

ANNUAL AUDIT REPORT

2023 - 2024



City of Enid, Oklahoma
Contents
June 30, 2024

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities.....	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds to the Statement of Activities	19
Statement of Net Position – Proprietary Funds.....	20
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Net Position – Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	26
Notes to Financial Statements	27
Required Supplementary Information	
The Employee Retirement System of Enid, Oklahoma	
Schedule of Changes in Net Pension Liability and Related Ratios	70
Schedule of Employer Contributions	71
Oklahoma Police Pension and Retirement System	
Schedule of the City’s Proportionate Share of the Net Pension Liability (Asset)	72
Schedule of the City’s Contributions.....	73

Oklahoma Firefighters’ Pension and Retirement System	
Schedule of the City’s Proportionate Share of the Net Pension Liability (Asset)	74
Schedule of the City’s Contributions	75
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	76
Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds (Budgetary Basis)	78
Reconciliation of Budgetary Comparison Schedule (Budgetary Basis) to Fund Financial Statements (GAAP Basis)	79
Note to Budgetary Comparison Schedule	80
Other Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	82
Combining Statement of Net Position – Nonmajor Proprietary/Enterprise Funds	83
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Proprietary/Enterprise Funds	84
Combining Statement of Cash Flows – Nonmajor Proprietary/Enterprise Funds	85
Combining Statement of Fiduciary Net Position – Fiduciary Funds	86
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	87
Schedule of Debt Service Coverage Requirements	88
Schedule of Expenditures of State Awards	89
Schedule of Expenditures of Federal Awards	90
Notes to Schedule of Expenditures of Federal Awards	91
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor’s Report	92
Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance – Independent Auditor’s Report	94
Schedule of Findings and Questioned Costs	97
Summary Schedule of Prior Audit Findings	99

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 (City) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the 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, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 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 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Mazars, LLP

**Tulsa, Oklahoma
December 20, 2024**

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

The following discussion and analysis of the City of Enid's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. 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, 2024 by \$377,899,547 (net position).

During the year, the City's total net position increased by \$31,809,613 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 \$9,804,756. Business-type activities increased overall net position by \$22,004,857.

The City's total long-term liabilities increased \$29,422,894 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 \$20,901,964, a decrease of \$204,444 in comparison with the prior year. Fund balance of \$281,946 is considered nonspendable, consisting of inventories and prepaid expenses. A total of \$552,912 is restricted by contractual agreements, state statutes, or enabling legislation. Fund balance of \$22,639,011 is committed by the City Council for various uses, leaving an unassigned deficit fund balance of \$2,689,287, 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 \$11,468,267, or 24.7% of annual General Fund expenditures and net 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

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

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.

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

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 69 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 70 through 80 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 81 through 88 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 \$104,609,589 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$273,289,958.

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current assets	\$ 62,920,687	\$ 69,520,593	\$ 51,727,520	\$ 36,747,284	\$ 114,648,207	\$ 106,267,877
Capital, lease, and SBITA assets	98,650,614	94,649,506	458,216,516	395,258,429	556,867,130	489,907,935
Noncurrent assets	401,979	1,108,173	112,594,704	131,974,703	112,996,683	133,082,876
Total assets	161,973,280	165,278,272	622,538,740	563,980,416	784,512,020	729,258,688
Deferred outflows of resources	11,764,313	9,660,056	257,330	232,976	12,021,643	9,893,032
Current liabilities	38,846,579	45,958,367	15,397,585	13,563,129	54,244,164	59,521,496
Long-term liabilities	27,110,172	32,163,489	333,500,770	299,024,559	360,610,942	331,188,048
Total liabilities	65,956,751	78,121,856	348,898,355	312,587,688	414,855,106	390,709,544
Deferred inflows of resources	3,171,253	2,011,639	607,758	340,603	3,779,011	2,352,242
Net position						
Net investment in capital assets	77,409,412	77,761,806	174,490,693	161,126,927	251,900,105	238,888,733
Restricted	1,072,273	1,646,436	44,608,238	43,404,321	45,680,511	45,050,757
Unrestricted	26,127,904	15,396,591	54,191,027	46,753,853	80,318,931	62,150,444
Total net position	\$ 104,609,589	\$ 94,804,833	\$ 273,289,958	\$ 251,285,101	\$ 377,899,547	\$ 346,089,934

By far the largest portion of the City's net position (67%) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, equipment, leases and subscription-based information technology assets (SBITAs) 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 (12%) 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 \$80,318,931 (21%).

The City's ending total net position increased by \$31,809,613 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.

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 1,931,822	\$ 1,897,877	\$ 47,497,698	\$ 49,005,259	\$ 49,429,520	\$ 50,903,136
Grants/contributions	3,706,880	5,644,413	6,429,795	1,575,191	10,136,675	7,219,604
General revenues	55,584,905	47,349,933	5,779,634	8,034,029	61,364,539	55,383,962
Total Revenues	61,223,607	54,892,223	59,707,127	58,614,479	120,930,734	113,506,702
Expenses						
General government	8,878,529	8,757,322	-	-	8,878,529	8,757,322
Public safety	19,493,476	23,341,458	-	-	19,493,476	23,341,458
Public works	13,616,610	14,311,817	-	-	13,616,610	14,311,817
Culture and recreation	2,988,855	2,855,208	-	-	2,988,855	2,855,208
Utility operations	-	-	31,993,471	28,960,040	31,993,471	28,960,040
Airport	-	-	3,746,495	4,381,958	3,746,495	4,381,958
Economic development	1,247,605	1,374,259	-	-	1,247,605	1,374,259
Golf	-	-	981,218	929,773	981,218	929,773
Event center	-	-	5,276,617	5,011,494	5,276,617	5,011,494
Transit	-	-	985,551	764,256	985,551	764,256
Other	5,061	10,603	-	-	5,061	10,603
Total Expenses	46,230,136	50,650,667	42,983,352	40,047,521	89,213,488	90,698,188
Increase in Net Position Before Transfers and Capital Contributions	14,993,471	4,241,556	16,723,775	18,566,958	31,717,246	22,808,514
Gain on sale of capital assets	-	-	92,367	39,287	92,367	39,287
Transfers of capital assets	(66,514,981)	(106,087,934)	66,514,981	106,087,934	-	-
Other transfers, net	61,326,266	111,730,943	(61,326,266)	(111,730,943)	-	-
Increase in Net Position	9,804,756	9,884,565	22,004,857	12,963,236	31,809,613	22,847,801
Net Position, Beginning of Year	94,804,833	84,920,268	251,285,101	238,321,865	346,089,934	323,242,133
Net Position, End of Year	\$ 104,609,589	\$ 94,804,833	\$ 273,289,958	\$ 251,285,101	\$ 377,899,547	\$ 346,089,934

Governmental Activities

Governmental activities increased the City's net position by \$9,804,756. The key element of this increase is primarily due to the timing of transfers related to the construction activity of the Kaw Lake Water Supply Project and a decrease in pension expenses (public safety) compared to the prior year.

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

	Program Revenues		Cost of Services	
	2024	2023	2024	2023
General government	\$ 1,383,937	\$ 3,216,863	\$ 8,878,529	\$ 8,757,322
Public safety	3,822,275	3,893,187	19,493,476	23,341,458
Public works	324,676	320,732	13,616,610	14,311,817
Culture and recreation	107,814	111,508	2,988,855	2,855,208
Economic development	-	-	1,247,605	1,374,259
Interest on long-term debt	-	-	5,061	10,603
	<u>\$ 5,638,702</u>	<u>\$ 7,542,290</u>	<u>\$ 46,230,136</u>	<u>\$ 50,650,667</u>

Business-Type Activities

Business-type activities increased the City's net position by \$22,004,857. The key element in this increase was transfer-related activity of the Kaw Lake Water Supply Project and grants received for airport improvement projects.

	Program Revenues		Cost of Services	
	2024	2023	2024	2023
Utility operations	\$ 41,706,261	\$ 43,379,407	\$ 31,993,471	\$ 28,960,040
Airport	9,344,167	4,177,860	3,746,495	4,381,958
Golf	812,094	787,432	981,218	929,773
Event center	1,373,993	1,522,338	5,276,617	5,011,494
Transit	690,978	713,413	985,551	764,256
	<u>\$ 53,927,493</u>	<u>\$ 50,580,450</u>	<u>\$ 42,983,352</u>	<u>\$ 40,047,521</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 \$20,901,964, a decrease of \$204,444 in comparison with the prior year. Approximately -12.9% of this total amount (\$2,689,287) 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 \$11,468,267. 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 24.7% of annual General Fund expenditures and net transfers out.

**City of Enid, Oklahoma
Management's Discussion and Analysis
Year Ended June 30, 2024**

The fund balance of the City's General Fund increased \$2,132,958 during the current fiscal year primarily due to a decrease in transfers to other funds, primarily for the Kaw Lake Water Supply Project.

The Police Fund has a total fund balance of \$4,824,238, substantially all of which was committed. The net decrease in fund balance during the current year was \$479,604 due to the construction of a new training facility.

The Fire Fund has a total fund balance of \$1,614,571 substantially all of which was committed. The net increase in fund balance during the current year was \$411,620, which is due to an adopted surplus budget and unspent capital expenditures during the period.

The water capital improvements fund has a deficit fund balance of \$14,157,554. The decrease in fund balance during the year was \$2,812,446, which is due to the Kaw Lake Water Supply Project OWRB loan proceeds transferred out to EMA 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 \$224,611,896. Unrestricted net position of the Enid Municipal Authority at the end of the year was \$49,032,255. The total increase in net position was \$17,570,465. Net operating income increased net position by \$17,840,344. Operating revenues decreased by \$1,592,150 primarily due to decreased water sales while operating expenses increased by \$1,858,230 primarily due to increases in depreciation expense, OPEB expenses and supplies and maintenance costs. Net nonoperating revenues (expenses) decreased net position of the Enid Municipal Authority by \$3,399,090, substantially all of which was attributable to increases in interest expenses on the Kaw Lake Water Supply project debt. Capital asset contributions increased net position by \$66,514,656, and net interfund transfers decreased net position by a net of \$63,386,266.

Other nonmajor proprietary funds had combined total net position of \$48,596,841, of which \$43,519,290 was net investment in capital assets and \$5,077,551 was unrestricted. Overall combined net position increased by \$4,510,284 during the year. Operating income (loss) incurred a loss of \$5,197,623, and net nonoperating revenues and transfers from other funds offset that by a combined \$9,707,907 primarily related to an increase in capital grants received from airport-related improvements.

Budgetary Highlights of Major Governmental Funds

The final General Fund budget reflected a total of \$63,000,356 for departmental expenditures and transfers to other funds, compared to the original budget of \$60,189,725, an increase of \$2,810,631. The final budget for revenues and transfers from other funds was \$59,178,085 compared to the original budget of \$59,178,085, 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 \$1,897,214, and actual expenditures and transfers were less than final budget appropriations by \$3,353,728, resulting in an overall net increase in budgetary fund balance of \$5,250,942 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 \$14,086,364 in its budgeted expenditures and transfers to other funds during the year, an increase of \$489,624 over the original budget. Budgeted revenues and transfers from other funds were \$11,890,025, compared to the original budget of \$11,890,025, representing no change. Actual revenues and transfers in totaled \$10,638,037 or \$1,251,988 less than budget estimates. Expenditures and

**City of Enid, Oklahoma
Management’s Discussion and Analysis
Year Ended June 30, 2024**

transfers out of \$11,146,172 were less than budgeted estimates by \$2,940,192, resulting in an overall net increase in budgetary fund balance of \$1,688,204.

The final Fire Fund budget reflected a total of \$11,176,404 in its budgeted expenditures and transfers to other funds during the year, an increase of \$1,088,819 over the original budget. Budgeted revenues and transfers from other funds were \$10,202,870, compared to the original budget of \$10,202,870, representing no change. Actual revenues and transfers in totaled \$10,297,276, or more than budgeted estimates by \$94,406. Expenditures and transfers out of \$10,049,812 were less than the budget appropriations by \$1,126,592, resulting in an overall net increase in budgetary fund balance of \$1,220,998.

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, 2024 totaled \$556,597,130 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, infrastructure, equipment, vehicles, and lease and SBITA assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 12,667,386	\$ 8,774,096	\$ 8,062,951	\$ 8,062,951	\$ 20,730,337	\$ 16,837,047
Construction in progress	10,325,060	15,840,197	274,183,665	207,227,546	284,508,725	223,067,743
Buildings	10,538,191	10,985,818	37,400,252	41,350,656	47,938,443	52,336,474
Infrastructure	59,021,300	52,572,891	125,951,792	124,639,479	184,973,092	177,212,370
Equipment	3,647,895	3,775,739	8,468,952	9,379,134	12,116,847	13,154,873
Vehicles	1,858,779	2,589,261	3,948,526	4,581,214	5,807,305	7,170,475
Lease assets	270,001	-	200,378	17,449	470,379	17,449
SBITA	322,002	111,504	-	-	322,002	111,504
Capital assets, net	<u>\$ 98,650,614</u>	<u>\$ 94,649,506</u>	<u>\$ 458,216,516</u>	<u>\$ 395,258,429</u>	<u>\$ 556,867,130</u>	<u>\$ 489,907,935</u>

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

- Kaw Lake Water Supply Project
- Land for economic development
- Street improvements projects for Garland Rd., Cleveland St., and 10th St.
- Airport joint-use hangar and ramp improvements
- Library roof replacement
- Software for police department
- Meadows South drainage channel improvements
- 54th St. Lift Station Rehabilitation
- Greer Center sanitary sewer expansion
- Waterline improvement projects

Additional information regarding the City’s capital assets can be found in Note 3 on pages 41 through 43 of this report.

Long-Term Obligations

At June 30, 2024, the City had total long-term obligations outstanding of \$369,603,286. These obligations include debt secured solely by specified revenue sources (i.e., revenue bonds and notes); tax apportionment bonds (TIF);

**City of Enid, Oklahoma
Management’s Discussion and Analysis
Year Ended June 30, 2024**

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	
	2024	2023	2024	2023	2024	2023
Net pension liability	\$ 22,320,462	\$ 28,189,621	\$ 1,656,399	\$ 1,889,122	\$ 23,976,861	\$ 30,078,743
Total OPEB liability	2,120,673	2,033,319	471,261	145,237	2,591,934	2,178,556
Workers’ compensation claims	1,070,671	842,229	343,807	322,245	1,414,478	1,164,474
Compensated absences	2,918,755	2,543,213	372,746	329,960	3,291,501	2,873,173
Notes payable	-	-	330,023,166	294,264,123	330,023,166	294,264,123
Subscription payables	321,812	104,920	-	-	321,812	104,920
Lease obligations	266,074	-	247,298	56,436	513,372	56,436
Direct financing obligations	64,663	126,844	1,213,292	1,757,091	1,277,955	1,883,935
Landfill closure and post-closure and other long-term liabilities	-	-	6,192,207	5,906,209	6,192,207	5,906,209
Total long-term obligations	\$ 29,083,110	\$ 33,840,146	\$ 340,520,176	\$ 304,670,423	\$ 369,603,286	\$ 338,510,569

The City’s total long-term obligations increased \$31,092,717 during the current fiscal year. The key factors in the increase are primarily related to draws of funds from Oklahoma Water Resources Board State Revolving Funds related to the Kaw Lake Water Supply Project offset by decreases in pension liabilities.

Additional information on the City’s long-term debt can be found in Note 3 on pages 43 through 47 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 2025 revenue and expense budgets.

When setting the fiscal year 2025 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 2026. 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and cash equivalents	\$ 8,984,074	\$ 6,121,612	\$ 15,105,686
Investments	48,312,235	32,771,662	81,083,897
Receivables, net of allowance for uncollectibles	7,760,483	9,795,713	17,556,196
Receivables for property taxes – succeeding	278,747	-	278,747
Internal balances	(2,696,798)	2,696,798	-
Inventories	17,605	291,479	309,084
Prepaid expenses	264,341	50,256	314,597
Restricted cash and investments	-	112,594,704	112,594,704
Net pension asset	401,979	-	401,979
Capital, lease and subscription assets			
Lease assets	270,001	200,378	470,379
Subscription assets	322,002	-	322,002
Land and construction in progress	22,992,446	282,246,616	305,239,062
Depreciable buildings, improvements, equipment, and vehicles, net of accumulated depreciation	<u>75,066,165</u>	<u>175,769,522</u>	<u>250,835,687</u>
Total Assets	<u>161,973,280</u>	<u>622,538,740</u>	<u>784,512,020</u>
Deferred Outflows of Resources			
Deferred amounts related to OPEB	558,737	124,164	682,901
Deferred amounts related to pensions	<u>11,205,576</u>	<u>133,166</u>	<u>11,338,742</u>
Total Deferred Outflows of Resources	<u>11,764,313</u>	<u>257,330</u>	<u>12,021,643</u>

City of Enid, Oklahoma
Statement of Net Position
June 30, 2024

(Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 24,198,742	\$ 2,840,752	\$ 27,039,494
Claims payable	556,216	-	556,216
Payable from restricted assets			
Accrued interest	-	2,575,364	2,575,364
Customer deposits	-	1,378,413	1,378,413
Unearned revenue	12,118,683	1,583,649	13,702,332
Long-term liabilities			
Due within one year	1,972,938	7,019,407	8,992,345
Due in more than one year	27,110,172	333,500,770	360,610,942
Total Liabilities	<u>65,956,751</u>	<u>348,898,355</u>	<u>414,855,106</u>
Deferred Inflows of Resources			
Property taxes – succeeding year	278,747	-	278,747
Deferred amounts related to OPEB	797,485	177,219	974,704
Deferred amounts related to pensions	1,941,077	351,535	2,292,612
Deferred amounts related to leases	153,944	79,004	232,948
Total Deferred Inflows of Resources	<u>3,171,253</u>	<u>607,758</u>	<u>3,779,011</u>
Net Position			
Net investment in capital assets	77,409,412	174,490,693	251,900,105
Restricted			
Debt service	6,868	3,771,277	3,778,145
Capital improvements	377,554	40,836,961	41,214,515
Public safety	285,872	-	285,872
Pension benefits	401,979	-	401,979
Unrestricted	26,127,904	54,191,027	80,318,931
Total Net Position	<u>\$ 104,609,589</u>	<u>\$ 273,289,958</u>	<u>\$ 377,899,547</u>

**City of Enid, Oklahoma
Statement of Activities
Year Ended June 30, 2024**

	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	\$ 8,878,529	\$ 123,642	\$ 1,260,295	\$ -	\$ (7,494,592)	\$ -	\$ (7,494,592)
Public safety	19,493,476	1,471,000	2,336,112	15,163	(15,671,201)	-	(15,671,201)
Public works	13,616,610	304,076	-	20,600	(13,291,934)	-	(13,291,934)
Culture and recreation	2,988,855	33,104	45,846	28,864	(2,881,041)	-	(2,881,041)
Economic development	1,247,605	-	-	-	(1,247,605)	-	(1,247,605)
Interest on long-term debt	5,061	-	-	-	(5,061)	-	(5,061)
Total governmental activities	46,230,136	1,931,822	3,642,253	64,627	(40,591,434)	-	(40,591,434)
Business-type activities							
Utility operations	31,993,471	41,705,440	-	821	-	9,712,790	9,712,790
Airport	3,746,495	3,497,698	-	5,846,469	-	5,597,672	5,597,672
Golf	981,218	812,094	-	-	-	(169,124)	(169,124)
Event center	5,276,617	1,373,993	-	-	-	(3,902,624)	(3,902,624)
Transit and other	985,551	108,473	582,505	-	-	(294,573)	(294,573)
Total business-type activities	42,983,352	47,497,698	582,505	5,847,290	-	10,944,141	10,944,141
Total Primary Government	\$ 89,213,488	\$ 49,429,520	\$ 4,224,758	\$ 5,911,917	(40,591,434)	10,944,141	(29,647,293)
General revenues							
Taxes							
Sales and use					45,133,047	-	45,133,047
Property					572,450	1,041,565	1,614,015
Franchise					2,934,982	-	2,934,982
Other					716,693	-	716,693
Investment income (loss)					4,691,793	4,699,315	9,391,108
Miscellaneous					1,535,940	38,754	1,574,694
Gain on disposal of capital assets					-	92,367	92,367
Transfers of capital assets					(66,514,981)	66,514,981	-
Transfers – internal activity					61,326,266	(61,326,266)	-
Total general revenues and transfers					50,396,190	11,060,716	61,456,906
Change in Net Position					9,804,756	22,004,857	31,809,613
Net Position, Beginning of Year					94,804,833	251,285,101	346,089,934
Net Position, End of Year					\$ 104,609,589	\$ 273,289,958	\$ 377,899,547

City of Enid, Oklahoma
Balance Sheet – Governmental Funds
June 30, 2024

	General	Police Fund	Fire Fund	Water Capital Improvements	Nonmajor Governmental Funds	Total
Assets						
Cash and cash equivalents	\$ 3,485,618	\$ 755,398	\$ 276,646	\$ 926,798	\$ 2,857,656	\$ 8,302,116
Investments	18,280,297	4,341,217	1,589,864	5,326,241	14,855,448	44,393,067
Receivables						
Taxes	6,287,677	169,568	169,568	-	212,666	6,839,479
Due from other governments	-	17,173	-	-	202,328	219,501
Other	50,215	-	-	-	9,448	59,663
Inventories	17,605	-	-	-	-	17,605
Prepaid expenses	242,461	12,514	7,351	-	2,015	264,341
Total Assets	\$ 28,363,873	\$ 5,295,870	\$ 2,043,429	\$ 6,253,039	\$ 18,139,561	\$ 60,095,772
Liabilities						
Accounts payable and accrued liabilities	\$ 1,250,273	\$ 471,632	\$ 428,858	\$ 20,410,593	\$ 1,538,224	\$ 24,099,580
Due to other funds	2,696,798	-	-	-	-	2,696,798
Unearned revenue	12,104,984	-	-	-	13,699	12,118,683
Total Liabilities	16,052,055	471,632	428,858	20,410,593	1,551,923	38,915,061
Deferred Inflows of Resources						
Property taxes – succeeding year	278,747	-	-	-	-	278,747
Total Deferred Inflows of Resources	278,747	-	-	-	-	278,747
Fund Balances						
Nonspendable						
Inventories and prepaid expenses	260,066	12,514	7,351	-	2,015	281,946
Restricted						
Public safety	-	-	-	-	285,872	285,872
Public works	-	-	-	-	260,172	260,172
Debt service	-	-	-	-	6,868	6,868
Capital improvements	-	-	-	-	117,382	117,382
Committed						
Public safety	-	4,811,724	1,607,220	-	671,476	7,090,420
Public works	-	-	-	-	1,570,218	1,570,218
Other	304,738	-	-	-	-	304,738
Capital improvements	-	-	-	-	13,673,635	13,673,635
Unassigned	11,468,267	-	-	(14,157,554)	-	(2,689,287)
Total fund balances	12,033,071	4,824,238	1,614,571	(14,157,554)	16,587,638	20,901,964
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,363,873	\$ 5,295,870	\$ 2,043,429	\$ 6,253,039	\$ 18,139,561	\$ 60,095,772

City of Enid, Oklahoma
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balance – governmental funds	\$ 20,901,964
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>98,650,614</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>920,587</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	(22,320,462)
Net pension asset	401,979
Lease deferred inflows	(153,944)
Total OPEB liability	(2,120,673)
Pension-related deferred outflows	11,205,576
OPEB-related deferred outflows	558,737
Pension-related deferred inflows	(1,941,077)
OPEB-related deferred inflows	<u>(797,485)</u>
	<u>(15,167,349)</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>3,945,748</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 compensated absences	(2,918,755)
Accrued liability for workers' compensation claims incurred	(1,070,671)
Direct financing obligations	(64,663)
Lease liability	(266,074)
Subscription-based information technology arrangements	<u>(321,812)</u>
	<u>(4,641,975)</u>
Net position of governmental activities in the statement of net position	<u>\$ 104,609,589</u>

City of Enid, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2024

	General	Police Fund	Fire Fund	Water Capital Improvements	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 45,427,245	\$ 1,320,392	\$ 1,320,392	\$ -	\$ 572,450	\$ 48,640,479
Licenses and permits	239,897	-	-	-	-	239,897
Intergovernmental	329,187	672,533	1,650,553	-	2,580,537	5,232,810
Fines and forfeitures	588,897	-	-	-	-	588,897
Charges for services	137,214	16,667	-	-	65,879	219,760
Other	1,015,345	64,983	15,847	-	89,497	1,185,672
Investment income (loss)						
Net decrease in the fair value of investments	285,863	91,379	20,974	2,632,795	403,737	3,434,748
Interest	449,954	126,737	34,072	-	483,746	1,094,509
Total Revenues	48,473,602	2,292,691	3,041,838	2,632,795	4,195,846	60,636,772
Expenditures						
Current						
General government	6,735,225	-	-	-	245,143	6,980,368
Public safety	-	10,846,486	11,229,235	-	1,310,582	23,386,303
Public works	7,823,950	-	-	-	2,060,586	9,884,536
Culture and recreation	2,782,001	-	-	-	-	2,782,001
Economic development	-	-	-	-	1,222,618	1,222,618
Debt service						
Principal	159,347	-	-	-	-	159,347
Interest	3,369	-	-	-	-	3,369
Capital outlay	1,868,508	555,414	102,483	63,192,364	12,406,410	78,125,179
Total Expenditures	19,372,400	11,401,900	11,331,718	63,192,364	17,245,339	122,543,721
Excess (Deficiency) of Revenues over Expenditures	29,101,202	(9,109,209)	(8,289,880)	(60,559,569)	(13,049,493)	(61,906,949)
Other Financing Sources (Uses)						
Subscription assets received	376,239	-	-	-	-	376,239
Transfers in	12,949,000	9,017,605	8,931,500	111,800,308	13,831,860	156,530,273
Transfers out	(40,293,483)	(388,000)	(230,000)	(54,053,185)	(239,339)	(95,204,007)
Total Other Financing Sources (Uses)	(26,968,244)	8,629,605	8,701,500	57,747,123	13,592,521	61,702,505
Net Change in Fund Balances	2,132,958	(479,604)	411,620	(2,812,446)	543,028	(204,444)
Fund Balances, Beginning of Year	9,900,113	5,303,842	1,202,951	(11,345,108)	16,044,610	21,106,408
Fund Balances, End of Year	\$ 12,033,071	\$ 4,824,238	\$ 1,614,571	\$ (14,157,554)	\$ 16,587,638	\$ 20,901,964

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, 2024

Net change in fund balances – total governmental funds	\$ <u>(204,444)</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	8,145,191
Capital assets received from EMA	3,593,915
Depreciation expense	<u>(7,612,197)</u>
	<u>4,126,909</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 subscription assets	159,347
Subscription assets received	<u>(376,239)</u>
	<u>(216,892)</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>478,565</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	(375,542)
Pension expense	6,090,900
Accrued liability for workers' compensation claims incurred	(250,775)
Interest expense	444
Other postemployment benefits	<u>155,591</u>
	<u>5,620,618</u>
Change in net position of governmental activities	<u><u>\$ 9,804,756</u></u>

City of Enid, Oklahoma
Statement of Net Position – Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Enid Municipal Authority	Nonmajor Enterprise Funds	Total	Service Fund
				Health Care Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and cash equivalents	\$ 5,069,551	\$ 1,052,061	\$ 6,121,612	\$ 681,958
Investments	29,134,358	3,637,304	32,771,662	3,919,168
Receivables				
Accounts, net of uncollectibles	5,648,335	348,220	5,996,555	-
Accrued interest	410,335	2,311	412,646	-
Taxes	-	123,383	123,383	-
Due from other governments	-	3,189,788	3,189,788	-
Leases	71,572	1,769	73,341	-
Due from other funds	2,615,577	-	2,615,577	81,221
Inventories	99,891	191,588	291,479	-
Prepaid expenses	49,112	1,144	50,256	-
Restricted cash and cash equivalents	97,749,457	-	97,749,457	-
Restricted investments	14,845,247	-	14,845,247	-
Total Current Assets	155,693,435	8,547,568	164,241,003	4,682,347
Noncurrent Assets				
Lease assets, net	-	200,378	200,378	-
Capital assets, net of accumulated depreciation	414,094,484	43,921,654	458,016,138	-
Total Assets	569,787,919	52,669,600	622,457,519	4,682,347
Deferred Outflows of Resources				
Deferred amounts related to OPEB	124,164	-	124,164	-
Deferred amounts related to pensions	99,065	34,101	133,166	-
Total Deferred Outflows of Resources	223,229	34,101	257,330	-

City of Enid, Oklahoma
Statement of Net Position – Proprietary Funds
June 30, 2024

(Continued)

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal Service Fund
	Enid Municipal Authority	Nonmajor Enterprise Funds	Total	Health Care Fund
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 1,235,681	\$ 1,605,071	\$ 2,840,752	\$ 99,162
Claims payable	-	-	-	556,216
Payable from restricted assets				
Accrued interest payable	2,575,364	-	2,575,364	-
Customer deposits	1,352,016	26,397	1,378,413	-
Unearned revenue	-	1,583,649	1,583,649	-
Current portion of noncurrent liabilities	6,953,438	65,969	7,019,407	-
Total Current Liabilities	12,116,499	3,281,086	15,397,585	655,378
Noncurrent Liabilities				
Compensated absences	69,071	109,717	178,788	-
Other postemployment benefits liability	471,261	-	471,261	-
Notes payable, net of unamortized premium	324,108,911	-	324,108,911	-
Direct financing obligations	416,200	-	416,200	-
Leases payable	-	181,329	181,329	-
Net pension liability	1,232,227	424,172	1,656,399	-
Landfill closure and post-closure obligations	6,192,208	-	6,192,208	-
Workers' compensation claims	275,139	20,535	295,674	-
Total Noncurrent Liabilities	332,765,017	735,753	333,500,770	-
Total Liabilities	344,881,516	4,016,839	348,898,355	655,378
Deferred Inflows of Resources				
Deferred amounts related to OPEB	177,219	-	177,219	-
Deferred amounts related to pensions	261,514	90,021	351,535	-
Deferred amounts related to leases	79,004	-	79,004	-
Total Deferred Inflows of Resources	517,737	90,021	607,758	-
Net Position				
Net investment in capital assets	130,971,403	43,519,290	174,490,693	-
Restricted				
Debt service	3,771,277	-	3,771,277	-
Capital improvements	40,836,961	-	40,836,961	-
Unrestricted	49,032,255	5,077,551	54,109,806	4,026,969
Total Net Position	\$ 224,611,896	\$ 48,596,841	273,208,737	\$ 4,026,969

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

81,221

Total net position per government-wide financial statements

\$ 273,289,958

City of Enid, Oklahoma
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal Service Fund
	Enid Municipal Authority	Nonmajor Enterprise Funds	Total	Health Care Fund
Operating Revenues				
Charges for services				
Utility operations	\$ 41,705,440	\$ -	\$ 41,705,440	\$ -
Event center	-	1,373,993	1,373,993	-
Airport	-	3,497,698	3,497,698	-
Transit	-	108,473	108,473	-
Healthcare premiums	-	-	-	5,006,255
Other	114,646	812,094	926,740	68,049
Total Operating Revenues	41,820,086	5,792,258	47,612,344	5,074,304
Operating Expenses				
Utility operations	12,797,139	-	12,797,139	-
Event center	-	3,561,871	3,561,871	-
Airport	-	2,792,156	2,792,156	-
Transit	-	863,191	863,191	-
Insurance claims and expenses	-	-	-	4,834,167
Golf	-	820,754	820,754	-
Depreciation and amortization	11,182,603	2,951,909	14,134,512	-
Total Operating Expenses	23,979,742	10,989,881	34,969,623	4,834,167
Net Operating Income (Loss)	17,840,344	(5,197,623)	12,642,721	240,137
Nonoperating Revenues (Expenses)				
Taxes	-	1,041,565	1,041,565	-
Investment income				
Net increase (decrease) in the fair value of investments	(1,714,444)	54,407	(1,660,037)	60,935
Interest	6,255,558	103,794	6,359,352	101,602
Government grants	-	582,505	582,505	-
Gain (loss) on disposition of assets	73,525	18,842	92,367	-
Interest expense and fiscal charges	(8,013,729)	-	(8,013,729)	-
Total Nonoperating Revenues (Expenses)	(3,399,090)	1,801,113	(1,597,977)	162,537
Net Income (Loss) Before Capital Contributions and Transfers	14,441,254	(3,396,510)	11,044,744	402,674
Capital grants	821	5,846,469	5,847,290	-
Capital asset contributions	66,514,656	325	66,514,981	-
Transfers in	75,179,463	2,060,000	77,239,463	-
Transfers out	(138,565,729)	-	(138,565,729)	-
Change in Net Position	17,570,465	4,510,284	22,080,749	402,674
Net Position, Beginning of Year	207,041,431	44,086,557	251,127,988	3,624,295
Net Position, End of Year	\$ 224,611,896	\$ 48,596,841	\$ 273,208,737	\$ 4,026,969
Change in net position, per above			\$ 22,080,749	
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			(75,891)	
Change in business-type activities in net position per the government-wide financial statements			<u>\$ 22,004,858</u>	

See Notes to Financial Statements

City of Enid, Oklahoma
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Enterprise Funds			Internal
	Enid Municipal Authority	Nonmajor Enterprise Funds	Total	Service Fund
				Health Care Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 41,345,856	\$ 6,024,792	\$ 47,370,648	\$ -
Receipts from interfund services	-	-	-	5,074,304
Payments to suppliers	(7,930,806)	(5,941,072)	(13,871,878)	-
Payments to employees	(4,314,833)	(1,702,186)	(6,017,019)	-
Claims and benefits paid	-	-	-	(4,934,788)
Net Cash Provided by (Used in) Operating Activities	<u>29,100,217</u>	<u>(1,618,466)</u>	<u>27,481,751</u>	<u>139,516</u>
Cash Flows from Noncapital Financing Activities				
Taxes	-	1,023,766	1,023,766	-
Interfund payments	(189,486)	-	(189,486)	75,891
Operating transfers in	75,179,463	2,060,000	77,239,463	-
Operating transfers out	(138,565,729)	-	(138,565,729)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(63,575,752)</u>	<u>3,083,766</u>	<u>(60,491,986)</u>	<u>75,891</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from issuance of debt	48,782,731	-	48,782,731	-
Principal paid on long-term debt	(13,406,375)	-	(13,406,375)	-
Principal paid on leases	-	(76,310)	(76,310)	-
Interest expense and fiscal charges	(8,226,362)	-	(8,226,362)	-
Capital grants	821	4,082,695	4,083,516	-
Proceeds from sale of capital assets	-	13,925	13,925	-
Acquisition/construction of capital assets	(5,047,541)	(5,184,462)	(10,232,003)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>22,103,274</u>	<u>(1,164,152)</u>	<u>20,939,122</u>	<u>-</u>
Cash Flows from Investing Activities				
Purchases of investments	(43,000,000)	(1,200,000)	(44,200,000)	(250,000)
Proceeds from sale of investments	37,425,152	1,168,496	38,593,648	111,417
Investment income received	6,419,452	103,241	6,522,693	283,267
Net Cash Provided by Investing Activities	<u>844,604</u>	<u>71,737</u>	<u>916,341</u>	<u>144,684</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>(11,527,657)</u>	<u>372,885</u>	<u>(11,154,772)</u>	<u>360,091</u>
Cash and Cash Equivalents, Beginning of Year	<u>114,346,665</u>	<u>679,176</u>	<u>115,025,841</u>	<u>321,867</u>
Cash and Cash Equivalents, End of Year	<u>\$ 102,819,008</u>	<u>\$ 1,052,061</u>	<u>\$ 103,871,069</u>	<u>\$ 681,958</u>

City of Enid, Oklahoma
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

(Continued)

	Business-Type Activities			Governmental Activities
	Enterprise Funds			Internal Service Fund
	Enid Municipal Authority	Nonmajor Enterprise Funds	Total	Health Care Fund
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Net operating income (loss)	\$ 17,840,344	\$ (5,197,623)	\$ 12,642,721	\$ 240,137
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	11,182,603	2,951,909	14,134,512	-
Landfill closure costs	285,999	-	285,999	-
(Increase) decrease in assets and deferred outflows				
Receivables	(455,975)	(20,734)	(476,709)	-
Inventories	12,578	(2,300)	10,278	-
Prepaid expenses	(35,977)	13,746	(22,231)	1,355
Pension-related deferred outflows	72,610	13,332	85,942	-
OPEB-related deferred outflows	(115,998)	-	(115,998)	-
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued liabilities	(85,880)	333,963	248,083	-
Claims payable	-	-	-	(101,976)
Unearned revenue	-	261,818	261,818	-
Customer deposits	(3,360)	-	(3,360)	-
Net pension liability	(210,391)	(22,332)	(232,723)	-
Other postemployment benefits liability	326,024	-	326,024	-
Pension-related deferred inflows	111,897	64,769	176,666	-
OPEB-related deferred inflows	134,646	-	134,646	-
Other liabilities	41,097	(15,014)	26,083	-
Net Cash Provided by (Used in) Operating Activities	\$ 29,100,217	\$ (1,618,466)	\$ 27,481,751	\$ 139,516
Supplementary Information on Noncash Capital and Financial Activities				
Contributions of capital assets	\$ 66,514,656	\$ 325	\$ 66,514,981	\$ -
Lease obligations incurred for the acquisition of lease assets	\$ -	\$ 267,171	\$ 267,171	\$ -
Gain on sale/disposal of assets	\$ 73,525	\$ 4,917	\$ 78,442	\$ -

City of Enid, Oklahoma
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2024

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 975,335	\$ 1,536
Receivables		
Accrued interest	39,688	-
Due from other funds	-	131
Negotiable certificates of deposit	-	8,824
Mutual funds – equities	39,976,284	-
Mutual funds – corporate bonds	9,091,685	-
Exchange traded funds	535,929	-
Participant loans	453,915	-
Total Assets	51,072,836	10,491
NET POSITION – RESTRICTED		
Employee pension benefits	51,072,836	-
Funds held for the benefit of others	-	10,491
Total Net Position – Restricted	\$ 51,072,836	\$ 10,491

City of Enid, Oklahoma
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended June 30, 2024

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Contributions		
Employer	\$ 1,486,746	\$ -
Plan members	816,008	-
	<u>2,302,754</u>	<u>-</u>
Total contributions		
Investment earnings		
Net increase in the fair value of investments	5,633,360	-
Interest and dividends	807,454	-
	<u>6,440,814</u>	<u>-</u>
Total investment earnings		
Collection for other organizations and individuals	-	90,442
	<u>8,743,568</u>	<u>90,442</u>
Total Additions		
Deductions		
Benefits and withdrawals	3,840,743	-
Administrative expenses	194,590	-
Distributions for other organizations and individuals	-	92,960
	<u>4,035,333</u>	<u>92,960</u>
Total Deductions		
Change in Net Position	4,708,235	(2,518)
Net Position, Beginning of Year	46,364,601	13,009
Net Position, End of Year	<u>\$ 51,072,836</u>	<u>\$ 10,491</u>

Note 1. Nature of Operations

Organization

The City of Enid, Oklahoma (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 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.

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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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.

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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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.

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.

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.

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, 2024, 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.

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.

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, 2024.
- **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 (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.

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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

- **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.

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, 2024 and 2023, the City's net assessed valuation of taxable real and personal property aggregated \$450,735,264 and \$445,469,239 while the property taxes levied per \$1,000 had a millage rate of 0.21 and 0.25, 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, 2024

The City adopted the following accounting pronouncement in the year ended June 30, 2024.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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 were applicable for the current year end. There was no impact to the financial statements as a result of the adoption.

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. There was no impact to the financial statements as a result of the adoption.

Fiscal Year Ended June 30, 2025 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 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).

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. GASB 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk

The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter (effective for the City's June 30, 2025 year-end).

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues to the following items:

- Management's discussion and analysis
- Unusual or infrequent items

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

- Presentation of the proprietary fund statement of revenues, expenses and changes in fund net position
- Major component unit information
- Budgetary comparison information

The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter (effective for the entity's June 30, 2026 year-end). Earlier application is encouraged.

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, 2024:

Governmental and Proprietary Funds

	Carrying Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1–5	6–10
Demand deposits	\$ 19,451,637	N/A	N/A	N/A	N/A
Petty cash and change funds	10,750	N/A	N/A	N/A	N/A
Investments					
Government money market mutual funds	86,240,710	Aaa-mf	\$ 86,240,710	\$ -	\$ -
Negotiable certificates of deposit	31,877,581	N/A	5,850,000	26,027,581	
Non-negotiable certificates of deposit	20,641,221	N/A	6,249,000	14,392,221	-
U.S. agency securities	50,562,388	Aaa	50,562,388	-	-
Total cash and cash equivalents and investments	<u>\$ 208,784,287</u>		<u>\$ 148,902,098</u>	<u>\$ 40,419,802</u>	<u>\$ -</u>
Reconciliation to statement of net position					
Cash and cash equivalents	\$ 15,105,686				
Investments	81,083,897				
Restricted cash and investments	<u>112,594,704</u>				
	<u>\$ 208,784,287</u>				

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Fiduciary Funds

	Carrying Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1–5	6–10
Investments					
Government money market mutual funds	\$ 975,335	Not Rated	\$ 975,335	\$ -	\$ -
Exchange traded funds	535,929	Not Rated	535,929	-	-
Mutual funds – equities	39,976,284	N/A	39,976,284	-	-
Mutual funds – corporate bonds	9,091,685	Bb–Alaa	-	9,091,685	-
Total cash and cash equivalents and investments	<u>\$ 50,579,233</u>		<u>\$ 41,487,548</u>	<u>\$ 9,091,685</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, 2024, 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.

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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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	\$ 31,877,581	\$ -	\$ 31,877,581	\$ -
Government money market mutual funds	86,240,710	86,240,710	-	-
U.S. agency securities	50,562,388	-	50,562,388	-
	<u>\$ 168,680,679</u>	<u>\$ 86,240,710</u>	<u>\$ 82,439,969</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)
Government money market mutual funds	\$ 975,335	\$ 975,335	\$ -	\$ -
Exchange traded funds	535,929	535,929	-	-
Mutual funds – equities	39,976,284	39,976,284	-	-
Mutual funds – corporate bonds	9,091,685	9,091,685	-	-
	<u>\$ 50,579,233</u>	<u>\$ 50,579,233</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.

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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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, 2024, 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 2009 Oklahoma Water Resources Board (OWRB) note, 2010 OWRB note, 2018B OWRB note, 2019 OWRB note, 2020 CWSRF note and the 2023 Sales Tax 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 \$44,121,306 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 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, 2024 are as follows:

	<u>Proprietary Funds</u>
EMA 2009 OWRB note	\$ 92,115
EMA 2010 OWRB note	391,877
EMA 2016 OWRB note	394,150
1% Restricted Sales Tax	24,247,068
Sanitary Sewer Improvement Fees	12,224,337
1% Restricted Tax for Kaw Lake Water Supply Project	19,210,773
EMA BOK 2018a OWRB FAP Debt SRVC	264,632
EMA BOK 2018b OWRB FAP Debt SRVC	1,125,312
EMA BOK 2019 OWRB Project Fund	44,121,306
EMA BOK 2019 OWRB FAP Debt SRVC	1,255,190
EMA BOK 2020 CWSRF Debt SRVC	248,001
ODEQ Landfill	7,143,221
EMA Series 2023 Sales Tax Revenue Note	<u>1,876,722</u>
 Total restricted cash and investments	 <u><u>\$ 112,594,704</u></u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Receivables

Receivables as of June 30, 2024 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Due from Other Governments</u>	<u>Accrued Interest</u>	<u>Leases</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Governmental Activities							
Governmental funds							
General	\$ 6,287,677	\$ 58,059	\$ -	\$ -	\$ 187,925	\$ (7,844)	\$ 6,525,817
Police	169,568	-	17,173	-	-	-	186,741
Fire	169,568	-	-	-	-	-	169,568
Nonmajor governmental funds	212,666	-	202,328	9,448	-	-	424,442
Total Governmental Activities	<u>6,839,479</u>	<u>58,059</u>	<u>219,501</u>	<u>9,448</u>	<u>187,925</u>	<u>(7,844)</u>	<u>7,306,568</u>
Business-Type Activities							
Enterprise funds							
Enid Municipal Authority	-	6,100,645	-	410,335	71,572	(452,310)	6,130,242
Nonmajor enterprise funds	123,383	378,892	3,189,788	2,311	1,769	(30,672)	3,665,471
Total Business-Type Activities	<u>123,383</u>	<u>6,479,537</u>	<u>3,189,788</u>	<u>412,646</u>	<u>73,341</u>	<u>(482,982)</u>	<u>9,795,713</u>
Receivables, Net	<u>\$ 6,962,862</u>	<u>\$ 6,537,596</u>	<u>\$ 3,409,289</u>	<u>\$ 422,094</u>	<u>\$ 261,266</u>	<u>\$ (490,826)</u>	<u>\$ 17,102,281</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Capital Assets

Capital asset balances and activities for the year ended June 30, 2024 were as follows:

Governmental Activities

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated					
Land	\$ 8,774,096	\$ 3,893,290	\$ -	\$ -	\$ 12,667,386
Construction in progress	15,840,197	5,476,880	(10,992,017)	-	10,325,060
Total capital assets not being depreciated	24,614,293	9,370,170	(10,992,017)	-	22,992,446
Capital assets being depreciated					
Buildings	22,394,397	52,959	561,754	(481,605)	22,527,505
Infrastructure	117,578,824	-	10,320,363	-	127,899,187
Equipment	16,840,758	1,435,348	109,900	(133,878)	18,252,128
Vehicles	15,116,046	280,829	(18,795)	(427,873)	14,950,207
Total capital assets being depreciated	171,930,025	1,769,136	10,973,222	(1,043,356)	183,629,027
Less accumulated depreciation					
Buildings	(11,408,579)	(1,062,340)	-	481,605	(11,989,314)
Infrastructure	(65,005,933)	(3,871,954)	-	-	(68,877,887)
Equipment	(13,065,019)	(1,673,092)	-	133,878	(14,604,233)
Vehicles	(12,526,785)	(1,004,811)	17,295	422,873	(13,091,428)
Total accumulated depreciation	(102,006,316)	(7,612,197)	17,295	1,038,356	(108,562,862)
Total capital assets being depreciated, net	69,923,709	(5,843,061)	10,990,517	(5,000)	75,066,165
Capital assets, net	\$ 94,538,002	\$ 3,527,109	\$ (1,500)	\$ (5,000)	\$ 98,058,611

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 8,062,951	\$ -	\$ -	\$ -	\$ 8,062,951
Construction in progress	207,227,546	75,175,858	(8,219,739)	-	274,183,665
Total capital assets not being depreciated	<u>215,290,497</u>	<u>75,175,858</u>	<u>(8,219,739)</u>	<u>-</u>	<u>282,246,616</u>
Capital assets being depreciated					
Buildings	81,180,568	-	-	-	81,180,568
Infrastructure	219,105,880	-	8,219,739	-	227,325,619
Equipment	29,395,375	838,394	-	-	30,233,769
Vehicles	11,650,929	809,676	18,795	(460,173)	12,019,227
Total capital assets being depreciated	<u>341,332,752</u>	<u>1,648,070</u>	<u>8,238,534</u>	<u>(460,173)</u>	<u>350,759,183</u>
Less accumulated depreciation					
Buildings	(39,829,912)	(3,950,404)	-	-	(43,780,316)
Infrastructure	(94,466,401)	(6,907,426)	-	-	(101,373,827)
Equipment	(20,016,241)	(1,748,576)	-	-	(21,764,817)
Vehicles	(7,069,715)	(1,443,864)	(17,295)	460,173	(8,070,701)
Total accumulated depreciation	<u>(161,382,269)</u>	<u>(14,050,270)</u>	<u>(17,295)</u>	<u>460,173</u>	<u>(174,989,661)</u>
Total capital assets being depreciated, net	<u>179,950,483</u>	<u>(12,402,200)</u>	<u>8,221,239</u>	<u>-</u>	<u>175,769,522</u>
Capital assets, net	<u>\$ 395,240,980</u>	<u>\$ 62,773,658</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 458,016,138</u>

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

Governmental Activities

General government	\$ 2,438,503
Public safety	1,239,116
Public works	3,702,833
Culture and recreation	24,987
Economic development	206,758
Total governmental activities	<u>\$ 7,612,197</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Business-Type Activities

Utility operations	\$ 11,182,603
Airport	954,339
Golf	76,222
Transit	122,360
Event center	<u>1,714,746</u>
 Total business-type activities	 <u><u>\$ 14,050,270</u></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, 2024, the liability to utility customers was \$1,352,016. Customer deposits also included \$26,397 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, 2024 were as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 2,543,213	\$ 375,542	\$ -	\$ 2,918,755	\$ 1,344,962
Workers' compensation claims	842,229	228,442	-	1,070,671	342,615
Leases payable	-	337,501	(71,427)	266,074	63,684
Subscription payable	104,920	376,239	(159,347)	321,812	157,014
Direct financing obligations	<u>126,844</u>	<u>-</u>	<u>(62,181)</u>	<u>64,663</u>	<u>64,663</u>
 Total governmental activities	 <u><u>\$ 3,617,206</u></u>	 <u><u>\$ 1,317,724</u></u>	 <u><u>\$ (292,955)</u></u>	 4,641,975	 1,972,938
 Reconciliation to the statement of net position					
Add net pension liability				22,320,462	-
Add OPEB liability				<u>2,120,673</u>	-
				<u><u>\$ 29,083,110</u></u>	<u><u>\$ 1,972,938</u></u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Compensated absences	\$ 329,960	\$ 42,786	\$ -	\$ 372,746	\$ 193,958
Workers' compensation claims	322,245	25,101	(3,539)	343,807	48,133
Landfill closure and post-closure and other long-term liabilities	5,906,209	285,998	-	6,192,207	-
Revenue notes payable	290,111,303	48,782,371	(12,862,576)	326,031,098	5,753,503
Unamortized premium on notes payable	4,152,820	-	(160,752)	3,992,068	160,752
Leases payable	56,436	267,171	(76,309)	247,298	65,969
Direct financing obligations	1,757,091	-	(543,799)	1,213,292	797,092
Total business-type activities	<u>\$ 302,636,064</u>	<u>\$ 49,403,427</u>	<u>\$ (13,646,975)</u>	338,392,516	7,019,407
Reconciliation to the statement of net position					
Add net pension liability				1,656,399	-
Add OPEB liability				471,261	-
				<u>\$ 340,520,176</u>	<u>\$ 7,019,407</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>\$ 64,663</u>
-----------------------------	------------------

(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
June 30, 2024

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)	\$ 2,034,384
Series 2010 – Clean water SRF promissory note (B)	9,303,868
Series 2016 – Promissory note (C)	11,900,000
Series 2018A – Drinking water SRF promissory note (D)	38,975,000
Series 2018B – Promissory note (E)	17,791,921
Series 2019A – Promissory note (F)	44,050,000
Series 2019B – Clean water SRF promissory note (G)	6,906,049
Series 2020 – Drinking water SRF promissory note (H)	188,456,666
Series 2022 – Drinking water SRF promissory note (I)	2,042,210
Series 2023 – Promissory note (J)	<u>4,571,000</u>
	326,031,098
Plus premium on Series 2016, 2018B, and 2019A promissory notes	<u>3,992,068</u>
Total notes payable	<u>330,023,166</u>
Direct financing obligations	
Caterpillar Financial (K)	306,276
Security National Bank (L)	396,385
Security National Bank (M)	<u>510,631</u>
Total direct financing obligations	<u>1,213,292</u>
	<u><u>\$ 331,236,458</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.
- (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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

- (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) Series 2023 – Enid Municipal Authority Taxable promissory note to Stride Bank, dated August 10, 2023, payable in semiannual installments, including interest at 4.5%, maturity date of August 1, 2028, to provide funds for acquiring property for economic development purposes.
- (K) 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.
- (L) 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.
- (M) 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 \$326,031,098 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 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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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
2025	\$ 64,662	\$ 2,580
Total	\$ 64,662	\$ 2,580

Business-Type Activities

Year Ending June 30,	Revenue Notes		Direct Financing Obligations		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 901,000	\$ 195,728	\$ 797,092	\$ 25,058	\$ 4,852,503	\$ 4,840,195
2026	963,000	154,508	239,723	8,590	5,023,824	4,666,564
2027	1,029,000	110,430	176,477	4,336	5,201,948	4,480,840
2028	1,100,000	63,338	-	-	5,389,899	4,295,327
2029	578,000	13,005	-	-	5,578,752	4,104,421
2030-2035	-	-	-	-	29,055,090	20,956,890
2036-2041	-	-	-	-	27,780,213	14,997,277
2042-2047	-	-	-	-	35,103,719	7,524,117
2048-2053	-	-	-	-	12,975,274	573,163
Draws for which a maturity has not yet been determined	-	-	-	-	190,498,876	-
Total	\$ 4,571,000	\$ 537,009	\$ 1,213,292	\$ 37,984	\$ 321,460,098	\$ 66,438,794

Pledged Revenues

Business-Type Activities

	Remaining Principal and Interest	Current Year Debt Service	Pledged Revenues	Debt Payment as % of Pledged Revenues
Series 2009 (A)	\$ 2,161,544	\$ 329,964	\$ 52,268,579	0.63%
Series 2010 (B)	\$ 10,171,211	\$ 1,283,252	\$ 52,268,579	2.46%
Series 2016 (C)	\$ 18,845,073	\$ 826,741	\$ 10,563,139	7.83%
Series 2018A (D)	\$ 25,850,010	\$ 994,231	\$ 62,944,737	1.58%
Series 2018B (E)	\$ 61,930,517	\$ 2,484,732	\$ 62,944,737	3.95%
Series 2019A (F)	\$ 70,970,995	\$ 2,855,066	\$ 62,944,737	4.54%
Series 2019B (G)	\$ 7,370,566	\$ 921,321	\$ 62,944,737	1.46%
Series 2020 (H)	\$ 258,755,211	\$ 8,908,853	\$ 62,944,737	14.15%
Series 2022 (I)	\$ 1,009,270	\$ 1,007,811	\$ 62,944,737	1.60%
Series 2023 (J)	\$ 5,108,008	\$ 535,875	\$ 21,126,278	2.54%

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

- (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 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.
- (I) Series 2022 – The City has pledged the proceeds from a 2% sales tax, along with utility revenues, to repay the Series 2022 drinking water SRF Promissory Note to the OWRB. The bond is payable through 2025 and was used to finance three water line replacements.
- (J) Series 2023 – The City has pledged the proceeds from a 2% sales tax, to repay the Series 2023 Enid Municipal Authority Sales Tax Revenue Note, Taxable Series 2023. The note is payable through 2028 and was used to finance property acquired for economic development purposes.

Judgments

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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024 is as follows:

	<u>Receivables</u>	<u>Payables</u>
Major governmental funds – General	\$ -	2,696,798
Major enterprise funds – EMA	2,615,577	-
Internal service fund	81,221	-
	<u>\$ 2,696,798</u>	<u>\$ 2,696,798</u>

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:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds – General	\$ 12,949,000	\$ 40,293,483
Major governmental funds – Police	9,017,605	388,000
Major governmental funds – Fire	8,931,500	230,000
Major governmental funds – Water Capital Improvement	111,800,308	54,053,185
Nonmajor governmental funds	13,831,860	239,339
Major enterprise funds – EMA	75,179,463	138,565,729
Nonmajor enterprise funds	2,060,000	-
	<u>\$ 233,769,736</u>	<u>\$ 233,769,736</u>

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 \$70,108,896 during the year ended June 30, 2024.

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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

The \$6,192,207 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2024 represents the cumulative amount of such cost reported to date based on the use of approximately 87% of the estimated capacity of the landfill. EMA will recognize the remaining estimated costs of closure and post-closure care in the amount of \$925,273 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 2024.

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, 2024 are as follows:

Estimated closure costs	\$ 5,434,552
Estimated post-closure costs	<u>1,682,928</u>
Total estimated costs	<u>\$ 7,117,480</u>
Accrued closure costs	<u>\$ 6,192,207</u>
Current costs charged to expense	<u>\$ 285,998</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.

Letter of Credit

The City has access to a \$40,000 letter of credit (LOC) expiring in August 2025. At June 30, 2024, there were no draws outstanding against this LOC. The LOC is collateralized by all goods and documents acquired in connection with the LOC. Interest is payable at 5.75% at June 30, 2024, and principal and interest are payable upon maturity.

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 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, 2024, the City abated \$124,047 of sales tax under the urban renewal and economic development projects.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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

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	\$ (401,979)	\$ -	\$ (401,979)
OFPRS	18,633,294	-	18,633,294
ERP	3,687,168	1,656,399	5,343,567
	<u>\$ 21,918,483</u>	<u>\$ 1,656,399</u>	<u>\$ 23,574,882</u>
Total net pension liability (asset)			
Deferred outflows of resources			
OPPRS	\$ 3,834,597	\$ -	\$ 3,834,597
OFPRS	7,074,548	-	7,074,548
ERP	296,431	133,166	429,597
	<u>\$ 11,205,576</u>	<u>\$ 133,166</u>	<u>\$ 11,338,742</u>
Total deferred outflows of resources			
Deferred inflows of resources			
OPPRS	\$ 913,954	\$ -	\$ 913,954
OFPRS	244,600	-	244,600
ERP	782,523	351,535	1,134,058
	<u>\$ 1,941,077</u>	<u>\$ 351,535</u>	<u>\$ 2,292,612</u>
Total deferred inflows of resources			
Pension expense			
OPPRS	\$ 1,074,650	\$ -	\$ 1,074,650
OFPRS	3,180,452	-	3,180,452
ERP	1,941,297	872,095	2,813,392
	<u>\$ 6,196,399</u>	<u>\$ 872,095</u>	<u>\$ 7,068,494</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
Notes to Financial Statements
June 30, 2024

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, 2024, the City reported an asset of \$401,979 for its proportionate share of the net pension asset. The net pension asset was measured as of July 1, 2023, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2023. The City's proportionate share was 1.316238% at June 30, 2023, which was a decrease of 0.061% of the City's proportion at June 30, 2022.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

For the year ended June 30, 2024, the City recognized \$1,074,650 in pension expense. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (750,331)
Differences between expected and actual experience	1,100,418	(61,995)
Net difference between projected and actual earnings on pension plan investments	1,991,657	-
Changes in proportion and differences between city contributions and proportionate share of contributions	<u>36,791</u>	<u>(101,628)</u>
Total deferred amounts to be recognized in pension expense in future years	3,128,866	(913,954)
City contributions subsequent to the measurement date	<u>705,731</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 3,834,597</u></u>	<u><u>\$ (913,954)</u></u>

Amortization of Pension Deferrals

Deferred outflows of resources related to pensions totaling \$705,731 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, 2025. 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:

2025	\$ 367,130
2026	(8,055)
2027	1,535,866
2028	336,361
2029	<u>(16,389)</u>
	<u><u>\$ 2,214,913</u></u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023 using the following actuarial assumptions, applied to all 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): PubS-2010 Employee (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021
	Beneficiaries (post-retirement) and nondisabled pensioners: Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward two years and generationally using SOA Scale MP-2021
	Disabled pensioners: PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2022. As a result of the experience study, the following changes in assumptions were made for the July 1, 2023 actuarial valuation:

- Mortality rates – Moved to the Pub-2010 Safety below-median mortality tables, with rates set forward two years and future mortality improvements projected generationally using SOA Scale MP-2021
- Retirement Rates – Move to an age-based retirement assumption for members with 100% retirement at age 67 or 35 years of service
- Disability rates – Increase rates across the board by 10%

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

	Long-Term Expected Real Rate of Return
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private equity	11.64%

The current allocation policy is that approximately 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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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.

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)	\$ 3,795,347	\$ (401,979)	\$ (3,955,796)

Payables to the Pension Plan

The City reported no payables to the OPPRS at June 30, 2024.

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, 2024, the State of Oklahoma contributed approximately \$740,000 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, 2024, the OPPRS held no related-party investments of the City or of its related entities.

Oklahoma Firefighters’ Pension and Retirement System

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

At June 30, 2024, the City reported a net pension liability of \$18,633,294 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City’s proportion of the net pension liability was based on the City’s contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2023. The City’s proportionate share was 1.444161% at June 30, 2023, which was a decrease of 0.3508% of the City’s proportion at June 30, 2022.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

For the year ended June 30, 2024, the City recognized \$3,180,452 in pension expense. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (120,412)
Differences between expected and actual experience	2,216,016	(23,656)
Net difference between projected and actual earnings on pension plan investments	1,229,226	-
Changes in proportion and differences between city contributions and proportionate share of contributions	<u>2,746,383</u>	<u>(100,532)</u>
Total deferred amounts to be recognized in pension expense in future years	6,191,625	(244,600)
City contributions subsequent to the measurement date	<u>882,923</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 7,074,548</u></u>	<u><u>\$ (244,600)</u></u>

Amortization of Pension Deferrals

Deferred outflows of resources related to pensions totaling \$882,923 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, 2025. 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.

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

2025	\$ 1,725,782
2026	1,059,367
2027	2,847,719
2028	<u>314,157</u>
	<u><u>\$ 5,947,025</u></u>

Actuarial Assumptions

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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Inflation	2.75%, compounded annually
Projected salary increase	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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-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.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20.00%	5.80%
Domestic equity	42.00%	9.49%
International equity	20.00%	11.55%
Real estate	10.00%	8.48%
Other assets	8.00%	6.47%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from 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 37.8% 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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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	\$ 24,279,987	\$ 18,633,294	\$ 13,911,165

Payables to the Pension Plan

The City reported no payables to the OFPRS at June 30, 2024.

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.

On-Behalf Payments for Retirement

For the year ended June 30, 2024, the State of Oklahoma contributed approximately \$1,650,000 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, 2024, 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 (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.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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, 2024, there were 546 plan participants. Of these participants, 231 were active, 92 have been terminated but are vested, and 223 are receiving benefits. Administrative costs are financed through investment earnings.

Contributions

Benefits are entirely funded by employer contributions as determined by an actuarially determined rate. The current rate is 8.3% 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, 2024, 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	\$ 650,776
Exchange traded funds	535,929
Mutual funds – equities	23,794,544
Mutual funds – corporate bonds	<u>6,754,437</u>
Total investments	<u>\$ 31,735,686</u>

The money-weighted rate of return for the year ended June 30, 2024 was 12.9%.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Total pension liability	\$ 37,118,942
Plan fiduciary net pension	<u>31,775,375</u>
Net pension liability	<u>\$ 5,343,567</u>
Plan fiduciary net position as a percentage of the total pension liability	85.60%

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Valuation date	July 1, 2024
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 8.3%. 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, 2024

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, 2023	\$ 35,800,659	\$ 29,195,567	\$ 6,605,092
Service cost	627,899	-	627,899
Interest	2,478,227	-	2,478,227
Differences between expected and actual experience	298,057	-	298,057
Contributions – employer	-	976,651	(976,651)
Net investment income	-	3,839,935	(3,839,935)
Benefit payments, including refunds of contributions	(2,085,900)	(2,085,900)	-
Administrative expenses	-	(150,878)	150,878
Net changes	<u>1,318,283</u>	<u>2,579,808</u>	<u>(1,261,525)</u>
Balance, June 30, 2024	<u>\$ 37,118,942</u>	<u>\$ 31,775,375</u>	<u>\$ 5,343,567</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	\$ 9,666,271	\$ 5,343,567	\$ 1,719,598

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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

For the year ended June 30, 2024, the City recognized pension expense of \$2,813,392 related to the Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 429,598	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,134,059
Total deferred amounts to be recognized in pension expense in future years	429,598	1,134,059
City contributions subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u>\$ 429,598</u>	<u>\$ 1,134,059</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:

2025	\$ (580,141)
2026	765,546
2027	(521,946)
2028	<u>(367,920)</u>
	<u>\$ (704,461)</u>

Payables to the Pension Plan

The City reported no payables to the Plan at June 30, 2024.

City of Enid, Oklahoma 401(k) Supplement Plan

The City also maintains the City of Enid, Oklahoma 401(k) Supplement Plan (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%.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Contributions to the Supplement, plus earnings, constitute retirement benefits from this plan. Contributions to the Supplement over the last six years were:

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2019	\$ 375,689	100%
2020	\$ 390,866	100%
2021	\$ 445,397	100%
2022	\$ 490,383	100%
2023	\$ 496,214	100%
2024	\$ 510,095	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

	<u>Plan</u>	<u>Supplement</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 650,776	\$ 324,559	\$ 975,335
Investments	31,084,910	18,518,988	49,603,898
Accrued interest	39,688	-	39,688
Participant loans	-	453,915	453,915
	<u>31,775,374</u>	<u>19,297,462</u>	<u>51,072,836</u>
Total assets	<u>31,775,374</u>	<u>19,297,462</u>	<u>51,072,836</u>
Net position restricted for pensions	<u>\$ 31,775,374</u>	<u>\$ 19,297,462</u>	<u>\$ 51,072,836</u>

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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

	<u>Plan</u>	<u>Supplement</u>	<u>Total</u>
Additions			
Contributions			
Employer	\$ 976,651	\$ 510,095	\$ 1,486,746
Plan members	-	816,008	816,008
Total contributions	<u>976,651</u>	<u>1,326,103</u>	<u>2,302,754</u>
Investment earnings			
Net decrease in fair value of investments	3,032,481	2,600,879	5,633,360
Interest and dividends	<u>807,454</u>	<u>-</u>	<u>807,454</u>
Total investment earnings	<u>3,839,935</u>	<u>2,600,879</u>	<u>6,440,814</u>
Total additions	<u>4,816,586</u>	<u>3,926,982</u>	<u>8,743,568</u>
Deductions			
Benefits and withdrawals	2,085,900	1,754,843	3,840,743
Administrative expenses	<u>150,878</u>	<u>43,712</u>	<u>194,590</u>
Total deductions	<u>2,236,778</u>	<u>1,798,555</u>	<u>4,035,333</u>
Change in net position	2,579,808	2,128,427	4,708,235
Net position restricted for pensions, beginning of year	<u>29,195,566</u>	<u>17,169,035</u>	<u>46,364,601</u>
Net position restricted for pensions, end of year	<u>\$ 31,775,374</u>	<u>\$ 19,297,462</u>	<u>\$ 51,072,836</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.
- **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

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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

	<u>Medical Claims</u>	<u>Workers' Compensation Claims</u>
Balance, July 1, 2022	\$ 376,012	\$ 1,305,455
Current year claims and changes in estimates	5,128,666	367,849
Claim payments	<u>(4,909,167)</u>	<u>(508,469)</u>
Balance, June 30, 2023	595,511	1,164,835
Current year claims and changes in estimates	4,834,167	911,861
Claim payments	<u>(4,873,462)</u>	<u>(662,218)</u>
Balance, June 30, 2024	<u>\$ 556,216</u>	<u>\$ 1,414,478</u>

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 (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.

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, 2024, retirees and dependents paid the full cost of the coverage.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>377</u>
	<u><u>388</u></u>

Total OPEB Liability

The City’s total OPEB liability of \$2,591,934 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2024 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	3.93% based on the 20-year bond yield (Bond Buyers’ Index)
Healthcare cost trend rates	8.84% decreasing to 4.45%
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, 2024.

For the plan year ended June 30, 2024, the healthcare cost trend rates were changed from a range of 7.35% decreasing to 4.5% over a 10-year period to a range of 8.84% decreasing to 4.45% over a 10-year period.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, July 1, 2023	\$ 2,178,556
Service cost	124,677
Interest	83,507
Changes in assumptions or other inputs	655,497
Difference between expected and actual experience	(419,301)
Contributions and payments made	(31,002)
Net changes	413,378
Balance, June 30, 2024	\$ 2,591,934

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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 2,843,398	\$ 2,591,934	\$ 2,361,473

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	\$ 2,263,327	\$ 2,591,934	\$ 2,986,779

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$170,083. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,128	\$ (825,394)
Changes of assumptions or other inputs	<u>665,773</u>	<u>(99,310)</u>
	<u>\$ 682,901</u>	<u>\$ (924,704)</u>

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:

2025	\$ (38,101)
2026	(34,650)
2027	(38,108)
2028	(59,751)
2029	(63,096)
Thereafter	<u>(8,097)</u>
	<u>\$ (241,803)</u>

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.

Construction Commitments

The City has active construction projects as of June 30, 2024. 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, 2024 totaled approximately \$62,324,000.

City of Enid, Oklahoma
Notes to Financial Statements
June 30, 2024

Deficit Fund Balance

At June 30, 2024, the City's Water Capital Improvements Fund, a capital projects funds, reported a deficit unassigned fund balance of \$14,157,554. Maintaining a deficit fund balance is a violation of Oklahoma Statutes. Subsequent to June 30, 2024, the City cured the deficits with transfers in from other funds.

Required Supplementary Information

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 627,899	\$ 573,004	\$ 504,254	\$ 459,574	\$ 504,795	\$ 516,572	\$ 542,182	\$ 656,371	\$ 670,226	\$ 591,646
Interest cost	2,478,227	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
Differences between expected and actual experience	298,057	481,106	(254,792)	(233,941)	1,016,730	471,018	(353,084)	(758,410)	916,889	184,832
Changes in assumptions	-	-	(2,005,010)	660,364	(405,016)	(145,714)	420,110	(3,052,454)	(1,783,421)	2,216,163
Benefit payments, including refunds of employee contributions	(2,085,900)	(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)
Net Change in Total Pension Liability	1,318,283	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
Total Pension Liability, Beginning of Year	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
Total Pension Liability, End of Year	\$ 37,118,942	\$ 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
Plan Fiduciary Net Position										
Employer contributions	\$ 976,651	\$ 927,300	\$ 838,286	\$ 802,663	\$ 820,252	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869
Net investment income (loss)	3,839,935	2,896,949	(3,793,636)	8,623,407	(886,716)	437,783	2,182,509	3,340,476	(348,571)	334,990
Benefit payments, including refunds of employee contributions	(2,085,900)	(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)
Administrative expense	(150,878)	(157,308)	(204,941)	(83,823)	(125,491)	(150,647)	(124,372)	(140,457)	(122,015)	(152,240)
Net Change in Plan Fiduciary Net Position	2,579,808	1,745,481	(4,894,084)	7,633,869	(1,786,451)	(296,426)	1,697,005	2,857,931	(884,448)	(101,245)
Plan Fiduciary Net Position, Beginning of Year	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
Plan Fiduciary Net Position, End of Year	\$ 31,775,375	\$ 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
Total pension liability	\$ 37,118,942	\$ 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
Plan fiduciary net position	31,775,375	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
Net Pension Liability	\$ 5,343,567	\$ 6,605,092	\$ 6,843,383	\$ 3,153,947	\$ 9,337,655	\$ 5,863,723	\$ 4,010,828	\$ 4,260,264	\$ 9,429,989	\$ 7,990,655
Plan fiduciary net position as percentage of total pension liability	85.60%	81.55%	80.04%	91.12%	72.57%	81.88%	86.98%	85.49%	70.22%	74.32%
Covered payroll	\$ 11,827,648	\$ 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
Net pension liability as a percentage of covered payroll	45.18%	58.85%	67.73%	32.20%	99.48%	62.57%	41.70%	41.39%	90.35%	87.47%
Annual money-weighted rate of return, net of investment expense	12.90%	10.20%	-12.60%	35.30%	-3.90%	1.10%	8.30%	14.50%	-2.00%	0.80%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,319,413	\$ 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
Actual contributions	\$ 976,651	\$ 927,300	\$ 838,286	\$ 802,663	\$ 820,252	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869
Contribution (deficiency) excess	\$ (342,762)	\$ (341,621)	\$ (184,483)	\$ (1,158,283)	\$ (609,871)	\$ (362,625)	\$ (334,550)	\$ (620,493)	\$ (632,200)	\$ (323,635)
Annual covered payroll	\$ 11,827,648	\$ 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
Actual contributions as a percentage of covered payroll	8.26%	8.26%	8.30%	8.20%	8.74%	8.23%	8.86%	7.71%	5.89%	6.62%

Notes to Schedule

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	July 1, 2023	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)	1.3162%	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)	\$ (401,979)	\$ (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	\$ 4,952,055	\$ 4,750,356	\$ 4,853,138	\$ 5,217,138	\$ 5,169,838	\$ 5,104,415	\$ 4,922,146	\$ 4,686,108	\$ 4,759,546	\$ 4,759,546
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-8.12%	-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	101.02%	102.74%	117.07%	95.80%	100.24%	101.89%	99.70%	93.50%	99.82%	101.53%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 705,731	\$ 643,767	\$ 617,549	\$ 630,772	\$ 678,228	\$ 672,079	\$ 663,574	\$ 639,879	\$ 609,194	\$ 618,741
Actual contributions	705,731	643,767	617,549	630,772	678,228	672,079	663,574	639,879	609,194	618,741
Contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,428,684	\$ 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%	13.00%

Notes to Schedule

Changes of Benefit Terms

There were no significant changes of benefit terms.

Changes of Assumptions

For the plan year ended June 30, 2023 (City fiscal year ended June 30, 2024), the following assumptions were changed as a result of an experience study for the five-year period ended June 30, 2022:

- Mortality rates – Moved to the Pub-2010 Safety below-median mortality tables, with rates set forward two years and future mortality improvements projected generationally using SOA Scale MP-2021
- Retirement Rates – Move to an age-based retirement assumption for members with 100% retirement at age 67 or 35 years of service
- Disability rates – Increase rates across the board by 10%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	July 1, 2023	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)	1.4442%	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)	\$ 18,633,294	\$ 18,633,294	\$ 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	\$ 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	\$ 5,335,993
City's proportionate share of the net pension liability (asset) as a percentage of covered payroll	305.68%	313.19%	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	70.85%	69.49%	84.24%	69.98%	72.85%	70.73%	65.42%	64.87%	68.27%	68.12%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 882,923	\$ 853,402	\$ 832,932	\$ 811,257	\$ 793,439	\$ 764,436	\$ 742,144	\$ 725,088	\$ 731,156	\$ 747,039
Actual contributions	882,923	853,402	832,932	811,257	793,439	764,436	742,144	725,088	731,156	747,039
Contribution deficiency (excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,236,596	\$ 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	14.16%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	\$ 124,677	\$ 121,163	\$ 123,151	\$ 116,089	\$ 88,737	\$ 91,843
Interest	83,507	79,200	54,714	55,444	78,402	85,605
Differences between expected and actual experience	(419,301)	(138,414)	(114,917)	(157,298)	27,841	22,741
Changes of assumptions or other inputs	655,497	(18,944)	(371,745)	4,478	153,800	44,776
Benefit payments, net of contributions	(31,002)	38,522	(8,167)	2,619	(213,027)	(214,405)
Net Change in Total Pension Liability	413,378	81,527	(316,964)	21,332	135,753	30,560
Total Pension Liability, Beginning 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>
Total Pension Liability, End of Year	<u>\$ 2,591,934</u>	<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>
Covered payroll	\$ 28,084,471	\$ 26,142,060	\$ 24,555,824	\$ 24,033,351	\$ 23,578,094	\$ 22,961,434
Total OPEB liability as a percentage of covered payroll	9.23%	8.33%	8.54%	10.04%	10.15%	9.83%

Notes 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

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:

2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.58%

For the plan year ended June 30, 2024, the healthcare cost trend rates were changed from a range of 7.35% decreasing to 4.5% over a 10-year period to a range of 8.84% decreasing to 4.45% over a 10-year period.

City of Enid, Oklahoma
Budgetary Comparison Schedule – General Fund and Major Special Revenue Funds (Budgetary Basis)
Year Ended June 30, 2024

	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	\$ 26,758,204	\$ 23,587,573	\$ 23,587,573	\$ -	\$ 5,810,220	\$ 5,320,596	\$ 5,320,596	\$ -	\$ 2,507,804	\$ 1,418,985	\$ 1,418,985	\$ -
Resources												
Taxes	43,195,885	43,195,885	45,622,873	2,426,988	1,247,620	1,247,620	1,314,818	67,198	1,247,620	1,247,620	1,314,818	67,198
Licenses and permits	242,400	242,400	238,647	(3,753)	-	-	-	-	-	-	-	-
Intergovernmental	95,800	95,800	113,518	17,718	100,000	100,000	91,475	(8,525)	-	-	-	-
Fines and forfeitures	617,000	617,000	586,224	(30,776)	-	-	-	-	-	-	-	-
Charges for services	98,000	98,000	85,161	(12,839)	58,500	58,500	16,668	(41,832)	-	-	-	-
Miscellaneous	210,000	210,000	994,274	784,274	20,000	20,000	64,983	44,983	6,000	6,000	15,847	9,847
Interest	370,000	370,000	485,602	115,602	46,300	46,300	132,488	86,188	17,750	17,750	35,111	17,361
Operating transfers	14,349,000	14,349,000	12,949,000	(1,400,000)	10,417,605	10,417,605	9,017,605	(1,400,000)	8,931,500	8,931,500	8,931,500	-
Total Resources	59,178,085	59,178,085	61,075,299	1,897,214	11,890,025	11,890,025	10,638,037	(1,251,988)	10,202,870	10,202,870	10,297,276	94,406
Amounts Available for Appropriation	85,936,289	82,765,658	84,662,872	1,897,214	17,700,245	17,210,621	15,958,633	(1,251,988)	12,710,674	11,621,855	11,716,261	94,406
Charges to Appropriations												
Administration	727,695	739,289	689,645	(49,644)	-	-	-	-	-	-	-	-
Police	-	-	-	-	11,637,740	11,710,266	10,202,758	(1,507,508)	-	-	-	-
Fire	-	-	-	-	-	-	-	-	9,598,585	9,632,415	9,717,330	84,915
Human resources	565,660	565,660	491,497	(74,163)	-	-	-	-	-	-	-	-
Legal	1,480,330	1,480,330	1,299,789	(180,541)	-	-	-	-	-	-	-	-
Safety	207,760	207,760	132,175	(75,585)	-	-	-	-	-	-	-	-
PR/Marketing	473,665	486,792	435,708	(51,084)	-	-	-	-	-	-	-	-
General government	1,036,830	1,442,018	821,213	(620,805)	-	-	-	-	-	-	-	-
Accounting	1,024,045	1,164,571	1,001,559	(163,012)	-	-	-	-	-	-	-	-
Records and receipts	347,240	354,893	321,190	(33,703)	-	-	-	-	-	-	-	-
Information technology	1,023,090	1,023,870	832,112	(191,758)	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-
Code enforcement	1,087,955	1,199,605	1,016,129	(183,476)	-	-	-	-	-	-	-	-
Engineering	1,766,335	1,781,665	1,594,064	(187,601)	-	-	-	-	-	-	-	-
Public works management	1,058,430	1,072,646	1,060,702	(11,944)	-	-	-	-	-	-	-	-
Fleet management	825,420	835,539	817,883	(17,656)	-	-	-	-	-	-	-	-
Parks and recreation	1,821,640	1,840,914	1,801,781	(39,133)	-	-	-	-	-	-	-	-
Stormwater and roadway maintenance	3,253,595	3,271,645	2,929,551	(342,094)	-	-	-	-	-	-	-	-
Technical services	1,602,385	1,633,655	1,549,438	(84,217)	-	-	-	-	-	-	-	-
Library	1,135,005	1,138,809	973,380	(165,429)	-	-	-	-	-	-	-	-
Capital outlay	583,500	2,357,550	1,674,512	(683,038)	1,571,000	1,988,098	555,414	(1,432,684)	259,000	1,313,989	102,482	(1,211,507)
Operating transfers	40,169,145	40,403,145	40,204,300	(198,845)	388,000	388,000	388,000	-	230,000	230,000	230,000	-
Total Charges to Appropriations	60,189,725	63,000,356	59,646,628	(3,353,728)	13,596,740	14,086,364	11,146,172	(2,940,192)	10,087,585	11,176,404	10,049,812	(1,126,592)
Fund Balances, End of Year	\$ 25,746,564	\$ 19,765,302	\$ 25,016,244	\$ 5,250,942	\$ 4,103,505	\$ 3,124,257	\$ 4,812,461	\$ 1,688,204	\$ 2,623,089	\$ 445,451	\$ 1,666,449	\$ 1,220,998

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, 2024

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>
Revenues			
Actual amounts (budgetary basis) resources from the budgetary comparison schedule	\$ 61,075,299	\$ 10,638,037	\$ 10,297,276
Adjustments			
Budgetary fund revenues are reported on the cash basis rather than the modified accrual basis	347,303	672,259	1,676,062
Operating transfers in are reported as other financing sources and uses for GAAP purposes	<u>(12,949,000)</u>	<u>(9,017,605)</u>	<u>(8,931,500)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 48,473,602</u>	<u>\$ 2,292,691</u>	<u>\$ 3,041,838</u>
Expenditures			
Actual amounts (budgetary basis) charges to appropriations from the budgetary comparison schedule	\$ 59,646,628	\$ 11,146,172	\$ 10,049,812
Adjustments			
Budgetary fund expenditures are reported on the cash basis rather than the modified accrual basis	(69,928)	643,728	1,511,906
Operating transfers out are reported as other financing sources and uses for GAAP purposes	<u>(40,204,300)</u>	<u>(388,000)</u>	<u>(230,000)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 19,372,400</u>	<u>\$ 11,401,900</u>	<u>\$ 11,331,718</u>

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, 2024

	Special Revenue							Capital Projects					Debt Service		Total
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Assets															
Cash and cash equivalents	\$ 449,091	\$ 276,701	\$ 1,188	\$ 127,001	\$ 16,131	\$ 335	\$ 83,027	\$ 40,131	\$ 221,565	\$ 421,899	\$ 135,912	\$ 870,463	\$ 213,533	\$ 679	\$ 2,857,656
Investments	2,580,894	22,870	6,830	729,866	92,701	1,933	477,153	230,630	1,273,320	2,424,625	781,075	5,002,490	1,227,159	3,902	14,855,448
Receivables															
Taxes	-	-	-	52,718	-	-	157,661	-	-	-	-	-	-	2,287	212,666
Due from other governments	-	-	-	-	181,728	-	-	-	-	20,600	-	-	-	-	202,328
Other	9,448	-	-	-	-	-	-	-	-	-	-	-	-	-	9,448
Prepaid expenses	-	1,193	-	-	-	-	822	-	-	-	-	-	-	-	2,015
Total Assets	\$ 3,039,433	\$ 300,764	\$ 8,018	\$ 909,585	\$ 290,560	\$ 2,268	\$ 718,663	\$ 270,761	\$ 1,494,885	\$ 2,867,124	\$ 916,987	\$ 5,872,953	\$ 1,440,692	\$ 6,868	\$ 18,139,561
Liabilities															
Accounts payable and accrued liabilities	\$ 30,917	\$ -	\$ 6,665	\$ 150,900	\$ 173,178	\$ 1,887	\$ 46,365	\$ 10,970	\$ 295,526	\$ 207,635	\$ 106,807	\$ 507,374	\$ -	\$ -	\$ 1,538,224
Unearned revenue	-	13,699	-	-	-	-	-	-	-	-	-	-	-	-	13,699
Total Liabilities	30,917	13,699	6,665	150,900	173,178	1,887	46,365	10,970	295,526	207,635	106,807	507,374	-	-	1,551,923
Fund Balances															
Nonspendable	-	1,193	-	-	-	-	822	-	-	-	-	-	-	-	2,015
Restricted															
Public safety	-	285,872	-	-	-	-	-	-	-	-	-	-	-	-	285,872
Public works	-	-	-	-	-	381	-	259,791	-	-	-	-	-	-	260,172
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	6,868	6,868
Other	-	-	-	-	117,382	-	-	-	-	-	-	-	-	-	117,382
Committed															
Public safety	-	-	-	-	-	-	671,476	-	-	-	-	-	-	-	671,476
Public works	-	-	1,353	758,685	-	-	-	-	-	-	810,180	-	-	-	1,570,218
Capital improvements	3,008,516	-	-	-	-	-	-	-	1,199,359	2,659,489	-	5,365,579	1,440,692	-	13,673,635
Total Fund Balances	3,008,516	287,065	1,353	758,685	117,382	381	672,298	259,791	1,199,359	2,659,489	810,180	5,365,579	1,440,692	6,868	16,587,638
Total Liabilities and Fund Balances	\$ 3,039,433	\$ 300,764	\$ 8,018	\$ 909,585	\$ 290,560	\$ 2,268	\$ 718,663	\$ 270,761	\$ 1,494,885	\$ 2,867,124	\$ 916,987	\$ 5,872,953	\$ 1,440,692	\$ 6,868	\$ 18,139,561

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

	Special Revenue							Capital Projects					Debt Service		Total
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Revenues															
Taxes	\$ 459,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,905	\$ 572,450
Intergovernmental	-	-	-	421,170	1,255,495	-	883,272	-	-	20,600	-	-	-	-	2,580,537
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	65,879	-	65,879
Other	25,250	51,267	-	7,680	-	-	300	-	-	-	5,000	-	-	-	89,497
Investment income															
Net increase (decrease) in the fair value of investments	62,519	396	117	39,381	1,132	33	(2,688)	2,932	23,762	148,402	(6,498)	108,447	25,848	(46)	403,737
Interest	73,229	7,579	177	14,237	-	50	15,580	7,591	36,223	157,169	3,914	137,707	29,175	1,115	483,746
Total Revenues	620,543	59,242	294	482,468	1,256,627	83	896,464	10,523	59,985	326,171	2,416	246,154	120,902	113,974	4,195,846
Expenditures															
Current															
General government	-	-	-	-	-	-	-	137,364	-	-	-	-	-	107,779	245,143
Public safety	-	97,465	-	-	-	-	1,213,117	-	-	-	-	-	-	-	1,310,582
Public works	-	-	-	950,331	1,110,255	-	-	-	-	-	-	-	-	-	2,060,586
Economic development	1,222,618	-	-	-	-	-	-	-	-	-	-	-	-	-	1,222,618
Capital outlay	-	-	-	1,280,140	-	-	-	-	3,541,399	1,937,012	2,063,436	3,584,423	-	-	12,406,410
Total Expenditures	1,222,618	97,465	-	2,230,471	1,110,255	-	1,213,117	137,364	3,541,399	1,937,012	2,063,436	3,584,423	-	107,779	17,245,339
Excess (Deficiency) of Revenues over Expenditures	(602,075)	(38,223)	294	(1,748,003)	146,372	83	(316,653)	(126,841)	(3,481,414)	(1,610,841)	(2,061,020)	(3,338,269)	120,902	6,195	(13,049,493)
Other Financing Sources (Uses)															
Transfers in	60,000	-	-	1,473,000	-	-	618,000	171,100	3,170,000	2,841,620	3,044,951	2,453,189	-	-	13,831,860
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(239,339)	-	(239,339)
Total Other Financing Sources (Uses)	60,000	-	-	1,473,000	-	-	618,000	171,100	3,170,000	2,841,620	3,044,951	2,453,189	(239,339)	-	13,592,521
Net Change in Fund Balances	(542,075)	(38,223)	294	(275,003)	146,372	83	301,347	44,259	(311,414)	1,230,779	983,931	(885,080)	(118,437)	6,195	543,028
Fund Balances, Beginning of Year	3,550,591	325,288	1,059	1,033,688	(28,990)	298	370,951	215,532	1,510,773	1,428,710	(173,751)	6,250,659	1,559,129	673	16,044,610
Fund Balances, End of Year	\$ 3,008,516	\$ 287,065	\$ 1,353	\$ 758,685	\$ 117,382	\$ 381	\$ 672,298	\$ 259,791	\$ 1,199,359	\$ 2,659,489	\$ 810,180	\$ 5,365,579	\$ 1,440,692	\$ 6,868	\$ 16,587,638

City of Enid, Oklahoma
Combining Statement of Net Position – Nonmajor Proprietary/Enterprise Funds
June 30, 2024

	Business-Type Activities – Enterprise Funds				Total
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Enid Event Center and Convention Hall	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current Assets					
Cash and cash equivalents	\$ 163,665	\$ 162,675	\$ 112,593	\$ 613,128	\$ 1,052,061
Investments	940,569	713,997	647,065	1,335,673	3,637,304
Receivables					
Accounts, net of uncollectibles	31,867	7,745	4,819	303,789	348,220
Accrued interest	-	2,311	-	-	2,311
Taxes	-	-	-	123,383	123,383
Due from other governments	3,005,105	184,683	-	-	3,189,788
Leases	1,769	-	-	-	1,769
Inventories	61,539	-	81,409	48,640	191,588
Prepaid expenses	1,144	-	-	-	1,144
Total Current Assets	4,205,658	1,071,411	845,886	2,424,613	8,547,568
Noncurrent Assets					
Lease assets, net	-	-	200,378	-	200,378
Capital assets, net	24,699,606	211,119	753,629	18,257,300	43,921,654
Total Noncurrent Assets	24,699,606	211,119	954,007	18,257,300	44,122,032
Total Assets	28,905,264	1,282,530	1,799,893	20,681,913	52,669,600
Deferred Outflows of Resources					
Deferred amounts related to pensions	13,373	11,621	9,107	-	34,101
Total Deferred Outflows of Resources	13,373	11,621	9,107	-	34,101
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities					
Accounts payable and accrued liabilities	602,478	33,722	67,585	901,286	1,605,071
Payable from restricted assets					
Customer deposits	-	-	-	26,397	26,397
Unearned revenue	1,428,614	-	20,069	134,966	1,583,649
Current portion of noncurrent liabilities	-	-	65,969	-	65,969
Total Current Liabilities	2,031,092	33,722	153,623	1,062,649	3,281,086
Noncurrent Liabilities					
Compensated absences	31,532	28,140	50,045	-	109,717
Leases payable	-	-	181,329	-	181,329
Net pension liability	166,345	144,543	113,284	-	424,172
Workers' compensation claims	4,020	11,055	5,460	-	20,535
Total Noncurrent Liabilities	201,897	183,738	350,118	-	735,753
Total Liabilities	2,232,989	217,460	503,741	1,062,649	4,016,839
Deferred Inflows of Resources					
Deferred amounts related to pensions	35,303	30,676	24,042	-	90,021
Deferred amounts related to leases	-	-	-	-	-
Total Deferred Inflows of Resources	35,303	30,676	24,042	-	90,021
NET POSITION					
Net investment in capital assets	24,344,162	211,119	706,709	18,257,300	43,519,290
Unrestricted	2,306,183	834,896	574,508	1,361,964	5,077,551
Total Net Position	\$ 26,650,345	\$ 1,046,015	\$ 1,281,217	\$ 19,619,264	\$ 48,596,841

City of Enid, Oklahoma
Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor
Proprietary/Enterprise Funds
Year Ended June 30, 2024

	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	\$ -	\$ 108,473	\$ 812,094	\$ -	\$ 920,567
Event center	-	-	-	1,373,993	1,373,993
Airport	3,497,698	-	-	-	3,497,698
Total Operating Revenues	3,497,698	108,473	812,094	1,373,993	5,792,258
Operating Expenses					
Airport	2,792,156	-	-	-	2,792,156
Transit	-	863,191	-	-	863,191
Event center	-	-	-	3,561,871	3,561,871
Other	-	-	820,754	-	820,754
Depreciation and amortization	954,339	122,360	160,464	1,714,746	2,951,909
Total Operating Expenses	3,746,495	985,551	981,218	5,276,617	10,989,881
Net Operating Loss	(248,797)	(877,078)	(169,124)	(3,902,624)	(5,197,623)
Nonoperating Revenues (Expenses)					
Taxes	-	-	-	1,041,565	1,041,565
Net decrease in the fair value of investments	37,618	99	7,186	9,505	54,408
Interest and dividends	41,157	15,413	16,006	31,218	103,794
Government grants	-	582,505	-	-	582,505
Gain (loss) on disposition of assets	9,067	9,775	-	-	18,842
Total Nonoperating Revenues (Expenses)	87,842	607,792	23,192	1,082,288	1,801,114
Net Loss Before Capital Grants and Transfers	(160,955)	(269,286)	(145,932)	(2,820,336)	(3,396,509)
Capital grants	5,846,468	-	-	-	5,846,468
Capital asset contributions	-	-	325	-	325
Transfers in	-	385,000	242,000	1,433,000	2,060,000
Change in Net Position	5,685,513	115,714	96,393	(1,387,336)	4,510,284
Net Position, Beginning of Year	20,964,832	930,301	1,184,824	21,006,600	44,086,557
Net Position, End of Year	\$ 26,650,345	\$ 1,046,015	\$ 1,281,217	\$ 19,619,264	\$ 48,596,841

City of Enid, Oklahoma
Combining Statement of Cash Flows – Nonmajor Proprietary/Enterprise Funds
Year Ended June 30, 2024

	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	\$ 3,640,546	\$ 103,986	\$ 810,998	\$ 1,469,262	\$ 6,024,792
Payments to suppliers	(2,063,757)	(172,960)	(310,621)	(3,393,734)	(5,941,072)
Payments to employees	(552,644)	(662,452)	(487,090)	-	(1,702,186)
Net Cash Provided by (Used in) Operating Activities	1,024,145	(731,426)	13,287	(1,924,472)	(1,618,466)
Cash Flows from Noncapital Financing Activities					
Taxes	-	-	-	1,023,766	1,023,766
Operating transfers in	-	385,000	242,000	1,433,000	2,060,000
Net Cash Provided by Noncapital Financing Activities	-	385,000	242,000	2,456,766	3,083,766
Cash Flows from Capital and Related Financing Activities					
Proceeds from the sale of capital assets	4,150	9,775	-	-	13,925
Principal paid on leases	-	-	(76,310)	-	(76,310)
Capital grants	3,306,347	776,348	-	-	4,082,695
Acquisition/construction of capital assets	(5,127,030)	-	(39,236)	(18,196)	(5,184,462)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,816,533)	786,123	(115,546)	(18,196)	(1,164,152)
Cash Flows from Investing Activities					
Purchases of investments	(100,000)	(500,000)	(100,000)	(500,000)	(1,200,000)
Proceeds from sale of investments	876,350	141,298	11,367	139,481	1,168,496
Investment income received	41,157	14,860	16,006	31,218	103,241
Net Cash Provided by (Used in) Investing Activities	817,507	(343,842)	(72,627)	(329,301)	71,737
Increase in Cash and Cash Equivalents	25,119	95,855	67,114	184,797	372,885
Cash and Cash Equivalents, Beginning of Year	138,546	66,820	45,479	428,331	679,176
Cash and Cash Equivalents, End of Year	\$ 163,665	\$ 162,675	\$ 112,593	\$ 613,128	\$ 1,052,061
Reconciliation of Net Operating Loss to Net Cash Provided by (Used in) Operating Activities					
Net operating loss	\$ (248,797)	\$ (877,078)	\$ (169,124)	\$ (3,902,624)	\$ (5,197,623)
Adjustments to reconcile net operating loss to net cash provided by (used in) operating activities					
Depreciation and amortization	954,339	122,360	160,464	1,714,746	2,951,909
(Increase) decrease in assets and deferred outflows					
Receivables	19,432	(4,487)	(7,716)	(27,963)	(20,734)
Inventories	8,592	-	3,008	(13,900)	(2,300)
Prepaid expenses	129	-	5,702	7,915	13,746
Pension-related deferred outflows	7,818	5,514	-	-	13,332
Increase (decrease) in liabilities and deferred inflows					
Accounts payable and accrued liabilities	142,244	4,963	12,634	174,122	333,963
Unearned revenue	145,935	-	(1,096)	116,979	261,818
Net pension liability	(11,728)	552	(11,156)	-	(22,332)
Other liabilities	7,209	1,008	9,435	6,253	23,905
Lease-related deferred inflows	(38,919)	-	-	-	(38,919)
Pension-related deferred inflows	37,891	15,742	11,136	-	64,769
Net Cash Provided by (Used in) Operating Activities	\$ 1,024,145	\$ (731,426)	\$ 13,287	\$ (1,924,472)	\$ (1,618,466)
Supplementary Information on Noncash Capital and Financial Activities					
Contributions of capital assets	\$ -	\$ -	\$ 325	\$ -	\$ 325
Lease assets acquired	\$ -	\$ -	\$ 267,172	\$ -	\$ 267,172
Gain on sale/disposal of assets	\$ 4,917	\$ -	\$ -	\$ -	\$ 4,917

City of Enid, Oklahoma
Combining Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2024

	Pension Trust Funds			Custodial Funds		
	Retirement Defined Benefit	Retirement 401(k)	Total	CLEET Fund	Court Bonds	Total
ASSETS						
Cash and cash equivalents	\$ 650,776	\$ 324,559	\$ 975,335	1,500	36	\$ 1,536
Receivables						
Accrued interest	39,688	-	39,688	-	-	-
Due from other funds	-	-	-	131	-	131
Investments	-	-	-	8,618	206	8,824
Mutual funds – equities	23,794,544	16,181,740	39,976,284	-	-	-
Mutual funds – bonds	6,754,437	2,337,248	9,091,685	-	-	-
Exchange traded funds	535,929	-	535,929	-	-	-
Participant loans	-	453,915	453,915	-	-	-
Total Assets	31,775,374	19,297,462	51,072,836	10,249	242	10,491
NET POSITION – RESTRICTED						
Employee pension benefits	31,775,374	19,297,462	51,072,836	-	-	-
Organizations and individuals	-	-	-	10,249	242	10,491
Total Net Position – Restricted	\$ 31,775,374	\$ 19,297,462	\$ 51,072,836	\$ 10,249	\$ 242	\$ 10,491

City of Enid, Oklahoma
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds
Year Ended June 30, 2024

	Pension Trust Funds			Custodial Funds		
	Retirement Defined Benefit	Retirement 401(k)	Total	CLEET Fund	Court Bonds	Total
Additions						
Contributions						
Employer	\$ 976,651	\$ 510,095	\$ 1,486,746	\$ -	\$ -	\$ -
Plan members	-	816,008	816,008	-	-	-
Total contributions	976,651	1,326,103	2,302,754	-	-	-
Investment earnings						
Net increase in the fair value of investments	3,032,481	2,600,879	5,633,360	-	-	-
Interest and dividends	807,454	-	807,454	-	-	-
Total investment earnings	3,839,935	2,600,879	6,440,814	-	-	-
Collections for others	-	-	-	88,439	2,003	90,442
Total Additions	4,816,586	3,926,982	8,743,568	88,439	2,003	90,442
Deductions						
Benefits and withdrawals	2,085,900	1,754,843	3,840,743	-	-	-
Administrative expenses	150,878	43,712	194,590	-	-	-
Distributions to others	-	-	-	90,684	2,276	92,960
Total Deductions	2,236,778	1,798,555	4,035,333	90,684	2,276	92,960
Change in Net Position	2,579,808	2,128,427	4,708,235	(2,245)	(273)	(2,518)
Net Position, Beginning of Year	29,195,566	17,169,035	46,364,601	12,494	515	13,009
Net Position, End of Year	\$ 31,775,374	\$ 19,297,462	\$ 51,072,836	\$ 10,249	\$ 242	\$ 10,491

City of Enid, Oklahoma
Schedule of Debt Service Coverage Requirements
Year Ended June 30, 2024

	OWRB Notes
Gross Revenue Available for Debt Service	
Charges for services	
Water	\$ 23,203,641
Wastewater	9,589,575
Stormwater	2,193,674
Solid waste	5,299,892
Landfill	1,260,401
Other	271,276
Sales tax collections pledged and transferred	<u>21,126,278</u>
 Total charges for services	 <u>62,944,737</u>
 Operating expenses, excluding depreciation and amortization	
Utility services	694,271
Water production	3,081,638
Wastewater management services	4,151,396
Solid waste	3,859,778
Landfill	285,998
Other	<u>724,058</u>
 Total operating expenses, excluding depreciation and amortization	 <u>12,797,139</u>
 Net Revenues Available for Debt Service	 <u>\$ 50,147,598</u>
 Maximum Annual Debt Service Requirements	 <u>\$ 20,836,609</u>
 Computed Coverage	 241%
 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, 2024**

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)	\$ 91,471
Transportation Alternatives Program	TAP3-79999(004)TP	20,600
Oklahoma Aeronautics Commission		
Aeronautics	WDG-23-A-FS1	13,086
Aeronautics	WDG-23-B-FS	21,757
Joint Use Hangar	WDG-23C-S	676,781
Oklahoma Department of Commerce		
Oklahoma Strategic Military Planning Commission	SAP-224D(089) & J/P No. 35447(04)	20,550
Oklahoma Development Finance Authority	P3	583,515
Oklahoma Department of Emergency Management		
Sub-Grantee Administration Costs	FEMA DR-4438-OK PW 83	407
Sub-Grantee Administration Costs	FEMA DR-4438-OK PW 75	414
Oklahoma Water Resources Board		
Safe Drinking Water State Revolving Fund	ORF-22-0017-DW	<u>1,012,527</u>
Total Expenditures of State Awards		<u><u>\$ 2,441,108</u></u>

**City of Enid, Oklahoma
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

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 (DCIP)	12.600	N/A	CIP2004-22-01	\$ -	\$ 2,254,960
Total U.S. Department of Defense				-	2,254,960
National Park Service – U.S. Department of Interior					
Pass-Through Program from Oklahoma Historical Society – Historic Preservation Fund Grants-In-Aid	15.904	22-601			4,800
Total U.S. Department of Defense				-	4,800
U.S. Department of Housing and Urban Development					
CDBG – Entitlement Cluster					
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2019	47,379	47,737
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2020	-	48,266
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2021	8,722	69,337
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2022	12,019	210,298
Community Development Block Grants/Entitlement Grants	14.218	N/A	FFY-2023	131,311	416,950
Total CDBG – Entitlement Cluster				199,431	792,588
Pass-Through Program from Oklahoma Department of Commerce CDBG-CV	14.228	CDBG-V		-	462,908
Total U.S. Department of Housing and Urban Development				199,431	1,255,496
U.S. Department of Transportation					
Direct Program					
CARES Act Airport Grant	20.106	N/A	AIP 3-40-0028-031-2021	-	\$ 1,876
Airport Improvement Program	20.106	N/A	AIP 3-40-0028-033-2022	-	235,540
Airport Improvement Program	20.106	N/A	AIP 3-40-0028-034-2023	-	391,634
Total ALN 20.106	Sub-Total			-	629,050
Highway Safety Cluster					
Pass-Through Oklahoma Highway Safety Office					
State & Community Highway Safety	20.600	PT-24-03-15-20	None	-	65,317
State & Community Highway Safety	20.600	PT-23-03-14-19	None	-	22,093
Total Highway Safety Cluster				-	87,410
Pass-Through Oklahoma Department of Transportation					
Formula Grants for Rural Areas	20.509	FTA5311-TP-23(531)	None	-	187,994
Formula Grants for Rural Areas	20.509	FTA5311-TP-24(531)	None	-	300,599
Total ALN 20.509				-	488,593
Total U.S. Department of Transportation				-	1,205,054
National Foundation of the Arts & Humanities					
Pass-Through Oklahoma Department of Libraries					
Grants to States	45.310	FY23	State Aid Grant	-	22,463
Grants to States	45.310	F-23-187	Adult Online High School Grant	-	6,401
Total ALN 45.310				-	28,864
Total National Foundation of the Arts & Humanities				-	28,864
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 199,431	\$ 4,749,174

The accompanying notes are an integral part of this Schedule.

City of Enid, Oklahoma
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the City of Enid, Oklahoma (City) under programs of the federal government for the year ended June 30, 2024. 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 (City) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Forvis Mazars, LLP

**Tulsa, Oklahoma
December 20, 2024**

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 City's major federal programs for the year ended June 30, 2024. 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 each of its major federal programs for the year ended June 30, 2024.

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, 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 Mazars, LLP

**Tulsa, Oklahoma
December 20, 2024**

City of Enid, Oklahoma
Schedule of Findings and Questioned Costs, continued
Year Ended June 30, 2024

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**City of Enid, Oklahoma
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Reference Number	Finding	Status
-----------------------------	----------------	---------------

No matters are reportable.