510	-
Leases	86,467	24,288	110,755	-
Due from other funds	2,426,091	-	2,426,091	157,112
Inventories	112,469	178,564	291,033	-
Prepaid expenses	13,135	12,196	25,331	1,355
Restricted cash and cash equivalents	112,632,515	-	112,632,515	-
Restricted investments	19,342,188	-	19,342,188	-
	<u>162,855,722</u>	<u>5,709,152</u>	<u>168,564,874</u>	<u>4,381,649</u>
Noncurrent Assets				
Lease assets, net	-	17,449	17,449	-
Capital assets, net of accumulated depreciation	353,641,365	41,599,615	395,240,980	-
	<u>516,497,087</u>	<u>47,326,216</u>	<u>563,823,303</u>	<u>4,381,649</u>
Deferred Outflows of Resources				
Deferred amounts related to OPEB	8,166	-	8,166	-
Deferred amounts related to pensions	171,675	53,135	224,810	-
	<u>179,841</u>	<u>53,135</u>	<u>232,976</u>	<u>-</u>

City of Enid, Oklahoma
Statement of Net Position – Proprietary Funds, continued
June 30, 2023

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Internal</u>
	<u>Enid</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
<u>Municipal</u>	<u>Enterprise</u>	<u>Health Care</u>		
	<u>Authority</u>	<u>Funds</u>		<u>Fund</u>
Liabilities and Deferred Inflows of Resources				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 1,321,561	\$ 1,271,108	\$ 2,592,669	\$ 161,843
Claims payable	-	-	-	595,511
Payable from restricted assets				
Accrued interest payable	2,627,245	-	2,627,245	-
Customer deposits	1,355,376	20,144	1,375,520	-
Unearned revenue	-	1,321,831	1,321,831	-
Current portion of noncurrent liabilities	5,645,864	-	5,645,864	-
	<u>10,950,046</u>	<u>2,613,083</u>	<u>13,563,129</u>	<u>757,354</u>
Total current liabilities				
Noncurrent Liabilities				
Compensated absences	35,104	88,951	124,055	-
Other postemployment benefits liability	145,237	-	145,237	-
Notes payable, net of unamortized premium	289,413,128	-	289,413,128	-
Direct financing obligations	1,213,292	-	1,213,292	-
Leases payable	-	56,436	56,436	-
Net pension liability	1,442,618	446,504	1,889,122	-
Landfill closure and post-closure obligations	5,906,209	-	5,906,209	-
Workers' compensation claims	253,431	23,649	277,080	-
	<u>298,409,019</u>	<u>615,540</u>	<u>299,024,559</u>	<u>-</u>
Total noncurrent liabilities				
Total liabilities				
	<u>309,359,065</u>	<u>3,228,623</u>	<u>312,587,688</u>	<u>757,354</u>
Deferred Inflows of Resources				
Deferred amounts related to OPEB	42,573	-	42,573	-
Deferred amounts related to pensions	149,617	46,308	195,925	-
Deferred amounts related to leases	84,242	17,863	102,105	-
	<u>276,432</u>	<u>64,171</u>	<u>340,603</u>	<u>-</u>
Total deferred inflows of resources				
Net Position				
Net investment in capital assets	119,875,232	41,251,695	161,126,927	-
Restricted				
Debt service	3,616,148	-	3,616,148	-
Capital improvements	39,788,173	-	39,788,173	-
Unrestricted	43,761,878	2,834,862	46,596,740	3,624,295
	<u>\$ 207,041,431</u>	<u>\$ 44,086,557</u>	251,127,988	<u>\$ 3,624,295</u>
Total net position				
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund balances are included with business-type activities			<u>157,113</u>	
Total net position per government-wide financial statements			<u>\$ 251,285,101</u>	

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

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Internal</u>
	<u>Enid</u>	<u>Nonmajor</u>	<u>Total</u>	<u>Service Fund</u>
<u>Municipal</u>	<u>Enterprise</u>	<u>Health Care</u>		
	<u>Authority</u>	<u>Funds</u>		<u>Fund</u>
Operating Revenues				
Charges for services				
Utility operations	\$ 43,379,407	\$ -	\$ 43,379,407	\$ -
Event center	-	1,522,337	1,522,337	-
Airport	-	3,186,095	3,186,095	-
Transit	-	129,987	129,987	-
Healthcare premiums	-	-	-	5,132,556
Other	32,829	787,432	820,261	59,119
Total operating revenues	<u>43,412,236</u>	<u>5,625,851</u>	<u>49,038,087</u>	<u>5,191,675</u>
Operating Expenses				
Utility operations	11,617,039	-	11,617,039	-
Event center	-	3,299,032	3,299,032	-
Airport	-	3,412,526	3,412,526	-
Transit	-	640,278	640,278	-
Insurance claims and expenses	-	-	-	5,128,666
Golf	-	825,293	825,293	-
Depreciation and amortization	10,504,473	2,910,352	13,414,825	-
Total operating expenses	<u>22,121,512</u>	<u>11,087,481</u>	<u>33,208,993</u>	<u>5,128,666</u>
Net Operating Income (Loss)	<u>21,290,724</u>	<u>(5,461,630)</u>	<u>15,829,094</u>	<u>63,009</u>
Nonoperating Revenues (Expenses)				
Taxes	-	1,108,975	1,108,975	-
Investment income				
Net increase (decrease) in the fair value of investments	2,397,325	(109,902)	2,287,423	(120,730)
Interest	4,518,015	81,736	4,599,751	98,985
Government grants	-	583,426	583,426	-
Gain (loss) on disposition of assets	190,349	(151,062)	39,287	-
Interest expense and fiscal charges	(6,838,527)	-	(6,838,527)	-
Total nonoperating revenues (expenses)	<u>267,162</u>	<u>1,513,173</u>	<u>1,780,335</u>	<u>(21,745)</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>21,557,886</u>	<u>(3,948,457)</u>	<u>17,609,429</u>	<u>41,264</u>
Capital grants	-	991,765	991,765	-
Capital asset contributions	106,079,534	8,400	106,087,934	-
Transfers in	129,719,690	1,639,000	131,358,690	-
Transfers out	(243,089,633)	-	(243,089,633)	-
Change in Net Position	<u>14,267,477</u>	<u>(1,309,292)</u>	<u>12,958,185</u>	<u>41,264</u>
Net Position, Beginning of Year	<u>192,773,954</u>	<u>45,395,849</u>	<u>238,169,803</u>	<u>3,583,031</u>
Net Position, End of Year	<u>\$ 207,041,431</u>	<u>\$ 44,086,557</u>	<u>\$ 251,127,988</u>	<u>\$ 3,624,295</u>
Change in net position, per above			\$ 12,958,185	
Some amounts reported for business-type activities in the statement of activities are different because the net revenue of the internal service fund is reported with business-type activities			<u>5,051</u>	
Change in business-type activities in net position per the government-wide financial statements			<u>\$ 12,963,236</u>	

City of Enid, Oklahoma
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023

	<u>Business-Type Activities</u>			<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Activities</u>
	<u>Enid</u>	<u>Nonmajor</u>		<u>Internal</u>
	<u>Municipal</u>	<u>Enterprise</u>	<u>Total</u>	<u>Service Fund</u>
	<u>Authority</u>	<u>Funds</u>		<u>Health Care</u>
				<u>Fund</u>
Cash Flows from Operating Activities				
Receipts from customers	\$ 43,288,507	\$ 6,874,552	\$ 50,163,059	\$ -
Receipts from interfund services	-	-	-	5,191,675
Payments to suppliers	(7,211,124)	(6,091,158)	(13,302,282)	-
Payments to employees	(4,388,269)	(1,500,140)	(5,888,409)	-
Claims and benefits paid	-	-	-	(5,175,545)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>31,689,114</u>	<u>(716,746)</u>	<u>30,972,368</u>	<u>16,130</u>
Cash Flows from Noncapital Financing Activities				
Taxes	-	1,110,403	1,110,403	-
Interfund payments	(42,781)	-	(42,781)	(5,051)
Operating transfers in	129,719,690	1,639,000	131,358,690	-
Operating transfers out	(243,089,633)	-	(243,089,633)	-
	<u>(113,412,724)</u>	<u>2,749,403</u>	<u>(110,663,321)</u>	<u>(5,051)</u>
Net cash provided by (used in) noncapital financing activities	<u>(113,412,724)</u>	<u>2,749,403</u>	<u>(110,663,321)</u>	<u>(5,051)</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from issuance of debt	95,690,260	-	95,690,260	-
Principal paid on long-term debt	(5,751,902)	-	(5,751,902)	-
Principal paid on leases	(36,185)	(30,815)	(67,000)	-
Interest expense and fiscal charges	(6,736,459)	-	(6,736,459)	-
Capital grants	-	1,050,955	1,050,955	-
Proceeds from sale of capital assets	203,797	13,750	217,547	-
Acquisition/construction of capital assets	(2,425,321)	(2,729,530)	(5,154,851)	-
	<u>80,944,190</u>	<u>(1,695,640)</u>	<u>79,248,550</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>80,944,190</u>	<u>(1,695,640)</u>	<u>79,248,550</u>	<u>-</u>
Cash Flows from Investing Activities				
Purchases of investments	(56,800,000)	(1,391,396)	(58,191,396)	(1,300,000)
Proceeds from sale of investments	38,038,720	496,688	38,535,408	397,439
Investment income received	4,044,334	80,353	4,124,687	98,985
	<u>(14,716,946)</u>	<u>(814,355)</u>	<u>(15,531,301)</u>	<u>(803,576)</u>
Net cash used in investing activities	<u>(14,716,946)</u>	<u>(814,355)</u>	<u>(15,531,301)</u>	<u>(803,576)</u>
Decrease in Cash and Cash Equivalents	<u>(15,496,366)</u>	<u>(477,338)</u>	<u>(15,973,704)</u>	<u>(792,497)</u>
Cash and Cash Equivalents, Beginning of Year	<u>129,843,031</u>	<u>1,156,514</u>	<u>130,999,545</u>	<u>1,114,364</u>
Cash and Cash Equivalents, End of Year	<u>\$ 114,346,665</u>	<u>\$ 679,176</u>	<u>\$ 115,025,841</u>	<u>\$ 321,867</u>

City of Enid, Oklahoma
Statement of Cash Flows – Proprietary Funds, continued
Year Ended June 30, 2023

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Enid Municipal Authority</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Health Care Fund</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Net operating income (loss)	\$ 21,290,724	\$ (5,461,630)	\$ 15,829,094	\$ 63,009
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	10,504,473	2,910,352	13,414,825	-
Landfill closure costs	557,356	-	557,356	-
(Increase) decrease in assets and deferred outflows				
Receivables	(121,801)	86,521	(35,280)	-
Inventories	10,432	19,377	29,809	-
Prepaid expenses	22,213	40,976	63,189	-
Pension-related deferred outflows	291,972	221,995	513,967	-
OPEB-related deferred outflows	2,059	-	2,059	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	(540,743)	373,723	(167,020)	-
Claims payable	-	-	-	(46,879)
Unearned revenue	-	1,175,722	1,175,722	-
Customer deposits	2,620	-	2,620	-
Net pension liability	(121,916)	(12,208)	(134,124)	-
Other postemployment benefits liability	5,435	-	5,435	-
Pension-related deferred inflows	(203,605)	(36,200)	(239,805)	-
OPEB-related deferred inflows	4,350	-	4,350	-
Other liabilities	(14,455)	(35,374)	(49,829)	-
Net cash provided by (used in) operating activities	<u>\$ 31,689,114</u>	<u>\$ (716,746)</u>	<u>\$ 30,972,368</u>	<u>\$ 16,130</u>
Supplementary Information on Noncash Capital and Financial Activities				
Contributions of capital assets	\$ 106,079,534	\$ 8,400	\$ 106,087,934	\$ -
Direct financing obligations incurred for the acquisition of capital assets	\$ 989,700	\$ -	\$ 989,700	\$ -
Gain (loss) on sale/disposal of assets	\$ 190,349	\$ (151,062)	\$ 39,287	\$ -

City of Enid, Oklahoma
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2023

Assets

	Pension Trust Funds	Custodial Funds
Cash and cash equivalents	\$ 599,243	\$ 1,441
Receivables		
Accrued interest	22,069	-
Due from other funds		248
Negotiable certificates of deposit	-	11,320
Mutual funds – equities	37,838,855	-
Mutual funds – corporate bonds	7,377,934	-
Exchange traded funds	23,000	-
Participant loans	503,500	-
Total assets	46,364,601	13,009

Net Position – Restricted

Employee pension benefits	46,364,601	-
Funds held for the benefit of others	-	13,009
Total net position – restricted	\$ 46,364,601	\$ 13,009

City of Enid, Oklahoma
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended June 30, 2023

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Employer	\$ 1,423,514	\$ -
Plan members	<u>681,883</u>	<u>-</u>
Total contributions	<u>2,105,397</u>	<u>-</u>
Investment earnings		
Net increase in the fair value of investments	4,011,365	-
Interest and dividends	<u>767,917</u>	<u>-</u>
Total investment earnings	<u>4,779,282</u>	<u>-</u>
Collection for other organizations and individuals	<u>-</u>	<u>134,528</u>
Total additions	<u>6,884,679</u>	<u>134,528</u>
Deductions		
Benefits and withdrawals	3,942,103	-
Administrative expenses	198,618	-
Distributions for other organizations and individuals	<u>-</u>	<u>132,801</u>
Total deductions	<u>4,140,721</u>	<u>132,801</u>
Change in Net Position	2,743,958	1,727
Net Position, Beginning of Year	<u>43,620,643</u>	<u>11,282</u>
Net Position, End of Year	<u>\$ 46,364,601</u>	<u>\$ 13,009</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Note 1: Nature of Operations

Organization

The City of Enid, Oklahoma (the City) operates under a Council-Manager form of government under Title 11 of the Oklahoma Statutes. The City provides the following services to its citizens: public safety (police and fire), streets and highways, social services, culture and recreation, sanitation and solid waste services, public improvements, water utilities, public works, planning and zoning, development, and general administrative services.

Note 2: Summary of Significant Accounting Policies

Financial Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Thus, blended component units are appropriately presented as funds of the primary government. The City's financial statements do not include any discretely presented component units.

Blended Component Units

The Enid Municipal Authority (EMA) serves all citizens of the City and is governed by a board of trustees comprised of the City's elected City Commission members. The City is the sole beneficiary of EMA and receives all trust properties upon termination. EMA operates the water, wastewater, sanitation collection, and landfill services of the City. The rates for user charges and bond issuance authorizations are approved by the City Commission, and the legal liability for the general obligation portion of EMA's debt remains with the City. The City maintains all accounting records. EMA is presented as an enterprise fund and does not issue separate financial statements.

The Vance Development Authority was established in June 1995 to promote the development of Vance Air Force Base located in Enid, Oklahoma. It is governed by the board of trustees comprised of the members of City Council. The City is the sole beneficiary of the Vance Development Authority and receives all trust properties upon termination. The Vance Development Authority is reported as a nonmajor special revenue fund and does not issue separate financial statements. The Vance Development Authority's operations are managed by the management of the City. Additionally, the City Council approves the budget for the Vance Development Authority.

The Enid Public Transportation Authority (EPTA) was established in February 1984. EPTA provides on-demand public transportation within the city limits of Enid and North Enid. Transportation is also provided to and from Oklahoma City and Tulsa for a fee sufficient to cover costs. The City of Enid and North Enid have a combined land area of approximately 75 square miles. Estimated ridership of EPTA is 3,900 trips per month. The City would receive all properties upon termination of EPTA. EPTA is presented as a blended enterprise fund and does

City of Enid, Oklahoma

Notes to Financial Statements

June 30, 2023

not issue separate financial statements. EPTA's operations are managed by the management of the City. Additionally, the City Council approves the budget for EPTA.

The Enid Economic Development Authority (EEDA) was established in April 1987, for economic development purposes, including industrial recruitment and assistance to new and expanding industry with relocation assistance and infrastructure construction. It is governed by a board of trustees comprised of the City's elected City Council. The City is the sole beneficiary of EEDA and receives all trust property upon termination. The City maintains all accounting records. EEDA is presented as a nonmajor special revenue fund and does not issue separate financial statements.

Basis of Presentation

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are inter-related. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All other governmental revenues are reported as general. All taxes are classified as general revenue.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Governmental Funds – The City reports the following major governmental funds:

- The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Police Fund is a special revenue fund that accounts for the resources accumulated from a portion of sales tax revenues and payments made for police operations and capital expenditures and committed revenues from the General Fund.
- The Fire Fund is a special revenue fund that accounts for the resources accumulated from a portion of sales tax revenues and payments made for fire operations and capital expenditures and committed revenues from the General Fund.
- The Water Capital Improvement Fund is a capital project fund that accounts for the resources accumulated from a portion of sales tax revenues and customer payments made to help fund drinking water projects of the City.

The other governmental funds are reported as nonmajor governmental funds. The aggregate nonmajor governmental funds include debt service funds, special revenue funds, and capital project funds. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds – The City reports the following major enterprise fund:

- EMA accounts for the City’s utility operations, including water, wastewater, sanitation, and landfill.

The City also reports nonmajor enterprise funds.

Additionally, the City reports the following fund types:

- The pension trust funds account for the activities of The Employee Retirement System of Enid, Oklahoma and the City of Enid, Oklahoma 401(k) Supplement Plan, which accumulate resources for pension benefit payments to qualified employees.
- The custodial funds account for court bonds and the Council on Law Enforcement Education and Training (CLEET) fund deposits.
- The internal service fund accounts for the health and dental benefits administered to City employees.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due to/due from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities and business-type activities are eliminated so that only the net amount is included as internal balances in the government-wide financial statements.

Further, certain activity occurs during the year involving transfer of resources between funds. In the fund financial statements these amounts are reported as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the government-wide financial statements. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The proprietary and pension benefit trust funds are also reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied and budgeted for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other postemployment benefits (OPEB), and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Property taxes, sales taxes, franchise taxes, licenses, fines, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Pooled Cash and Investments

Certain cash funds and investments belonging to the City and its component units are placed in a pooled cash fund. This "pooled cash" concept is used to maintain the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each participating fund has equity in the pooled accounts. This equity in the pooled cash accounts is allocated to the fund level as cash and investments.

Statement of Cash Flows

For purposes of the statement of cash flows for proprietary fund type funds, the City considers the pooled cash and investments to be cash equivalents as these pooled amounts have the same characteristics of demand deposits.

Investments

Investments for the City, as well as for its component units, are reported at fair value, with the exception of non-negotiable certificates of deposit, which are reported at cost. Negotiable certificates of deposit are recorded at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date.

City of Enid, Oklahoma
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Receivables

All trade receivables are shown net of an allowance for uncollectible receivables. Trade accounts receivable are reserved by aging category as follows:

Current	5%
0–30 days	10%
31–60 days	20%
61–90 days	50%
120+ days	80%

Inventories and Prepaid Items

Inventories are valued at cost using the lower of cost or market method and consist of warehouse supplies and fuel at the service center, landfill, and central supply. The cost of inventory is allocated to the user departments based upon consumption. Airport and golf course inventories are sold to end users using costs of goods sold accounts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Certain proceeds of the general obligation bonds, revenue bonds, and sales tax notes payable, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position and the balance sheet because they are maintained in separate trustee accounts and their use is limited by applicable debt covenants. Construction accounts are used to report those proceeds of bond and note issuances that are restricted for use in construction.

Capital Assets

Capital assets, which include land, construction in progress, buildings, infrastructure, equipment, and vehicles, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life of more than one year. Assets acquired with federal grant money are capitalized when the individual cost of the asset is more than \$5,000 and have an estimated useful life of more than one year. As the City acquires or constructs capital assets each year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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Land and construction in progress are not depreciated. Buildings, infrastructure, equipment, and vehicles of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10–20 years
Infrastructure	20–30 years
Equipment	3–5 years
Vehicles	5–7 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Lease assets that have variable payment requirements each month do not carry an initial value since there is not an offsetting lease liability required to be measured.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Impairment of Capital, Lease, and Subscription Assets

The City reviews long-lived capital, lease, and subscription assets for impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeded the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. For the year ended June 30, 2023, there were no impairments recognized and there were minimal disposals of capital, lease, or subscription assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred amounts related to pensions and OPEB are reported as deferred outflows in the government-wide and proprietary funds statement of net position.

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In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental fund balance sheet and the government-wide and proprietary funds statement of net position include succeeding year property tax revenue, which is reported as a deferred inflow of resources under both the modified accrual and accrual basis of accounting. Deferred amounts related to pensions, OPEB, and leases are also reported as deferred inflows in the government-wide statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the funds become available.

Pensions

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

Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is some liability for unpaid accumulated sick leave since the City pays retiring, full-time regular employees who have accrued 90 days of sick leave \$75 per day up to 12 accrued unused sick leave days per year. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental fund types, the amount of accumulated unpaid vacation that is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Issuance costs are reported as expenditures.

City of Enid, Oklahoma

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In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt principal payments are reported as expenditures.

Fund Balances and Net Position

Fund Balances

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned as follows:

- **Nonspendable** – Includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- **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.
- **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.
- **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 Commission’s action or the City Manager when the City Council has designated that authority through the budget resolutions. The City had no assigned fund balance at June 30, 2023.
- **Unassigned** – All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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Net Position

Net position is displayed in three components as follows:

- **Net Investment in Capital Assets** – Consists of capital, lease, and subscription assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances of any debt or other borrowings that are attributable to the acquisition, construction, or improvement of these assets. Net investment in capital assets excludes unspent bond proceeds.
- **Restricted Net Position** – Consists of net position with constraints placed on the use by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – All other net position that does not meet the definition of net investment in capital assets or restricted.

Sometimes the City will fund outlays for a particular purpose from both restricted (*e.g.*, restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the allowance for uncollectible accounts receivable, useful lives assigned to capital and lease assets, and loyalty program costs.

Sales and Use Taxes

The sales tax rate in the City is 9.1%. The State of Oklahoma receives 4.5%, the City receives 4.25%, and Garfield County receives 0.35%. The 4.25% for the City is broken down as follows:

- 2% remains in the General Fund to fund City operations.
- 1% is transferred to EMA to pay for capital infrastructure and water bond debt.
- 0.25% is restricted for the Police Fund and Fire Fund for public safety purposes.
- 1% is transferred to EMA to pay for the Kaw Lake Water Supply Project and the related debt.

City of Enid, Oklahoma

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The use tax mirrors the sales tax rate and applies to purchases by a resident or business in Enid for the use, storage, or consumption of goods in Oklahoma that were purchased outside of the state.

Property Taxes

Property tax revenue recognized by the City is billed and collected by the county treasurer's office and remitted to the City in the month following the collection. Property taxes are levied annually in November and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following November. The City recognizes the tax revenue in the year it is levied by Garfield County. For the years ended June 30, 2023 and 2022, the City's net assessed valuation of taxable real and personal property aggregated \$445,469,239 and \$435,140,660 while the property taxes levied per \$1,000 had a millage rate of 0.25 and 0.03, respectively.

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting pronouncements that are effective for the City in the current year or will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are below.

Fiscal Year Ended June 30, 2023

The City adopted the following accounting pronouncement in the year ended June 30, 2023.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB 94 establishes standards of accounting and financial reporting for PPPs and APAs for governments. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. There was no impact to the financial statements as a result of the adoption.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. GASB 96 defines a SBITA, establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on standards established in GASB 87. There was an immaterial impact to the financial statements as a result of the adoption.

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In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. GASB 99 provides guidance to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. The portion of the standard related to leases, public-private partnerships, and SBITAs were adopted. There was an immaterial impact to the financial statements as a result of the adoption.

Fiscal Year Ended June 30, 2024 and Thereafter

The following pronouncements will be implemented in future periods. The City is currently evaluating the potential impact these statements will have on its financial statements and the impact may be material.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. GASB 99 provides guidance to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2024 year-end).

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. GASB 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this standard are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2024 year-end). Earlier application is encouraged.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter (effective for the City's June 30, 2025 year-end). Earlier application is encouraged.

City of Enid, Oklahoma
Notes to Financial Statements
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Note 3: Detailed Notes on All Activities and Funds

Cash and Investments

The City held the following deposits and investments subject to interest rate and credit risk, as applicable, at June 30, 2023:

Governmental and Proprietary Funds

	Carrying Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1–5	6–10
Demand deposits	\$ 12,871,779	N/A	N/A	N/A	N/A
Petty cash and change funds	10,250	N/A	N/A	N/A	N/A
Investments					
Government money market mutual funds	107,674,157	Aaa-mf	\$ 107,674,157	\$ -	\$ -
Negotiable certificates of deposit	29,961,051	N/A	4,621,300	25,129,176	210,575
Non-negotiable certificates of deposit	16,398,000	N/A	4,400,000	11,998,000	-
U.S. agency securities	56,141,601	Aaa	56,141,601	-	-
	<u>\$ 223,056,838</u>		<u>\$ 172,837,058</u>	<u>\$ 37,127,176</u>	<u>\$ 210,575</u>
Total cash and cash equivalents and investments					
Reconciliation to statement of net position					
Cash and cash equivalents	\$ 7,929,905				
Investments	83,148,702				
Restricted cash and investments	131,978,231				
	<u>\$ 223,056,838</u>				

City of Enid, Oklahoma
Notes to Financial Statements
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Fiduciary Funds

	Carrying Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1–5	6–10
Investments					
Government money market mutual funds	\$ 599,243	Not Rated	\$ 599,243	\$ -	\$ -
Exchange traded funds	23,000	Not Rated	23,000	-	-
Mutual funds – equities	37,838,855	N/A	37,838,855	-	-
Mutual funds – corporate bonds	<u>7,377,934</u>	Bb–Alaa	<u>-</u>	<u>7,377,934</u>	<u>-</u>
Total cash and cash equivalents and investments	<u>\$ 45,839,032</u>		<u>\$ 38,461,098</u>	<u>\$ 7,377,934</u>	<u>\$ -</u>

Government money market mutual funds are measured at amortized cost as opposed to their fair value as they have maturity dates of less than one year at the time of purchase.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2023, the City had no bank balances that were not covered by Federal Depository Insurance or collateralized by securities pledged by the banks and held in safekeeping by another bank in the name of the City.

Investments

The City uses a pooled investment concept for all its funds, with the exception of restricted funds in connection with debt securities, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. State statutes limit investments to the following: (a) direct obligations of the U.S. government, its agencies, or instrumentalities; (b) collateralized or insured certificates of deposit within the state, and insured certificates only if out of state; (c) savings accounts or savings certificates; (d) fully collateralized prime banker acceptances, prime commercial paper, repurchase agreements, or SEC-regulated money market funds; (e) obligations to the payment of which the full faith and credit of the state is pledged; (f) county, municipal, or school district and valorem tax-funded debt; (g) bonds, notes, or money judgments of a county, municipality, or school district; (h) revenue anticipation notes of a public trust of which the municipality is beneficiary; or (i) any bond, note, or other debt of any public trust of which the municipality is sole beneficiary, or other entities whose governing boards were appointed by the municipality. The City’s investment policy does not further limit its investment choices.

City of Enid, Oklahoma
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Fair Value Measurements

The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Government-Wide Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable certificates of deposit	\$ 29,961,051	\$ -	\$ 29,961,051	\$ -
U.S. agency securities	56,141,601	-	56,141,601	-
	<u>\$ 86,102,652</u>	<u>\$ -</u>	<u>\$ 86,102,652</u>	<u>\$ -</u>

Fiduciary Funds

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds – equities	\$ 37,838,855	\$ 37,838,855	\$ -	\$ -
Mutual funds – corporate bonds	7,377,934	7,377,934	-	-
	<u>\$ 45,216,789</u>	<u>\$ 45,216,789</u>	<u>\$ -</u>	<u>\$ -</u>

The value of Level 2 inputs is determined using quoted prices for similar assets or liabilities in active markets. The City has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

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 discloses its exposure to interest rate risk by disclosing the maturity in years of its various investments. The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. More than 5% of the City's investments are in U.S. agency securities. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy to maintain investment securities that are insured or registered in the City's name and held by the City or its agent in the City's name whenever possible. As of June 30, 2023, the City's investments were not exposed to custodial credit risk as all the City's investments were registered in the name of the City and held by a counterparty.

Restricted Cash and Investments

The amounts reported as restricted cash and investments included the Enid Municipal Authority 2003 Sales Tax note, 2009 Oklahoma Water Resources Board (OWRB) note, 2010 OWRB note, 2015 Revenue note, 2018B OWRB note, 2019 OWRB note, and 2020 CWSRF note in the EMA Fund, which include restricted cash and investments for sinking funds and reserve funds for repayment of principal and interest when due. Restricted balances also contain \$9,092,371 in unspent note proceeds from the 2018B OWRB note and \$53,162,708 in unspent note proceeds from the 2019 OWRB note set aside for the Kaw Lake Water Supply Project in the EMA Fund. Additionally, funds transferred to EMA that are restricted for the purpose of acquiring capital assets through a 1% sales tax, 1% sales tax to fund the Kaw Lake Water Supply Project, sanitary

City of Enid, Oklahoma
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sewer fee restriction and the City’s landfill closure/post-closure requirements from the ODEQ are included in the restricted cash and investments of the EMA Fund.

The following is a summary of the debt issuances and other purposes that require restricted cash and investments to be maintained. The balances as of June 30, 2023 are as follows:

	Proprietary Funds
EMA 2009 OWRB note	\$ 88,204
EMA 2010 OWRB note	374,653
EMA 2016 OWRB note	380,463
1% Restricted Sales Tax	23,308,323
Sanitary Sewer Improvement Fees	11,521,492
1% Restricted Tax for Kaw Lake Water Supply Project	24,300,546
EMA BOK 2018b OWRB Project Fund	9,092,371
EMA BOK 2018b OWRB FAP Debit SRVC	1,076,814
EMA BOK 2019 OWRB Project Fund	53,162,708
EMA BOK 2019 OWRB FAP Debit SRVC	1,458,740
EMA BOK 2020 CWSRF Debit SRVC	237,274
ODEQ Landfill	6,923,849
Total restricted cash and investments	<u>\$ 131,925,437</u>

Receivables

Receivables as of June 30, 2023 for the City’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Due from Other Governments	Accrued Interest	Leases	Allowance for Doubtful Accounts	Net Receivables
Governmental Activities							
Governmental funds							
General	\$ 5,909,900	\$ 50,969	\$ -	\$ -	\$ 161,515	\$ (4,461)	\$ 6,117,923
Police	163,994	-	24,330	-	-	-	188,324
Fire	163,994	2,243	-	-	-	-	166,237
Nonmajor governmental funds	272,374	-	161,090	15,027	-	-	448,491
Total governmental activities	6,510,262	53,212	185,420	15,027	161,515	(4,461)	6,920,975
Business-Type Activities							
Enterprise funds							
Enid Municipal Authority	-	5,855,802	-	574,229	86,467	(678,337)	5,838,161
Nonmajor enterprise funds	105,584	357,820	843,510	1,758	24,288	(45,137)	1,287,823
Total business-type activities	105,584	6,213,622	843,510	575,987	110,755	(723,474)	7,125,984
Receivables, net	<u>\$ 6,615,846</u>	<u>\$ 6,266,834</u>	<u>\$ 1,028,930</u>	<u>\$ 591,014</u>	<u>\$ 272,270</u>	<u>\$ (727,935)</u>	<u>\$ 14,046,959</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Capital Assets

Capital asset balances and activities for the year ended June 30, 2023 were as follows:

Governmental Activities

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated					
Land	\$ 8,155,410	\$ 618,686	\$ -	\$ -	\$ 8,774,096
Construction in progress	<u>12,965,842</u>	<u>11,612,326</u>	<u>(8,737,971)</u>	<u>-</u>	<u>15,840,197</u>
Total capital assets not being depreciated	<u>21,121,252</u>	<u>12,231,012</u>	<u>(8,737,971)</u>	<u>-</u>	<u>24,614,293</u>
Capital assets being depreciated					
Buildings	16,382,482	5,056,217	1,254,072	(298,374)	22,394,397
Infrastructure	110,471,706	-	7,107,118	-	117,578,824
Equipment	14,312,809	2,921,872	339,823	(733,746)	16,840,758
Vehicles	<u>14,672,065</u>	<u>463,182</u>	<u>192,189</u>	<u>(211,390)</u>	<u>15,116,046</u>
Total capital assets being depreciated	<u>155,839,062</u>	<u>8,441,271</u>	<u>8,893,202</u>	<u>(1,243,510)</u>	<u>171,930,025</u>
Less accumulated depreciation					
Buildings	(10,954,169)	(752,784)	-	298,374	(11,408,579)
Infrastructure	(61,608,221)	(3,397,712)	-	-	(65,005,933)
Equipment	(13,091,884)	(746,600)	40,949	732,516	(13,065,019)
Vehicles	<u>(11,497,344)</u>	<u>(1,048,552)</u>	<u>(192,189)</u>	<u>211,300</u>	<u>(12,526,785)</u>
Total accumulated depreciation	<u>(97,151,618)</u>	<u>(5,945,648)</u>	<u>(151,240)</u>	<u>1,242,190</u>	<u>(102,006,316)</u>
Total capital assets being depreciated, net	<u>58,687,444</u>	<u>2,495,623</u>	<u>8,741,962</u>	<u>(1,320)</u>	<u>69,923,709</u>
Capital assets, net	<u>\$ 79,808,696</u>	<u>\$ 14,726,635</u>	<u>\$ 3,991</u>	<u>\$ (1,320)</u>	<u>\$ 94,538,002</u>

City of Enid, Oklahoma
Notes to Financial Statements
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Business-Type Activities

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated					
Land	\$ 8,062,951	\$ -	\$ -	\$ -	\$ 8,062,951
Construction in progress	<u>103,842,636</u>	<u>108,567,232</u>	<u>(5,182,322)</u>	<u>-</u>	<u>207,227,546</u>
Total capital assets not being depreciated	<u>111,905,587</u>	<u>108,567,232</u>	<u>(5,182,322)</u>	<u>-</u>	<u>215,290,497</u>
Capital assets being depreciated					
Buildings	81,717,188	-	-	(536,620)	81,180,568
Infrastructure	213,989,693	-	5,178,422	(62,235)	219,105,880
Equipment	27,778,611	2,152,354	114,565	(650,155)	29,395,375
Vehicles	<u>11,801,840</u>	<u>1,752,078</u>	<u>(166,644)</u>	<u>(1,736,345)</u>	<u>11,650,929</u>
Total capital assets being depreciated	<u>335,287,332</u>	<u>3,904,432</u>	<u>5,126,343</u>	<u>(2,985,355)</u>	<u>341,332,752</u>
Less accumulated depreciation					
Buildings	(36,252,815)	(3,950,451)	-	373,354	(39,829,912)
Infrastructure	(87,681,323)	(6,847,313)	-	62,235	(94,466,401)
Equipment	(19,357,673)	(1,172,296)	(114,565)	628,293	(20,016,241)
Vehicles	<u>(7,370,191)</u>	<u>(1,409,865)</u>	<u>166,644</u>	<u>1,543,697</u>	<u>(7,069,715)</u>
Total accumulated depreciation	<u>(150,662,002)</u>	<u>(13,379,925)</u>	<u>52,079</u>	<u>2,607,579</u>	<u>(161,382,269)</u>
Total capital assets being depreciated, net	<u>184,625,330</u>	<u>(9,475,493)</u>	<u>5,178,422</u>	<u>(377,776)</u>	<u>179,950,483</u>
Capital assets, net	<u>\$ 296,530,917</u>	<u>\$ 99,091,739</u>	<u>\$ (3,900)</u>	<u>\$ (377,776)</u>	<u>\$ 395,240,980</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

General government	\$ 1,142,490
Public safety	1,257,265
Public works	3,345,892
Culture and recreation	177,091
Economic development	<u>22,911</u>
Total governmental activities	<u>\$ 5,945,649</u>

City of Enid, Oklahoma
Notes to Financial Statements
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Business-Type Activities

Utility operations	\$ 10,504,474
Airport	969,432
Golf	69,579
Transit	123,978
Event center	<u>1,712,462</u>
Total business-type activities	<u>\$ 13,379,925</u>

Deposits Subject to Refund

Utility customers are required to make a meter deposit, which is refunded upon the customer's termination of services or upon request after 12 months of on-time payments with no cut-offs, provided there are no outstanding bills. Monies are deposited into the pooled cash account, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2023, the liability to utility customers was \$1,355,376. Customer deposits also included \$20,144 related to future events at EECCH.

Appearance bonds and other payments made to the municipal court funds reported in the agency fund financial statements are held until final disposition by the court, at which time they are refunded to the bondholder or paid over to the City's General Fund as fines.

Long-Term Liabilities

The City's long-term liabilities consist of revenue bonds and notes payable, accrued compensated absences, net pension liability, OPEB liability, workers' compensation claims, and lease obligations. Long-term liabilities for the year ended June 30, 2023 were as follows:

Governmental Activities

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Compensated absences	\$ 2,388,809	\$ 154,404	\$ -	\$ 2,543,213	\$ 1,344,962
Workers' compensation claims	926,148	-	(83,919)	842,229	269,514
Notes payable	310,000	-	(310,000)	-	-
Subscription payable	-	104,920	-	104,920	-
Direct financing obligations	<u>186,639</u>	<u>-</u>	<u>(59,795)</u>	<u>126,844</u>	<u>62,181</u>
Total governmental activities	<u>\$ 3,811,596</u>	<u>\$ 259,324</u>	<u>\$ (453,714)</u>	3,617,206	1,676,657
Reconciliation to the statement of net position					
Add net pension liability				28,189,621	-
Add OPEB liability				<u>2,033,319</u>	<u>-</u>
				<u>\$ 33,840,146</u>	<u>\$ 1,676,657</u>

City of Enid, Oklahoma
Notes to Financial Statements
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Business-Type Activities

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Compensated absences	\$ 283,213	\$ 46,747	\$ -	\$ 329,960	\$ 205,905
Workers' compensation claims	379,315	-	(57,070)	322,245	45,165
Landfill closure and post-closure and other long-term liabilities	5,348,853	557,356	-	5,906,209	-
Revenue notes payable	198,966,187	95,690,261	(4,545,145)	290,111,303	4,690,243
Unamortized premium on notes payable	4,313,572	-	(160,752)	4,152,820	160,752
Leases payable	123,076	-	(66,640)	56,436	-
Direct financing obligations	<u>1,974,149</u>	<u>989,700</u>	<u>(1,206,758)</u>	<u>1,757,091</u>	<u>543,799</u>
Total business-type activities	<u>\$ 211,388,365</u>	<u>\$ 97,284,064</u>	<u>\$ (6,036,365)</u>	302,636,064	5,645,864
Reconciliation to the statement of net position					
Add net pension liability				1,889,122	-
Add OPEB liability				<u>145,237</u>	<u>-</u>
				<u>\$ 304,670,423</u>	<u>\$ 5,645,864</u>

Accrued compensated absences of governmental activities are primarily liquidated by the General Fund, Police Fund, and Fire Fund. Accrued compensated absences of business-type activities are primarily liquidated by EMA. OPEB liabilities of governmental activities are liquidated primarily by the General Fund. Workers' compensation claims liabilities of governmental activities are liquidated primarily by the General Fund, Police Fund, and Fire Fund. Workers' compensation claim liabilities of business-type activities are primarily liquidated by EMA.

Governmental Activities

Long-term debt payable from property tax levies and other revenues, including sales taxes, includes the following:

Direct finance purchase (A)	<u>\$ 126,844</u>
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- (A) Direct finance purchase with Motorola Solutions dated May 1, 2018 with seven annual payments of \$67,242, including an interest rate of 3.99%, with final installment due May 1, 2025. This purchase also included a \$50,000 down payment.

City of Enid, Oklahoma
Notes to Financial Statements
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Business-Type Activities

Long-term debt payable from net revenues generated and taxes pledged to the City’s business-type activities include the following:

Notes payable	
Series 2009 – Drinking water SRF promissory note (A)	\$ 2,310,795
Series 2010 – Clean water SRF promissory note (B)	10,325,003
Series 2016 – Promissory note (C)	12,235,000
Series 2018A – Drinking water SRF promissory note (D)	39,845,000
Series 2018B – Promissory note (E)	18,235,136
Series 2019A – Promissory note (F)	44,990,000
Series 2019B – Clean water SRF promissory note (G)	7,710,529
Series 2020 – Drinking water SRF promissory note (H)	152,919,994
Series 2022 – Drinking water SRF promissory note (I)	<u>1,539,846</u>
	290,111,303
Plus premium on Series 2016, 2018B, and 2019A promissory notes	<u>4,152,820</u>
 Total notes payable	 <u>294,264,123</u>
Direct financing obligations	
Caterpillar Financial (J)	368,293
Security National Bank (K)	555,465
Security National Bank (L)	<u>833,333</u>
 Total direct financing obligations	 <u>1,757,091</u>
	<u><u>\$ 296,021,214</u></u>

- (A) Series 2009 – Drinking water SRF promissory note to the OWRB, dated November 20, 2009, in the amount of \$8,345,000, payable in semiannual payments over 20 years, each March 15 and September 15, including interest at 2.37% and an administrative fee of 0.50%, maturing September 2030, for the purchase and installation of an automated metering system.
- (B) Series 2010 – Clean water SRF promissory note to the OWRB/Oklahoma Development Finance Authority, dated May 25, 2011, in the amount of \$39,900,000, payable in semiannual installments over 20 years each March 15 and September 15, including interest at 2.31% and an administrative fee of 0.50%, maturing March 2032, for the construction of a wastewater treatment plant.
- (C) Series 2016 – Enid Municipal Authority Taxable promissory note to the OWRB, dated December 21, 2016, payable in semiannual installments, including interest at 2.2%, maturity date of September 15, 2046, to provide funds for the Kaw Lake Water Supply Project.

City of Enid, Oklahoma
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- (D) Series 2018A – Drinking water SRF promissory note to the OWRB, dated September 10, 2018, payable in semiannual installments, including interest at 2.49%, maturity date of March 15, 2050, to provide funds for the Kaw Lake Water Supply Project.
- (E) Series 2018B – Promissory note to the OWRB, dated September 20, 2018, payable in semiannual installments, including interest at 3.2%, maturity date of October 1, 2048, to provide funds for the Kaw Lake Water Supply Project.
- (F) Series 2019A – Promissory note to the OWRB, dated February 13, 2019, payable in semiannual installments, including interest at 4.2%, maturity date of October 1, 2048, to provide funds for the Kaw Lake Water Supply Project.
- (G) Series 2019B – Clean water SRF promissory note to the OWRB, dated September 10, 2019, in the amount of \$10,431,584, payable in semiannual installments over 12 years, including interest at 1.53%, maturing March 2032, to provide funds for the construction of a new wastewater treatment center and partial refunding of the Series 2021 bond issue.
- (H) Series 2020 – Drinking water SRF promissory note to the OWRB, dated December 1, 2020, in the amount of \$205,000,000, including interest at 1.34% per annum plus an administrative fee of 0.50%, semiannual principal and interest payments until the project is completed. Upon completion of the Kaw Lake Water Supply Project, payments are converted to monthly, maturity date is 30 years after completion of the Kaw Lake Water Supply Project, estimated completion is September 2023.
- (I) Series 2022 – Drinking water SRF promissory note to the OWRB, dated May 17, 2022, in the amount of \$4,000,000, including interest at 1.88% per annum plus an administrative fee of 0.50%, semiannual principal and interest payments, maturity date of March 15, 2025, to provide funds for three water line replacements.
- (J) Direct financing obligation with Caterpillar Financial, dated March 25, 2022, with 60 monthly payments of \$6,025, including interest at 2.99%, with a final balloon payment of \$120,560 available to be financed for additional terms, for the purchase of a D6-20 Track-Type Tractor, secured by the equipment.
- (K) Direct financing obligation with Security National Bank, dated August 3, 2021, with 36 monthly payments of \$13,940, including interest at 1.73%, with a final balloon payment of \$369,945, available to be refinanced for two additional one-year terms, for the purchase of three Peterbilt trash trucks, secured by the equipment.
- (L) Direct financing obligation with Security National Bank, dated December 6, 2022, with 36 monthly payments of \$29,335, including interest at 4.2%, for the purchase of three 2023 Mack trash trucks, secured by the equipment.

The City's direct borrowings related to business-type activities for outstanding notes payable of \$290,111,303 contain accelerated payment provisions in the event of default if the City is unable to make payment. In addition, if the City defaults on any of its required payments, the amount of such default shall bear interest at the rate of 14% per annum from the date of default until the date of payment thereof in full. The notes are secured by pledged revenues and contain debt service coverage requirements of 125% of annual debt service payments for the net revenues available for

City of Enid, Oklahoma
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debt service. Noncompliance with the debt service coverage requirement may require an initial deposit to the debt reserve account in the amount of 1/24 of the cash reserve requirement for a period of not more than 24 months until the cash reserve requirement is fully funded.

Annual debt service requirements to maturity for governmental and business-type activities long-term debt are as follows:

Governmental Activities

Year Ending June 30,	Direct Financing Obligations	
	Principal	Interest
2024	\$ 62,181	\$ 5,061
2025	64,663	2,580
Total	<u>\$ 126,844</u>	<u>\$ 7,641</u>

Business-Type Activities

Year Ending June 30,	Direct Financing Obligations		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 543,799	\$ 47,809	\$ 4,690,243	\$ 5,005,066
2025	797,092	25,058	4,852,503	4,840,195
2026	239,723	8,590	5,023,824	4,666,564
2027	176,477	4,336	5,201,948	4,480,840
2028	-	-	5,389,899	4,295,327
2029-2033	-	-	30,594,813	21,960,804
2034-2038	-	-	26,732,795	16,062,314
2039-2043	-	-	33,737,040	8,918,275
2044-2048	-	-	19,428,399	1,214,474
Draws for which a maturity has not yet been determined	-	-	154,459,839	-
Total	<u>\$ 1,757,091</u>	<u>\$ 85,793</u>	<u>\$ 290,111,303</u>	<u>\$ 71,443,859</u>

City of Enid, Oklahoma
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Pledged Revenues

Business-Type Activities

	Remaining Principal and Interest	Current Year Debt Service	Pledged Revenues	Debt Payment as % of Pledged Revenues
Series 2009 (A)	\$ 2,491,508	\$ 329,964	\$ 53,773,738	0.61%
Series 2010 (B)	\$ 11,454,464	\$ 1,283,252	\$ 53,773,738	2.39%
Series 2016 (C)	\$ 19,671,814	\$ 827,301	\$ 10,394,691	7.96%
Series 2018A (D)	\$ 26,844,242	\$ 994,231	\$ 64,168,429	1.55%
Series 2018B (E)	\$ 64,415,249	\$ 2,488,932	\$ 64,168,429	3.88%
Series 2019A (F)	\$ 73,826,061	\$ 2,858,811	\$ 64,168,429	4.46%
Series 2019B (G)	\$ 8,291,886	\$ 921,321	\$ 64,168,429	1.44%
Series 2020 (H)	\$ 267,664,064	\$ 3,289,343	\$ 64,168,429	5.13%

- (A) Series 2009 – The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2009 drinking water SRF Promissory Note to the OWRB. The bond is payable through 2031 and was used to finance an automated meter infrastructure.
- (B) Series 2010 – The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2010 clean water SRF Promissory Note to the OWRB. The bond is payable through 2032 and was used to finance a new wastewater treatment facility.
- (C) Series 2016 – The City has pledged 0.75% of the proceeds from a 1% sales tax, to repay the Series 2016 Promissory Note to the OWRB. The bond is payable through 2047 and was used to finance the Kaw Lake Water Supply Project.
- (D) Series 2018A – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2018A Promissory Note to the OWRB. The bond is payable through 2050 and was used to provide funds toward the Kaw Lake Water Supply Project.
- (E) Series 2018B – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2018B Promissory Note to the OWRB. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Water Supply Project.
- (F) Series 2019A – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2019A Promissory Note to the OWRB. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Water Supply Project.
- (G) Series 2019B – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2019B Promissory Note to the OWRB. The bond is payable

City of Enid, Oklahoma
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through 2032 and was used to provide funds to finance a new wastewater treatment facility.

- (H) Series 2020 – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2020 Promissory Note to the OWRB. Proceeds of the note are being used to provide funds toward the Kaw Lake Water Supply Project and matures 30 years after completion of the project.

Judgments

Judgments against the City may be paid by a property tax assessment over a three-year period.

Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023 is as follows:

	Receivables	Payables
Major governmental funds – General	\$ -	\$ 2,583,203
Major enterprise funds – EMA	2,426,091	-
Internal service fund	157,112	-
	\$ 2,583,203	\$ 2,583,203

Due to/from Other Funds

Interfund balances result from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The interfund receivables and payables are scheduled to be collected in the subsequent year.

Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the City:

	Transfers In	Transfers Out
Major governmental funds – General	\$ 14,402,837	\$ 52,526,718
Major governmental funds – Police	10,540,065	450,000
Major governmental funds – Fire	8,997,168	250,000
Major governmental funds – Water Capital Improvement	226,311,401	108,930,308
Nonmajor governmental funds	13,990,335	353,837
Major enterprise funds – EMA	129,719,690	243,089,633
Nonmajor enterprise funds	1,639,000	-
	\$ 405,600,496	\$ 405,600,496

City of Enid, Oklahoma
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Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other governmental and proprietary funds in accordance with budgetary functions. In addition, the City also transfers capital assets acquired through capital outlay of governmental funds to business-type activities/proprietary funds if the purpose is for utility construction or other activities included in business-type activities. Such transfers totaled \$106,087,933 during the year ended June 30, 2023.

Landfill Closure and Post-Closure Liability

Federal and state regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of those costs as an operating expense of EMA each fiscal year. The amount of the current period expense is based upon the amount of landfill capacity used as of each fiscal year-end as adjusted by actual usage and estimates.

The \$5,906,209 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2023 represents the cumulative amount of such cost reported to date based on the use of approximately 85% of the estimated capacity of the landfill. EMA will recognize the remaining estimated costs of closure and post-closure care in the amount of \$1,042,273 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023.

The City expects to close the landfill in 2039. Actual costs may be more or less at that time than are currently estimated. The estimated closure and post-closure costs and the accrued liability as of June 30, 2023 are as follows:

Estimated closure costs	\$ 5,224,628
Estimated post-closure costs	<u>1,723,854</u>
Total estimated costs	<u><u>\$ 6,948,482</u></u>
Accrued closure costs	<u><u>\$ 5,906,209</u></u>
Current costs charged to expense	<u><u>\$ 557,356</u></u>

The City qualified under the State of Oklahoma Department of Environmental Quality (DEQ) financial assurance test relating to these future closure and post-closure costs, whereby the City's overall financial condition and other submitted information serves as evidence of the City's ability to pay for the closure and post-closure care costs when the landfill is actually closed.

Tax Abatements

GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more

City of Enid, Oklahoma
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June 30, 2023

governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement that has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Title 11 §11-38-120 of the Oklahoma Statutes. To be eligible for the abatements for these types of projects, the developer has to enter into an agreement with the City. After developers meet the terms of the agreements, the City is required to rebate a portion of the sales tax paid by the developers, pay the developers an economic development grant, or pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2023, the City abated \$179,449 of sales tax under the urban renewal and economic development projects.

Note 4: Employee Retirement Systems and Pension Plans

The City participates in five employee pension systems as follows:

Name of System	Type of System
Oklahoma Police Pension and Retirement System	Cost-Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters’ Pension and Retirement System	Cost-Sharing Multiple Employer – Defined Benefit Plan
The Employee Retirement System of Enid, Oklahoma	Single Employer Defined Benefit Plan
City of Enid, Oklahoma 401(k) Supplement Plan	Single Employer Defined Contribution Plan
ICMA Section 457 Deferred Compensation Plan	Single Employer Defined Compensation Plan

City of Enid, Oklahoma
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The City has recognized the following in the government-wide statements related to pensions:

	Governmental Activities	Business-Type Activities	Total
Net pension liability (asset)			
OPPRS	\$ (1,104,645)	\$ -	\$ (1,104,645)
OFPRS	23,473,651	-	23,473,651
ERP	4,715,970	1,889,122	6,605,092
	<u>\$ 27,084,976</u>	<u>\$ 1,889,122</u>	<u>\$ 28,974,098</u>
Total net pension liability (asset)			
Deferred outflows of resources			
OPPRS	\$ 2,356,698	\$ -	\$ 2,356,698
OFPRS	6,627,824	-	6,627,824
ERP	561,210	224,810	786,020
	<u>\$ 9,545,732</u>	<u>\$ 224,810</u>	<u>\$ 9,770,542</u>
Total deferred outflows of resources			
Deferred inflows of resources			
OPPRS	\$ 127,778	\$ -	\$ 127,778
OFPRS	588,760	-	588,760
ERP	489,102	195,924	685,026
	<u>\$ 1,205,640</u>	<u>\$ 195,924</u>	<u>\$ 1,401,564</u>
Total deferred inflows of resources			
Pension expense			
OPPRS	\$ 263,996	\$ -	\$ 263,996
OFPRS	3,262,815	-	3,262,815
ERP	2,261,294	1,008,168	3,269,462
	<u>\$ 5,788,105</u>	<u>\$ 1,008,168</u>	<u>\$ 6,796,273</u>
Total pension expense			

The City participates in two statewide cost-sharing multi-employer defined benefit plans on behalf of City Police and Firefighters. Both the OPPRS and OFPRS are funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

City of Enid, Oklahoma
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The following table provides the eligibility factors, contribution methods, and benefit provisions for the OPPRS and OFPRS:

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighters' Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 NW 63rd St., Ste. 605 Oklahoma City, OK 73116-7335	Firefighters' Pension and Retirement 4545 N. Lincoln Blvd., Ste. 265 Oklahoma City, OK 73105-3414
Authority establishing contribution obligations and benefits	Title 11 of the Oklahoma State Statutes – The authority to establish and amend benefit provisions and contribution requirements rests with the state legislature.	
Eligibility to participate	All full-time officers employed by a participating municipality; age no less than 21 nor more than 45 when accepted for membership	All full-time firefighters of participating municipalities and fire protection districts; minimum age of 18, maximum age of 45 when accepted for membership
Member contributions	8% of base salary	9% of base salary
Employer contributions	13% of base salary	14% of base salary
Benefit provisions	Provides defined retirement benefits based on members' final average compensation, age, and terms of service. In addition, the OPPRS provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 50-101, defines all retirement benefits	Provides defined retirement benefits based on members' final average compensation, age, and terms of service. In addition, the OFPRS provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 49-101, defines all retirement benefits

Oklahoma Police Pension and Retirement System

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the City reported an asset of \$1,104,645 for its proportionate share of the net pension asset. The net pension asset was measured as of July 1, 2022, and the total pension asset 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 the pension plan for all participating employers as of June 30, 2022. The City's proportionate share was 1.377460% at June 30, 2022, which was an increase of 0.0308% of the City's proportion at June 30, 2021.

City of Enid, Oklahoma
Notes to Financial Statements
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For the year ended June 30, 2023, the City recognized \$263,996 in pension expense. 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
Changes of assumptions	\$ 38,459	\$ -
Differences between expected and actual experience	541,841	(120,325)
Net difference between projected and actual earnings on pension plan investments	1,077,922	-
Changes in proportion and differences between city contributions and proportionate share of contributions	54,708	(7,454)
Total deferred amounts to be recognized in pension expense in future years	1,712,930	(127,779)
City contributions subsequent to the measurement date	643,767	-
Total deferred amounts related to pensions	<u>\$ 2,356,697</u>	<u>\$ (127,779)</u>

Amortization of Pension Deferrals

Deferred outflows of resources related to pensions totaling \$643,767 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all OPPRS members. The average is determined by taking the calculated total future years of the plan divided by the number of the people in the plan, including retirees.

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

2024	\$ 362,822
2025	105,692
2026	(286,587)
2027	1,329,272
2028	73,952
	<u>\$ 1,585,151</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

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 periods included in the measurement:

Inflation	2.75%, compounded annually
Salary increases	3.5% to 12.0% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Mortality rates	Active employees (pre-retirement): RP-2000 Combined Blue Collar Healthy Employees (generational using Scale AA) with age set back four years
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Combined Blue Collar Healthy Employees (generational using Scale AA)
	Disabled pensioners: RP-2000 Combined Blue Collar Healthy Employees with age set forward four years (no generational improvement)

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:

	Long-Term Expected Real Rate of Return
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 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; 20% of assets in fixed income to include investment grade bonds, high-yield bonds, 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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Discount Rate

The discount rate used to measure the total pension liability was 7.5%, compounded annually. 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 the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance turnback premiums into the plans, 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 City, 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 or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City’s net pension liability (asset)	\$ 3,200,484	\$ (1,104,645)	\$ (4,743,531)

Payables to the Pension Plan

The City reported no payables to the OPPRS at June 30, 2023.

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.

On-Behalf Payments for Retirement

For the year ended June 30, 2023, the State of Oklahoma contributed approximately \$585,000 to the OPPRS on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Police Fund in the governmental funds financial statements.

Related-Party Investments

As of June 30, 2023, the OPPRS held no related-party investments of the City or of its related entities.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Oklahoma Firefighters' Pension and Retirement System

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the City reported a net pension liability of \$23,473,651 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 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 the pension plan for all participating employers as of June 30, 2022. The City's proportionate share was 1.794986% at June 30, 2022, which was an increase of 0.0112% of the City's proportion at June 30, 2021.

For the year ended June 30, 2023, the City recognized \$3,262,815 in pension expense. 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
Changes of assumptions	\$ -	\$ (149,664)
Differences between expected and actual experience	3,013,385	(118,501)
Net difference between projected and actual earnings on pension plan investments	2,727,896	-
Changes in proportion and differences between city contributions and proportionate share of contributions	33,141	(320,595)
Total deferred amounts to be recognized in pension expense in future years	5,774,422	(588,760)
City contributions subsequent to the measurement date	853,402	-
Total deferred amounts related to pensions	\$ 6,627,824	\$ (588,760)

Amortization of Pension Deferrals

Deferred outflows of resources related to pensions totaling \$853,402 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all OFPRS members. The average is determined by taking the calculated total future service years of the plan divided by the number of the people in the plan, including retirees.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

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

2024	\$ 1,299,128
2025	1,117,457
2026	295,410
2027	<u>2,473,667</u>
	<u>\$ 5,185,662</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 periods included in the measurement.

Inflation	2.75%, compounded annually
Salary increases	2.75% to 10.5% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Mortality rates	Active members: Pub-2010 Public Safety Table with generational mortality improvement using Scale MP-2018
	Retired members: Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018
	Disabled pensioners: Pub-2010 Public Safety Disabled Table set forward two years

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 percentages and by adding expected inflation.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

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:

	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20.00%	3.62%
Domestic equity	42.00%	5.66%
International equity	20.00%	8.34%
Real estate	10.00%	7.64%
Other assets	8.00%	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 the City will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance turnback premiums into the plans, as established by statute. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, 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 or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City’s net pension liability	\$ 30,247,609	\$ 23,473,651	\$ 17,807,565

Payables to the Pension Plan

The City reported no payables to the OFPRS at June 30, 2023.

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 OFPRS, which can be located at www.ok.gov/OFPRS.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

On-Behalf Payments for Retirement

For the year ended June 30, 2023, the State of Oklahoma contributed approximately \$1,838,000 to the OFPRS on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Fire Fund in the governmental funds financial statements.

Related-Party Investments

As of June 30, 2023, the OFPRS held no related-party investments of the City or of its related entities.

The Employee Retirement System of Enid, Oklahoma

Plan Description

The Employee Retirement System of Enid, Oklahoma (the Plan) is a single-employer defined benefit pension plan administered by the City's management, with assets managed by Wells Fargo. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries.

The Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity.

The Plan is managed by a retirement committee composed by the City Manager, Chief Financial Officer, Human Resources Director, and an at-large employee. Meetings are held as needed but at least annually.

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

The Plan's investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have a quoted market price are reported at estimated fair value.

Membership Information

Membership in the Plan is provided for all full-time employees after one year of service except uniformed police and fire personnel, who are covered by their respective state retirement plans. At July 1, 2023, there were 541 plan participants. Of these participants, 232 were active, 97 have been terminated but are vested, and 212 are receiving benefits. Administrative costs are financed through investment earnings.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Contributions

Benefits are entirely funded by employer contributions as determined by an actuarially determined rate. The current rate is 8.5% of annual covered payroll. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. The contribution requirements are in accordance with City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

Benefits

Benefits vest after 10 years of credited service and participation. Employees, who retire at age 65 or completion of 10 years of service, if later, are entitled to an annual retirement benefit, payable monthly in an amount equal to 0.85% of average compensation for each year (up to 35 years) that the employee participates in the Plan plus 0.65% of average basic earnings in excess of \$6,600 for each year (up to 35 years) the employee participates in the Plan. After 35 years of service, the benefit is 1.2% of average compensation. Normal retirement is at age 65, but full accrued benefits are provided at age 62 with 15 years of service, or under the Rule of 85.

An employee is eligible for an early retirement benefit once they have attained age 55 and have completed five years of service. The amount of benefit is determined based on normal retirement computation then reduced ½ of 1% for each month the participant is from attaining age 65. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment.

Employee contributions are returned with interest if their employment is terminated prior to completion of the years of service needed for vesting. A death benefit is payable after five years of service based on 50% of the employee’s accrued benefit. This benefit is payable for life or until remarriage of the surviving spouse.

Related-Party Investments

As of June 30, 2023, the System held no related-party investments of the City or of its related entities.

Investments

Investments, including cash equivalents, consisted of the following at June 30:

Cash and cash equivalents	\$ 332,173
Exchange traded funds	23,000
Mutual funds – equities	21,440,390
Mutual funds – corporate bonds	<u>7,377,934</u>
 Total investments	 <u><u>\$ 29,173,497</u></u>

The money-weighted rate of return for the year ended June 30, 2023 was 10.2%.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Net Pension Liability

The City's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	\$ 35,800,659
Plan fiduciary net pension	<u>29,195,567</u>
 Net pension liability	 <u><u>\$ 6,605,092</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 81.55%

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Valuation date	July 1, 2023
Actuarial cost method	Entry Age Normal
Investment rate of return	7.00%
Inflation	2.60%
Projected salary increases	4.25%
Mortality rates	Pub-2010 Public Retirement Plans General Mortality Table projected by MP-2021

Discount Rate

A discount rate of 7.0% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that contributions from the City would be made at the current contribution policy of 8.5%. Based on this assumption, 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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance, July 1, 2022	\$ 34,293,469	\$ 27,450,086	\$ 6,843,383
Service cost	573,004	-	573,004
Interest	2,374,540	-	2,374,540
Differences between expected and actual experience	481,106	-	481,106
Contributions – employer	-	927,300	(927,300)
Net investment income	-	2,896,949	(2,896,949)
Benefit payments, including refunds of contributions	(1,921,460)	(1,921,460)	-
Administrative expenses	-	(157,308)	157,308
Net changes	<u>1,507,190</u>	<u>1,745,481</u>	<u>(238,291)</u>
Balance, June 30, 2023	<u>\$ 35,800,659</u>	<u>\$ 29,195,567</u>	<u>\$ 6,605,092</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Plan’s estimated net pension liability, calculated using a single discount rate of 7.0%, as well as what the Plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City’s net pension liability	\$ 10,772,302	\$ 6,605,092	\$ 3,144,824

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$3,269,462 related to the Plan. 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
Changes of assumptions	\$ -	\$ (607,790)
Differences between expected and actual experience	347,835	(77,236)
Net difference between projected and actual earnings on pension plan investments	438,185	-
Total deferred amounts to be recognized in pension expense in future years	786,020	(685,026)
City contributions subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u>\$ 786,020</u>	<u>\$ (685,026)</u>

Amortization of Pension Deferrals

The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all plan members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the Plan, including retirees.

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

2024	\$ (451,195)
2025	(295,244)
2026	1,050,443
2027	(203,010)
	<u>\$ 100,994</u>

Payables to the Pension Plan

The City reported no payables to the Plan at June 30, 2023.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

City of Enid, Oklahoma 401(k) Supplement Plan

The City also maintains the City of Enid, Oklahoma 401(k) Supplement Plan (the Supplement), a defined contribution pension plan for employees other than those covered under the OPPRS or OFPRS plans. Contribution rates to the Plan have been determined by management and approved by the City Council through the budgeting process. Employees are eligible to participate in the Supplement upon employment, provided they are at least 21 years of age, with vesting in employer contributions upon contributions by the City. Participants may elect to make voluntary contributions through regular payroll deductions up to allowable IRS limits, with the City making matching contributions to those participants' accounts at a rate of 100% of the employees' compensation up to 5%. Contributions to the Supplement, plus earnings, constitute retirement benefits from this plan. Contributions to the Supplement over the last seven years were:

Fiscal Year	Required Contribution	Percentage Contributed
2019	\$ 375,689	100%
2020	\$ 390,866	100%
2021	\$ 445,397	100%
2022	\$ 490,383	100%
2023	\$ 496,214	100%

ICMA Section 457 Deferred Compensation Plan

The City also allows all employees to make voluntary contributions with no employer match to a Section 457 deferred compensation plan maintained by the ICMA Retirement Corporation.

Condensed financial statements of the plans are presented below:

Statement of Fiduciary Net Position – the Plan and the Supplement

	Plan	Supplement	Total
Assets			
Cash and cash equivalents	\$ 332,173	\$ 267,070	\$ 599,243
Investments	28,841,324	16,398,465	45,239,789
Accrued interest	22,069	-	22,069
Participant loans	-	503,500	503,500
	<u>29,195,566</u>	<u>17,169,035</u>	<u>46,364,601</u>
Total assets			
	<u>\$ 29,195,566</u>	<u>\$ 17,169,035</u>	<u>\$ 46,364,601</u>
Net position restricted for pensions			
	<u>\$ 29,195,566</u>	<u>\$ 17,169,035</u>	<u>\$ 46,364,601</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Statement of Changes in Fiduciary Net Position – the Plan and the Supplement

	<u>Plan</u>	<u>Supplement</u>	<u>Total</u>
Additions			
Contributions			
Employer	\$ 927,300	\$ 496,214	\$ 1,423,514
Plan members	-	681,883	681,883
Total contributions	<u>927,300</u>	<u>1,178,097</u>	<u>2,105,397</u>
Investment earnings			
Net decrease in fair value of investments	2,128,761	1,882,604	4,011,365
Interest and dividends	<u>767,917</u>	-	<u>767,917</u>
Total investment earnings	<u>2,896,678</u>	<u>1,882,604</u>	<u>4,779,282</u>
Total additions	<u>3,823,978</u>	<u>3,060,701</u>	<u>6,884,679</u>
Deductions			
Benefits and withdrawals	1,921,460	2,020,643	3,942,103
Administrative expenses	<u>157,038</u>	<u>41,580</u>	<u>198,618</u>
Total deductions	<u>2,078,498</u>	<u>2,062,223</u>	<u>4,140,721</u>
Change in net position	1,745,480	998,478	2,743,958
Net position restricted for pensions, beginning of year	<u>27,450,086</u>	<u>16,170,557</u>	<u>43,620,643</u>
Net position restricted for pensions, end of year	<u>\$ 29,195,566</u>	<u>\$ 17,169,035</u>	<u>\$ 46,364,601</u>

Note 5: Claims Liability

Risk Management

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

The City manages these various risks of loss as follows:

- **General Liability** – Covered through a purchased insurance with a deductible that varies from \$0 to \$10,000 per occurrence depending on the type of liability.
- **Physical Property** – Covered through purchased insurance with a deductible of \$10,000 per occurrence.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

- **Workers’ Compensation** – Workers’ compensation is covered through self-insurance with the City administering the claims process. The City also has a stop-loss policy that covers individual claims in excess of \$1,000,000.
- **Employees’ Group Medical** – Covered through self-insurance using a third-party administrator to process medical claims. The City uses the third-party administrator’s estimates to record group insurance claims payable. The City also has a stop-loss policy that covers individual claims in excess of \$150,000 during any year.

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.

Claims Liability Analysis

	Medical Claims	Workers’ Compensation Claims
Balance, July 1, 2021	\$ 993,531	\$ 1,471,144
Current year claims and changes in estimates	4,753,844	248,221
Claim payments	(5,371,363)	(413,910)
Balance, June 30, 2022	376,012	1,305,455
Current year claims and changes in estimates	5,128,666	367,849
Claim payments	(4,909,167)	(508,469)
Balance, June 30, 2023	\$ 595,511	\$ 1,164,835

Note 6: Other Postemployment Benefits

City of Enid Postretirement Medical Plan

Plan Description

The City’s defined benefit OPEB plan, the City of Enid Postretirement Medical Plan (the Medical Plan), a single-employer healthcare plan, provides OPEB for all active and retired employees and their eligible dependents. The Medical Plan is administered by the City, and the City has the authority to establish or amend the plan provisions or contribution requirements through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Medical Plan does not issue a stand-alone financial report.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Benefits Provided

The City provides postretirement healthcare and prescription benefits to its retirees. The Medical Plan covers all current retirees who elected postretirement medical coverage through the City and future retired general employees, police officers, and firefighters.

Contributions

The retired employee who participates in the Medical Plan shall pay the full cost of said health insurance plan at the rates and terms established by the City. The City offers the Medical Plan to those retired employees unless the retired employee or dependent is over 65 years of age and qualifies for Medicare. For the year ended June 30, 2023, retirees and dependents paid the full cost of the coverage.

Employees Covered by Benefit Terms

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

Inactive employees currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	-
Active employees	371
	386

Total OPEB Liability

The City’s total OPEB liability of \$2,178,556 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost method	Entry Age Normal
Salary increases	4.25%
Discount rate	3.65% based on the 20-year bond yield (Bond Buyers’ Index)
Healthcare cost trend rates	7.35% decreasing to 4.50%
Retirees’ share of benefit-related costs	100.00%
Mortality rates	Pub-2010 Public Retirement Plans General Mortality Table weighted by MP-2021
Plan participation	35% of future retired employees are assumed to participate

The discount rate was based on the municipal bond rate as of July 1, 2023.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study completed in 2023.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, July 1, 2022	\$ 2,097,029
Service cost	121,163
Interest	79,200
Changes in assumptions or other inputs	(18,944)
Difference between expected and actual experience	(138,414)
Contributions and payments made	38,522
Net changes	81,527
Balance, June 30, 2023	\$ 2,178,556

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City’s approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 2,366,480	\$ 2,178,556	\$ 2,006,207

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ 1,918,961	\$ 2,178,556	\$ 2,489,559

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$139,129. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,273	\$ (519,305)
Changes of assumptions or other inputs	99,217	(119,285)
	\$ 122,490	\$ (638,590)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average future service to retirement of plan participants as follows:

2024	\$ (61,234)
2025	(61,234)
2026	(57,783)
2027	(61,241)
2028	(82,884)
Thereafter	(191,724)
	\$ (516,100)

Note 7: Other Information

Contingent Liabilities

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the ultimate resolution of these matters will not have a significant adverse effect on the financial condition of the City.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2023

Construction Commitments

The City has active construction projects as of June 30, 2023. The projects include engineering and design work on the Kaw Lake Water Supply Project, wellfield improvements, stormwater detention improvements, road overlays and reconstruction, and sidewalk construction. The City's commitments with contractors as of June 30, 2023 totaled approximately \$101,347,020.

Deficit Fund Balance

At June 30, 2023, the City's Water Capital Improvements Fund and Sanitary Sewer Fund, both of which are capital projects funds, reported deficit unassigned fund balances of \$11,345,108 and \$173,751, respectively. Maintaining a deficit fund balance is a violation of Oklahoma Statutes. Subsequent to June 30, 2023, the City cured the deficits with transfers in from other funds.

Subsequent Event

On August 10, 2023, the City issued \$5,000,000 in Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2023 at an interest rate of 4.5%.

Required Supplementary Information

City of Enid, Oklahoma
Schedule of Changes in Net Pension Liability and Related Ratios
The Employee Retirement System of Enid, Oklahoma

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 573,004	\$ 504,254	\$ 459,574	\$ 504,795	\$ 516,572	\$ 542,182	\$ 656,371	\$ 670,226	\$ 591,646	\$ 734,106
Interest cost	2,374,540	2,284,693	2,272,542	2,165,468	2,069,168	2,051,173	1,978,963	1,779,631	1,730,996	1,577,043
Differences between expected and actual experience	481,106	(254,792)	(233,941)	1,016,730	471,018	(353,084)	(758,410)	916,889	184,832	151,414
Changes in assumptions	-	(2,005,010)	660,364	(405,016)	(145,714)	420,110	(3,052,454)	(1,783,421)	2,216,163	(2,970,593)
Benefit payments, including refunds of employee contributions	(1,921,460)	(1,733,793)	(1,708,378)	(1,594,496)	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Net Change in Total Pension Liability	1,507,190	(1,204,648)	1,450,161	1,687,481	1,556,469	1,447,569	(2,311,794)	554,886	3,834,773	(1,224,241)
Total Pension Liability, Beginning of Year	34,293,469	35,498,117	34,047,956	32,360,475	30,804,006	29,356,437	31,668,231	31,113,345	27,278,572	28,502,813
Total Pension Liability, End of Year	<u>\$ 35,800,659</u>	<u>\$ 34,293,469</u>	<u>\$ 35,498,117</u>	<u>\$ 34,047,956</u>	<u>\$ 32,360,475</u>	<u>\$ 30,804,006</u>	<u>\$ 29,356,437</u>	<u>\$ 31,668,231</u>	<u>\$ 31,113,345</u>	<u>\$ 27,278,572</u>
Plan Fiduciary Net Position										
Employer contributions	\$ 927,300	\$ 838,286	\$ 802,663	\$ 820,252	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869	\$ 594,880
Net investment income (loss)	2,896,949	(3,793,636)	8,623,407	(886,716)	437,783	2,182,509	3,340,476	(348,571)	334,990	3,810,457
Benefit payments, including refunds of employee contributions	(1,921,460)	(1,733,793)	(1,708,378)	(1,594,496)	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Administrative expense	(157,308)	(204,941)	(83,823)	(125,491)	(150,647)	(124,372)	(140,457)	(122,015)	(152,240)	(124,792)
Net Change in Plan Fiduciary Net Position	1,745,481	(4,894,084)	7,633,869	(1,786,451)	(296,426)	1,697,005	2,857,931	(884,448)	(101,245)	3,564,334
Plan Fiduciary Net Position, Beginning of Year	27,450,086	32,344,170	24,710,301	26,496,752	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935	19,659,601
Plan Fiduciary Net Position, End of Year	<u>\$ 29,195,567</u>	<u>\$ 27,450,086</u>	<u>\$ 32,344,170</u>	<u>\$ 24,710,301</u>	<u>\$ 26,496,752</u>	<u>\$ 26,793,178</u>	<u>\$ 25,096,173</u>	<u>\$ 22,238,242</u>	<u>\$ 23,122,690</u>	<u>\$ 23,223,935</u>
Total pension liability	\$ 35,800,659	\$ 34,293,469	\$ 35,498,117	\$ 34,047,956	\$ 32,360,475	\$ 30,804,006	\$ 29,356,437	\$ 31,668,231	\$ 31,113,345	\$ 27,278,572
Plan fiduciary net position	29,195,567	27,450,086	32,344,170	24,710,301	26,496,752	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935
Net Pension Liability	<u>\$ 6,605,092</u>	<u>\$ 6,843,383</u>	<u>\$ 3,153,947</u>	<u>\$ 9,337,655</u>	<u>\$ 5,863,723</u>	<u>\$ 4,010,828</u>	<u>\$ 4,260,264</u>	<u>\$ 9,429,989</u>	<u>\$ 7,990,655</u>	<u>\$ 4,054,637</u>
Plan fiduciary net position as percentage of total pension liability	81.55%	80.04%	91.12%	72.57%	81.88%	86.98%	85.49%	70.22%	74.32%	85.14%
Covered payroll	\$ 11,223,958	\$ 10,103,961	\$ 9,793,708	\$ 9,386,582	\$ 9,372,085	\$ 9,618,041	\$ 10,294,018	\$ 10,436,736	\$ 9,135,300	\$ 9,477,203
Net pension liability as a percentage of covered payroll	58.85%	67.73%	32.20%	99.48%	62.57%	41.70%	41.39%	90.35%	87.47%	42.78%
Annual money-weighted rate of return, net of investment expense	10.20%	-12.60%	35.30%	-3.90%	1.10%	8.30%	14.50%	-2.00%	0.80%	19.40%

City of Enid, Oklahoma
Schedule of Employer Contributions
The Employee Retirement System of Enid, Oklahoma

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,268,921	\$ 1,022,769	\$ 1,960,946	\$ 1,430,123	\$ 1,133,638	\$ 1,186,230	\$ 1,414,669	\$ 1,246,777	\$ 928,504	\$ 982,744
Actual contributions	\$ 927,300	\$ 838,286	\$ 802,663	\$ 820,252	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869	\$ 594,880
Contribution (deficiency) excess	\$ (341,621)	\$ (184,483)	\$ (1,158,283)	\$ (609,871)	\$ (362,625)	\$ (334,550)	\$ (620,493)	\$ (632,200)	\$ (323,635)	\$ (387,864)
Annual covered payroll	\$ 11,223,958	\$ 10,103,961	\$ 9,793,708	\$ 9,386,582	\$ 9,372,085	\$ 9,618,041	\$ 10,294,018	\$ 10,436,736	\$ 9,135,300	\$ 9,477,203
Actual contributions as a percentage of covered payroll	8.26%	8.30%	8.20%	8.74%	8.23%	8.86%	7.71%	5.89%	6.62%	6.28%

Changes of Benefit Terms

There were no significant changes of benefit terms.

Changes of Assumptions

The 2022 valuation implemented the following refinements to plan assumptions:

- The mortality projection was changed from MP-2020 to MP-2021.
- The expected return on assets for both funding and accounting was changed from 6.50% to 7.00%
- Salary increase was changed from 4.00% to 4.25%
- Funding method was changed from Aggregate to Entry Age Normal

The 2021 valuation implemented the following refinements to plan assumptions:

- The mortality projection was changed from MP-2019 to MP-2020.
- Changed the discount rate from a 6.75% rate to a single rate using the long-term rate of return of 6.50%.

The 2019 valuation implemented the following refinements to plan assumptions:

- Changed the mortality tables used from the RP2006 Fully Generational Scale using the MP-2017 combined mortality improvement scale to the Pub-2010 Public Retirement Plans General Mortality Table projected by MP-2018.

The 2017 valuation implemented the following refinements to plan assumptions:

- Changed the discount rate from a 7.00% rate to a single rate using the long-term rate of return of 6.75%.

City of Enid, Oklahoma
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oklahoma Police Pension and Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
City's proportion of the net pension liability (asset)	1.3775%	1.3470%	1.6150%	1.5898%	1.6734%	1.6505%	1.5900%	1.6606%	1.7136%
City's proportionate share of the net pension liability (asset)	\$ (1,104,645)	\$ (6,460,335)	\$ 1,854,748	\$ (101,493)	\$ (797,124)	\$ 126,954	\$ 2,433,461	\$ 67,708	\$ (576,952)
City's covered payroll	\$ 4,750,356	\$ 4,853,138	\$ 5,217,138	\$ 5,169,838	\$ 5,104,415	\$ 4,922,146	\$ 4,686,108	\$ 4,759,546	\$ 4,759,546
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-23.25%	-133.12%	35.55%	-1.96%	-15.62%	2.58%	51.93%	1.42%	-12.12%
Plan fiduciary net position as a percentage of total pension liability	102.74%	117.07%	95.80%	100.24%	101.89%	99.70%	93.50%	99.82%	101.53%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

City of Enid, Oklahoma
Schedule of the City's Contributions
Oklahoma Police Pension and Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 643,767	\$ 617,549	\$ 630,772	\$ 678,228	\$ 672,079	\$ 663,574	\$ 639,879	\$ 609,194	\$ 618,741
Actual contributions	<u>643,767</u>	<u>617,549</u>	<u>630,772</u>	<u>678,228</u>	<u>672,079</u>	<u>663,574</u>	<u>639,879</u>	<u>609,194</u>	<u>618,741</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,952,055	\$ 4,750,356	\$ 4,853,138	\$ 5,217,138	\$ 5,169,838	\$ 5,104,415	\$ 4,922,146	\$ 4,686,108	\$ 4,759,546
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes of Benefit Terms

There were no significant changes of benefit terms.

Changes of Assumptions

For the plan year ended June 30, 2018 (City fiscal year ended June 30, 2019), the following assumptions were changed as a result of an experience study for the five-year period ended June 30, 2017:

- Inflation rate was reduced to 2.75%.
- Salary increases were established at 3.5% to 12.0%.

City of Enid, Oklahoma
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oklahoma Firefighters' Pension and Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
City's proportion of the net pension liability (asset)	1.7948%	1.7838%	1.7656%	1.7564%	1.7838%	1.8223%	1.8671%	1.9216%	1.9056%
City's proportionate share of the net pension liability (asset)	\$ 23,473,651	\$ 11,747,318	\$ 21,750,563	\$ 18,559,704	\$ 20,079,911	\$ 22,919,477	\$ 22,810,114	\$ 20,396,061	\$ 19,596,197
City's covered payroll	\$ 5,949,509	\$ 5,794,689	\$ 5,667,421	\$ 5,460,257	\$ 5,301,029	\$ 5,179,200	\$ 5,222,543	\$ 5,335,993	\$ 5,335,993
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	394.55%	202.73%	383.78%	339.91%	378.79%	442.53%	436.76%	382.24%	367.25%
Plan fiduciary net position as a percentage of total pension liability	69.49%	84.24%	69.98%	72.85%	70.73%	65.42%	64.87%	68.27%	68.12%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

City of Enid, Oklahoma
Schedule of the City's Contributions
Oklahoma Firefighters' Pension and Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 853,402	\$ 832,932	\$ 811,257	\$ 793,439	\$ 764,436	\$ 742,144	\$ 725,088	\$ 731,156	\$ 747,039
Actual contributions	<u>853,402</u>	<u>832,932</u>	<u>811,257</u>	<u>793,439</u>	<u>764,436</u>	<u>742,144</u>	<u>725,088</u>	<u>731,156</u>	<u>747,039</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,095,727	\$ 5,949,509	\$ 5,794,689	\$ 5,667,421	\$ 5,460,257	\$ 5,301,029	\$ 5,179,200	\$ 5,222,543	\$ 5,335,993
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes of Benefit Terms

There were no significant changes of benefit terms.

Changes of Assumptions

For the plan year ended June 30, 2018 (City fiscal year ended June 30, 2019), the following assumptions were changed as a result of an experience study for the five-year period ended June 30, 2017:

- Inflation rate was reduced to 2.75%.
- Salary increases were established at 2.75% to 10.50%.
- Pub-2010 Public Safety mortality tables were adopted.

City of Enid, Oklahoma
Schedule of Changes in the City's Total OPEB Liability and Related Ratios

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 121,163	\$ 123,151	\$ 116,089	\$ 88,737	\$ 91,843	\$ 85,808
Interest	79,200	54,714	55,444	78,402	85,605	82,010
Differences between expected and actual experience	(138,414)	(114,917)	(157,298)	27,841	22,741	-
Changes of assumptions or other inputs	(18,944)	(371,745)	4,478	153,800	44,776	(45,095)
Benefit payments, net of contributions	38,522	(8,167)	2,619	(213,027)	(214,405)	(200,951)
Net Change in Total Pension Liability	81,527	(316,964)	21,332	135,753	30,560	(78,228)
Total Pension Liability, Beginning of Year	2,097,029	2,413,993	2,392,661	2,256,908	2,226,348	2,304,576
Total Pension Liability, End of Year	<u>\$ 2,178,556</u>	<u>\$ 2,097,029</u>	<u>\$ 2,413,993</u>	<u>\$ 2,392,661</u>	<u>\$ 2,256,908</u>	<u>\$ 2,226,348</u>
Covered payroll	\$ 26,142,060	\$ 24,555,824	\$ 24,033,351	\$ 23,578,094	\$ 22,961,434	\$ 22,886,095
Total OPEB liability as a percentage of covered payroll	8.33%	8.54%	10.04%	10.15%	9.83%	9.73%

Note to Schedule

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes of Benefit Terms

There were no significant changes of benefit terms.

City of Enid, Oklahoma

Schedule of Changes in the City's Total OPEB Liability and Related Ratios, continued

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.58%
2018	3.87%

City of Enid, Oklahoma
Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds (Budgetary Basis)
Year Ended June 30, 2023

	General Fund				Police Fund				Fire Fund			
	Budget		Actual	Variance with Final Budget	Budget		Actual	Variance with Final Budget	Budget		Actual	Variance with Final Budget
	Original	Final			Original	Final			Original	Final		
Fund Balances, Beginning of Year	\$ 46,624,826	\$ 31,990,134	\$ 31,990,134	\$ -	\$ 4,241,866	\$ 3,625,999	\$ 3,625,999	\$ -	\$ 1,406,345	\$ 893,770	\$ 893,770	\$ -
Resources												
Taxes	41,775,345	41,775,345	45,436,137	3,660,792	1,199,635	1,199,635	1,295,050	95,415	1,199,635	1,199,635	1,295,050	95,415
Licenses and permits	242,400	242,400	246,265	3,865	-	-	-	-	-	-	-	-
Intergovernmental	95,800	95,800	562,876	467,076	110,000	110,000	164,937	54,937	-	-	-	-
Fines and forfeitures	792,000	792,000	629,313	(162,687)	-	-	-	-	-	-	-	-
Charges for services	117,000	117,000	80,118	(36,882)	53,500	53,500	11,993	(41,507)	-	-	-	-
Miscellaneous	575,400	575,400	776,126	200,726	20,000	20,000	32,977	12,977	6,000	6,000	16,158	10,158
Interest	70,000	70,000	528,302	458,302	13,000	13,000	91,007	78,007	6,000	6,000	27,311	21,311
Operating transfers	14,349,000	14,349,000	14,349,000	-	10,540,065	10,680,526	10,540,065	(140,461)	8,586,775	9,021,519	8,997,167	(24,352)
Total resources	58,016,945	58,016,945	62,608,137	4,591,192	11,936,200	12,076,661	12,136,029	59,368	9,798,410	10,233,154	10,335,686	102,532
Amounts Available for Appropriation	104,641,771	90,007,079	94,598,271	4,591,192	16,178,066	15,702,660	15,762,028	59,368	11,204,755	11,126,924	11,229,456	102,532
Charges to Appropriations												
Administration	741,970	765,923	750,457	(15,466)	-	-	-	-	-	-	-	-
Police	-	-	-	-	11,126,310	11,215,849	9,367,964	(1,847,885)	-	-	-	-
Fire	-	-	-	-	-	-	-	-	9,188,520	9,208,098	9,116,205	(91,893)
Human resources	553,935	558,585	467,196	(91,389)	-	-	-	-	-	-	-	-
Legal	1,403,520	1,318,520	1,204,246	(114,274)	-	-	-	-	-	-	-	-
Safety	191,125	191,125	123,542	(67,583)	-	-	-	-	-	-	-	-
PR/Marketing	451,355	453,845	401,143	(52,702)	-	-	-	-	-	-	-	-
General government	1,029,920	1,315,720	835,392	(480,328)	-	-	-	-	-	-	-	-
Accounting	968,795	1,109,615	911,861	(197,754)	-	-	-	-	-	-	-	-
Records and receipts	347,085	349,205	306,254	(42,951)	-	-	-	-	-	-	-	-
Information technology	956,015	969,214	886,018	(83,196)	-	-	-	-	-	-	-	-
Community development	284,440	284,440	146,153	(138,287)	-	-	-	-	-	-	-	-
Code enforcement	844,440	879,340	712,841	(166,499)	-	-	-	-	-	-	-	-
Engineering	1,729,125	1,596,172	1,510,673	(85,499)	-	-	-	-	-	-	-	-
Public works management	988,850	991,076	922,730	(68,346)	-	-	-	-	-	-	-	-
Fleet management	815,325	927,779	917,014	(10,765)	-	-	-	-	-	-	-	-
Parks and recreation	1,684,745	1,692,039	1,672,079	(19,960)	-	-	-	-	-	-	-	-
Stormwater and roadway maintenance	3,045,350	2,908,678	2,889,564	(19,114)	-	-	-	-	-	-	-	-
Technical services	1,490,935	1,526,137	1,415,010	(111,127)	-	-	-	-	-	-	-	-
Library	1,069,230	1,100,343	982,429	(117,914)	-	-	-	-	-	-	-	-
Capital outlay	1,163,000	2,332,033	1,473,615	(858,418)	624,105	1,151,939	623,468	(528,471)	1,030,500	1,523,608	444,266	(1,079,342)
Operating transfers	39,361,110	52,485,858	52,482,480	(3,378)	450,000	450,000	450,000	-	250,000	250,000	250,000	-
Total charges to appropriations	59,120,270	73,755,647	71,010,697	(2,744,950)	12,200,415	12,817,788	10,441,432	(2,376,356)	10,469,020	10,981,706	9,810,471	(1,171,235)
Fund Balances, End of Year	\$ 45,521,501	\$ 16,251,432	\$ 23,587,574	\$ 7,336,142	\$ 3,977,651	\$ 2,884,872	\$ 5,320,596	\$ 2,435,724	\$ 735,735	\$ 145,218	\$ 1,418,985	\$ 1,273,767

The accompanying note is an integral part of this schedule.

City of Enid, Oklahoma
Reconciliation of Budgetary Comparison Schedule (Budgetary Basis)
to Fund Financial Statements (GAAP Basis)
Year Ended June 30, 2023

	General Fund	Police Fund	Fire Fund
Revenues			
Actual amounts (budgetary basis) resources from the budgetary comparison schedule	\$ 62,608,137	\$ 12,136,029	\$ 10,335,686
Adjustments			
Budgetary fund revenues are reported on the cash basis rather than the modified accrual basis	(387,545)	353,198	1,803,592
Operating transfers in are reported as other financing sources and uses for GAAP purposes	<u>(14,349,000)</u>	<u>(10,540,065)</u>	<u>(8,997,167)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u><u>\$ 47,871,592</u></u>	<u><u>\$ 1,949,162</u></u>	<u><u>\$ 3,142,111</u></u>
Expenditures			
Actual amounts (budgetary basis) charges to appropriations from the budgetary comparison schedule	\$ 71,010,697	\$ 10,441,432	\$ 9,810,471
Adjustments			
Budgetary fund expenditures are reported on the cash basis rather than the modified accrual basis	651,273	619,700	2,040,024
Operating transfers out are reported as other financing sources and uses for GAAP purposes	<u>(52,482,480)</u>	<u>(450,000)</u>	<u>(250,000)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u><u>\$ 19,179,490</u></u>	<u><u>\$ 10,611,132</u></u>	<u><u>\$ 11,600,495</u></u>

City of Enid, Oklahoma
Note to Budgetary Comparison Schedule
Year Ended June 30, 2023

Note 1: Budgetary Accounting

Annual budgets are adopted on a modified cash basis for all governmental and enterprise funds. Annual expenditures within a fund may not exceed 90% of the budget until actual revenues equal to the estimated amount have been received. No expenditure can exceed the actual amount on hand. The appropriated budget is prepared by fund and department. The City Manager may make transfers or appropriations within a department or between departments. The legal level of budgetary control (*i.e.*, the level at which expenditures may not legally exceed appropriations) is the department level. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (*i.e.*, purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Other Supplementary Information

City of Enid, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

	Special Revenue							
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
Assets								
Cash and cash equivalents	\$ 271,656	\$ 314,931	\$ 589	\$ 134,679	\$ 6,788	\$ 165	\$ 12,243	\$ 17,198
Investments	3,292,706	24,056	7,135	1,632,428	82,274	2,020	148,393	208,456
Receivables								
Taxes	-	-	-	92,217	-	-	179,942	-
Due from other governments	-	-	-	-	161,090	-	-	-
Other	15,027	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	66,843	-
Restricted cash and investments	-	-	-	-	3,528	-	-	-
	<u>-\$ 3,579,389</u>	<u>\$ 338,987</u>	<u>\$ 7,724</u>	<u>\$ 1,859,324</u>	<u>\$ 253,680</u>	<u>\$ 2,185</u>	<u>\$ 407,421</u>	<u>\$ 225,654</u>
Total assets								
Liabilities								
Accounts payable and accrued liabilities	\$ 28,798	\$ -	\$ 6,665	\$ 825,636	\$ 282,670	\$ 1,887	\$ 36,470	\$ 10,122
Unearned revenue	-	13,699	-	-	-	-	-	-
	<u>28,798</u>	<u>13,699</u>	<u>6,665</u>	<u>825,636</u>	<u>282,670</u>	<u>1,887</u>	<u>36,470</u>	<u>10,122</u>
Total liabilities								
Fund Balances								
Nonspendable	-	-	-	-	-	-	66,843	-
Restricted								
Public safety	-	325,288	-	-	-	-	-	-
Public works	-	-	-	-	-	298	-	215,532
Debt service	-	-	-	-	-	-	-	-
Committed								
Public safety	-	-	-	-	-	-	304,108	-
Public works	-	-	1,059	1,033,688	-	-	-	-
Capital improvements	3,550,591	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(28,990)	-	-	-
	<u>3,550,591</u>	<u>325,288</u>	<u>1,059</u>	<u>1,033,688</u>	<u>(28,990)</u>	<u>298</u>	<u>370,951</u>	<u>215,532</u>
Total fund balances								
Total liabilities and fund balances	<u>\$ 3,579,389</u>	<u>\$ 338,987</u>	<u>\$ 7,724</u>	<u>\$ 1,859,324</u>	<u>\$ 253,680</u>	<u>\$ 2,185</u>	<u>\$ 407,421</u>	<u>\$ 225,654</u>

City of Enid, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds, continued
June 30, 2023

	<u>Capital Projects</u>				<u>Debt Service</u>		<u>Total</u>
	<u>Street Improvement Fund</u>	<u>Capital Improvement Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Capital Projects Escrow</u>	<u>Sinking Fund</u>	
Assets							
Cash and cash equivalents	\$ 115,143	\$ 494,267	\$ 14,444	\$ 492,600	\$ 118,828	\$ 35	\$ 1,993,566
Investments	1,395,630	5,990,951	175,079	5,970,750	1,440,301	423	20,370,602
Receivables							
Taxes	-	-	-	-	-	215	272,374
Due from other governments	-	-	-	-	-	-	161,090
Other	-	-	-	-	-	-	15,027
Prepaid expenses	-	-	-	-	-	-	66,843
Restricted cash and investments	-	-	-	-	-	-	3,528
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,528</u>
Total assets	<u>\$ 1,510,773</u>	<u>\$ 6,485,218</u>	<u>\$ 189,523</u>	<u>\$ 6,463,350</u>	<u>\$ 1,559,129</u>	<u>\$ 673</u>	<u>\$ 22,883,030</u>
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ 5,056,508	\$ 363,274	\$ 212,691	\$ -	\$ -	\$ 6,824,721
Unearned revenue	-	-	-	-	-	-	13,699
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,699</u>
Total liabilities	<u>-</u>	<u>5,056,508</u>	<u>363,274</u>	<u>212,691</u>	<u>-</u>	<u>-</u>	<u>6,838,420</u>
Fund Balances							
Nonspendable	-	-	-	-	-	-	66,843
Restricted							
Public safety	-	-	-	-	-	-	325,288
Public works	-	-	-	-	-	-	215,830
Debt service	-	-	-	-	-	673	673
Committed							
Public safety	-	-	-	-	-	-	304,108
Public works	-	-	-	-	-	-	1,034,747
Capital improvements	1,510,773	1,428,710	-	6,250,659	1,559,129	-	14,299,862
Unassigned	-	-	(173,751)	-	-	-	(202,741)
	<u>-</u>	<u>-</u>	<u>(173,751)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,741)</u>
Total fund balances	<u>1,510,773</u>	<u>1,428,710</u>	<u>(173,751)</u>	<u>6,250,659</u>	<u>1,559,129</u>	<u>673</u>	<u>16,044,610</u>
Total liabilities and fund balances	<u>\$ 1,510,773</u>	<u>\$ 6,485,218</u>	<u>\$ 189,523</u>	<u>\$ 6,463,350</u>	<u>\$ 1,559,129</u>	<u>\$ 673</u>	<u>\$ 22,883,030</u>

City of Enid, Oklahoma

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

	Special Revenue							
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
Revenues								
Taxes	\$ 527,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	448,632	2,896,047	-	754,824	-
Charges for services	-	-	-	-	-	-	-	-
Other	24,000	9,864	-	-	-	-	3,900	-
Investment income								
Net increase (decrease) in the fair value of	(101,895)	(744)	(221)	(50,517)	(2,546)	(64)	(4,592)	(6,451)
Interest	77,832	5,259	175	70,024	-	50	7,131	6,012
	<u>527,911</u>	<u>14,379</u>	<u>(46)</u>	<u>468,139</u>	<u>2,893,501</u>	<u>(14)</u>	<u>761,263</u>	<u>(439)</u>
Total revenues								
	<u>527,911</u>	<u>14,379</u>	<u>(46)</u>	<u>468,139</u>	<u>2,893,501</u>	<u>(14)</u>	<u>761,263</u>	<u>(439)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	140,076
Public safety	-	14,184	-	-	-	-	1,239,791	-
Public works	-	-	-	762,405	2,660,929	-	-	-
Economic development	1,351,349	-	-	-	-	-	-	-
Debt service								
Principal	310,000	-	-	-	-	-	-	-
Interest	3,156	-	-	-	-	-	-	-
Capital outlay	-	-	-	4,864,388	-	-	-	-
	<u>1,664,505</u>	<u>14,184</u>	<u>-</u>	<u>5,626,793</u>	<u>2,660,929</u>	<u>-</u>	<u>1,239,791</u>	<u>140,076</u>
Total expenditures								
	<u>1,664,505</u>	<u>14,184</u>	<u>-</u>	<u>5,626,793</u>	<u>2,660,929</u>	<u>-</u>	<u>1,239,791</u>	<u>140,076</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,136,594)</u>	<u>195</u>	<u>(46)</u>	<u>(5,158,654)</u>	<u>232,572</u>	<u>(14)</u>	<u>(478,528)</u>	<u>(140,515)</u>
Other Financing Sources (Uses)								
Transfers in	1,498,660	-	-	1,265,000	-	-	700,000	171,100
Transfers out	-	-	-	-	-	-	(53,837)	-
	<u>1,498,660</u>	<u>-</u>	<u>-</u>	<u>1,265,000</u>	<u>-</u>	<u>-</u>	<u>646,163</u>	<u>171,100</u>
Total other financing sources (uses)								
	<u>1,498,660</u>	<u>-</u>	<u>-</u>	<u>1,265,000</u>	<u>-</u>	<u>-</u>	<u>646,163</u>	<u>171,100</u>
Net Change in Fund Balances	362,066	195	(46)	(3,893,654)	232,572	(14)	167,635	30,585
Fund Balances, Beginning of Year	3,188,525	325,093	1,105	4,927,342	(261,562)	312	203,316	184,947
Fund Balances, End of Year	<u>\$ 3,550,591</u>	<u>\$ 325,288</u>	<u>\$ 1,059</u>	<u>\$ 1,033,688</u>	<u>\$ (28,990)</u>	<u>\$ 298</u>	<u>\$ 370,951</u>	<u>\$ 215,532</u>

City of Enid, Oklahoma

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

	Capital Projects					Debt Service	Total
	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,604	\$ 540,578
Intergovernmental	-	-	-	-	-	-	4,099,503
Charges for services	-	-	-	-	77,597	-	77,597
Other	-	214,207	-	-	-	-	251,971
Investment income							
Net increase (decrease) in the fair value of	(43,189)	(185,395)	(5,418)	(184,770)	(44,571)	(13)	(630,386)
Interest	31,159	125,500	175	139,921	41,430	407	505,075
	(12,030)	154,312	(5,243)	(44,849)	74,456	12,998	4,844,338
Total revenues							
	(12,030)	154,312	(5,243)	(44,849)	74,456	12,998	4,844,338
Expenditures							
Current							
General government	-	-	-	87,296	-	25,851	253,223
Public safety	-	-	-	-	-	-	1,253,975
Public works	-	-	-	-	-	-	3,423,334
Economic development	-	-	-	-	-	-	1,351,349
Debt service							
Principal	-	-	-	-	-	-	310,000
Interest	-	-	-	-	-	-	3,156
Capital outlay	125,381	8,835,856	1,389,620	2,196,809	-	-	17,412,054
	125,381	8,835,856	1,389,620	2,284,105	-	25,851	24,007,091
Total expenditures							
	125,381	8,835,856	1,389,620	2,284,105	-	25,851	24,007,091
Excess (Deficiency) of Revenues over Expenditures	(137,411)	(8,681,544)	(1,394,863)	(2,328,954)	74,456	(12,853)	(19,162,753)
Other Financing Sources (Uses)							
Transfers in	1,244,000	5,353,000	1,344,373	2,414,202	-	-	13,990,335
Transfers out	-	-	-	-	(300,000)	-	(353,837)
	1,244,000	5,353,000	1,344,373	2,414,202	(300,000)	-	13,636,498
Total other financing sources (uses)							
	1,244,000	5,353,000	1,344,373	2,414,202	(300,000)	-	13,636,498
Net Change in Fund Balances	1,106,589	(3,328,544)	(50,490)	85,248	(225,544)	(12,853)	(5,526,255)
Fund Balances, Beginning of Year	404,184	4,757,254	(123,261)	6,165,411	1,784,673	13,526	21,570,865
Fund Balances, End of Year	\$ 1,510,773	\$ 1,428,710	\$ (173,751)	\$ 6,250,659	\$ 1,559,129	\$ 673	\$ 16,044,610

City of Enid, Oklahoma
Combining Statement of Net Position – Nonmajor Proprietary/Enterprise Funds
June 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
Assets					
Current Assets					
Cash and cash equivalents	\$ 138,546	\$ 66,820	\$ 45,479	\$ 428,331	\$ 679,176
Investments	1,679,301	355,197	551,246	965,649	3,551,393
Receivables					
Accounts, net of uncollectibles	28,780	3,258	4,819	275,826	312,683
Accrued interest	-	1,758	-	-	1,758
Taxes	-	-	-	105,584	105,584
Due from other governments	464,984	378,526	-	-	843,510
Leases	24,288	-	-	-	24,288
Inventories	70,131	-	73,693	34,740	178,564
Prepaid expenses	1,273	-	3,008	7,915	12,196
	<u>2,407,303</u>	<u>805,559</u>	<u>678,245</u>	<u>1,818,045</u>	<u>5,709,152</u>
Noncurrent Assets					
Lease assets, net	-	-	17,449	-	17,449
Capital assets, net	20,521,998	333,478	790,289	19,953,850	41,599,615
	<u>20,521,998</u>	<u>333,478</u>	<u>807,738</u>	<u>19,953,850</u>	<u>41,617,064</u>
Total noncurrent assets	<u>20,521,998</u>	<u>333,478</u>	<u>807,738</u>	<u>19,953,850</u>	<u>41,617,064</u>
Total assets	<u>22,929,301</u>	<u>1,139,037</u>	<u>1,485,983</u>	<u>21,771,895</u>	<u>47,326,216</u>
Deferred Outflows of Resources					
Deferred amounts related to pensions	21,191	17,135	14,809	-	53,135
	<u>21,191</u>	<u>17,135</u>	<u>14,809</u>	<u>-</u>	<u>53,135</u>
Total deferred outflows of resources	<u>21,191</u>	<u>17,135</u>	<u>14,809</u>	<u>-</u>	<u>53,135</u>

City of Enid, Oklahoma
Combining Statement of Net Position – Nonmajor Proprietary/Enterprise Funds,
continued
June 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
Liabilities and Deferred Inflows of Resources					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 460,234	\$ 28,759	\$ 54,951	\$ 727,164	\$ 1,271,108
Payable from restricted assets					
Customer deposits	-	-	-	20,144	20,144
Unearned revenue	1,282,679	-	21,165	17,987	1,321,831
Total current liabilities	<u>1,742,913</u>	<u>28,759</u>	<u>76,116</u>	<u>765,295</u>	<u>2,613,083</u>
Noncurrent Liabilities					
Compensated absences	24,748	23,675	40,528	-	88,951
Leases payable	-	-	56,436	-	56,436
Net pension liability	178,073	143,991	124,440	-	446,504
Workers' compensation claims	3,595	14,512	5,542	-	23,649
Total noncurrent liabilities	<u>206,416</u>	<u>182,178</u>	<u>226,946</u>	<u>-</u>	<u>615,540</u>
Total liabilities	<u>1,949,329</u>	<u>210,937</u>	<u>303,062</u>	<u>765,295</u>	<u>3,228,623</u>
Deferred Inflows of Resources					
Deferred amounts related to pensions	18,468	14,934	12,906	-	46,308
Deferred amounts related to leases	17,863	-	-	-	17,863
Total deferred inflows of resources	<u>36,331</u>	<u>14,934</u>	<u>12,906</u>	<u>-</u>	<u>64,171</u>
Net Position					
Net investment in capital assets	20,213,065	333,478	751,302	19,953,850	41,251,695
Unrestricted	751,767	596,823	433,522	1,052,750	2,834,862
Total net position	<u>\$ 20,964,832</u>	<u>\$ 930,301</u>	<u>\$ 1,184,824</u>	<u>\$ 21,006,600</u>	<u>\$ 44,086,557</u>

City of Enid, Oklahoma
Combining Statement of Revenues, Expenses, and Changes in Net Position –
Nonmajor Proprietary/Enterprise Funds
Year Ended June 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
Operating Revenues					
Charges for services – other	\$ -	\$ 129,987	\$ 787,432	\$ -	\$ 917,419
Event center	-	-	-	1,522,337	1,522,337
Airport	3,186,095	-	-	-	3,186,095
Total operating revenues	<u>3,186,095</u>	<u>129,987</u>	<u>787,432</u>	<u>1,522,337</u>	<u>5,625,851</u>
Operating Expenses					
Airport	3,412,526	-	-	-	3,412,526
Transit	-	640,278	-	-	640,278
Event center	-	-	-	3,299,032	3,299,032
Other	-	-	825,293	-	825,293
Depreciation and amortization	969,432	123,978	104,480	1,712,462	2,910,352
Total operating expenses	<u>4,381,958</u>	<u>764,256</u>	<u>929,773</u>	<u>5,011,494</u>	<u>11,087,481</u>
Net Operating Loss	<u>(1,195,863)</u>	<u>(634,269)</u>	<u>(142,341)</u>	<u>(3,489,157)</u>	<u>(5,461,630)</u>
Nonoperating Revenues (Expenses)					
Taxes	-	-	-	1,108,975	1,108,975
Investment income					
Net decrease in the fair value of investments	(51,968)	(10,991)	(17,059)	(29,883)	(109,901)
Interest and dividends	43,442	9,332	11,955	17,007	81,736
Government grants	-	583,426	-	-	583,426
Gain (loss) on disposition of assets	(164,812)	13,250	500	-	(151,062)
Total nonoperating revenues (expenses)	<u>(173,338)</u>	<u>595,017</u>	<u>(4,604)</u>	<u>1,096,099</u>	<u>1,513,174</u>
Net Loss Before Capital Grants and Transfers	<u>(1,369,201)</u>	<u>(39,252)</u>	<u>(146,945)</u>	<u>(2,393,058)</u>	<u>(3,948,456)</u>
Capital grants	991,764	-	-	-	991,764
Capital asset contributions	-	-	8,400	-	8,400
Transfers in	-	385,000	274,000	980,000	1,639,000
Change in Net Position	<u>(377,437)</u>	<u>345,748</u>	<u>135,455</u>	<u>(1,413,058)</u>	<u>(1,309,292)</u>
Net Position, Beginning of Year	<u>21,342,269</u>	<u>584,553</u>	<u>1,049,369</u>	<u>22,419,658</u>	<u>45,395,849</u>
Net Position, End of Year	<u>\$ 20,964,832</u>	<u>\$ 930,301</u>	<u>\$ 1,184,824</u>	<u>\$ 21,006,600</u>	<u>\$ 44,086,557</u>

City of Enid, Oklahoma
Combining Statement of Cash Flows – Nonmajor Proprietary/Enterprise Funds
Year Ended June 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
Cash Flows from Operating Activities					
Receipts from customers	\$ 4,533,875	\$ 13,248	\$ 787,593	\$ 1,539,836	\$ 6,874,552
Payments to suppliers	(2,493,735)	(26,719)	(444,355)	(3,126,349)	(6,091,158)
Payments to employees	(499,319)	(608,296)	(392,525)	-	(1,500,140)
Net cash provided by (used in) operating activities	<u>1,540,821</u>	<u>(621,767)</u>	<u>(49,287)</u>	<u>(1,586,513)</u>	<u>(716,746)</u>
Cash Flows from Noncapital Financing Activities					
Taxes	-	-	-	1,110,403	1,110,403
Operating transfers in	-	385,000	274,000	980,000	1,639,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>385,000</u>	<u>274,000</u>	<u>2,090,403</u>	<u>2,749,403</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds from the sale of capital assets	-	13,250	500	-	13,750
Principal paid on leases	-	-	(30,815)	-	(30,815)
Capital grants	700,720	350,235	-	-	1,050,955
Acquisition/construction of capital assets	(2,506,073)	(176,657)	(16,999)	(29,801)	(2,729,530)
Net cash provided by (used in) capital and related financing activities	<u>(1,805,353)</u>	<u>186,828</u>	<u>(47,314)</u>	<u>(29,801)</u>	<u>(1,695,640)</u>
Cash Flows from Investing Activities					
Purchases of investments	(291,396)	(250,000)	(350,000)	(500,000)	(1,391,396)
Proceeds from sale of investments	100,698	206,556	81,719	107,715	496,688
Investment income received	43,442	7,949	11,955	17,007	80,353
Net cash used in investing activities	<u>(147,256)</u>	<u>(35,495)</u>	<u>(256,326)</u>	<u>(375,278)</u>	<u>(814,355)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(411,788)</u>	<u>(85,434)</u>	<u>(78,927)</u>	<u>98,811</u>	<u>(477,338)</u>
Cash and Cash Equivalents, Beginning of Year	<u>550,334</u>	<u>152,254</u>	<u>124,406</u>	<u>329,520</u>	<u>1,156,514</u>
Cash and Cash Equivalents, End of Year	<u>\$ 138,546</u>	<u>\$ 66,820</u>	<u>\$ 45,479</u>	<u>\$ 428,331</u>	<u>\$ 679,176</u>

City of Enid, Oklahoma
Combining Statement of Cash Flows – Nonmajor Proprietary/Enterprise Funds,
continued
Year Ended June 30, 2023

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
Reconciliation of Net Operating Loss to Net Cash Provided by (Used in) Operating Activities					
Net operating loss	\$ (1,195,863)	\$ (634,269)	\$ (142,341)	\$ (3,489,157)	\$ (5,461,630)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities					
Depreciation and amortization	969,432	123,978	104,480	1,712,462	2,910,352
(Increase) decrease in assets and deferred outflows					
Receivables	82,935	4,344	(4,819)	4,061	86,521
Inventories	42,801	-	(15,867)	(7,557)	19,377
Prepaid expenses	(122)	-	48	41,050	40,976
Pension-related deferred outflows	29,895	27,644	25,265	139,191	221,995
Increase (decrease) in liabilities and deferred inflows					-
Accounts payable and accrued liabilities	362,767	3,676	7,280	-	373,723
Unearned revenue	1,282,679	(121,083)	4,980	9,146	1,175,722
Net pension liability	5,688	(7,111)	(10,785)	-	(12,208)
Other liabilities	(1,076)	234	96	4,291	3,545
Lease-related deferred inflows	(38,919)	-	-	-	(38,919)
Pension-related deferred inflows	604	(19,180)	(17,624)	-	(36,200)
	<u>604</u>	<u>(19,180)</u>	<u>(17,624)</u>	<u>-</u>	<u>(36,200)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,540,821</u>	<u>\$ (621,767)</u>	<u>\$ (49,287)</u>	<u>\$ (1,586,513)</u>	<u>\$ (716,746)</u>
Supplementary Information on Noncash Capital and Financial Activities					
Contributions of capital assets	\$ -	\$ -	\$ 8,400	\$ -	\$ 8,400
Gain (loss) on sale/disposal of assets	\$ (164,812)	\$ 13,250	\$ 500	\$ -	\$ (151,062)

City of Enid, Oklahoma
Combining Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2023

	Pension Trust Funds			Custodial Funds		
	Retirement Defined Benefit	Retirement 401(k)	Total	CLEET Fund	Court Bonds	Total
Assets						
Cash and cash equivalents	\$ 332,173	\$ 267,070	\$ 599,243	\$ 926	\$ 515	\$ 1,441
Receivables						
Accrued interest	22,069	-	22,069	-	-	-
Due from other funds	-	-	-	248	-	248
Investments				11,320	-	11,320
Mutual funds – equities	21,440,390	16,398,465	37,838,855	-	-	-
Mutual funds – corporate bonds	7,377,934	-	7,377,934	-	-	-
Exchange traded funds	23,000	-	23,000	-	-	-
Participant loans	-	503,500	503,500	-	-	-
	<u>29,195,566</u>	<u>17,169,035</u>	<u>46,364,601</u>	<u>12,494</u>	<u>515</u>	<u>13,009</u>
Total assets						
Net Position – Restricted						
Employee pension benefits	29,195,566	17,169,035	46,364,601	-	-	-
Organizations and individuals	-	-	-	12,494	515	13,009
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,494</u>	<u>515</u>	<u>13,009</u>
Total net position – restricted	<u>\$ 29,195,566</u>	<u>\$ 17,169,035</u>	<u>\$ 46,364,601</u>	<u>\$ 12,494</u>	<u>\$ 515</u>	<u>\$ 13,009</u>

City of Enid, Oklahoma
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended June 30, 2023

	Pension Trust Funds			Custodial Funds		
	Retirement Defined Benefit	Retirement 401(k)	Total	CLEET Fund	Court Bonds	Total
Additions						
Contributions						
Employer	\$ 927,300	\$ 496,214	\$ 1,423,514	\$ -	\$ -	\$ -
Plan members	-	681,883	681,883	-	-	-
Total contributions	<u>927,300</u>	<u>1,178,097</u>	<u>2,105,397</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings						
Net increase in the fair value of investments	2,128,761	1,882,604	4,011,365	-	-	-
Interest and dividends	767,917	-	767,917	-	-	-
Total investment earnings	<u>2,896,678</u>	<u>1,882,604</u>	<u>4,779,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
Collections for others	-	-	-	92,193	42,335	134,528
Total additions	<u>3,823,978</u>	<u>3,060,701</u>	<u>6,884,679</u>	<u>92,193</u>	<u>42,335</u>	<u>134,528</u>
Deductions						
Benefits and withdrawals	1,921,460	2,020,643	3,942,103	-	-	-
Administrative expenses	157,038	41,580	198,618	-	-	-
Distributions to others	-	-	-	86,081	46,720	132,801
Total deductions	<u>2,078,498</u>	<u>2,062,223</u>	<u>4,140,721</u>	<u>86,081</u>	<u>46,720</u>	<u>132,801</u>
Change in Net Position	1,745,480	998,478	2,743,958	6,112	(4,385)	1,727
Net Position, Beginning of Year	<u>27,450,086</u>	<u>16,170,557</u>	<u>43,620,643</u>	<u>6,382</u>	<u>4,900</u>	<u>11,282</u>
Net Position, End of Year	<u>\$ 29,195,566</u>	<u>\$ 17,169,035</u>	<u>\$ 46,364,601</u>	<u>\$ 12,494</u>	<u>\$ 515</u>	<u>\$ 13,009</u>

City of Enid, Oklahoma
Schedule of Debt Service Coverage Requirements
Year Ended June 30, 2023

	OWRB Notes
Gross Revenue Available for Debt Service	
Charges for services	
Water	\$ 24,844,785
Wastewater	9,673,553
Stormwater	2,142,482
Solid waste	5,317,063
Landfill	1,024,955
Other	376,209
Sales tax collections pledged and transferred	20,789,382
Total gross revenue	64,168,429
Operating expenses, excluding depreciation and amortization	
Utility services	649,629
Water production	2,999,343
Wastewater management services	3,645,197
Solid waste	2,623,880
Landfill	557,356
Other	1,141,634
Total operating expenses	11,617,039
Net Revenues Available for Debt Service	\$ 52,551,390
Maximum Annual Debt Service Requirements	\$ 20,211,593
Computed Coverage	260%
Coverage Requirement	125%

Notes to Schedule

The above gross revenue and operating expenses only include the activities of EMA related to water, wastewater, refuse services, landfill operations and other operating expenses, excluding depreciation and amortization.

The coverage requirements on the OWRB notes are calculated using maximum annual debt service on these notes and any subordinate debt.

City of Enid, Oklahoma
Schedule of Expenditures of State Awards
Year Ended June 30, 2023

State Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Total Federal Expenditures
Oklahoma Department of Transportation Public Transit Revolving Fund	STPTRF-9025(513)	\$ 99,270
Oklahoma Finance Authority South Ramp Hangars	N/A	237,871
Oklahoma Aeronautics Commission Aeronautics	WDG-23-A-FS1	119,363
Aeronautics	WDG-23-B-FS	510
Oklahoma Department of Commerce Oklahoma Strategic Military Planning Commission	SAP-224D(089) & J/P No. 35447(04)	180,000
Oklahoma Strategic Military Planning Commission	South Ramp	80,000
Oklahoma Strategic Military Planning Commission	South Ramp/Joint Use Hangar	<u>59,450</u>
Total expenditures of state awards		<u>\$ 776,464</u>

City of Enid, Oklahoma
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Grant or Other Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Defense					
Community Investment	12.600	CIP2004-22-01	None	-	146,463
Total U.S. Department of Defense				-	146,463
U.S. Department of Housing and Urban Development					
<i>CDBG – Entitlement Cluster</i>					
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2019	-	94,564
Community Development Block Grants/Entitlement Grants		N/A	FFY-2020	-	62,380
Community Development Block Grants/Entitlement Grants		N/A	FFY-2021	-	223,044
Community Development Block Grants/Entitlement Grants		N/A	FFY-2022	-	228,374
COVID-19 – Community Development Block Grants/Entitlement Grants		N/A	CDBG-V	-	57,084
<i>Total CDBG – Entitlement Cluster</i>				-	<u>665,446</u>
<i>Pass-Through Oklahoma State Department of Commerce</i>					
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	18490 CDBGCR 20	B-20-DW-40-0001	-	2,230,097
Total U.S. Department of Housing and Urban Development				-	2,895,543
U.S. Department of Justice					
<i>Pass-Through Oklahoma State Bureau of Investigation</i>					
Internet Crimes Against Children	16.543	None	None	-	3,091
Total U.S. Department of Justice				-	3,091
U.S. Department of Transportation					
<i>Direct Program</i>					
Airport Improvement Program	20.106	N/A	AIP 3-40-0028-030-2021	-	\$ 92,465
Airport Improvement Program		N/A	AIP 3-40-0028-033-2022	-	1,944,318
Airport Improvement Program		N/A	AIP 3-40-0028-034-2023	-	11,065
<i>Total ALN 20.106</i>				-	<u>2,047,848</u>
<i>Highway Safety Cluster</i>					
<i>Pass-Through Oklahoma Highway Safety Office</i>					
State & Community Highway Safety	20.600	PT-22-03-15-13	None	-	25,021
State & Community Highway Safety		PT-23-03-14-19	None	-	74,883
<i>Total Highway Safety Cluster</i>				-	<u>99,904</u>
<i>Pass-Through Oklahoma Department of Transportation</i>					
Formula Grants for Other than Urbanized Areas	20.509	FTA5311-TP-22(479)	None	-	246,705
Formula Grants for Other than Urbanized Areas		FTA5339-BBF(053)	None	-	131,307
COVID-19 - Formula Grants for Other than Urbanized Areas		CARES-Act	None	-	81,696
COVID-19 - Formula Grants for Other than Urbanized Areas		CARES-Act	None	-	121,083
<i>Total ALN 20.509</i>				-	<u>580,791</u>
Total U.S. Department of Transportation				-	2,728,543
National Foundation of the Arts & Humanities					
<i>Pass-Through Oklahoma Department of Libraries</i>					
Grants to States	45.310	FY22	State Aid Grant	-	1,740
Grants to States	45.310	FY23	State Aid Grant	-	21,731
Grants to States	45.310	F-22-010	Health Literacy	-	213
Grants to States	45.310	F-23-138	Ready to Read	-	2,000
Grants to States	45.310	F-23-187	Adult Online High School Grant	-	9,634
COVID-19 – Grants to States	45.310	ARPA	ARPA Grant for Libraries	-	9,738
<i>Total ALN 45.310</i>				-	<u>45,056</u>
Total National Foundation of the Arts & Humanities				-	45,056
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ -	\$ 5,818,696

City of Enid, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1: Basis of Presentation

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

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized, as applicable, following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

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

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

Independent Auditor's Report

Honorable Mayor and City Council
City of Enid, Oklahoma
Enid, Oklahoma

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma (the City) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 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 or significant deficiencies may exist that were not identified.

Honorable Mayor and City Council
City of Enid, Oklahoma

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS, LLP

Tulsa, Oklahoma
December 29, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

City Council
City of Enid, Oklahoma
Enid, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City'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 the City's major federal programs for the year ended June 30, 2023. The City'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, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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,

City Council
City of Enid, Oklahoma

as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

FORVIS, LLP

Tulsa, Oklahoma
December 29, 2023

City of Enid, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2023

Section II – Financial Statement Findings

Reference Number	Finding
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No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
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No matters are reportable.

City of Enid, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Reference Number	Finding	Status
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No matters are reportable.