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City of Enid, Oklahoma

Audited Financial Report and
Compliance Report
June 30, 2021

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RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Enid, Oklahoma, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 of Enid, Oklahoma, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and other post-employment benefit schedules and the general fund and major special revenue funds budgetary comparison schedules (budgetary basis) and related reconciliations and notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 combining non-major fund financial statements, listed in the table of contents as other supplementary information, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary 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. Such 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of debt service coverage requirements and the schedule of expenditures of state awards, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RSM US LLP

Oklahoma City, Oklahoma
April 4, 2022

City of Enid, Oklahoma

Management's Discussion and Analysis June 30, 2021

The following discussion and analysis of the City of Enid's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the City's basic financial statements, which begin on page 13.

Financial Highlights

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of June 30, 2021 by \$306,747,249 (net position).

During the year, the City's total net position increased by \$18,799,283, from its beginning balance. This is largely attributed to American Rescue Plan Act funds received and not yet expended at June 30, 2021 and activity related to the Kaw Lake Water Supply Program.

Governmental activities accounted for an increase of \$2,761,591. Business-type activities increased overall net position by \$16,037,692.

The City's total long-term liabilities increased \$2,067,144 during the current fiscal year. The key factors in the increase are due to draw of funds from Oklahoma Water Resources Board State Revolving Funds related to the Kaw Lake Water Supply Program.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$48,935,076, an increase of \$877,994 in comparison with the prior year. Fund balance of \$431,739 is considered nonspendable, consisting of inventories and prepaid expenses. A total of \$500,952 is restricted by contractual agreements; state statutes, or enabling legislation. Fund balance of \$48,822,385 is available for spending at the government's discretion, although \$31,289,897 of that balance has been committed by the governing board.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,532,488, or 28% of total general fund expenditures and transfers out.

Overview of the Financial Statements

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

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

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

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

City of Enid, Oklahoma

Management's Discussion and Analysis June 30, 2021

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

The government-wide financial statements can be found on pages 13-14 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 15-18 of this report.

City of Enid, Oklahoma

Management's Discussion and Analysis June 30, 2021

Proprietary funds – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the entity's various functions. The City of Enid uses an internal service fund to account for its health care plan. Because this service predominately services governmental functions, it is included within governmental activities in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 19-23 of this report.

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

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

The basic fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements: The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-70 of this report.

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

Required supplementary information can be found on 71-81 of this report.

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

Combining statements and schedules can be found on pages 82-92 of this report.

City of Enid, Oklahoma

**Management's Discussion and Analysis
June 30, 2021**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's governmental activities, assets and deferred outflows exceeded liabilities and deferred inflows by \$97,766,886 at the close of the most recent fiscal year. The business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$208,980,363.

City of Enid						
Net Position						
June 30, 2021 and 2020						
	Governmental Activities		Business-Type Activities		Totals	
	June 30		June 30		June 30	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 68,916,684	\$ 58,399,569	\$ 157,655,240	\$ 156,658,746	\$ 226,571,924	\$ 215,058,315
Capital and other noncurrent assets	74,136,230	70,955,094	215,141,000	195,983,621	289,277,230	266,938,715
Total assets	<u>143,052,914</u>	<u>129,354,663</u>	<u>372,796,240</u>	<u>352,642,367</u>	<u>515,849,154</u>	<u>481,997,030</u>
Deferred outflows of resources	<u>7,694,383</u>	<u>8,232,614</u>	<u>255,578</u>	<u>993,006</u>	<u>7,949,961</u>	<u>9,225,620</u>
Current liabilities	18,346,826	8,645,441	11,009,693	11,395,936	29,356,519	20,041,377
Long-term liabilities	30,106,990	30,063,745	151,894,543	149,195,412	182,001,533	179,259,157
Total liabilities	<u>48,453,816</u>	<u>38,709,186</u>	<u>162,904,236</u>	<u>160,591,348</u>	<u>211,358,052</u>	<u>199,300,534</u>
Deferred inflows of resources	<u>4,526,595</u>	<u>3,872,796</u>	<u>1,167,219</u>	<u>101,354</u>	<u>5,693,814</u>	<u>3,974,150</u>
Net position:						
Net investment in capital assets	73,067,090	69,325,659	142,698,302	135,389,815	215,765,392	204,715,474
Restricted	424,440	388,624	54,309,851	45,909,475	54,734,291	46,298,099
Unrestricted	24,275,356	25,291,012	11,972,210	11,643,381	36,247,566	36,934,393
Total net position	<u>\$ 97,766,886</u>	<u>\$ 95,005,295</u>	<u>\$ 208,980,363</u>	<u>\$ 192,942,671</u>	<u>\$ 306,747,249</u>	<u>\$ 287,947,966</u>

By far the largest portion of the City's net position (71%) reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (18%) represents resources that are subject to external restrictions on how they may be used either by external groups such as creditors, grantors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. The remaining balance is unrestricted net position of \$36,247,566 (12%) of total net position.

City of Enid, Oklahoma

**Management's Discussion and Analysis
June 30, 2021**

The City's ending total net position increased by \$18,799,283 during the current fiscal year, compared with the beginning total net position. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

City of Enid
Statement of Activities
Years Ended June 30, 2021 and 2020

	Governmental		Business-Type		Totals	
	Activities		Activities		Totals	
	June 30		June 30		June 30	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 1,886,891	\$ 2,287,502	\$ 44,180,353	\$ 44,590,433	\$ 46,067,244	\$ 46,877,935
Grants/contributions	7,202,328	3,413,531	447,168	864,353	7,649,496	4,277,884
General revenues	49,929,648	46,759,959	1,343,495	2,879,761	51,273,143	49,639,720
Total revenues	59,018,867	52,460,992	45,971,016	48,334,547	104,989,883	100,795,539
Expenses:						
General government	9,601,611	9,830,462	-	-	9,601,611	9,830,462
Public safety	24,882,150	21,980,677	-	-	24,882,150	21,980,677
Public works	10,815,832	7,729,135	-	-	10,815,832	7,729,135
Culture and recreation	2,624,132	2,267,373	-	-	2,624,132	2,267,373
Utility operations	-	-	26,177,557	24,416,889	26,177,557	24,416,889
Airport	-	-	2,494,038	3,457,804	2,494,038	3,457,804
Economic development	4,084,832	745,293	-	-	4,084,832	745,293
Golf	-	-	573,175	641,253	573,175	641,253
Event center	-	-	4,184,002	4,499,548	4,184,002	4,499,548
Transit	-	-	744,940	796,679	744,940	796,679
Other	44,015	60,380	-	-	44,015	60,380
Total expenses	52,052,572	42,613,320	34,173,712	33,812,173	86,226,284	76,425,493
Increase (decrease) in net position before transfers and capital contributions	6,966,295	9,847,672	11,797,304	14,522,374	18,763,599	24,370,046
Gain on sale of capital assets	-	-	35,684	51,736	35,684	51,736
Transfers of capital assets	(28,499,871)	(19,572,206)	28,499,871	19,572,206	-	-
Other transfers, net	24,295,167	15,150,952	(24,295,167)	(15,150,952)	-	-
Increase (decrease) in net position	2,761,591	5,426,418	16,037,692	18,995,364	18,799,283	24,421,782
Net position, beginning	95,005,295	89,578,877	192,942,671	173,947,307	287,947,966	263,526,184
Net position, ending	\$ 97,766,886	\$ 95,005,295	\$ 208,980,363	\$ 192,942,671	\$ 306,747,249	\$ 287,947,966

City of Enid, Oklahoma

**Management’s Discussion and Analysis
June 30, 2021**

Governmental activities: Governmental activities increased the City’s net position by \$2,761,591.

The key elements of this increase are as follows:

Receipt and use of CARES Act funding related to the COVID-19 pandemic.

Business-type activities. Business-type activities increased the City’s net position by \$16,037,692. The key element in this increase was activity related to the Kaw Lake Water Supply Program.

City of Enid
Governmental Activities
Years Ended June 30, 2021 and 2020

	Program Revenues		Cost of Services	
	2021	2020	2021	2020
General government	\$ 3,937,191	\$ 299,917	\$ 9,601,611	\$ 9,830,462
Public safety	4,246,689	4,430,292	24,882,150	21,980,677
Public works	835,483	903,444	10,815,832	7,729,135
Culture and recreation	69,856	67,380	2,624,132	2,267,373
Economic development	-	-	4,084,832	745,293
Interest on long-term debt	-	-	44,015	60,380
Total governmental activities	\$ 9,089,219	\$ 5,701,033	\$ 52,052,572	\$ 42,613,320

City of Enid
Business-Type Activities
Years Ended June 30, 2021 and 2020

	Program Revenues		Cost of Services	
	2021	2020	2021	2020
Utility operations	\$ 40,455,856	\$ 39,531,589	\$ 26,177,557	\$ 24,416,889
Airport	2,153,880	3,270,039	2,494,038	3,457,804
Golf	587,452	644,090	573,175	641,253
Event center	989,635	1,255,135	4,184,002	4,499,548
Transit	440,698	753,933	744,940	796,679
Other	-	-	-	-
Total business-type activities	\$ 44,627,521	\$ 45,454,786	\$ 34,173,712	\$ 33,812,173

Financial Analysis of the Government’s Funds

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

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

City of Enid, Oklahoma

Management's Discussion and Analysis June 30, 2021

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$49,835,076, an increase of \$877,999 in comparison with the prior year. Approximately 98% of this total amount (\$48,822,385) constitutes unrestricted fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted by contractual obligations, laws and regulations, or enabling legislation as approved by a vote of the citizens of Enid.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$17,532,488. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 28% of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased \$3,072,668 during the current fiscal year primarily due to receipt and use of CARES Act funding related to the COVID-19 pandemic.

The police fund has a total fund balance of \$3,968,783, substantially all of which was committed. The net decrease in fund balance during the current year was \$74,221, due to planned capital outlay to the new police training facility.

The fire fund has a total fund balance of 1,835,840, substantially all of which was committed. The net increase in fund balance during the current year was \$232,483, which is due to a surplus in the current year budget allocation.

The water capital improvements fund has a fund balance of \$7,298,941, all of which is committed. The decrease in fund balance during the year was \$2,454,792, which is due to Kaw Lake Water Supply program payments.

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

The Enid Municipal Authority showed total net position \$161,436,525. Unrestricted net position of the Enid Municipal Authority at the end of the year was \$8,577,621. The total increase in net position was \$17,442,836. Net operating income increased net position by \$21,024,129. Operating revenues showed an increase of \$868,743 while operating expenses increased by \$1,520,908. . The changes in operating revenues were due to increased utility services provided to customers and expenses increased due to debt closing expenses related to the 2020 Oklahoma Water Resources State Revolving Fund loan.

Net nonoperating revenues (expenses) decreased net position of the Enid Municipal Authority by \$5,118,553, substantially all of which was attributable to interest expense. Capital asset contributions increase net position by \$28,499,871 and interfund transfers decreased net position by a net of \$25,309,757.

The Enid Event Center and Convention Hall fund had total net position of \$24,166,855, of which \$23,339,583 was net investment in capital assets and \$827,272 was unrestricted. Overall net position decreased by \$1,647,795 during the year. Operating income (loss) incurred a loss of \$3,194,367, and net nonoperating revenues and transfers from other funds offset that by combined \$1,546,572.

City of Enid, Oklahoma

**Management’s Discussion and Analysis
June 30, 2021**

Budgetary Highlights of Major Governmental Funds

The final general fund budget reflected a total of \$56,839,115 for departmental expenditures and transfers to other funds, compared to the original budget of \$51,232,630, an increase of \$5,606,485. The final budget for revenues and transfers from other funds was \$49,220,915 compared to the original budget of \$48,743,915, an increase of \$477,000. The general fund breakdown by department is outlined on the Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds Schedule in the Required Supplementary Information section of the report.

General fund revenues received on a budgetary basis were more than final budget estimates by \$15,790,137, and actual expenditures and transfers were less than final budget appropriations by \$2,489,580, resulting in an overall net increase in budgetary fund balance of \$18,279,717 prior to adjustments outlined on the Reconciliation of Budgetary Comparison Schedule on a Budgetary Basis with Fund Financial Statements in the Required Supplementary Information section of the report. As a result, the City did not need to use a portion of its fund balance to cover expenditures and transfers.

The final police fund budget reflected a total of \$13,057,694 in its budgeted expenditures and transfers to other funds during the year, an increase of \$1,606,099 over the original budget. Budgeted revenues and transfers from other funds were \$11,009,310 and remained the same as originally estimated. Actual revenues and transfers in totaled \$11,055,571 or \$46,261 more than budget estimates. Expenditures and transfers out of \$11,091,916 were less than budgeted by \$1,965,778, resulting in an overall net increase in budgetary fund balance of \$2,012,039.

The final fire fund budget reflected a total of \$10,247,678 in its budgeted expenditures and transfers to other funds during the year, an increase of \$1,562,808 over the original budget. Budgeted revenues and transfers from other funds were \$8,814,580 and remained the same as originally estimated. Actual revenues and transfers in totaled \$9,151,716, or more than budget estimates by \$337,136. Expenditures and transfers out of \$8,902,829, were less than the budget appropriations by \$1,344,849, resulting in an overall net increase in budgetary fund balance of \$1,681,985.

Capital Asset and Debt Administration

Capital assets: The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$289,777,230 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, equipment, and vehicles.

City of Enid
Capital Assets
(Net of Depreciation)
Years Ended June 30, 2021 and 2020

	Governmental Activities June 30		Business-Type Activities June 30		Totals June 30	
	2021	2020	2021	2020	2021	2020
	Land	\$ 6,687,983	\$ 6,567,324	\$ 7,679,181	\$ 7,679,181	\$ 14,367,164
Construction in progress	13,641,385	9,759,463	52,329,900	25,248,538	65,971,285	35,008,001
Buildings	6,190,356	6,444,397	48,877,962	52,705,111	55,068,318	59,149,508
Improvements	43,905,270	44,892,687	95,162,370	98,570,176	139,067,640	143,462,863
Equipment	1,534,725	1,646,669	8,144,036	8,559,292	9,678,761	10,205,961
Vehicles	2,176,511	1,644,554	2,947,551	3,221,323	5,124,062	4,865,877
Capital assets, net	<u>\$ 74,136,230</u>	<u>\$ 70,955,094</u>	<u>\$ 215,141,000</u>	<u>\$ 195,983,621</u>	<u>\$ 289,277,230</u>	<u>\$ 266,938,715</u>

City of Enid, Oklahoma

**Management's Discussion and Analysis
June 30, 2021**

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

- Kaw Lake Water Supply Program
- ADA Improvements
- Waterline Improvements
- Stormwater Channel Improvements
- Parking Lot Construction
- Asphalt Zipper
- Steel Wheel Rollers
- Backhoe
- Grapple Truck
- Dump Truck
- Camera Truck
- 23 Police Vehicles

Additional information of the City's capital assets can be found in Note 3 on pages 40-41 of this report.

Long-term debt: At June 30, 2021, the City had total debt outstanding of \$189,718,820. The debt secured solely by specified revenue sources (i.e., revenue bonds and notes); tax apportionment bonds (TIF); capital lease obligations; judgments against the City; the long-term portion of accrued compensated absences; total OPEB liability; workers' compensation reserve liability; net pension liability; and landfill closure and post-closure liability and other long-term liabilities.

City of Enid
Outstanding Long-Term Liabilities
Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities			Totals	
	June 30		June 30			June 30	
	2021	2020	2021	2020	2021	2020	
Net pension liability	\$ 25,823,106	\$ 25,125,766	\$ 936,152	\$ 2,771,594	\$ 26,759,258	\$ 27,897,360	
Total OPEB liability	1,975,085	1,957,632	438,908	435,029	2,413,993	2,392,661	
Workers' compensation claims	1,104,676	1,106,624	366,468	334,791	1,471,144	1,441,415	
Compensated absences	2,330,307	2,320,374	295,275	273,193	2,625,582	2,593,567	
Revenue bonds	-	-	-	585,000	-	585,000	
Notes payable	825,000	1,330,000	148,892,581	144,215,226	149,717,581	145,545,226	
Capital lease obligations	244,140	299,435	1,502,558	2,174,395	1,746,698	2,473,830	
Landfill closure and post- closure and other long- term liabilities	-	-	4,984,564	4,722,617	4,984,564	4,722,617	
Total outstanding debt	<u>\$ 32,302,314</u>	<u>\$ 32,139,831</u>	<u>\$ 157,416,506</u>	<u>\$ 155,511,845</u>	<u>\$ 189,718,820</u>	<u>\$ 187,651,676</u>	

The City's total long-term liabilities increased \$2,067,144 during the current fiscal year. The key factors in the increase are due to draw of funds from Oklahoma Water Resources Board State Revolving Funds related to the Kaw Lake Water Supply Program.

Additional information on the City's long-term debt can be found in Note 3 on pages 42-48 of this report.

City of Enid, Oklahoma

Management's Discussion and Analysis June 30, 2021

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2021-2022 revenue and expense budgets.

When setting the fiscal year 2022 expenditure budget, City staff worked diligently to keep increases in expenditures to a minimum.

The City will be looking at using General Obligation Bonds, and Revenue Notes in the future to increase the funding available to build and repair infrastructure such as streets, water lines, sewer lines, storm water drains, parks and quality of life improvements.

The City currently has three recognized unions. The current agreement with the American Federation of State, County and Municipal Employees (AFSCME) #1136 and the International Association of Fire Fighters (IAFF) is through June 2022. The Fraternal Order of Police (FOP) is through June 2023.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City of Enid's Chief Financial Officer, at City of Enid, Post Office Box 1768, Enid, Oklahoma 73702-1768 or telephone (580) 616-7283. You may also visit our website at www.enid.org for more budgetary and contact information.

City of Enid, Oklahoma

Statement of Net Position
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 19,228,080	\$ 1,943,093	\$ 21,171,173
Investments	44,090,117	2,046,510	46,136,627
Receivables (net of allowance for uncollectibles)	6,817,991	4,884,755	11,702,746
Receivables for property taxes - succeeding year	43,638	-	43,638
Internal balances	(1,745,506)	1,745,506	-
Inventories	120,878	263,067	383,945
Prepaid expenses	312,805	31,528	344,333
Restricted cash and investments	48,681	146,740,781	146,789,462
Capital assets:			
Land and construction in progress	20,329,368	60,009,081	80,338,449
Depreciable buildings, improvements, equipment and vehicles, net of accumulated depreciation	53,806,862	155,131,919	208,938,781
Total assets	143,052,914	372,796,240	515,849,154
Deferred outflows of resources			
Deferred amounts related to OPEB	150,758	33,502	184,260
Deferred amounts related to pensions	7,543,625	222,076	7,765,701
Total deferred outflows of resources	7,694,383	255,578	7,949,961
Liabilities			
Accounts payable and accrued liabilities	9,231,932	1,810,323	11,042,255
Claims payable	976,240	-	976,240
Payable from restricted assets:			
Accrued interest	2,083	1,675,678	1,677,761
Customer deposits	-	1,390,730	1,390,730
Unearned revenue	5,941,247	610,999	6,552,246
Long-term liabilities:			
Due within one year	2,195,324	5,521,963	7,717,287
Due in more than one year	30,106,990	151,894,543	182,001,533
Total liabilities	48,453,816	162,904,236	211,358,052
Deferred inflows of resources			
Property taxes succeeding year	43,638	-	43,638
Deferred amounts related to OPEB	133,688	29,708	163,396
Deferred amounts related to pensions	4,349,269	1,137,511	5,486,780
Total deferred inflows of resources	4,526,595	1,167,219	5,693,814
Net position			
Net investment in capital assets	73,067,090	142,698,302	215,765,392
Restricted:			
Debt service	11,225	816,024	827,249
Capital improvements	49,555	53,493,827	53,543,382
Public safety	363,660	-	363,660
Unrestricted	24,275,356	11,972,210	36,247,566
Total net position	\$ 97,766,886	\$ 208,980,363	\$ 306,747,249

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Activities
Year Ended June 30, 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 9,601,611	\$ 101,279	\$ 3,835,912	\$ -	\$ (5,664,420)	\$ -	\$ (5,664,420)
Public safety	24,882,150	1,481,677	2,743,859	21,153	(20,635,461)	-	(20,635,461)
Public works	10,815,832	271,577	563,906	-	(9,980,349)	-	(9,980,349)
Culture and recreation	2,624,132	32,358	14,931	22,567	(2,554,276)	-	(2,554,276)
Economic development	4,084,832	-	-	-	(4,084,832)	-	(4,084,832)
Interest on long-term debt	44,015	-	-	-	(44,015)	-	(44,015)
Total governmental activities	52,052,572	1,886,891	7,158,608	43,720	(42,963,353)	-	(42,963,353)
Business-type activities:							
Utility operations	26,177,557	40,455,856	-	-	-	14,278,299	14,278,299
Airport	2,494,038	2,054,880	-	99,000	-	(340,158)	(340,158)
Golf	573,175	587,452	-	-	-	14,277	14,277
Event center	4,184,002	989,635	-	-	-	(3,194,367)	(3,194,367)
Transit and other	744,940	92,530	348,168	-	-	(304,242)	(304,242)
Total business-type activities	34,173,712	44,180,353	348,168	99,000	-	10,453,809	10,453,809
Total primary government	\$ 86,226,284	\$ 46,067,244	\$ 7,506,776	\$ 142,720	(42,963,353)	10,453,809	(32,509,544)
General revenues:							
Taxes:							
Sales and use					41,871,297	-	41,871,297
Property					3,113,205	1,156,037	4,269,242
Franchise					2,689,511	-	2,689,511
Other					792,323	-	792,323
Investment income					937,437	59,613	997,050
Miscellaneous					525,875	127,845	653,720
Gain on disposition of capital assets					-	35,684	35,684
Transfers of capital assets					(28,499,871)	28,499,871	-
Transfers - internal activity					24,295,167	(24,295,167)	-
Total general revenues and transfers					45,724,944	5,583,883	51,308,827
Change in net position					2,761,591	16,037,692	18,799,283
Net position, beginning					95,005,295	192,942,671	287,947,966
Net position, ending					\$ 97,766,886	\$ 208,980,363	\$ 306,747,249

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Balance Sheet—Governmental Funds
June 30, 2021

	General	Police Fund	Fire Fund	Water Capital Improvements	Non-major Governmental Funds	Total
Assets						
Cash and cash equivalents	\$ 6,435,855	\$ 1,224,828	\$ 590,222	\$ 3,370,821	\$ 6,437,645	\$ 18,059,371
Investments	14,614,181	2,888,723	1,392,021	7,949,987	14,488,838	41,333,750
Receivables:						
Taxes	5,803,177	161,907	161,907	-	222,281	6,349,272
Due from other governments	-	108,087	11,360	-	358,861	478,308
Other	-	-	-	-	2,028	2,028
Due from other funds	93,128	-	-	-	-	93,128
Inventories	120,878	-	-	-	-	120,878
Prepaid expenses	189,890	35,102	9,678	-	76,191	310,861
Restricted cash and investments	-	-	-	-	48,681	48,681
Total assets	\$ 27,257,109	\$ 4,418,647	\$ 2,165,188	\$ 11,320,808	\$ 21,634,525	\$ 66,796,277
Liabilities						
Accounts payable and accrued liabilities	\$ 1,653,461	\$ 449,864	\$ 319,670	\$ 4,021,867	\$ 2,787,070	\$ 9,231,932
Due to other funds	1,295,256	-	-	-	93,128	1,388,384
Unearned revenue	5,927,548	-	-	-	13,699	5,941,247
Total liabilities	8,876,265	449,864	319,670	4,021,867	2,893,897	16,561,563
Deferred inflows of resources						
Federal grants related to HUD loan	-	-	-	-	356,000	356,000
Property taxes succeeding year	43,638	-	-	-	-	43,638
Total deferred inflows of resources	43,638	-	-	-	356,000	399,638
Fund balances:						
Nonspendable:						
Inventories and prepaid expenses	310,768	35,102	9,678	-	76,191	431,739
Restricted:						
Public safety	-	-	-	-	363,660	363,660
Public works	-	-	-	-	154,429	154,429
Debt service	-	-	-	-	13,308	13,308
Capital improvements	-	-	-	-	49,555	49,555
Committed:						
Public safety	-	3,933,681	1,835,840	-	1,205	5,770,726
Public works	-	-	-	-	1,909,039	1,909,039
Other	493,950	-	-	-	-	493,950
Capital improvements	-	-	-	7,298,941	15,939,258	23,238,199
Unassigned	17,532,488	-	-	-	(122,017)	17,410,471
Total fund balances	18,337,206	3,968,783	1,845,518	7,298,941	18,384,628	49,835,076
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,257,109	\$ 4,418,647	\$ 2,165,188	\$ 11,320,808	\$ 21,634,525	\$ 66,796,277

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Reconciliation of Governmental Funds and Government-Wide Financial Statements
Year Ended June 30, 2021

Fund Balance - Net Position Reconciliation - June 30, 2021

Total fund balance - governmental funds:	\$ 49,835,076
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	74,136,230
Certain long-term assets are not available to pay for period expenditures and, therefore, are reported as deferred inflows in the funds.	
Due from other governments	356,000
The net pension liability and the total OPEB liability, and the pension and OPEB-related deferred outflows and deferred inflows of resources are not due and payable from current financial resources, and therefore, are not reported in these fund financial statements but are reported in the governmental activities Statement of Net Position:	
Net pension liability	(25,823,106)
Total OPEB liability	(1,975,085)
Pension-related deferred outflows	7,543,625
OPEB-related deferred outflows	150,758
Pension-related deferred inflows	(4,349,269)
OPEB-related deferred inflows	(133,688)
	<u>(24,586,765)</u>
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as health insurance, to individual funds. The assets and liabilities of the internal service fund are reported in governmental activities.	2,515,260
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest payable	(2,083)
Accrued compensated absences	(2,330,307)
Accrued liability for workers' compensation claims incurred	(1,087,385)
Notes payable	(825,000)
Capital lease payable	(244,140)
	<u>(4,488,915)</u>
Net position of governmental activities in the statement of net position	<u><u>\$ 97,766,886</u></u>

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2021

	General	Police Fund	Fire Fund	Water Capital Improvements	Non-major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 42,117,350	\$ 1,221,729	\$ 1,221,729	\$ -	\$ 3,113,205	\$ 47,674,013
Licenses and permits	221,967	-	-	-	-	221,967
Intergovernmental	4,194,796	560,915	2,086,088	-	1,799,164	8,640,963
Fines and forfeitures	694,959	-	-	-	-	694,959
Charges for services	105,971	53,425	-	-	51,010	210,406
Other	377,674	19,651	98,106	-	142,898	638,329
Interest	94,844	19,958	9,343	682,675	108,138	914,958
Total revenues	47,807,561	1,875,678	3,415,266	682,675	5,214,415	58,995,595
Expenditures:						
Current:						
General government	8,660,559	-	-	-	3,000	8,663,559
Public safety	109,807	9,962,452	10,786,475	-	1,080,819	21,939,553
Public works	4,312,599	918	-	-	922,765	5,236,282
Culture and recreation	2,600,966	-	182	-	65	2,601,213
Economic development	-	-	-	-	4,063,043	4,063,043
Debt service:						
Principal	-	-	-	-	560,295	560,295
Interest	-	-	-	-	45,290	45,290
Capital outlay	659,516	1,397,089	211,666	24,321,441	12,713,821	39,303,533
Total expenditures	16,343,447	11,360,459	10,998,323	24,321,441	19,389,098	82,412,768
Excess of revenues over (under) expenditures	31,464,114	(9,484,781)	(7,583,057)	(23,638,766)	(14,174,683)	(23,417,173)
Other financing sources (uses):						
Transfers in	10,075,000	9,660,560	7,890,540	21,183,974	14,296,271	63,106,345
Transfers out	(38,466,446)	(250,000)	(75,000)	-	(19,732)	(38,811,178)
Total other financing sources (uses)	(28,391,446)	9,410,560	7,815,540	21,183,974	14,276,539	24,295,167
Net change in fund balances	3,072,668	(74,221)	232,483	(2,454,792)	101,856	877,994
Fund balances, beginning	15,264,538	4,043,004	1,613,035	9,753,733	18,282,772	48,957,082
Fund balances, ending	\$ 18,337,206	\$ 3,968,783	\$ 1,845,518	\$ 7,298,941	\$ 18,384,628	\$ 49,835,076

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Reconciliation of Governmental Funds and Government-Wide Financial Statements
Year Ended June 30, 2021

Changes in Fund Balance - Changes in Net Position Reconciliation - Year Ended June 30, 2021

Net change in fund balances – total governmental funds:	\$ 877,994
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlay expenditures capitalized	8,160,892
Depreciation expense	(4,978,756)
Loss on disposal of capital assets	(1,000)
	<u>3,181,136</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal payments on notes payable and bonds payable	505,000
Principal payments on capital leases	55,295
	<u>560,295</u>
Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain revenues/expenses are reported in governmental activities on the Statement of Activities, net of amounts allocated to business-type activities.	131,232
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in governmental funds:	
Accrued compensated absences, net change	(9,933)
Pension expense	(1,850,556)
Accrued liability for workers' compensaton claims incurred	19,239
Interest expense	1,275
Other postemployment benefits	(149,091)
	<u>(1,989,066)</u>
Change in net position of governmental activities	<u>\$ 2,761,591</u>

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Net Position—Proprietary Funds
June 30, 2021

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Enid Municipal Authority	Enid Event Center and Convention Hall	Non-major Enterprise Funds		Internal Service
					Health Care Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ -	\$ 750,613	\$ 1,192,480	\$ 1,943,093	\$ 1,168,709
Investments	-	534,217	1,512,293	2,046,510	2,756,367
Receivables:					
Accounts (net of allowance for uncollectibles)	4,312,598	189,223	61,198	4,563,019	32,021
Accrued interest	32,528	-	101	32,629	-
Taxes	-	195,009	-	195,009	-
Due from other governments	-	-	94,098	94,098	-
Due from other funds	1,295,256	-	-	1,295,256	-
Inventories	123,469	28,001	111,597	263,067	-
Prepaid expenses	14,616	12,183	4,729	31,528	1,944
Restricted investments	146,740,781	-	-	146,740,781	-
Total current assets	152,519,248	1,709,246	2,976,496	157,204,990	3,959,041
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	170,985,531	23,339,583	20,815,886	215,141,000	-
Total assets	323,504,779	25,048,829	23,792,382	372,345,990	3,959,041
Deferred outflows of resources					
Deferred amounts related to OPEB	33,502	-	-	33,502	-
Deferred amounts related to pensions	163,894	-	58,182	222,076	-
Total deferred outflows of resources	197,396	-	58,182	255,578	-
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 1,323,278	\$ 384,713	\$ 102,332	1,810,323	\$ -
Claims payable	-	-	-	-	993,531
Payable from restricted assets:					
Accrued interest payable	1,674,026	-	1,652	1,675,678	-
Customer deposits	1,370,381	20,349	-	1,390,730	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	476,912	134,087	610,999	-
Current portion of noncurrent liabilities	5,280,295	-	77,773	5,358,068	-
Total current liabilities	9,647,980	881,974	315,844	10,845,798	993,531

City of Enid, Oklahoma

Statement of Net Position—Proprietary Funds (Continued)
June 30, 2021

	Business-Type Activities				Governmental
	Enterprise Funds			Internal Service	
	Enid Municipal Authority	Enid Event Center and Convention Hall	Non-major Enterprise Funds	Total	Health Care Fund
Noncurrent liabilities:					
Compensated absences	111,006	-	9,053	120,059	-
Capital lease obligations	820,300	-	6,220	826,520	-
Other postemployment benefits liability	438,908	-	-	438,908	-
Notes payable, net of unamortized premium	144,439,693	-	-	144,439,693	-
Net pension liability	690,888	-	245,264	936,152	-
Landfill closure and post-closure obligations	4,984,564	-	-	4,984,564	-
Workers compensation claims	263,110	-	49,432	312,542	-
Total noncurrent liabilities	151,748,469	-	309,969	152,058,438	-
Total liabilities	161,396,449	881,974	625,813	162,904,236	993,531
Deferred inflows of resources					
Deferred amounts related to OPEB	29,708	-	-	29,708	-
Deferred amounts related to pensions	839,493	-	298,018	1,137,511	-
Total deferred inflows of resources	869,201	-	298,018	1,167,219	-
Net position					
Net investment in capital assets	98,549,053	23,339,583	20,809,666	142,698,302	-
Restricted:					
Debt service	816,024	-	-	816,024	-
Capital improvements	53,493,827	-	-	53,493,827	-
Unrestricted	8,577,621	827,272	2,117,067	11,521,960	2,965,510
Total net position	\$ 161,436,525	\$ 24,166,855	\$ 22,926,733	\$ 208,530,113	\$ 2,965,510

Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities.

\$ 450,250

Total net position per government-wide financial statements

\$ 208,980,363

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Enid Municipal Authority	Enid Event Center and Convention Hall	Non-major Enterprise Funds	Total	Internal Service Health Care Fund
Operating revenues:					
Charges for services:					
Utility operations	\$ 39,319,665	\$ -	\$ -	\$ 39,319,665	\$ -
Event center	-	989,635	-	989,635	-
Airport	-	-	2,042,408	2,042,408	-
Transit	-	-	88,890	88,890	-
Healthcare premiums	-	-	-	-	5,459,268
Other	1,075,739	-	708,296	1,784,035	621,846
Total operating revenues	40,395,404	989,635	2,839,594	44,224,633	6,081,114
Operating expenses:					
Utility operations	12,699,135	-	-	12,699,135	-
Event center	-	2,479,051	-	2,479,051	-
Airport	-	-	1,555,587	1,555,587	-
Transit	-	-	626,053	626,053	-
Insurance claims and expenses	-	-	-	-	5,869,794
Other	178,525	-	540,228	718,753	-
Depreciation	8,146,469	1,704,951	1,090,026	10,941,446	-
Total operating expenses	21,024,129	4,184,002	3,811,894	29,020,025	5,869,794
Net operating income (loss)	19,371,275	(3,194,367)	(972,300)	15,204,608	211,320
Nonoperating revenues (expenses):					
Taxes	-	1,156,037	-	1,156,037	-
Miscellaneous revenues	-	-	21,308	21,308	-
Interest income	43,121	5,535	10,957	59,613	22,479
Government grants	-	-	348,168	348,168	-
Gain/(loss) on disposition of assets	32,064	-	3,550	35,614	-
Interest expense and fiscal charges	(5,193,738)	-	(189)	(5,193,927)	-
Total nonoperating revenues (expenses)	(5,118,553)	1,161,572	383,794	(3,573,187)	22,479
Net income (loss) before capital contributions and transfers	14,252,722	(2,032,795)	(588,506)	11,631,421	233,799
Capital grants	-	-	99,000	99,000	-
Capital asset contributions	28,499,871	-	-	28,499,871	-
Transfers in	19,547,656	385,000	629,590	20,562,246	-
Transfers (out)	(44,857,413)	-	-	(44,857,413)	-
Change in net position	17,442,836	(1,647,795)	140,084	15,935,125	233,799
Net position, beginning	143,993,689	25,814,650	22,786,649	192,594,988	2,731,711
Net position, ending	<u>\$ 161,436,525</u>	<u>\$ 24,166,855</u>	<u>\$ 22,926,733</u>	<u>\$ 208,530,113</u>	<u>\$ 2,965,510</u>
Change in net position per above				\$ 15,935,125	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue the internal service fund is reported with business-type activities.				<u>102,567</u>	
Change in business-type activities in net position per government-wide financial statements				<u>\$ 16,037,692</u>	

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Cash Flows—Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities				Governmental
	Enterprise Funds				Internal Service
	Enid Municipal Authority	Enid Event Center and Convention Hall	Non-major Enterprise Funds	Total	Health Care Fund
Cash flows from operating activities:					
Receipts from customers	\$ 40,704,887	\$ 1,196,979	\$ 2,820,319	\$ 44,722,185	\$ -
Receipts from interfund services	-	-	-	-	6,107,443
Payments to suppliers	(8,359,656)	(2,373,305)	(1,612,661)	(12,345,622)	-
Claims and benefits paid	-	-	-	-	(5,298,250)
Payments to employees	(4,078,340)	-	(1,337,190)	(5,415,530)	-
Net cash provided (used) by operating activities	28,266,891	(1,176,326)	(129,532)	26,961,033	809,193
Cash flows from noncapital financing activities:					
Taxes	-	1,058,318	-	1,058,318	-
Interfund payments	1,272,216	-	-	1,272,216	-
Miscellaneous revenues/(expenses)	-	-	21,308	21,308	(1,805)
Government grants and contracts	-	-	-	-	-
Operating transfers in	19,547,656	385,000	629,590	20,562,246	-
Operating transfers out	(44,857,413)	-	-	(44,857,413)	-
Net cash provided (used) by noncapital financing activities	(24,037,541)	1,443,318	650,898	(21,943,325)	(1,805)
Cash flows from capital and related financing activities:					
Proceeds from issuance of debt	9,727,770	-	-	9,727,770	-
Principal paid on long-term debt	(6,135,453)	-	(11,047)	(6,146,500)	-
Interest expense and fiscal charges	(5,248,982)	-	(606)	(5,249,588)	-
Capital grants	-	-	443,645	443,645	-
Proceeds from sale of capital assets	36,714	-	3,550	40,264	-
Acquisition/construction of capital assets	(1,169,132)	(32,719)	(401,751)	(1,603,602)	-
Net cash provided (used) by capital and related financing activities	(2,789,083)	(32,719)	33,791	(2,788,011)	-
Cash flows from investing activities:					
Purchases of investments	(2,500,000)	(100,000)	(850,000)	(3,450,000)	(1,000,000)
Proceeds from sale of investments	866,360	121,764	667,686	1,655,810	834,746
Interest income	193,373	5,535	10,854	209,762	22,479
Net cash provided (used) by investing activities	(1,440,267)	27,299	(171,460)	(1,584,428)	(142,775)
Net increase (decrease) in cash and cash equivalents	-	261,572	383,697	645,269	664,613
Cash and cash equivalents, beginning	-	489,041	808,783	1,297,824	504,096
Cash and cash equivalents, ending	\$ -	\$ 750,613	\$ 1,192,480	\$ 1,943,093	\$ 1,168,709

(Continued)

City of Enid, Oklahoma

Statement of Cash Flows—Proprietary Funds (Continued)
Year Ended June 30, 2021

	Business-Type Activities				Governmental Activities	
	Enterprise Funds				Internal Service	
	Enid Municipal Authority	Enid Event Center and Convention Hall	Woodring Airport	Non-major Enterprise Funds	Total	Health Care Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Net operating income (loss)	\$ 19,371,275	\$ (3,194,367)	\$ -	\$ (972,300)	\$ 15,204,608	\$ 211,320
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	8,146,469	1,704,951	-	1,090,026	10,941,446	-
Landfill closure costs	261,947	-	-	-	261,947	-
(Increases) decrease in assets and deferred outflows:						
Receivables	280,223	(19,616)	-	(17,353)	243,254	26,329
Inventories	4,079	3,351	-	(26,658)	(19,228)	-
Prepaid expenses	4,172	(193)	-	(3,598)	381	-
Pension-related deferred outflows	540,685	-	-	191,942	732,627	-
OPEB-related deferred outflows	4,801	-	-	-	4,801	-
Increase (decrease) in liabilities and deferred inflows:						
Accounts payable and accrued liabilities	108,217	102,588	-	(161,967)	48,838	-
Claims payable	-	-	-	-	-	571,544
Compensated absences	25,380	-	-	(3,298)	22,082	-
Workers' compensation claims	48,052	-	-	(16,375)	31,677	-
Unearned revenue	-	229,518	-	(1,922)	227,596	-
Customer deposits	29,260	(2,558)	-	-	26,702	-
Net pension liability	(1,354,572)	-	-	(480,870)	(1,835,442)	-
Other postemployment benefits liability	3,879	-	-	-	3,879	-
Pension-related deferred inflows	768,573	-	-	272,841	1,041,414	-
OPEB-related deferred inflows	24,451	-	-	-	24,451	-
Total adjustments	8,895,616	2,018,041	-	842,768	11,756,425	597,873
Net cash provided (used) by operating activities	\$ 28,266,891	\$ (1,176,326)	\$ -	\$ (129,532)	\$ 26,961,033	\$ 809,193
Supplemental schedule of noncash capital and financial activities:						
Capital contributions	\$ 28,499,871	\$ -	\$ -	\$ -	\$ 28,499,871	\$ -

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2021

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 556,247	\$ 27,961
Receivables:		
Accrued interest	1,554	-
Negotiable certificates of deposit	-	11,372
Mutual fund - equities	40,965,566	-
Mutual fund - corporate bonds	9,850,524	-
Money market funds	101,664	-
Participant loans	317,981	-
Total assets	<u>51,793,536</u>	<u>39,333</u>
Net Position - Restricted		
Employee pension benefits	51,793,536	-
Funds held for the benefit of others	-	39,333
Total net position - Restricted	<u>\$ 51,793,536</u>	<u>\$ 39,333</u>

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Statement of Changes in Fiduciary Net Position—Fiduciary Funds
Year Ended June 30, 2021

	Pension Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 1,248,060	\$ -
Plan members	667,063	-
Total contributions	<u>1,915,123</u>	<u>-</u>
Investment earnings:		
Net increase (decrease) in the fair value of investments	12,984,975	-
Interest and dividends	491,526	-
Total investment earnings	<u>13,476,501</u>	<u>-</u>
Collection for other organizations and individuals	-	156,226
Total additions	<u>15,391,624</u>	<u>156,226</u>
Deductions:		
Benefits and withdrawals	3,516,418	-
Administrative expenses	133,796	-
Distributions for other organizations and individuals	-	149,422
Total deductions	<u>3,650,214</u>	<u>149,422</u>
Change in net position	11,741,410	6,804
Net position at beginning of year, restated	<u>40,052,126</u>	<u>32,529</u>
Net position at end of year	<u>\$ 51,793,536</u>	<u>\$ 39,333</u>

The accompanying notes are an integral part of these financial statements.

City of Enid, Oklahoma

Notes to Financial Statements For the Year Ended June 30, 2021

Note 1. Organization

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

Note 2. Summary of Significant Accounting Policies

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

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

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

The Enid Public Transportation Authority (EPTA) was established in February 1984. The EPTA provides public transportation within the city limits of Enid and North Enid. Transportation is also provided to and from Oklahoma City and Tulsa for a fee sufficient to cover costs. The City of Enid and North Enid have a combined land area of approximately 75 square miles. Estimated ridership of the EPTA is 3,900 trips per month. The type of service offered is on-demand response service. The City of Enid would receive all properties upon termination of the authority. EPTA is presented as a blended enterprise fund and does not issue separate financial statements. The EPTA's operations are managed by the management of the City. Additionally, the City Council approves the budget for the EPTA.

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of presentation:

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

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

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

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

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

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

City of Enid, Oklahoma

Notes to Financial Statements For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

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

Proprietary funds – The City reports the following major enterprise funds:

- The Enid Municipal Authority accounts for the City's utility operations including water, wastewater, sanitation and landfill.
- The Enid Event Center and Conventions Hall Hall (EECCH) accounts for the operations of the Stride Bank Center. It includes the hotel tax revenues and disbursements and the Enid Convention and Visitor's Bureau (ECVB) budget.

The City also reports non-major enterprise funds.

Additionally, the City reports the following fund types:

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

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance:

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

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

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

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

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

Current	5%
0 - 30 Days	10%
31 - 60 Days	20%
61 - 90 Days	50%
Over 120 Days	80%

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

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

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

Asset Class	Years
Buildings	20 - 50
Infrastructure	20 - 50
Equipment	3 - 10
Vehicles	5 - 10

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

Compensated absences – It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is some liability for unpaid accumulated sick leave since the City does pay retiring, full-time regular employees who have accrued 90 days of sick leave \$50 per day up to twelve accrued unused sick leave days per year. Employees employed under the International Association of Fire Fighters (the "IAFF") received \$75 per day. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. For governmental fund types, the amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

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

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

Fund balances and net position

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

- a. *Nonspendable* – includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact.
- 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 Commission's action or the City Manager when the City Council has designated that authority through the budget resolutions. The City had no assigned fund balance at June 30, 2021.
- e. *Unassigned* – all amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

Net position – Net position is displayed in three components as follows:

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

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

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 2. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Sales taxes: The sales tax rate in the City of Enid is 9.1%. The State of Oklahoma receives 4.5%, the City receives 4.25% and Garfield County receives .35%. The 4.25% for the City of Enid is broken down as follows:

- 2% remains in the General Fund to fund City operations.
- 1% is transferred to the Enid Municipal Authority to pay for capital infrastructure and water bond debt.
- ¼% is restricted for the Police and Fire Fund for public safety purposes.
- 1% is transferred to the Enid Municipal Authority to pay for the Kaw Lake Project and the related debt.

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

Property taxes: Property taxes revenue recognized by the City are billed and collected by the county treasurer's office and remitted to the City in the month following the collection. Property taxes are levied annually in November and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following November. The City recognizes the tax revenue in the year it is levied by Garfield County. For the years ended June 30, 2021 and 2020, the City's net assessed valuation of taxable real and personal property aggregated \$425,630,281 and \$415,488,013 while the property taxes levied per \$1,000 had a millage rate of .00 in 2021 and 2020.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies (Continued)

New accounting pronouncements: The GASB has issued several new accounting pronouncements, which are effective for the City of Enid in the current year or will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City of Enid's consideration of the impact of these pronouncements are described below.

Fiscal Year Ended June 30, 2021:

The City adopted the following accounting pronouncement in the year ended June 30, 2021.

- GASB Statement No. 84, *Fiduciary Activities*, issued January 2017 was effective for the City beginning with its year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Adoption of GASB Statement No. 84 required the City to present a statement of changes in net position of its custodial funds, and to restate beginning fiduciary net position of custodial funds by \$32,529.

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

Fiscal Year Ending June 30, 2022:

- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its year ending June 30, 2022. Statement No. 87 is designed to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Fiscal Year Ending June 30, 2023:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements ("SBITAs")*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023, with earlier adoption encouraged. Statement No. 96 requires the recognition of SBITAs as an intangible right-to-use subscription asset with a corresponding subscription liability. Under this statement, a lessee is required to recognize a SBITA lease liability and an intangible right-to-use SBITA lease asset, and a lessor is required to recognize a lease SBITA receivable and a deferred inflow of resources

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds

Cash and investments: The City held the following deposits and investments at June 30, 2021:

Governmental and Proprietary Funds

Type:	Carrying Value	Credit Rating	Investment Maturities (in Years)			
			Less than 1	1 - 5	6 - 10	More than 10
Demand deposits	\$ 36,888,121	n/a	N/A	N/A	N/A	N/A
Petty cash and change funds	7,750	n/a	N/A	N/A	N/A	N/A
Time deposits	21,148,000	n/a	5,499,000	15,649,000	-	-
Investments:						
Government money market funds	83,133,576	Aaa-mf	83,133,576	-	-	-
Negotiable certificates of deposits	25,000,000	n/a	5,150,000	18,350,000	1,500,000	-
U.S. Agency securities	47,919,815	Aaa	47,919,815	-	-	-
Total cash and cash equivalents and investments	<u>\$ 214,097,262</u>		<u>\$ 141,702,391</u>	<u>\$ 33,999,000</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>

Reconciliation to statement of net position:

Cash and cash equivalents	\$ 21,171,173
Investments	46,136,627
Restricted cash and investments	146,789,462
	<u>\$ 214,097,262</u>

Fiduciary Funds

	Fair Value	Credit Rating	Investment Maturities (in Years)			
			Less than 1	1 - 5	6 - 10	More than 10
Demand deposits	\$ 584,208	n/a	N/A	N/A	N/A	N/A
Investments:						
Negotiable certificates of deposits	11,372	n/a	3,184	6,937	1,251	-
Mutual funds - equities	40,965,566	n/a	40,965,566	-	-	-
Mutual funds - corporate bonds	9,850,524	Bb - Aaa	9,850,524	-	-	-
Money market fund	101,664	not rated	101,664	-	-	-
Total cash and cash equivalents and investments	<u>\$ 51,513,334</u>		<u>\$ 50,920,938</u>	<u>\$ 6,937</u>	<u>\$ 1,251</u>	<u>\$ -</u>

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

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2021, the City had no bank balances that were not covered by Federal Depository Insurance or collateralized by securities pledged by the banks and held in safekeeping by another bank.

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 3. Detailed Notes on All Activities and Funds (Continued)

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

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

City of Enid Government-Wide Investments

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Negotiable certificates of deposit	\$ -	\$ 25,000,000	\$ -	\$ 25,000,000
U.S. Agency securities	-	47,919,815	-	47,919,815
	\$ -	\$ 72,919,815	\$ -	\$ 72,919,815

City of Enid Fiduciary Funds

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Mutual fund - equity	\$ 40,965,566	\$ -	\$ -	\$ 40,965,566
Mutual fund - corporate bonds	9,850,524	-	-	9,850,524
Money market fund	101,664	-	-	101,664
Negotiable certificates of deposit	-	11,372	-	11,372
	\$ 50,917,754	\$ 11,372	\$ -	\$ 50,929,126

City of Enid, Oklahoma

Notes to Financial Statements For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

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

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

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

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

Custodial credit risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy to maintain investment securities that are insured or registered in the City's name and held by the City or its agent in the City's name whenever possible. As of June 30, 2021, the City's investments were not exposed to custodial credit risk as all the City's investments were registered in the name of the City and held by a counterparty.

Restricted cash and investments: The amounts reported as restricted cash and investments included the Enid Municipal Authority 2003 Sales Tax note, 2009 OWRB note, 2010 OWRB note, 2015 Revenue note, 2018B OWRB note, 2019 OWRB note and the 2020 CWSRF note in the Enid Municipal Authority fund, as well as the EEDA Tax Apportionment Bonds and Series 2015 in the Enid Economic Development Authority fund, include restricted cash and investments for sinking funds and reserve funds for repayment of principal and interest when due. Restricted balances also contain \$28,897,802 in unspent note proceeds from the 2018B OWRB Note and \$51,533,563 in unspent note proceeds from the 2019 OWRB Note set aside for the Kaw Lake project in the Enid Municipal Authority fund and \$819,046 for other projects. Additionally, funds transferred to the Enid Municipal Authority that are restricted for the purpose of acquiring capital assets through a 1% sales tax, 1% sales tax to fund the Kaw Lake Water Supply program, and sanitary sewer fee restriction are included in the restricted cash and investments of the Enid Municipal Authority fund.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

The following is a summary of the debt issuances that require restricted cash and investments to be maintained. The balances as of June 30, 2021, are as follows:

	Governmental Funds	Proprietary Funds	Totals
EMA 2009 OWRB Note	\$ -	\$ 86,284	\$ 86,284
EMA 2010 OWRB Note	-	364,969	364,969
EMA 2016 OWRB Note	-	364,951	364,951
1% Restricted Sales Tax	-	33,673,457	33,673,457
1% Restricted Sales Tax	-	4,663,743	4,663,743
1% Restricted Tax for Kaw Lake	-	15,156,127	15,156,127
Sanitary Sewer Capital Improvements	-	9,582,817	9,582,817
EMA BOK 2018b OWRB Project Fund	-	28,897,802	28,897,802
EMA BOK 2018b OWRB FAP Debit SRVC	-	1,030,565	1,030,565
EMA BOK 2019 OWRB Project Fund	-	51,533,563	51,533,563
EMA BOK 2019 OWRB FAP Debit SRVC	-	1,155,118	1,155,118
EMA BOK 2020 CWSRF Debit SRVC	-	231,385	231,385
EEDA Series 2015 Sales Tax Revenue Note	48,681	-	48,681
Total restricted cash and investments	<u>\$ 48,681</u>	<u>\$ 146,740,781</u>	<u>\$ 146,789,462</u>

Receivables: Receivables as of June 30, 2021, for the City of Enid's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Receivables						
	Taxes	Accounts	Due from Other Governments	Accrued Interest	Other	Allowance for Doubtful Accounts	Net Receivables
Governmental activities:							
Fund:							
General	\$ 5,803,561	\$ 6,490	\$ -	\$ -	\$ -	\$ (6,874)	\$ 5,803,177
Police	161,907	-	108,087	-	-	-	269,994
Fire	161,907	-	11,360	-	-	-	173,267
Internal Service Fund	-	32,021	-	-	-	-	32,021
Non-major governmental funds	222,281	-	358,861	2,028	-	-	583,170
Total governmental activities	<u>6,349,656</u>	<u>38,511</u>	<u>478,308</u>	<u>2,028</u>	<u>-</u>	<u>(6,874)</u>	<u>6,861,629</u>
Business-type activities:							
Fund:							
Enid Municipal Authority	-	4,592,046	-	32,528	-	(279,448)	4,345,126
Enid Event Center and Convention Hall	195,009	189,223	-	-	-	-	384,232
Non-major enterprise funds	-	82,625	94,098	101	-	(21,427)	155,397
Total business-type activities	<u>195,009</u>	<u>4,863,894</u>	<u>94,098</u>	<u>32,629</u>	<u>-</u>	<u>(300,875)</u>	<u>4,884,755</u>
Net total receivables	<u>\$ 6,544,665</u>	<u>\$ 4,902,405</u>	<u>\$ 572,406</u>	<u>\$ 34,657</u>	<u>\$ -</u>	<u>\$ (307,749)</u>	<u>\$ 11,746,384</u>

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

Capital assets: Capital asset balances and activities for the year ended June 30, 2021, were as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 6,567,324	\$ 120,659	\$ -	\$ -	\$ 6,687,983
Construction in progress	9,759,463	5,818,173	(1,936,251)	-	13,641,385
Total capital assets, not being depreciated	16,326,787	5,938,832	(1,936,251)	-	20,329,368
Capital assets, being depreciated:					
Buildings	16,205,600	90,577	252,713	-	16,548,890
Infrastructure	100,696,918	-	1,665,910	-	102,362,828
Equipment	12,792,279	864,790	17,628	(33,570)	13,641,127
Vehicles	12,261,239	1,266,693	-	(523,260)	13,004,672
Total capital assets, being depreciated	141,956,036	2,222,060	1,936,251	(556,830)	145,557,517
Less accumulated depreciation for:					
Buildings	(9,761,203)	(597,331)	-	-	(10,358,534)
Infrastructure	(55,804,231)	(2,653,327)	-	-	(58,457,558)
Equipment	(11,145,610)	(994,362)	-	33,570	(12,106,402)
Vehicles	(10,616,685)	(733,736)	-	522,260	(10,828,161)
Total accumulated depreciation	(87,327,729)	(4,978,756)	-	555,830	(91,750,655)
Total capital assets, being depreciated, net	54,628,307	(2,756,696)	1,936,251	(1,000)	53,806,862
Governmental activities capital assets, net	\$ 70,955,094	\$ 3,182,136	\$ -	\$ (1,000)	\$ 74,136,230

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 7,679,181	\$ -	\$ -	\$ -	\$ 7,679,181
Construction in progress	25,248,538	28,830,304	(1,746,292)	(2,650)	52,329,900
Total capital assets, not being depreciated	32,927,719	28,830,304	(1,746,292)	(2,650)	60,009,081
Capital assets, being depreciated:					
Buildings	81,063,527	52,583	50,118	-	81,166,228
Infrastructure	175,298,217	-	1,696,174	-	176,994,391
Equipment	26,042,408	507,639	-	-	26,550,047
Vehicles	10,188,604	712,949	-	(401,371)	10,500,182
Total capital assets, being depreciated	292,592,756	1,273,171	1,746,292	(401,371)	295,210,848
Less accumulated depreciation for:					
Buildings	(28,358,418)	(3,929,848)	-	-	(32,288,266)
Infrastructure	(76,728,041)	(5,103,980)	-	-	(81,832,021)
Equipment	(17,483,117)	(922,894)	-	-	(18,406,011)
Vehicles	(6,967,278)	(984,724)	-	399,371	(7,552,631)
Total accumulated depreciation	(129,536,854)	(10,941,446)	-	399,371	(140,078,929)
Total capital assets, being depreciated, net	163,055,902	(9,668,275)	1,746,292	(2,000)	155,131,919
Business-type activities capital assets, net	\$ 195,983,621	\$ 19,162,029	\$ -	\$ (4,650)	\$ 215,141,000

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

Governmental activities:	
General government	\$ 896,938
Public safety	1,028,786
Public works	2,944,616
Cultural and recreation	21,786
Economic development	86,630
Total governmental activities	<u>\$ 4,978,756</u>
Business-type activities:	
Utility operations	\$ 8,146,469
Airport	938,381
Golf	32,758
Transit	118,887
Event center	1,704,951
Total business-type activities	<u>\$ 10,941,446</u>

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 3. Detailed Notes on All Activities and Funds (Continued)

Deposits subject to refund: Utility customers are required to make a meter deposit which is refunded upon the customer's termination of services, or upon request after twelve months of on-time payments with no cut-offs, provided there are no outstanding bills. Monies are deposited into the pooled cash account, and a liability has been recorded to represent the amount of deposits due to customers. As of June 30, 2021, the liability to utility customers was \$1,370,381. Customer deposits also included \$20,349 related to future events at the Enid Event Center and Convention Hall.

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

Long-term liabilities: The City's long-term liabilities consist of revenue bonds and notes payable, accrued compensated absences, net pension liability, OPEB liability, workers' compensation claims, and capital lease obligations. Long-term liabilities transactions for the year ended June 30, 2021, were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 2,320,374	\$ 1,294,695	\$ (1,284,762)	\$ 2,330,307	\$ 1,274,860
Workers' compensation claims	1,106,624	373,953	(375,901)	1,104,676	347,963
Capital lease obligations	299,435	-	(55,295)	244,140	57,501
Notes payable	1,330,000	-	(505,000)	825,000	515,000
Total governmental activities	<u>\$ 5,056,433</u>	<u>\$ 1,668,648</u>	<u>\$ (2,220,958)</u>	4,504,123	2,195,324

Reconciliation to Statement of Net Position:

Plus: Net pension liability		25,823,106	-
OPEB liability		1,975,085	-
		<u>\$ 32,302,314</u>	<u>\$ 2,195,324</u>

Business-type activities:

Compensated absences	\$ 273,193	\$ 191,135	\$ (169,053)	\$ 295,275	\$ 175,217
Workers' compensation claims	334,791	136,058	(104,381)	366,468	53,926
Landfill closure and post-closure and other long-term liabilities	4,722,617	261,947	-	4,984,564	-
Revenue notes payable	585,000	-	(585,000)	-	-
Notes payable	139,580,150	9,727,770	(4,889,663)	144,418,257	4,452,888
Add: Unamortized premium on notes payable	4,635,076	-	(160,752)	4,474,324	160,752
Capital lease obligations	2,174,395	-	(671,837)	1,502,558	679,180
Total business-type activities	<u>\$ 152,305,222</u>	<u>\$ 10,316,910</u>	<u>\$ (6,580,686)</u>	156,041,446	5,521,963

Reconciliation to Statement of Net Position:

Plus: Net pension liability		936,152	-
OPEB liability		438,908	-
		<u>\$ 157,416,506</u>	<u>\$ 5,521,963</u>

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

Accrued compensated absences of governmental activities is primarily liquidated by the General Fund, Police Fund and Fire Fund. Accrued compensated absences of business-type activities is primarily liquidated by the Enid Municipal Authority. Other postemployment benefits liabilities of governmental activities are liquidated primarily by the General Fund. Workers' compensation claims liabilities of governmental activities are liquidated primarily by the General Fund, Police Fund and Fire Fund. Workers' compensation claims liabilities of business-type activities is primarily liquidated by the Enid Municipal Authority.

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

Governmental Activities:

Notes payable:

Series 2015 Sales Tax Revenue Note payable in the amount of \$2,920,000 with interest in semiannual installments and principal in 84 monthly installments beginning February 1, 2017 with final installment due January 1, 2023, with interest at 3.03% for economic development. Note will be repaid using future sales tax revenues. \$ 825,000

Capital lease obligations:

Motorola solutions dated 05/01/2019 with 7 payments of \$67,242 including an interest rate of 3.99%. This lease also includes a \$50,000 down payment. For purchase of a 911 callworks system, original cost of \$469,850 and a remaining net book value at June 30, 2021 of \$148,893 244,140

Total long-term notes and capital leases payable for governmental activities \$ 1,069,140

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

Business-Type Activities:

Notes payable:

Series 2002A: Note payable to the Oklahoma Water Resources Board (OWRB), dated August 14, 2002, in the amount of \$1,080,000 payable in semiannual principal installments beginning February 15, 2003 and maturing February 15, 2022, interest rate of 0.50% with an administrative fee of 0.50%, for sewer improvements. 55,385

Series 2009: Drinking water SRF promissory note to the OWRB, dated November 20, 2009, in the amount of \$8,345,000, payable in semiannual payments over 20 years, each March 15 and September 15, including interest at 2.37% and an administrative fee of 0.50%, maturing September 2030, for the purchase and installation of automated metering system. 2,837,770

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

Series 2010: Clean water SRF promissory note to the OWRB/Oklahoma Development Finance Authority, dated May 25, 2011, in the amount of \$39,900,000, payable in semiannual installments over 20 years each March 15 and September 15, including interest at 2.31% and an administrative fee of 0.50%, maturing March 2032, for the construction of a wastewater treatment plant	12,284,090
Series 2016: Enid Municipal Authority Taxable promissory note to the OWRB, dated December 21, 2016, payable in semiannual installments including interest at 2.2%, maturity date of September 15, 2046, to provide funds for the Kaw Lake Project.	12,875,000
Series 2018B: Promissory note to the OWRB dated September 20, 2018, payable in semiannual installments including interest at 3.2%, maturity date of October 1, 2048, to provide funds for the Kaw Lake Project.	41,480,000
Series 2018A: Drinking Water SRF promissory note to the OWRB, dated September 10, 2018, payable in semiannual installments including interest of 2.49%, maturity date of March 15, 2050, to provide funds for the Kaw Lake Project.	14,848,244
Series 2019A: Promissory note to the OWRB, dated February 13, 2019, payable in semiannual installments, including interest of 4.2%, maturity date of October 1, 2044, to provide funds for the Kaw Lake Project.	46,765,000
Series 2019B: Clean water SRF promissory note to the OWRB, dated September 10, 2019, in the amount of \$10,431,584, payable in semiannual installments over 12 years, including interest at 1.53%, maturing March 2032, to provide funds for the construction of a new wastewater treatment center and partial refunding of the Series 2021 bond issue	9,283,278
Series 2020: Drinking water SRF promissory note to the OWRB, dated December 1, 2020, in the amount of \$205,000,000, interest rate of 1.34% per annum plus an administrative fee of 0.50%, semiannual principal and interest payments until the project is completed. Upon completion of the Kaw Lake project, payments are converted to monthly, maturity date is 30 years after completion of the Kaw Lake project, estimated completion is September 2023	<u>3,989,490</u>
Notes payable	144,418,257
Plus: Premium on Series 2016, 2018B and 2019A promissory note	<u>4,474,324</u>
Total notes payable	<u><u>148,892,581</u></u>

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

Capital lease obligations:

Caterpillar Financial dated November 29, 2017 with 60 monthly payments of \$11,950 including interest at 5.56% for the purchase of one 623K scraper, original cost of \$840,622 and remaining net book value of \$-0- at June 30, 2021 458,294

John Deere Financial dated April 1, 2019 with 36 monthly payments of \$706 including interest of 5.50%, for the purchase of a Tri-Deck roller mower, original cost of \$23,500 and remaining net book value of \$5,880 at June 30, 2021 6,219

Arvest Equipment Finance dated July 25, 2018 with 35 monthly payments of \$14,511 and final payment of \$396,210 including interest at 3.86% for the purchase of three Mack trucks, original cost of \$832,563 and remaining net book value of \$343,518 at June 30, 2021 394,940

Arvest Equipment Finance dated December 11, 2019 with 35 monthly payments of \$14,899 and and final payment of \$408,799 including interest at 3.35% for the purchase of three Mack trash trucks, original cost of \$865,899 and remaining net book value of \$610,388 at June 30, 2021. 643,105

Total capital lease obligations 1,502,558

Total long-term notes, bonds and capital leases payable for business-type activities \$ 151,464,279

The City's outstanding notes from direct borrowings related to governmental activities of \$825,000 contain a provision that in an event of default, outstanding amounts may become immediately due if the City is unable to make payment.

The City's direct borrowings related to business-type activities for outstanding notes payable of \$129,355,988 contain accelerated payment provisions in the event of default if the City is unable to make payment. In addition, if the City defaults on any of its required payments, the amount of such default shall bear interest at the rate of 14% per annum, from the date of default until the date of payment thereof in full. The notes are secured by pledged revenues and contain debt service coverage requirements of 125% of annual debt service payments for the net revenues available for debt service. Non-compliance with the debt service coverage requirement may require an initial deposit to the debt reserve account in the amount of 1/24th of the cash reserve requirement for a period of not more than 24 months until the cash reserve requirement is fully funded.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

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

Year Ending June 30,	Governmental Activities			
	Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 57,501	\$ 9,741	\$ 515,000	\$ 17,928
2023	59,795	7,447	310,000	3,156
2024	62,181	5,061	-	-
2025	64,663	2,580	-	-
Totals	\$ 244,140	\$ 24,829	\$ 825,000	\$ 21,084

Year Ending June 30,	Business-Type Activities			
	Capital Lease		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 679,180	\$ 45,579	\$ 4,452,888	\$ 5,319,735
2023	823,378	17,266	4,558,614	5,177,519
2024	-	-	4,707,027	5,023,582
2025	-	-	4,864,253	4,858,179
2026	-	-	5,041,577	4,684,147
2027 - 2031	-	-	26,626,913	19,678,032
2032 - 2036	-	-	18,687,006	14,275,387
2037 - 2041	-	-	20,090,000	10,579,141
2042 - 2046	-	-	24,590,000	5,972,243
2047 - 2051	-	-	15,710,000	955,948
Draws for which a maturity has not yet been determine	-	-	15,089,979	-
Totals	\$ 1,502,558	\$ 62,845	\$ 144,418,257	\$ 76,523,913

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 3. Detailed Notes on All Activities and Funds (Continued)

Pledged Revenues

<i>Description of Pledge</i>	<u>Remaining Principal and Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<u><i>Governmental Activities:</i></u>				
2015 Sales Tax Revenue Note: The City has pledged the proceeds from a 0.125% sales tax, to repay the Series 2015 Sales Tax Revenue Note. The bond is payable through 2023 and was used to provide funds to promote local economic development by providing economic incentives for the redevelopment of underutilized property.	846,084	538,343	1,221,729	44.06%
<u><i>Business-Type Activities:</i></u>				
Series 2002A: The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2002A clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2022 and was used to finance Upper North Boggy Creek Relief Line.	55,594	55,877	36,042,793	0.16%
Series 2009: The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2009 drinking water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2031 and was used to finance an automated meter infrastructure.	3,151,437	329,964	36,042,793	0.92%
Series 2010: The City has pledged the proceeds from a 1% sales tax, along with utility revenues, to repay the Series 2010 clean water SRF Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2032 and was used to finance a new wastewater treatment facility.	14,121,068	1,283,252	36,042,793	3.56%
Series 2016: The City has pledged the 0.75% of the proceeds from a 1% sales tax, to repay the Series 2016 Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2047 and was used to finance the Kaw Lake Project.	21,325,082	827,841	9,773,828	8.47%
Series 2018B: The City has pledged the proceeds from a 2% sales tax along with utility revenues, to repay the Series 2018B Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Project.	69,402,574	2,498,752	43,699,050	5.72%

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 3. Detailed Notes on All Activities and Funds (Continued)

<i>Description of Pledge</i>	<u>Remaining Principal and Interest</u>	<u>Current Year Debt Service</u>	<u>Pledged Revenues</u>	<u>Debt Payment as % of Pledged Revenue</u>
<i><u>Business-Type Activities (Continued):</u></i>				
Series 2018A: The City has pledged the proceeds from a 2% sales tax along with utility revenues, to repay the Series 2018A Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2050 and was used to provide funds toward the Kaw Lake Project.	8,143,641	1,027,544	43,699,050	2.35%
Series 2019A: The City has pledged the proceeds from a 2% sales tax along with utility revenues, to repay the Series 2019A Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2048 and was used to provide funds toward the Kaw Lake Project.	79,545,958	2,856,786	43,699,050	6.54%
Series 2019B: The City has pledged the proceeds from a 2% sales tax along with utility revenues, to repay the Series 2019B Promissory Note to the Oklahoma Water Resources Board. The bond is payable through 2032 and was used to provide funds to finance a new wastewater treatment facility.	10,134,528	921,321	43,699,050	2.11%
Series 2020: The City has pledged the proceeds from a 2% sales tax along with utility revenues, to repay the Series 2020 Promissory Note to the Oklahoma Water Resources Board. Proceeds of the note are being used to provide funds towards the Kaw Lake Project, and matures 30 years after completion of the project.	271,916,408	363,155	43,699,050	0.83%

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

Interfund receivables, payables and transfers: The composition of interfund balances as of June 30, 2021, is as follows:

	<u>Receivables</u>	<u>Payables</u>
Major governmental funds, General	\$ 93,128	\$ 1,295,256
Major enterprise funds, Enid Municipal Authority	1,295,256	-
Non-major governmental funds	-	93,128
	<u>\$ 1,388,384</u>	<u>\$ 1,388,384</u>

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

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds, General	\$ 10,075,000	\$ 38,466,446
Major governmental funds, Police	9,660,560	250,000
Major governmental funds, Fire	7,890,540	75,000
Major governmental funds, Water Capital Improvement	21,183,974	-
Non-major governmental funds	14,296,271	19,732
Major enterprise funds, Enid Municipal Authority	19,547,656	44,857,413
Major enterprise funds, Enid Event Center and Convention Hall	385,000	-
Non-major enterprise funds	629,590	-
	<u>\$ 83,668,591</u>	<u>\$ 83,668,591</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other governmental and proprietary funds in accordance with budgetary functions. In addition, the City also transfers capital assets acquired through capital outlay of governmental funds to business-type activities/proprietary funds if the purpose is for utility construction or other activities included in business-type activities. Such transfers totaled \$28,499,871 during the year ended June 30, 2021.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 3. Detailed Notes on All Activities and Funds (Continued)

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

The \$4,984,564 reported as other noncurrent liabilities for the accrued landfill closure cost liability as of June 30, 2021, represents the cumulative amount of such cost reported to date based on the use of approximately 78% of the estimated capacity of the landfill. The Enid Municipal Authority will recognize the remaining estimated costs of closure and post-closure care in the amount of \$1,556,093 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2021.

The City expects to close the landfill in 2039. Actual costs may be more or less at that time than are currently estimated. The estimated closure and post-closure costs and the accrued liability as of June 30, 2021, are as follows:

Estimated closure costs	\$ 4,674,612
Estimated post-closure costs	<u>1,556,093</u>
Total estimated costs	<u><u>\$ 6,230,705</u></u>
Accrued closure costs	<u><u>\$ 4,984,564</u></u>
Current costs charged to expense	<u><u>\$ 261,946</u></u>

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

Tax abatements: GASB Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement that has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Title 11 §1138120 of the Oklahoma State Statutes. To be eligible for the abatements for these types of projects, the developer has to enter into an agreement with the City. After developers meet the terms of the agreements, the City is required to rebate a portion of the sales tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2021, the City abated \$340,453 of sales tax under the urban renewal and economic development projects.

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 4. Retirement Plans

Employee Retirement Systems and Pension Plans:

The City of Enid participates in five employee pension systems as follows:

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

The City has recognized the following in the government-wide statements related to pensions:

	Governmental Activities	Business- Type Activities	Total
Net pension liability:			
Police Pension System	\$ 1,854,748	\$ -	\$ 1,854,748
Firefighters' Pension System	21,750,563	-	21,750,563
City of Enid Retirement Plan	2,217,795	936,152	3,153,947
Total net pension liability	<u>\$ 25,823,106</u>	<u>\$ 936,152</u>	<u>\$ 26,759,258</u>
Deferred outflows of resources:			
Police Pension System	\$ 3,106,362	\$ -	\$ 3,106,362
Firefighters' Pension System	3,911,151	-	3,911,151
City of Enid Retirement Plan	526,112	222,076	748,188
Total deferred outflows of resources	<u>\$ 7,543,625</u>	<u>\$ 222,076</u>	<u>\$ 7,765,701</u>
Deferred inflows of resources:			
Police Pension System	\$ 504,420	\$ -	\$ 504,420
Firefighters' Pension System	1,150,022	-	1,150,022
City of Enid Retirement Plan	2,694,827	1,137,511	3,832,338
Total deferred inflows of resources	<u>\$ 4,349,269</u>	<u>\$ 1,137,511</u>	<u>\$ 5,486,780</u>
Pension expense:			
Police Pension System	\$ 737,419	\$ -	\$ 737,419
Firefighters' Pension System	1,258,600	-	1,258,600
City of Enid Retirement Plan	145,463	56,512	201,975
Total pension expense	<u>\$ 2,141,482</u>	<u>\$ 56,512</u>	<u>\$ 2,197,994</u>

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 4. Retirement Plans (Continued)

Oklahoma Police and Firefighters' Pension and Retirement System

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

The following table provides the eligibility factors, contribution methods, and benefit provisions for the Police and Firefighters' pension and retirement systems:

	Oklahoma Police Pension and Retirement System	Oklahoma Firefighters' Pension and Retirement System
Obtaining separately issued financial statements	Police Pension and Retirement 1001 N.W. 63rd Street, Suite 605 Oklahoma City, OK 73116-7335	Firefighters' Pension and Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414
Authority establishing contribution obligations and benefits	Title 11 of the Oklahoma State Statutes. The authority to establish and amend benefit provisions and contribution requirements rests with the state legislature.	Title 11 of the Oklahoma State Statutes. The authority to establish and amend benefit provisions and contribution requirements rests with the state legislature.
Eligibility to participate	All full-time officers employed by a participating municipality; age not less than 21 nor more than 45 when accepted for membership	All full-time firefighters of participating municipalities and fire protection districts; minimum age 18, maximum age 45 when accepted for membership
Member contributions	8% of base salary	9% of base salary
Employer contributions	13% of eligible salary	14% of eligible salary
Benefit provisions	The Police System provides defined retirement benefits based on members' final average compensation, age and terms of service. In addition, the Police System provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 50-101 defines all retirement benefits.	The Firefighters' System provides defined retirement benefits based on members' final average compensation, age and terms of service. In addition, the Firefighters' System provides for death and disability benefits. Title 11 of the Oklahoma Statutes, Section 49-101 defines all retirement benefits.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

Oklahoma Police Pension and Retirement System

Pension liabilities, pension expense and deferred outflows and inflows of resources related to pension: At June 30, 2021, the City reported a liability of 8 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020. The City's proportionate share was 1.61500% at June 30, 2020, which was an increase of 0.0252% of the City's proportion at June 30, 2019.

For the year ended June 30, 2021, the City recognized \$737,419 in pension expense. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 220,254	\$ -
Differences between expected and actual experience	48,028	(466,471)
Net difference between projected and actual earnings on pension plan investments	2,176,226	-
Changes in proportion and differences between City contributions and proportionate share of contributions	31,082	(37,949)
Total deferred amounts to be recognized in pension expense in future years	2,475,590	(504,420)
City contributions subsequent to the measurement date	630,772	-
Total deferred amounts related to pensions	<u>\$ 3,106,362</u>	<u>\$ (504,420)</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$630,772 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all Police Pension System members. The average is determined by taking the calculated total future years of the Plan divided by the number of the people in the Plan including retirees.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

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

Years Ended June 30,	
2022	\$ 329,163
2023	553,300
2024	718,785
2025	417,672
2026	(10,523)
Thereafter	(37,227)
	<u>\$ 1,971,170</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2020, actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 4. Retirement Plans (Continued)

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, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	5.11%
Domestic equity	6.80%
International equity	11.45%
Real estate	8.60%
Private equity	11.58%
Commodities	0.00%

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; 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 the City will be made at contractually, required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension asset/liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability (asset)	\$ 6,552,071	\$ 1,854,748	\$ (2,118,202)

Payables to the pension plan: The City reported no payables to the Police Pension System at June 30, 2021.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

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

On-behalf payments for retirement: For the year ended June 30, 2021, the State of Oklahoma contributed approximately \$651,000 to the Oklahoma Police Pension and Retirement System on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Police Fund in the governmental funds financial statements.

Related-party investments: As of June 30, 2021, the Oklahoma Police Pension System held no related-party investments of the City of Enid or of its related entities.

Oklahoma Firefighters' Pension and Retirement System

Pension liabilities, pension expense and deferred outflows and inflows of resources related to pension: At June 30, 2021, the City reported a net pension liability of \$21,750,563 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020. The City's proportionate share was 1.7656% at June 30, 2020, which was a decrease of .0092% of the City's proportion at June 30, 2019.

For the year ended June 30, 2021, the City recognized \$1,258,600 in pension expense. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ (201,305)
Differences between expected and actual experience	2,698,457	(289,872)
Net difference between projected and actual earnings on pension plan investments	318,839	-
Changes in proportion and differences between City contributions and proportionate share of contributions	82,598	(658,845)
Total deferred amounts to be recognized in pension expense in future years	3,099,894	(1,150,022)
City contributions subsequent to the measurement date	811,257	-
Total deferred amounts related to pensions	<u>\$ 3,911,151</u>	<u>\$ (1,150,022)</u>

Amortization of pension deferrals: Deferred outflows of resources related to pensions totaling \$811,257 resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. The net deferred outflows related to the difference between projected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period. The other deferred outflows and deferred inflows of resources are being amortized over a closed period equal to the average of the expected services lives of all Firefighters' Pension System members. The average is determined by taking the calculated total future service years of the Plan divided by the number of the people in the plan including retirees.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

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

Years ended June 30,	
2022	\$ 275,124
2023	684,006
2024	580,406
2025	410,336
	<u>\$ 1,949,872</u>

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2020, actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Inflation</u>	2.75%
<u>Salary increases</u>	2.75% to 10.50% average, including inflation
<u>Investment rate of return</u>	7.5% net of pension plan investment expense
<u>Mortality rates</u>	Active members: Pub-2010 Public Safety Table with generational mortality improvement using MP-2018 Retired members: PUB-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018 Disabled pensioners: Pub-2010 Public Safety Disabled Table set forward two years

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	4.38%
Domestic equity	62%	7.41%
International equity	62%	9.82%
Real estate	18%	7.70%
Other assets	18%	5.67%

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

Sensitivity of the net pension asset/liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 28,247,112	\$ 21,750,563	\$ 16,315,166

City of Enid, Oklahoma

**Notes to Financial Statements
For the Year Ended June 30, 2021**

Note 4. Retirement Plans (Continued)

Payables to the pension plan: The City reported no payables to the Fire Pension System at June 30, 2021.

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

On-behalf payments for retirement: For the year ended June 30, 2021, the State of Oklahoma contributed approximately \$1,829,000 to the Oklahoma Fire Pension and Retirement System on behalf of the City. These amounts have been recorded as both a revenue and expenditure of the Fire Fund in the governmental funds financial statements.

Related-party investments: As of June 30, 2021, the Oklahoma Fire Pension System held no related-party investments of the City of Enid or of its related entities.

Employee Retirement System of Enid, Oklahoma

General information about the pension plan:

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

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

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

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

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

Membership information: Membership in the Plan is provided for all full-time employees after one year of service except uniformed police and fire personnel, who are covered by their respective state retirement plans. At July 1, 2021, there were 516 plan participants. Of these participants, 230 were active, 91 have been terminated but are vested, and 195 are receiving benefits. Administrative costs are financed through investment earnings.

Contributions: Benefits are entirely funded by employer contributions as determined by an actuarially determined rate. The current rate is 8.50% of annual covered payroll. Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. The contribution requirements are in accordance with the City ordinance. Plan provisions and contribution requirements are established and may be amended by the City Council.

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

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

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

Related-party investments: As of June 30, 2021, the System held no related-party investments of the City of Enid or of its related entities.

Investments: Investments, including cash equivalents, consist of the following at June 30, 2021:

Cash and cash equivalents	\$ 556,247
Mutual fund - equities	23,857,096
Mutual funds - corporate bonds	7,929,273
Total investments	<u>\$ 32,342,616</u>

The money weighted rate of return for the year ended June 30, 2021 was 35.3%.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

Net pension liability: The City's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liability	\$ 35,498,117
Plan fiduciary net pension	<u>32,344,170</u>
Net pension liability	<u>\$ 3,153,947</u>
Plan fiduciary net position as a percentage of the total pension liability	91.12%

Actuarial assumptions: The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<u>Valuation date:</u>	July 1, 2021
<u>Actuarial cost method:</u>	Aggregate Method
<u>Investment rate of return:</u>	6.50%
<u>Inflation:</u>	2.50%
<u>Projected salary increases:</u>	4.00%
<u>Mortality rates:</u>	Pub-2010 Public Retirement Plans General Mortality Table projected by MP-2020

Discount rate: A discount rate of 6.50% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that contributions from the City would be made at the current contribution policy of 8.5%. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

Changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2020	\$ 34,047,956	\$ 24,710,301	\$ 9,337,655
Changes for the year:			
Service cost	459,574	-	459,574
Interest	2,272,542	-	2,272,542
Differences between expected and actual experience	(233,941)	-	(233,941)
Assumption changes	660,364	-	660,364
Contributions - employer	-	802,663	(802,663)
Contributions - employee	-	-	-
Net investment income	-	8,623,407	(8,623,407)
Benefit payments, including refunds of contributions	(1,708,378)	(1,708,378)	-
Administrative expenses	-	(83,823)	83,823
Net changes	1,450,161	7,633,869	(6,183,708)
Balance at June 30, 2021	<u>\$ 35,498,117</u>	<u>\$ 32,344,170</u>	<u>\$ 3,153,947</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the Plan's estimated net pension liability, calculated using a single discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1.00% higher or lower:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's net pension liability (asset)	<u>\$ 7,423,938</u>	<u>\$ 3,153,947</u>	<u>\$ (409,731)</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended June 30, 2021, the City recognized pension expense of 201,975 related to the Employee Retirement System. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 315,536	\$ (153,272)
Changes of assumptions	432,652	(125,694)
Net difference between projected and actual earnings on pension plan investments	-	(3,553,372)
Total deferred amounts to be recognized in pension expense in future years	748,188	(3,832,338)
City contributions subsequent to the measurement date	-	-
Total deferred amounts related to pensions	<u>\$ 748,188</u>	<u>\$ (3,832,338)</u>

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

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

Years Ended June 30,	
2022	\$ (350,924)
2023	(466,978)
2024	(868,589)
2025	(1,397,659)
	<u>\$ (3,084,150)</u>

Payables to the pension plan: The City reported no payables to the Plan at June 30, 2021.

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

401(k) Supplement Plan

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

Fiscal Year	City of Enid 401(k) Plan	
	Required Contribution	Percentage Contributed
2015	\$ 657,964	100%
2016	353,794	100%
2017	339,797	100%
2018	349,212	100%
2019	375,689	100%
2020	390,866	100%
2021	445,397	100%

ICMA Plan

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 4. Retirement Plans (Continued)

Statements of Fiduciary Net Position – City Defined Benefit Plan and 401(k) Supplement as of June 30, 2021 are as follows:

	Defined Benefit Plan	401 (k) Supplement	Total
Assets			
Cash and cash equivalents	\$ 556,247	\$ -	\$ 556,247
Investments	31,786,369	19,131,385	50,917,754
Accrued interest	1,554	-	1,554
Participant loans	-	317,981	317,981
Total assets	32,344,170	19,449,366	51,793,536
Net position restricted for pensions	\$ 32,344,170	\$ 19,449,366	\$ 51,793,536

Statements of Changes in Fiduciary Net Position – City Defined Benefit Plan and 401(k) Supplement for the year ended June 30, 2021 are as follows:

	Defined Benefit Plan	401 (k) Supplement	Total
Additions:			
Contributions			
Employer	\$ 802,663	\$ 445,397	\$ 1,248,060
Plan members	-	667,063	667,063
Total contributions	802,663	1,112,460	1,915,123
Investment earnings			
Net increase (decrease) in fair value of investments	8,131,881	4,853,094	12,984,975
Interest and dividends	491,526	-	491,526
Total investment earnings	8,623,407	4,853,094	13,476,501
Total additions	9,426,070	5,965,554	15,391,624
Deductions:			
Benefits and withdrawals	1,708,378	1,808,040	3,516,418
Administrative expenses	83,823	49,973	133,796
Total deductions	1,792,201	1,858,013	3,650,214
Change in net position	7,633,869	4,107,541	11,741,410
Net position restricted for pensions - beginning	24,710,301	15,341,825	40,052,126
Net position restricted for pensions - ending	\$ 32,344,170	\$ 19,449,366	\$ 51,793,536

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 5. Claims Liability

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

The City of Enid manages these various risks of loss as follows:

- **General liability** – Covered through a purchased insurance with a deductible that varies from \$-0- to \$10,000, per occurrence depending on the type of liability.
- **Physical property** – Covered through purchased insurance with a deductible of \$10,000 per occurrence.
- **Workers' compensation** – Workers' compensation is covered through self-insurance with the City of Enid administering the claims process. The City of Enid also has a stop-loss policy which covers individual claims in excess of \$1,000,000.
- **Employee's group medical** – Covered through self-insurance using a third party administrator to process medical claims. The City of Enid uses the third party processor's estimates to record group insurance claims payable. The City of Enid also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year.

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

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 5. Claims Liability (Continued)

Claims liability analysis:

	Medical Claims	Workers' Compensation Claims
	<u> </u>	<u> </u>
Balance at June 30, 2019	\$ 1,021,820	\$ 1,442,441
Current year claims and changes in estimates	4,072,838	446,420
Claim payments	(4,672,671)	(447,446)
Balance at June 30, 2020	<u>421,987</u>	<u>1,441,415</u>
Current year claims and changes in estimates	5,869,794	510,011
Claim payments	(5,298,250)	(480,282)
Balance at June 30, 2021	<u><u>\$ 993,531</u></u>	<u><u>\$ 1,471,144</u></u>

Note 6. Other Postemployment Benefits

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

Benefits provided: The City provides postretirement healthcare and Rx benefits to its retirees. The Plan covers all current retirees who elected postretirement medical coverage through the City of Enid and future retired general employees, police officers, and firefighters.

Contributions: The retired employee who participates in the health insurance plan shall pay the full cost of said health insurance plan at the rates and terms established by the City. The City offers the plan to those retired employees unless the retired employee or dependent is over 65 years of age and qualifies for Medicare. For the year ended June 30, 2021, retirees and dependents paid the full cost of the coverage.

Employees covered by benefit terms: At June 30, 2021, the following employees were covered by the benefit terms.

Inactive employees currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>377</u>
	<u><u>399</u></u>

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 6. Other Postemployment Benefits (Continued)

Total OPEB liability

The City's total OPEB liability of \$2,413,993 was measured as of June 30, 2021, 2021, and was determined by an actuarial valuation as of that date.

Actuarial methods and assumptions: The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<u>Cost method</u>	Entry Age Normal
<u>Salary increases</u>	4.00%
<u>Discount rate</u>	2.16% based on the 20 year municipal bond yield (Bond Buyers' index)
<u>Health care cost trend rates</u>	6.89% decreasing to 4.50%
<u>Retirees' share of benefit-related costs</u>	100%
<u>Mortality rates</u>	Pub-2010 Public Retirement Plans General Mortality Table Weighted by Headcount projected by MP-2019
<u>Plan participation</u>	40% of future retired employees are assumed to participate

The discount rate was based on the municipal bond rate as of July 1, 2021.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study completed in 2016.

Changes in the total OPEB liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 2,392,661
Changes for the year:	
Service cost	116,089
Interest	55,444
Changes in assumptions or other inputs	4,478
Difference between expected and actual experience	(157,296)
Contributions and payments made	2,617
Net changes	21,332
Balance as of June 30, 2021	<u>\$ 2,413,993</u>

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

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$ 2,625,655	\$ 2,413,993	\$ 2,222,072

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 6. Other Postemployment Benefits (Continued)

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

	(5.89% Decreasing to 3.50%)	Health Care Cost Trend Rates (6.89% Decreasing to 4.50%)	(7.89% Decreasing to 5.50%)
Total OPEB liability	\$ 2,135,149	\$ 2,413,993	\$ 2,748,044

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2021, the City recognized OPEB expense of \$179,605. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,563	\$ (139,877)
Changes of assumptions or other inputs	148,697	(23,519)
	<u>\$ 184,260</u>	<u>\$ (163,396)</u>

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

Years ending June 30:	
2022	\$ 8,072
2023	8,072
2024	8,072
2025	8,072
2026	11,523
Thereafter	(22,947)
	<u>\$ 20,864</u>

City of Enid, Oklahoma

Notes to Financial Statements
For the Year Ended June 30, 2021

Note 7. Other Information

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

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

Construction commitments: The City has active construction projects as of June 30, 2021. The projects include engineering and design work on the Kaw Lake Water Supply Program, wellfield improvements, stormwater detention improvements, road overlays and reconstruction, and sidewalk construction. The City's commitments with contractors as of June 30, 2021, totaled approximately \$277,300,000

COVID-19: The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses, state and local governments, and people throughout the United States. Further, financial markets have experienced significant volatility attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the City's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breath and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operation and financial impact to the City, but such an impact could have a material adverse effect on the financial condition of the City.

Deficit Fund Balance: At June 30, 2021, one of the City's non-major governmental funds, the Sanitary Sewer Fund, had a deficit fund balance of \$122,017. Maintaining a deficit fund balance is a violation of State of Oklahoma statutes. Subsequent to June 30, 2021, the City cured the deficit with transfers from other funds.

Required Supplementary Information

City of Enid, Oklahoma

Required Supplementary Information
 Schedule of Changes in Net Pension Liability and Related Ratios
 June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Employee Retirement System of Enid Oklahoma								
Total pension liability:								
Service cost	\$ 459,574	\$ 504,795	\$ 516,572	\$ 542,182	\$ 656,371	\$ 670,226	\$ 591,646	\$ 734,106
Interest cost	2,272,542	2,165,468	2,069,168	2,051,173	1,978,963	1,779,631	1,730,996	1,577,043
Differences between expected and actual experience	(233,941)	1,016,730	471,018	(353,084)	(758,410)	916,889	184,832	151,414
Changes in assumptions	660,364	(405,016)	(145,714)	420,110	(3,052,454)	(1,783,421)	2,216,163	(2,970,593)
Benefit payments, including refunds of employee contributions	(1,708,378)	(1,594,496)	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Net change in total pension liability	1,450,161	1,687,481	1,556,469	1,447,569	(2,311,794)	554,886	3,834,773	(1,224,241)
Total pension liability, beginning	34,047,956	32,360,475	30,804,006	29,356,437	31,668,231	31,113,345	27,278,572	28,502,813
Total pension liability, ending	\$ 35,498,117	\$ 34,047,956	\$ 32,360,475	\$ 30,804,006	\$ 29,356,437	\$ 31,668,231	\$ 31,113,345	\$ 27,278,572
Plan fiduciary net position:								
Employer contributions	\$ 802,663	\$ 820,252	\$ 771,013	\$ 851,680	\$ 794,176	\$ 614,577	\$ 604,869	\$ 594,880
Net investment income	8,623,407	(886,716)	437,783	2,182,509	3,340,476	(348,571)	334,990	3,810,457
Benefit payments, including refunds of employee contributions	(1,708,378)	(1,594,496)	(1,354,575)	(1,212,812)	(1,136,264)	(1,028,439)	(888,864)	(716,211)
Administrative expense	(83,823)	(125,491)	(150,647)	(124,372)	(140,457)	(122,015)	(152,240)	(124,792)
Net change in total pension liability	7,633,869	(1,786,451)	(296,426)	1,697,005	2,857,931	(884,448)	(101,245)	3,564,334
Plan fiduciary net position, beginning	24,710,301	26,496,752	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935	19,659,601
Plan fiduciary net position, ending	\$ 32,344,170	\$ 24,710,301	\$ 26,496,752	\$ 26,793,178	\$ 25,096,173	\$ 22,238,242	\$ 23,122,690	\$ 23,223,935
Net pension liability, ending	\$ 3,153,947	\$ 9,337,655	\$ 5,863,723	\$ 4,010,828	\$ 4,260,264	\$ 9,429,989	\$ 7,990,655	\$ 4,054,637
Total pension liability	\$ 35,498,117	\$ 34,047,956	\$ 32,360,475	\$ 30,804,006	\$ 29,356,437	\$ 31,668,231	\$ 31,113,345	\$ 27,278,572
Plan fiduciary net position	32,344,170	24,710,301	26,496,752	26,793,178	25,096,173	22,238,242	23,122,690	23,223,935
Plan's net pension liability	\$ 3,153,947	\$ 9,337,655	\$ 5,863,723	\$ 4,010,828	\$ 4,260,264	\$ 9,429,989	\$ 7,990,655	\$ 4,054,637
Plan net fiduciary position as percentage of total pension liability	91.12%	72.57%	81.88%	86.98%	85.49%	70.22%	74.32%	85.14%
Covered payroll	\$ 9,793,708	\$ 9,386,582	\$ 9,372,085	\$ 9,618,041	\$ 10,294,018	\$ 10,436,736	\$ 9,135,300	\$ 9,477,203
Net pension liability position as percentage of covered payroll	32.20%	99.48%	62.57%	41.70%	41.39%	90.35%	86.99%	42.78%
Annual money-weighted rate of return, net of investment expense	35.3%	-3.9%	1.1%	8.3%	14.5%	-2.0%	0.8%	19.4%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

City of Enid, Oklahoma

Required Supplementary Information
 Schedule of Employer Contributions
 Year Ended June 30, 2021

Employee Retirement System of Enid Oklahoma

Ending Fiscal Year June 30,	Actuarially Determined Contribution	Actual Contributions	Contribution (Deficiency) Excess	Annual Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2021	\$ 1,960,946	\$ 802,663	\$ (1,158,283)	\$ 9,793,708	8.20%
2020	1,430,123	820,252	(609,871)	9,386,582	8.74%
2019	1,133,638	771,013	(362,625)	9,372,085	8.23%
2018	1,186,230	851,680	(334,550)	9,618,041	8.86%
2017	1,414,669	794,176	(620,493)	10,294,018	7.71%
2016	1,246,777	614,577	(632,200)	10,436,736	5.89%
2015	928,504	604,869	(323,635)	9,135,300	6.62%
2014	982,744	594,880	(387,864)	9,477,203	6.28%

See notes to required supplementary information.

City of Enid, Oklahoma

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
 Year Ended June 30, 2021

	Fiscal Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Oklahoma Police Pension and Retirement System (OPPRS)							
Measurement date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
City's proportion of the net pension liability (asset)	1.6150%	1.5898%	1.6734%	1.6505%	1.5900%	1.6606%	1.7136%
City's proportionate share of the net pension liability (asset)	\$ 1,854,748	\$ (101,493)	\$ (797,124)	\$ 126,954	\$ 2,433,461	\$ 67,708	\$ (576,952)
City's covered payroll	\$ 4,853,138	\$ 5,217,138	\$ 5,169,838	\$ 5,104,415	\$ 4,922,146	\$ 4,686,108	\$ 47,594,546
City's proportionate share of the net pension liability as a percentage of its covered payroll	38.22%	-1.95%	-15.42%	2.49%	49.44%	1.44%	-1.21%
Plan fiduciary net position as a percentage of the total pension liability	95.80%	100.24%	101.89%	99.70%	93.50%	99.82%	101.53%
Oklahoma Firefighters' Pension and Retirement System (OFPRS)							
Measurement date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
City's proportion of the net pension liability (asset)	1.7656%	1.7564%	1.7838%	1.8223%	1.8671%	1.9216%	1.9056%
City's proportionate share of the net pension liability	\$ 21,750,563	\$ 18,559,704	\$ 20,079,911	\$ 22,919,477	\$ 22,810,114	\$ 20,396,061	\$ 19,596,197
City's covered payroll	\$ 5,794,689	\$ 5,667,421	\$ 5,460,257	\$ 5,301,029	\$ 5,179,200	\$ 5,222,543	\$ 5,335,993
City's proportionate share of the net pension liability as a percentage of its covered payroll	375.35%	327.48%	367.75%	432.36%	440.42%	390.54%	378.66%
Plan fiduciary net position as a percentage of the total pension liability	69.98%	72.85%	70.73%	65.42%	64.87%	68.27%	68.12%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See notes to required supplementary information.

City of Enid, Oklahoma

**Required Supplementary Information
Schedule of City's Contributions
Year Ended June 30, 2021**

	2021	2020	2019	2018	2017	2016	2015
Oklahoma Police Pension and Retirement System (OPPRS)							
Contractually required contribution	\$ 630,772	\$ 678,228	\$ 672,079	\$ 663,574	\$ 639,879	\$ 609,194	\$ 618,741
Actual contributions	630,772	678,228	672,079	663,574	639,879	609,194	618,741
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	4,853,138	5,217,138	5,169,838	5,104,415	4,922,146	4,686,108	4,759,546
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Oklahoma Firefighters' Pension and Retirement System (OFPRS)							
Contractually required contribution	\$ 811,257	\$ 793,439	\$ 764,436	\$ 742,144	\$ 725,088	\$ 731,156	\$ 747,039
Actual contributions	811,257	793,439	764,436	742,144	725,088	731,156	747,039
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	5,794,689	5,667,421	5,460,257	5,301,029	5,179,200	5,222,543	5,335,993
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Information was not available prior to fiscal year ending June 30, 2014.

See notes to required supplementary information.

City of Enid, Oklahoma

Notes to Required Supplementary Information

For Year Ended June 30, Error! No document variable supplied.

Oklahoma Police Pension and Retirement System

Changes of benefit terms: There were no significant changes of benefit terms.

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

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

Oklahoma Firefighters' Pension and Retirement System

Changes of benefit terms: There were no significant changes of benefit terms.

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

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

City of Enid Retirement Plan

Changes of benefit terms: There were no significant changes of benefit terms.

Changes of assumptions:

The 2021 valuation implemented the following refinements to plan assumptions:

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

The 2019 valuation implemented the following refinements to plan assumptions:

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

The 2017 valuation implemented the following refinements to plan assumptions:

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

City of Enid, Oklahoma

Required Supplementary Information

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

Last 10 Fiscal Years

Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 116,089	\$ 88,737	\$ 91,843	\$ 85,808
Interest	55,444	78,402	85,605	82,010
Differences between expected and actual experience	(157,298)	27,841	22,741	-
Changes of assumptions or other inputs	4,478	153,800	44,776	(45,095)
Benefit payments, net of contributions	2,617	(213,027)	(214,405)	(200,951)
Net change in total OPEB liability	21,330	135,753	30,560	(78,228)
Total OPEB liability, beginning	2,392,661	2,256,908	2,226,348	2,304,576
Total OPEB liability, ending	\$ 2,413,991	\$ 2,392,661	\$ 2,256,908	\$ 2,226,348
Covered payroll	\$ 24,033,351	\$ 23,578,094	\$ 22,961,434	\$ 22,886,095
Total OPEB liability as a percentage of covered payroll	10.04%	10.15%	9.83%	9.73%

Information was not available prior to fiscal year ending June 30, 2018.

Changes of benefit terms: There were no significant changes of benefit terms.

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

2021	2.16%
2020	2.21%
2019	3.58%
2018	3.87%
2017	3.58%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

City of Enid, Oklahoma

Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds
 Year Ended June 30, 2021

	General Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning	\$ 20,226,933	\$ 14,665,001	\$ 14,665,001	\$ -
Resources:				
Taxes	35,604,265	35,604,265	42,329,040	6,724,775
Licenses and permits	241,400	241,400	228,511	(12,889)
Intergovernmental	103,250	503,250	9,838,787	9,335,537
Fines and forfeitures	910,000	910,000	692,626	(217,374)
Charges for services	117,000	117,000	64,546	(52,454)
Miscellaneous	223,000	300,000	350,493	50,493
Interest	170,000	170,000	132,049	(37,951)
Operating transfers	11,375,000	11,375,000	11,375,000	-
Total resources	48,743,915	49,220,915	65,011,052	15,790,137
Amounts available for appropriation	68,970,848	63,885,916	79,676,053	15,790,137
Charges to appropriations:				
Administration	628,005	762,759	735,167	27,592
Police	-	-	-	-
Fire	-	-	-	-
Human resources	466,825	466,825	410,933	55,892
Legal	1,213,380	1,213,380	1,088,524	124,856
Safety	161,295	161,295	109,174	52,121
PR/Marketing	395,570	400,460	339,008	61,452
General government	910,355	1,379,061	1,093,114	285,947
Accounting	818,425	877,445	780,991	96,454
Records and receipts	287,165	293,119	242,020	51,099
Information technology	801,880	804,349	702,527	101,822
Community development	269,940	269,940	248,271	21,669
Code enforcement	744,775	744,775	615,889	128,886
Engineering	1,513,930	1,558,686	1,407,182	151,504
Public works management	561,475	575,475	570,680	4,795
Fleet management	711,640	723,640	709,955	13,685
Park and recreation	1,383,685	1,482,034	1,449,994	32,040
Stormwater and roadway maintenance	2,513,105	2,450,359	2,325,734	124,625
Technical services	1,268,165	1,377,161	1,328,623	48,538
Library	918,575	918,575	797,571	121,004
Capital outlay	1,183,020	1,936,357	950,772	985,585
Operating transfers	34,481,420	38,443,420	38,443,406	14
Total charges to appropriations	51,232,630	56,839,115	54,349,535	2,489,580
Fund balances, ending	\$ 17,738,218	\$ 7,046,801	\$ 25,326,518	\$ 18,279,717

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds
 Year Ended June 30, 2021

	Police Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Fund balance, beginning	\$ 5,401,072	\$ 3,793,584	\$ 3,793,584	\$ -
Resources:				
Taxes	1,009,040	1,009,040	1,220,288	211,248
Licenses and permits	-	-	-	-
Intergovernmental	223,210	223,210	68,326	(154,884)
Fines and forfeitures	-	-	-	-
Charges for services	53,500	53,500	53,425	(75)
Miscellaneous	20,000	20,000	19,651	(349)
Interest	43,000	43,000	33,321	(9,679)
Operating transfers	9,660,560	9,660,560	9,660,560	-
Total resources	11,009,310	11,009,310	11,055,571	46,261
Amounts available for appropriation	16,410,382	14,802,894	14,849,155	46,261
Charges to appropriations:				
Administration	-	-	-	-
Police	10,456,595	10,556,633	9,444,830	1,111,803
Fire	-	-	-	-
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park and recreation	-	-	-	-
Stormwater and roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	745,000	2,251,061	1,397,086	853,975
Operating transfers	250,000	250,000	250,000	-
Total charges to appropriations	11,451,595	13,057,694	11,091,916	1,965,778
Fund balances, ending	\$ 4,958,787	\$ 1,745,200	\$ 3,757,239	\$ 2,012,039

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

Required Supplementary Information
 Budgetary Comparison Schedule—General Fund and Major Special Revenue Funds
 (Budgetary Basis)
 Year Ended June 30, 2021

	Fire Fund			Variance with Final Budget
	Budget		Actual	
	Original	Final		
Fund balance, beginning	\$ 3,097,227	\$ 1,531,419	\$ 1,531,419	\$ -
Resources:				
Taxes	1,009,040	1,009,040	1,220,289	211,249
Licenses and permits	-	-	-	-
Intergovernmental	-	-	17,932	17,932
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	8,000	8,000	7,864	(136)
Interest	12,000	12,000	15,091	3,091
Operating transfers	7,785,540	7,785,540	7,890,540	105,000
Total resources	8,814,580	8,814,580	9,151,716	337,136
Amounts available for appropriation	11,911,807	10,345,999	10,683,135	337,136
Charges to appropriations:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	8,436,870	8,566,788	8,573,882	(7,094)
Human resources	-	-	-	-
Legal	-	-	-	-
Safety	-	-	-	-
PR/Marketing	-	-	-	-
General government	-	-	-	-
Accounting	-	-	-	-
Records and receipts	-	-	-	-
Information technology	-	-	-	-
Community development	-	-	-	-
Code enforcement	-	-	-	-
Engineering	-	-	-	-
Public works management	-	-	-	-
Fleet management	-	-	-	-
Park and recreation	-	-	-	-
Stormwater and roadway maintenance	-	-	-	-
Technical services	-	-	-	-
Library	-	-	-	-
Capital outlay	173,000	1,605,890	253,947	1,351,943
Operating transfers	75,000	75,000	75,000	-
Total charges to appropriations	8,684,870	10,247,678	8,902,829	1,344,849
Fund balances, ending	\$ 3,226,937	\$ 98,321	\$ 1,780,306	\$ 1,681,985

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

Required Supplementary Information
Reconciliation of Budgetary Comparison Schedule on a Budgetary Basis with Fund Financial Statements
on a GAAP Basis
Year Ended June 30, 2021

	General Fund	Police Fund	Fire Fund
Budgetary funds			
Financial statement major funds			
Revenues:			
Actual amounts (budgetary basis) "resources" from the budgetary comparison schedules	\$ 65,011,052	\$ 11,055,571	\$ 9,151,716
<u>Adjustments:</u>			
<i>Budgetary</i> general fund revenues are reported on the cash basis, rather than the modified accrual basis	(7,128,491)	480,667	2,154,090
Operating transfers in are reported as "other financing sources and uses" for GAAP purposes	(10,075,000)	(9,660,560)	(7,890,540)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances—governmental funds	<u>\$ 47,807,561</u>	<u>\$ 1,875,678</u>	<u>\$ 3,415,266</u>
Expenditures:			
Actual amounts (budgetary basis) "charges to appropriations" from the budgetary comparison schedules	\$ 54,349,535	\$ 11,091,916	\$ 8,902,829
<u>Adjustments:</u>			
<i>Budgetary</i> general fund expenditures are reported on the cash basis, rather than the modified accrual basis	460,358	518,543	2,170,494
Operating transfers out are reported as "other financing sources and uses" for GAAP purposes	(38,466,446)	(250,000)	(75,000)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances—governmental funds	<u>\$ 16,343,447</u>	<u>\$ 11,360,459</u>	<u>\$ 10,998,323</u>

The accompanying notes are an integral part of this schedule.

City of Enid, Oklahoma

**Notes to Required Supplementary Information
Budgetary Comparison Schedule
June 30, 2020**

Note 1. Budgetary Accounting

Annual budgets are adopted on a modified cash basis for all governmental and enterprise funds. Annual expenditures within a fund may not exceed 90% of the budget until actual revenues equal to the estimated amount have been received. No expenditure can exceed the actual amount on hand.

The appropriated budget is prepared by fund and department. The City Manager may make transfers of appropriations within a department or between departments. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Other Supplementary Information

City of Enid, Oklahoma

Combining Balance Sheet—Non-major Governmental Funds
Year Ended June 30, 2021

	Special Revenue							
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
Assets								
Cash and cash equivalents	\$ 926,145	\$ 317,568	\$ 2,287	\$ 638,593	\$ 35,929	\$ 647	\$ -	\$ 49,479
Investments	2,184,287	54,809	5,394	1,506,102	84,737	1,527	-	116,695
Receivables:								
Taxes	-	-	-	88,017	-	-	134,190	-
Due from other governments	356,000	-	-	-	2,861	-	-	-
Accrued interest	2,028	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expense	-	2,156	-	-	-	-	74,035	-
Restricted cash and investments	48,681	-	-	-	-	-	-	-
Total assets	\$ 3,517,141	\$ 374,533	\$ 7,681	\$ 2,232,712	\$ 123,527	\$ 2,174	\$ 208,225	\$ 166,174
Liabilities								
Accounts payable and accrued liabilities	\$ 63,296	\$ -	\$ 6,665	\$ 348,193	\$ 100,310	\$ 1,887	\$ 34,875	\$ 11,745
Due to other funds	-	-	-	-	-	-	93,128	-
Unearned revenue	-	13,699	-	-	-	-	-	-
Total liabilities	63,296	13,699	6,665	348,193	100,310	1,887	128,003	11,745
Deferred inflows of resources								
Federal grants related to HUD loan	356,000	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	2,156	-	-	-	-	74,035	-
Restricted:								
Public safety	-	358,678	-	-	-	-	4,982	-
Public works	-	-	-	-	-	-	-	154,429
Debt service	-	-	-	-	-	-	-	-
Capital improvements	49,555	-	-	-	-	-	-	-
Committed:								
Public works	-	-	1,016	1,884,519	23,217	287	-	-
Public safety	-	-	-	-	-	-	1,205	-
Capital improvements	3,048,290	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	3,097,845	360,834	1,016	1,884,519	23,217	287	80,222	154,429
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,517,141	\$ 374,533	\$ 7,681	\$ 2,232,712	\$ 123,527	\$ 2,174	\$ 208,225	\$ 166,174

City of Enid, Oklahoma

Combining Balance Sheet—Non-major Governmental Funds (Continued)
June 30, 2021

	Capital Projects				Debt Service		Totals
	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Assets							
Cash and cash equivalents	\$ 604,345	\$ 1,077,032	\$ 95,613	\$ 2,181,719	\$ 504,348	\$ 3,940	\$ 6,437,645
Investments	1,425,330	2,540,149	225,501	5,145,522	1,189,491	9,294	14,488,838
Receivables:							
Taxes	-	-	-	-	-	74	222,281
Due from other governments	-	-	-	-	-	-	358,861
Accrued interest	-	-	-	-	-	-	2,028
Prepaid expense	-	-	-	-	-	-	76,191
Restricted cash and investments	-	-	-	-	-	-	48,681
Total assets	\$ 2,029,675	\$ 3,617,181	\$ 321,114	\$ 7,327,241	\$ 1,693,839	\$ 13,308	\$ 21,634,525
Liabilities							
Accounts payable and accrued liabilities	\$ 1,150,276	\$ 410,146	\$ 443,131	\$ 216,546	\$ -	\$ -	\$ 2,787,070
Due to other funds	-	-	-	-	-	-	93,128
Unearned revenue	-	-	-	-	-	-	13,699
Total liabilities	1,150,276	410,146	443,131	216,546	-	-	2,893,897
Deferred inflows of resources							
Federal grants related to HUD loan	-	-	-	-	-	-	356,000
Fund balances							
Nonspendable	-	-	-	-	-	-	76,191
Restricted:							
Public safety	-	-	-	-	-	-	363,660
Public works	-	-	-	-	-	-	154,429
Debt service	-	-	-	-	-	13,308	13,308
Capital improvements	-	-	-	-	-	-	49,555
Committed:							
Public works	-	-	-	-	-	-	1,909,039
Public safety	-	-	-	-	-	-	1,205
Capital improvements	879,399	3,207,035	-	7,110,695	1,693,839	-	15,939,258
Unassigned	-	-	(122,017)	-	-	-	(122,017)
Total fund balances	879,399	3,207,035	(122,017)	7,110,695	1,693,839	13,308	18,384,628
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,029,675	\$ 3,617,181	\$ 321,114	\$ 7,327,241	\$ 1,693,839	\$ 13,308	\$ 21,634,525

City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds
Year Ended June 30, 2021

	Special Revenue							
	Enid Economic Development Authority	Special Projects Fund	Water Assessment	Street and Alley Fund	CDBG Fund	Paving Assessment	911 Fund	Vance Development Authority
Revenues:								
Taxes	\$ 3,112,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	456,006	563,906	-	779,252	-
Charges for services	-	-	-	-	-	-	-	-
Other	25,000	82,771	-	-	-	-	3,921	-
Interest	16,432	1,085	40	11,834	-	11	1,993	1,636
Total revenues	3,154,022	83,856	40	467,840	563,906	11	785,166	1,636
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	3,000
Public safety	-	13,615	-	-	-	-	1,067,204	-
Public works	-	-	-	184,783	603,709	-	-	134,273
Culture and recreation	-	-	-	-	65	-	-	-
Economic development	4,063,043	-	-	-	-	-	-	-
Debt service:								
Principal	505,000	-	-	-	-	-	55,295	-
Interest	33,343	-	-	-	-	-	11,947	-
Capital outlay	-	-	-	2,740,133	-	-	-	-
Total expenditures	4,601,386	13,615	-	2,924,916	603,774	-	1,134,446	137,273
Excess of revenues over (under) expenditures	(1,447,364)	70,241	40	(2,457,076)	(39,868)	11	(349,280)	(135,637)
Other financing sources (uses):								
Transfers in	1,905,570	-	-	2,288,000	-	-	325,000	171,100
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,905,570	-	-	2,288,000	-	-	325,000	171,100
Net change in fund balances	458,206	70,241	40	(169,076)	(39,868)	11	(24,280)	35,463
Fund balances, beginning	2,639,639	290,593	976	2,053,595	63,085	276	104,502	118,966
Fund balances, ending	\$ 3,097,845	\$ 360,834	\$ 1,016	\$ 1,884,519	\$ 23,217	\$ 287	\$ 80,222	\$ 154,429

City of Enid, Oklahoma

Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-major Governmental Funds (Continued)
Year Ended June 30, 2021

	Capital Projects				Debt Service		Totals
	Street Improvement Fund	Capital Improvement Fund	Sanitary Sewer Fund	Storm Water Fund	Capital Projects Escrow	Sinking Fund	
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615	\$ 3,113,205
Intergovernmental	-	-	-	-	-	-	1,799,164
Charges for services	-	-	-	-	51,010	-	51,010
Other	-	17,706	13,500	-	-	-	142,898
Interest	8,866	16,941	-	40,460	8,772	68	108,138
Total revenues	8,866	34,647	13,500	40,460	59,782	683	5,214,415
Expenditures:							
Current:							
General government	-	-	-	-	-	-	3,000
Public safety	-	-	-	-	-	-	1,080,819
Public works	-	-	-	-	-	-	922,765
Culture and recreation	-	-	-	-	-	-	65
Economic development	-	-	-	-	-	-	4,063,043
Debt service:							
Principal	-	-	-	-	-	-	560,295
Interest	-	-	-	-	-	-	45,290
Capital outlay	2,114,253	4,014,057	1,637,972	2,207,406	-	-	12,713,821
Total expenditures	2,114,253	4,014,057	1,637,972	2,207,406	-	-	19,389,098
Excess of revenues over (under) expenditures	(2,105,387)	(3,979,410)	(1,624,472)	(2,166,946)	59,782	683	(14,174,683)
Other financing sources (uses):							
Transfers in	2,135,000	3,982,000	1,495,517	1,994,084	-	-	14,296,271
Transfers (out)	-	-	-	-	(19,732)	-	(19,732)
Total other financing sources (uses)	2,135,000	3,982,000	1,495,517	1,994,084	(19,732)	-	14,276,539
Net change in fund balances	29,613	2,590	(128,955)	(172,862)	40,050	683	101,856
Fund balances, beginning	849,786	3,204,445	6,938	7,283,557	1,653,789	12,625	18,282,772
Fund balances (deficit), ending	\$ 879,399	\$ 3,207,035	\$ (122,017)	\$ 7,110,695	\$ 1,693,839	\$ 13,308	\$ 18,384,628

City of Enid, Oklahoma

Combining Statement of Net Position—Non-major Proprietary Funds
June 30, 2021

	Business-Type Activities			
	Enterprise Funds			
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 976,097	\$ 105,190	\$ 111,193	\$ 1,192,480
Investments	1,112,777	161,111	238,405	1,512,293
Receivables:				
Accounts (net of allowance for uncollectibles)	57,641	57	3,500	61,198
Interest	-	101	-	101
Due from other governments	-	94,098	-	94,098
Inventories	55,807	-	55,790	111,597
Prepaid expenses	4,729	-	-	4,729
Total current assets	2,207,051	360,557	408,888	2,976,496
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	19,593,155	399,686	823,045	20,815,886
Total assets	21,800,206	760,243	1,231,933	23,792,382
Deferred outflows of resources				
Deferred amounts related to pensions	23,720	17,685	16,777	58,182
Total deferred outflows of resources	23,720	17,685	16,777	58,182
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 36,008	\$ 20,859	\$ 45,465	\$ 102,332
Payable from restricted assets:				
Accrued interest payable	-	-	1,652	1,652
Unearned revenue	-	121,083	13,004	134,087
Current portion of noncurrent liabilities	36,160	25,430	16,183	77,773
Total current liabilities	72,168	167,372	76,304	315,844
Noncurrent liabilities:				
Compensated absences	(20,414)	4,921	24,546	9,053
Capital lease obligations	-	-	6,220	6,220
Workers' compensation claims	-	36,694	12,738	49,432
Net pension liability	99,990	74,550	70,724	245,264
Total noncurrent liabilities	79,576	116,165	114,228	309,969
Total liabilities	151,744	283,537	190,532	625,813
Deferred inflows of resources				
Deferred amounts related to pensions	121,497	90,585	85,936	298,018
Total deferred inflows of resources	121,497	90,585	85,936	298,018
Net position				
Net investment in capital assets	19,593,155	399,686	816,825	20,809,666
Unrestricted	1,957,530	4,120	155,417	2,117,067
Total net position	\$ 21,550,685	\$ 403,806	\$ 972,242	\$ 22,926,733

City of Enid, Oklahoma

Combining Statement of Revenues, Expenses and Changes in Net Position—Non-major
Proprietary Funds/ Enterprise Funds
Year Ended June 30, 2021

	Business-Type Activities			Total
	Enterprise Funds			
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	
Operating revenues:				
Charges for services - other	\$ -	\$ 88,890	\$ 708,296	\$ 797,186
Airport	2,042,408	-	-	2,042,408
Total operating revenues	2,042,408	88,890	708,296	2,839,594
Operating expenses:				
Airport	1,555,587	-	-	1,555,587
Other	-	626,053	540,228	1,166,281
Depreciation and amortization	938,381	118,887	32,758	1,090,026
Total operating expenses	2,493,968	744,940	572,986	3,811,894
Net operating income (loss)	(451,560)	(656,050)	135,310	(972,300)
Nonoperating revenues (expenses):				
Miscellaneous revenues	12,472	3,690	5,146	21,308
Interest income	8,128	805	2,024	10,957
Government grants	-	348,168	-	348,168
Gain (loss) on disposition of assets	3,550	-	-	3,550
Interest expense and fiscal charges	-	-	(189)	(189)
Total nonoperating revenues (expenses)	24,150	352,663	6,981	383,794
Net income (loss) before capital contributions and transfers	(427,410)	(303,387)	142,291	(588,506)
Capital grants	99,000	-	-	99,000
Transfers in	-	389,590	240,000	629,590
Change in net position	(328,410)	86,203	382,291	140,084
Net position, beginning	21,879,095	317,603	589,951	22,786,649
Net position, ending	\$ 21,550,685	\$ 403,806	\$ 972,242	\$ 22,926,733

City of Enid, Oklahoma

Combining Statement of Cash Flows—Non-major Proprietary Funds/Enterprise Funds
Year Ended June 30, 2021

	Business-Type Activities			Total
	Enterprise Funds			
	Woodring Airport	Enid Public Transportation Authority	Meadowlake Golf Course	
Cash flows from operating activities:				
Receipts from customers and grantors	\$ 2,021,415	\$ 86,723	\$ 712,181	\$ 2,820,319
Payments to suppliers	(1,263,164)	(112,493)	(237,004)	(1,612,661)
Payments to employees	(454,393)	(529,080)	(353,717)	(1,337,190)
Net cash provided (used) by operating activities	303,858	(554,850)	121,460	(129,532)
Cash flows from noncapital financing activities:				
Miscellaneous revenues	12,472	3,690	5,146	21,308
Operating transfers in	-	389,590	240,000	629,590
Net cash provided by noncapital financing activities	12,472	393,280	245,146	650,898
Cash flows from capital and related financing activities:				
Principal paid on long-term debt	-	-	(11,047)	(11,047)
Interest expense and fiscal charges	-	-	(606)	(606)
Capital grants	99,000	344,645	-	443,645
Acquisition/construction of capital assets	(176,693)	-	(225,058)	(401,751)
Net cash provided (used) by capital and related financing activities	(74,143)	344,645	(236,711)	33,791
Cash flows from investing activities:				
Purchase of investments	(200,000)	(450,000)	(200,000)	(850,000)
Sales of investments	204,411	327,196	136,079	667,686
Interest income	8,128	702	2,024	10,854
Net cash provided (used) by investing activities	12,539	(122,102)	(61,897)	(171,460)
Net increase in cash and cash equivalents	254,726	60,973	67,998	383,697
Cash and cash equivalents, beginning	721,371	44,217	43,195	808,783
Cash and cash equivalents, ending	\$ 976,097	\$ 105,190	\$ 111,193	\$ 1,192,480
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Net operating income (loss)	\$ (451,560)	\$ (656,050)	\$ 135,310	\$ (972,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	938,381	118,887	32,758	1,090,026
(Increases) decrease in assets and deferred outflows:				
Receivables	(20,993)	140	3,500	(17,353)
Inventory	(8,135)	-	(18,523)	(26,658)
Prepaid expenses	(3,598)	-	-	(3,598)
Pension related deferred outflows	78,251	58,342	55,349	191,942
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable and accrued liabilities	(131,763)	456	(30,660)	(161,967)
Compensated absences	(12,470)	1,703	7,469	(3,298)
Workers' compensation claims	554	(12,789)	(4,140)	(16,375)
Unearned revenue	-	(2,307)	385	(1,922)
Net pension liability	(196,042)	(146,164)	(138,664)	(480,870)
Pension related deferred inflows	111,233	82,932	78,676	272,841
Total adjustments	755,418	101,200	(13,850)	842,768
Net cash provided (used) by operating activities	\$ 303,858	\$ (554,850)	\$ 121,460	\$ (129,532)

City of Enid, Oklahoma

Combining Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2021

	Custodial Funds			Pension Trust Funds		
	CLEET Fund	Court Bonds	Total	Retirement Defined Benefit	Retirement 401(k)	Total
Assets						
Cash and cash equivalents	\$ 4,822	\$ 23,139	\$ 27,961	\$ 556,247	\$ -	\$ 556,247
Investments	11,372	-	11,372	-	-	-
Mutual fund - equities	-	-	-	23,857,096	17,108,470	40,965,566
Mutual fund - corporate bonds	-	-	-	7,929,273	1,921,251	9,850,524
Money market funds	-	-	-	-	101,664	101,664
Receivables:						
Accrued interest	-	-	-	1,554	-	1,554
Participant loans	-	-	-	-	317,981	317,981
Total assets	\$ 16,194	\$ 23,139	\$ 39,333	32,344,170	19,449,366	51,793,536
Net Position - Restricted						
Employees' pension benefits	-	-	-	32,344,170	19,449,366	51,793,536
Organizations and individuals	16,194	23,139	39,333	-	-	-
Net position	\$ 16,194	\$ 23,139	\$ 39,333	\$ 32,344,170	\$ 19,449,366	\$ 51,793,536

City of Enid, Oklahoma

Combining Statement of Changes in Fiduciary Net Position
June 30, 2021

	Custodial Funds			Pension Trust Funds		
	CLEET	Court Bonds	Totals	Retirement Defined Benefit	Retirement 401(k)	Totals
Additions						
Contributions:						
Employer	\$ -	\$ -	\$ -	\$ 802,663	\$ 445,397	\$ 1,248,060
Plan members	-	-	-	-	667,063	667,063
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>802,663</u>	<u>1,112,460</u>	<u>1,915,123</u>
Investment earnings:						
Net increase (decrease) in the fair value of investments	-	-	-	8,131,881	4,853,094	12,984,975
Interest and dividends	-	-	-	491,526	-	491,526
Total investment earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,623,407</u>	<u>4,853,094</u>	<u>13,476,501</u>
Collections for others	47,891	108,335	156,226	-	-	-
Total additions	<u>47,891</u>	<u>108,335</u>	<u>156,226</u>	<u>9,426,070</u>	<u>5,965,554</u>	<u>15,391,624</u>
Deductions						
Benefits and withdrawals	-	-	-	1,708,378	1,808,040	3,516,418
Administrative expenses	-	-	-	83,823	49,973	133,796
Distributions to others	44,380	105,042	149,422	-	-	-
Total deductions	<u>44,380</u>	<u>105,042</u>	<u>149,422</u>	<u>1,792,201</u>	<u>1,858,013</u>	<u>3,650,214</u>
Change in net position	3,511	3,293	6,804	7,633,869	4,107,541	11,741,410
Net position, beginning of year, as restated	12,683	19,846	32,529	24,710,301	15,341,825	40,052,126
Net position end of year	<u>\$ 16,194</u>	<u>\$ 23,139</u>	<u>\$ 39,333</u>	<u>\$ 32,344,170</u>	<u>\$ 19,449,366</u>	<u>\$ 51,793,536</u>

City of Enid, Oklahoma

**Schedule of Debt Service Coverage
Year Ended June 30, 2021**

	OWRB Notes	Sales Tax Revenue Note Series 2015
Gross revenue available for debt service:		
Charges for services:		
Water	\$ 21,949,247	\$ 21,949,247
Wastewater	9,442,644	9,442,644
Stormwater	2,049,460	2,049,460
Solid waste	4,994,022	4,994,022
Landfill	944,744	944,744
Other	768,384	768,384
Sales tax collections pledged and transferred	9,773,828	9,773,828
Total gross revenue	49,922,329	49,922,329
Operating expenses, excluding depreciation and amortization:		
Utility services	638,193	638,193
Water production	2,292,901	2,292,901
Wastewater management services	3,713,030	3,713,030
Solid waste	4,370,182	4,370,182
Landfill	261,946	261,946
Other	1,627,806	1,627,806
Total operating expenses	12,904,058	12,904,058
Other expenses:		
Required transfers to other funds	10,000,000	10,000,000
Payment to schools	-	-
Total other expenses	10,000,000	10,000,000
Net revenues available for debt service	\$ 27,018,271	\$ 27,018,271
Debt service requirements	\$ 8,037,186	\$ 8,037,186
Computed coverage	336%	336%
Coverage requirement	125%	125%

Note 1: The above gross revenue and operating expenses only include the activities of the Authority related to water, wastewater, refuse services and landfill operations, excluding depreciation and amortization.

Note 2: The coverage requirements on the OWRB notes are calculated using maximum annual debt service on these notes and any subordinate debt.

City of Enid, Oklahoma

**Schedule of Expenditures of State Awards
Year Ended June 30, 2021**

<u>State Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
State Programs:		
Oklahoma Department of Transportation:		
Public Transit Revolving Fund	STPTRF-9025(414)	<u>\$ 45,513</u>
Oklahoma Office of Homeland Security		
Hazmat Chemical Identification Unit	20.001	<u>60,950</u>
Oklahoma Department of Commerce:		
Oklahoma Strategic Military Planning Commission		<u>30,000</u>
Total Expenditures of State Awards		<u><u>\$ 136,463</u></u>