

*City of*  
**EL RENO,  
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**



**THE CITY OF EL RENO, OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

**CITY OF EL RENO, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
As of and for the Year Ended June 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
City of El Reno, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Reno, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As discussed in Note 5 to the financial statements, in fiscal 2022 the City adopted new accounting guidance, GASB No. 87 *Leases*. Our opinions are not modified with respect to this matter.

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

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

#### ***Required Supplementary Information***

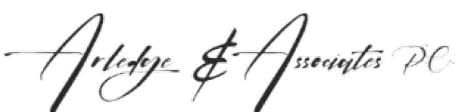
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension plan and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

The logo for Arledge & Associates PC, featuring the company name in a stylized, cursive script font.

Edmond, Oklahoma  
January 23, 2023



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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the City of El Reno's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

***FINANCIAL HIGHLIGHTS***

- For the fiscal year ended June 30, 2022, the City's total net position increased by \$8,387,423 or 11% from the prior year.
- During the year, the City's expenses for governmental activities were \$15 million and were funded by program revenues of \$2.6 million and further funded with taxes and other general revenues that totaled \$17 million.
- In the City's business-type activities, such as utilities, hospital, airport, park and golf programs, expenses exceeded revenues excluding transfers by a total of (\$2,075,286).
- Sales and use taxes increased by approximately \$3.3 million or 30% over the prior fiscal year.
- At June 30, 2022, the General Fund reported an unassigned fund balance of \$10.6 million, which is an increase of \$5.6 million or 115% from the prior year.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of \$4.2 million or 31%, while expenditures were over the final appropriations by approximately \$1 million or 6%.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

The financial statements presented herein include all of the activities of the City of El Reno (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, and 39 and 61. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) and deferred outflows, as well as all liabilities (including all long-term debt) and deferred inflows.

**About the City**

The City of El Reno is a municipality with a population of approximately 16,749 located in central Oklahoma. The City is a Council-Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager

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

(Unaudited. See accompanying auditor's report.)

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***The City's Financial Reporting Entity***

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

The City's financial reporting entity includes the primary government (City of El Reno), four blended component units and one discretely presented component unit (currently inactive) as follows:

- **The City of El Reno** – that operates the public safety, streets, culture, parks and recreation, and administrative activities
- **The El Reno Municipal Trust Authority** – that operates the water, sewer, and sanitation services of the City (blended component unit)
- **The City of El Reno Hospital Authority** – that operates the hospital which serves the citizens of El Reno and the surrounding communities (blended component unit)
- **The El Reno Airpark Authority** – that operates the local non-commercial airport activities (blended component unit)
- **The El Reno Recreation Authority** – that was established to construct and operate the municipal golf course and now includes some of park and recreation activities (blended component unit)
- **The El Reno Economic Development Authority** – that promotes and subsidizes efforts to create economic development within the City (discretely presented component unit), currently inactive.

**Using This Annual Report**

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

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

**Reporting the City as a Whole**

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

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

(Unaudited. See accompanying auditor's report.)

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

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

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, hospital, airpark and recreation activities are reported here.
- Discretely-presented component unit – This accounts for activities of the City's reporting entity that does not meet the criteria for blending, specifically the El Reno Economic Development Authority, when active.

**Reporting the City's Most Significant Funds - Fund Financial Statements**

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

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

(Unaudited. See accompanying auditor's report.)

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

## A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$88 million at the close of the most recent fiscal year.

**TABLE 1**  
**NET POSITION (In Thousands)**

	Governmental Activities		Business-Type Activities		Total		% Inc. (Dec.)		
	2022	2021	2022	2021	2022	2021			
Current assets	\$ 27,165	\$ 27,986	-3%	\$ 33,340	\$ 24,992	33%	\$ 60,505	\$ 52,978	14%
Capital assets, net	39,129	38,305	2%	58,340	57,047	2%	97,469	95,352	2%
Other non-current assets	4,085	-	100%	672	-	100%	4,757	-	100%
<b>Total assets</b>	<b>70,379</b>	<b>66,291</b>	<b>6%</b>	<b>92,352</b>	<b>82,039</b>	<b>13%</b>	<b>162,731</b>	<b>148,330</b>	<b>10%</b>
<b>Deferred outflow of resources</b>	<b>3,554</b>	<b>4,703</b>	<b>-24%</b>	<b>222</b>	<b>323</b>	<b>-31%</b>	<b>3,776</b>	<b>5,026</b>	<b>-25%</b>
Current liabilities	2,502	3,757	-33%	2,080	2,181	-5%	4,582	5,938	-23%
Non-current liabilities	26,719	34,727	-23%	37,137	31,376	18%	63,856	66,103	-3%
<b>Total liabilities</b>	<b>29,221</b>	<b>38,484</b>	<b>-24%</b>	<b>39,217</b>	<b>33,557</b>	<b>17%</b>	<b>68,438</b>	<b>72,041</b>	<b>-5%</b>
<b>Deferred inflow of resources</b>	<b>8,773</b>	<b>1,199</b>	<b>632%</b>	<b>1,117</b>	<b>325</b>	<b>244%</b>	<b>9,890</b>	<b>1,524</b>	<b>549%</b>
Net position									
Net investment in capital assets	31,503	22,049	43%	27,508	26,575	4%	59,011	48,624	21%
Restricted	4,060	4,168	-3%	477	585	-18%	4,537	4,753	-5%
Unrestricted	376	5,094	-93%	24,255	21,320	14%	24,631	26,414	-7%
<b>Total net position</b>	<b>\$ 35,939</b>	<b>\$ 31,311</b>	<b>15%</b>	<b>\$ 52,240</b>	<b>\$ 48,480</b>	<b>8%</b>	<b>\$ 88,179</b>	<b>\$ 79,791</b>	<b>11%</b>

The largest portion of the City’s net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). For 2022, this net investment in capital assets amounted to \$59 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The increase/decrease in deferred outflows, deferred inflows and other liabilities relates mostly to differences in actual investment earnings versus projected investment earnings in all three defined benefit retirement plans.

(Unaudited. See accompanying auditor’s report.)

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The increase/decrease in deferred outflows, deferred inflows and other liabilities relates primarily to differences in actual investment earnings versus projected investment earnings in all three defined benefit retirement plans. This also contributes to the decrease in unrestricted net position for governmental activities. This also contributes to the large decrease in public safety expenditures of 30%.

The increase in other non-current assets for governmental activities is due to the City having a net pension asset for police in the amount of \$3.7 million and \$425,148 of leases receivable due to the implementation of GASB 87.

The decrease in governmental activities current liabilities is due to a decrease in accounts payable of approximately 1.3 million.

The decrease in governmental activities non-current liabilities is due to the net pension liability decreasing by \$6.1 million.

The increase in business-type current assets is due to the unused bond proceeds from the new OWRB loan of \$6.9 million.

**Changes in Net Position**

For the year ended June 30, 2022, net position of the primary government changed as follows:

**TABLE 2**  
**CHANGES IN NET POSITION (In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
<b>Revenues</b>									
Charges for service	\$ 1,436	\$ 1,412	2%	\$ 9,644	\$ 8,855	9%	\$ 11,080	\$ 10,267	8%
Operating grants and contributions	906	5,704	-84%	37	24	54%	943	5,728	-84%
Capital grants and contributions	304	135	125%	-	142	-100%	304	277	10%
Taxes	15,657	11,996	31%	-	-	-	15,657	11,996	31%
Intergovernmental revenue	237	219	8%	1,745	-	100%	1,982	219	805%
Investment income	27	3	800%	11	26	-58%	38	29	31%
Royalties	3,661	2,862	28%	1,038	745	39%	4,699	3,607	30%
Miscellaneous	454	548	-17%	34	20	70%	488	568	-14%
Gain (loss) on disposal	-	-	-	-	(70)	-100%	-	(70)	-100%
<b>Total revenues</b>	<b>22,682</b>	<b>22,879</b>	<b>-1%</b>	<b>12,509</b>	<b>9,742</b>	<b>28%</b>	<b>35,191</b>	<b>32,621</b>	<b>8%</b>
<b>Expenses</b>									
General government	2,419	4,197	-42%	-	-	-	2,419	4,197	-42%
Public safety	8,108	11,541	-30%	-	-	-	8,108	11,541	-30%
Streets	2,630	2,479	6%	-	-	-	2,630	2,479	6%
Culture, parks and recreation	1,318	1,037	27%	-	-	-	1,318	1,037	27%
Interest on long-term debt	572	654	-13%	-	-	-	572	654	-13%
Water	-	-	-	4,434	3,810	16%	4,434	3,810	16%
Wastewater	-	-	-	2,977	2,990	0%	2,977	2,990	0%
Sanitation	-	-	-	859	802	7%	859	802	7%
Golf	-	-	-	1,005	958	5%	1,005	958	5%
Park	-	-	-	539	535	1%	539	535	1%
Airport	-	-	-	1,236	789	57%	1,236	789	57%
Hospital	-	-	-	706	863	-18%	706	863	-18%
<b>Total expenses</b>	<b>15,047</b>	<b>19,908</b>	<b>-24%</b>	<b>11,756</b>	<b>10,747</b>	<b>9%</b>	<b>26,803</b>	<b>30,655</b>	<b>-13%</b>
Excess (deficiency) before transfers	7,635	2,971	157%	753	(1,005)	-175%	8,388	1,966	327%
Transfers	(3,007)	(2,336)	29%	3,007	2,336	29%	-	-	-
<b>Increase in net position</b>	<b>\$ 4,628</b>	<b>\$ 635</b>	<b>629%</b>	<b>\$ 3,760</b>	<b>\$ 1,331</b>	<b>182%</b>	<b>\$ 8,388</b>	<b>\$ 1,966</b>	<b>327%</b>

(Unaudited. See accompanying auditor's report.)

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The increase in royalty revenue for governmental and business-type activities is because the amount of mineral payments received by the airport, lake and cemetery were higher in the current year.

Sales tax revenue increased by approximately \$3.3 million dollars in the current year.

Operating grants and contributions decreased in the governmental activities due to the City receiving FEMA Disaster assistance for the 2019 tornado and the CARES Relief grant in the prior year.

General government expense decreased due to the debris removal from the Ice storm in October 2020 in the prior year.

Investment income increased due to interest rates increasing this year.

The business-type activities had an increase in intergovernmental revenue due to the City receiving the APRA grant money this year.

The airport expense went up substantially due to fuel prices increasing causing the expense for this to increase over \$200,000 and the depreciation expense increased by approximately \$165,000.

**Governmental Activities**

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

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

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	<b>2022</b>	<b>2021</b>		<b>2022</b>	<b>2021</b>	
	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>\$</b>	
General government	\$ 2,419	\$ 4,197	-42%	\$ (1,499)	\$ (475)	216%
Public safety	8,108	11,541	-30%	(7,057)	(8,570)	-18%
Streets	2,630	2,479	6%	(2,157)	(2,145)	1%
Culture, parks and recreation	1,318	1,037	27%	(1,116)	(814)	37%
Interest on long-term debt	572	654	-13%	(572)	(654)	-13%
<b>Total</b>	<b>\$ 15,047</b>	<b>\$ 19,908</b>	<b>-24%</b>	<b>\$ (12,401)</b>	<b>\$ (12,658)</b>	<b>-2%</b>

For the year ended June 30, 2022, total expenses for governmental activities amounted to approximately \$15 million which is a decrease of \$4.9 million from the prior year.

(Unaudited. See accompanying auditor's report.)

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**Business-type Activities**

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

	<b>Total Expense of Services</b>		<b>% Inc. Dec.</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. Dec.</b>
	<b>2022</b>	<b>2021</b>		<b>2022</b>	<b>2021</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Water	\$ 4,434	\$ 3,810	16%	\$ 369	\$ 566	-35%
Wastewater	2,977	2,990	0%	(715)	(736)	-3%
Sanitation	859	802	7%	284	271	5%
Golf	1,005	958	5%	(395)	(367)	8%
Park	539	535	1%	(351)	(350)	0%
Airport	1,236	789	57%	(570)	(258)	121%
Hospital	706	863	-18%	(697)	(852)	-18%
<b>Total</b>	<b>\$ 11,756</b>	<b>\$ 10,747</b>	<b>9%</b>	<b>\$ (2,075)</b>	<b>\$ (1,726)</b>	<b>20%</b>

The City's business-type activities include utility services for water, wastewater, and sanitation. It also includes the Hospital Authority, Airpark Authority and Recreation Authority which now includes the park department.

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

- Total business-type activities reported net expense excluding transfers of (\$2.1) million for the year ended June 30, 2022.
- Water and sanitation activities reported net revenue for the year ended June 30, 2022, and the wastewater, golf, park, airport and hospital activities reported net expense.

**A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$26 million or a 3% increase from the prior year. This increase is due to the debt proceeds from the 2022A and 2022B Series Sales Tax Revenue Note being unspent and sitting in a construction trust cash account. It is also due to the increase in sales tax of \$3.3 million. The enterprise funds reported combined net position of \$52.2 million or a 8% increase from 2021.

Other fund highlights include:

- For the year ended June 30, 2022, the General Fund total fund balance increased by \$3.6 million or 24% due to the loan proceeds money received as noted on the previous page.

**General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the General Fund budget various times. The revised budget included an increase in overall revenue projections of 2% or \$249,206 and an increase in appropriations of 1.5% or \$249,206. Actual revenues were over estimates by \$4.2 million or 31%, while expenditures were under final appropriations by \$1 million or 6%.

(Unaudited. See accompanying auditor's report.)

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2022, the City had approximately \$97.5 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, water lines, sewer lines and the hospital assets. (See Table 5).

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

	Governmental		Business-Type		Total	
	Activities	2022	Activities	2021	Activities	2022
Land	\$ 1,872	\$ 1,380	\$ 2,030	\$ 2,030	\$ 3,902	\$ 3,410
Buildings	14,085	14,097	29,067	21,296	43,152	35,393
Imp. other than buildings	2,857	2,734	3,005	3,355	5,862	6,089
Machinery, furniture and equipment	2,350	2,889	2,381	2,185	4,731	5,074
Infrastructure	15,567	16,610	-	-	15,567	16,610
Intangible water rights	-	-	127	131	127	131
Utility property	-	-	19,011	18,753	19,011	18,753
Construction in progress	2,398	595	2,719	9,296	5,117	9,891
<b>Totals</b>	<b>\$ 39,129</b>	<b>\$ 38,305</b>	<b>\$ 58,340</b>	<b>\$ 57,046</b>	<b>\$ 97,469</b>	<b>\$ 95,351</b>

This year's more significant capital asset additions included:

Davison property  
 Fire truck  
 ARPA WP Building and Lab  
 High consumption meter telemetry  
 Water plant claricone replacement  
 Various street overlays across the city

See Note 6 to the financial statements for more detailed information on the City's capital assets and changes therein.

**Long- Term Debt**

At year-end, the City had approximately \$60 million in long-term debt outstanding which represents a \$2.5 million or 4% increase from the prior year. The City's changes in long-term debt by type of debt are as follows:

(Unaudited. See accompanying auditor's report.)

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	<u>Total</u> <u>Percentage</u> <u>Change</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>			
					<u>2022</u>	<u>2021</u>	<u>2021-2022</u>
Accrued absences	\$ 1,566	\$ 1,728	\$ 65	\$ 85	\$ 1,631	\$ 1,813	-10%
Insurance claims liability	140	146	-	-	140	146	-4%
Revenue bonds	21,458	23,765	7,627	8,756	29,085	32,521	-11%
Notes payable	-	-	29,148	22,932	29,148	22,932	27%
Deposits subject to refund	-	-	468	456	468	456	3%
Leases	-	151	-	-	-	151	-100%
<b>Totals</b>	<b>\$ 23,164</b>	<b>\$ 25,790</b>	<b>\$ 37,308</b>	<b>\$ 32,229</b>	<b>\$ 60,472</b>	<b>\$ 58,019</b>	<b>4%</b>

See Note 7 to the financial statements for more detail information on the City's long-term debt and changes therein.

### **The Upcoming Year**

- The City of El Reno will continue to work on various street overlays.
- The City will also begin demolition on the old hospital building.
- We will begin construction on the new OWRB loan that will be funding water system improvements
- We will also continue any capital improvements associated with the 2020 Sales Tax Revenue Note.

### **Contacting the City's Financial Management**

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City's Finance Director at 101 North Choctaw, El Reno, Oklahoma 73036-0700 or telephone at 405-262-4070.

(Unaudited. See accompanying auditor's report.)

**CITY OF EL RENO, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

**CITY OF EL RENO, OKLAHOMA**  
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**Statement of Net Position— June 30, 2022**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 24,766,191	\$ 23,450,390	\$ 48,216,581
Investments	179,388	7,522,579	7,701,967
Accounts receivable, net of allowance	285,247	1,380,909	1,666,156
Franchise tax receivable	107,055	-	107,055
Court fine receivable, net of allowance	551,715	-	551,715
Internal balances	(730,055)	730,055	-
Due from other governments	2,005,745	61,358	2,067,103
Inventory	-	69,625	69,625
Restricted investments	-	125,376	125,376
Leases receivable	425,148	491,792	916,940
Net pension asset	3,659,484	180,647	3,840,131
Capital assets:			
Land and construction in progress	4,269,761	4,748,851	9,018,612
Other capital assets, net of depreciation	34,859,577	53,591,204	88,450,781
Total Capital Assets	<u>39,129,338</u>	<u>58,340,055</u>	<u>97,469,393</u>
Total Assets	<u>70,379,256</u>	<u>92,352,786</u>	<u>162,732,042</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	2,906,350	112,855	3,019,205
Deferred amounts related to OPEB	146,354	48,228	194,582
Deferred amounts related to refunding	501,470	60,472	561,942
Total deferred outflows of resources	<u>3,554,174</u>	<u>221,555</u>	<u>3,775,729</u>
<b>LIABILITIES</b>			
Accounts payable	404,142	648,579	1,052,721
Accrued payroll liabilities	178,194	26,920	205,114
Accrued interest payable	184,188	307,951	492,139
Due to other governments	3,912	-	3,912
Refundable court bonds	4,558	-	4,558
Unearned revenue	3,029	736	3,765
Long-term liabilities:			
Due within one year	1,724,070	1,096,208	2,820,278
Due in more than one year	21,440,191	36,919,523	58,359,714
Total OPEB liability	<u>1,265,448</u>	<u>217,299</u>	<u>1,482,747</u>
Net pension liability	<u>4,013,762</u>	-	<u>4,013,762</u>
Total liabilities	<u>29,221,494</u>	<u>39,217,216</u>	<u>68,438,710</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	7,821,166	429,588	8,250,754
Deferred amounts related to leases	420,115	489,457	909,572
Deferred amounts related to OPEB	531,229	198,424	729,653
Total deferred outflows of resources	<u>8,772,510</u>	<u>1,117,469</u>	<u>9,889,979</u>
<b>NET POSITION</b>			
Net investment in capital assets	31,502,903	27,507,960	59,010,863
Restricted for:			
Public Safety	740,290	-	740,290
Capital Outlay	241,637	-	241,637
Debt Service	734,838	476,592	1,211,430
Recreation, Public Safety and Public Works	829,927	-	829,927
Other	1,317,415	-	1,317,415
Permanent Fund Purposes:			
Permanent fund - nonexpendable	182,939	-	182,939
Permanent fund - expendable	12,969	-	12,969
Unrestricted	<u>376,508</u>	<u>24,255,104</u>	<u>24,631,612</u>
Total net position	<u>\$ 35,939,426</u>	<u>\$ 52,239,656</u>	<u>\$ 88,179,082</u>

See accompanying notes to the financial statements.

**CITY OF EL RENO, OKLAHOMA**  
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**Statement of Activities –Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental Activities							
General Government	\$ 2,418,719	\$ 914,240	\$ (3,016)	\$ 8,266	\$ (1,499,229)	\$ -	\$ (1,499,229)
Public Safety	8,108,394	346,321	697,410	7,640	(7,057,023)	-	(7,057,023)
Streets	2,630,042	30,620	164,170	277,887	(2,157,365)	-	(2,157,365)
Culture, parks and recreation	1,318,091	145,082	47,474	9,974	(1,115,561)	-	(1,115,561)
Interest on long-term debt	571,644	-	-	-	(571,644)	-	(571,644)
Total governmental activities	<u>15,046,890</u>	<u>1,436,263</u>	<u>906,038</u>	<u>303,767</u>	<u>(12,400,822)</u>	<u>-</u>	<u>(12,400,822)</u>
Business-type activities							
Water	4,433,900	4,803,389	-	-	-	369,489	369,489
Wastewater	2,977,236	2,261,927	-	-	-	(715,309)	(715,309)
Sanitation	859,171	1,142,930	-	-	-	283,759	283,759
Golf	1,004,915	609,936	-	-	-	(394,979)	(394,979)
Park	538,500	187,450	-	-	-	(351,050)	(351,050)
Airport	1,235,906	631,107	34,522	-	-	(570,277)	(570,277)
Hospital	706,246	6,775	2,552	-	-	(696,919)	(696,919)
Total business-type activities	<u>11,755,874</u>	<u>9,643,514</u>	<u>37,074</u>	<u>-</u>	<u>-</u>	<u>(2,075,286)</u>	<u>(2,075,286)</u>
Total primary government	<u>\$ 26,802,764</u>	<u>\$ 11,079,777</u>	<u>\$ 943,112</u>	<u>\$ 303,767</u>	<u>\$ (12,400,822)</u>	<u>\$ (2,075,286)</u>	<u>\$ (14,476,108)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes				14,197,426	-	14,197,426	
Property taxes				118,842	-	118,842	
Franchise and public service taxes				968,418	-	968,418	
Hotel/motel taxes				373,280	-	373,280	
Intergovernmental revenue not restricted to specific programs				236,732	1,745,461	1,982,193	
Investment income				26,568	10,549	37,117	
Miscellaneous				454,193	34,022	488,215	
Miscellaneous- Royalties				3,660,445	1,037,595	4,698,040	
Transfers - Internal activity				(3,007,184)	3,007,184	-	
Total general revenues and transfers				<u>17,028,720</u>	<u>5,834,811</u>	<u>22,863,531</u>	
Change in net position				<u>4,627,898</u>	<u>3,759,525</u>	<u>8,387,423</u>	
Net position - beginning				<u>31,311,528</u>	<u>48,480,131</u>	<u>79,791,659</u>	
Net position - ending				<u>\$ 35,939,426</u>	<u>\$ 52,239,656</u>	<u>\$ 88,179,082</u>	

See accompanying notes to the financial statements.

**CITY OF EL RENO, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

**CITY OF EL RENO, OKLAHOMA**  
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**Governmental Funds Balance Sheet - June 30, 2022**

	<b>2020 Series</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Sales Tax Revenue Note Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,550,836	\$ 4,589,839	\$ 2,153,250	\$ 24,293,925	
Investments	120,041	-	59,347	179,388	
Due from other funds	351,702	-	-	351,702	
Due from other governments	1,898,760	-	392,232	2,290,992	
Franchise tax receivable	101,951	-	5,104	107,055	
Court fine receivable, net	551,715	-	-	551,715	
Leases receivable	425,148	-	-	425,148	
Total assets	<u>\$ 21,000,153</u>	<u>4,589,839</u>	<u>\$ 2,609,933</u>	<u>\$ 28,199,925</u>	
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ 32,845	244,228	\$ 13,046	\$ 290,119	
Accrued payroll payable	294,898	-	-	294,898	
Due to other funds	764,024	58,953	258,780	1,081,757	
Due to other governments	1,231	-	-	1,231	
Refundable court bonds	4,558	-	-	4,558	
Total liabilities	<u>1,097,556</u>	<u>303,181</u>	<u>271,826</u>	<u>1,672,563</u>	
Deferred Inflows of resources:					
Deferred inflow leases	420,115	-	-	420,115	
Unavailable revenue	527,883	-	56,914	584,797	
Total deferred inflows	<u>947,998</u>	<u>-</u>	<u>56,914</u>	<u>1,004,912</u>	
Fund balances:					
Nonspendable	-	-	182,939	182,939	
Restricted	1,938,678	4,286,658	1,845,386	8,070,722	
Committed	81,519	-	54,651	136,170	
Assigned	6,376,020	-	198,217	6,574,237	
Unassigned	10,558,382	-	-	10,558,382	
Total fund balance	<u>18,954,599</u>	<u>4,286,658</u>	<u>2,281,193</u>	<u>25,522,450</u>	
Total liabilities, deferred inflows and fund balance	<u>\$ 21,000,153</u>	<u>\$ 4,589,839</u>	<u>\$ 2,609,933</u>	<u>\$ 28,199,925</u>	

See accompanying notes to the financial statements.

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**Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance – Year Ended June 30, 2022**

	<b>2020 Series</b>		<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Sales Tax Revenue Note Construction</b>		
<b>REVENUES</b>				
Taxes	\$ 14,368,052	\$ -	\$ 1,292,067	\$ 15,660,119
Intergovernmental	2,679,417	-	323,227	3,002,644
Licenses and permits	671,863	-	30,620	702,483
Charges for services	107,675	-	60,899	168,574
Fines and forfeitures	222,933	-	74,785	297,718
Investment income	24,795	1,534	202	26,531
Royalties	3,660,445	-	-	3,660,445
Miscellaneous	783,206	-	-	783,206
Total revenues	<u>22,518,386</u>	<u>1,534</u>	<u>1,781,800</u>	<u>24,301,720</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,997,604	-	341,152	2,338,756
Public safety	9,157,351	-	344,719	9,502,070
Streets	970,017	-	2,500	972,517
Culture, parks, and recreation	799,289	6,323	-	805,612
Capital outlay	604,622	3,118,347	237,324	3,960,293
Debt service:				
Principal	11,589,750	-	150,932	11,740,682
Interest	591,025	-	5,280	596,305
Total Expenditures	<u>25,709,658</u>	<u>3,124,670</u>	<u>1,081,907</u>	<u>29,916,235</u>
Excess (deficiency) of revenues over expenditures	<u>(3,191,272)</u>	<u>(3,123,136)</u>	<u>699,893</u>	<u>(5,614,515)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,185,748	-	-	3,185,748
Transfers out	(5,643,485)	(179,447)	(370,000)	(6,192,932)
Proceeds from long-term debt	9,283,250	-	-	9,283,250
Total other financing sources and uses	<u>6,825,513</u>	<u>(179,447)</u>	<u>(370,000)</u>	<u>6,276,066</u>
Net change in fund balance	3,634,241	(3,302,583)	329,893	661,551
Fund balance - beginning	15,320,358	7,589,241	1,951,300	24,860,899
Fund balance - ending	<u>\$ 18,954,599</u>	<u>\$ 4,286,658</u>	<u>\$ 2,281,193</u>	<u>\$ 25,522,450</u>

See accompanying notes to the financial statements.

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

**Fund Balance - Net Position Reconciliation:** \$ 25,522,450

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$34,498,622

39,129,338

Certain long-term assets are not available to pay current fund liabilities and therefore they, along with deferred outflows, are either deferred or not reported in the funds:

OPEB related deferred outflows	146,354
Net pension asset	3,659,484
Pension related deferred outflows	2,906,350
Deferred outflow related to long-term debt refunding	501,470
Unavailable revenue	581,768

Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance costs, to individual funds. The assets and liabilities of these internal service funds are reported in the governmental activities of the Statement of Net Position:

Internal service funds' net position	332,305
--------------------------------------	---------

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

Net pension liability	(4,013,762)
Total OPEB liability	(1,265,448)
Pension related deferred inflows	(7,821,166)
Accrued interest payable	(184,188)
OPEB related deferred inflows	(531,229)
Revenue bond obligations	(21,458,250)
Accrued compensated absences	(1,566,050)
	<hr/>
	(36,840,093)

Net Position of Governmental Activities in the Statement of Net Position

\$ 35,939,426

See accompanying notes to the financial statements.

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**Changes in Fund Balance - Changes in Net Position Reconciliation:** \$ 661,551

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

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

Capital asset purchases capitalized	3,960,293
Depreciation expense	<u>(3,136,937)</u>
	<u>823,356</u>

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

2,069,878

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

Change in unavailable revenue	(1,390,774)
-------------------------------	-------------

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

Principal payment on capital lease obligation	150,932
Principal payment on bonds payable obligation	11,589,750
Amortization of deferred amount on refunding	(69,973)
Proceeds from debt	<u>(9,283,250)</u>
	<u>2,387,459</u>

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

Change in accrued interest payable	94,634
Change in Total OPEB liability	(251,665)
Change in accrued compensated absences	<u>161,855</u>
	<u>4,824</u>

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities

Change in net position for internal service funds	71,604
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Change in net position of governmental activities	<u>\$ 4,627,898</u>
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See accompanying notes to the financial statements.

**CITY OF EL RENO, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS**

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**Proprietary Funds Statement of Net Position - June 30, 2022**

	<b>ENTERPRISE FUNDS</b>					<b>Internal Service Funds</b>
	<b>El Reno Municipal Trust Authority</b>	<b>The City of El Reno Hospital Authority</b>	<b>The City of El Reno Airpark Authority</b>	<b>The City of El Reno Recreational Authority</b>	<b>Totals</b>	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 10,450,082	\$ 2,125,857	\$ 2,693,907	\$ 442,362	\$ 15,712,208	\$ 472,266
Restricted cash and cash equivalents	7,738,182	-	-	-	7,738,182	-
Investments	7,522,579	-	-	-	7,522,579	-
Due from other funds	764,024	-	-	-	764,024	-
Due from other governments	1,964	-	59,394	-	61,358	-
Inventory	5,357	-	49,339	14,929	69,625	-
Accounts receivable, net	1,351,226	-	21,608	8,075	1,380,909	-
Total current assets	<u>27,833,414</u>	<u>2,125,857</u>	<u>2,824,248</u>	<u>465,366</u>	<u>33,248,885</u>	<u>472,266</u>
Non-current assets:						
Restricted investments	125,376	-	-	-	125,376	-
Net pension asset	109,093	-	-	71,554	180,647	-
Leases receivable	221,752	-	-	270,040	491,792	-
Capital assets:						
Land and construction in progress	3,393,770	1,135,221	212,890	6,970	4,748,851	-
Other capital assets, net of accumulated depreciation	36,004,762	10,640,074	4,380,607	2,565,761	53,591,204	-
Total non-current assets	<u>39,854,753</u>	<u>11,775,295</u>	<u>4,593,497</u>	<u>2,914,325</u>	<u>59,137,870</u>	<u>-</u>
Total assets	<u>67,688,167</u>	<u>13,901,152</u>	<u>7,417,745</u>	<u>3,379,691</u>	<u>92,386,755</u>	<u>472,266</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>						
Deferred amounts related to pensions	63,802	-	-	49,053	112,855	-
Deferred amounts related to OPEB	13,496	-	3,007	31,725	48,228	-
Deferred amount on refunding	60,472	-	-	-	60,472	-
Total deferred outflow of resources	<u>137,770</u>	<u>-</u>	<u>3,007</u>	<u>80,778</u>	<u>221,555</u>	<u>-</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	616,549	4,566	5,256	22,056	648,427	-
Accrued payroll payable	12,577	-	2,118	12,377	27,072	-
Accrued interest payable	245,401	62,550	-	-	307,951	-
Unearned revenue	-	-	736	-	736	-
Due to other funds	-	-	-	33,969	33,969	-
Current portion of:						
Claims liability	-	-	-	-	-	12,355
Notes payable	182,762	-	-	-	182,762	-
Revenue bonds payable, net	260,890	646,000	-	-	906,890	-
Accrued compensated absences	4,623	-	120	1,813	6,556	-
Total current liabilities	<u>1,322,802</u>	<u>713,116</u>	<u>8,230</u>	<u>70,215</u>	<u>2,114,363</u>	<u>12,355</u>
Non-current liabilities:						
Claims liability	-	-	-	-	-	127,606
Deposits subject to refund	467,659	-	-	-	467,659	-
Notes payable	29,676,505	-	-	-	29,676,505	-
Revenue bonds payable	1,802,360	4,914,000	-	-	6,716,360	-
Accrued compensated absences	41,604	-	1,081	16,314	58,999	-
Total OPEB liability	89,476	-	12,782	115,041	217,299	-
Total non-current liabilities	<u>32,077,604</u>	<u>4,914,000</u>	<u>13,863</u>	<u>131,355</u>	<u>37,136,822</u>	<u>127,606</u>
Total liabilities	<u>33,400,406</u>	<u>5,627,116</u>	<u>22,093</u>	<u>201,570</u>	<u>39,251,185</u>	<u>139,961</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Deferred amounts related to pension	276,783	-	-	152,805	429,588	-
Deferred amounts related to leases	220,593	-	-	268,864	489,457	-
Deferred amounts related to OPEB	77,657	-	14,407	106,360	198,424	-
Total deferred inflow of resources	<u>575,033</u>	<u>-</u>	<u>14,407</u>	<u>528,029</u>	<u>1,117,469</u>	<u>-</u>
<b>NET POSITION</b>						
Net Investment in capital assets	14,110,869	6,233,937	4,590,423	2,572,731	27,507,960	-
Restricted for debt service	155,209	321,383	-	-	476,592	-
Unrestricted	19,584,420	1,718,716	2,793,829	158,139	24,255,104	332,305
Total net position	<u>\$ 33,850,498</u>	<u>\$ 8,274,036</u>	<u>\$ 7,384,252</u>	<u>\$ 2,730,870</u>	<u>\$ 52,239,656</u>	<u>\$ 332,305</u>

See accompanying notes to the financial statements.

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**Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2022**

	ENTERPRISE FUNDS					<u>Totals</u>	<u>Internal Service Funds</u>
	<u>El Reno Municipal Trust Authority</u>	<u>The City of El Reno Hospital Authority</u>	<u>The City of El Reno Airpark Authority</u>	<u>The City of El Reno Recreational Authority</u>			
<b>OPERATING REVENUES</b>							
Water charges	\$ 4,629,397	\$ -	\$ -	\$ -	\$ -	\$ 4,629,397	\$ -
Sewer charges	2,134,851	-	-	-	-	2,134,851	-
Sanitation charges	1,118,365	-	-	-	-	1,118,365	-
Airport charges	-	-	627,018	-	-	627,018	-
Golf Course charges	-	-	-	540,832	540,832	-	-
Hook and Slice Restaurant charges	-	-	-	65,602	65,602	-	-
Water and sewer taps	169,150	-	-	-	-	169,150	-
Transfer fees	2,300	-	-	-	-	2,300	-
Returned check charges	700	-	-	-	-	700	-
Cut off charges	14,209	-	-	-	-	14,209	-
Penalties and interest	98,248	-	-	-	-	98,248	-
Miscellaneous	43,772	9,327	1,068,206	3,502	1,124,807	-	-
Rental	-	-	-	72,772	72,772	-	-
Permits	-	-	-	114,678	114,678	-	-
Self-Insurance charges	-	-	-	-	-	215,258	-
Total operating revenues	<u>8,210,992</u>	<u>9,327</u>	<u>1,695,224</u>	<u>797,386</u>	<u>10,712,929</u>	<u>215,258</u>	
<b>OPERATING EXPENSES</b>							
Managerial	281,656	-	-	-	-	281,656	-
Administration	244,148	-	-	71,919	316,067	-	-
Billing	947,121	-	-	-	-	947,121	-
Water Plant	2,692,227	-	-	-	-	2,692,227	-
Wastewater	1,030,455	-	-	-	-	1,030,455	-
Utility Lines	-	-	-	-	-	-	-
Hospital	-	250,958	-	-	-	250,958	-
Airport	-	-	623,570	-	-	623,570	-
Golf	-	-	-	658,440	658,440	-	-
Parks	-	-	-	502,540	502,540	-	-
Claims Expense	-	-	-	-	-	143,691	-
Depreciation expense	2,341,710	324,110	612,336	310,516	3,588,672	-	-
Total Operating Expenses	<u>7,537,317</u>	<u>575,068</u>	<u>1,235,906</u>	<u>1,543,415</u>	<u>10,891,706</u>	<u>143,691</u>	
Operating income (loss)	<u>673,675</u>	<u>(565,741)</u>	<u>459,318</u>	<u>(746,029)</u>	<u>(178,777)</u>	<u>71,567</u>	
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Investment income	9,942	412	171	24	10,549	37	-
Grant revenue	1,745,461	-	32,000	-	1,777,461	-	-
Miscellaneous revenue	5,239	-	2,037	-	7,276	-	-
Interest expense and fiscal charges	(732,990)	(131,178)	-	-	(864,168)	-	-
Total non-operating revenue (expenses)	<u>1,027,652</u>	<u>(130,766)</u>	<u>34,208</u>	<u>24</u>	<u>931,118</u>	<u>37</u>	
Income (loss) before contributions and transfers	<u>1,701,327</u>	<u>(696,507)</u>	<u>493,526</u>	<u>(746,005)</u>	<u>752,341</u>	<u>71,604</u>	
Capital contributions	-	-	-	471,254	471,254	-	-
Transfers in	4,970,678	1,440,178	-	601,000	7,011,856	-	-
Transfers out	(3,730,662)	(670,000)	(75,264)	-	(4,475,926)	-	-
Change in net position	2,941,343	73,671	418,262	326,249	3,759,525	71,604	-
Total net position - beginning	30,909,155	8,200,365	6,965,990	2,404,621	48,480,131	260,701	-
Total net position - ending	<u>\$ 33,850,498</u>	<u>\$ 8,274,036</u>	<u>\$ 7,384,252</u>	<u>\$ 2,730,870</u>	<u>\$ 52,239,656</u>	<u>\$ 332,305</u>	

See accompanying notes to the financial statements.

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**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022**

	ENTERPRISE FUNDS					<u>Total</u>	<u>Internal Service Funds</u>
	<u>El Reno Municipal Trust Authority</u>	<u>The City of El Reno Hospital Authority</u>	<u>The City of El Reno Airpark Authority</u>	<u>The City of El Reno Recreational Authority</u>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 7,931,240	\$ 353,136	\$ 1,688,607	\$ 795,739	\$ 10,768,722	\$ -	\$ -
Payments to suppliers	(3,850,119)	(503,694)	(527,630)	(599,623)	(5,481,066)	(149,970)	
Payments to employees	(965,001)	-	(117,326)	(712,083)	(1,794,410)	-	
Receipts of customer meter deposits	78,775	-	-	-	78,775	-	
Refunds of customer meter deposits	(66,630)	-	-	-	(66,630)	-	
Other income	-	-	-	-	-	215,258	
<b>Net cash provided by (used in) operating activities</b>	<b>3,128,265</b>	<b>(150,558)</b>	<b>1,043,651</b>	<b>(515,967)</b>	<b>3,505,391</b>	<b>65,288</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	4,970,678	1,440,178	-	601,000	7,011,856	-	
Transfers to other funds	(3,730,662)	(670,000)	(75,264)	-	(4,475,926)	-	
Noncapital grants and contribution	1,745,461	-	-	-	1,745,461	-	
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>2,985,477</b>	<b>770,178</b>	<b>(75,264)</b>	<b>601,000</b>	<b>4,281,391</b>	<b>-</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchases of capital assets	(3,216,771)	(1,076,646)	(63,175)	(54,374)	(4,410,966)	-	
Principal paid on capital debt	(2,839,488)	(632,000)	-	-	(3,471,488)	-	
Proceeds from capital debt	9,269,348	-	-	-	9,269,348	-	
Proceeds from lease receivable	(1,159)	-	-	(1,176)	(2,335)	-	
Interest and fiscal agent fees paid on capital debt	(678,703)	(138,288)	-	-	(816,991)	-	
Capital grants and contribution	-	-	32,000	-	32,000	-	
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>2,533,227</b>	<b>(1,846,934)</b>	<b>(31,175)</b>	<b>(55,550)</b>	<b>599,568</b>	<b>-</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of investments	(3,007,774)	-	-	-	(3,007,774)	-	
Interest and dividends	9,942	413	171	25	10,551	37	
<b>Net cash provided by (used in) investing activities</b>	<b>(2,997,832)</b>	<b>413</b>	<b>171</b>	<b>25</b>	<b>(2,997,223)</b>	<b>37</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,649,137</b>	<b>(1,226,901)</b>	<b>937,383</b>	<b>29,508</b>	<b>5,389,127</b>	<b>65,325</b>	
<b>Balances - beginning of year</b>	<b>12,539,127</b>	<b>3,352,758</b>	<b>1,756,524</b>	<b>412,854</b>	<b>18,061,263</b>	<b>406,941</b>	
<b>Balances - end of year</b>	<b>\$ 18,188,264</b>	<b>\$ 2,125,857</b>	<b>\$ 2,693,907</b>	<b>\$ 442,362</b>	<b>\$ 23,450,390</b>	<b>\$ 472,266</b>	
<b>Reconciliation to Statement of Net Position:</b>							
Cash and cash equivalents	\$ 10,450,082	\$ 2,125,857	\$ 2,693,907	\$ 442,362	\$ 15,712,208	\$ 472,266	
Restricted cash and cash equivalents - current	7,738,182	-	-	-	7,738,182	-	
Total cash and cash equivalents, end of year	<b>\$ 18,188,264</b>	<b>\$ 2,125,857</b>	<b>\$ 2,693,907</b>	<b>\$ 442,362</b>	<b>\$ 23,450,390</b>	<b>\$ 472,266</b>	

(Continued)

See accompanying notes to the financial statements

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**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022, (continued)**

	<u>El Reno Municipal Trust Authority</u>	<u>The City of El Reno Hospital Authority</u>	<u>The City of El Reno Airpark Authority</u>	<u>The City of El Reno Recreational Authority</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss) \$ 673,675 \$ (565,741) \$ 459,318 \$ (746,029) \$ (178,777) \$ 71,567						
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	2,341,710	324,110	612,336	310,516	3,588,672	-
Miscellaneous revenue	5,239	-	2,037	-	7,276	-
Change in assets and liabilities:						
Due from other governments	(1,964)	-	3,328	-	1,364	-
Accounts receivable	(283,027)	343,809	(11,982)	(1,646)	47,154	-
Inventory	4,664	-	(4,924)	737	477	-
Net pension asset	(109,093)	-	-	(71,554)	(180,647)	-
Accounts payable	504,323	(252,736)	(6,121)	3,310	248,776	-
Accrued payroll payable	(43,929)	-	(3,914)	(35,263)	(83,106)	-
Net pension liability	37,752	-	-	42,172	79,924	-
Total OPEB liability	3,990	-	(4,455)	(17,941)	(18,406)	-
Claims liability	-	-	-	-	-	(6,279)
Deposits subject to refund	12,145	-	-	-	12,145	-
Accrued compensated absences	(17,220)	-	(1,972)	(269)	(19,461)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,128,265</b>	<b>\$ (150,558)</b>	<b>\$ 1,043,651</b>	<b>\$ (515,967)</b>	<b>\$ 3,505,391</b>	<b>\$ 65,288</b>
<b>Noncash activities:</b>						
Contributed capital	\$ -	\$ -	\$ -	\$ 471,254	\$ 471,254	\$ -

See accompanying notes to the financial statements.

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**FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS**

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**Footnotes to the Basic Financial Statements:**

**1. Financial Reporting Entity**

The City's financial reporting entity includes the primary government (City of El Reno), four blended component units, and one discretely presented component unit (when active) as noted below. This annual report includes all activities for which the City of El Reno City Council/Manager is fiscally responsible.

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

**The City of El Reno** – that provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of El Reno has a population of approximately 16,749 located in central Oklahoma. The City is a Council/Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager

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

**Blended Component Units:**

**The El Reno Municipal Trust Authority** – that operates the water, sewer, and sanitation services of the City – City Council serves as Authority trustees.

**The City of El Reno Hospital Authority** – that operates the hospital which serves the citizens of El Reno and the surrounding communities. City Council serves as Authority trustees.

**The El Reno Airpark Authority** – that operates the local non-commercial airport activities. City Council serves as Authority trustees.

**The El Reno Recreation Authority** – that was established to stimulate economic growth and development through the promotion, financing and development of recreational, sports, cultural, tourism and entertainment projects and facilities. City Council serves as Authority trustees.

**Discretely Presented Component Unit:**

**The El Reno Economic Development Authority** – that promotes and subsidizes efforts to create economic development within the City. City Council appoints trustees. There is currently no financial activity for this trust, and this trust is considered inactive.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City

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Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation for the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

## **2. Basis of Presentation and Accounting**

### *Government-Wide Financial Statements:*

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

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

- Public Safety – Fire, Police, Ambulance – fines and forfeitures, restricted operating grants, and restricted capital grants
- Streets – Commercial vehicle and gasoline excise tax shared by the State and other restricted operating grants.
- Culture, parks, and recreation – cemetery revenues, pool fees, operating and capital grants
- General Government – license and permits, plat and abatement fees, demolition fees, and restricted operating grants
- Water – water service charges
- Wastewater – wastewater service charges
- Sanitation – sanitation service charges
- Golf – golf course fees, restaurant services fees
- Parks – park rental revenue and permits
- Airport – hangar rental income, fuel sales, and royalties
- Hospital – reimbursement revenue

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

The funds of the financial reporting entity are described below.

### *Governmental Funds:*

The City's governmental funds include:

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Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For financial statement reporting purposes the General Fund contains the following combining accounts:
  - Gift and Contribution Account (previously Park Improvement Account)
  - Sales Tax ¼ cent Account
  - Cemetery Everlasting Care Account
  - Emergency Reserve Account
  - Royalties Fund
- 2020 Series Sale Tax Revenue Note Construction Fund– accounts the bond proceeds from the 2020 Sales Tax Revenue Note and expenditures associated with it.

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

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

- Police Fund (Previously 911 Emergency Fund) – accounts for the following restricted revenues for public safety: 911 admin fee, police forfeitures, juvenile fee, drug and alcohol fees, impound fee, and any miscellaneous restricted fees.
- CDGB Fund – accounts for CDGB grant activity.
- Hotel Motel Occupancy Surcharge Fund – accounts for the Hotel/Motel tax collections and related expenditures; this was removed from the General Fund after the January 2008 election which restricts these funds to 40% for tourism and 60% for capital.
- Safety Sales Tax ¼ Cent Fund – accounts for the New Public Safety Sales Tax which was approved by voters in January 2008.
- Police Evidence Fund– accounts for seized cash.
- Tax Increment Fund– accounts for the TIF money received and remitted to the TIF district.

Capital Project Funds:

- Drainage Improvement Fund – accounts for revenues and expenses for the purpose of creating and/or improving drainage basins.
- Capital Improvement Fund – accounts for an increase in Municipal Court fines. Funds are to be used for capital improvements in general.
- Infrastructure Fund - accounts for various construction projects funded through interfund transfers.
- Cemetery Care Fund – accounts for cemetery fees restricted for cemetery care.
- Sidewalk Fund– accounts for sidewalk fees to construct new sidewalks.

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**Permanent Funds:**

- Library Endowment Fund – accounts for funds which are restricted for library purposes.
- Cemetery Perpetual Care Fund – accounts for funds restricted for the maintenance or improvement of graves, lots, or perpetual care of the cemetery.

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

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

The General Fund is considered a major fund and is therefore displayed in a separate column. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds. The fund balances, reported on the modified accrual basis for these aggregated non-major funds changed as follows for the year ended June 30, 2022.

Fund	Fund Balance 7/1/2021	Changes in Fund Balance	Fund Balance 6/30/2022
<b>Special Revenue Funds:</b>			
Police Fund	\$ 260,282	\$ (3,451)	\$ 256,831
CDBG Fund	-	(42,545)	(42,545)
Police Evidence Fund	3,741	45,185	48,926
Cemetery Care	203,742	33,563	237,305
Hotel Motel Occupancy Surcharge	784,367	112,604	896,971
Safety Sales Tax 1/4 Cent	366,476	78,443	444,919
Tax Increment Fund	-	51,714	51,714
<b>Capital Project Funds:</b>			
Drainage Improvement	3,082	-	3,082
Capital Improvement	72,118	26,237	98,355
Sidewalk Fund	60,608	28,120	88,728
<b>Permanent Funds:</b>			
Library Endowment	32,246	5	32,251
Cemetery Perpetual Care	164,638	18	164,656
<b>Total</b>	<b>\$ 1,951,300</b>	<b>\$ 329,893</b>	<b>\$ 2,281,193</b>

*Proprietary Funds:*

The City's proprietary funds include:

**Enterprise Funds**

- El Reno Municipal Trust Authority Fund that accounts for the activities of the public trust in providing water, sewer, and sanitation services to the public.
- City of El Reno Hospital Authority Fund that accounts for the activities of the public trust which operates the hospital that serves the citizens of El Reno and the surrounding communities.
- El Reno Airpark Authority Fund that operates the local non-commercial airport activities.
- El Reno Recreation Authority that was established to construct and operate the municipal golf course.

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**Internal Service Funds**

- Self-Insurance Workers' Comp

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (FPRS), Oklahoma Police Pension & Retirement System (OPPRS), and Oklahoma Municipal Retirement Fund (OkMRF) and additions to/deductions from FPRS's, OPPRS's, and OkMRF's fiduciary net position have been determined on the same basis as they are reported by FPRS, OPPRS, and OkMRF. 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.

**3. Cash, Cash Equivalents, and Investments**

For the purpose of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents for reporting purposes.

At June 30, 2022, the reporting entity held the following deposits and investments:

**Primary Government:**

Type	Maturities	Credit Rating	Carrying Value
<b>Deposits:</b>			
Demand deposits			\$ 34,903,033
Cash on hand			7,080
Time deposits	Due within one year		7,827,343
			<u>42,737,456</u>
<b>Investments:</b>			
Trustee money market accounts		AAAm	13,306,468
<b>Total deposits and investments</b>			<u>\$ 56,043,924</u>

**Reconciliation to Statement of Net Position:**

Cash and cash equivalents	\$ 48,216,581
Investments	7,701,967
Restricted investments	125,376
	<u>\$ 56,043,924</u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2022, the City was not exposed to custodial credit risk as defined above.

*Investment Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk* - The City is currently working with the City Attorney to revise the investment policy for adaptation during the new re-codification. The City has limited its investment choices to state law as follows:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

*Concentration of Investment Credit Risk* – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City places no limit on the amount it may invest in any one issuer. The City has the following concentration of credit risk: 100% (or \$13,306,468 market value) invested in Federated Treasury Obligations money market accounts at Bancfirst.

*Restricted cash and Investments* – The amounts reported as restricted assets of the Statement of Net Position are comprised of amounts restricted for utility deposits, debt service, debt reserve, or construction purposes. The restricted assets as of June 30, 2022 are as follows:

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	Current Cash and cash Equivalents	Noncurrent Investments
2014 OWRB Note Debt Service Fund	\$ 152,795	\$ -
2010 Drinking Water SRF Debt Service	41,929	-
2022 OWRB SLP Debt Service Fund	71,411	-
2022 OWRB SLP Project Fund	6,994,418	-
2022A Sales Tax Revenue Fund	113,610	-
2022B Sales Tax Revenue Fund	20,865	-
Utility Deposits	343,154	125,376
<b>Total</b>	<b><u>\$ 7,738,182</u></b>	<b><u>\$ 125,376</u></b>

#### **4. Accounts Receivable**

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

	<u>Primary Government</u>				The City of El Reno
	Court Fines Receivable	Utilities Receivable	Airpark Receivable	Recreation Authority	
Accounts receivable	\$ 1,837,182	\$ 2,545,877	\$ 21,608	\$ 8,075	
Less: allowance for uncollectible accounts	<u>(1,285,467)</u>	<u>(1,194,651)</u>	<u>-</u>	<u>-</u>	
Accounts receivable, net of allowance	<u>\$ 551,715</u>	<u>\$ 1,351,226</u>	<u>\$ 21,608</u>	<u>\$ 8,075</u>	

#### **5. Leases**

The City is a party as lessor for various non-cancellable long-term leases of cell towers and land. The corresponding lease receivables, are recorded in an amount equal to the present value of the expected future minimum lease payments received, respectively, discounted by an applicable interest rate. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$95,648.

#### **6. Inventories**

The inventories for the blended component units – El Reno Recreation Authority and the El Reno Airpark Authority – are valued at lower of cost or net realizable value using first-in, first-out or market.

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## 7. Capital Assets and Depreciation

### *Capital Assets:*

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. For the year ended June 30, 2022, capital assets balances changed as follows:

	Balance at July 1, 2021	Additions	Disposals	Transfers	Balance at June 30, 2022
<b><i>Governmental activities:</i></b>					
Capital assets not being depreciated:					
Land	\$ 1,379,829	\$ 491,756	\$ -	\$ -	\$ 1,871,585
Construction in progress	<u>595,346</u>	<u>2,828,291</u>	<u>1,025,462</u>	<u>-</u>	<u>2,398,176</u>
Total capital assets not being depreciated	<u>1,975,175</u>	<u>3,320,048</u>	<u>1,025,462</u>	<u>-</u>	<u>4,269,761</u>
Other capital assets:					
Buildings	20,615,475	587,725	11,814	-	21,191,386
Improvements	5,800,020	416,553	-	-	6,216,573
Machinery, furniture and equipment	8,998,104	181,704	130,684	-	9,049,124
Infrastructure	<u>32,428,092</u>	<u>479,723</u>	<u>-</u>	<u>-</u>	<u>32,907,815</u>
Total other capital assets at historical cost	<u>67,841,692</u>	<u>1,665,704</u>	<u>142,498</u>	<u>-</u>	<u>69,364,899</u>
Less accumulated depreciation for:					
Buildings	6,518,481	599,403	11,814	-	7,106,070
Improvements	3,065,983	293,571	-	-	3,359,553
Machinery, furniture and equipment	6,108,677	721,286	130,684	-	6,699,279
Infrastructure	<u>15,817,742</u>	<u>1,522,676</u>	<u>-</u>	<u>-</u>	<u>17,340,419</u>
Total accumulated depreciation	<u>31,510,882</u>	<u>3,136,937</u>	<u>142,498</u>	<u>-</u>	<u>34,505,322</u>
Other capital assets, net	<u>36,330,810</u>	<u>(1,471,233)</u>	<u>-</u>	<u>-</u>	<u>34,859,577</u>
Governmental activities capital assets, net	<u><u>\$ 38,305,985</u></u>	<u><u>\$ 1,848,815</u></u>	<u><u>\$ 1,025,462</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,129,338</u></u>
 <b><i>Business-type activities:</i></b>					
Capital assets not being depreciated:					
Land	\$ 2,029,643	\$ -	\$ -	\$ -	\$ 2,029,643
Construction in progress	<u>9,295,971</u>	<u>3,898,032</u>	<u>10,474,795</u>	<u>-</u>	<u>2,719,208</u>
Total capital assets not being depreciated	<u>11,325,614</u>	<u>3,898,032</u>	<u>10,474,795</u>	<u>-</u>	<u>4,748,851</u>
Other capital assets:					
Buildings	30,511,630	9,002,914	-	-	39,514,543
Improvements	12,631,551	62,991	-	-	12,694,542
Machinery, furniture and equipment	13,023,379	582,224	169,993	-	13,435,610
Intangible water rights	207,657	-	-	-	207,657
Utility property improvements	<u>40,103,619</u>	<u>1,810,856</u>	<u>-</u>	<u>-</u>	<u>41,914,475</u>
Total other capital assets at historical cost	<u>96,477,836</u>	<u>11,458,985</u>	<u>169,993</u>	<u>-</u>	<u>107,766,829</u>
Less accumulated depreciation for:					
Buildings	9,214,858	1,233,154	-	-	10,448,012
Improvements	9,276,572	412,516	-	-	9,689,088
Machinery, furniture and equipment	10,838,464	385,722	169,993	-	11,054,192
Intangible water rights	76,851	3,909	-	-	80,760
Utility property improvements	<u>21,350,201</u>	<u>1,553,372</u>	<u>-</u>	<u>-</u>	<u>22,903,573</u>
Total accumulated depreciation	<u>50,756,946</u>	<u>3,588,672</u>	<u>169,993</u>	<u>-</u>	<u>54,175,625</u>
Other capital assets, net	<u>45,720,891</u>	<u>7,870,313</u>	<u>-</u>	<u>-</u>	<u>53,591,204</u>
Business-type activities capital assets, net	<u><u>\$ 57,046,505</u></u>	<u><u>\$ 11,768,344</u></u>	<u><u>\$ 10,474,795</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 58,340,055</u></u>

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*Depreciation:*

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

Category	Threshold	Lives in Years
Buildings	\$100,000	20 - 50
Improvements Other than Buildings	100,000	20 - 50
Machinery and Equipment	5,000	3 - 20
Infrastructure	500,000	20 - 50

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

Governmental Activities:			Business-Type Activities:		
General Government	\$ 269,824		Water	\$ 1,172,810	
Public Safety	621,239		Wastewater	1,168,900	
Highways and Streets	1,712,223		Hospital	324,110	
Culture & Recreation	533,651		Airpark	612,336	
	<u>\$ 3,136,937</u>		Recreation	<u>310,516</u>	
				<u>\$ 3,588,672</u>	

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

For the year ended June 30, 2022, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Revenue bonds payable (direct placements)	\$ 23,764,750	\$ 9,283,250	\$ 11,589,750	\$ 21,458,250	\$ 1,555,110
Insurance claims liability	146,240	125,091	131,370	139,961	12,355
Lease obligation	150,932	-	150,932	-	-
Accrued compensated absences	1,727,906	11,935,549	12,097,405	1,566,050	156,605
Total Governmental Activities	<u>\$ 25,789,828</u>	<u>\$ 21,343,890</u>	<u>\$ 23,969,457</u>	<u>\$ 23,164,261</u>	<u>\$ 1,724,070</u>
<b>Business-Type Activities:</b>					
Notes payable (direct borrowing)	\$ 22,931,907	\$ 6,485,000	\$ 269,052	\$ 29,147,855	\$ 182,762
Revenue bonds payable (direct placements)	8,756,250	2,066,750	3,196,250	7,626,750	906,890
Deposits subject to refund	455,514	78,775	66,630	467,659	-
Accrued compensated absences	85,016	499,623	519,084	65,555	6,556
Total Business-Type Activities	<u>\$ 32,228,687</u>	<u>\$ 9,130,148</u>	<u>\$ 4,051,016</u>	<u>\$ 37,307,819</u>	<u>\$ 1,096,208</u>

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*Governmental activities long-term debt-* long-term debt payable from direct borrowings and direct placements include the following:

Revenue Bonds Payable (Direct Placements):

Series 2020 Sales Tax Revenue Bonds. Original amount of \$10,000,000 issued by the El Reno Municipal Authority, 100% of the proceeds was used in governmental activities, due in annual installments of \$20,000 to \$780,000 through 2030, interest at 2.20%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.	\$ 9,970,000
Series 2022A Sales Tax Revenue Bonds. Original amount of \$3,63500,000 issued by the El Reno Municipal Authority, 58% or \$2,108,300 of the proceeds was used for governmental activities, due in annual installments of \$243,000 to \$322,000 through 2028, interest at 1.75%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.	\$ 2,108,300
Series 2022B Sales Tax Revenue Bonds. Original amount of \$7,715,000 issued by the El Reno Municipal Authority, 93% or \$7,174,950 of the proceeds was used for governmental activities, due in annual installments of \$225,000 to \$353,000 through 2035, interest at 2.20%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.	\$ 7,174,950
Series 2019A Sales Tax Revenue Bonds. Original amount of \$4,195,000 issued by the El Reno Municipal Authority, 100% of the proceeds was used in governmental activities, due in annual installments of \$179,000 to \$398,000 through 2025, interest at 2.51%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.	<u>2,205,000</u>
<b>Total Revenue Bonds Payable</b>	<b><u>\$ 21,458,250</u></b>
Current portion	\$ 1,555,110
Non-current portion	19,903,140
<b>Total</b>	<b><u>\$ 21,458,250</u></b>

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*Business-type activities long-term debt-* long-term debt payable from direct borrowings and direct placements include the following:

Revenue Bonds Payable (Direct Placements):

El Reno Municipal Authority:

Series 2022A Sales Tax Revenue Bonds. Original amount of \$3,63500,000 issued by the El Reno Municipal Authority, 42% or \$1,526,700 of the proceeds was used for business-type activities, due in annual installments of \$243,000 to \$322,000 through 2028, interest at 1.75%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.

\$ 1,526,700

Series 2022B Sales Tax Revenue Bonds. Original amount of \$7,715,000 issued by the El Reno Municipal Authority, 7% or \$540,050 of the proceeds was used for business-type activities, due in annual installments of \$225,000 to \$353,000 through 2035, interest at 2.20%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.

540,050

Total Revenue Bonds Payable	\$ 2,066,750
Less Unamortized Bond Discount	(3,500)
<b>Net Revenue Bonds Payable</b>	<b><u>\$ 2,063,250</u></b>

Current portion	\$ 260,890
Non-current portion	1,802,360
<b>Total</b>	<b><u>\$ 2,063,250</u></b>

Hospital Authority:

Series 2020B Sales Tax Revenue Bonds. Original amount of \$6,240,000 issued by the El Reno Municipal Authority, 100% of this will be used to construct a new hospital, due in annual installments of \$112,000 to \$375,000 through 2031, interest at 2.25%. This is secured by sales tax revenue. In the event of default, the lender may accelerate the payment of principal and interest accrued on the bond. BancFirst may also require that the sales tax revenue be deposited directly with them.

\$ 5,560,000

Current portion	646,000
non-current portion	4,914,000
<b>Total</b>	<b><u>\$ 5,560,000</u></b>

Total Revenue Bonds Payable	\$ 7,626,750
Less Unamortized Bond Discount	(3,500)
<b>Net Revenue Bonds Payable</b>	<b><u>\$ 7,623,250</u></b>

Current portion	\$ 906,890
non-current portion	6,716,360
<b>Total</b>	<b><u>\$ 7,623,250</u></b>

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Notes Payable (Direct Borrowings):

El Reno Municipal Authority:

Series 2022 OWRB SRF Promissory Note dated March 1, 2022, original amount of \$6,485,000, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning September 2022, final installment due September 15, 2051, with an administrative fee of .2% an interest rate between 3.2% and 4.2%. The OWRB loan is collateralized by the pledge of revenues. In the event default, the lender may: 1) increase the interest rate to 14% per annum from the date of default; 2) accelerate the payment of principal and interest accrued on the note; or 3) appoint the temporary trustees to take over, operate and maintain the System on a profitable basis; 6,485,000

Series 2003A OWRB SRF Promissory Note dated December 22, 2003, original amount of \$643,154, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning March 2010, final installment due September 15, 2023, with an administrative fee of .5% and 0% interest. The OWRB loan is collateralized by the pledge of revenues. In the event default, the lender may: 1) file suit to require any or all of the borrower covenants be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint the temporary trustees to take over, operate and maintain the System on a profitable basis; or 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement. 48,237

Series 2014 OWRB Clean Water SRF Promissory Note dated August 26, 2014, original amount of \$21,530,000, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning March 2015, final installment due September 15, 2039 with an administrative fee of .5% and 2.20% interest, remaining funds to be drawn down at June 30, 2016 are \$5,326,030. The OWRB loan is collateralized by the pledge of revenues. In the event default, the lender may: 1) file suit to require any or all of the borrower covenants be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint the temporary trustees to take over, operate and maintain the System on a profitable basis; or 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement. 21,410,000

Series 2010 OWRB Drinking Water SRF Promissory Note dated February 1, 2010, original amount of \$2,405,000, issued by the El Reno Municipal Authority, due in semi-annual installments each March 15 and September 15, beginning September 2010, final installment due March 15, 2030 with an administrative fee of .5% and 3.09% interest. The OWRB loan is collateralized by the pledge of revenues. In the event default, the lender may: 1) file suit to require any or all of the borrower covenants be performed; 2) accelerate the payment of principal and interest accrued on the note; 3) appoint the temporary trustees to take over, operate and maintain the System on a profitable basis; or 4) file suit to enforce or enjoin the action or inaction of the borrower under the provisions of the loan agreement.

Total Municipal Authority Notes Payable

\$	1,204,618
<hr/>	<hr/>
\$	29,147,855
<hr/>	<hr/>
\$	711,412
<hr/>	<hr/>
\$	29,859,267

Plus Bond Premium

Net Revenue Bonds Payable

Current portion	\$ 182,762
<hr/>	<hr/>
Non-current portion	\$ 29,676,505
<hr/>	<hr/>
Total	\$ 29,859,267

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	<u>GOVERNMENTAL ACTIVITY DEBT</u>		
	Revenue Bonds Payable		
	(direct placements)		
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,555,110	\$ 446,988	
2024	1,665,850	424,943	
2025	2,599,250	381,822	
2026	2,301,210	326,874	
2027	11,113,200	898,547	
2028-2031	2,223,630	98,927	
<b>Totals</b>	<b>\$ 21,458,250</b>	<b>\$ 2,578,101</b>	

<u>Year Ending June 30,</u>	<u>BUSINESS-TYPE ACTIVITY DEBT</u>			
	Revenue Bonds Payable		Notes Payable	
	(direct placements)		(direct borrowings)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 906,890	\$ 156,233	182,762	883,828
2024	952,150	139,431	174,975	870,551
2025	973,750	119,169	293,367	875,287
2026	992,790	98,456	302,894	860,269
2027	1,014,320	77,323	372,564	853,078
2028-2032	2,786,850	116,011	7,096,293	3,882,628
2033-2037	-	-	10,925,000	2,525,758
2038-2042	-	-	6,680,000	1,042,044
2043-2047	-	-	1,405,000	609,350
2048-2052	-	-	1,715,000	315,745
<b>Totals</b>	<b>\$ 7,626,750</b>	<b>\$ 706,623</b>	<b>\$ 29,147,855</b>	<b>\$ 12,718,538</b>

**Pledge of Future Revenues**

*Sales Tax Pledge* - The City has pledged two and ½ cents (or 63%) of future sales tax revenues to repay \$25,545,000 of Series 2019A, 2020, 2020B, 2022A and 2022B Sales Tax Revenue Bonds. Proceeds from the bonds provided financing for utility and governmental capital assets. The bonds are payable through 2025, 2031, 2031, 2028 and 2034 respectively. The total principal and interest payable for the remainder of the life of these notes is \$32,202,352. Total pledged sales taxes received in the current fiscal year were \$7,059,999. Debt service payments for the current fiscal year of \$3,525,228 were 50% of the pledged sales taxes.

*Utility Net Revenues Pledge* – The City has also pledged future water and sewer net revenues to repay \$31,063,154 of 2003A, 2010, 2014 and 2022 Series Oklahoma Water Resources Board Notes Payable. Proceeds from the bonds and notes provided financing for utility system capital assets. The bonds are payable through 2023, 2030, 2039 and 2051. The total principal and interest payable for the remainder of the life of these notes is \$41,866,393. The notes are payable from the above-mentioned utility net revenues. The debt service payments on the notes this year were \$800,627 which was 29% of pledged net utility revenues of \$2,739,429.

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

### *Fund Statements:*

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

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

It is the City's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund. In those funds, interest income is used first before other revenues.

The following tables show the fund balance classifications as shown on the Governmental Funds Balance Sheet:

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General Fund	Major Capital Project Fund	Other Governmental Funds	TOTAL
	2020 Capital Improvement Fund		
<b>Fund Balances:</b>			
Nonspendable:			
Library Endowment	\$ -	\$ 31,050	\$ 31,050
Cemetery Perpetual Care	-	151,889	151,889
Sub-total Nonspendable	-	182,939	182,939
<b>Restricted for:</b>			
Capital outlay	-	4,286,658	4,384,998
Debt Service	641,826	-	641,826
Watershed construction	-	3,082	3,082
Sidewalks	-	88,728	88,728
Jenson Road	186,000	-	186,000
Skateboard Park	181	-	181
Police	12,097	294,871	306,968
Library	31,948	202	32,150
Cemetery	180,002	64,254	244,256
Public Health and Safety	-	444,919	444,919
Care and Share Program	247	-	247
Mercy Sidewalk	2,500	-	2,500
Recreation facilities, public health and safety facilities, public works infrastructure capital outlay or debt service for said capital outlay	829,927	-	829,927
Contingency	460	-	460
Animal Shelter	6,803	-	6,803
Fire Department	42,458	-	42,458
Employee appreciation	357	-	357
Legion Park Lights	1,777	-	1,777
Tennis Court Improvements	95	-	95
Parks/ ASHB Ballfield	2,000	-	2,000
Tourism	-	201,614	201,614
Economic development and capital	-	597,662	597,662
Ad valorem tax levies, constructing public buildings or other permanent improvements	-	51,714	51,714
Sub-total Restricted	1,938,678	4,286,658	8,070,722
<b>Committed to:</b>			
Cemetery	43,410	-	54,651
Park	38,109	-	38,109
Sub-total Committed	81,519	-	54,651
<b>Assigned to:</b>			
Park	17	-	17
Lake	5,768,457	-	5,768,457
Cemetery Capital	-	131,167	131,167
Library	-	999	999
Cemetery	217,970	-	217,970
Police	-	10,886	10,886
CDBG Grant	-	(42,545)	(42,545)
Tourism	-	94,577	94,577
Economic development and capital	-	3,118	3,118
Capital outlay	389,576	-	389,591
Sub-total Assigned	6,376,020	-	198,217
			6,574,237
Unassigned:	10,558,382	-	10,558,382
<b>TOTAL FUND BALANCES</b>	<b>\$ 18,954,599</b>	<b>\$ 4,286,658</b>	<b>\$ 2,281,193</b>
			<b>\$ 25,522,450</b>

Equity is classified as net position and displayed in three components:

f. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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g. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

The restrictions are as follows:

**Governmental Activities**

Other Purposes:	
Cemetery Everlasting Care	\$ 180,002
Drainage Improvement	3,082
Library Endowment	31,252
Cemetery Perpetual Care	164,656
Sidewalk	88,728
Capital Improvement	98,340
Tax Increment	51,714
Safety Sales Tax 1/4 Cent	444,919
Sales Tax 1/4 Cent	829,927
Gifts and Contributions	265,729
Cemetery Care	51,487
Hotel Motel Occupancy Surcharge	799,276
General Fund (Library Donations)	20,694
Police Evidence Fund	48,926
General Fund (Police Donation)	500
	<hr/> <u>3,079,232</u>
Enabling legislation:	
Police	<hr/> <u>245,945</u>
Debt Service:	
Trustee money market accounts	919,026
Less: Accrued Interest Payable	<hr/> <u>(184,188)</u>
	<hr/> <u>734,838</u>
Total Governmental Activities restricted	<hr/> <u>\$ 4,060,015</u>

**Reconciliation to Statement of Net Position:**

Restricted for:	
Public Safety	\$ 740,290
Capital Outlay	241,637
Debt Service	734,838
Recreation, Public Safety and Public Works	829,927
Other	1,317,415
Permanent fund - nonexpendable	182,939
Permanent fund - expendable	12,969
Total Governmental Activities restricted	<hr/> <u>\$ 4,060,015</u>

**BTA | El Reno Municipal Authority**

Contractual agreements:	
Cash and investments	\$ 784,543
Less: Accrued Interest Payable	<hr/> <u>(307,951)</u>
	<hr/> <u>\$ 476,592</u>

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h. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

## **10. Internal and Interfund Balances and Transfers**

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

*Transfers:*

Internal transfers between funds and activities for the year ended June 30, 2022 were as follows:

<b>Transfer From</b>	<b>Transfer To</b>	<b>Amount</b>	<b>Purpose of Transfer</b>
General Fund	City of El Reno Recreation Authority	\$ 291,807	Transfer of assets
2020 Sales Tax Revenue Construction Func	City of El Reno Recreation Authority	179,447	Transfer of assets
Hotel Motel Occupancy Surcharge	General Fund	100,000	Admin fee
Airport Authority	General Fund	75,264	Operating subsidy
General Fund	ERMA	64,678	Operating subsidy
General Fund	ERMA Sales Tax	4,236,000	Sales tax transfer
ERMA Sales Tax	General Fund	2,560,484	Debt service transfer
ERMA Sales Tax	General Fund	400,000	Operating subsidy
Public Safety 1/4 Sales Tax	City of El Reno Hospital Authority	220,000	Funding for new hospital
Public Safety 1/4 Sales Tax	General Fund	50,000	Cover dispatch
General Fund	City of El Reno Recreation Authority	601,000	Operating subsidy
General Fund	City of El Reno Hospital Authority	450,000	Funding for new hospital
ERMA Sales Tax	Airport Authority	770,178	Debt service transfer
City of El Reno Hospital Authority	ERMA Sales Tax	670,000	Debt service transfer
Total		<u>\$ 10,668,858</u>	

Reconciliation to Fund Financial Statements:

	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Net Transfers</b>
Governmental Funds	\$ 3,185,748	\$ (6,192,932)	\$ (3,007,184)
Proprietary Funds	7,011,856	(4,475,926)	2,535,930
	<u>\$ 10,197,604</u>	<u>\$ (10,668,858)</u>	<u>\$ (471,254)</u>

Reconciliation to Statement of Activities:

Net Transfers	\$ 2,535,930
Capital assets from governmental funds- (one-sided at fund level)	471,254
Transfers - internal activity	<u>\$ 3,007,184</u>

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*Balances:*

Interfund receivable and payables at June 30, 2022 were comprised of the following:

<b>Payable Fund</b>	<b>Receivable Fund</b>	<b>Amount</b>	<b>Nature of Interfund Balance</b>
General Fund	ERMA Sales Tax	\$ 764,024	Sales tax transfer receivable
CDBG	General Fund	258,780	Cover negative cash
2020 Series Sales Tax Revenue Note Construction	General Fund	58,953	Cover negative cash
Recreation Authority	General Fund	33,969	Loan to Recreation Authority
		<u>\$ 1,115,726</u>	

**Reconciliation to Fund Financial Statements:**

	<b>Due to</b>	<b>Due From</b>	<b>Net Interfund Balances</b>
Governmental Funds	\$ (1,081,757)	\$ 351,702	\$ (730,055)
Proprietary Funds	(33,969)	764,024	730,055
	<u>\$ (1,115,726)</u>	<u>\$ 1,115,726</u>	<u>\$ -</u>

## 11. Sales Tax

Sales tax revenue represents a 4 cents tax on each dollar of taxable sales of which is recorded as follows:

- 2 cents is recorded in the General Fund. ½ cent of the 2 cents is pledged for El Reno Recreational Authority debt service on golf course capital debt and ½ cent is pledged for the 2005 Series Sales Tax Bonds.
- 1.5 cents is recorded in the General fund and then transferred to the El Reno Municipal Authority for debt service per debt agreement.
- .25 cents is recorded in the Sales Tax ¼ Cent Fund to be transferred to the El Reno Recreation Authority for the purpose to provide revenues for capital expenditures pertaining to recreational facilities, public works infrastructure and public health and safety facilities or for debt service in connection with obligations heretofore issued or to be issued to finance said capital expenditures.
- .25 cents is recorded in the Safety Sales Tax ¼ Cent Fund to pay for costs pertaining to the provision of emergency services.

## 12. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool.
- Workers' Compensation – Self-insured within limits of Oklahoma worker's compensation laws. 100% risk of loss retained.
- Employee's Group Medical – Covered through participation in Blue Cross and Blue Shield of Oklahoma.

The City's risk is transferred to the risk entity pool except for claim deductible amounts. The risk pool maintains deposits for claims reserves and other purposes for the benefit of the City. The portion of the reserves to which the City has access is reported as Deposits with Insurance Pool.

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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.

For the internal service self-insurance funds, changes in the worker's comp claims liability for the City from July 1, 2020, to June 30, 2022, are as follows:

	<u>Workers' Compensation</u>
Claim liability, June 30, 2020	75,988
Claims and changes in estimates	(30,750)
Claims payments	<u>101,002</u>
Claim liability, June 30, 2021	146,240
Claims and changes in estimates	(131,370)
Claims payments	<u>125,091</u>
Claim liability, June 30, 2022	<u><u>\$ 139,961</u></u>
Reconciliation to Statement of Net Position:	
Current portion	\$ 12,355
Noncurrent portion	<u>127,606</u>
Total	<u><u>\$ 139,961</u></u>

### **13. Commitments and Contingencies**

#### *Litigation:*

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

#### *Federal and State Award Programs:*

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

#### *Construction Commitments:*

At June 30, 2022 the City had awarded construction contracts totaling approximately \$13,064,912 and of this amount, \$9,744,813 was still outstanding.

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*Asset Retirement Obligation:*

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2022, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in a subsequent fiscal year.

#### **14. Pension Plan Participation**

The City of El Reno participates in three pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Municipal Retirement Fund – an agent multiple-employer defined benefit plan

*Firefighters' Plan:*

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

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

Normal Retirement:

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$287,964. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$602,463 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$444,449. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2022, the City reported a liability of \$4,013,762 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 0.609469 percent.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$90,371). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,455,701	\$ 70,488
Changes of assumptions	-	89,024
Net difference between projected and actual earnings on pension plan investments	-	3,190,769
Changes in proportion and differences between City contributions and proportionate share of contributions	403,472	865,174
City contributions during measurement	9,755	1,016
City contributions subsequent to the measurement date	287,964	-
<b>Total</b>	<b><u>\$ 2,156,892</u></b>	<b><u>\$ 4,216,471</u></b>

The \$287,964 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ (389,698)
2024	(461,224)
2025	(642,174)
2026	(854,447)
<b>Total</b>	<b><u>\$ (2,347,543)</u></b>

**Actuarial Assumptions**- The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%  
 Salary increases: 2.75% to 10.5% average, including inflation  
 Investment rate of return: 7.5% net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

**Discount Rate**- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability	\$ 6,272,334	\$ 4,013,762	\$ 2,112,875

**Pension plan fiduciary net position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS which can be located at [www.ok.gov/FPRS](http://www.ok.gov/FPRS) .

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*Police Plan:*

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

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

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$298,034. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$255,039 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$184,042. These on-behalf payments did not meet the criteria of a special funding situation.

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**Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2022, the City reported an asset of \$3,112,230 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 0.6488 percent.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$316,043). At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,684	\$ 122,839
Changes of assumptions	47,327	-
Net difference between projected and actual earnings on pension plan investments	-	2,270,264
Changes in proportion and differences between City contributions and proportionate share of contributions	1,518	16,384
City contributions subsequent to the measurement date	3,516	3,993
City contributions subsequent to the measurement date	298,034	-
<b>Total</b>	<b>\$ 395,079</b>	<b>\$ 2,413,480</b>

The \$298,034 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ (524,586)
2024	(460,526)
2025	(579,973)
2026	(757,295)
2027	5,945
	<b><u>\$ (2,316,435)</u></b>

**Actuarial Assumptions**- The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private equity	9.36%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability (asset)	\$ (1,167,180)	\$ (3,112,230)	\$ (4,756,915)

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

*Employee Plan:*

**Plan Description**- The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

**Summary of Significant Accounting Policies**- 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's plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

**Eligibility Factors and Benefit Provisions**

<u>Provision</u>	<u>As of 07/01/21</u> <u>OkMRF Plan</u>
a. Eligible to participate	-Full-time employees except police, firefighters and other employees who are covered under an approved system.
b. Period Required to Vest	-7 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 7 years of service -Early retirement at age 55 with 7 years of service -Disability retirement upon disability with 7 years of service -Death benefit with 7 years of service for married employees
d. Benefit Determination Base	-Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service

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e. Benefit Determination Methods:	
Normal Retirement	-2.25% of final average salary multiplied by credited years of service; if a retiree is a participant in the group annuity contract plan, OkMRF is only responsible for the portion of this benefit in excess of the group annuity contract benefit.
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employees accrued benefit, but terminates upon spouse re-marriage
Prior to 7 Years of Service	-No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102
g. Form of Benefit Payments	-Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

**Employees Covered by Benefit Terms**

Active Employees	56
Deferred Vested Former Employees	13
Retirees or Retiree Beneficiaries	22
Total	<u>91</u>

**Contribution Requirements**-The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 7.09% of covered payroll as of July 1, 2021. For the year ended June 30, 2022 the City recognized \$217,722 of employer contributions to the plan which is just under the actuarially determined amount based on covered payroll of \$3,086,017. Employees' contribution is 4.5% of covered payroll as of July 1, 2021.

**Actuarial Assumptions**

<u>Date of Last Actuarial Valuation</u>	<u>July 1, 2021</u>
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%
c. Projected Salary Increase	Varies between 7.50% and 4.50% based on age

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d. Inflation Rate	2.75%
e. Mortality Table	PubG-2010 with projected mortality improvement
f. Percent of married employees	100%
g. Spouse age difference	3 years (female spouses younger)
h. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years: Year 1: 225 Year 2: 140 Year 3: 100 Year 4: 70 Year 5: 40
i. Date of last experience study	September 2017 for fiscal years 2012 thru 2017

**Discount Rate** – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.50% since the plan's net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

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 (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2021 are summarized in the following table:

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	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
<b>TOTAL</b>	<b>100%</b>		<b>4.75%</b>

**Changes in Net Pension Liability**- The total pension liability was determined based on an actuarial valuation performed as of July 1, 2021 which is also the measurement date. The total pension liability and the plan net position does not include the fully funded liability of the group annuity contract. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2021 and the City's report ending date of June 30, 2022, that would have had a significant impact on the net pension liability (asset). The following table reports the components of changes in net pension liability (asset):

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)			
Increase (Decrease)			
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances Beginning of Year</b>	<b>\$ 6,953,384</b>	<b>\$ 6,021,012</b>	<b>\$ 932,372</b>
<b>Changes for the Year:</b>			
Service cost	274,875	-	274,875
Interest expense	512,049	-	512,049
Difference between expected and actual experience	(424,501)	-	(424,501)
Changes of assumptions	-	-	-
Contributions--City	-	217,698	(217,698)
Contributions--members	-	139,079	(139,079)
Net investment income	-	1,679,166	(1,679,166)
Benefits paid	(256,765)	(256,765)	-
Plan administrative expenses	-	(13,248)	13,248
<b>Net Changes</b>	<b>105,658</b>	<b>1,765,930</b>	<b>(1,660,272)</b>
<b>Balances End of Year</b>	<b>\$ 7,059,042</b>	<b>\$ 7,786,942</b>	<b>\$ (727,900)</b>

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**Sensitivity of the net pension liability to changes in the discount rate**- The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1%	Current	1%
	Decrease	Discount	Increase
	6.50%	Rate 7.50%	8.50%
Net Pension Liability (Asset)	\$ 331,801	\$ (727,900)	\$ (1,569,968)

The City reported (\$152,661) in pension expense (benefit) for the year ended June 30, 2022. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 84,842	\$ 523,626
Changes of assumptions	116,469	-
Net difference between projected and actual earnings on pension plan investments	-	851,719
Changes in proportion and differences between City contributions and proportionate share of contributions	48,201	245,458
City contributions subsequent to the measurement date	217,722	-
<b>Total</b>	<b>\$ 467,234</b>	<b>\$ 1,620,803</b>

**Amortization of Pension Deferrals**- The \$217,722 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or addition to the net pension liability (asset) in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ (323,168)
2024	(343,835)
2025	(362,897)
2026	(340,551)
2027	<u>(840)</u>
	<u><u>\$ (1,371,291)</u></u>

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#### **14. Other Postemployment Benefits**

**Plan description** – The City's defined benefit OPEB plan provides OPEB to eligible retirees and their dependents. The plan is a single employer defined benefit OPEB plan administered by the City. The City's Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits provided** – The Plan covers all current retirees of the City and provides for employee and dependent healthcare coverage from the date of retirement to life, provided the participant was covered by the Plan before retiring. The City provides postretirement medical benefits through the Plan if the retiree and spouse pay the full active premium. Participants can elect to medical, dental and vision.

**Employees covered by benefit terms** - At June 30, 2022 the following employees were covered by the benefit terms:

Active Employees	100
Inactives or beneficiaries currently receiving benefit payments	<u>9</u>
Total	<u><u>109</u></u>

**Total OPEB Liability** – The City's total OPEB liability of \$1,482,747 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2021 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Pay
- Discount Rate – 2.16% and 2.21%, based on June 30, 2022 and June 30, 2021 published Bond Buyer 20-Bond General Obligation Index Rate
- Plan Participation – Assumed 25% of all civilian employees and 50% for police and firefighters. Spouse acceptance rate is assumed to be 50%.
- Retirement Age – civilian rates range from 7% at age 55 to 100% at age 70. Rates for police range from 20% with 20 years of service to 100% with 30 years of service. Rates for firefighters range from 10% with 20 years of service to 100% with 35 years of service.
- Termination rates – rate of withdrawal is based on the assumption used in the Oklahoma Municipal Retirement fund
- Healthcare cost trend rates - Plan year dependent rates graded from 5.96% in 2020 to 4.87% in 2060
- Mortality Rates - RP-2000 with cohort mortality projection.

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**Changes in Total OPEB Liability** –The following table reports the components of changes in total OPEB liability:

	Total OPEB Liability
<b>Balances Beginning of Year</b>	<u>\$ 1,820,535</u>
<b>Change for the Year:</b>	
Service cost	146,111
Interest Expense	40,234
Differences between expected and actual experience	(295,977)
Changes of assumptions	(184,077)
Benefits paid	<u>(44,079)</u>
<b>Net Changes</b>	<u>(337,788)</u>
<b>Balances End of Year</b>	<u>\$ 1,482,747</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**-The following presents the total OPEB liability of the employer calculated using the discount rate of 2.16%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Employers' total OPEB liability	\$ 1,674,551	\$ 1,482,747	\$ 1,314,535

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 5.96% decreasing to 4.87%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.96% decreasing to 3.87%) or 1-percentage-point higher (6.96% decreasing to 5.87%) than the current rate:

	1% Decrease (4.96% decreasing to 3.87%)	Healthcare Cost Trend Rates	1% Increase (6.96% decreasing to 5.87%)
Employers' total OPEB liability	\$ 1,277,004	\$ 1,482,747	\$ 1,732,809

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$103,223. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,850		\$ 330,185
Changes of assumptions	14,100		275,156
Changes in City's proportionate share of contributions	118,746		118,741
Contributions during measurement date	1,612		5,571
Benefit payments subsequent to the measurement date	49,275		-
<b>Total</b>	<b><u>\$ 194,583</u></b>		<b><u>\$ 729,653</u></b>

The \$49,275 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (83,120)
2023	(83,117)
2024	(83,120)
2025	(83,120)
2026	(70,170)
Thereafter	<u>(181,698)</u>
<b>Total</b>	<b><u>\$ (584,345)</u></b>

## **15. Use of Estimates**

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management's best judgments and may vary from actual results.

## **16. Subsequent Event**

In November of 2022, the El Reno Municipal Authority issued the Sales Tax Revenue Note Series 2022 in the amount of \$3,620,000. This note will be used to finance certain capital expenditures pertaining to the first phase of the new broadband utility.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**Budgetary Comparison Schedule – Year Ended June 30, 2022**

	<b>GENERAL FUND</b>				<b>Variance with Final Budget - Positive (Negative)</b>	
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>			
	<b>Original</b>	<b>Final</b>				
<b>REVENUES</b>						
Taxes	\$ 10,155,600	\$ 10,155,600	\$ 14,625,770	\$ 4,470,170		
Fees and fines	190,380	190,380	204,825	14,445		
Licenses and permits	301,380	301,380	671,963	370,583		
Intergovernmental	383,600	422,135	478,695	56,560		
Charges for services	78,650	78,650	98,837	20,187		
Investment earnings	1,300	1,300	24,437	23,137		
Miscellaneous	156,275	390,660	467,759	77,099		
Transfers from Other Funds	2,175,000	2,175,264	1,332,264	(843,000)		
Total revenues	<u>13,442,185</u>	<u>13,715,369</u>	<u>17,904,550</u>	<u>4,189,181</u>		
<b>EXPENDITURES</b>						
Mayor and Council	94,000	94,000	77,490	16,510		
Administration	392,530	393,607	393,013	594		
Finance	938,789	960,070	931,017	29,053		
Police	5,341,365	5,396,088	5,112,893	283,195		
Fire	3,294,090	3,302,436	3,215,695	86,741		
Library	266,543	303,861	302,606	1,255		
Community Development	457,464	541,310	504,739	36,571		
Senior Citizens	46,849	46,984	46,230	754		
Municipal Garage	97,005	120,000	104,238	15,762		
Streets	954,692	992,000	990,758	1,242		
Municipal Court	212,884	213,422	196,885	16,537		
Legal	40,425	77,425	77,268	157		
Swimming Pool	57,299	61,299	59,454	1,845		
Cemetery	234,120	252,158	250,016	2,142		
Transfers to Other Funds	4,800,000	4,816,520	6,264,520	(1,448,000)		
Total Expenditures	<u>17,228,055</u>	<u>17,571,180</u>	<u>18,526,822</u>	<u>(955,642)</u>		
Excess (deficiency) of revenues over expenditures	<u>(3,785,870)</u>	<u>(3,855,811)</u>	<u>(622,272)</u>	<u>3,233,539</u>		
Net change in fund balances	(3,785,870)	(3,855,811)	(622,272)	3,233,539		
Fund balances - beginning	5,401,590	7,600,086	5,043,571	(2,556,515)		
Fund balances - ending	<u>\$ 1,615,720</u>	<u>\$ 3,744,275</u>	<u>\$ 4,421,299</u>	<u>\$ 677,024</u>		

See accompanying footnotes to this schedule.

**Footnotes to Budgetary Comparison Schedules:**

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that report revenues and expenditures on a modified cash basis. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

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3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	<b>General Fund</b>
Total revenue- budgetary basis	\$ 17,904,550
Total expense- budgetary basis	<u>(18,526,822)</u>
Change in fund balance-budgetary basis	(622,272)
Revenue accruals	(117,620)
Expenditures accruals	(11,397,736)
Debt service transfers in	2,560,484
Loan proceeds	9,283,250
Change in fund balance-GAAP basis	<u><u>\$ (293,894)</u></u>

4. Expenditures exceeded appropriations in the following:

- General Fund - Transfers out - \$1,448,000

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**Proportionate Share of the Net Pension Liability**

***Oklahoma Firefighters Pension & Retirement System***

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.562385%	0.621821%	0.629184%	0.635185%	0.617556%	0.699132%	0.705363%	0.609469%
City's proportionate share of the net pension liability	\$ 5,783,577	\$6,600,066	\$7,686,823	\$7,988,870	\$ 6,951,483	\$ 7,387,488	\$8,689,463	\$4,013,762
City's covered-employee payroll	\$ 1,552,304	\$1,633,651	\$1,759,957	\$1,805,429	\$ 1,832,339	\$ 2,162,005	\$2,264,167	\$2,061,296
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	373%	404%	437%	442%	379%	342%	384%	195%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68%	64.87%	66.81%	70.73%	72.85%	69.98%	84.24%

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

**Notes to Schedule:**

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

**Schedule of City Contributions**

***Oklahoma Firefighters Pension & Retirement System***

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 228,711	\$ 246,394	\$ 252,760	\$ 256,527	\$ 302,681	\$ 316,983	\$ 288,582	\$ 287,964
Contributions in relation to the statutorily required contribution	228,711	246,394	252,760	256,527	302,681	316,983	288,582	287,964
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,633,651	\$ 1,759,957	\$ 1,805,429	\$ 1,832,339	\$ 2,162,005	\$ 2,264,167	\$ 2,061,296	2,056,886
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Notes to Schedule:**

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

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**Proportionate Share of the Net Pension Liability (Asset)**

***Oklahoma Police Pension & Retirement System***

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.5397%	0.5796%	0.5958%	0.6119%	0.6162%	0.6672%	0.6789%	0.6488%
City's proportionate share of the net pension liability (asset)	\$ 181,708	\$ 23,633	\$ 912,472	\$ 47,067	\$ (293,537)	\$ (42,594)	\$ 779,730	\$(3,112,230)
City's covered-employee payroll	\$1,512,351	\$1,581,284	\$1,757,138	\$1,825,669	\$1,879,756	\$2,174,777	\$2,273,894	\$ 2,245,055
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12.01%	1.49%	51.93%	2.58%	-15.62%	-1.96%	34.29%	-138.63%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

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

**Notes to Schedule:**

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

**Schedule of City Contributions**

***Oklahoma Police Pension & Retirement System***

Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 205,473	\$ 228,428	\$ 237,337	\$ 244,359	\$ 282,058	\$ 295,606	\$ 291,857	\$ 298,034
Contributions in relation to the statutorily required contribution	<u>205,473</u>	<u>228,428</u>	<u>237,337</u>	<u>244,359</u>	<u>282,058</u>	<u>295,606</u>	<u>291,857</u>	<u>298,034</u>
Contribution deficiency (excess)	<u>\$ -</u>							
City's covered-employee payroll	\$ 1,581,284	\$ 1,757,138	\$ 1,825,669	\$ 1,879,756	\$ 2,174,777	\$ 2,273,894	\$ 2,245,055	\$ 2,292,569
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Notes to Schedule:**

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

**CITY OF EL RENO, OKLAHOMA**  
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**Oklahoma Municipal Retirement System**

**Required Supplementary Information**  
**Oklahoma Municipal Retirement Fund**

**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**

**Last 8 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total pension liability</b>								
Service cost	\$ 240,404	\$ 264,136	\$ 268,287	\$ 276,233	\$ 261,674	\$ 261,799	\$ 299,954	\$ 274,875
Interest	298,636	308,486	334,368	368,895	392,725	433,355	491,414	512,049
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(36,585)	53,687	(98,009)	71,517	122,837	(272,338)	(424,501)
Changes of assumptions	-	-	-	154,546	-	193,929	-	-
Benefit payments, including refunds of member contributions	(150,337)	(193,559)	(210,870)	(210,812)	(240,119)	(243,865)	(231,491)	(256,765)
Benefit changes due to plan amendments	-	-	-	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>388,703</b>	<b>342,478</b>	<b>445,472</b>	<b>490,853</b>	<b>543,566</b>	<b>768,055</b>	<b>287,539</b>	<b>105,658</b>
<b>Total pension liability - beginning</b>	<b>3,686,718</b>	<b>4,075,421</b>	<b>4,417,899</b>	<b>4,863,371</b>	<b>5,354,224</b>	<b>5,897,790</b>	<b>6,665,845</b>	<b>6,953,384</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 4,075,421</u></b>	<b><u>\$ 4,417,899</u></b>	<b><u>\$ 4,863,371</u></b>	<b><u>\$ 5,354,224</u></b>	<b><u>\$ 5,897,790</u></b>	<b><u>\$ 6,665,845</u></b>	<b><u>\$ 6,953,384</u></b>	<b><u>\$ 7,059,042</u></b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 253,488	\$ 260,476	\$ 268,569	\$ 292,173	\$ 270,735	\$ 751,917	\$ 282,870	\$ 217,698
Contributions - member	131,503	135,201	139,395	151,647	140,360	154,313	162,075	139,079
Net investment income	395,694	86,612	33,605	443,792	307,167	330,547	240,956	1,679,166
Benefit payments, including refunds of member contributions	(150,337)	(193,559)	(210,870)	(210,812)	(240,119)	(243,865)	(231,491)	(256,765)
Administrative expense	(5,898)	(6,286)	(6,531)	(7,690)	(9,194)	(9,637)	(11,594)	(13,248)
Other	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>624,450</b>	<b>282,444</b>	<b>224,168</b>	<b>669,110</b>	<b>468,949</b>	<b>983,275</b>	<b>442,816</b>	<b>1,765,930</b>
<b>Plan fiduciary net position - beginning</b>	<b>2,325,800</b>	<b>2,950,250</b>	<b>3,232,694</b>	<b>3,456,862</b>	<b>4,125,972</b>	<b>4,594,921</b>	<b>5,578,196</b>	<b>6,021,012</b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 2,950,250</u></b>	<b><u>\$ 3,232,694</u></b>	<b><u>\$ 3,456,862</u></b>	<b><u>\$ 4,125,972</u></b>	<b><u>\$ 4,594,921</u></b>	<b><u>\$ 5,578,196</u></b>	<b><u>\$ 6,021,012</u></b>	<b><u>\$ 7,786,942</u></b>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<b><u>\$ 1,125,171</u></b>	<b><u>\$ 1,185,205</u></b>	<b><u>\$ 1,406,509</u></b>	<b><u>\$ 1,228,252</u></b>	<b><u>\$ 1,302,869</u></b>	<b><u>\$ 1,087,649</u></b>	<b><u>\$ 932,372</u></b>	<b><u>\$ (727,900)</u></b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	72.39%	73.17%	71.08%	77.06%	77.91%	83.68%	86.59%	110.31%
<b>Covered employee payroll</b>	\$ 2,924,835	\$ 3,022,811	\$ 3,095,346	\$ 3,247,280	\$ 3,127,307	\$ 3,409,889	\$ 3,615,611	\$ 3,090,283
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	38.47%	39.21%	45.44%	37.82%	41.66%	31.90%	25.79%	-23.55%

**Notes to Schedule:**

Only the eight most recent fiscal years are presented because 10-year data is not yet available.

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***Oklahoma Municipal Retirement System***

**Required Supplementary Information**  
**Oklahoma Municipal Retirement Fund**

**Schedule of Employer Contributions**

**Last 8 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 256,939	\$ 268,366	\$ 266,602	\$ 247,370	\$ 269,722	\$ 285,995	\$ 222,500	\$ 217,873
Contributions in relation to the actuarially determined contribution	260,481	268,568	281,539	327,565	295,687	286,090	217,231	217,722
Contribution deficiency (excess)	<u>\$ (3,542)</u>	<u>\$ (202)</u>	<u>\$ (14,937)</u>	<u>\$ (80,195)</u>	<u>\$ (25,965)</u>	<u>\$ (95)</u>	<u>\$ 5,269</u>	<u>\$ 151</u>
Covered employee payroll	\$ 3,022,811	\$ 3,095,346	\$ 3,247,280	\$ 3,127,307	\$ 3,409,889	\$ 3,615,611	\$ 3,090,283	\$ 3,086,017
Contributions as a percentage of covered-employee payroll	8.62%	8.68%	8.67%	10.47%	8.67%	7.91%	7.03%	7.06%

**Notes to Schedule:**

1. Only the eight most recent fiscal years are presented because 10-year data is not yet available.

2. Latest Valuation Date: July 1, 2021

3. Actuarially determined contribution rate is calculated as of July 1, 2021 through June 2022 contributions were at a rate of 7.09%

4. Methods and assumptions used to determine contribution rates:

Actuarial cost method - Entry age normal

Amortization method - Level percent of payroll, closed

Remaining amortization period - 30 years

Asset valuation method - Actuarial:

Smoothing period - 5 years

Recognition method - Non-asymptotic

Corridor - 30% - 30%

Salary increases - 4.50% to 7.50% (varies by attained age)

Investment rate of return - 7.25%

**CITY OF EL RENO, OKLAHOMA**  
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***Other Postemployment Benefits***

Required Supplementary Information

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**Schedule of Changes in Total OPEB Liability and Related Ratios** **Last 10 Fiscal Years**

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	2018	2019	2020	2021	2022
<b>Total OPEB liability</b>					
Service cost	\$ 132,556	\$ 117,070	\$ 118,295	\$ 129,121	\$ 146,111
Interest	41,380	57,992	60,311	57,191	40,234
Change in assumptions	(137,696)	(84,455)	1,495	16,412	(184,077)
Differences between expected and actual experience	-	(13,309)	(84,960)	13,621	(295,977)
Benefit payments, including refunds of member contributions	(28,694)	(21,682)	(19,552)	(29,835)	(44,079)
<b>Net change in total OPEB liability</b>	<b>7,546</b>	<b>55,616</b>	<b>75,589</b>	<b>186,510</b>	<b>(337,788)</b>
<b>Total OPEB liability - beginning</b>	<b>1,495,274</b>	<b>1,502,820</b>	<b>1,558,436</b>	<b>1,634,025</b>	<b>1,820,535</b>
<b>Total OPEB liability - ending (a)</b>	<b><u>\$ 1,502,820</u></b>	<b><u>\$ 1,558,436</u></b>	<b><u>\$ 1,634,025</u></b>	<b><u>\$ 1,820,535</u></b>	<b><u>\$ 1,482,747</u></b>
<b>Covered employee payroll</b>	<b>\$ 6,890,000</b>	<b>\$ 6,740,000</b>	<b>\$ 8,382,000</b>	<b>\$ 7,595,000</b>	<b>\$ 6,458,000</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>21.81%</b>	<b>23.12%</b>	<b>19.49%</b>	<b>23.97%</b>	<b>22.96%</b>

**Notes to Schedule:**

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

The discount rate used for June 30, 2021 is 2.16% which represents a change in assumption from the June 30, 2020 rate of 2.21%

The total OPEB liability for fiscal year 2022 was measured as of June 30, 2022.

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**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF EL RENO, OKLAHOMA**  
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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022**

	<b>Police Fund (204)</b>	<b>CDBG Fund (211)</b>	<b>Police Evidence Fund (202)</b>	<b>Cemetery Care Fund (208)</b>	<b>Hotel Motel Occupancy Surcharge Fund</b>	<b>Safety Sales Tax 1/4 Cent Fund (616)</b>	<b>Sidewalk fund (423)</b>	<b>Infrastructure Fund (420)</b>	<b>Drainage Improvement Fund (422)</b>	<b>Capital Improvement Fund (425)</b>	<b>Tax Increment Fund (217)</b>	<b>Library Endowment (215)</b>	<b>Cemetery Perpetual (820)</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>														
Cash and cash equivalents	\$ 252,142	\$ -	\$ 48,926	\$ 237,305	\$ 897,504	\$ 337,934	\$ 88,728	\$ -	\$ 3,082	\$ 98,355	\$ 51,714	\$ 741	\$ 136,819	\$ 2,153,250
Investments	-	-	-	-	-	-	-	-	-	-	-	-	31,510	27,837
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	285,247	-	-	-	106,985	-	-	-	-	-	-	-	392,232
Franchise tax receivable	5,104	-	-	-	-	-	-	-	-	-	-	-	-	5,104
Total assets	<b>257,246</b>	<b>285,247</b>	<b>48,926</b>	<b>237,305</b>	<b>897,504</b>	<b>444,919</b>	<b>88,728</b>	<b>-</b>	<b>3,082</b>	<b>98,355</b>	<b>51,714</b>	<b>32,251</b>	<b>164,656</b>	<b>2,609,933</b>
<b>LIABILITIES AND FUND BALANCES</b>														
Liabilities:														
Accounts payable	415	12,098	-	-	533	-	-	-	-	-	-	-	-	13,046
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	258,780	-	-	-	-	-	-	-	-	-	-	-	258,780
Due to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<b>415</b>	<b>270,878</b>	<b>-</b>	<b>-</b>	<b>533</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271,826</b>
Deferred inflows of resources:														
Unavailable revenue	-	56,914	-	-	-	-	-	-	-	-	-	-	-	56,914
Fund balances:														
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	245,945	-	48,926	51,487	799,276	444,919	88,728	-	3,082	98,340	51,714	31,050	151,889	182,939
Committed	-	-	-	-	54,651	-	-	-	-	-	-	202	12,767	1,845,386
Assigned	10,886	(42,545)	-	131,167	97,695	-	-	-	-	15	-	-	999	54,651
Total fund balance	<b>256,831</b>	<b>(42,545)</b>	<b>48,926</b>	<b>237,305</b>	<b>896,971</b>	<b>444,919</b>	<b>88,728</b>	<b>-</b>	<b>3,082</b>	<b>98,355</b>	<b>51,714</b>	<b>32,251</b>	<b>164,656</b>	<b>198,217</b>
Total liabilities and fund balance	<b>257,246</b>	<b>285,247</b>	<b>48,926</b>	<b>237,305</b>	<b>897,504</b>	<b>\$ 444,919</b>	<b>\$ 88,728</b>	<b>\$ -</b>	<b>\$ 3,082</b>	<b>\$ 98,355</b>	<b>\$ 51,714</b>	<b>\$ 32,251</b>	<b>\$ 164,656</b>	<b>\$ 2,609,933</b>

**CITY OF EL RENO, OKLAHOMA**  
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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022**

	<u>Police Fund</u> (204)	<u>CDBG Fund</u> (211)	<u>Police Evidence Fund</u> (202)	<u>Cemetery Care Fund</u> (208)	<u>Hotel Motel Occupancy Surcharge</u> (203)	<u>Safety Sales Tax 1/4 Cent Fund</u> (616)	<u>Sidewalk fund</u> (423)	<u>Infrastructure Fund</u> (420)	<u>Drainage Improvement Fund</u> (422)	<u>Capital Improvement Fund</u> (425)	<u>Tax Increment Fund</u> (217)	<u>Library Endowment</u> (215)	<u>Cemetery Perpetual</u> (620)	<u>Total-Other Governmental Funds</u>
<b>REVENUES</b>														
Taxes	\$ 67,329	\$ -	\$ -	\$ -	\$ 373,280	\$ 732,616	\$ -	\$ -	\$ -	\$ 118,842	\$ -	\$ -	\$ -	\$ 1,292,067
Intergovernmental	16,311	306,916	-	-	-	-	-	-	-	-	-	-	-	323,227
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	30,620
Charges for services	-	-	-	-	33,543	1,127	-	-	-	-	-	-	-	60,899
Fines and forfeitures	29,594	-	45,191	-	-	-	-	-	-	26,229	-	-	-	74,785
Investment income	28	-	-	20	83	39	-	-	-	-	1	5	-	202
Total revenues	<b>113,262</b>	<b>306,916</b>	<b>45,191</b>	<b>33,563</b>	<b>374,490</b>	<b>732,655</b>	<b>30,620</b>	<b>-</b>	<b>-</b>	<b>26,237</b>	<b>118,843</b>	<b>5</b>	<b>18</b>	<b>1,781,800</b>
<b>EXPENDITURES</b>														
Current:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture, parks, and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500
Public Safety	116,713	-	6	-	-	228,000	-	-	-	-	-	-	-	344,719
General government	-	112,137	-	-	161,886	-	-	-	-	-	67,129	-	-	341,152
Capital Outlay	-	237,324	-	-	-	-	-	-	-	-	-	-	-	237,324
Debt Service:	-	-	-	-	-	150,932	-	-	-	-	-	-	-	150,932
Principal	-	-	-	-	-	5,280	-	-	-	-	-	-	-	5,280
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<b>116,713</b>	<b>349,461</b>	<b>6</b>	<b>-</b>	<b>161,886</b>	<b>384,212</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,129</b>	<b>-</b>	<b>-</b>	<b>1,081,907</b>
Excess (deficiency) of revenues over expenditures	<b>(3,451)</b>	<b>(42,545)</b>	<b>45,185</b>	<b>33,563</b>	<b>212,604</b>	<b>348,443</b>	<b>28,120</b>	<b>-</b>	<b>-</b>	<b>26,237</b>	<b>51,714</b>	<b>5</b>	<b>18</b>	<b>699,893</b>
<b>OTHER FINANCING SOURCES (USES)</b>														
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(100,000)	(270,000)	-	-	-	-	-	-	-	(370,000)
Total other financing sources and uses	-	-	-	-	(100,000)	(270,000)	-	-	-	-	-	-	-	(370,000)
Net change in fund balance	<b>(3,451)</b>	<b>(42,545)</b>	<b>45,185</b>	<b>33,563</b>	<b>112,604</b>	<b>78,443</b>	<b>28,120</b>	<b>-</b>	<b>-</b>	<b>26,237</b>	<b>51,714</b>	<b>5</b>	<b>18</b>	<b>329,893</b>
Fund balance - beginning	<b>260,282</b>	<b>-</b>	<b>3,741</b>	<b>203,742</b>	<b>784,367</b>	<b>366,476</b>	<b>60,608</b>	<b>-</b>	<b>3,082</b>	<b>72,118</b>	<b>-</b>	<b>32,246</b>	<b>164,638</b>	<b>1,951,300</b>
Fund balance - ending	<b>\$ 256,831</b>	<b>\$ (42,545)</b>	<b>\$ 48,926</b>	<b>\$ 237,305</b>	<b>\$ 896,971</b>	<b>\$ 444,919</b>	<b>\$ 88,728</b>	<b>\$ -</b>	<b>\$ 3,082</b>	<b>\$ 98,355</b>	<b>\$ 51,714</b>	<b>\$ 32,251</b>	<b>\$ 164,656</b>	<b>\$ 2,281,193</b>

**CITY OF EL RENO, OKLAHOMA**  
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**Combining Balance Sheet – General Fund Accounts – June 30, 2022**

	<b>General Fund</b>	<b>Royalties Fund (201)</b>	<b>Sales Tax 1/4 Cent Account (415)</b>	<b>Sales Tax Reserve Account (612)</b>	<b>Cemetery Everlasting Care Account (821)</b>	<b>Gifts and Contributions Account (210)</b>	<b>Total General Fund Accounts</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,739,578	\$ 6,330,197	\$ 724,886	\$ 4,240,151	\$ 129,014	\$ 387,010	\$ 17,550,836
Investments	61,912	-	-	58,129	-	-	120,041
Interest receivable	-	-	-	-	-	-	-
Due from other funds	351,702	-	-	-	-	-	351,702
Due from other governments	1,791,775	-	106,985	-	-	-	1,898,760
Franchise tax receivable	101,951	-	-	-	-	-	101,951
Court fine receivable, net	551,715	-	-	-	-	-	551,715
Leases receivable	425,148	-	-	-	-	-	425,148
Total assets	<b>9,023,781</b>	<b>6,330,197</b>	<b>831,871</b>	<b>4,240,151</b>	<b>187,143</b>	<b>387,010</b>	<b>21,000,153</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	29,821	1,080	1,944	-	-	-	32,845
Accrued payroll payable	294,898	-	-	-	-	-	294,898
Due to other funds	764,024	-	-	-	-	-	764,024
Due to other governments	1,231	-	-	-	-	-	1,231
Due to component unit	-	-	-	-	-	-	-
Refundable court bonds	4,558	-	-	-	-	-	4,558
Total liabilities	<b>1,094,532</b>	<b>1,080</b>	<b>1,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,097,556</b>
Deferred inflows of resources:							
Deferred inflow leases	420,115	-	-	-	-	-	420,115
Unavailable revenue	527,883	-	-	-	-	-	527,883
Total deferred inflows	<b>947,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>947,998</b>
Fund Balance:							
Restricted	663,020	-	829,927	-	180,002	265,729	1,938,678
Committed	-	-	-	-	-	81,519	81,519
Assigned	-	6,329,117	-	-	7,141	39,762	6,376,020
Unassigned	6,318,231	-	-	4,240,151	-	-	10,558,382
Total fund balance	<b>6,981,251</b>	<b>6,329,117</b>	<b>829,927</b>	<b>4,240,151</b>	<b>187,143</b>	<b>387,010</b>	<b>18,954,599</b>
Total liabilities, deferred inflows and fund balance	<b>\$ 9,023,781</b>	<b>\$ 6,330,197</b>	<b>\$ 831,871</b>	<b>\$ 4,240,151</b>	<b>\$ 187,143</b>	<b>\$ 387,010</b>	<b>\$ 21,000,153</b>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts – For the Year Ended June 30, 2022**

	<b>General Fund</b>	<b>Royalties Fund (201)</b>	<b>Sales Tax 1/4 Cent Account (415)</b>	<b>Emergency Reserve Fund (612)</b>	<b>Cemetery Everlasting Care Account (821)</b>	<b>Gifts and Contributions Account (210)</b>	<b>Total General Fund Accounts</b>
<b>REVENUES</b>							
Taxes	\$ 13,635,436	\$ -	\$ 732,616	\$ -	\$ -	\$ -	\$ 14,368,052
Intergovernmental	1,308,863	-	-	1,370,554	-	-	2,679,417
Licenses and permits	671,863	-	-	-	-	-	671,863
Charges for services	97,002	-	-	-	10,673	-	107,675
Fines and forfeitures	222,933	-	-	-	-	-	222,933
Investment income	24,618	-	117	1	23	36	24,795
Royalties	-	3,660,445	-	-	-	-	3,660,445
Miscellaneous	493,951	-	-	71,160	-	218,095	783,206
Total revenues	<b>16,454,666</b>	<b>3,660,445</b>	<b>732,733</b>	<b>1,441,715</b>	<b>10,696</b>	<b>218,131</b>	<b>22,518,386</b>
<b>EXPENDITURES</b>							
Current:							
General government	1,997,604	-	-	-	-	-	1,997,604
Public Safety	9,156,012	-	-	-	-	1,339	9,157,351
Streets	970,017	-	-	-	-	-	970,017
Culture, parks, and recreation	767,630	12,065	12,378	-	-	7,216	799,289
Capital outlay	-	36,665	516,563	-	-	51,394	604,622
Debt Service:							
Principal	11,589,750	-	-	-	-	-	11,589,750
Interest	591,025	-	-	-	-	-	591,025
Total Expenditures	<b>25,072,038</b>	<b>48,730</b>	<b>528,941</b>	<b>-</b>	<b>-</b>	<b>59,949</b>	<b>25,709,658</b>
Excess (deficiency) of revenues over expenditures	<b>(8,617,372)</b>	<b>3,611,715</b>	<b>203,792</b>	<b>1,441,715</b>	<b>10,696</b>	<b>158,182</b>	<b>(3,191,272)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	3,185,748	-	-	-	-	-	3,185,748
Transfers out	(4,837,000)	(272,765)	(469,042)	(64,678)	-	-	(5,643,485)
Intraccount transfers	691,480	(707,000)	-	-	-	15,520	-
Proceeds from long-term debt	9,283,250	-	-	-	-	-	9,283,250
Total other financing sources and uses	<b>8,323,478</b>	<b>(979,765)</b>	<b>(469,042)</b>	<b>(64,678)</b>	<b>-</b>	<b>15,520</b>	<b>6,825,513</b>
Net change in fund balances	<b>(293,894)</b>	<b>2,631,950</b>	<b>(265,250)</b>	<b>1,377,037</b>	<b>10,696</b>	<b>173,702</b>	<b>3,634,241</b>
Fund balances - beginning	<b>7,275,145</b>	<b>3,697,167</b>	<b>1,095,177</b>	<b>2,863,114</b>	<b>176,447</b>	<b>213,308</b>	<b>15,320,358</b>
Fund balances - ending	<b>\$ 6,981,251</b>	<b>\$ 6,329,117</b>	<b>\$ 829,927</b>	<b>\$ 4,240,151</b>	<b>\$ 187,143</b>	<b>\$ 387,010</b>	<b>\$ 18,954,599</b>

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**Combining Schedule of Net Position – El Reno Municipal Trust Authority (ERMA) – June 30, 2022**

	<u>EREF</u>	<u>ERMA Sales Tax</u>	<u>Utility Deposit</u>	<u>Waterline Loop</u>		<u>AMERICAN</u>		<u>Total</u>
				<u>RAD-Jenson-</u>	<u>HWY 81</u>	<u>RESCUE PLAN</u>	<u>(613)</u>	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 6,572,628	\$ 3,679,989	\$ 313,445	\$ 151,285	\$ 46,180	\$ 10,450,082		
Restricted cash and cash equivalents	7,424,737	-	-	-	-	7,738,182		
Investments	10,652	7,511,927	-	-	-	-	7,522,579	
Due from other funds	-	764,024	-	-	-	-	764,024	
Due from other governments	-	-	-	-	1,964	1,964		
Inventory	5,357	-	-	-	-	-	5,357	
Accounts receivable, net	1,351,226	-	-	-	-	-	1,351,226	
Total current assets	<u>15,586,352</u>	<u>11,955,940</u>	<u>313,445</u>	<u>151,285</u>	<u>48,144</u>	<u>27,833,414</u>		
Non-current assets:								
Restricted investments	-	-	125,376	-	-	-	125,376	
Net pension asset	109,093	-	-	-	-	-	109,093	
Lease receivable	221,752	-	-	-	-	-	221,752	
Capital Assets:								
Land and construction in progress	3,393,770	-	-	-	-	-	3,393,770	
Other capital assets, net of accumulated depreciation	36,004,762	-	-	-	-	-	36,004,762	
Total non-current assets	<u>39,729,377</u>	<u>11,955,940</u>	<u>438,821</u>	<u>151,285</u>	<u>48,144</u>	<u>39,854,753</u>		
Total assets	<u>55,093,977</u>	<u>11,955,940</u>	<u>438,821</u>	<u>151,285</u>	<u>48,144</u>	<u>67,688,167</u>		
<b>DEFERRED OUTFLOW OF RESOURCES</b>								
Deferred amounts related to pensions	63,802	-	-	-	-	-	63,802	
Deferred amounts related to OPEB	13,496	-	-	-	-	-	13,496	
Deferred amount on refunding	60,472	-	-	-	-	-	60,472	
Total deferred outflow of resources	<u>137,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,770</u>	
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts payable	568,405	-	-	-	-	48,144	616,549	
Accrued payroll payable	12,577	-	-	-	-	-	12,577	
Accrued interest payable	245,401	-	-	-	-	-	245,401	
Current portion of:								
Notes payable	182,762	-	-	-	-	-	182,762	
Revenue bonds payable	260,890	-	-	-	-	-	260,890	
Accrued compensated absences	4,623	-	-	-	-	-	4,623	
Total current liabilities	<u>1,274,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,144</u>	<u>1,322,802</u>	
Non-current liabilities:								
Deposits subject to refund	29,709	-	437,950	-	-	-	467,659	
Notes payable	29,676,505	-	-	-	-	-	29,676,505	
Revenue bonds payable, net	1,802,360	-	-	-	-	-	1,802,360	
Accrued compensated absences	41,604	-	-	-	-	-	41,604	
Total OPEB liability	89,476	-	-	-	-	-	89,476	
Total non-current liabilities	<u>31,639,654</u>	<u>-</u>	<u>437,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,077,604</u>	
Total liabilities	<u>32,914,312</u>	<u>-</u>	<u>437,950</u>	<u>-</u>	<u>-</u>	<u>48,144</u>	<u>33,400,406</u>	
<b>DEFERRED INFLOW OF RESOURCES</b>								
Deferred amounts related to pension	276,783	-	-	-	-	-	276,783	
Deferred amounts related to leases	220,593	-	-	-	-	-	220,593	
Deferred amounts related to OPEB	77,657	-	-	-	-	-	77,657	
Total deferred inflow of resources	<u>575,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,033</u>	
<b>NET POSITION</b>								
Net investment in capital assets	14,110,869	-	-	-	-	-	14,110,869	
Restricted for debt service	155,209	-	-	-	-	-	155,209	
Unrestricted	7,476,324	11,955,940	871	151,285	-	-	19,584,420	
Total net position	<u>\$ 21,742,402</u>	<u>\$ 11,955,940</u>	<u>\$ 871</u>	<u>\$ 151,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,850,498</u>	

**CITY OF EL RENO, OKLAHOMA**  
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**Combining Schedule of Revenues, Expenses, and Changes in Net Position – El Reno Municipal Trust Authority - Year Ended June 30, 2022**

	<u>EREF</u>	<u>ERMA Sales Tax</u>	<u>Utility Deposit</u>	<u>Waterline Loop</u> RAD-Jenson-	<u>AMERICAN</u> <u>RESCUE PLAN</u>	<u>Total</u>
<b>OPERATING REVENUES</b>						
Water charges	\$ 4,629,397	\$ -	\$ -	\$ -	\$ -	\$ 4,629,397
Sewer charges	2,134,851	-	-	-	-	2,134,851
Sanitation	1,118,365	-	-	-	-	1,118,365
Water and sewer taps	169,150	-	-	-	-	169,150
Transfer fees	2,300	-	-	-	-	2,300
Returned check charges	700	-	-	-	-	700
Cut off charges	14,209	-	-	-	-	14,209
Penalties	98,248	-	-	-	-	98,248
Miscellaneous	43,772	-	-	-	-	43,772
Total operating revenues	<u>8,210,992</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,210,992</u>
<b>OPERATING EXPENSES</b>						
Managerial	281,656	-	-	-	-	281,656
Administration	244,148	-	-	-	-	244,148
Billing	947,121	-	-	-	-	947,121
Water Plant	2,692,227	-	-	-	-	2,692,227
Wasterwater	1,030,455	-	-	-	-	1,030,455
Utility Lines	-	-	-	-	-	-
Depreciation expense	2,341,710	-	-	-	-	2,341,710
Total Operating Expenses	<u>7,537,317</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,537,317</u>
Operating income	<u>673,675</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>673,675</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment income	755	9,174	13	-	-	9,942
Grant Revenue	-	-	-	-	1,745,461	1,745,461
Miscellaneous revenue	5,239	-	-	-	-	5,239
Interest expense and fiscal charges	(732,990)	-	-	-	-	(732,990)
Total non-operating revenue (expenses)	<u>(726,996)</u>	<u>9,174</u>	<u>13</u>	<u>-</u>	<u>1,745,461</u>	<u>1,027,652</u>
Income (loss) before contributions and transfers	<u>(53,321)</u>	<u>9,174</u>	<u>13</u>	<u>-</u>	<u>1,745,461</u>	<u>1,701,327</u>
Transfers in	64,678	4,906,000	-	-	-	4,970,678
Transfers out	(400,000)	(3,330,662)	-	-	-	(3,730,662)
Intraccount transfer	2,195,114	(449,653)	-	-	(1,745,461)	-
Change in net position	<u>1,806,471</u>	<u>1,134,859</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>2,941,343</u>
Total net position - beginning	<u>19,935,931</u>	<u>10,821,081</u>	<u>858</u>	<u>151,285</u>	<u>-</u>	<u>30,909,155</u>
Total net position - ending	<u>\$ 21,742,402</u>	<u>\$ 11,955,940</u>	<u>\$ 871</u>	<u>\$ 151,285</u>	<u>\$ -</u>	<u>\$ 33,850,498</u>

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**Schedule of Expenditures of State Awards – Year Ended June 30, 2022**

<u>State Grantor/Pass Thru Agency Grantor/Program Title</u>	<u>Project or Award Number</u>	<u>Award Amount</u>	<u>Awards Expended</u>
<b>STATE AWARDS:</b>			
<u>OKLAHOMA DEPARTMENT OF LIBRARIES</u> State Aid		<u>10,719</u>	<u>10,719</u>
Total State Awards		<u>\$ 10,719</u>	<u>\$ 10,719</u>

**Footnotes to Schedule of Expenditures of State Awards:**

1. The Schedule of Expenditures of State Awards is prepared on the accrual basis of accounting. The expenditures are recorded when the liability is incurred regardless of when the award proceeds are received.
2. The City has not been notified of any noncompliance with state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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**Schedule of Debt Service Coverage Requirements – Year Ended June 30, 2022**

GROSS REVENUE AVAILABLE:

Pledged operating revenues (water and sewer systems)	\$ 7,065,316
Investment income	<u>10,549</u>
Total Gross Revenue Available	<u>7,075,865</u>

OPERATING EXPENDITURES:

Total Operating Expenses (water and sewer systems, excluding depreciation and amortization)	<u>4,336,435</u>
Net Revenue Available for Debt Service	<u>\$ 2,739,429</u>

Maximum Annual Debt Service:

Series 2003A Drinking Water SRF Promissory Note	32,525
Series 2010 Drinking Water SRF Promissory Note	161,591
Series 2014 Clean Water SRF Promissory Note	606,511
Series 2022 FAP Promissory Note	0
Total Annual Debt Service on Revenues of the Systems	<u>\$ 800,627</u>

Computed Coverage	<u>342%</u>
Coverage Requirement	<u>140%</u>