

City of



EL RENO
It's good to be here.

OK

**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORTS
AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

THE CITY OF EL RENO, OKLAHOMA

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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; and budgetary comparison information, as presented 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. The accompanying supplementary information as listed as Other Supplementary Information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025, 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.

Arlidge & Associates PC

Oklahoma City, Oklahoma
April 30, 2025



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MANAGEMENT DISCUSSION AND ANALYSIS

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

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, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2024, the City's total net position increased by \$5,363,596 or 6% from the prior year.
- During the year, the City's expenses for governmental activities were \$18.4 million and were funded by program revenues of \$3.1 million and further funded with taxes and other general revenues that totaled \$20.0 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 \$1,410,325.
- At June 30, 2024, the General Fund reported an unassigned fund balance of \$4.8 million, which is an increase of \$35 thousand or 0.7% from the prior year.
- For budgetary reporting purposes, the General Fund reported revenues under estimates of \$338,383 or 2.3%, while expenditures were under the final appropriations by approximately \$960,009 or 6.3%.

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 19,216 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.

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.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

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, airport 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.

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.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

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 \$97 million at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Current assets	\$ 31,266	\$ 30,693	2%	\$ 37,192	\$ 35,000	6%	\$ 68,458	\$ 65,693	4%
Capital assets, net	38,845	39,128	-1%	67,093	62,621	7%	105,938	101,749	4%
Other non-current assets	552	912	-39%	194	439	-56%	746	1,351	-45%
Total assets	<u>70,663</u>	<u>70,733</u>	0%	<u>104,479</u>	<u>98,060</u>	7%	<u>175,142</u>	<u>168,793</u>	4%
Deferred outflow of resources	<u>4,882</u>	<u>5,310</u>	-8%	<u>490</u>	<u>436</u>	12%	<u>5,372</u>	<u>5,746</u>	-7%
Current liabilities	3,823	2,657	44%	6,383	4,107	55%	10,206	6,764	51%
Non-current liabilities	26,769	30,261	-12%	43,189	42,534	2%	69,958	72,795	-4%
Total liabilities	<u>30,592</u>	<u>32,918</u>	-7%	<u>49,572</u>	<u>46,641</u>	6%	<u>80,164</u>	<u>79,559</u>	1%
Deferred inflow of resources	<u>2,635</u>	<u>2,373</u>	11%	<u>590</u>	<u>845</u>	-30%	<u>3,225</u>	<u>3,218</u>	0%
Net position									
Net investment in capital assets	21,211	21,631	-2%	27,366	24,976	10%	48,577	46,607	4%
Restricted	13,007	11,192	16%	642	522	23%	13,649	11,714	17%
Unrestricted	8,100	7,929	2%	26,799	25,512	5%	34,899	33,441	4%
Total net position	<u>\$ 42,318</u>	<u>\$ 40,752</u>	4%	<u>\$ 54,807</u>	<u>\$ 51,010</u>	7%	<u>\$ 97,125</u>	<u>\$ 91,762</u>	6%

The largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). For 2024, this net investment in capital assets amounted to \$48.6 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 39% decrease in other non-current assets for governmental activities is due to the City having a net pension asset for police in the amount of \$179,464 in the current year when the prior year it was \$513,258. The increase of 44% in current liabilities for governmental activities is mainly the result of an increase in the amount of bonds payable in fiscal year 2025.

The decrease of 56% in other non-current assets for business-type activities is due to a reduction in leases receivable of \$244,925, which is mostly the result of the cancellation of a lease recorded in the Recreation Authority. The 55% increase in business-type current liabilities is due to unearned revenue of \$2.4 million associated with the receipt of an ARPA grant from Canadian County that has not been spent as of the end of the fiscal year.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

Changes in Net Position

For the year ended June 30, 2024, 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.)
	2024	2023		2024	2023		2024	2023	
Revenues									
Charges for service	\$ 1,302	\$ 1,131	15%	\$ 10,974	\$ 10,713	2%	\$ 12,276	\$ 11,844	4%
Operating grants and contributions	1,721	2,220	-22%	652	-	100%	2,373	2,220	7%
Capital grants and contributions	30	311	-90%	1,274	40	3085%	1,304	351	272%
Taxes	18,033	15,918	13%	-	-	-	18,033	15,918	13%
Intergovernmental revenue	232	230	1%	243	468	-48%	475	698	-32%
Investment income	1,007	628	60%	1,892	1,054	80%	2,899	1,682	72%
Royalties	1,484	3,828	-61%	1,422	708	101%	2,906	4,536	-36%
Miscellaneous	768	686	12%	85	242	-65%	853	928	-8%
Total revenues	24,577	24,952	-2%	16,542	13,225	25%	41,119	38,177	8%
Expenses									
General government	4,142	3,374	23%	-	-	-	4,142	3,374	23%
Public safety	12,464	10,926	14%	-	-	-	12,464	10,926	14%
Streets	2,985	2,928	2%	-	-	-	2,985	2,928	2%
Culture, parks and recreation	1,370	1,364	0%	-	-	-	1,370	1,364	0%
Interest on long-term debt	485	520	-7%	-	-	-	485	520	-7%
Water	-	-	-	5,084	5,092	0%	5,084	5,092	0%
Wastewater	-	-	-	3,725	3,192	17%	3,725	3,192	17%
Sanitation	-	-	-	1,202	1,107	9%	1,202	1,107	9%
Broadband	-	-	-	877	201	336%	877	201	336%
Golf	-	-	-	1,301	1,234	5%	1,301	1,234	5%
Park	-	-	-	543	639	-15%	543	639	-15%
Airport	-	-	-	980	1,091	-10%	980	1,091	-10%
Hospital	-	-	-	598	2,926	-80%	598	2,926	-80%
Total expenses	21,446	19,112	12%	14,310	15,482	-8%	35,756	34,594	3%
Excess (deficiency) before transfers	3,131	5,840	-46%	2,232	(2,257)	-199%	5,363	3,583	50%
Transfers	(1,565)	(1,027)	52%	1,565	1,027	52%	-	-	-
Increase (Decrease) in net position	\$ 1,566	\$ 4,813	-67%	\$ 3,797	\$ (1,230)	-409%	\$ 5,363	\$ 3,583	50%

The decrease in royalties revenue of 61% for governmental activities resulted from a reduction in royalty payments received from a couple of companies that paid significant amounts in the prior fiscal year. Investment income increased by 60% and 80% for governmental and business-type activities respectively, due to interest rates continuing to rise over the current period.

The 3085% or \$1.2 million increase in the capital grants and contributions for business-type activities is primarily due to debt forgiveness in the amount of \$379,430 by the Oklahoma Water Resource Board (OWRB) and \$894,211 of total airport grants received from the Federal Aviation Administration (FAA) and the Oklahoma Department of Aerospace and Aeronautics (ODAA). Broadband expenditures increased 336% as a result of the City's continued capital investments and operations in expanding this network.

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.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
General government	\$ 4,142	\$ 3,374	23%	\$ (2,744)	\$ (1,611)	70%
Public safety	12,464	10,926	14%	(11,182)	(9,685)	15%
Streets	2,985	2,928	2%	(2,805)	(2,761)	2%
Culture, parks and recreation	1,370	1,364	0%	(1,177)	(873)	35%
Interest on long-term debt	485	520	-7%	(486)	(520)	-7%
Total	<u>\$ 21,446</u>	<u>\$ 19,112</u>	12%	<u>\$ (18,394)</u>	<u>\$ (15,450)</u>	19%

For the year ended June 30, 2024, total expenses for governmental activities amounted to approximately \$21.4 million which is an increase of \$2.3 million from the prior year.

Business-type Activities

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Water	\$ 5,084	\$ 5,092	0%	\$ 1,094	\$ 225	386%
Wastewater	3,725	3,192	17%	(1,172)	(667)	76%
Sanitation	1,202	1,107	9%	142	119	19%
Broadband	877	201	336%	(846)	(201)	321%
Golf	1,301	1,234	5%	(511)	(517)	-1%
Park	543	639	-15%	(383)	(468)	-18%
Airport	980	1,091	-10%	813	(294)	-377%
Hospital	598	2,926	-80%	(547)	(2,926)	-81%
Total	<u>\$ 14,310</u>	<u>\$ 15,482</u>	-8%	<u>\$ (1,410)</u>	<u>\$ (4,729)</u>	-70%

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

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

- Total business-type activities reported net expense excluding transfers of \$1.4 million for the year ended June 30, 2024.
- Water, sanitation and airport activities reported net revenue for the year ended June 30, 2024, and the wastewater, broadband golf, park and hospital activities reported net expense.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$28.7 million or a 1% increase from the prior year. The enterprise funds reported combined net position of \$54.8 million or a 7.5% increase from 2023.

Other fund highlights include:

- General Fund total fund balance increased by \$387,934 or 2.4%.
- Capital Improvement Fund total fund balance increased \$476,871 or 18.0%

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 1.3% or \$188,145 and an increase in appropriations of 1.6% or \$246,786. As mentioned previously, actual revenues were under estimates by \$338,383 or 2.3%, while expenditures were under the final appropriations by approximately \$960,009 or 6.3%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the City had approximately \$105.9 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.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 2,516	\$ 1,872	\$ 2,385	\$ 2,025	\$ 4,901	\$ 3,897
Buildings	12,948	13,517	24,425	25,917	37,373	39,434
Imp. other than buildings	2,693	3,001	3,795	2,734	6,488	5,735
Machinery, furniture and equipment	4,645	3,780	3,322	2,710	7,967	6,490
Infrastructure	15,275	16,566	-	-	15,275	16,566
Intangible water rights	-	-	119	123	119	123
Utility property	-	-	26,231	17,993	26,231	17,993
Construction in progress	768	393	6,816	11,119	7,584	11,512
Totals	<u>\$ 38,845</u>	<u>\$ 39,129</u>	<u>\$ 67,093</u>	<u>\$ 62,621</u>	<u>\$ 105,938</u>	<u>\$ 101,750</u>

This year's more significant capital asset additions included:

Fiber Construction in Progress expenses	\$1,444,752
New Water Wells	\$1,267,000
Radios for Public Safety Departments	\$1,255,202
Airport Papi & Runway Improvements	\$ 982,439

See Note 7 to the financial statements for more detailed information on the City's capital assets and changes therein.

CITY OF EL RENO, OKLAHOMA
Management's Discussion and Analysis
As of and for the Year Ended June 30, 2024

Long- Term Debt

At year-end, the City had approximately \$63.7 million in long-term debt outstanding which represents a \$0.5 million or 0.8% decrease from the prior year. The City's changes in long-term debt by type of debt are as follows:

<p style="text-align: center;">TABLE 6 Primary Government Long-Term Debt (In Thousands)</p>							
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Accrued absences	\$ 2,161	\$ 1,937	\$ 91	\$ 71	\$ 2,252	\$ 2,008	12%
Insurance claims liability	187	183	-	-	187	183	2%
Revenue bonds	18,237	19,903	5,768	6,720	24,005	26,623	-10%
Notes payable	-	-	36,776	34,864	36,776	34,864	5%
Deposits subject to refund	-	-	508	484	508	484	5%
Totals	\$ 20,585	\$ 22,023	\$ 43,143	\$ 42,139	\$ 63,728	\$ 64,162	-1%

See Note 8 to the financial statements for more detailed 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, improve water lines and other water system components and expand the broadband infrastructure
- The City intends to complete the Adam's Park Master Plan Project and the remodel of the old Texico fueling station into a new Route 66 visitor's center
- The City will continue to acquire and/or abate dilapidated properties

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.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Net Position— June 30, 2024

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 28,955,297	\$ 26,757,816	\$ 55,713,113
Investments	2,591	7,811,812	7,814,403
Accounts receivable, net of allowance	441,394	1,350,416	1,791,810
Franchise tax receivable	100,252	-	100,252
Court fine receivable, net of allowance	550,192	-	550,192
Internal balances	(730,055)	730,055	-
Due from other governments	1,946,041	405,381	2,351,422
Inventory	-	88,924	88,924
Restricted investments	-	47,858	47,858
Leases receivable	372,098	193,610	565,708
Net pension asset	179,464	-	179,464
Capital assets:			
Land and construction in progress	3,283,390	9,201,155	12,484,545
Other capital assets, net of depreciation	35,561,984	57,892,189	93,454,173
Total Capital Assets	<u>38,845,374</u>	<u>67,093,344</u>	<u>105,938,718</u>
Total Assets	<u>70,662,648</u>	<u>104,479,216</u>	<u>175,141,864</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	4,133,609	264,495	4,398,104
Deferred amounts related to OPEB	387,286	181,636	568,922
Deferred amounts related to refunding	361,525	43,596	405,121
Total deferred outflows of resources	<u>4,882,420</u>	<u>489,727</u>	<u>5,372,147</u>
LIABILITIES			
Accounts payable	457,471	973,348	1,430,819
Accrued payroll liabilities	315,233	68,576	383,809
Accrued interest payable	160,980	344,989	505,969
Due to other governments	1,078	-	1,078
Refundable court bonds	2,035	-	2,035
Unearned revenue	8,060	3,529,866	3,537,926
Long-term liabilities:			
Due within one year	2,877,622	1,466,460	4,344,082
Due in more than one year	17,707,095	42,670,210	60,377,305
Total OPEB liability	1,267,183	236,044	1,503,227
Net pension liability	7,795,024	283,055	8,078,079
Total liabilities	<u>30,591,781</u>	<u>49,572,548</u>	<u>80,164,329</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	1,530,099	137,276	1,667,375
Deferred amounts related to leases	362,389	190,167	552,556
Deferred amounts related to OPEB	742,095	261,985	1,004,080
Total deferred outflows of resources	<u>2,634,583</u>	<u>589,428</u>	<u>3,224,011</u>
NET POSITION			
Net investment in capital assets	21,211,101	27,365,729	48,576,830
Restricted for:			
Public Safety	421,817	-	421,817
Capital Outlay	2,838,755	-	2,838,755
Debt Service	1,185,048	641,979	1,827,027
Disaster Relief	5,985,869	-	5,985,869
Recreation, Public Safety and Public Works	725,128	-	725,128
Other	1,628,950	-	1,628,950
Permanent Fund Purposes:			
Permanent fund - nonexpendable	182,939	-	182,939
Permanent fund - expendable	38,974	-	38,974
Unrestricted	8,100,123	26,799,259	34,899,382
Total net position	<u>\$ 42,318,704</u>	<u>\$ 54,806,967</u>	<u>\$ 97,125,671</u>

See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Activities –Year Ended June 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 4,142,026	\$ 876,031	\$ 516,156	\$ 6,414	\$ (2,743,425)	\$ -	\$ (2,743,425)
Public Safety	12,463,737	259,370	1,008,356	13,624	(11,182,387)	-	(11,182,387)
Streets	2,985,157	12,479	167,604	-	(2,805,074)	-	(2,805,074)
Culture, parks and recreation	1,369,469	154,002	28,654	9,500	(1,177,313)	-	(1,177,313)
Interest on long-term debt	485,448	-	-	-	(485,448)	-	(485,448)
Total governmental activities	<u>21,445,837</u>	<u>1,301,882</u>	<u>1,720,770</u>	<u>29,538</u>	<u>(18,393,647)</u>	<u>-</u>	<u>(18,393,647)</u>
Business-type activities							
Water	5,084,276	5,197,542	601,113	379,430	-	1,093,809	1,093,809
Wastewater	3,725,290	2,552,908	-	-	-	(1,172,382)	(1,172,382)
Sanitation	1,201,684	1,343,660	-	-	-	141,976	141,976
Broadband	876,639	30,435	-	-	-	(846,204)	(846,204)
Golf	1,301,132	790,445	-	-	-	(510,687)	(510,687)
Park	542,583	159,658	-	-	-	(382,925)	(382,925)
Airport	979,555	898,591	-	894,211	-	813,247	813,247
Hospital	598,338	-	51,179	-	-	(547,159)	(547,159)
Total business-type activities	<u>14,309,497</u>	<u>10,973,239</u>	<u>652,292</u>	<u>1,273,641</u>	<u>-</u>	<u>(1,410,325)</u>	<u>(1,410,325)</u>
Total primary government	<u>\$ 35,755,334</u>	<u>\$ 12,275,121</u>	<u>\$ 2,373,062</u>	<u>\$ 1,303,179</u>	<u>\$ (18,393,647)</u>	<u>(1,410,325)</u>	<u>(19,803,972)</u>
Component Unit							
El Reno Economic Development Authority	-	-	-	-			
Total component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
General revenues:							
Taxes:							
Sales and use taxes					16,317,456	-	16,317,456
Property taxes					119,688	-	119,688
Franchise and public service taxes					1,100,502	-	1,100,502
Hotel/motel taxes					495,613	-	495,613
Intergovernmental revenue not restricted to specific programs					231,693	243,328	475,021
Investment income					1,006,964	1,892,238	2,899,202
Miscellaneous					767,976	85,353	853,329
Miscellaneous- Royalties					1,484,418	1,422,339	2,906,757
Transfers - Internal activity					(1,564,516)	1,564,516	-
Total general revenues and transfers					<u>19,959,794</u>	<u>5,207,774</u>	<u>25,167,568</u>
Change in net position					<u>1,566,147</u>	<u>3,797,449</u>	<u>5,363,596</u>
Net position - beginning					<u>40,752,557</u>	<u>51,009,518</u>	<u>91,762,075</u>
Net position - ending					<u>\$ 42,318,704</u>	<u>\$ 54,806,967</u>	<u>\$ 97,125,671</u>

See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Balance Sheet - June 30, 2024

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 16,777,882	\$ 2,166,762	\$ 9,339,839	\$ 28,284,483
Investments	1,732	-	859	2,591
Other receivable	-	-	441,394	441,394
Due from other funds	35,969	-	-	35,969
Due from other governments	1,069,813	668,726	207,502	1,946,041
Franchise tax receivable	91,079	-	9,173	100,252
Court fine receivable, net	550,192	-	-	550,192
Leases receivable	372,098	-	-	372,098
Total assets	<u>\$ 18,898,765</u>	<u>2,835,488</u>	<u>\$ 9,998,767</u>	<u>\$ 31,733,020</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 84,418	143,075	\$ 230,457	\$ 457,950
Accrued payroll payable	315,832	-	-	315,832
Due to other funds	766,024	-	-	766,024
Refundable court bonds	2,035	-	-	2,035
Total liabilities	<u>1,168,309</u>	<u>143,075</u>	<u>230,457</u>	<u>1,541,841</u>
Deferred Inflows of resources:				
Deferred inflow leases	362,389	-	-	362,389
Unavailable revenue	540,122	62,030	485,185	1,087,337
Total deferred inflows	<u>902,511</u>	<u>62,030</u>	<u>485,185</u>	<u>1,449,726</u>
Fund balances:				
Nonspendable	-	-	182,939	182,939
Restricted	2,422,062	2,630,383	8,664,154	13,716,599
Committed	81,519	-	76,922	158,441
Assigned	9,513,046	-	359,110	9,872,156
Unassigned	4,811,318	-	-	4,811,318
Total fund balance	<u>16,827,945</u>	<u>2,630,383</u>	<u>9,283,125</u>	<u>28,741,453</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 18,898,765</u>	<u>\$ 2,835,488</u>	<u>\$ 9,998,767</u>	<u>\$ 31,733,020</u>

See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 10,374,730	5,477,256	\$ 2,181,273	\$ 18,033,259
Intergovernmental	1,671,841	219,334	717,466	2,608,641
Licenses and permits	741,538	-	12,479	754,017
Charges for services	105,339	21,493	55,312	182,144
Fines and forfeitures	162,685	-	28,705	191,390
Investment income	486,198	185,326	288,795	960,319
Royalties	1,484,418	-	-	1,484,418
Miscellaneous	490,149	32,475	119,076	641,700
Total revenues	<u>15,516,898</u>	<u>5,935,884</u>	<u>3,403,106</u>	<u>24,855,888</u>
EXPENDITURES				
Current:				
General government	2,856,485	25,615	674,171	3,556,271
Public safety	11,310,752	48,841	350,904	11,710,497
Streets	1,040,080	42,105	2,300	1,084,485
Culture, parks, and recreation	886,545	-	11,710	898,255
Capital outlay	252,299	1,942,123	1,969,747	4,164,169
Debt service:				
Principal	1,665,850	-	-	1,665,850
Interest	434,158	-	-	434,158
Total Expenditures	<u>18,446,169</u>	<u>2,058,684</u>	<u>3,008,832</u>	<u>23,513,685</u>
Excess (deficiency) of revenues over expenditures	<u>(2,929,271)</u>	<u>3,877,200</u>	<u>394,274</u>	<u>1,342,203</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,565,968	1,011,667	-	5,577,635
Transfers out	<u>(1,248,763)</u>	<u>(4,411,996)</u>	<u>(910,000)</u>	<u>(6,570,759)</u>
Total other financing sources and uses	<u>3,317,205</u>	<u>(3,400,329)</u>	<u>(910,000)</u>	<u>(993,124)</u>
Net change in fund balance	387,934	476,871	(515,726)	349,079
Fund balance - beginning	16,440,011	2,153,512	9,798,851	28,392,374
Fund balance - ending	<u>\$ 16,827,945</u>	<u>\$ 2,630,383</u>	<u>\$ 9,283,125</u>	<u>\$ 28,741,453</u>

See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance - Net Position Reconciliation: \$ 28,741,453

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 \$41,398,182 38,845,374

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	387,286
Net pension asset	179,464
Pension related deferred outflows	4,133,609
Deferred outflow related to long-term debt refunding	361,525
Unavailable revenue	637,883

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	484,130
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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	(7,795,024)
Total OPEB liability	(1,267,183)
Opioid settlement deferred inflow	441,394
Pension related deferred inflows	(1,530,099)
Accrued interest payable	(160,980)
OPEB related deferred inflows	(742,095)
Revenue bond obligations	(18,237,290)
Accrued compensated absences	(2,160,743)
	<u>(31,452,020)</u>

Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 42,318,704</u></u>
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See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Net Position - June 30, 2024

	ENTERPRISE FUNDS					Totals	Internal Service Funds
	<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>			
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 12,811,902	\$ 962,047	\$ 6,089,118	\$ 1,368,944	\$ 21,232,011	\$ 670,814	
Restricted cash and cash equivalents	5,525,805	-	-	-	5,525,805	-	
Investments	7,811,812	-	-	-	7,811,812	-	
Due from other funds	764,024	-	-	-	764,024	-	
Due from other governments	80,275	-	325,106	-	405,381	-	
	11,463	-	50,344	27,117	88,924	-	
Accounts receivable, net	1,280,546	-	40,644	29,226	1,350,416	-	
Total current assets	<u>28,285,827</u>	<u>962,047</u>	<u>6,505,212</u>	<u>1,425,287</u>	<u>37,178,373</u>	<u>670,814</u>	
Non-current assets:							
Restricted investments	47,858	-	-	-	47,858	-	
Leases receivable	193,610	-	-	-	193,610	-	
Capital assets:							
Land and construction in progress	6,364,574	1,130,221	1,199,927	506,433	9,201,155	-	
Other capital assets, net of accumulated depreciation	43,565,368	7,882,138	3,708,093	2,736,590	57,892,189	-	
Total non-current assets	<u>50,171,410</u>	<u>9,012,359</u>	<u>4,908,020</u>	<u>3,243,023</u>	<u>67,334,812</u>	-	
Total assets	<u>78,457,237</u>	<u>9,974,406</u>	<u>11,413,232</u>	<u>4,668,310</u>	<u>104,513,185</u>	<u>670,814</u>	
DEFERRED OUTFLOW OF RESOURCES:							
Deferred amounts related to pensions	190,160	-	-	74,335	264,495	-	
Deferred amounts related to OPEB	140,417	-	5,202	36,017	181,636	-	
Deferred amount on refunding	43,596	-	-	-	43,596	-	
Total deferred outflow of resources	<u>374,173</u>	<u>-</u>	<u>5,202</u>	<u>110,352</u>	<u>489,727</u>	<u>-</u>	
LIABILITIES							
Current liabilities:							
Accounts payable	916,347	543	34,548	21,068	972,506	-	
Accrued payroll payable	41,721	-	3,661	24,036	69,418	-	
Accrued interest payable	297,155	47,834	-	-	344,989	-	
Unearned revenue	3,529,130	-	736	-	3,529,866	-	
Due to other funds	-	-	-	33,969	33,969	-	
Current portion of:							
Claims liability	-	-	-	-	-	62,298	
Notes payable	483,567	-	-	-	483,567	-	
Revenue bonds payable, net	295,750	678,000	-	-	973,750	-	
Accrued compensated absences	7,067	-	481	1,595	9,143	-	
Total current liabilities	<u>5,570,737</u>	<u>726,377</u>	<u>39,426</u>	<u>80,668</u>	<u>6,417,208</u>	<u>62,298</u>	
Non-current liabilities:							
Claims liability	-	-	-	-	-	124,386	
Deposits subject to refund	508,110	-	-	-	508,110	-	
Notes payable	37,333,365	-	-	-	37,333,365	-	
Revenue bonds payable	1,172,452	3,574,000	-	-	4,746,452	-	
Accrued compensated absences	63,601	-	4,332	14,350	82,283	-	
Total OPEB liability	161,504	-	12,423	62,117	236,044	-	
Net pension liability	198,539	-	-	84,516	283,055	-	
Total non-current liabilities	<u>39,437,571</u>	<u>3,574,000</u>	<u>16,755</u>	<u>160,983</u>	<u>43,189,309</u>	<u>124,386</u>	
Total liabilities	<u>45,008,308</u>	<u>4,300,377</u>	<u>56,181</u>	<u>241,651</u>	<u>49,606,517</u>	<u>186,684</u>	
DEFERRED INFLOW OF RESOURCES:							
Deferred amounts related to pension	87,588	-	-	49,688	137,276	-	
Deferred amounts related to leases	190,167	-	-	-	190,167	-	
Deferred amounts related to OPEB	133,280	-	9,505	119,200	261,985	-	
Total deferred inflow of resources	<u>411,035</u>	<u>-</u>	<u>9,505</u>	<u>168,888</u>	<u>589,428</u>	<u>-</u>	
NET POSITION							
Net investment in capital assets	14,479,995	4,760,359	4,881,767	3,243,608	27,365,729	-	
Restricted for debt service	292,208	349,771	-	-	641,979	-	
Unrestricted	18,639,864	563,899	6,470,981	1,124,515	26,799,259	484,130	
Total net position	<u>\$ 33,412,067</u>	<u>\$ 5,674,029</u>	<u>\$ 11,352,748</u>	<u>\$ 4,368,123</u>	<u>\$ 54,806,967</u>	<u>\$ 484,130</u>	

See accompanying notes to the financial statements.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2024

	ENTERPRISE FUNDS				Totals	Internal Service Funds
	<u>El Reno Municipal Trust Authority</u>	<u>The City of El Reno Hospital Authority</u>	<u>The City of El Reno Airport Authority</u>	<u>The City of El Reno Recreational Authority</u>		
OPERATING REVENUES						
Water charges	\$ 4,887,654	\$ -	\$ -	\$ -	\$ 4,887,654	\$ -
Sewer charges	2,493,884	-	-	-	2,493,884	-
Sanitation charges	1,311,365	-	-	-	1,311,365	-
Airport charges	-	-	863,996	-	863,996	-
Golf Course charges	-	-	-	688,902	688,902	-
Hook and Slice Restaurant charges	-	-	-	100,710	100,710	-
Water and sewer taps	202,041	-	-	-	202,041	-
Broadband fees	30,435	-	-	-	30,435	-
Transfer fees	2,650	-	-	-	2,650	-
Returned check charges	1,550	-	-	-	1,550	-
Cut off charges	13,760	-	-	-	13,760	-
Penalties and interest	144,325	-	-	-	144,325	-
Miscellaneous	91,769	51,179	1,475,851	12,382	1,631,181	-
Rental	-	-	-	44,338	44,338	-
Permits	-	-	-	115,320	115,320	-
Self-insurance charges	-	-	-	-	-	181,000
Total operating revenues	<u>9,179,433</u>	<u>51,179</u>	<u>2,339,847</u>	<u>961,652</u>	<u>12,532,111</u>	<u>181,000</u>
OPERATING EXPENSES						
Managerial	362,824	-	-	-	362,824	-
Administration	573	-	-	37,424	37,997	-
Billing	347,498	-	-	-	347,498	-
Water Plant	2,684,747	-	-	-	2,684,747	-
Wastewater	1,399,716	-	-	-	1,399,716	-
Utility Lines	337,992	-	-	-	337,992	-
Sanitation	852,736	-	-	-	852,736	-
Broadband	761,807	-	-	-	761,807	-
Hospital	-	46,621	-	-	46,621	-
Airport	-	-	632,566	-	632,566	-
Golf	-	-	-	845,421	845,421	-
Parks	-	-	-	542,583	542,583	-
Claims Expense	-	-	-	-	-	234,088
Depreciation expense	2,892,951	449,801	346,989	455,711	4,145,452	-
Total Operating Expenses	<u>9,640,844</u>	<u>496,422</u>	<u>979,555</u>	<u>1,881,139</u>	<u>12,997,960</u>	<u>234,088</u>
Operating income (loss)	<u>(461,411)</u>	<u>(445,243)</u>	<u>1,360,292</u>	<u>(919,487)</u>	<u>(465,849)</u>	<u>(53,088)</u>
NON-OPERATING REVENUES (EXPENSES)						
Investment income	1,457,064	98,599	318,781	17,794	1,892,238	46,645
Grant revenue	844,441	-	894,211	-	1,738,652	-
Other miscellaneous revenue	-	-	-	-	-	1,623
Interest expense and fiscal charges	(1,209,621)	(101,916)	-	-	(1,311,537)	-
Total non-operating revenue (expenses)	<u>1,091,884</u>	<u>(3,317)</u>	<u>1,212,992</u>	<u>17,794</u>	<u>2,319,353</u>	<u>48,268</u>
Income (loss) before contributions and transfers	<u>630,473</u>	<u>(448,560)</u>	<u>2,573,284</u>	<u>(901,693)</u>	<u>1,853,504</u>	<u>(4,820)</u>
Capital contributions	379,430	-	-	752,391	1,131,821	-
Transfers in	4,411,996	761,017	837,179	1,555,092	7,565,284	-
Transfers out	(5,915,981)	(837,179)	-	-	(6,753,160)	-
Change in net position	<u>(494,082)</u>	<u>(524,722)</u>	<u>3,410,463</u>	<u>1,405,790</u>	<u>3,797,449</u>	<u>(4,820)</u>
Total net position - beginning	<u>33,906,149</u>	<u>6,198,751</u>	<u>7,942,285</u>	<u>2,962,333</u>	<u>51,009,518</u>	<u>488,950</u>
Total net position - ending	<u>\$ 33,412,067</u>	<u>\$ 5,674,029</u>	<u>\$ 11,352,748</u>	<u>\$ 4,368,123</u>	<u>\$ 54,806,967</u>	<u>\$ 484,130</u>

See accompanying notes to the financial statements.

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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2024

	ENTERPRISE FUNDS				Total	Internal Service Funds
	<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>		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 11,454,267	\$ 51,179	\$ 2,049,214	\$ 936,045	\$ 14,490,705	\$ -
Payments to suppliers	(5,602,680)	(46,227)	(497,556)	(840,375)	(6,986,838)	(230,666)
Payments to employees	(1,414,513)	-	(136,920)	(654,525)	(2,205,958)	-
Receipts of customer meter deposits	88,166	-	-	-	88,166	-
Refunds of customer meter deposits	(63,860)	-	-	-	(63,860)	-
Other income	-	-	-	-	-	182,623
Net cash provided by (used in) operating activities	<u>4,461,380</u>	<u>4,952</u>	<u>1,414,738</u>	<u>(558,855)</u>	<u>5,322,215</u>	<u>(48,043)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	4,411,996	761,017	837,179	1,555,092	7,565,284	-
Transfers to other funds	(5,915,981)	(837,179)	-	-	(6,753,160)	-
Net cash provided by (used in) noncapital financing activities	<u>(1,503,985)</u>	<u>(76,162)</u>	<u>837,179</u>	<u>1,555,092</u>	<u>812,124</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(6,661,026)	-	(1,087,709)	(116,894)	(7,865,629)	-
Principal paid on capital debt	(480,525)	(662,000)	-	-	(1,142,525)	-
Proceeds from capital debt	2,481,466	-	-	-	2,481,466	-
Receipts from lease receivable	14,163	-	-	23,109	37,272	-
Interest and fiscal agent fees paid on capital debt	(1,184,750)	(109,364)	-	-	(1,294,114)	-
Capital grants and contribution	844,441	-	894,211	-	1,738,652	-
Net cash provided by (used in) capital and related financing activities	<u>(4,986,231)</u>	<u>(771,364)</u>	<u>(193,498)</u>	<u>(93,785)</u>	<u>(6,044,878)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale (purchase) of investments	(364,362)	-	-	-	(364,362)	-
Interest and dividends	1,457,064	98,599	318,781	17,794	1,892,238	46,645
Net cash provided by (used in) investing activities	<u>1,092,702</u>	<u>98,599</u>	<u>318,781</u>	<u>17,794</u>	<u>1,527,876</u>	<u>46,645</u>
Net increase (decrease) in cash and cash equivalents	<u>(936,134)</u>	<u>(743,975)</u>	<u>2,377,200</u>	<u>920,246</u>	<u>1,617,337</u>	<u>(1,398)</u>
Balances - beginning of year	<u>19,273,841</u>	<u>1,706,022</u>	<u>3,711,918</u>	<u>448,698</u>	<u>25,140,479</u>	<u>672,212</u>
Balances - end of year	<u>\$ 18,337,707</u>	<u>\$ 962,047</u>	<u>\$ 6,089,118</u>	<u>\$ 1,368,944</u>	<u>\$ 26,757,816</u>	<u>\$ 670,814</u>
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 12,811,902	\$ 962,047	\$ 6,089,118	\$ 1,368,944	\$ 21,232,011	\$ 670,814
Restricted cash and cash equivalents - current	5,525,805	-	-	-	5,525,805	-
Total cash and cash equivalents, end of year	<u>\$ 18,337,707</u>	<u>\$ 962,047</u>	<u>\$ 6,089,118</u>	<u>\$ 1,368,944</u>	<u>\$ 26,757,816</u>	<u>\$ 670,814</u>

(Continued)

See accompanying notes to the financial statements

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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2024 (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>
Reconciliation of operating income (loss) to net cash provided						
by (used in) operating activities:						
Operating income (loss)	\$ (461,411)	\$ (445,243)	\$ 1,360,292	\$ (919,487)	\$ (465,849)	\$ (53,088)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	2,892,951	449,801	346,989	455,711	4,145,452	-
Loss from Lease cancellation	-	-	-	2,613	2,613	-
Miscellaneous revenue	-	-	-	-	-	1,623
Change in assets, liabilities and deferrals:						
Due from other funds	111,347	-	-	-	111,347	-
Due from other governments	(66,025)	-	(265,712)	-	(331,737)	-
Accounts receivable	161,356	-	(24,921)	(2,093)	134,342	-
Lease Deferred inflows	(15,213)	-	-	(23,514)	(38,727)	-
Inventory	(5,795)	-	5,548	(13,297)	(13,544)	-
Net pension asset	-	-	-	-	-	-
Accounts payable	(275,109)	394	(6,419)	(33,525)	(314,659)	-
Due to other funds	(111,347)	-	-	-	(111,347)	-
Unearned revenue	2,194,716	-	-	-	2,194,716	-
Accrued payroll payable	21,207	-	1,056	7,462	29,725	-
Net pension liability	(34,260)	-	-	(14,474)	(48,734)	-
Total OPEB liability	4,288	-	(2,135)	(17,158)	(15,005)	-
Claims liability	-	-	-	-	-	3,422
Deposits subject to refund	24,306	-	-	-	24,306	-
Accrued compensated absences	20,369	-	40	(1,093)	19,316	-
Net cash provided by (used in) operating activities	\$ 4,461,380	\$ 4,952	\$ 1,414,738	\$ (568,855)	\$ 5,322,215	\$ (48,043)
Noncash activities:						
Contributed capital	\$ 379,430	\$ -	\$ -	\$ 752,391	\$ 1,131,821	\$ -

See accompanying notes to the financial statements.

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FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

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, sanitation and broadband 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
- Broadband – charges for service
- 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:

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 $\frac{1}{4}$ cent Account
 - Cemetery Everlasting Care Account
 - Royalties Fund

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- Capital Improvement Fund– accounts for restricted sales tax and an increase in Municipal Court fines. Funds are to be used for capital improvements.

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.
- Opioid Settlement Fund– accounts for opioid settlement
- 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.
- Emergency Reserve Fund– accounts for restricted sales tax dedicated for unexpected natural disasters. Previously this was just an account of the General Fund that was used to have reserve money for emergencies.

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.
- 2020 Series Sales Tax Revenue Note Construction Fund – accounts for the bond proceeds from the 2020 Sales Tax Revenue Note and expenditures associated with it.

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.

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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.

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, sanitation and broadband 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.

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 (OFPRS), 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 OFPRS, 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.

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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, 2024, the reporting entity held the following deposits and investments:

Primary Government:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits	N/A		\$ 47,658,165
Cash on hand	N/A		6,884
Time deposits	3-7 months		7,862,261
			<u>55,527,310</u>
Investments:			
Trustee money market accounts	N/A	AAAm	8,048,064
Total deposits and investments			<u>\$ 63,575,374</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 55,713,113
Investments			7,814,403
Restricted investments			47,858
			<u>\$ 63,575,374</u>

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name. The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2024, 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.

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- 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., d., and e.

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 \$8,048,064 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, 2024 are as follows:

	Current Cash and cash Equivalents	Noncurrent Investments
2010 Drinking Water SRF Debt Service	44,930	-
2014 OWRB Note Debt Service Fund	\$ 162,973	\$ -
2022 ERMA Note Project Fund	886,990	-
2022 ERMA Note Debt Service Fund	61	
2022 OWRB SLP Debt Service Fund	164,581	-
2022 OWRB SLP Project Fund	288,943	-
2022A Sales Tax Revenue Fund	137,743	-
2022B Sales Tax Revenue Fund	25,254	-
2023 OWRB FAP Project Fund	3,243,904	-
2023 OWRB FAP Debt Service Fund	53,821	
Utility Deposits	516,605	47,858
Total	<u>\$ 5,525,805</u>	<u>\$ 47,858</u>

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.

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Primary Government

	Court Fines Receivable	Opioid Receivable	Utilities Receivable	Airpark Receivable	The City of El Reno Recreation Authority
Accounts receivable	\$ 1,833,973	441,394	\$ 2,886,831	40,644	29,226
Less: allowance for uncollectible accounts	(1,283,781)	-	(1,606,285)	-	-
Accounts receivable, net of allowance	<u>\$ 550,192</u>	<u>\$ 441,394</u>	<u>\$ 1,280,546</u>	<u>\$ 40,644</u>	<u>\$ 29,226</u>

Opioid Settlement Funds – In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states.

Oklahoma's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocated the funds as follows:

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

The City as a litigating party has received a total of \$119,076 as part of this settlement in fiscal year 2024. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. The City is a litigating party in five settlements that will be paid out over 18 years. A receivable of \$441,394 is included in the other receivable above. This amount was also recognized as an unavailable revenue at the fund level. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2024.

5. Leases

The City is a party as lessor for various non-cancellable long-term leases of cell towers. 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 \$73,460.

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.

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.

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For the year ended June 30, 2024, capital assets balances changed as follows:

	Balance at July 01, 2023	Additions	Disposals	Transfers	Balance at June 30, 2024
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,871,585	\$ 644,012	\$ -	\$ -	\$ 2,515,597
Construction in progress	392,875	805,200	430,282	-	767,793
Total capital assets not being depreciated	2,264,460	1,449,212	430,282	-	3,283,390
Other capital assets:					
Buildings	21,245,498	59,517	-	-	21,305,015
Improvements	6,636,003	-	-	-	6,636,003
Machinery, furniture and equipment	11,199,090	1,922,409	-	-	13,121,499
Infrastructure	35,486,729	410,920	-	-	35,897,649
Total other capital assets at historical cost	74,567,320	2,392,846	-	-	76,960,166
Less accumulated depreciation for:					
Buildings	7,728,048	627,802	-	-	8,355,850
Improvements	3,634,795	308,385	-	-	3,943,180
Machinery, furniture and equipment	7,419,526	1,056,745	-	-	8,476,271
Infrastructure	18,920,993	1,701,888	-	-	20,622,881
Total accumulated depreciation	37,703,362	3,694,820	-	-	41,398,182
Other capital assets, net	36,863,958	(1,301,974)	-	-	35,561,984
Governmental activities capital assets, net	\$ 39,128,418	\$ 147,238	\$ 430,282	\$ -	\$ 38,845,374
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,024,643	\$ 360,488	\$ -	\$ -	\$ 2,385,131
Construction in progress	11,118,729	5,992,816	10,295,521	-	6,816,024
Total capital assets not being depreciated	13,143,372	6,353,304	10,295,521	-	9,201,155
Other capital assets:					
Buildings	32,397,357	-	-	(62,871)	32,334,486
Improvements	12,085,829	1,348,852	-	62,871	13,497,552
Machinery, furniture and equipment	6,732,250	1,190,941	-	33,308	7,956,499
Intangible water rights	207,657	-	-	-	207,657
Utility property improvements	42,413,251	10,020,446	-	(33,308)	52,400,389
Total other capital assets at historical cost	93,836,344	12,560,239	-	-	106,396,583
Less accumulated depreciation for:					
Buildings	6,479,305	1,430,209	-	-	7,909,515
Improvements	9,351,891	350,244	-	-	9,702,135
Machinery, furniture and equipment	4,022,477	599,292	-	13,136	4,634,905
Intangible water rights	84,668	3,909	-	-	88,577
Utility property improvements	24,420,600	1,761,798	-	(13,136)	26,169,262
Total accumulated depreciation	44,358,941	4,145,452	-	-	48,504,394
Other capital assets, net	49,477,403	8,414,787	-	-	57,892,189
Business-type activities capital assets, net	\$ 62,620,775	\$ 14,768,091	\$ 10,295,521	\$ -	\$ 67,093,344

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

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Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset.

Depreciation expense has been allocated as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 372,142	Water	1,448,430
Public Safety	934,843	Wastewater	1,444,521
Highways and Streets	1,904,662	Hospital	449,801
Culture & Recreation	483,173	Airpark	346,989
	<u>\$ 3,694,820</u>	Recreation	<u>455,711</u>
			<u>\$ 4,145,452</u>

8. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2024, the reporting entity's long-term debt changed as follows:

Type of Debt	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Revenue bonds payable (direct placements)	\$ 19,903,140	\$ -	\$ 1,665,850	\$ 18,237,290	\$ 2,599,250
Insurance claims liability	183,262	198,226	194,804	186,684	62,298
Accrued compensated absences	1,937,187	15,182,511	14,958,955	2,160,743	216,074
Total Governmental Activities	<u>\$ 22,023,589</u>	<u>\$ 15,380,737</u>	<u>\$ 16,819,609</u>	<u>\$ 20,584,717</u>	<u>\$ 2,877,622</u>
Business-Type Activities:					
Notes payable (direct borrowing)	\$ 34,863,933	\$ 2,481,466	\$ 569,805	\$ 36,775,594	\$ 483,567
Revenue bonds payable (direct placements)	6,719,860	-	952,150	5,767,710	973,750
Deposits subject to refund	483,804	88,166	63,860	508,110	-
Accrued compensated absences	72,110	642,404	623,088	91,426	9,143
Total Business-Type Activities	<u>\$ 42,139,707</u>	<u>\$ 3,212,036</u>	<u>\$ 2,208,903</u>	<u>\$ 43,142,840</u>	<u>\$ 1,466,460</u>

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.

\$ 9,930,000

Series 2022A Sales Tax Revenue Bonds. Original amount of \$3,635,000 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.

1,449,420

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.

6,192,870

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Revenue Bonds Payable (Direct Placements): continued

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.

665,000

Total Revenue Bonds Payable

\$ 18,237,290

Current portion

\$ 2,599,250

Non-current portion

15,638,040

Total

\$ 18,237,290

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 \$3,635,000 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.

\$ 1,049,580

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.

466,130

Total Revenue Bonds Payable

\$ 1,515,710

Less Unamortized Bond Discount

(47,508)

Net Revenue Bonds Payable

\$ 1,468,202

Current portion

\$ 295,750

Non-current portion

1,172,452

Total

\$ 1,468,202

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.

\$ 4,252,000

Current portion

678,000

non-current portion

3,574,000

Total

\$ 4,252,000

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Total Revenue Bonds Payable	\$ 5,767,710
Less Unamortized Bond Discount	(47,508)
Net Revenue Bonds Payable	<u>\$ 5,720,202</u>

Current portion	\$ 973,750
non-current portion	4,746,452
Total	<u>\$ 5,720,202</u>

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

6,485,000

2023 Promissory Note to OWRB, dated June 1, 2023, original amount of \$4,385,000 issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15, beginning September 2023, final installment due September 15, 2042 with an interest rate between 4.237% and 5.2%. The OWRB loan is collateralized by the pledge of revenues and sales tax. In the event of default, the lender may: 1) increase the interest rate to 14%; 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.

4,385,000

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, 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.

21,370,000

Promissory Note, Series 2022 with BancFirst dated November 15, 2022 issued in the principal amount of \$3,620,000, issued by the El Reno Municipal Authority due in monthly installments with the first installment due December 15, 2022 with an interest rate of 5.25%. In the event of default, the lender may: 1) accelerate the payment of the principal and interest accrued on the note; 2) take possession of the mortgaged property and collect any rents due; 3) pursue and exhaust any security pledged on the debt.

3,604,600

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Notes Payable (Direct Borrowings): continued

Series 2010 OWRB Drinking Water SRF Promissory Note dated February 12, 2010, original principal amount of \$2,405,000, issued by the El Reno Municipal Authority due in semi-annual installments each March 15 and September 15 with a final installment due March 15, 2030, with an administrative fee of 0.50% 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.

	930,994
Total Municipal Authority Notes Payable	<u>\$ 36,775,594</u>
Plus Bond Premium	<u>1,041,338</u>
Net Revenue Bonds Payable	<u>\$ 37,816,932</u>
Current portion	\$ 483,567
Non-current portion	<u>37,333,365</u>
Total	<u>\$ 37,816,932</u>

Debt Service Requirements to Maturity:

GOVERNMENTAL ACTIVITY DEBT					
Revenue Bonds Payable					
(direct placements)					
Year Ending June 30,	Principal		Interest		
2025	\$	2,599,250	\$	381,822	
2026		2,301,210		326,874	
2027		2,349,680		277,606	
2028		2,403,150		227,241	
2029		2,074,390		177,482	
2030-2034		6,181,320		311,531	
2035		328,290		3,611	
Totals	\$	<u>18,237,290</u>	\$	<u>1,706,167</u>	

BUSINESS-TYPE ACTIVITY DEBT					
Revenue Bonds Payable					
(direct placements)					
Year Ending June 30,	Principal		Interest		
2025	\$	973,750	\$	119,169	
2026		992,790		98,457	
2027		1,014,320		77,323	
2028		1,035,850		55,731	
2029		783,610		34,868	
2030-2034		942,680		32,587	
2035-2039		24,710		272	
2040-2044		-		-	
2045-2049		-		-	
2050-2052		-		-	
Totals	\$	<u>5,767,710</u>	\$	<u>418,407</u>	

Notes Payable					
(direct borrowings)					
	Principal		Interest		
		483,567		1,257,902	
		503,294		1,237,766	
		583,764		1,216,749	
		689,846		1,205,483	
		1,251,849		1,176,518	
		12,057,974		4,889,669	
		14,495,300		2,607,226	
		4,120,000		906,237	
		1,520,000		500,970	
		1,070,000		150,805	
Totals	\$	<u>36,775,594</u>	\$	<u>15,149,325</u>	

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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 \$26,129,573. Total pledged sales taxes received in the current fiscal year were \$8,694,057. Debt service payments for the current fiscal year of \$3,182,374 were 37% of the pledged sales taxes.

Utility Net Revenues Pledge – The City has also pledged future water and sewer net revenues to repay \$35,448,154 of 2003A, 2010, 2014, 2022 and 2023 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, 2051 and 2042. The total principal and interest payable for the remainder of the life of these notes is \$46,895,456. The notes are payable from the above-mentioned utility net revenues. The debt service payments on the notes this year were \$1,213,521 which was 33% of pledged net utility revenues of \$3,726,073.

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.

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

	General Fund	Major Capital Project Fund Capital Improvement Fund	Other Governmental Funds	TOTAL
Fund Balances:				
Nonspendable:				
Library Endowment	\$ -	\$ -	\$ 31,050	\$ 31,050
Cemetery Perpetual Care	-	-	151,889	151,889
Sub-total Nonspendable	-	-	182,939	182,939
Restricted for:				
Capital outlay	-	2,630,383	735,720	3,366,103
Debt Service	1,346,028	-	-	1,346,028
Watershed construction	-	-	26,582	26,582
Petree Plaza	2,000	-	-	2,000
Seinor Citizen's Food	6,220	-	-	6,220
Sidewalks	-	-	108,032	108,032
Opioid Settlement	-	-	161,861	161,861
Skateboard Park	181	-	-	181
Police	500	-	421,317	421,817
Library	75,608	-	202	75,810
Cemetery	198,762	-	107,888	306,650
Public Health and Safety	-	-	634,451	634,451
El Reno NOW	3,852	-	-	3,852
Care and Share Program	574	-	-	574
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	725,128	-	-	725,128
Disaster relief	460	-	5,351,418	5,351,878
Animal Shelter	5,508	-	-	5,508
Fire Department	52,368	-	-	52,368
Legion Park Lights	278	-	-	278
Tennis Court Improvements	95	-	-	95
Parks/ ASHB Ballfield	2,000	-	-	2,000
Tourism	-	-	283,743	283,743
Economic development and capital	-	-	650,467	650,467
Ad valorem tax levies, constructing public buildings or other permanent improvements	-	-	182,473	182,473
Sub-total Restricted	2,422,062	2,630,383	8,664,154	13,716,599
Committed to:				
Cemetery	43,410	-	76,922	120,332
Park	38,109	-	-	38,109
Sub-total Committed	81,519	-	76,922	158,441
Assigned to:				
Recreation facilities, public health and safety facilities, public works infrastructure capital outlay or debt service for said capital outlay	57,870	-	-	57,870
Lake	7,668,135	-	-	7,668,135
Library	-	-	4,642	4,642
Cemetery	700,540	-	184,687	885,227
Police	-	-	46,886	46,886
Tourism	-	-	119,777	119,777
Economic development and capital	-	-	3,118	3,118
Capital outlay	1,086,501	-	-	1,086,501
Sub-total Assigned	9,513,046	-	359,110	9,872,156
Unassigned:	4,811,318	-	-	4,811,318
TOTAL FUND BALANCES	\$ 16,827,945	\$ 2,630,383	\$ 9,283,125	\$ 28,741,453

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Government-wide Statements:

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

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws 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	\$ 198,762
Drainage Improvement	26,582
Opioid Settlement	161,861
Library Endowment	35,894
Cemetery Perpetual Care	186,019
Sales Tax Reserve/Emergency	5,351,418
Sidewalk	108,032
Capital Improvement	2,630,383
Tax Increment	182,473
Safety Sales Tax 1/4 Cent	634,451
Sales Tax 1/4 Cent	725,128
Gifts and Contributions	142,077
Hotel Motel Occupancy Surcharge	934,210
General Fund (Library Donations)	1,347
General Fund (Police Donations)	500
General Fund (Seinor Citizen Donations)	6,220
General Fund (Petree Plaza Donations)	2,000
Police Evidence Fund	35,002
General Fund (Debt Service Fund Bal)	

Enabling legislation:

Police	386,315
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Debt Service:

Trustee money market accounts	1,346,028
Less: Accrued Interest Payable	(160,980)
	1,185,048

Total Governmental Activities restricted	<u>\$ 13,007,480</u>
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Reconciliation to Statement of Net Position:

Restricted for:

Public Safety	421,817
Capital Outlay	2,838,755
Debt Service	1,185,048
Disaster Relief	5,985,869
Other	1,628,950
Permanent fund - nonexpendable	182,939
Permanent fund - expendable	38,974
Total Governmental Activities restricted	<u>\$ 13,007,480</u>

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BTA | El Reno Municipal Authority

Contractual agreements:

Cash and investments	\$ 986,968
Less: Accrued Interest Payable	(344,989)
	<u>\$ 641,979</u>

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

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

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, 2024 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Capital Improvement Fund	319,667	Operating subsidy
General Fund	City of El Reno Recreation Authority	929,096	Operating subsidy
ERMA Sales Tax Fund	General Fund	2,398,968	Debt service transfer
ERMA Sales Tax Fund	City of El Reno Hospital Authority	761,017	Debt service transfer
ERMA Sales Tax Fund	Capital Improvement	500,000	Operating subsidy
City of El Reno Hospital Authority	City of El Reno Airport Authority	837,179	Operating subsidy
El Reno Municipal Trust Authority	General Fund	1,631,000	Operating subsidy
El Reno Municipal Trust Authority	City of El Reno Recreation Authority	624,996	Operating subsidy
Capital Improvement Fund	ERMA Sales Tax Fund	3,196,500	Sales tax transfer
Capital Improvement Fund	El Reno Municipal Trust Authority	1,215,496	Operating subsidy
Hotel Motel Occupancy Surcharde Fund	General Fund	60,000	Hotel motel admin fees
Hotel Motel Occupancy Surcharde Fund	General Fund	50,000	Operating subsidy
Reserve Emergency Fund	City of El Reno Recreation Authority	1,000	Operating subsidy
Reserve Emergency Fund	General Fund	57,000	Operating subsidy
Reserve Emergency Fund	Capital Improvement Fund	192,000	Operating subsidy
Public Safety 1/4 Sales Tax Fund	General Fund	550,000	Operating subsidy for dispatch
Total		<u>\$ 13,323,919</u>	
Reconciliation to Fund Financial Statements:			
	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 5,577,635	\$ (6,570,759)	\$ (993,124)
Proprietary Funds	7,565,284	(6,753,160)	812,124
Internal Service Funds - self-insurance charges	181,000	-	181,000
	<u>\$ 13,323,919</u>	<u>\$ (13,323,919)</u>	<u>\$ -</u>
Reconciliation to Statement of Activities:			
Net Transfers		\$ 812,124	
Transfer of capital assets to business-type activities that were purchased by governmental funds - (not recorded at fund level)		752,392	
Transfers - internal activity		<u>\$ 1,564,516</u>	

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Balances:

Interfund receivable and payables at June 30, 2024 were comprised of the following:

Payable Fund	Receivable Fund	Amount	Nature of Interfund Balance
General Fund	ERMA Sales Tax	\$ 764,024	Sales tax transfer receivable
Gifts and Contributions	General Fund	2,000	Grant revenue
Recreation Authority	General Fund	33,969	Loan to Recreation Authority
		<u>\$ 799,993</u>	
Reconciliation to Fund Financial Statements:			
	Due to	Due From	Net Interfund Balances
Governmental Funds	\$ (766,024)	\$ 35,969	\$ (730,055)
Proprietary Funds	(33,969)	764,024	730,055
	<u>\$ (799,993)</u>	<u>\$ 799,993</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.
- 1.575 cents is recorded in City Capital Improvement Fund per ordinance 5022.
- .175 cents is recorded in the Reserve/Emergency Fund per ordinance 5022.
- .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. 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, 2023, to June 30, 2024, are as follows:

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	<u>Workers'</u> <u>Compensation</u>
Claim liability, June 30, 2022	139,961
Claims and changes in estimates	(58,828)
Claims payments	<u>102,129</u>
Claim liability, June 30, 2023	183,262
Claims and changes in estimates	(194,804)
Claims payments	<u>198,226</u>
Claim liability, June 30, 2024	<u><u>\$ 186,684</u></u>
Reconciliation to Statement of Net Position:	
Current portion	\$ 124,386
Noncurrent portion	<u>62,298</u>
Total	<u><u>\$ 186,684</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, 2024 the City had awarded construction contracts totaling approximately \$4,509,384 and of this amount \$1,727,501 was still outstanding.

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, 2024, 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.

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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

Pension Plan Summary:

	Governmental	Business-Type	Total
Deferred Outflows:			
Police Pension	\$ 1,841,105	\$ -	\$ 1,841,105
Fire Pension	1,792,490	-	1,792,490
OMRF	500,014	264,495	764,509
Total	<u>\$ 4,133,609</u>	<u>\$ 264,495</u>	<u>\$ 4,398,104</u>
Deferred Inflows:			
Police Pension	\$ 369,731	\$ -	\$ 369,731
Fire Pension	895,612	-	895,612
OMRF	264,757	137,276	402,033
Total	<u>\$ 1,530,100</u>	<u>\$ 137,276</u>	<u>\$ 1,667,376</u>
Net Pension Asset:			
Police Pension	\$ 179,464	\$ -	\$ 179,464
Total	<u>\$ 179,464</u>	<u>\$ -</u>	<u>\$ 179,464</u>
Net Pension Liability:			
Fire Pension	7,186,433	-	7,186,433
OMRF	608,590	283,056	891,646
Total	<u>\$ 7,795,023</u>	<u>\$ 283,056</u>	<u>\$ 8,078,079</u>
Pension Expense (Benefit):			
Police Pension	\$ 495,352	\$ -	\$ 495,352
Fire Pension	1,020,962	-	1,020,962
OMRF	(98,364)	(48,733)	(147,097)
Total	<u>\$ 1,417,950</u>	<u>\$ (48,733)</u>	<u>\$ 1,369,217</u>

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 (OFPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OFPRS. OFPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs

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Benefits provided - OFPRS 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.

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 \$314,386. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of \$782,975 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 \$636,580. These on-behalf payments did not meet the criteria of a special funding situation.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported a liability of \$7,186,433 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.55698 percent.

For the year ended June 30, 2024, the City recognized pension expense of \$1,020,962. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 854,666	\$ 9,124
Changes of assumptions	-	11,523
Net difference between projected and actual earnings on pension plan investments	474,082	-
Changes in proportion and differences between City contributions and proportionate share of contributions	144,926	869,945
City contributions during measurement date	4,430	5,020
City contributions subsequent to the measurement date	314,386	-
Total	<u>\$ 1,792,490</u>	<u>\$ 895,612</u>

The \$314,386 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, 2025. 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:		
2025	\$	102,357
2026		(84,991)
2027		663,529
2028		(98,403)
Total	<u>\$</u>	<u>582,492</u>

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all 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.

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The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, 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%	5.80%
Domestic equity	42%	9.49%
International equity	20%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing an allocation of the insurance premium, as established by Oklahoma statute. Prior to July 1, 2020, the Plan was allocated 36% of the insurance premium, as established by statute. The State of Oklahoma has passed legislation that changes the allocation percentage as follows:

- 37.8% effective July 1, 2022
- 36.0% effective July 1, 2027

The Plan will also receive \$40,625 each year from July 1, 2022, through June 30, 2027. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease 6.5%</u>	<u>Current Discount Rate 7.5%</u>	<u>1% Increase 8.5%</u>
Employers' net pension liability	\$ 9,364,233	\$ 7,186,433	\$ 5,365,216

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

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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

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 \$365,001. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$383,601 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 \$261,240. These on-behalf payments did not meet the criteria of a special funding situation.

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported an asset of \$179,464 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial

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valuation as of July 1, 2023. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.58764 percent.

For the year ended June 30, 2024, the City recognized pension expense of \$495,352. At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 491,284	\$ 27,678
Changes of assumptions	-	334,989
Net difference between projected and actual earnings on pension plan investments	889,173	-
Changes in proportion and differences between City contributions and proportionate share of contributions	89,972	5,601
City contributions subsequent to the measurement date	5,675	1,463
City contributions subsequent to the measurement date	365,001	-
Total	<u>\$ 1,841,105</u>	<u>\$ 369,731</u>

The \$365,001 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, 2025. 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:	
2025	183,481
2026	23,224
2027	714,685
2028	177,926
2029	7,057
	<u>\$ 1,106,373</u>

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

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary

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Mortality rates:	Active and inactive vested members: PubS-2010 Employee (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.
	Healthy retirees: PubS-2010 Healthy Retiree (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA scale MP-2021.
	Beneficiaries: Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.
	Disabled retirees: PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.

The actuarial assumptions used in the July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private equity	11.64%

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

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

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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)	\$ 1,694,440	\$ (179,464)	\$ (1,766,073)

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.

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. 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

Provision	As of 07/01/23 OkMRF Plan
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	55
Deferred Vested Former Employees	14
Retirees or Retiree Beneficiaries	<u>31</u>
Total	<u>100</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 6.28% of covered payroll as of July 1, 2023. For the year ended June 30, 2024 the City recognized \$240,259 of employer contributions to the plan which is over the actuarially determined amount based on covered payroll of \$3,776,488. Employees' contribution is 4.5% of covered payroll as of July 1, 2023.

Actuarial Assumptions

<u>Date of Last Actuarial Valuation</u>	<u>July 1, 2023</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, 2023 are summarized in the following table:

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	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	4.55%	1.14%
Small/mid cap stocks Russell 2500	10%	5.00%	0.50%
Long/short equity MSCI ACWI	5%	6.05%	0.30%
International stocks MSCI EAFE	25%	6.20%	1.55%
Fixed income bonds Barclay's Capital Aggregate	20%	2.55%	0.51%
Real estate NCREIF	15%	4.95%	0.75%
Cash equivalents 3 month Treasury	0%	15.00%	0.00%
TOTAL	100%		4.75%

Changes in Net Pension Liability- The total pension liability was determined based on an actuarial valuation performed as of July 1, 2023 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, 2023 and the City's report ending date of June 30, 2024, 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)
Balances Beginning of Year	\$ 7,920,538	\$ 6,840,775	\$ 1,079,763
Changes for the Year:			
Service cost	207,569	-	207,569
Interest expense	578,278	-	578,278
Difference between expected and actual experience	19,389	-	19,389
Contributions--City	-	253,795	(253,795)
Contributions--members	-	131,519	(131,519)
Net investment income	-	623,229	(623,229)
Benefits paid	(428,070)	(428,070)	-
Plan administrative expenses	-	(15,190)	15,190
Net Changes	377,166	565,283	(188,117)
Balances End of Year	\$ 8,297,704	\$ 7,406,058	\$ 891,646

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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% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability (Asset)	\$ 2,084,372	\$ 891,646	\$ (64,932)

The City reported (\$147,097) in pension expense (benefit) for the year ended June 30, 2024. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,375	\$ 312,769
Changes of assumptions	58,252	-
Net difference between projected and actual earnings on pension plan investments	397,900	-
Changes in proportion and differences between City contributions and proportionate share of contributions	38,723	89,264
City contributions subsequent to the measurement date	240,259	-
Total	<u>\$ 764,509</u>	<u>\$ 402,033</u>

Amortization of Pension Deferrals- The \$240,259 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, 2025. 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:	
2025	(84,494)
2026	(62,148)
2027	289,279
2028	(20,420)
	<u>\$ 122,217</u>

15. 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.

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

Active Employees	109
Inactives or beneficiaries currently receiving benefit payments	<u>13</u>
Total	<u>122</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,503,227 was measured as of June 30, 2023, 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, 2023 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Pay
- Discount Rate – 4.13% and 4.09%, based on June 30, 2023 and June 30, 2022 published S&P Muni 20 GO index.
- 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 – Pub2010 Gen or Publics Safety projected.

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

	Total OPEB Liability
Balances Beginning of Year	<u>\$ 1,467,686</u>
Change for the Year:	
Service cost	80,473
Interest Expense	60,028
Differences between expected and actual experience	48,657
Changes of assumptions	(61,682)
Benefits paid	(91,935)
Net Changes	<u>35,541</u>
Balances End of Year	<u>\$ 1,503,227</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 4.09%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher 5.09%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Employers' total OPEB liability	\$ 1,679,710	\$ 1,503,227	\$ 1,348,640

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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 5.94% decreasing to 3.94%, 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 (4.94% decreasing to 2.94%) or 1-percentage-point higher (6.94% decreasing to 4.94%) than the current rate:

	1% Decrease (4.91% decreasing to 2.94%)	Healthcare Cost Trend Rates (5.91% decreasing to 3.94%)	1% Increase (6.91% decreasing to 4.94%)
Employers' total OPEB liability	\$ 1,323,027	\$ 1,503,227	\$ 1,719,896

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$44,938. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 298,959	\$ 246,127
Changes of assumptions	10,447	563,645
Changes in City's proportionate share of contributions	180,741	180,738
Contributions during measurement date	5,261	13,570
Benefit payments subsequent to the measurement date	73,514	-
Total	<u>\$ 568,922</u>	<u>\$ 1,004,080</u>

The \$73,514 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (95,564)
2026	(95,564)
2027	(82,610)
2028	(74,033)
2029	(66,220)
Thereafter	(94,681)
Total	<u>\$ (508,672)</u>

16. 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.

17. Subsequent Events

The City, through the El Reno Municipal Authority (ERMA) issued a Utility System and Sales Tax Revenue Note, Series 2024 in the aggregate principal amount of \$4,115,000. It also awarded the Radio Road Waterline Extension project to Marsau Enterprises for a total of \$701,033.

WL McNatt was awarded the bid to construct the new Airport Terminal at \$2,169,000. This will be partially funded through a \$1.0 million grant from the Oklahoma Department of Aerospace and Aeronautics.

The City received a \$1,350,000 forgivable note from OWRB for various drainage basins engineered by Freese and Nichols.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedule – Year Ended June 30, 2024

	GENERAL FUND			Variance with
			Actual Amounts,	Final Budget -
	Budgeted Amounts		Budgetary Basis	Positive
	Original	Final		(Negative)
REVENUES				
Taxes	\$ 9,427,500	\$ 9,427,500	\$ 10,403,692	\$ 976,192
Fees and fines	620,500	620,500	150,459	(470,041)
Licenses and permits	414,000	414,000	741,538	327,538
Intergovernmental	116,000	116,000	436,130	320,130
Charges for services	225,000	225,000	99,280	(125,720)
Investment earnings	302,500	302,500	376,886	74,386
Miscellaneous	273,000	349,145	402,577	53,432
Transfers from Other Funds	3,504,300	3,616,300	2,122,000	(1,494,300)
Total revenues	<u>14,882,800</u>	<u>15,070,945</u>	<u>14,732,562</u>	<u>(338,383)</u>
EXPENDITURES				
Mayor and Council	170,500	175,500	107,169	68,331
City Clerk	155,700	155,700	102,222	53,478
Technology Services	175,700	175,700	107,566	68,134
Administration	568,700	568,700	424,373	144,327
Finance	996,600	996,600	947,351	49,249
Police	5,125,400	5,172,779	5,023,922	148,857
Dispatch/911	1,069,000	1,070,303	1,000,158	70,145
Fire	3,625,300	3,628,941	3,382,310	246,631
Library	406,300	406,300	363,534	42,766
Community Development	552,900	652,900	661,114	(8,214)
Senior Citizens	80,900	119,538	74,989	44,549
Municipal Garage	209,800	209,800	132,556	77,244
Streets	995,600	996,425	1,023,529	(27,104)
Municipal Court	201,700	201,700	196,325	5,375
Legal	105,000	155,000	211,890	(56,890)
Parks and Recreation	-	-	1,833	(1,833)
Swimming Pool	65,200	65,200	65,923	(723)
Animal Control	245,000	245,000	225,606	19,394
Cemetery	305,800	305,800	289,507	16,293
Total Expenditures	<u>15,055,100</u>	<u>15,301,886</u>	<u>14,341,877</u>	<u>960,009</u>
Excess (deficiency) of revenues over expenditures	<u>(172,300)</u>	<u>(230,941)</u>	<u>390,685</u>	<u>621,626</u>
Net change in fund balances	(172,300)	(230,941)	390,685	621,626
Fund balances - beginning	6,825,000	6,828,641	4,421,299	(2,407,342)
Fund balances - ending	<u>\$ 6,652,700</u>	<u>\$ 6,597,700</u>	<u>\$ 4,811,984</u>	<u>\$ (1,785,716)</u>

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:

	General Fund
Total revenue- budgetary basis	\$ 14,732,562
Total expense- budgetary basis	(14,341,877)
Change in fund balance-budgetary basis	<u>390,685</u>
Revenue accruals	1,180,550
Expenditures accruals	(3,776,478)
Debt service transfers in	<u>2,398,968</u>
Change in fund balance-GAAP basis	<u><u>\$ 193,725</u></u>

4. Expenditures exceeded appropriations in the following departments:

- Senior Citizens \$ 8,214
- Streets \$27,104
- Legal \$56,890
- Parks and Recreation \$ 1,833
- Swimming Pool \$ 723

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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	2023	2024
City's proportion of the net pension liability	0.562385%	0.621821%	0.629184%	0.635185%	0.617556%	0.699132%	0.705363%	0.609469%	0.625383%	0.556980%
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	\$ 8,178,353	\$ 7,186,433
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	\$ 2,056,886	\$ 2,077,293
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%	398%	346%
Plan fiduciary net position as a percentage of the total pension	68.12%	68%	64.87%	66.81%	70.73%	72.85%	69.98%	84.24%	69.49%	70.85%

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

Schedule of City Contributions

Oklahoma Firefighters Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 228,711	\$ 246,394	\$ 252,760	\$ 256,527	\$ 302,681	\$ 316,983	\$ 288,582	\$ 287,964	\$ 290,821	\$ 314,386
Contributions in relation to the statutorily required contribution	228,711	246,394	252,760	256,527	302,681	316,983	288,582	287,964	290,821	314,386
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	2,077,293	2,245,614
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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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	2023	2024
City's proportion of the net pension liability (asset)	0.539700%	0.579610%	0.595800%	0.611900%	0.616200%	0.667200%	0.678900%	0.648765%	0.640037%	0.587637%
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)	\$ (513,258)	\$ (179,464)
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	\$ 2,292,569	\$ 2,237,085
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%	-22.39%	-8.02%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

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

Schedule of City Contributions

Oklahoma Police Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 205,473	\$ 228,428	\$ 237,337	\$ 244,359	\$ 282,058	\$ 295,606	\$ 291,857	\$ 298,034	\$ 290,821	\$ 365,001
Contributions in relation to the statutorily required contribution	205,473	228,428	237,337	244,359	282,058	295,606	291,857	298,034	290,821	365,001
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 2,237,085	\$ 2,807,700
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Oklahoma Municipal Retirement System

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

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 240,404	\$ 264,136	\$ 268,287	\$ 276,233	\$ 261,674	\$ 261,799	\$ 299,954	\$ 274,875	\$ 266,061	\$ 207,569
Interest	298,636	308,486	334,368	368,895	392,725	433,355	491,414	512,049	518,725	578,278
Changes of benefits due to plan amendments	-	-	-	-	-	-	-	-	448,675	-
Differences between expected and actual experience	-	(36,585)	53,687	(98,009)	71,517	122,837	(272,338)	(424,501)	(147,793)	19,389
Changes of assumptions	-	-	-	154,546	-	193,929	-	-	66,493	-
Benefit payments, including refunds of member contributions	(150,337)	(193,559)	(210,870)	(210,812)	(240,119)	(243,865)	(231,491)	(256,765)	(290,665)	(428,070)
Net change in total pension liability	388,703	342,478	445,472	490,853	485,797	768,055	287,539	105,658	861,496	377,166
Total pension liability - beginning	3,744,487	4,133,190	4,475,668	4,921,140	5,411,993	5,897,790	6,665,845	6,953,384	7,059,042	7,920,538
Total pension liability - ending (a)	\$ 4,133,190	\$ 4,475,668	\$ 4,921,140	\$ 5,411,993	\$ 5,897,790	\$ 6,665,845	\$ 6,953,384	\$ 7,059,042	\$ 7,920,538	\$ 8,297,704
Plan fiduciary net position										
Contributions - employer	\$ 253,488	\$ 260,476	\$ 268,569	\$ 292,173	\$ 270,735	\$ 751,917	\$ 282,870	\$ 217,698	\$ 209,627	\$ 253,795
Contributions - member	131,503	135,201	139,395	151,647	140,360	154,313	162,075	139,079	133,052	131,519
Net investment income	395,694	86,612	33,605	443,792	307,167	330,547	240,956	1,679,166	(982,209)	623,229
Benefit payments, including refunds of member contributions	(150,337)	(193,559)	(210,870)	(210,812)	(240,119)	(243,865)	(231,491)	(256,765)	(290,665)	(428,070)
Administrative expense	(5,898)	(6,286)	(6,531)	(7,690)	(9,194)	(9,637)	(11,594)	(13,248)	(15,972)	(15,190)
Net change in plan fiduciary net position	624,450	282,444	224,168	669,110	468,949	983,275	442,816	1,765,930	(946,167)	565,283
Plan fiduciary net position - beginning	2,325,800	2,950,250	3,232,694	3,456,862	4,125,972	4,594,921	5,578,196	6,021,012	7,786,942	6,840,775
Plan fiduciary net position - ending (b)	\$ 2,950,250	\$ 3,232,694	\$ 3,456,862	\$ 4,125,972	\$ 4,594,921	\$ 5,578,196	\$ 6,021,012	\$ 7,786,942	\$ 6,840,775	\$ 7,406,058
Net pension liability (asset) - ending (a) - (b)	\$ 1,182,940	\$ 1,242,974	\$ 1,464,278	\$ 1,286,021	\$ 1,302,869	\$ 1,087,649	\$ 932,372	\$ (727,900)	\$ 1,079,763	\$ 891,646
Plan fiduciary net position as a percentage of the total pension liability	71.38%	72.23%	70.25%	76.24%	77.91%	83.68%	86.59%	110.31%	86.37%	89.25%
Covered employee payroll	\$ 2,924,835	\$ 3,022,811	\$ 3,095,346	\$ 3,247,280	\$ 3,127,307	\$ 3,409,889	\$ 3,615,611	\$ 3,090,283	\$ 3,086,017	\$ 2,933,019
Net pension liability (asset) as a percentage of covered-employee payroll	40.44%	41.12%	47.31%	39.60%	41.66%	31.90%	25.79%	-23.55%	34.99%	30.40%

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Oklahoma Municipal Retirement System

Schedule of Employer Contributions									Last 10 Fiscal Years	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 256,939	\$ 268,366	\$ 266,602	\$ 247,370	\$ 269,722	\$ 285,995	\$ 222,500	\$ 217,873	\$ 156,330	\$ 237,163
Contributions in relation to the actuarially determined contribution	260,481	268,568	281,539	327,565	295,687	286,090	217,231	217,722	253,795	240,259
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>	<u>\$ (97,465)</u>	<u>\$ (3,096)</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	\$ 2,933,019	\$ 3,776,488
Contributions as a percentage of covered-employee payroll	8.62%	8.68%	8.67%	10.47%	8.67%	7.91%	7.03%	7.06%	8.65%	6.36%

Notes to Schedule:

1. Latest Valuation Date: July 1, 2023
2. Actuarially determined contribution rate calculated as of July 1, 2023 through June 2024 was 6.28%. However, the City elected to contribute an average of 6.36% at June 30, 2024
3. 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

Schedule of Changes in Total OPEB Liability and Related Ratios

Last 7 Fiscal Years

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 132,556	\$ 117,070	\$ 118,295	\$ 129,121	\$ 146,111	\$ 103,162	\$ 80,473
Interest	41,380	57,992	60,311	57,191	40,234	32,027	60,028
Change in assumptions	(137,696)	(84,455)	1,495	16,412	(184,077)	(410,687)	(61,682)
Differences between expected and actual experience	-	(13,309)	(84,960)	13,621	(295,977)	316,568	48,657
Benefit payments, including refunds of member contributions	(28,694)	(21,682)	(19,552)	(29,835)	(44,079)	(56,131)	(91,935)
Net change in total OPEB liability	7,546	55,616	75,589	186,510	(337,788)	(15,061)	35,541
Total OPEB liability - beginning	1,495,274	1,502,820	1,558,436	1,634,025	1,820,535	1,482,747	1,467,686
Total OPEB liability - ending (a)	\$ 1,502,820	\$ 1,558,436	\$ 1,634,025	\$ 1,820,535	\$ 1,482,747	\$ 1,467,686	\$ 1,503,227
 Covered employee payroll	 \$ 6,890,000	 \$ 6,740,000	 \$ 8,382,000	 \$ 7,595,000	 \$ 6,458,000	 \$ 6,609,000	 \$ 7,119,000
 Total OPEB liability as a percentage of covered-employee payroll	 21.81%	 23.12%	 19.49%	 23.97%	 22.96%	 22.21%	 21.12%

Notes to Schedule:

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

The discount rate used for June 30, 2024 is 4.13% which represents a change in assumption from the June 30, 2023 rate of 4.09%
The total OPEB liability for fiscal year 2024 was measured as of June 30, 2023.

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

OTHER SUPPLEMENTARY INFORMATION

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2024

	Police Fund (204)	Oploid Settlement Fund (240)	CDBG Fund (211)	Police Evidence Fund (202)	Cemetery Care Fund (208)	Hotel Motel Occupancy Surcharge (203)	Safety Sales Tax 1/4 Cent Fund (616)	Sidewalk fund (423)	Reserve Emergency Account (612)	Drainage Improvement Fund (422)	2020 Series Sales Tax Revenue Note Construction (419)	Tax Increment Fund (217)	Library Endowment (215)	Cemetery Perpetual (620)	Total Governmental Funds
ASSETS															
Cash and cash equivalents	\$ 425,452	\$ 161,861	\$ -	\$ 35,002	\$ 335,367	\$ 1,057,470	\$ 538,151	\$ 108,032	\$ 5,284,007	\$ 26,582	\$ 964,388	\$ 182,473	\$ 35,438	\$ 185,616	\$ 9,339,839
Investments	-	-	-	-	-	-	-	-	-	-	-	-	456	403	859
Other receivable	-	441,394	-	-	-	-	-	-	-	-	-	-	-	-	441,394
Due from other governments	-	-	43,791	-	-	-	96,300	-	67,411	-	-	-	-	-	207,502
Franchise tax receivable	9,173	-	-	-	-	-	-	-	-	-	-	-	-	-	9,173
Total assets	<u>434,625</u>	<u>603,255</u>	<u>43,791</u>	<u>35,002</u>	<u>335,367</u>	<u>1,057,470</u>	<u>634,451</u>	<u>108,032</u>	<u>5,351,418</u>	<u>26,582</u>	<u>964,388</u>	<u>182,473</u>	<u>35,894</u>	<u>186,019</u>	<u>9,998,767</u>
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts payable	1,424	-	-	-	-	365	-	-	-	-	228,668	-	-	-	230,457
Total liabilities	<u>1,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,457</u>
Deferred Inflows of resources:															
Unavailable revenue	-	441,394	43,791	-	-	-	-	-	-	-	-	-	-	-	485,185
Fund balances:															
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	31,050	151,889	182,939
Restricted	386,315	161,861	-	35,002	73,758	934,210	634,451	108,032	5,351,418	26,582	735,720	182,473	202	34,130	8,664,154
Committed	-	-	-	-	76,922	-	-	-	-	-	-	-	-	-	76,922
Assigned	46,886	-	-	-	184,687	122,895	-	-	-	-	-	-	4,642	-	359,110
Total fund balance	<u>433,201</u>	<u>161,861</u>	<u>-</u>	<u>35,002</u>	<u>335,367</u>	<u>1,057,105</u>	<u>634,451</u>	<u>108,032</u>	<u>5,351,418</u>	<u>26,582</u>	<u>735,720</u>	<u>182,473</u>	<u>35,894</u>	<u>186,019</u>	<u>9,283,125</u>
Total liabilities and fund balance	<u>\$ 434,625</u>	<u>\$ 603,255</u>	<u>\$ 43,791</u>	<u>\$ 35,002</u>	<u>\$ 335,367</u>	<u>\$ 1,057,470</u>	<u>\$ 634,451</u>	<u>\$ 108,032</u>	<u>\$ 5,351,418</u>	<u>\$ 26,582</u>	<u>\$ 964,388</u>	<u>\$ 182,473</u>	<u>\$ 35,894</u>	<u>\$ 186,019</u>	<u>\$ 9,998,767</u>

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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

	Police Fund (204)	Opioid Settlement Fund (240)	CDBG Fund (211)	Police Evidence Fund (202)	Cemetery Care Fund (208)	Hotel Motel Occupancy Surcharge (203)	Safety Sales Tax 1/4 Cent Fund (616)	Sidewalk fund (423)	Reserve Emergency Account (612)	Drainage Improvement Fund (422)	2020 Series Sales Tax Revenue Note Construction (419)	Tax Increment Fund (217)	Library Endowment (215)	Cemetery Perpetual (820)	Total-Other Governmental Funds
REVENUES															
Taxes	\$ 87,983	\$ -	\$ -	\$ -	\$ -	\$ 495,613	\$ 869,405	\$ -	\$ 608,584	\$ -	\$ -	\$ 119,688	\$ -	\$ -	\$ 2,181,273
Intergovernmental	109,175	-	201,206	-	-	-	-	-	407,085	-	-	-	-	-	717,466
Licenses and permits	-	-	-	-	-	-	-	12,479	-	-	-	-	-	-	12,479
Charges for services	-	-	-	-	31,812	-	-	-	-	23,500	-	-	-	-	55,312
Fines and forfeitures	27,344	-	-	1,361	-	-	-	-	-	-	-	-	-	-	28,705
Investment income	23,590	-	-	-	23,745	84,949	38,613	-	-	-	90,043	10,675	3,072	14,108	288,795
Miscellaneous	-	119,076	-	-	-	-	-	-	-	-	-	-	-	-	119,076
Total revenues	<u>248,092</u>	<u>119,076</u>	<u>201,206</u>	<u>1,361</u>	<u>55,557</u>	<u>580,562</u>	<u>908,018</u>	<u>12,479</u>	<u>1,015,669</u>	<u>23,500</u>	<u>90,043</u>	<u>130,363</u>	<u>3,072</u>	<u>14,108</u>	<u>3,403,106</u>
EXPENDITURES															
Current:															
General government	-	-	-	-	-	308,980	-	-	303,000	-	-	62,191	-	-	674,171
Public Safety	80,977	-	-	268	-	-	251,800	-	-	-	17,859	-	-	-	350,904
Streets	-	-	-	-	-	-	-	-	-	-	2,300	-	-	-	2,300
Culture, parks, and recreation	-	-	-	-	-	-	-	-	-	-	11,710	-	-	-	11,710
Capital Outlay	-	-	-	-	-	164,412	-	-	-	-	1,805,335	-	-	-	1,969,747
Total Expenditures	<u>80,977</u>	<u>-</u>	<u>-</u>	<u>268</u>	<u>-</u>	<u>473,392</u>	<u>251,800</u>	<u>-</u>	<u>303,000</u>	<u>-</u>	<u>1,837,204</u>	<u>62,191</u>	<u>-</u>	<u>-</u>	<u>3,008,832</u>
Excess (deficiency) of revenues over expenditures	<u>167,115</u>	<u>119,076</u>	<u>201,206</u>	<u>1,093</u>	<u>55,557</u>	<u>107,170</u>	<u>656,218</u>	<u>12,479</u>	<u>712,669</u>	<u>23,500</u>	<u>(1,747,161)</u>	<u>68,172</u>	<u>3,072</u>	<u>14,108</u>	<u>394,274</u>
OTHER FINANCING SOURCES (USES)															
Transfers out	-	-	-	-	-	(110,000)	(550,000)	-	(250,000)	-	-	-	-	-	(910,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,000)</u>	<u>(550,000)</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(910,000)</u>
Net change in fund balance	167,115	119,076	201,206	1,093	55,557	(2,830)	106,218	12,479	462,669	23,500	(1,747,161)	68,172	3,072	14,108	(515,726)
Fund balance - beginning	266,086	42,785	(201,206)	33,909	279,810	1,059,935	528,233	95,553	4,888,749	3,082	2,482,881	114,301	32,822	171,911	9,798,851
Fund balance - ending	<u>\$ 433,201</u>	<u>\$ 161,861</u>	<u>\$ -</u>	<u>\$ 35,002</u>	<u>\$ 335,367</u>	<u>\$ 1,057,105</u>	<u>\$ 634,451</u>	<u>\$ 108,032</u>	<u>\$ 5,351,418</u>	<u>\$ 26,582</u>	<u>\$ 735,720</u>	<u>\$ 182,473</u>	<u>\$ 35,894</u>	<u>\$ 186,019</u>	<u>\$ 9,283,125</u>

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet – General Fund Accounts – June 30, 2024

	<u>General Fund</u>	<u>Royalties Fund (201)</u>	<u>Sales Tax 1/4 Cent Account (415)</u>	<u>Cemetery Everlasting Care Account (821)</u>	<u>Gifts and Contributions Account (210)</u>	<u>Total General Fund Accounts</u>
ASSETS						
Cash and cash equivalents	\$ 6,112,960	\$ 9,393,212	\$ 782,998	\$ 212,358	\$ 276,354	\$ 16,777,882
Investments	893	-	-	839	-	1,732
Due from other funds	35,969	-	-	-	-	35,969
Due from other governments	1,069,813	-	-	-	-	1,069,813
Franchise tax receivable	91,079	-	-	-	-	91,079
Court fine receivable, net	550,192	-	-	-	-	550,192
Leases receivable	372,098	-	-	-	-	372,098
Total assets	<u>8,233,004</u>	<u>9,393,212</u>	<u>782,998</u>	<u>213,197</u>	<u>276,354</u>	<u>18,898,765</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	84,197	-	-	-	221	84,418
Accrued payroll payable	315,832	-	-	-	-	315,832
Due to other funds	764,024	-	-	-	2,000	766,024
Refundable court bonds	2,035	-	-	-	-	2,035
Total liabilities	<u>1,166,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,221</u>	<u>1,168,309</u>
Deferred Inflows of resources:						
Deferred inflow leases	362,389	-	-	-	-	362,389
Unavailable revenue	537,114	-	-	-	3,008	540,122
Total deferred inflows	<u>899,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,008</u>	<u>902,511</u>
Fund Balance:						
Restricted	1,356,095	-	725,128	198,762	142,077	2,422,062
Committed	-	-	-	-	81,519	81,519
Assigned	-	9,393,212	57,870	14,435	47,529	9,513,046
Unassigned	4,811,318	-	-	-	-	4,811,318
Total fund balance	<u>6,167,413</u>	<u>9,393,212</u>	<u>782,998</u>	<u>213,197</u>	<u>271,125</u>	<u>16,827,945</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 8,233,004</u>	<u>\$ 9,393,212</u>	<u>\$ 782,998</u>	<u>\$ 213,197</u>	<u>\$ 276,354</u>	<u>\$ 18,898,765</u>

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund
Accounts – For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Royalties Fund (201)</u>	<u>Sales Tax 1/4 Cent Account (415)</u>	<u>Cemetery Everlasting Care Account (821)</u>	<u>Gifts and Contributions Account (210)</u>	<u>Total General Fund Accounts</u>
REVENUES						
Taxes	\$ 10,374,730	\$ -	\$ -	\$ -	\$ -	\$ 10,374,730
Intergovernmental	1,601,777	-	-	-	70,064	1,671,841
Licenses and permits	741,538	-	-	-	-	741,538
Charges for services	95,714	-	-	9,625	-	105,339
Fines and forfeitures	162,685	-	-	-	-	162,685
Investment income	405,406	-	57,870	839	22,083	486,198
Royalties	-	1,484,418	-	-	-	1,484,418
Miscellaneous	409,262	51,854	-	-	29,033	490,149
Total revenues	<u>13,791,112</u>	<u>1,536,272</u>	<u>57,870</u>	<u>10,464</u>	<u>121,180</u>	<u>15,516,898</u>
EXPENDITURES						
Current:						
General government	2,840,976	-	-	-	15,509	2,856,485
Public Safety	11,288,172	-	-	-	22,580	11,310,752
Streets	1,040,080	-	-	-	-	1,040,080
Culture, parks, and recreation	841,787	-	-	-	44,758	886,545
Capital outlay	7,332	226,839	-	-	18,128	252,299
Debt Service:						
Principal	1,665,850	-	-	-	-	1,665,850
Interest	434,158	-	-	-	-	434,158
Total Expenditures	<u>18,118,355</u>	<u>226,839</u>	<u>-</u>	<u>-</u>	<u>100,975</u>	<u>18,446,169</u>
Excess (deficiency) of revenues over expenditures	<u>(4,327,243)</u>	<u>1,309,433</u>	<u>57,870</u>	<u>10,464</u>	<u>20,205</u>	<u>(2,929,271)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	4,515,968	-	-	-	50,000	4,565,968
Transfers out	-	(1,248,763)	-	-	-	(1,248,763)
Intracount transfers	5,000	38,410	-	-	(43,410)	-
Total other financing sources and uses	<u>4,520,968</u>	<u>(1,210,353)</u>	<u>-</u>	<u>-</u>	<u>6,590</u>	<u>3,317,205</u>
Net change in fund balances	193,725	99,080	57,870	10,464	26,795	387,934
Fund balances - beginning	5,973,688	9,294,132	725,128	202,733	244,330	16,440,011
Fund balances - ending	<u>\$ 6,167,413</u>	<u>\$ 9,393,212</u>	<u>\$ 782,998</u>	<u>\$ 213,197</u>	<u>\$ 271,125</u>	<u>\$ 16,827,945</u>

CITY OF EL RENO, OKLAHOMA
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As of and for the Year Ended June 30, 2024

Combining Schedule of Net Position – El Reno Municipal Trust Authority (ERMA) – June 30, 2024

	EREF (610)	ERMA Sales Tax (611)	Utility Deposit (800)	Waterline Loop RAD-Jenson-HWY 81 (428)	AMERICAN RESCUE PLAN (613)	OWRB Capital (614)	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 6,928,961	\$ 2,578,188	\$ -	\$ -	\$ 3,304,753	\$ -	\$ 12,811,902
Restricted cash and cash equivalents	1,795,755	-	486,146	-	-	3,243,904	5,525,805
Investments	154	7,811,658	-	-	-	-	7,811,812
Due from other funds	-	764,024	-	-	-	-	764,024
Due from other governments	-	-	-	-	-	80,275	80,275
Inventory	11,463	-	-	-	-	-	11,463
Accounts receivable, net	1,280,546	-	-	-	-	-	1,280,546
Total current assets	10,016,879	11,153,870	486,146	-	3,304,753	3,324,179	28,285,827
Non-current assets:							
Restricted investments	-	-	47,858	-	-	-	47,858
Lease receivable	193,610	-	-	-	-	-	193,610
Capital Assets:							
Land and construction in progress	6,364,574	-	-	-	-	-	6,364,574
Other capital assets, net of accumulated depreciation	43,565,368	-	-	-	-	-	43,565,368
Total non-current assets	50,123,552	-	47,858	-	-	-	50,171,410
Total assets	60,140,431	11,153,870	534,004	-	3,304,753	3,324,179	78,457,237
DEFERRED OUTFLOW OF RESOURCES							
Deferred amounts related to pensions	190,160	-	-	-	-	-	190,160
Deferred amounts related to OPEB	140,417	-	-	-	-	-	140,417
Deferred amount on refunding	43,596	-	-	-	-	-	43,596
Total deferred outflow of resources	374,173	-	-	-	-	-	374,173
LIABILITIES							
Current Liabilities:							
Accounts payable	138,954	-	-	-	49,771	727,622	916,347
Accrued payroll payable	41,721	-	-	-	-	-	41,721
Accrued interest payable	297,155	-	-	-	-	-	297,155
Unearned Revenue	-	-	-	-	3,529,130	-	3,529,130
Current portion of:							
Notes payable	483,567	-	-	-	-	-	483,567
Revenue bonds payable	295,750	-	-	-	-	-	295,750
Accrued compensated absences	7,067	-	-	-	-	-	7,067
Total current liabilities	1,264,214	-	-	-	3,578,901	727,622	5,570,737
Non-current liabilities:							
Deposits subject to refund	30,459	-	477,651	-	-	-	508,110
Notes payable	37,333,365	-	-	-	-	-	37,333,365
Revenue bonds payable, net	1,172,452	-	-	-	-	-	1,172,452
Accrued compensated absences	63,601	-	-	-	-	-	63,601
Total OPEB liability	161,504	-	-	-	-	-	161,504
Net pension liability	198,539	-	-	-	-	-	198,539
Total non-current liabilities	38,959,920	-	477,651	-	-	-	39,437,571
Total liabilities	40,224,134	-	477,651	-	3,578,901	727,622	45,008,308
DEFERRED INFLOW OF RESOURCES							
Deferred amounts related to pension	87,588	-	-	-	-	-	87,588
Deferred amounts related to leases	190,167	-	-	-	-	-	190,167
Deferred amounts related to OPEB	133,280	-	-	-	-	-	133,280
Total deferred inflow of resources	411,035	-	-	-	-	-	411,035
NET POSITION							
Net investment in capital assets	14,479,995	-	-	-	-	-	14,479,995
Restricted for debt service	292,208	-	-	-	-	-	292,208
Unrestricted (deficit)	5,107,232	11,153,870	56,353	-	(274,148)	2,596,557	18,639,864
Total net position	\$ 19,879,435	\$ 11,153,870	\$ 56,353	\$ -	\$ (274,148)	\$ 2,596,557	\$ 33,412,067

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, 2024

	<u>EREF (610)</u>	<u>ERMA Sales Tax (611)</u>	<u>Utility Deposit (800)</u>	<u>Waterline Loop RAD-Jenson- HWY 81 (428)</u>	<u>AMERICAN RESCUE PLAN (613)</u>	<u>OWRB Capital (614)</u>	<u>Total</u>
OPERATING REVENUES							
Water charges	\$ 4,887,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,887,654
Sewer charges	2,493,884	-	-	-	-	-	2,493,884
Sanitation	1,311,365	-	-	-	-	-	1,311,365
Water and sewer taps	202,041	-	-	-	-	-	202,041
Broadband fees	30,435	-	-	-	-	-	30,435
Transfer fees	2,650	-	-	-	-	-	2,650
Returned check charges	1,550	-	-	-	-	-	1,550
Cut off charges	13,760	-	-	-	-	-	13,760
Penalties	144,325	-	-	-	-	-	144,325
Miscellaneous	91,769	-	-	-	-	-	91,769
Total operating revenues	<u>9,179,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,179,433</u>
OPERATING EXPENSES							
Managerial	362,824	-	-	-	-	-	362,824
Administration	573	-	-	-	-	-	573
Billing	347,498	-	-	-	-	-	347,498
Water Plant	2,684,747	-	-	-	-	-	2,684,747
Wastewater	1,399,716	-	-	-	-	-	1,399,716
Utility Lines	337,992	-	-	-	-	-	337,992
Sanitation	852,736	-	-	-	-	-	852,736
Broadband	761,807	-	-	-	-	-	761,807
Depreciation expense	2,892,951	-	-	-	-	-	2,892,951
Total Operating Expenses	<u>9,640,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,640,844</u>
Operating income (loss)	<u>(461,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(461,411)</u>
NON-OPERATING REVENUES (EXPENSES)							
Investment income	631,614	581,796	37,018	-	-	206,636	1,457,064
Grant revenue	-	-	-	-	243,328	601,113	844,441
Other miscellaneous revenue	-	-	-	-	-	-	-
Interest expense and fiscal charges	(1,209,621)	-	-	-	-	-	(1,209,621)
Total non-operating revenue (expenses)	<u>(578,007)</u>	<u>581,796</u>	<u>37,018</u>	<u>-</u>	<u>243,328</u>	<u>807,749</u>	<u>1,091,884</u>
Income (loss) before contributions and transfers	<u>(1,039,418)</u>	<u>581,796</u>	<u>37,018</u>	<u>-</u>	<u>243,328</u>	<u>807,749</u>	<u>630,473</u>
Capital contributions	379,430	-	-	-	-	-	379,430
Transfers in	1,215,496	3,196,500	-	-	-	-	4,411,996
Transfers out	(2,255,997)	(3,659,984)	-	-	-	-	(5,915,981)
Intracount transfer	3,405,276	(319,008)	-	(151,285)	(251,739)	(2,683,244)	-
Change in net position	<u>1,704,787</u>	<u>(200,696)</u>	<u>37,018</u>	<u>(151,285)</u>	<u>(8,411)</u>	<u>(1,875,495)</u>	<u>(494,082)</u>
Total net position - beginning	<u>18,174,648</u>	<u>11,354,566</u>	<u>19,335</u>	<u>151,285</u>	<u>(265,737)</u>	<u>4,472,052</u>	<u>33,906,149</u>
Total net position - ending	<u>\$ 19,879,435</u>	<u>\$ 11,153,870</u>	<u>\$ 56,353</u>	<u>\$ -</u>	<u>\$ (274,148)</u>	<u>\$ 2,596,557</u>	<u>\$ 33,412,067</u>

CITY OF EL RENO, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Schedule of Debt Service Coverage Requirements – Year Ended June 30, 2024

Investment income	1,892,238
Total Gross Revenue Available	<u>9,642,688</u>
OPERATING EXPENDITURES:	
Total Operating Expenses (water and sewer systems, excluding depreciation and amortization)	<u>5,916,615</u>
Net Revenue Available for Debt Service	\$ 3,726,073
MAXIMUM ANNUAL DEBT SERVICE:	
Series 2003A Drinking Water SRF Promissory Note	16,120
Series 2010 Drinking Water SRF Promissory Note	161,591
Series 2014 Clean Water SRF Promissory Note	607,019
Series 2022 FAP Promissory Note	256,220
Series 2023 FAP Promissory Note	172,571
Total Annual Debt Service on Revenues of the Systems	<u>\$ 1,213,521</u>
Computed Coverage	<u>307%</u>
Coverage Requirement	<u>140%</u>