



THE CITY OF

TAHLEQUAH
OKLAHOMA

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**THE CITY OF TAHLEQUAH,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

	Page
Independent Auditor’s Report on Financial Statements	5-7
Required Supplementary Information:	
Management’s Discussion and Analysis	9-17
The Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Governmental Funds Financial Statements:	
Balance Sheet	22
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	23
Reconciliation of Governmental Funds and Government-Wide Financial Statements...	24-25
Proprietary Funds Financial Statements:	
Statement of Net Position.....	27
Statement of Revenues, Expenses, and Changes in Net Position.....	28
Statement of Cash Flows.....	29
Discretely-Presented Component Units Financial Statements:	
Statement of Net Position.....	31
Statement of Revenues, Expenses, and Changes in Net Position.....	32
Footnotes to the Basic Financial Statements	33-71
Required Supplementary Information:	
Budgetary Comparison Information	
Budgetary Comparison Schedule – General Fund.....	73
Budgetary Comparison Schedule – Restricted Sales Tax Fund II.....	74
Footnotes to Budgetary Comparison Schedules.....	75
Schedules of Required Supplementary Information – Oklahoma Firefighter’s Pension & Retirement System.....	76
Schedules of Required Supplementary Information – Oklahoma Police Pension & Retirement System.....	77
Schedules of Required Supplementary Information – Oklahoma Public Employee’s Pension & Retirement System.....	78
Schedules of Required Supplementary Information – Oklahoma Public Employee System OPEB.....	79

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

Other Supplementary Information:

General Fund Accounts Combining Schedules

Combining Balance Sheet	81-83
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance.....	84-86

Nonmajor Governmental Fund Combining Statements

Combining Balance Sheet	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	87

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Tahlequah, Oklahoma

Opinion

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

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

We did not audit the financial statements of the Tahlequah Educational Facilities Authority ("TEFA") component unit, which represents 100 percent, 100 percent, and 100 percent, respectively of the assets, net position, and revenues of the non-major proprietary funds, and 0.12 percent, 0.12 percent, and 0.74 percent, respectively of the assets, net position, and revenues of the business-type activities as of June 30, 2023. We did not audit the financial statements of the Tahlequah Public Facilities Authority ("TPFA") component unit, which represents 100 percent, 100 percent, and 100 percent, respectively of the assets, net position, and revenues of the TPFA fund, and 36.82 percent, 43.61 percent, and 1.13 percent, respectively of the assets, fund balance, and revenues of the governmental activities as of June 30, 2023. We did not audit the financial statements of the discretely presented component units of the Tahlequah Hospital Authority ("THA"), the Tahlequah Public Works Authority ("TPWA"), and the Tahlequah Regional Development Authority ("TRDA"), which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for TEFA, TPFA, THA, TPWA, and TRDA, are based solely on the reports of the other auditors.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 96, subscription-based information technology arrangements. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the City has recorded a prior period adjustment to the financials relating to overstated accounts receivable from a previous fiscal year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The general fund combining schedules and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the general fund combining schedules and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
September 30, 2024



**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Our discussion and analysis of the City of Tahlequah's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2023, the City's total net position increased by \$8,077,443 or 15.9% from the prior year.
- During the year, the City's expenses for governmental activities were \$16.2 million and were funded by program revenues of \$7.8 million and further funded with taxes and other general revenues \$16.2 million.
- In the City's business-type activities, which include education and sanitation, program revenues were in excess of expenses in total by \$253,711.
- For budgetary reporting purposes, the General Fund reported revenues over estimates by \$782,382 or 7%, while expenditures were under the final appropriations by \$868,910 or 6.6%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Tahlequah (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39, and 61. Included in this report are government-wide statements for each of three categories of activities – governmental, business-type, including two blended component units and discretely presented component units.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City's financial reporting entity (including infrastructure capital assets) and deferred outflows, as well as all liabilities (including all long-term debt) and deferred inflows.

About the City

The City of Tahlequah is an incorporated municipality with a population of approximately 16,966 located in eastern Oklahoma. The City is an aldermanic form of government and operates under state law that provides for three branches of government:

- Legislative – the City Council is a five-member governing body with the mayor and four council members elected by the citizens at large
- Executive – the City Mayor is the Chief Executive Officer and is elected by the citizenry
- Judicial – the Municipal Judge is a practicing attorney appointed by the Mayor and confirmed by the City Council

The City's primary government provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, airport, sanitation and education.

The City's Financial Reporting Entity

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

The City's financial reporting entity includes the primary government (City of Tahlequah and two blended component units) as follows:

- **The City of Tahlequah** – that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities
- **The Tahlequah Public Facilities Authority** – that operates to stimulate public growth and development; to promote public well-being by improving available resources, increasing job opportunities, promoting entrepreneurship and capital investment
- **The Tahlequah Educational Facilities Authority** – operates to promote, finance and develop projects, facilities and services pertaining to educational institutions and the furtherance of educational opportunities

Both component units (Authorities) have the City Council as their governing body (trustees) and the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities.

In addition, the City's financial reporting entity includes three discretely presented component units, the Tahlequah Hospital Authority, the Tahlequah Public Works Authority and the Tahlequah Regional Development Authority.

Using This Annual Report

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

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

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements
- **Supplemental Schedules** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's sanitation and education activities are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

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

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by \$58.7 million at the close of the most recent fiscal year.

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	*	*	*	*	*	*
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 27,814	\$ 21,378	\$ 4,284	\$ 9,853	\$ 32,098	\$ 31,231
Non-current assets	<u>37,093</u>	<u>35,410</u>	<u>5,121</u>	<u>5,028</u>	<u>42,214</u>	<u>40,438</u>
Total assets	<u>64,907</u>	<u>56,788</u>	<u>9,405</u>	<u>14,881</u>	<u>74,312</u>	<u>71,669</u>
Deferred outflow of resources	<u>4,309</u>	<u>1,962</u>	<u>680</u>	<u>307</u>	<u>4,989</u>	<u>2,269</u>
Current liabilities	4,303	3,217	141	2,505	4,444	5,722
Non-current liabilities	<u>14,982</u>	<u>19,716</u>	<u>561</u>	<u>4,280</u>	<u>15,543</u>	<u>23,996</u>
Total liabilities	<u>19,285</u>	<u>22,933</u>	<u>702</u>	<u>6,785</u>	<u>19,987</u>	<u>29,718</u>
Deferred inflow of resources	<u>-</u>	<u>396</u>	<u>-</u>	<u>32</u>	<u>-</u>	<u>428</u>
Net position						
Net investment in capital assets	-	21,241	-	5,009	-	26,250
Restricted	28,646	9,921	4,967	59	33,613	9,980
Unrestricted	<u>(28,646)</u>	<u>5,200</u>	<u>(4,967)</u>	<u>3,303</u>	<u>(33,613)</u>	<u>8,503</u>
Total net position	<u>\$ -</u>	<u>\$ 36,362</u>	<u>\$ -</u>	<u>\$ 8,371</u>	<u>\$ -</u>	<u>\$ 44,733</u>

* Prior year amounts not restated for MD&A purposes

The largest portion of the City’s net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. For 2023, this net investment in capital assets amounted to approximately \$33.6 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City’s net position, approximately \$14.9 million, also represents resources that are subject to external restrictions or internal legislation on how they may be used. The remaining balance of unrestricted net position, approximately \$10.2 million, is available to meet the government’s ongoing obligations to citizens and creditors.

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Changes in Net Position

For the year ended June 30, 2023, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Charges for service	\$ 1,240	\$ 1,245	\$ -	\$ -	\$ 1,240	\$ 1,245
Operating grants and contributions	3,039	2,197	3,253	3,028	6,292	5,225
Capital grants and contributions	3,492	684	35	57	3,527	741
Taxes	14,970	14,508	-	-	14,970	14,508
Intergovernmental revenue	297	126	-	-	297	126
Investment income	698	143	41	18	739	161
Miscellaneous	223	147	41	75	264	222
Total revenues	<u>23,959</u>	<u>19,050</u>	<u>3,370</u>	<u>3,178</u>	<u>27,329</u>	<u>22,228</u>
Expenses						
General government	4,364	3,735	-	-	4,364	3,735
Public safety	6,834	5,149	-	-	6,834	5,149
Highways and streets	1,931	1,849	-	-	1,931	1,849
Culture and recreation	1,814	1,440	-	-	1,814	1,440
Public Works	-	-	-	-	-	-
Economic development	299	117	-	-	299	117
Airport	428	515	-	-	428	515
Cemetery	242	209	-	-	242	209
Interest on long-term debt	305	446	-	-	305	446
Education	-	-	71	20	71	20
Sanitation	-	-	2,963	2,664	2,963	2,664
Total expenses	<u>16,217</u>	<u>13,460</u>	<u>3,034</u>	<u>2,684</u>	<u>19,251</u>	<u>16,144</u>
Excess (deficiency) before transfers	7,742	5,590	336	494	8,078	6,084
Transfers	<u>(30)</u>	<u>(80)</u>	<u>30</u>	<u>80</u>	<u>-</u>	<u>-</u>
Change in net position	7,712	5,510	366	574	8,078	6,084
Beginning net position, restated	<u>41,672</u>	<u>36,362</u>	<u>8,944</u>	<u>8,371</u>	<u>50,616</u>	<u>44,733</u>
Ending net position	<u>\$ 49,384</u>	<u>\$ 41,872</u>	<u>\$ 9,310</u>	<u>\$ 8,945</u>	<u>\$ 58,694</u>	<u>\$ 50,817</u>

* Prior year amounts not restated for MD&A purposes

Governmental Activities

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

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

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

	<u>Total Expense of Services</u>		<u>Net Revenue (Expense) of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General government	\$ 4,364	\$ 3,735	\$ (2,662)	(\$1,960)
Public safety	6,834	5,149	(3,117)	(4,160)
Highways and streets	1,931	1,849	(544)	(1,061)
Culture and recreation	1,814	1,440	(1,412)	(1,219)
Economic development	298	117	(298)	(117)
Airport	428	515	71	(232)
Cemetery	242	209	(177)	(140)
Interest on long-term debt	305	446	(305)	(446)
Total	<u>16,217</u>	<u>\$ 13,460</u>	<u>(\$8,446)</u>	<u>(\$9,335)</u>

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

	<u>Total Expense of Services</u>		<u>Net Revenue (Expense) of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Sanitation	\$ 2,963	\$ 2,664	\$ 303	\$ 393
Education	71	20	(50)	8
Total	<u>\$ 3,034</u>	<u>\$ 2,684</u>	<u>\$ 254</u>	<u>\$ 401</u>

The City's business-type activities include utility services for sanitation and also education services.

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

- Total business-type activities reported net revenue of \$253,711 for the year ended June 30, 2023.
- Sanitation activities reported net revenue of \$303,422, education activities reported net expenses of \$49,711.

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$26,036,421. The enterprise funds reported combined net position of \$9,310,185.

Other fund highlights include:

- In the General Fund there was a \$2,447,255 restriction for streets, \$59,502 restriction for public safety, \$229 restriction for dog park, \$88,778 restriction for capital improvement and a \$17,018 restriction for indigent transportation,. There was also a \$523,133 assignment for public safety, a \$15,925, and assignment for the Brookside restoration.
- Proprietary fund net position restrictions included \$11,621 for education.

General Fund Budgetary Highlights

Actual revenues and transfers were over estimates by \$782,382 or 7%, while expenditures and transfers were under final appropriations by \$868,910 or 6.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the City had approximately \$39 million invested in capital assets, net of depreciation, including streets, facility improvements, and land purchases. (See Table 5).

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 4,200	\$ 3,874	\$ 76	\$ 76	\$ 4,276	\$ 3,950
Buildings	6,265	6,474	1,784	1,826	8,049	8,300
Infrastructure	14,085	15,210	2,490	676	16,575	15,886
Machinery, furniture and equipment	4,020	3,827	628	2,202	4,648	6,029
Construction in progress	4,727	3,005	-	-	4,727	3,005
Intangible equipment	351	513	92	-	443	513
Totals	\$ 33,648	\$ 32,903	\$ 5,070	\$ 4,780	\$ 38,718	\$ 37,683

This year's more significant capital asset additions included:

Fire engine-2022 Pierce Saber	\$505,7500
Side Walk Project	\$309,088
Land 1830 S Parkhill Road	\$276,660
2023 Freightliner M2106	\$222,503
2023 Freightliner M2106	\$222,503

See Note 4 to the financial statements for more detail information on the City's capital assets and changes therein.

CITY OF TAHLEQUAH, OKLAHOMA
Management's Discussion and Analysis
As of and for the Fiscal Year Ended June 30, 2023

Long- Term Debt

At year-end, the City had \$10.3 million in long-term debt outstanding. The City's changes in long-term debt by type of debt are as follows:

TABLE 6
Long-Term Debt

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accrued absences	\$ 670	\$ 655	24	\$ 23	\$ 694	\$ 678
Revenue bonds	8,957	13,758	-	3,880	8,957	17,638
Lease obligations	544	552	103	-	647	552
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 10,171	\$ 14,965	\$ 127	\$ 3,903	\$ 10,298	\$ 18,868

See Note 5 to the financial statements for more detail information on the City's long-term debt and changes therein.

The Economic Outlook

The following information outlines significant factors that will affect subsequent year finances:

Following the economic impact of the Coronavirus, in FY 23, the City continued to focus on their economic recovery.

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 111 S. Cherokee, Tahlequah, Oklahoma 74464 or telephone at 918-456-0651.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Statement of Net Position– June 30, 2023

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 13,646,081	\$ 3,326,728	\$ 16,972,809	\$ 17,086,245
Restricted cash and cash equivalents	8,356,435	-	8,356,435	12,563,343
Investments	3,243,277	336,055	3,579,332	19,288,593
Prepaid expense	-	-	-	1,024,771
Accounts receivable, net	208,439	315,081	523,520	42,195,277
Court fine receivable, net	209,439	-	209,439	-
Receivable from component unit	-	61,295	61,295	-
Lease receivable	195,680	-	195,680	-
Internal balances	(245,000)	245,000	-	-
Due from other governments	2,199,580	-	2,199,580	-
Inventory	-	-	-	4,990,819
Total Current Assets	27,813,931	4,284,159	32,098,090	97,149,048
Noncurrent Assets:				
Restricted cash and cash equivalents	2,841,768	-	2,841,768	-
Other assets	-	-	-	2,297,721
Net pension asset	472,369	-	472,369	-
Net OPEB asset	130,374	51,011	181,385	-
Capital Assets:				
Land and construction in progress	8,927,581	76,100	9,003,681	18,886,572
Other capital assets, net of depreciation	24,720,800	4,994,289	29,715,089	72,080,278
Total Noncurrent Assets	37,092,892	5,121,400	42,214,292	93,264,571
Total Assets	64,906,823	9,405,559	74,312,382	190,413,619
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	4,214,984	645,560	4,860,544	-
Deferred amounts related to OPEB	94,039	34,873	128,912	-
	4,309,023	680,433	4,989,456	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,128,114	116,961	1,245,075	25,682,633
Other payables	17,513	-	17,513	-
Deposits subject to refund	-	-	-	1,930,307
Due to other governments	14,860	-	14,860	-
Unearned revenue	2,554,941	-	2,554,941	-
Current portion of:				
Long term liabilities - due in one year	587,453	24,285	611,738	3,278,386
Total Current Liabilities	4,302,881	141,246	4,444,127	30,891,326
Noncurrent liabilities:				
Long term liabilities - due in more than one year	9,582,890	102,640	9,685,530	42,830,587
Net pension liability	5,399,271	458,159	5,857,430	-
Total Noncurrent Liabilities	14,982,161	560,799	15,542,960	42,830,587
Total Liabilities	19,285,042	702,045	19,987,087	73,721,913
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	277,617	39,560	317,177	552,469
Deferred amounts related to OPEB	80,451	34,202	114,653	-
Deferred amounts related to Leases	189,164	-	189,164	-
	547,232	73,762	620,994	552,469
NET POSITION				
Net investment in capital assets	28,645,998	4,967,383	33,613,381	46,059,239
Restricted for:				
Capital Projects	6,736,781	-	6,736,781	-
Debt Service	549,696	-	549,696	12,563,343
Streets	7,229,527	-	7,229,527	-
Stormwater	117,465	-	117,465	-
Public Safety	59,502	-	59,502	-
Cemetery	126,650	-	126,650	-
Education	-	61,978	61,978	-
Dog Park	229	-	229	-
Indignet Transportation	17,018	-	17,018	-
Unrestricted	5,900,706	4,280,824	10,181,530	57,516,655
Total Net Position	\$ 49,383,572	\$ 9,310,185	\$ 58,693,757	\$ 116,139,237

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Statement of Activities –Fiscal Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental Activities								
General government	\$ 4,364,388	\$ 316,312	\$ 1,385,416	\$ -	\$ (2,662,660)	\$ -	\$ (2,662,660)	\$ -
Public safety	6,833,499	357,857	1,041,356	2,317,466	(3,116,820)	-	(3,116,820)	-
Highways and streets	1,931,204	214,185	608,124	564,460	(544,435)	-	(544,435)	-
Culture and recreation	1,813,964	197,847	4,476	199,924	(1,411,717)	-	(1,411,717)	-
Economic development	298,457	-	-	-	(298,457)	-	(298,457)	-
Airport	428,394	88,562	-	410,462	70,630	-	70,630	-
Cemetery	242,366	65,401	-	-	(176,965)	-	(176,965)	-
Interest on long-term debt	305,100	-	-	-	(305,100)	-	(305,100)	-
Total governmental activities	<u>16,217,372</u>	<u>1,240,164</u>	<u>3,039,372</u>	<u>3,492,312</u>	<u>(8,445,524)</u>	<u>-</u>	<u>(8,445,524)</u>	<u>-</u>
Business-type activities:								
Education	71,253	21,542	-	-	-	(49,711)	(49,711)	-
Sanitation	2,962,754	3,231,451	-	34,725	-	303,422	303,422	-
Total business-type activities	<u>3,034,007</u>	<u>3,252,993</u>	<u>-</u>	<u>34,725</u>	<u>-</u>	<u>253,711</u>	<u>253,711</u>	<u>-</u>
Total primary government	<u>\$ 19,251,379</u>	<u>\$ 4,493,157</u>	<u>\$ 3,039,372</u>	<u>\$ 3,527,037</u>	<u>(8,445,524)</u>	<u>253,711</u>	<u>(8,191,813)</u>	<u>-</u>
Component Units								
Tahlequah Hospital Authority	151,965,984	143,203,728	-	-				(8,762,256)
Tahlequah Regional Development Authority	273,167	126,400	-	-				(146,767)
Tahlequah Public Works Authority	30,755,663	33,149,364	451,513	-				2,845,214
Total component units	<u>182,994,814</u>	<u>176,479,492</u>	<u>451,513</u>	<u>-</u>				<u>(6,063,809)</u>
General revenues:								
Taxes:								
Sales and use taxes					14,291,465	-	14,291,465	-
Franchise taxes and public service taxes					497,703	-	497,703	-
Hotel/motel taxes					180,535	-	180,535	-
Intergovernmental revenue not restricted to specific programs					297,394	-	297,394	-
Unrestricted investment earnings					697,703	41,166	738,869	3,344,392
Miscellaneous					182,058	28,842	210,900	(84,745)
Gain on sale of capital assets					40,597	11,793	52,390	84,832
Transfers - internal activities					(30,189)	30,189	-	-
Total general revenues and transfers					<u>16,157,266</u>	<u>111,990</u>	<u>16,269,256</u>	<u>3,344,479</u>
Change in net position					<u>7,711,742</u>	<u>365,701</u>	<u>8,077,443</u>	<u>(2,719,330)</u>
Net position - beginning, restated					<u>41,671,830</u>	<u>8,944,484</u>	<u>50,616,314</u>	<u>118,858,567</u>
Net position - ending					<u>\$ 49,383,572</u>	<u>\$ 9,310,185</u>	<u>\$ 58,693,757</u>	<u>\$ 116,139,237</u>

See accompanying notes to the basic financial statements.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Governmental Funds Balance Sheet - June 30, 2023

	General Fund	Restricted Sales Tax II Fund	Tahlequah Public Facilities Authority	American Rescue Fund (422)	Streets & Sidewalks Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 3,686,790	\$ -	\$ 11,198,203	\$ 2,152,217	\$ 5,343,169	\$ 2,463,905	\$ 24,844,284
Investments	3,016,150	-	-	-	-	227,127	3,243,277
Due from other funds	-	-	287,313	-	-	2,595	289,908
Taxes receivable, net	1,308,351	287,313	-	-	-	43,163	1,638,827
Receivables:							
Court fines receivable, net	209,439	-	-	-	-	-	209,439
Grant receivable	2,385	-	-	-	-	-	2,385
Lease receivable	195,680	-	-	-	-	-	195,680
Due from other governments	92,304	-	-	-	293,748	-	386,052
Other receivables	380,755	-	-	-	-	-	380,755
Total assets	<u>\$ 8,891,854</u>	<u>287,313</u>	<u>11,485,516</u>	<u>2,152,217</u>	<u>5,636,917</u>	<u>\$ 2,736,790</u>	<u>\$ 31,190,607</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 393,745	-	-	\$ 54,100	\$ 309,100	\$ 401,671	\$ 1,158,616
Payable to other government	1,871	-	-	-	-	-	1,871
Due to other funds	1,300	287,313	-	-	246,295	-	534,908
Unearned revenue	430,000	-	-	2,098,117	-	-	2,528,117
Total liabilities	<u>826,916</u>	<u>287,313</u>	<u>-</u>	<u>2,152,217</u>	<u>555,395</u>	<u>401,671</u>	<u>4,223,512</u>
Deferred Inflows of resources:							
Unavailable revenue	442,260	-	-	-	-	-	442,260
Related to leases	189,164	-	-	-	-	-	189,164
Total Deferred Inflows	<u>631,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,424</u>
Fund balances:							
Restricted for:							
Cemetery	-	-	-	-	-	126,650	126,650
Capital improvements	88,778	-	10,935,820	-	-	-	11,024,598
Debt service	-	-	549,696	-	-	-	549,696
Streets	2,447,255	-	-	-	5,081,522	-	7,528,777
Public safety	59,502	-	-	-	-	-	59,502
Stormwater	-	-	-	-	-	117,465	117,465
Dog park	229	-	-	-	-	-	229
Indigent transportation	17,018	-	-	-	-	-	17,018
Assigned to:							
Public safety	93,133	-	-	-	-	-	93,133
Capital improvements	-	-	-	-	-	1,233,444	1,233,444
Stormwater	-	-	-	-	-	369,733	369,733
Brookside restoration	15,925	-	-	-	-	-	15,925
Streets	-	-	-	-	-	333,407	333,407
Tourism	-	-	-	-	-	154,420	154,420
Future year budget	2,395,808	-	-	-	-	-	2,395,808
Unassigned (deficit)	2,315,866	-	-	-	-	-	2,315,866
Total fund balances	<u>7,433,514</u>	<u>-</u>	<u>11,485,516</u>	<u>-</u>	<u>5,081,522</u>	<u>2,335,119</u>	<u>26,335,671</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,891,854</u>	<u>\$ 287,313</u>	<u>\$ 11,485,516</u>	<u>\$ 2,152,217</u>	<u>\$ 5,636,917</u>	<u>\$ 2,736,790</u>	<u>\$ 31,190,607</u>

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Fiscal Year Ended June 30, 2023

	General Fund	Restricted Sales Tax II Fund	Tahlequah Public Facilities Authority	American Rescue Fund (422)	Streets & Sidewalks Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 9,299,353	\$ 3,289,405	\$ -	\$ -	\$ 2,200,410	\$ 326,159	\$ 15,115,327
Intergovernmental	4,679,778	-	-	297,394	350,000	112,500	5,439,672
Charges for services	333,762	-	-	-	-	229,348	563,110
Fines and forfeitures	289,302	-	-	-	-	-	289,302
Licenses and permits	227,843	-	-	-	-	-	227,843
Investment income (loss)	367,398	-	266,109	-	85,482	(21,286)	697,703
Donations	-	-	-	-	-	-	-
Miscellaneous	1,072,453	5,580	-	-	-	97,752	1,175,785
Total revenues	<u>16,269,889</u>	<u>3,294,985</u>	<u>266,109</u>	<u>297,394</u>	<u>2,635,892</u>	<u>744,473</u>	<u>23,508,742</u>
EXPENDITURES							
Current:							
City Treasurer	14,195	-	-	-	-	-	14,195
City Clerk	70,110	-	-	-	-	-	70,110
Municipal Court	160,614	-	-	-	-	-	160,614
Police	3,578,788	-	-	-	-	-	3,578,788
Fire	2,052,375	-	-	-	-	-	2,052,375
Emergency Management	547,840	-	-	-	-	-	547,840
Maintenance	186,569	-	-	-	-	-	186,569
Streets	1,065,360	-	-	-	4,217	267,169	1,336,746
Health and sanitation	92,605	-	-	-	-	156,878	249,483
Culture, tourism and recreation	1,190,872	-	-	-	-	369,824	1,560,696
General government	1,989,919	-	16,814	243,294	-	-	2,250,027
Library	29,103	-	-	-	-	-	29,103
Cemetery	245,721	-	-	-	-	-	245,721
Parks	20,986	-	-	-	-	-	20,986
Airport	161,617	-	-	-	-	-	161,617
Information technology	52,886	-	-	-	-	-	52,886
Capital Outlay	955,449	-	564,460	54,100	601,630	1,965,297	4,140,936
Debt Service:							
Principal	-	-	4,801,213	-	-	140,650	4,941,863
Interest and other charges	-	-	316,323	-	-	4,990	321,313
Total expenditures	<u>12,415,009</u>	<u>-</u>	<u>5,698,810</u>	<u>297,394</u>	<u>605,847</u>	<u>2,904,808</u>	<u>21,921,868</u>
Excess (deficiency) of revenues over expenditures	<u>3,854,880</u>	<u>3,294,985</u>	<u>(5,432,701)</u>	<u>-</u>	<u>2,030,045</u>	<u>(2,160,335)</u>	<u>1,586,874</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from lease obligation	-	-	-	-	-	132,644	132,644
Transfers in	8,000	-	3,289,406	-	28,787	1,500,000	4,826,193
Transfers out	(1,567,971)	(3,289,406)	(4,000)	-	-	-	(4,861,377)
Total other financing sources (uses)	<u>(1,559,971)</u>	<u>(3,289,406)</u>	<u>3,285,406</u>	<u>-</u>	<u>28,787</u>	<u>1,632,644</u>	<u>97,460</u>
Net change in fund balances	2,294,909	5,579	(2,147,295)	-	2,058,832	(527,691)	1,684,334
Fund balances - beginning, restated	5,138,605	(5,579)	13,632,811	-	3,022,690	2,862,810	24,651,337
Fund balances - ending	<u>\$ 7,433,514</u>	<u>\$ -</u>	<u>\$ 11,485,516</u>	<u>\$ -</u>	<u>\$ 5,081,522</u>	<u>\$ 2,335,119</u>	<u>\$ 26,335,671</u>

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	26,335,671
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
		33,648,381
<p>Certain long-term assets and deferred outflows are not available to pay for current fund liabilities and therefore, are either deferred or not reported in the funds:</p>		
Net OPEB asset		130,374
Net pension asset		472,369
OPEB related deferred outflows		94,039
Pension related deferred outflows		4,214,984
Unavailable revenue		415,436
<p>Certain long-term liabilities, along with certain deferred inflows, are not due and payable from current financial resources and therefore, are not reported in the funds:</p>		
Net pension liability		(5,399,271)
Pension related deferred inflows		(277,617)
OPEB related deferred inflows		(80,451)
Note payable		(8,956,511)
Accrued compensated absences		(669,671)
Lease obligations		(544,161)
Net Position of Governmental Activities in the Statement of Net Position	\$	49,383,572

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements (Continued):

Net change in fund balances - total governmental funds: \$ 1,684,334

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	3,075,898
Depreciation & Amortization expense	(2,949,192)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.

Donated assets	564,460
Transferred assets	4,995
Book value of disposed asset	(83,148)

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

347,939

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

Change in unavailable revenue	106,788
-------------------------------	---------

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 long-term debt	4,785,000
Principal payments on leases	140,650
Premium amortization	16,213

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

Change Net OPEB asset	(27,691)
Change in OPEB deferrals	60,502
Change in accrued compensated absences	(15,006)

Change in net position of governmental activities	\$ 7,711,742
---------------------------------------------------	--------------

See accompanying notes to the basic financial statements.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Proprietary Funds Statement of Net Position - June 30, 2023

	Non-major Fund		Total
	Sanitation	TEFA	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,315,107	\$ 11,621	\$ 3,326,728
Investments	336,055	-	336,055
Accounts receivable, net	315,081	-	315,081
Receivable from component unit	61,295	-	61,295
Due from other funds	245,000	-	245,000
Total current assets	<u>4,272,538</u>	<u>11,621</u>	<u>4,284,159</u>
Non-current assets:			
Net OPEB asset	51,011	-	51,011
Capital assets:			
Land and construction in progress	76,100	-	76,100
Other capital assets, net of accumulated depreciation	4,994,289	-	4,994,289
Total non-current assets	<u>5,121,400</u>	<u>-</u>	<u>5,121,400</u>
Total assets	<u>\$ 9,393,938</u>	<u>\$ 11,621</u>	<u>\$ 9,405,559</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	645,560	-	645,560
Deferred amounts related to OPEB	34,873	-	34,873
	<u>680,433</u>	<u>-</u>	<u>680,433</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 95,990	\$ -	\$ 95,990
Salaries payable	20,971	-	20,971
Capital lease obligation	21,893	-	21,893
Accrued compensated absences	2,392	-	2,392
Total current liabilities	<u>141,246</u>	<u>-</u>	<u>141,246</u>
Non-current liabilities:			
Capital lease obligation	81,113	-	81,113
Accrued compensated absences	21,527	-	21,527
Net pension liability	458,159	-	458,159
Total non-current liabilities	<u>560,799</u>	<u>-</u>	<u>560,799</u>
Total liabilities	<u>702,045</u>	<u>-</u>	<u>702,045</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	39,560	-	39,560
Deferred amounts related to OPEB	34,202	-	34,202
	<u>73,762</u>	<u>-</u>	<u>73,762</u>
NET POSITION			
Net investment in capital assets	4,967,383	-	4,967,383
Restricted for education	-	11,621	11,621
Unrestricted	4,331,181	-	4,331,181
Total net position	<u>\$ 9,298,564</u>	<u>\$ 11,621</u>	<u>\$ 9,310,185</u>

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

	<u>Sanitation</u>	<u>Non-major Fund TEFA</u>	<u>Total</u>
REVENUES			
Charges for services:			
Sanitation charges	\$ 3,231,451	\$ -	\$ 3,231,451
Rents and royalties	-	21,542	21,542
Refunds and reimbursements	34,725	-	34,725
Total operating revenues	<u>3,266,176</u>	<u>21,542</u>	<u>3,287,718</u>
OPERATING EXPENSES			
Personal services	1,275,266	-	1,275,266
Capital outlay	98,173	-	98,173
Materials and supplies	1,190,332	-	1,190,332
Education	-	12,221	12,221
Depreciation expense	397,845	-	397,845
Total operating expenses	<u>2,961,616</u>	<u>12,221</u>	<u>2,973,837</u>
Operating income	<u>304,560</u>	<u>9,321</u>	<u>313,881</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	37,812	3,354	41,166
Gain (loss) on capital asset disposal	11,793	-	11,793
Miscellaneous	28,842	-	28,842
Interest expense	(1,138)	(59,032)	(60,170)
Total non-operating revenue (expenses)	<u>77,309</u>	<u>(55,678)</u>	<u>21,631</u>
Income (loss) before transfers	381,869	(46,357)	335,512
Transfers in	39,184	-	39,184
Transfers out	(4,995)	(4,000)	(8,995)
Change in net position	416,058	(50,357)	365,701
Total net position - beginning	8,882,506	61,978	8,944,484
Total net position - ending	<u>\$ 9,298,564</u>	<u>\$ 11,621</u>	<u>\$ 9,310,185</u>

See accompanying notes to the basic financial statements.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Proprietary Funds Statement of Cash Flows – Fiscal Year Ended June 30, 2023

	<u>Sanitation</u>	<u>TEFA</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 3,212,605	\$ 21,542	\$ 3,234,147
Payments to suppliers	(1,365,323)	(12,143)	(1,377,466)
Payments to employees	(1,320,777)	-	(1,320,777)
Net cash provided by operating activities	<u>526,505</u>	<u>9,399</u>	<u>535,904</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	39,184	-	39,184
Transfers to other funds	(4,995)	(4,000)	(8,995)
Receipts from lease financing activities	-	3,848,374	3,848,374
Net cash provided by (used in) noncapital financing activities	<u>34,189</u>	<u>3,844,374</u>	<u>3,878,563</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(676,530)	-	(676,530)
Principal paid on debt	103,006	(3,880,000)	(3,776,994)
Interest and fiscal agent fees paid on debt	(1,138)	(117,717)	(118,855)
Net cash provided by (used in) capital and related financing activities	<u>(574,662)</u>	<u>(3,997,717)</u>	<u>(4,572,379)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (purchase) of investments	22,809	-	22,809
Interest and dividends	37,812	3,354	41,166
Net cash provided by (used in) investing activities	<u>60,621</u>	<u>3,354</u>	<u>63,975</u>
Net increase (decrease) in cash and cash equivalents	46,653	(140,590)	(93,937)
Balances - beginning of year	<u>3,268,454</u>	<u>152,211</u>	<u>3,420,665</u>
Balances - end of year	<u>\$ 3,315,107</u>	<u>\$ 11,621</u>	<u>\$ 3,326,728</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 3,315,107	\$ 11,621	\$ 3,326,728
Restricted cash and cash equivalents - current	-	-	-
Total cash and cash equivalents, end of year	<u>\$ 3,315,107</u>	<u>\$ 11,621</u>	<u>\$ 3,326,728</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 304,560	\$ 9,321	\$ 313,881
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	397,845	-	397,845
Other non-operating revenues	28,842	-	28,842
Change in assets, liabilities and deferrals:			
Accounts receivable	(82,413)	-	(82,413)
Prepaid expense	-	78	78
Net OPEB asset	13,854	-	13,854
Accrued payroll payable	(17,512)	-	(17,512)
Accounts payable	(59,306)	-	(59,306)
Net Pension liability	1,091,394	-	1,091,394
Pension and OPEB deferrals	(1,172,353)	-	(1,172,353)
Accrued compensated absences	21,594	-	21,594
Net cash provided by operating activities	<u>\$ 526,505</u>	<u>\$ 9,399</u>	<u>\$ 535,904</u>

See accompanying notes to the basic financial statements.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

COMBINING DISCRETELY PRESENTED COMPONENT UNITS

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Discretely Presented Component Units Statement of Net Position - June 30, 2023

	Discretely Presented Component Units			
	Tahlequah Hospital Authority	TPWA	TRDA	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,819,836	\$ 8,844,121	\$ 422,288	\$ 17,086,245
Investments	19,288,593	-	-	19,288,593
Restricted:				
Cash and cash equivalents	-	12,563,343	-	12,563,343
Accounts receivable, net	35,222,257	5,691,317	-	40,913,574
Other receivables	975,160	306,543	-	1,281,703
Inventories	3,257,908	1,732,911	-	4,990,819
Prepaid expenses	1,014,913	-	9,858	1,024,771
Total current assets	<u>67,578,667</u>	<u>29,138,235</u>	<u>432,146</u>	<u>97,149,048</u>
Non-current assets:				
Capital assets:				
Land and construction in progress	2,038,813	15,996,034	851,725	18,886,572
Other capital assets, net of accumulated depreciation	38,055,360	33,265,911	759,007	72,080,278
Other assets	2,297,721	-	-	2,297,721
Total non-current assets	<u>42,391,894</u>	<u>49,261,945</u>	<u>1,610,732</u>	<u>93,264,571</u>
Total assets	<u>109,970,561</u>	<u>78,400,180</u>	<u>2,042,878</u>	<u>190,413,619</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	23,566,511	1,404,338	11,357	24,982,206
Unearned revenue	700,427	-	-	700,427
Deposits subject to refund	-	1,930,307	-	1,930,307
Lease obligation	338,604	-	-	338,604
Notes payable	1,625,910	321,725	-	1,947,635
Revenue bonds payable	-	628,000	-	628,000
Compensated absences	-	364,147	-	364,147
Total current liabilities	<u>26,231,452</u>	<u>4,648,517</u>	<u>11,357</u>	<u>30,891,326</u>
Non-current liabilities:				
Lease obligation	2,272,404	-	-	2,272,404
Notes payable	17,991,199	12,308,984	-	30,300,183
Revenue bonds payable	-	10,258,000	-	10,258,000
Total non-current liabilities	<u>20,263,603</u>	<u>22,566,984</u>	<u>-</u>	<u>42,830,587</u>
Total liabilities	<u>46,495,055</u>	<u>27,215,501</u>	<u>11,357</u>	<u>73,721,913</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	552,469	-	-	552,469
Deferred amounts related to OPEB	-	-	-	-
	<u>552,469</u>	<u>-</u>	<u>-</u>	<u>552,469</u>
NET POSITION				
Net investment in capital assets	19,410,009	25,745,236	903,994	46,059,239
Restricted for debt service	-	12,563,343	-	12,563,343
Unrestricted	43,513,028	12,876,100	1,127,527	57,516,655
Total net position	<u>\$ 62,923,037</u>	<u>\$ 51,184,679</u>	<u>\$ 2,031,521</u>	<u>\$ 116,139,237</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Discretely Presented Component Units Statement of Revenues, Expenses, and Changes in Net Position – Fiscal Year Ended June 30, 2023

	Discretely Presented Component Units			
	Tahlequah Hospital Authority	TPWA	TRDA	Total
REVENUES				
Charges for services:				
Electric	\$ -	\$ 23,231,326	\$ -	\$ 23,231,326
Water	-	5,852,628	-	5,852,628
Sewer	-	3,876,613	-	3,876,613
Patient service	143,203,728	-	-	143,203,728
Rental income	-	-	116,150	116,150
Miscellaneous	-	188,797	-	188,797
Total operating revenues	<u>143,203,728</u>	<u>33,149,364</u>	<u>116,150</u>	<u>176,469,242</u>
OPERATING EXPENSES				
Administration	-	3,104,824	-	3,104,824
Water	-	4,436,036	-	4,436,036
Wastewater/Sewer	-	2,297,634	-	2,297,634
Electric	-	17,161,868	-	17,161,868
Industrial	-	-	139,062	139,062
Hospital	146,087,220	-	-	146,087,220
Depreciation expense	4,948,467	1,800,000	42,547	6,791,014
Payment to City of Tahlequah	-	1,332,415	-	1,332,415
Total Operating Expenses	<u>151,035,687</u>	<u>30,132,777</u>	<u>181,609</u>	<u>181,350,073</u>
Operating income (loss)	<u>(7,831,959)</u>	<u>3,016,587</u>	<u>(65,459)</u>	<u>(4,880,831)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	2,908,260	432,866	3,266	3,344,392
Gain (loss) on capital asset disposal	(84,745)	-	84,832	87
Miscellaneous revenue	-	451,513	10,250	461,763
Interest expense	(930,297)	(622,886)	-	(1,553,183)
Miscellaneous expenses	-	-	(91,558)	(91,558)
Total non-operating revenue (expenses)	<u>1,893,218</u>	<u>261,493</u>	<u>6,790</u>	<u>2,161,501</u>
Change in net position	<u>(5,938,741)</u>	<u>3,278,080</u>	<u>(58,669)</u>	<u>(2,719,330)</u>
Total net position - beginning (restated)	<u>68,861,778</u>	<u>47,906,599</u>	<u>2,090,190</u>	<u>118,858,567</u>
Total net position - ending	<u>\$ 62,923,037</u>	<u>\$ 51,184,679</u>	<u>\$ 2,031,521</u>	<u>\$ 116,139,237</u>

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Tahlequah and two blended component units) as noted below, along with three discretely presented component units. This annual report includes all activities for which the City of Tahlequah City Council are fiscally responsible.

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

The City of Tahlequah – provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of Tahlequah has a population of 16,966 located in eastern Oklahoma. The City is an aldermanic form of government and operates under state law that provides for three branches of government:

- Legislative – the City Council is a five-member governing body with the mayor and four council members elected by the citizens at large
- Executive – the Mayor is the Chief Executive Officer and is elected by citizenry
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, airport, and certain utility services including sanitation.

Component Units:

- **The Tahlequah Public Facilities Authority** – that stimulate public growth and development, increasing meaningful job opportunities, promoting entrepreneurship and capital investment, to inventory public services, facilities and resources, to promote, encourage and finance the growth and development of the City
- **The Tahlequah Educational Facilities Authority** – that stimulates educational growth and development and promote, encourage and finance the growth and development of education within the City

Both component units (Authorities) have the City Council as their governing body (trustees) and the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities.

In addition, the City has the following three discretely presented component units:

- **The Tahlequah Hospital Authority** –consists of seven trustees who are responsible for decisions related to the management, operation and development of the Northeastern Health System hospital. Appointments of the Trustees are made by appointment of the mayor of Tahlequah and approved by the City Council and established as a Title 60 Public Trust.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

- **The Tahlequah Public Works Authority** – is a public trust created under the authority of and pursuant to the provisions of Title 60, Oklahoma Statute 1961, Sections 176 to 180, on December 4, 1970 for the use and benefit of the City of Tahlequah, Oklahoma. The Authority was established to manage utility facilities whether water, sewage, electric, or other forms or types of public and municipal services within or without the corporate boundaries of the City of Tahlequah, Oklahoma and the conservation of public welfare in these areas.
- **The Tahlequah Regional Development Authority** - is a public trust created on September 8, 1981, under the provisions of Title 60, Oklahoma Statutes, the Oklahoma Trust Act, and other applicable laws and statutes of the State of Oklahoma. The Board of Trustees are citizens and residents of the Beneficiary and/or County appointed by the Mayor and confirmed by a majority vote of the City Council of the City of Tahlequah. The regional development authority mission is to advance an environment through partnerships which preserves, attracts and promotes business growth in the Tahlequah community.

Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

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

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

- General government – licenses and permits, inspection fees, rental fees, operating grants and contributions
- Public safety – fine revenue, fire run fees, on-behalf pension payments, operating grants
- Highways and streets – stormwater management fees, commercial vehicle and gasoline excise tax shared by the State
- Culture and recreation – swimming pool, golf course, and aquatic center fees/concessions, operating grants
- Airport – rental fees, fuel sales, capital grants and contributions
- Cemetery – Cemetery lot sales and openings/closings revenue

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

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds
- Restricted Sales Tax II Fund – accounts for sales tax levied by the City for capital project improvements and debt service payments related to capital projects
- Tahlequah Public Facilities Authority – accounts for resources related to capital projects
- Streets & Sidewalks Fund – capital improvement fund for use of sales tax for improvements to streets and sidewalks.
- American Rescue Fund- Accounts for the collection of spending of the Federal American Rescue Plant Act Covid-19 relief funds.

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

Special Revenue Funds:

- Restricted Sales Tax Fund – accounts for sales tax levied by the City for the utility system
- Street and Alley Fund – accounts for revenues from gasoline and vehicle taxes restricted for street repairs and maintenance
- Cemetery Care Fund – accounts for 12.5 percent of cemetery revenue restricted by State law for cemetery capital improvements, with interest used for maintenance or capital improvements
- Hotel/Motel Tax Fund – accounts for hotel/motel tax collections to promote tourism for the City.
- Stormwater Management Fund – accounts for fees charges to manage stormwater runoff and stormwater management including but not limited to development, administration, and implementation of a stormwater management program.
- Capital Improvement Fund – accounts for capital outlays related to City capital improvement projects.

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

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

The General Fund, Restricted Sales Tax II Fund and the Tahlequah Public Facilities Authority Fund are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds include:

Enterprise Funds

- Sanitation Fund - accounts for the activities in providing sanitation services to the public.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

- Tahlequah Educational Facilities Authority Fund - accounts for the activities related to educational facilities and Tahlequah Public Schools.

The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus.

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

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Public Employees Retirement System (OPERS), Oklahoma Firefighters Pension & Retirement System (OFPRS), and Oklahoma Police Pension & Retirement System (OPPRS) and additions to/deductions from OPERS's, OFPRS's, and OPPRS's fiduciary net position have been determined on the same basis as they are reported by OPERS'S, 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.
- d. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

net position of the Oklahoma Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's, fiduciary net position have been determined on the same basis as they are reported by OPERS'S. 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.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within 60 days of period end) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities, Deferrals and Equity

Cash and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost, which approximates fair value. Fair value is based on quoted market price.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

Inventories for the component units, the Tahlequah Hospital Authority and Tahlequah Public Works Authority, are valued at lower of cost or market using first-in, first-out. The cost of governmental funds inventories are recorded as expenditures when purchased rather than when consumed because they are immaterial.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1992.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$3,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	10-50 years
- Improvements other than buildings	5-10 years
- Machinery, furniture and equipment	5-20 years
- Vehicles	5-20 years
- Infrastructure	5-50 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to capital improvement funds and debt related trustee accounts.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists of revenue bonds payable, deposits subject to refund and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Net Position and Fund Balances

Net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Balances:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City’s policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Sales Tax

The City presently levies a three and one-quarter cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Two cents of the sales tax is recorded in the General Fund. Three-quarters cent is recorded in the Restricted Sales Tax II Fund to be used to provide revenues to the City to make capital improvements to the streets and other facilities of the City; this is done through transferring resources to the Tahlequah Public Facilities Authority.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund - By Operating and Non-Operating

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements:

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, is not eliminated in the Statement of Activities.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

H. Implementation of New Accounting Guidance

Implementation of New Accounting Guidance – On June 15, 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements" (SBITAs), which establishes accounting and financial reporting standards for subscription-based information technology arrangements. The new standard establishes a subscription-based asset and related liability on the statement of financial position for all applicable information technology arrangements. The accounting standard went into effect for reporting periods beginning after June 15, 2022. This City has implemented and adopted GASB Statement No. 96. See Note 6 relating to the adoption of the new SBITA standard.

I. Subsequent Events

Management has evaluated subsequent events through the report date, the date the financial statements were available to be issued and determined that no subsequent events have occurred that require adjustment or disclosure in the financial statements.

2. Cash, Cash Equivalents, and Investments

For the purpose of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three-months or less.

At June 30, 2023, the reporting entity held the following deposits and investments:

Primary Government:

Type	Credit Rating	Fair Value Valuation Level	Carrying Value
Deposits:			
Demand deposits			\$ 20,580,508
Certificates of Deposit			3,579,333
			<u>24,159,841</u>
Investments:			
US Treasury Notes		Level I	\$ 2,841,768
Federated Hermes Treasury Obligations	AAAm	Level II	4,748,735
			<u>7,590,503</u>
Total deposits and investments			<u>\$ 31,750,344</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 16,972,809
Restricted cash and cash equivalents			8,356,435
Investments			3,579,332
Noncurrent restricted cash and cash equivalents			2,841,768
			<u>\$ 31,750,344</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Custodial Credit Risk

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

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2023, the City had no custodial credit risk as described above.

Investment Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no investment policy that limits investments based on maturity. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments, where applicable. The city weighted average maturity related to Federated Hermes Treasury Obligations is 0.12 years.

Investment Credit Risk

The City has no investment policy that limits its investment choices other than the limitations of state law that generally authorize investments in: (1) full faith and credit, direct obligations of the U. S. Government, its agencies and instrumentalities, and the State of Oklahoma and certain mortgage insured federal debt; (2) certificates of deposit or savings accounts that are either insured or secured with acceptable collateral; (3) negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations; (4) county, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district; and government money market funds regulated by the SEC. These investment limitations do not apply to the City's public trusts.

As of June 30, 2023, the City's investments consisted of \$2,841,768 in US Treasury notes and \$4,748,735 of Federated Treasury Obligations with a credit rating of AAAM as rated by Standard and Poor's.

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City has no investment policy regarding concentration of credit risk.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2023, the City had no concentration of credit risk as defined above.

Restricted Cash and Investments – The amounts reported as restricted assets of the governmental activities statement of net position are comprised of amounts held by the Tahlequah Public Finance

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Authority (TPFA) for sales tax transfers for debt service payments, amounts held by the trustee bank for debt retirement, and amounts held for capital improvement. The restricted assets as of June 30, 2023 are as follows:

Cash including time deposits

Type of Restricted Assets	Governmental Activities
Sales Tax - TPFA	\$ 3,607,699
Trust Account - Bond A TPFA	496,490
Trust Account - Bond B TPFA	53,206
Trust Account - Improvement Fund TPFA	4,199,040
Trust Account- Reserve TPFA	2,841,768
	\$ 11,198,203

Reconciliation of Statmenet of Net Position:

Restricted Cash & Cash Equivalents - current	\$ 8,356,435
Restricted Cash & Cash Equivalents - noncurrent	2,841,768
	\$ 11,198,203

Discretely presented component units:

Type	Credit Rating	Fair Value Valuation Level	Carrying Value
Deposits:			
Demand deposits	N/A	-	\$ 29,417,998
Money Market Accounts	N/A	Level 1	231,590
			29,649,588
Investments:			
Domestic Fixed Income	Ba2-Aaa	Level II	\$ 4,525,515
Closed End mutual funds & EFT	N/A	Level I	2,822,190
Domestic equities	N/A	Level I	1,408,975
international equities	N/A	Level I	648,771
Investment in joint venture	N/A	Equity Method	7,888,160
Assets under deferred compensation agreements	N/A	N/A	729,282
Investments in captive insurance contracts	N/A	N/A	1,265,700
			19,288,593
Total deposits and investments			\$ 48,938,181
Reconciliation to Statement of Net Position:			
CU Cash and cash equivalents			17,086,245
CU Restricted cash and cash equivalents			12,563,343
CU investments			19,288,593
			\$ 48,938,181

Detailed disclosures can be found in the separately audit financial statements of each discretely presented component unit.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

3. Accounts and Notes Receivable

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

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Accounts receivable	\$ 84,128	-	\$ 84,128
Hotel/motel tax receivable	26,676	-	26,676
Other receivables	97,635	-	97,635
Court fines	3,922,519	(3,713,080)	209,439
Total Governmental Activities	\$ 4,130,958	\$ (3,713,080)	\$ 417,878
Business-Type Activities:			
Other receivables	\$ 315,081	\$ -	\$ 315,081
Total Business-Type Activities	\$ 315,081	\$ -	\$ 315,081

Accounts receivable of the discretely presented component units consist of receivables from patient services, provider related funds related parties, and outstanding utility billing receivables.

	Net Accounts Receivable
Discretely Presented Component Units:	
Patient receivable	\$ 24,256,392
Provider relief funds	10,567,794
Related parties	398,071
Utility receivable	5,691,317
Other	1,281,703
Total Discretely Presented Component Units	\$ 42,195,277

4. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, infrastructure and intangible leased assets. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. Intangible leased assets are recorded in an amount equal to the present value of the expected future minimum lease payments to be paid, respectively, discounted by an applicable interest rate and any ancillary cost related to the asset.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

For the year ended June 30, 2023, capital assets balances changed as follows:

	Balance at July 1, 2022	Additions	Disposals	Interfund Transfers In (Out)	Balance at June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,873,758	\$ 326,660	\$ -	\$ -	\$ 4,200,418
Construction in progress	3,004,883	2,053,709	331,429	-	4,727,163
Total capital assets not being depreciated	<u>6,878,641</u>	<u>2,380,369</u>	<u>331,429</u>	<u>-</u>	<u>8,927,581</u>
Other capital assets:					
Buildings	11,417,087	72,518	863	-	11,488,742
Infrastructure	37,089,068	662,558	1,529	-	37,750,097
Machinery, furniture and equipment	12,546,225	861,338	536,139	-	12,871,424
Total other capital assets at historical cost	<u>61,052,380</u>	<u>1,596,414</u>	<u>538,531</u>	<u>-</u>	<u>62,110,263</u>
Less accumulated depreciation for:					
Buildings	4,943,506	280,784	863	-	5,223,427
Infrastructure	21,879,319	1,787,687	1,507	-	23,665,499
Machinery, furniture and equipment	8,718,660	585,712	453,013	-	8,851,359
Total accumulated depreciation	<u>35,541,485</u>	<u>2,654,183</u>	<u>455,383</u>	<u>-</u>	<u>37,740,285</u>
Other capital assets, net	<u>25,510,895</u>	<u>(1,057,769)</u>	<u>83,148</u>	<u>-</u>	<u>24,369,978</u>
Leased Assets:					
Intangible Equipment	647,427	132,644	-	-	780,071
Total leased assets	<u>647,427</u>	<u>132,644</u>	<u>-</u>	<u>-</u>	<u>780,071</u>
Less accumulated amortization for:					
Intangible Equipment	134,240	295,009	-	-	429,249
Total accumulated amortization	<u>134,240</u>	<u>295,009</u>	<u>-</u>	<u>-</u>	<u>429,249</u>
Leased assets, net	<u>513,187</u>	<u>(162,365)</u>	<u>-</u>	<u>-</u>	<u>350,822</u>
Governmental activities capital assets, net	<u>\$ 32,902,723</u>	<u>\$ 1,160,235</u>	<u>\$ 414,577</u>	<u>\$ -</u>	<u>\$ 33,648,381</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 76,100	\$ -	\$ -	\$ -	\$ 76,100
Total capital assets not being depreciated	<u>76,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,100</u>
Other capital assets:					
Buildings	2,235,448	-	14,101	-	2,221,347
Machinery, furniture and equipment	4,645,725	616,399	83,215	-	5,178,909
Infrastructure	1,003,280	-	-	-	1,003,280
Total other capital assets at historical cost	<u>7,884,453</u>	<u>616,399</u>	<u>97,316</u>	<u>-</u>	<u>8,403,536</u>
Less accumulated depreciation for:					
Buildings	409,323	42,489	14,101	-	437,711
Machinery, furniture and equipment	2,443,764	307,903	62,758	-	2,688,909
Infrastructure	327,555	47,453	-	-	375,008
Total accumulated depreciation	<u>3,180,642</u>	<u>397,845</u>	<u>76,859</u>	<u>-</u>	<u>3,501,628</u>
Other capital assets, net	<u>4,703,811</u>	<u>218,554</u>	<u>20,457</u>	<u>-</u>	<u>4,901,908</u>
Leased Assets:					
Intangible Equipment	-	115,477	-	-	115,477
Total leased assets	<u>-</u>	<u>115,477</u>	<u>-</u>	<u>-</u>	<u>115,477</u>
Less accumulated amortization for:					
Intangible Equipment	-	23,096	-	-	23,096
Total accumulated amortization	<u>-</u>	<u>23,096</u>	<u>-</u>	<u>-</u>	<u>23,096</u>
Leased assets, net	<u>-</u>	<u>92,381</u>	<u>-</u>	<u>-</u>	<u>92,381</u>
Business-type activities capital assets, net	<u>\$ 4,779,911</u>	<u>\$ 310,935</u>	<u>\$ 20,457</u>	<u>\$ -</u>	<u>\$ 5,070,389</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

Governmental Activities:		Business-Type Activities:	
General government	\$1,025,489	Sanitation	<u>\$ 397,845</u>
Public safety	330,629		
Highways and streets	533,723		
Culture and recreation	480,157		
Cemetery	19,278		
Airport	<u>264,907</u>		
	<u>\$2,654,183</u>		

Discretely Presented Component Units:

For the year ended June 30, 2023, capital assets balances for the combined discretely presented component units which includes the THA, TPWA and TRDA changed as follows:

	Restated Balance at June 30, 2022	Additions	Transfers and Disposals	Balance at June 30, 2023
<i>Discretely Presented Component Units:</i>				
Capital assets not being depreciated:				
Land	\$ 2,212,319	\$ 698,613	\$ (28,259)	\$ 2,882,673
Construction in progress	<u>14,295,746</u>	<u>3,284,252</u>	<u>(1,576,099)</u>	<u>16,003,899</u>
Total capital assets not being depreciated	<u>16,508,065</u>	<u>3,982,865</u>	<u>(1,604,358)</u>	<u>18,886,572</u>
Other capital assets:				
Buildings	53,720,448	612,808	(395,952)	53,937,304
Improvements	4,955,575	484,002	(96,250)	5,343,327
Infrastructure	70,421,036	1,172,081	-	71,593,117
Machinery, furniture and equipment	<u>41,708,921</u>	<u>1,335,104</u>	<u>(4,740,132)</u>	<u>38,303,893</u>
Total other capital assets at historical cost	<u>170,805,980</u>	<u>3,603,995</u>	<u>(5,232,334)</u>	<u>169,177,641</u>
Less accumulated depreciation for:				
Buildings	(22,546,094)	(1,201,464)	767,139	(22,980,418)
Improvements	(3,084,762)	(119,539)	103,490	(3,100,811)
Infrastructure	(41,815,778)	(1,545,393)	-	(43,361,171)
Machinery, furniture and equipment	<u>(31,257,438)</u>	<u>(2,871,205)</u>	<u>4,783,861</u>	<u>(29,344,782)</u>
Total accumulated depreciation	<u>(98,704,072)</u>	<u>(5,737,601)</u>	<u>5,654,490</u>	<u>(98,787,182)</u>
Other capital assets, net	<u>72,101,908</u>	<u>(2,133,606)</u>	<u>422,156</u>	<u>70,390,459</u>
Leased Assets:				
Intangible Equipment	-	358,975	-	358,975
Intangible Office space	-	72,921	-	72,921
Subscription based IT assets being amortized	<u>5,131,001</u>	<u>-</u>	<u>-</u>	<u>5,131,001</u>
Total leased assets	<u>5,131,001</u>	<u>431,896</u>	<u>-</u>	<u>5,562,897</u>
Less accumulated amortization for:				
Subscription based IT assets	(2,819,664)	(1,025,077)	-	(3,844,741)
Intangible Equipment	<u>-</u>	<u>(28,337)</u>	<u>-</u>	<u>(28,337)</u>
Total accumulated amortization	<u>(2,819,664)</u>	<u>(1,053,414)</u>	<u>-</u>	<u>(3,873,078)</u>
Leased assets, net	<u>2,311,337</u>	<u>(621,518)</u>	<u>-</u>	<u>1,689,819</u>
Discretely presented component units capital assets, net	<u>\$ 90,921,310</u>	<u>\$ 1,227,741</u>	<u>\$ (1,182,202)</u>	<u>\$ 90,966,850</u>

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

5. Debt and Debt Service Requirements

For the year ended June 30, 2023, the primary government's long-term debt changed as follows:

Type of Debt	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Revenue bonds payable	\$ 13,757,724	\$ -	\$4,801,213	\$ 8,956,511	\$ 365,000
Lease obligations	552,167	132,644	140,650	544,161	155,486
Accrued compensated absences	654,665	15,006	-	669,671	66,967
Total Governmental Activities	<u>\$ 14,964,556</u>	<u>\$ 147,650</u>	<u>\$4,941,863</u>	<u>\$ 10,170,343</u>	<u>\$ 587,453</u>
Business-Type Activities:					
Revenue bonds payable	\$ 3,880,000	\$ -	\$3,880,000	\$ -	\$ -
Lease obligations	-	113,987	10,981	103,006	21,893
Accrued compensated absences	23,249	670	-	23,919	2,392
Total Business-Type Activities	<u>3,903,249</u>	<u>114,657.00</u>	<u>3,890,981</u>	<u>126,925</u>	<u>24,285</u>
Total Long-Term Debt	<u>\$ 18,867,805</u>	<u>\$ 262,307</u>	<u>\$8,832,844</u>	<u>\$ 10,297,268</u>	<u>\$ 611,738</u>

Governmental activities long-term debt:

Governmental activities long-term debt payables from net revenues include the following:

Revenue Bonds Payable:

Tahlequah Public Facilities Authority

2013 Sales Tax Revenue Bond Series A, original issue amount of \$15,935,000 dated May 1, 2013, issued by the Tahlequah Public Facilities Authority secured by sales tax revenue, interest rate of 3.125% with a final maturity of April 1, 2025

\$ 365,000

2013 Sales Tax Revenue Bond Series B, original issue amount of \$8,520,000 dated May 1, 2013, issued by the Tahlequah Public Facilities Authority secured by sales tax revenue, interest rate of 3.25% with a final maturity of April 1, 2028

\$ 8,520,000

Total Revenue Bonds Payable \$ 8,885,000

Current portion	\$ 365,000
Noncurrent portion	<u>8,591,511</u>
	\$ 8,956,511
Less: Premium on bonds	<u>(71,511)</u>
Total Revenue Bonds Payable	<u>\$ 8,885,000</u>

Accrued Compensated Absences:

Current portion	\$ 66,967
Noncurrent portion	<u>602,704</u>
Total Accrued Compensated Absences	<u>\$ 669,671</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

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

Accrued Compensated Absences:

	Current portion	\$ 2,392
	Noncurrent portion	<u>21,527</u>
Total Accrued Compensated Absences		<u>\$ 23,919</u>

Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Revenue Bonds</u>	
	<u>Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	365,000	266,390
2025	-	260,687
2026	1,915,000	260,687
2027	2,020,000	198,450
2028	<u>4,585,000</u>	<u>142,354</u>
Totals	<u>\$ 8,885,000</u>	<u>\$ 1,128,568</u>

Discretely Presented Component Units:

For the year ended June 30, 2022, the combined discretely presented component units which includes the THA, TPWA and TRDA for long-term debt changed as follows:

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Component Unit:					
Notes payable (direct borrowings)	\$ 34,214,377	\$ 746,087	\$1,645,591	\$ 33,314,873	\$ 1,849,286
Lease obligations	-	464,508	32,611	431,897	127,037
Revenue bonds payable	11,498,000	-	612,000	10,886,000	628,000
SBITAs	1,425,160	-	313,104	1,112,056	309,916
CMS Advance Program	5,219,425	-	5,219,425	-	-
Accrued compensated absences	<u>328,756</u>	<u>35,391</u>	<u>-</u>	<u>364,147</u>	<u>364,147</u>
Total Governmental Activities	<u>\$ 51,260,558</u>	<u>\$1,245,986</u>	<u>\$7,822,731</u>	<u>\$ 46,108,973</u>	<u>\$ 3,278,386</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Notes Payable (Direct Borrowings):

Tahlequah Public Works Authority

2018 Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount \$8,200,000, secured by utility revenues, interest rate of 2.65% and administrative fee of 0.5%, final maturity of September 15, 2050

2011 Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount \$1,680,000, secured by utility revenues, interest rate of 1.78% and administrative fee of 0.5%, final maturity of March 15, 2023

2019 Series Drinking Water SRF Promissory Note to the Oklahoma Water Resources Board, original issue amount \$6,750,000, secured by utility revenues, interest rate of 1.57% and administrative fee of 0.5%, final maturity of September 15, 2049

Total Notes Payable (TPWA)	\$	12,630,709
Current portion	\$	321,725
Noncurrent portion		12,308,984
Total Note Payable (TPWA)	\$	12,630,709

The direct borrowings for TPWA are collateralized by the pledge of revenues. In the event of default, the lender may file suit to require any or all of the borrower covenants to be performed; accelerate the payment of principal and interest accrued on the note; appoint temporary trustees to take over, operate and maintain the System on a profitable basis; or file suit to enforce or enjoin the action or inaction of the Borrower under the provisions of the loan agreements.

Tahlequah Hospital Authority (direct borrowing)

4.39% note payable, due in monthly installments of \$114,385 including interest, with an estimated balloon payment of \$6,257,000 due December 2027, secured by property and equipment

\$ 10,764,063

4.75% note payable, due in monthly installments of \$3,925 including interest, through January 2027, secured by property

312,790

4.0% note payable, due in monthly installments of \$4,878 including interest, through December 2028, secured by land

291,158

4.5% note payable, due in monthly installments of \$29,359 including interest, through December 2031, secured by property

2,477,874

5.0% note payable, due in monthly installments of \$5,876 including interest, through August 2033, secured by building

559,760

3.92% note payable up to \$7,400,000, due in monthly installments of \$44,531 including interest, through September 2021, secured by building

6,278,519

Total Notes Payable (THA) \$ 20,684,164

Current portion	\$	1,527,561
Noncurrent portion		19,156,603
Total Note Payable (THA)	\$	20,684,164

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

CMS Advance Payment Program

The CMS Advanced Payment balance consists of advanced payments received from the Centers for Medicare & Medicaid Services (CMS), in order to increase cash flow for Medicare Part A providers who were impacted by the COVID-19 pandemic. The Authority received \$19,952,520 in advanced payments during April 2020. The advanced payments balance is non-interest bearing through the 29-month repayment period. The Authority's CMS Advance payment obligation have been fully recouped or repaid during the year ended June 30, 2023.

Revenue Bonds Payable:

Tahlequah Public Works Authority

Utility System Revenue Note, Taxable Series 2019, original issue amount of \$12,850,000, secured by utility revenues, interest rate of 2.65%, final maturity October 1, 2037.

	\$ 10,886,000
Total revenue bonds payable, net	10,886,000

	Current portion	\$ 628,000
	Noncurrent portion	10,258,000
Total Revenue Bonds Payable (TPWA)	\$	10,886,000

<u>Year Ending June 30,</u>	<u>Discretely Presented Component Unit:</u> TPWA & THA Notes Payable (direct borrowings)	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,976,323	\$ 1,109,564
2025	1,926,759	1,129,412
2026	2,203,326	1,049,416
2027	2,048,851	960,221
2028	7,906,639	787,516
2029-2033	8,825,807	2,380,377
2034-2038	2,309,172	1,062,633
2039-2043	2,648,166	719,745
2044-2048	3,044,793	227,696
2049-2053	552,034	3,118
Totals	\$ 33,441,870	\$ 9,429,698

<u>Year Ending June 30,</u>	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 628,000	\$ 284,345
2025	644,000	267,597
2026	660,000	250,425
2027	678,000	232,815
2028	695,000	214,742
2029-2034	4,570,000	881,707
2035-2038	3,011,000	161,584
	-	-
	\$ 10,886,000	\$ 2,293,215

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged three fourths of a cent of future sales tax revenues to assist in the repayment of \$24,455,000 of 2013 A & B Series Sales Tax Revenue Bonds, dated May 1, 2013. Proceeds from the note provided financing for capital assets. The bonds are payable from pledged sales tax revenues and are payable through April 1, 2028. The total principal and interest payable for the remainder of the life of these bonds is \$10,013,567. Pledged sales taxes received in the current year were \$3,289,406. Debt service payments of \$2,058,381 for the current fiscal year were 62.6% of the pledged sales taxes.

6. Leases and Subscription-Based Information Technology Arrangements (SBITAs)

Lessor

The City as a lessor, has entered into lease agreements involving land for cell towers. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$12,236.

Lessee

The City as a lessee, has entered into lease agreements involving sixteen vehicles for the government. As part of these agreements there are variable payments that are not part of the lease recognition. Total variable payments were \$4,287.

The future minimum lease payments for the City are as follows:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 130,071	\$ 2,790
2025	131,061	1,795
2026	112,167	849
2027	49,782	118
	<u>\$ 423,081</u>	<u>\$ 5,552</u>

SBITAs

The Tahlequah Hospital Authority entered into a SBITA contract for use of a management software. The Authority is required to make principal and interest payments through June 2027. The subscription liability was valued using the implicit rate of 4.5% based on the Authority's incremental borrowing rate at the inception of the subscriptions.

<u>Type of Debt</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Component Unit:					
Software	\$ 1,425,160	\$ -	\$ 313,104	\$ 1,112,056	\$ 309,916

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Year Ending June 30,

2024	\$	309,916
2025		313,104
2026		313,104
2027		175,932
2028		-
		\$ 1,112,056

7. Internal and Interfund Balances and Transfers

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

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
Restricted Sales Tax II Fund	TPFA	\$ 3,289,406	Restricted Sales Tax
General Fund	Streets & Sidewalks Fund	28,787	Matching Resources
General Fund	Capital Improvement Fund	1,500,000	Capital Improvements
General Fund	Sanitation Fund	39,184	Matching Resources
TPFA	General Fund	4,000	Administration Pay
TEFA	General Fund	4,000	Administration Pay
Total		\$ 4,865,377	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 4,826,193	\$ (4,861,377)	\$ (35,184)
Proprietary Funds	39,184	(8,995)	30,189
	\$ 4,865,377	\$ (4,870,372)	\$ (4,995)

Reconciliation to Statement of Activities:

Net transfers	\$ (35,184)
Transfer of business-type activity asset to governmental activity	4,995
Transfers - internal activity	\$ (30,189)

Balances:

Interfund receivable and payables at June 30, 2023 were as follows:

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
General Fund	Street and Alley Fund	\$ 2,595	Operating
Restricted Sales Tax II	Tahlequah Public Facilities Authority	287,313	Restricted Sales Tax
General Fund	Sanitation	245,000	Operating
Total		<u>\$ 534,908</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ 289,908	\$ (534,908)	\$ (245,000)
Proprietary Funds	245,000	-	245,000
Total	<u>\$ 534,908</u>	<u>\$ (534,908)</u>	<u>\$ -</u>

8. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool
- Worker’s Compensation – Worker’s compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool
- Employee’s Group Medical – Purchased insurance with commercial carrier with no risk retained

9. Interest Rate Swap

The Tahlequah Hospital Authority, discretely presented component unit, entered the interest rate swap agreement in January 2018. The Authority receives a floating rate of 1-month LIBOR, plus 184 basis points, in return for the fixed rate outlined above. The swaps expire January 2028. The objective of the swap is for the Authority to offset the variability of the overall cash flows on its fixed rate debt attributable to changes in market interest rates.

Notional Value			
<u>Original</u>	<u>2023</u>	<u>2022</u>	<u>Interest Paid</u>
15,000,000	10,690,370	11,565,866	4.390%

The change in fair value of the swap is included as deferred outflows of resources in the statement of net position. The fair market value of the swap is determined using quoted market prices based upon observable interest rates and yield curves (Level 2 inputs), and the swap is a receivable totaling \$552,469 and \$130,719 at June 30, 2023 and 2022 and was included in assets and noncurrent liabilities.

Credit Risk

The Authority is exposed to credit risk on hedging derivative instruments that are in asset positions. As of June 30, 2023 and 2022, the Authority has hedging derivative instruments in asset positions.

Interest Rate Risk

The Authority is exposed to interest rate risk on its interest rate swap. As the LIBOR swap index decreases, the Authority’s net payment on the swap increases.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Termination Risk

The Authority or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument is in a liability position, the Authority would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Rollover Risk

The Authority is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the Authority will be re-exposed to the risks being hedged by the hedging derivative instrument.

10. Commitments and Contingencies

Litigation:

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

Federal and State Award Programs:

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

11. Prior Period Adjustment

Certain restatements of the beginning net position and/or fund balances of both the government-wide financial statements and the individual fund financials statements were necessary in order to correct errors presented in the previously reported financial statements.

	General Fund	Government-Wide Governmental Activities	TPWA
Beginning net position, as previously reported	\$ 4,122,280	\$ 41,872,354	\$ 45,641,936
Understatement (Overstatement) of fixed assets	-	-	(215,258)
Understatement (Overstatement) of inventory	-	-	804,996
Understatement (Overstatement) of accounts receivable	(200,524)	(200,524)	1,674,925
Beginning net position, restated	\$ 3,921,756	\$ 41,671,830	\$ 47,906,599

12. Pension Plan Participation

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

The City of Tahlequah participates in three pension or retirement plans:

- Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Public Employees Retirement System (OPERS) – a state-wide cost-sharing plan

A summary of all the amounts recorded in the City’s financial statements for the plans is as follows:

	Governmental Activities	Business-type Activities	Plan Totals
Net Pension Asset:			
Police	\$ 472,369	\$ -	\$ 472,369
Total	<u>\$ 472,369</u>	<u>\$ -</u>	<u>\$ 472,369</u>
Net Pension Liability:			
OPERS	\$ 1,170,953	\$ 458,159	\$ 1,629,112
Firefighters	4,228,318	-	4,228,318
Total	<u>\$ 5,399,271</u>	<u>\$ 458,159</u>	<u>\$ 5,857,430</u>
Deferred Outflows of Resources:			
OPERS	\$ 1,636,650	\$ 645,560	\$ 2,282,210
Police	991,803	-	991,803
Firefighters	1,586,531	-	1,586,531
Total	<u>\$ 4,214,984</u>	<u>\$ 645,560</u>	<u>\$ 4,860,544</u>
Deferred Inflows of Resources:			
OPERS	\$ 108,367	\$ 39,560	\$ 147,927
Police	114,899	-	114,899
Firefighters	54,351	-	54,351
Total	<u>\$ 277,617</u>	<u>\$ 39,560</u>	<u>\$ 317,177</u>
Pension Expense (Benefit):			
OPERS	\$ 213,510	\$ 98,630	\$ 312,140
Police	94,446	-	94,446
Firefighters	734,577	-	734,577
Total	<u>\$ 1,042,533</u>	<u>\$ 98,630</u>	<u>\$ 1,141,163</u>

Firefighters’ Plan:

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

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

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

Normal Retirement:

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$158,323. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$369,539 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$331,226.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a liability of \$4,228,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by the pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.323331%.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

For the year ended June 30, 2022, the City recognized pension expense of \$734,577. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 542,802	\$ 21,346
Changes of assumptions	-	26,959
Net difference between projected and actual earnings on pension plan investments	491,375	-
Changes in proportion	393,354	2,990
City contributions during measurement date	677	3,056
City contributions subsequent to the measurement date	158,323	-
Total	\$ 1,586,531	\$ 54,351

The \$158,323 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 389,787
2025	324,381
2026	159,890
2027	499,799
Total	\$ 1,373,857

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustment:	Paid firefighters with 20 years of service prior to May 26, 1983, receive an increase of half of the dollar amount of 2.75% assumed pay increase in the base pay. No COLA is assumed for members not eligible for this increase.

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

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

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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

	1% Decrease <u>6.5%</u>	Current Discount Rate 7.5%	1% Increase <u>8.5%</u>
Employers' net pension liability	\$ 5,448,496	\$ 4,228,318	\$ 3,207,673

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

Police Plan:

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

Benefits provided-OPPRS provides retirement, disability, and death benefits to members of the plan.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

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

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

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

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

Contributions -The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$279,240. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$245,215 during the calendar year and this is reported, as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$234,724. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported an asset of (\$472,370) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.589049%.

For the year ended June 30, 2022, the City recognized pension expense of \$94,446. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 231,703	\$ 51,453
Changes of assumptions	16,446	-
Net difference between projected and actual earnings on pension plan investments	460,937	-
Changes in proportion	819	52,601
City contributions during measurement date	2,658	10,845
City contributions subsequent to the measurement date	279,240	-
Total	<u>\$ 991,803</u>	<u>\$ 114,899</u>

The \$279,240 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase or decrease of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 130,655
2025	24,807
2026	(136,472)
2027	556,308
2028	22,366
	<u>\$ 597,664</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.

Disabled pensioners RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private Equity	9.66%

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

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

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

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability (asset)	\$ 1,368,596	\$ (472,370)	\$ (2,028,436)

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.

Oklahoma Public Employees Retirement System:

Plan description - The City of Tahlequah, as the employer, participates in Oklahoma Public Employees Retirement Plan —a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at www.opers.ok.gov.

Benefits provided - OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member’s age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member’s age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

- Employees
 - Benefits are determined at 2% of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

- Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.
- Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay a \$5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Contributions - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 7.5% percent of their annual pay. Participating entities are required to contribute 12.5% of the employees' annual pay. A portion of the contributions received by OPERS are allocated to the Supplemental Health Insurance program; see Note 10. Contributions to the pension plan from the City were \$538,365.

Pension Liabilities(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a liability of \$1,629,112 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.193812%.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

For the year ended June 30, 2022, the City recognized pension expense of \$312,176. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 74,693
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,709,959	-
Changes in proportion	27,257	25,968
City contributions during measurement date	6,629	47,266
City contributions subsequent to the measurement date	538,365	-
Total	<u>\$ 2,282,210</u>	<u>\$ 147,927</u>

The \$538,365 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 206,327
2025	242,251
2026	174,396
2027	972,944
	<u>\$ 1,595,918</u>

Actuarial Assumptions- The total pension liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of July 1, 2022, using the following actuarial assumptions:

- Investment return – 6.5% compounded annually net of investment expense and including inflation
- Salary increases – 3.25% to 9.25% per year including inflation
- Mortality rates – Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25% per year
- Actuarial cost method – Entry age

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

- Select period for the termination of employment assumptions – 10 years

The actuarial assumptions used in the July 1, 2022, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
U.S. TIPS	3.5%	1.8%
Total	<u>100.0%</u>	

Discount Rate- The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those 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. The discount rate determined does not use a municipal bond rate.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease Rate 5.50%	Current Discount Rate 6.50%	1% Increase Rate 7.50%
Net Pension Liability (Asset)	\$ 3,992,961	\$ 1,629,112	\$ (370,020)

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 OPERS; which can be located at www.opers.ok.gov.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

13. Other Postemployment Benefits Plan

Plan description - The City of Tahlequah, as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Public Employees Retirement System (OPERS). The authority to establish and amend benefit provisions rests with the State Legislature. OPERS issues a publicly available financial report that can be obtained at www.ok.gov/OPERS

Benefits provided - OPERS pays a medical insurance supplement to eligible members who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries. The supplement payment is capped at \$105 per month per retiree, remitted to the (insurance provider or entity).

Contributions - The contribution rates for each member category of the System are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. An actuarially determined portion of the total contributions to the System are set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code. Based on the contribution requirements of the plan employers and employees contribute a single amount based on a single contribution rate as described in Note (pension note number); from this amount OPERS allocates a portion of the contributions to the supplemental health insurance program. Contributions allocated to the OPEB plan from the City were \$31,600.

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2023, the City reported an asset of (\$181,385) for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net OPEB asset was based on the City's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was .193813%.

For the year ended June 30, 2023, the City recognized OPEB expense (benefit) of (\$15,542). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 90,623
Changes of assumptions	15,316	-
Net difference between projected and actual earnings on OPEB plan investments	68,652	-
Changes in proportion	9,302	21,229
City contributions during to the measurement date	4,042	2,801
City contributions subsequent to the measurement date	31,600	-
Total	<u>\$ 128,912</u>	<u>\$ 114,653</u>

The \$31,600 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction or addition to of the net OPEB liability or asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024	\$ (9,813)
2025	(8,758)
2026	(6,907)
2027	17,159
2028	(9,022)
Thereafter	-
	<u>\$ (17,341)</u>

Actuarial Assumptions- The total OPEB liability as of June 30, 2023, was determined based on an actuarial valuation prepared as if June 30, 2022 using the following actuarial assumptions:

- Investment return – 6.50 % compounded annually net of investment expense and including inflation
- Salary increases – 3.25% to 9.25% per year including inflation
- Mortality rates – Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year. • No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25%
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

The actuarial assumptions used in the July 1, 2022, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	34.0%	5.1%
U.S. Small Cap Equity	6.0%	5.1%
Global Equity ex-US	28.0%	8.2%
Core Fixed Income	25.0%	1.9%
Long Term Treasuries	3.5%	2.1%
U.S. TIPS	3.5%	1.8%
Total	<u>100.0%</u>	

Discount Rate- A single discount rate of 6.50% was used to measure the total OPEB liability as of June 30, 2022. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate-The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 6.50%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net Pension Liability (Asset)	\$ (117,083)	\$ (181,385)	\$ (236,481)

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

13. Subsequent Event

Issuance of Sales Tax Revenue Note, Refunding Series 2024

On July 1, 2024, the City, through its component unit, Tahlequah Public Facilities Authority, issued a Sales Tax Revenue Note, Refunding Series 2024, with an aggregate principal amount not to exceed \$9,700,000.00. The issuance was completed under the provisions of a Note Purchase Agreement with BancFirst, Tahlequah, Oklahoma. The proceeds of the Note were designated for funding certain capital improvements and refunding the outstanding indebtedness of prior bond series 2013A.

As part of the issuance, the City and the Authority executed a Security Agreement, effective July 1, 2024. Under the terms of this agreement, the City has agreed to transfer sales tax revenues to the Authority for the payment of debt service on the Series 2024 Note, as detailed in the Security Agreement.

The issuance was considered necessary to provide favorable terms for financing the City's ongoing capital projects and to address outstanding debt obligations.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Budgetary Comparison Schedule (Budgetary Basis)– General Fund – Fiscal Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 2,099,368	\$ 2,099,368	\$ 4,143,799	\$ 2,044,431
Resources (Inflows):				
Taxes	8,656,500	8,656,500	9,230,194	573,694
Intergovernmental	1,438,000	1,438,000	1,285,238	(152,762)
Charges for services	295,800	295,800	321,226	25,426
Fines and forfeitures	249,500	249,500	322,840	73,340
Licenses and permits	199,500	199,500	227,843	28,343
Miscellaneous	267,000	267,000	375,825	108,825
Interest	50,000	50,000	152,920	102,920
Transfers in	-	-	22,596	22,596
Total Resources (Inflows)	<u>11,156,300</u>	<u>11,156,300</u>	<u>11,938,682</u>	<u>782,382</u>
Amounts available for appropriation	<u>13,255,668</u>	<u>13,255,668</u>	<u>16,082,481</u>	<u>2,826,813</u>
Charges to Appropriations (Outflows):				
Managerial	2,335,842	2,194,316	1,861,644	332,672
City treasurer	78,827	14,149	14,143	6
City clerk	14,149	78,827	69,911	8,916
Municipal court	209,652	209,652	159,939	49,713
Police	3,348,587	3,381,587	3,329,607	51,980
Fire	1,816,612	1,859,612	1,777,848	81,764
Emergency management	102,177	102,177	99,413	2,764
Highways and streets	1,237,306	1,237,306	1,079,476	157,830
Maintenance	200,365	200,365	190,310	10,055
Culture, tourism and recreation	1,291,032	1,291,032	1,194,955	96,077
Health	-	-	88,571	(88,571)
Cemetery	231,603	257,129	244,814	12,315
Information technology	173,608	173,608	52,886	120,722
Library	42,500	42,500	39,103	3,397
Transfers out	2,173,408	2,207,408	2,178,138	29,270
Total Charges to Appropriations	<u>13,255,668</u>	<u>13,249,668</u>	<u>12,380,758</u>	<u>868,910</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 3,701,723</u>	<u>\$ 3,695,723</u>

See accompanying notes to budgetary comparison schedules.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Budgetary Comparison Schedule (Budgetary Basis) – Restricted Sales Tax Fund II – Fiscal Year Ended June 30, 2023

	RESTRICTED SALES TAX FUND II			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ (7,137)	\$ (7,137)
Resources (Inflows):				
Taxes	3,250,000	3,250,000	3,269,219	19,219
Total Revenue	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,269,219</u>	<u>19,219</u>
Amounts available for appropriation	<u>\$ 3,250,000</u>	<u>\$ 3,250,000</u>	<u>\$ 3,262,082</u>	<u>\$ 12,082</u>
Charges to Appropriations (Outflows):				
Transfer out	\$ 3,250,000	\$ 3,250,000	\$ 3,269,219	\$ (19,219)
Total Charges to Appropriations	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,269,219</u>	<u>(19,219)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,137)</u>	<u>\$ (7,137)</u>

See accompanying notes to budgetary comparison schedules.

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a cash basis that reports expected cash expenditures by program within a fund and estimated cash receipts by source for all funds.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within line items and object categories within a department may be made by the City Administrator, however, transfers of appropriations between departments require the approval of the City Council. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedule below:

General Fund:

Total budgetary revenues and transfers	\$11,938,682
Less: budgetary expenses and transfers	<u>(12,380,758)</u>
Net Change to Budgetary Fund Balance	(442,076)
Change in revenue accruals	821,835
Change in expenditure accruals	(666,735)
General Fund sub-accounts changes in balance	<u>3,011,885</u>
Change in Fund Balance- Modified Accrual	<u><u>\$ 2,724,909</u></u>

Restricted Sales Tax Fund II:

Total budgetary revenues and transfers	\$ 3,269,219
Less: budgetary expenses and transfers	<u>(3,269,219)</u>
Net Change to Budgetary Fund Balance	-
Change in revenue accruals	20,187
Change in expenditure accruals	<u>(20,187)</u>
Change in Fund Balance- Modified Accrual	<u><u>\$ -</u></u>

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

**SCHEDULE OF THE CITY OF TAHLEQUAH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.223900%	0.246298%	0.254001%	0.260579%	0.271829%	0.270078%	0.277328%	0.276828%	0.323331%
City's proportionate share of the net pension liability	\$ 2,302,349	\$ 2,614,231	\$ 3,103,156	\$ 3,277,365	\$ 3,008,855	\$ 2,853,812	\$ 3,416,429	\$ 1,823,096	\$ 4,228,318
City's covered-employee payroll	\$ 608,050	\$ 640,287	\$ 666,324	\$ 695,000	\$ 742,841	\$ 837,221	\$ 884,714	\$ 860,729	\$ 1,066,886
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%	408%	466%	472%	405%	341%	386%	212%	396%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%

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

Notes to Schedule:

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

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 95,544	\$ 94,212	\$ 99,469	\$ 103,693	\$ 117,211	\$ 123,860	\$ 120,502	\$ 149,364	\$ 158,323
Contributions in relation to the statutorily required contribution	95,544	94,212	99,469	103,693	117,211	123,860	120,502	149,364	158,323
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 640,287	\$ 666,324	\$ 695,000	\$ 742,841	\$ 837,221	\$ 884,714	\$ 860,729	\$ 1,066,886	\$ 1,130,879
Contributions as a percentage of covered-employee payroll	14.92%	14.14%	14.31%	13.96%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

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

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF TAHLEQUAH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.4099%	0.4372%	0.4457%	0.4819%	0.5211%	0.5666%	0.5772%	0.5477%	0.5890%
City's proportionate share of the net pension liability (asset)	\$ (138,025)	\$ 17,826	\$ 682,581	\$ 17,826	\$ (248,236)	\$ (36,168)	\$ 662,868	\$ (2,627,323)	\$ (472,370)
City's covered-employee payroll	\$ 1,186,670	\$ 1,083,246	\$ 1,235,769	\$ 1,314,515	\$ 1,413,115	\$ 1,851,608	\$ 1,942,538	\$ 1,894,962	\$ 2,027,338
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.63%	1.65%	55.24%	1.36%	17.57%	1.95%	-34.12%	138.65%	23.30%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

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

Notes to Schedule:

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorially required contribution	\$ 140,822	\$ 160,650	\$ 170,887	\$ 183,705	\$ 240,709	\$ 252,530	\$ 246,345	\$ 263,554	\$ 279,240
Contributions in relation to the statutorially required contribution	140,822	160,650	170,887	183,705	240,709	252,530	246,345	263,554	279,240
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,083,246	\$ 1,235,769	\$ 1,314,515	\$ 1,413,115	\$ 1,851,608	\$ 1,942,538	\$ 1,894,962	\$ 2,027,338	\$ 2,148,000
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

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

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Last 10 Fiscal Years* (Dollar amounts in thousands)

	2015	2016	** 2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.1517%	0.1598%	0.1552%	0.1634%	0.1869%	0.1881%	0.1809%	0.1622%	0.1938%
City's proportionate share of the net pension liability	\$ 274,448	\$ 574,704	\$ 1,539,943	\$ 883,458	\$ 364,561	\$ 250,512	\$ 1,613,991	\$ (2,176,325)	\$ 1,629,112
City's covered-employee payroll	\$ 2,569,909	\$ 2,740,012	\$ 2,824,552	\$ 2,788,176	\$ 3,124,503	\$ 2,977,273	\$ 2,995,164	\$ 2,757,339	\$ 3,052,582
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11%	21%	55%	32%	12%	8%	54%	-79%	53%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	96.00%	89.48%	94.28%	97.96%	98.63%	91.59%	112.51%	92.24%

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

Notes to Schedule:

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

The Plan's net pension liability increased between 2015 and 2016 due to changes in assumptions adopted by the System's Board.

The most notable change was the lowering of the System's discount rate from 7.00% to 6.50%.

** The net pension liability for fiscal year 2017 was restated due to the restatement of other post employment benefits at OPERS.

SCHEDULE OF THE CITY'S CONTRIBUTIONS

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Last 10 Fiscal Years (Dollar amounts in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 452,102	\$ 466,051	\$ 460,049	\$ 515,543	\$ 491,250	\$ 494,202	\$ 454,961	\$ 473,234	\$ 538,364
Contributions in relation to the contractually required contribution	452,102	466,051	460,049	515,543	491,250	494,202	454,961	473,234	538,364
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,740,012	\$ 2,824,552	\$ 2,788,176	\$ 3,124,503	\$ 2,977,273	\$ 2,995,164	\$ 2,757,339	\$ 3,052,582	\$ 3,454,321
Contributions as a percentage of covered-employee payroll	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

SUPPLEMENTAL HEALTH INSURANCE PROGRAM

Last 10 Fiscal Years* (Dollar amounts in thousands)

	2018	2019	2020	2021	2022	2023
Center's proportion of the net OPEB liability (asset)	0.1634%	0.1869%	0.1881%	0.1809%	0.1622%	0.1938%
Center's proportionate share of the net OPEB liability (asset)	\$ 18,716	\$ (24,188)	\$ (73,118)	\$ (84,814)	\$ (222,930)	\$ (266,459)
Center's covered payroll	\$ 2,788,176	\$ 3,124,503	\$ 2,977,273	\$ 2,995,164	\$ 2,757,339	\$ 3,052,582
Center's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.67%	-0.77%	-2.46%	-2.83%	-8.08%	-8.73%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	96.50%	103.94%	112.11%	114.27%	142.87%	130.01%

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

Notes to Schedule:

Only the current and prior five fiscal year's are presented because 10-year data is not yet available.

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S CONTRIBUTIONS

SUPPLEMENTAL HEALTH INSURANCE PROGRAM

Last 10 Fiscal Years (Dollar amounts in thousands)

	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 35,633	\$ 36,205	\$ 1,201	\$ 31,909	\$ 30,442	\$ 31,599
Contributions in relation to the contractually required contribution	35,633	36,205	1,201	31,909	30,442	31,599
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,124,503	\$ 2,977,273	\$ 2,995,164	\$ 2,757,339	\$ 3,052,582	\$ 3,454,321
Contributions as a percentage of covered payroll	1.14%	1.22%	0.04%	1.16%	1.00%	0.91%

Notes to Schedule:

Only the current and prior five fiscal year's are presented because 10-year data is not yet available.

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023**

OTHER SUPPLEMENTARY INFORMATION

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts – June 30, 2023

	General Fund (110)	Police Canine (215)	Municipal Airport (117)	Brookside Restoration (203)	CDBG - Project Strong (421)	Emergency Reserve Fund (208)	BPV 2021 (428)	CDBG 22 Cedar Street (429)	Cops in Schools Retention (347)	Design - Apron (424)	Safe Routes To School (387)
ASSETS AND DEFERRED OUTFLOWS											
Cash and cash equivalents	\$ (504,782)	\$ 5,401	\$ 78,452	\$ 15,925	\$ (44,442)	\$ 1,523,777	\$ 302	\$ (1,957)	\$ 57,224	\$ 15,300	\$ -
Investments	3,016,150	-	-	-	-	-	-	-	-	-	-
Due from other governments	39	-	-	-	38,133	-	-	-	-	-	36,005
Due from other funds	257,004	-	-	-	-	-	-	-	-	-	-
Taxes receivable, net	1,308,351	-	-	-	-	-	-	-	-	-	-
Court fines receivable, net	209,439	-	-	-	-	-	-	-	-	-	-
Grant receivable	-	-	-	-	-	-	\$ 2,385	-	-	-	-
Ambulance receivable, net	-	-	-	-	-	-	-	-	-	-	-
Lease receivable	195,680	-	-	-	-	-	-	-	-	-	-
Other receivables	137,691	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 4,619,572	\$ 5,401	\$ 78,452	\$ 15,925	\$ (6,309)	\$ 1,523,777	\$ 2,687	\$ (1,957)	\$ 57,224	\$ 15,300	\$ 36,005
LIABILITIES AND DEFERRED INFLOWS											
Liabilities:											
Accounts payable	\$ 311,957	\$ -	\$ 1,189	\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ 4,980	\$ -	\$ -
Due to other funds	277,854	-	-	-	-	-	-	-	-	-	-
Payable to other governments	1,871	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	591,682	-	1,189	-	1,250	-	-	-	4,980	-	-
Deferred Inflows:											
Unavailable revenue	203,946	-	-	-	-	-	2,385	-	-	-	36,005
Related to leases	189,164	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflows	393,110	-	-	-	-	-	2,385	-	-	-	36,005
Fund balances:											
Restricted for:											
Airport	-	-	-	-	-	-	-	-	-	15,300	-
Streets	24,325	-	-	-	-	-	-	-	-	-	-
Public safety	58,500	700	-	-	-	-	302	-	-	-	-
Dog Park	-	-	-	-	-	-	-	-	-	-	-
Indigent Transportation	-	-	-	-	-	-	-	-	-	-	-
Assigned to:											
Public safety	-	4,701	77,263	-	-	-	-	-	-	-	-
Brookside restoration	-	-	-	15,925	-	-	-	-	-	-	-
Balance future budget	2,395,808	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	1,156,147	-	-	-	(7,559)	1,523,777	-	(1,957)	52,244	-	-
Total fund balances	3,634,780	5,401	77,263	15,925	(7,559)	1,523,777	302	(1,957)	52,244	15,300	-
Total liabilities and fund balances	\$ 4,619,572	\$ 5,401	\$ 78,452	\$ 15,925	\$ (6,309)	\$ 1,523,777	\$ 2,687	\$ (1,957)	\$ 57,224	\$ 15,300	\$ 36,005

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts – June 30, 2023, (Continued)

	Restricted Donations (425)	FAA Apron Rehab (427)	Airport Covid Grants (431)	TIDE 8 (397)	Safe Trails Grant (399)	2020 BPV Grant Fund (419)	Walmart Grant Fund (403)	CDBG 17 Fund (404)	Dog Park Fund (420)	Mission Park Trails Fund (408)	Bullet Proof Vest 2018 Fund (409)
ASSETS AND DEFERRED OUTFLOWS											
Cash and cash equivalents	\$ 2,440,974	\$ 21,353	\$ (9,142)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,579	\$ (392,875)	\$ -
Investments	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	18,127	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	11,169	1,718	-	-	-	-	17,087	855
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-	-
Court fines receivable, net	-	-	-	-	-	-	-	-	-	-	-
Ambulance receivable, net	-	-	-	-	-	-	-	-	-	-	-
Utilities receivable, net	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	43,140	-	-	-	-	-	-	-	199,924	-
Total assets	<u>\$ 2,440,974</u>	<u>\$ 64,493</u>	<u>\$ 8,985</u>	<u>\$ 11,169</u>	<u>\$ 1,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,579</u>	<u>\$ (175,864)</u>	<u>\$ 855</u>
LIABILITIES AND DEFERRED INFLOWS											
Liabilities:											
Accounts payable	\$ 18,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,350	\$ 29,317	\$ -
Due to other funds	-	-	-	-	1,570	-	-	-	-	-	-
Payable to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>18,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,350</u>	<u>29,317</u>	<u>-</u>
Deferred Inflows:											
Unavailable revenue	-	-	-	-	-	-	-	-	-	199,924	-
Related to leases	-	-	-	-	-	-	-	-	-	199,924	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>399,848</u>	<u>-</u>
Fund balances:											
Restricted for:											
Airport	-	64,493	8,985	-	-	-	-	-	-	-	-
Streets	2,422,930	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Dog Park	-	-	-	-	-	-	-	229	-	-	-
Indigent Transportation	-	-	-	-	-	-	-	-	-	-	-
Assigned to:											
Public safety	-	-	-	11,169	-	-	-	-	-	-	-
Brookside restoration	-	-	-	-	-	-	-	-	-	-	-
Balance future budget	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	148	-	-	-	-	(405,105)	855
Total fund balances	<u>2,422,930</u>	<u>64,493</u>	<u>8,985</u>	<u>11,169</u>	<u>148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>(405,105)</u>	<u>855</u>
Total liabilities and fund balances	<u>\$ 2,440,974</u>	<u>\$ 64,493</u>	<u>\$ 8,985</u>	<u>\$ 11,169</u>	<u>\$ 1,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,579</u>	<u>\$ (175,864)</u>	<u>\$ 855</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts – June 30, 2023, (Continued)

	Grant Fund (410)	Hazmat Grant (426)	FAA Airport Taxiway Project Fund (412)	PD C19 Emergency Fund (413)	EDA Grant Fund (430)	CDBG 20 Fund (415)	Indigent Transportation Fund (416)	LED Lighting Pass Thru Fund (417)	JAG LLE Grant Fund (418)	Total General Fund Accounts
ASSETS AND DEFERRED OUTFLOWS										
Cash and cash equivalents	\$ (620)	\$ 22,658	\$ -	\$ 7,645	\$ 430,000	\$ -	\$ 17,018	\$ -	\$ -	\$ 3,686,790
Investments	-	-	-	-	-	-	-	-	-	3,016,150
Due from other governments	-	-	-	-	-	-	-	-	-	92,304
Due from other funds	-	-	-	-	-	-	-	-	-	287,833
Taxes receivable, net	-	-	-	-	-	-	-	-	-	1,308,351
Court fines receivable, net	-	-	-	-	-	-	-	-	-	209,439
	-	-	-	-	-	-	-	-	-	2,385
Ambulance receivable, net	-	-	-	-	-	-	-	-	-	-
Utilities receivable, net	-	-	-	-	-	-	-	-	-	195,680
Other receivables	-	-	-	-	-	-	-	-	-	380,755
Total assets	<u>\$ (620)</u>	<u>\$ 22,658</u>	<u>\$ -</u>	<u>\$ 7,645</u>	<u>\$ 430,000</u>	<u>\$ -</u>	<u>\$ 17,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,179,687</u>
LIABILITIES AND DEFERRED INFLOWS										
Liabilities:										
Accounts payable	\$ -	\$ 22,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,745
Due to other funds	1,073	-	991	7,645	-	-	-	-	-	289,133
Payable to other governments	-	-	-	-	-	-	-	-	-	1,871
Unearned revenue	-	-	-	-	430,000	-	-	-	-	430,000
Total liabilities	<u>1,073</u>	<u>22,658</u>	<u>991</u>	<u>7,645</u>	<u>430,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,749</u>
Deferred Inflows:										
Unavailable revenue	-	-	-	-	-	-	-	-	-	442,260
Related to leases	-	-	-	-	-	-	-	-	-	189,164
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,424</u>
Fund balances:										
Restricted for:										
Airport	-	-	-	-	-	-	-	-	-	88,778
Streets	-	-	-	-	-	-	-	-	-	2,447,255
Public safety	-	-	-	-	-	-	-	-	-	59,502
Dog Park	-	-	-	-	-	-	-	-	-	229
Indigent Transportation	-	-	-	-	-	-	17,018	-	-	17,018
Assigned to:										
Public safety	-	-	-	-	-	-	-	-	-	93,133
Brookside restoration	-	-	-	-	-	-	-	-	-	15,925
Balance future budget	-	-	-	-	-	-	-	-	-	2,395,808
Unassigned (deficit)	(1,693)	-	(991)	-	-	-	-	-	-	2,315,866
Total fund balances	<u>(1,693)</u>	<u>-</u>	<u>(991)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>-</u>	<u>7,433,514</u>
Total liabilities and fund balances	<u>\$ (620)</u>	<u>\$ 22,658</u>	<u>\$ -</u>	<u>\$ 7,645</u>	<u>\$ 430,000</u>	<u>\$ -</u>	<u>\$ 17,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,179,687</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2023

	General Fund (110)	Police Canine (215)	Municipal Airport (117)	Brookside Restoration (203)	CDBG - Project Strong (421)	Emergency Reserve Fund (208)	BPV 2021 (428)	CDBG 22 Cedar Street (429)	Cops in Schools Retention (347)	Design - Apron (424)	Safe Routes To School (387)
REVENUES											
Taxes	\$ 9,299,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	289,302	-	-	-	-	-	-	-	-	-	-
Licenses and permits	227,843	-	-	-	-	-	-	-	-	-	-
Intergovernmental	1,285,238	-	-	-	211,781	-	302	-	273,198	32,250	161,020
Charges for services	322,157	-	-	11,605	-	-	-	-	-	-	-
Investment earnings	338,892	-	994	-	-	27,512	-	-	-	-	-
Miscellaneous	975,136	1,000	88,562	-	-	-	-	-	-	-	-
Total revenues	<u>12,737,921</u>	<u>1,000</u>	<u>89,556</u>	<u>11,605</u>	<u>211,781</u>	<u>27,512</u>	<u>302</u>	<u>-</u>	<u>273,198</u>	<u>32,250</u>	<u>161,020</u>
EXPENDITURES											
Current:											
General government	1,866,197	-	-	-	130,424	-	-	-	-	-	-
City Treasurer	14,195	-	-	-	-	-	-	-	-	-	-
City Clerk	70,110	-	-	-	-	-	-	-	-	-	-
Municipal Court	160,614	-	-	-	-	-	-	-	-	-	-
Police	3,578,788	-	-	-	-	-	-	-	-	-	-
Fire	2,052,375	-	-	-	-	-	-	-	-	-	-
Emergency Management	99,948	-	-	-	-	-	-	425,925	-	-	-
Highways and streets	1,065,360	-	-	-	-	-	-	-	-	-	-
Maintenance	186,569	-	-	-	-	-	-	-	-	-	-
Health	92,605	-	-	-	-	-	-	-	-	-	-
Culture, tourism and recreation	1,182,716	-	-	-	-	-	-	-	-	-	-
Cemetery	245,721	-	-	-	-	-	-	-	-	-	-
Parks	20,986	-	-	-	-	-	-	-	-	-	-
Airport	246	-	149,228	-	-	-	-	-	-	-	-
Information Technology	52,886	-	-	-	-	-	-	-	-	-	-
Library	29,103	-	-	-	-	-	-	-	-	-	-
Capital Outlay	136,607	-	-	-	-	-	-	1,957	-	16,950	47,633
Total Expenditures	<u>10,855,026</u>	<u>-</u>	<u>149,228</u>	<u>-</u>	<u>130,424</u>	<u>-</u>	<u>-</u>	<u>1,957</u>	<u>425,925</u>	<u>16,950</u>	<u>47,633</u>
Revenues over (under) expenditures	<u>1,882,895</u>	<u>1,000</u>	<u>(59,672)</u>	<u>11,605</u>	<u>81,357</u>	<u>27,512</u>	<u>302</u>	<u>(1,957)</u>	<u>(152,727)</u>	<u>15,300</u>	<u>113,387</u>
OTHER FINANCING SOURCES (USES)											
Transfer in	8,000	-	-	-	-	-	-	-	-	-	-
Transfer out	(1,500,000)	-	-	-	-	-	-	-	-	-	-
Transfers in- Intra account	14,596	-	136,935	-	-	275,000	-	-	211,473	-	36,768
Transfers out- Intra account	(692,467)	-	-	-	-	-	-	-	-	-	(8,710)
Total other financing sources (uses)	<u>(2,169,871)</u>	<u>-</u>	<u>136,935</u>	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>211,473</u>	<u>-</u>	<u>28,058</u>
Revenues and other sources over (under) expenditures and other uses	<u>(286,976)</u>	<u>1,000</u>	<u>77,263</u>	<u>11,605</u>	<u>81,357</u>	<u>302,512</u>	<u>302</u>	<u>(1,957)</u>	<u>58,746</u>	<u>15,300</u>	<u>141,445</u>
Fund balances - beginning, restated	3,921,756	4,401	-	4,320	(88,916)	1,221,265	-	-	(6,502)	-	(141,445)
Fund balances - ending	<u>\$ 3,634,780</u>	<u>\$ 5,401</u>	<u>\$ 77,263</u>	<u>\$ 15,925</u>	<u>\$ (7,559)</u>	<u>\$ 1,523,777</u>	<u>\$ 302</u>	<u>\$ (1,957)</u>	<u>\$ 52,244</u>	<u>\$ 15,300</u>	<u>\$ -</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2023, (Continued)

	Restricted Donations (425)	FAA Apron Rehab (427)	Airport Covid Grants (431)	TIDE 8 (397)	Safe Trails Grant (399)	2020 BPV Grant Fund (419)	Walmart Grant Fund (403)	Safe Ok Grant Fund (406)	Dog Park Fund (420)	Mission Park Trails Fund (408)	Bullet Proof Vest 2018 Fund (409)
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	2,298,500	347,085	31,127	-	4,476	2,683	2,500	-	-	17,087	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	7,755	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>2,306,255</u>	<u>347,085</u>	<u>31,127</u>	<u>-</u>	<u>4,476</u>	<u>2,683</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>17,087</u>	<u>-</u>
EXPENDITURES											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
City Treasurer	-	-	-	-	-	-	-	-	-	-	-
City Clerk	-	-	-	-	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-
Emergency Management	19,532	-	-	-	-	-	2,435	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-	-
Culture, tourism and recreation	-	-	-	-	-	-	-	-	8,156	-	-
Cemetery	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-	-
Airport	-	-	12,143	-	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	313,818	9,999	-	-	-	-	-	-	428,485	-
Total Expenditures	<u>19,532</u>	<u>313,818</u>	<u>22,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,435</u>	<u>-</u>	<u>8,156</u>	<u>428,485</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,286,723</u>	<u>33,267</u>	<u>8,985</u>	<u>-</u>	<u>4,476</u>	<u>2,683</u>	<u>65</u>	<u>-</u>	<u>(8,156)</u>	<u>(411,398)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)											
Transfer in	-	-	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-	-	-
Transfers in- Intra account	-	31,226	-	-	5,763	2,081	-	-	-	-	1,125
Transfers out- Intra account	-	-	-	-	-	(2,683)	(65)	(2,685)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>31,226</u>	<u>-</u>	<u>-</u>	<u>5,763</u>	<u>(602)</u>	<u>(65)</u>	<u>(2,685)</u>	<u>-</u>	<u>-</u>	<u>1,125</u>
Revenues and other sources over (under) expenditures and other uses	<u>2,286,723</u>	<u>64,493</u>	<u>8,985</u>	<u>-</u>	<u>10,239</u>	<u>2,081</u>	<u>-</u>	<u>(2,685)</u>	<u>(8,156)</u>	<u>(411,398)</u>	<u>1,125</u>
Fund balances - beginning, restated	136,207	-	-	11,169	(10,091)	(2,081)	-	2,685	8,385	6,293	(270)
Fund balances - ending	<u>\$ 2,422,930</u>	<u>\$ 64,493</u>	<u>\$ 8,985</u>	<u>\$ 11,169</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229</u>	<u>\$ (405,105)</u>	<u>\$ 855</u>

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2023

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund Accounts – For the Fiscal Year Ended June 30, 2023, (Continued)

	Grant Fund (410)	Hazmat Grant (426)	FAA Airport Taxiway Project Fund (412)	PD C19 Emergency Fund (413)	EDA Grant Fund (430)	CDBG 20 Fund (415)	Indigent Transportation Fund (416)	LED Lighting Pass Thru Fund (417)	JAG LLE Grant Fund (418)	Total General Fund Accounts
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,299,353
Fees and fines	-	-	-	-	-	-	-	-	-	289,302
Licenses and permits	-	-	-	-	-	-	-	-	-	227,843
Intergovernmental	-	-	-	12,531	-	-	-	-	-	4,679,778
Charges for services	-	-	-	-	-	-	-	-	-	333,762
Investment earnings	-	-	-	-	-	-	-	-	-	367,398
Miscellaneous	-	-	-	-	-	-	-	-	-	1,072,453
Total revenues	-	-	-	12,531	-	-	-	-	-	16,269,889
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	1,299	(8,001)	-	1,989,919
City Treasurer	-	-	-	-	-	-	-	-	-	14,195
City Clerk	-	-	-	-	-	-	-	-	-	70,110
Municipal Court	-	-	-	-	-	-	-	-	-	160,614
Police	-	-	-	-	-	-	-	-	-	3,578,788
Fire	-	-	-	-	-	-	-	-	-	2,052,375
Emergency Management	-	-	-	-	-	-	-	-	-	547,840
Highways and streets	-	-	-	-	-	-	-	-	-	1,065,360
Maintenance	-	-	-	-	-	-	-	-	-	186,569
	-	-	-	-	-	-	-	-	-	92,605
Culture, tourism and recreation	-	-	-	-	-	-	-	-	-	1,190,872
Cemetery	-	-	-	-	-	-	-	-	-	245,721
Parks	-	-	-	-	-	-	-	-	-	20,986
Airport	-	-	-	-	-	-	-	-	-	161,617
Administrative	-	-	-	-	-	-	-	-	-	52,886
Library	-	-	-	-	-	-	-	-	-	29,103
Capital Outlay	-	-	-	-	-	-	-	-	-	955,449
Total Expenditures	-	-	-	-	-	-	1,299	(8,001)	-	12,415,009
Revenues over (under) expenditures	-	-	-	12,531	-	-	(1,299)	8,001	-	3,854,880
OTHER FINANCING SOURCES (USES)										
Transfer in	-	-	-	-	-	-	-	-	-	8,000
Transfer out	-	-	-	-	-	(67,971)	-	-	-	(1,567,971)
Transfers in- Intra account	-	-	-	-	-	-	-	(8,001)	97	707,063
Transfers out- Intra account	(453)	-	-	-	-	-	-	-	-	(707,063)
Total other financing sources (uses)	(453)	-	-	-	-	(67,971)	-	(8,001)	97	(1,559,971)
Revenues and other sources over (under) expenditures and other uses	(453)	-	-	12,531	-	(67,971)	(1,299)	-	97	2,294,909
Fund balances - beginning, restated	(1,240)	-	(991)	(12,531)	-	67,971	18,317	-	(97)	5,138,605
Fund balances - ending	\$ (1,693)	\$ -	\$ (991)	\$ -	\$ -	\$ -	\$ 17,018	\$ -	\$ -	\$ 7,433,514

CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2021

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2023

	<u>Street and Alley Fund (111)</u>	<u>Cemetery Care Fund (113)</u>	<u>Hotel Motel Tax Fund (112)</u>	<u>Stormwater Management Fund (116)</u>	<u>Capital Impr Fund (210)</u>	<u>Total-Other Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 346,017	\$ 126,650	\$ 221,654	\$ 537,562	\$ 1,232,022	\$ 2,463,905
Investments	-	-	-	-	227,127	227,127
Due from other funds	2,595	-	-	-	-	2,595
Taxes receivable, net	16,487	-	26,676	-	-	43,163
Total assets	<u>\$ 365,099</u>	<u>\$ 126,650</u>	<u>\$ 248,330</u>	<u>\$ 537,562</u>	<u>\$ 1,459,149</u>	<u>\$ 2,736,790</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 31,692	\$ -	\$ 93,910	\$ 50,364	\$ 225,705	\$ 401,671
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>31,692</u>	<u>-</u>	<u>93,910</u>	<u>50,364</u>	<u>225,705</u>	<u>401,671</u>
Fund balances:						
Restricted for:						
Cemetery	-	126,650	-	-	-	126,650
Stormwater	-	-	-	117,465	-	117,465
Assigned to:						
Capital Improvements	-	-	-	-	1,233,444	1,233,444
Stormwater	-	-	-	369,733	-	369,733
Streets	333,407	-	-	-	-	333,407
Tourism	-	-	154,420	-	-	154,420
Total fund balances	<u>333,407</u>	<u>126,650</u>	<u>154,420</u>	<u>487,198</u>	<u>1,233,444</u>	<u>2,335,119</u>
Total liabilities and fund balances	<u>\$ 365,099</u>	<u>\$ 126,650</u>	<u>\$ 248,330</u>	<u>\$ 537,562</u>	<u>\$ 1,459,149</u>	<u>\$ 2,736,790</u>

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

	<u>Street and Alley Fund (111)</u>	<u>Cemetery Care Fund (113)</u>	<u>Hotel Motel Tax Fund (112)</u>	<u>Stormwater Management Fund (116)</u>	<u>Capital Impr Fund (210)</u>	<u>Total-Other Governmental Funds</u>
REVENUES						
Taxes	\$ 145,624	\$ -	\$ 180,535	\$ -	\$ -	\$ 326,159
Fees and fines	-	-	-	-	-	-
Intergovernmental	-	-	-	112,500	-	112,500
Charges for services	-	15,163	-	214,185	-	229,348
Investment income (loss)	9,122	3,071	5,793	12,558	(51,830)	(21,286)
Miscellaneous	-	-	97,752	-	-	97,752
Total revenues	<u>154,746</u>	<u>18,234</u>	<u>284,080</u>	<u>339,243</u>	<u>(51,830)</u>	<u>744,473</u>
EXPENDITURES						
Current:						
Highways and streets	267,169	-	-	-	-	267,169
Stormwater	-	-	-	156,878	-	156,878
Culture, tourism and recreation	-	-	369,824	-	-	369,824
Principal	-	-	-	-	140,650	140,650
Interest and other charges	-	-	-	-	4,990	4,990
Capital Outlay	38,670	-	26,385	52,342	1,847,900	1,965,297
Total Expenditures	<u>305,839</u>	<u>-</u>	<u>396,209</u>	<u>209,220</u>	<u>1,993,540</u>	<u>2,904,808</u>
Revenues over (under) expenditures	<u>(151,093)</u>	<u>18,234</u>	<u>(112,129)</u>	<u>130,023</u>	<u>(2,045,370)</u>	<u>(2,160,335)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from leases	-	-	-	-	132,644	132,644
Transfers in	-	-	-	-	1,500,000	1,500,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,632,644</u>	<u>1,632,644</u>
Revenues and other sources over (under) expenditures and other uses	<u>(151,093)</u>	<u>18,234</u>	<u>(112,129)</u>	<u>130,023</u>	<u>(412,726)</u>	<u>(527,691)</u>
Fund balances - beginning	484,500	108,416	266,549	357,175	1,646,170	2,862,810
Fund balances - ending	<u>\$ 333,407</u>	<u>\$ 126,650</u>	<u>\$ 154,420</u>	<u>\$ 487,198</u>	<u>\$ 1,233,444</u>	<u>\$ 2,335,119</u>

**CITY OF TAHLEQUAH, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Fiscal Year Ended June 30, 2021**

THIS PAGE INTENTIONALLY LEFT BLANK