

**CITY OF WOODWARD, OKLAHOMA
WOODWARD, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITORS REPORTS**

**FOR THE YEAR ENDED
JUNE 30, 2024**

The City of Woodward, Oklahoma
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Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Woodward, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodward, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Woodward, Oklahoma's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Woodward, Oklahoma'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 of Woodward, Oklahoma'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 of Woodward, Oklahoma's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

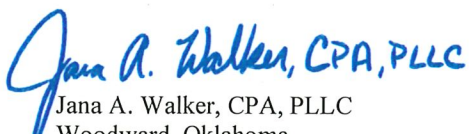
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and net pension schedules on pages 3-11 and 43-45 be presented to supplement the basic financial statements. Such information is the responsibility 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 of Woodward, Oklahoma's basic financial statements. The accompanying combining fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2025, on our consideration of the City of Woodward, Oklahoma'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 of Woodward, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Woodward, Oklahoma's internal control over financial reporting and compliance.


 Jana A. Walker, CPA, PLLC
 Woodward, Oklahoma
 July 7, 2025

This discussion and analysis of the City of Woodward's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024, and a brief overview of the future projects and economic outlook for the City. This section of the report is intended to inform the users of City's performance along with the accompanying financial statements. This discussion focuses on the City's primary government, consisting of the General Fund, the City of Woodward Municipal Authority, and various smaller funds established by the City Commissioners. Not included in this report is the financial information for the Woodward Hospital & Health Center or the Woodward Industrial Foundation. This information should be read in conjunction with the City's financial statements and related notes which contain greater detail.

HISTORY OF THE CITY OF WOODWARD

The City of Woodward (the "City") was established in 1887. The City is the largest city in Woodward County and the County seat for the district. The population is approximately 12,000 people with 2,500 students enrolled in one of the three elementary schools, middle school, or high school. Woodward public schools are the largest employer followed by Walmart and the Hospital. The Public School system employs 382 administrators, teachers and staff; Walmart employs 325, and the Hospital employs 300.

Agriculture and cattle production have always been vital to the City's steady growth and economic state. To the oil and natural gas boom of the last thirty years have also played a large part in the City's growth and economic status. With a boom in the 1970's and a reinvestment again in 1990's both gave the City huge economic profit.

The City has experienced an above average economic status. The average price of a new home is \$233,000 dollars. The unemployment percentage is below the state and national average. The City has had a large influx of Oklahoma residents moving into the town since 2000. The City is one of the safest cities in the state (with respect to crime) having 29 law enforcement officers employed and below average crime rate within the City. The only concern for the City is natural disasters; the City ranks at the top with 15 national disasters declared.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$67,808,136 (net position) for the fiscal year ended June 30, 2024 compared to previous year when assets exceeded liabilities by \$61,649,116.
- Total net assets are comprised of the following:
 - (1) Net investment in capital assets of \$45,402,014. This includes property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Restricted net assets of \$12,748,093 majority which is restricted by constraints imposed by debt covenants and other State laws or regulations.
 - (3) Unrestricted net assets of \$9,658,029 represent the portion available to maintain the City's continuing obligations to citizens and its creditors.
- The City has total current liabilities of \$5,979,497 which are expected to be paid within the current year. Total noncurrent liabilities of \$33,241,897 represent the notes payable, capital leases, and employee benefit liabilities. The City has total liabilities of \$39,221,394 at June 30, 2024, which is an increase from prior year's total liabilities of \$33,161,008.
- The City's governmental funds reported total ending fund balance of \$21,049,428 this year. This compares to the prior year ending fund balance of \$20,753,801.

OVERVIEW OF THE FINANCIAL STATEMENTS

In an attempt to provide full transparency of the financial position of the City to the end user, the Governmental Accounting Standards Board has adopted a reporting model with certain financial reporting requirements. Included within the document you will find the following sections:

- (1) Independent Auditor's Report,
- (2) Basic financial statements for the City
 - (a) Government-Wide Financial Statements
 - (b) Governmental Funds Financial Statements
 - (c) Proprietary Funds Financial Statements
 - (d) Fiduciary Funds Financial Statements
 - (e) Footnotes to the Basic Financial Statements
- (3) Required Supplementary information for Budgets and Pensions

The City's financial reporting entity includes the funds of the City (primary government) and the Woodward Municipal Authority ("WMA"). The WMA is separate entity whose board of trustees is comprised of the City's Mayor and Commissioners. WMA governs most of the business-type activities and serves as financing vehicles for the City's debt issues. These organizations are blended to represent the primary government for financial reporting purposes.

Government-wide Financial Statements

Included in the City's report are two government-wide financial statements, the statement of net position and the statement of activities. These statements are prepared using the accrual basis of accounting; the accrual method of accounting recognizes revenues and expenses when they are incurred not when cash is received or expended.

The first of these government-wide statements is the Statement of Net Position. The statement of net position takes all City's assets and liabilities; the difference is reported as net position. Over time, increases or decreases can indicate the financial situation of the City as a whole. The statement can show if the City's financial position is improving or deteriorating.

The second government-wide financial statement is the Statement of Activities which reports how the City's net position changed during the current fiscal year. Included in this report are all current year revenues and expenses regardless of when the cash is received or paid. A principal purpose of the statement of activities is to identify the reliance of the City's operations on revenues provided by the City's taxpayers.

Governmental activities include the activities of the general government, public safety (police and fire) and judiciary (city court); transportation (streets); cultural and tourism, parks and recreation, airport, and public services. Business-type activities include the water, wastewater utilities, solid waste and customer service. Both government-wide financial statements are used to show that activities of the City are primarily supported by taxes and intergovernmental revenues. Business type activities recover most, if not all the costs through user fees and charges for services provided.

Governmental Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses separate funds to comply with restrictions from the financing requirements laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds. Major funds are separately reported based on significance to overall operating entity. Individual fund data for non-major fund is provided in the form of combining statements in the supplemental section of this report.

The City has three fund types, governmental, proprietary, and fiduciary. All activities of the City are classified into one of these three types based on their intended purposes.

Governmental funds are presented in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. In contrast to the governmental activities in government-wide statements, these statements report short-term fiscal accountability by focusing on the use of disposable assets during the year and balances of disposable assets available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of current assets for near-term.

Comparisons between these two perspectives may provide insight into the long-term impact of the short-term uses of funding. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to the government-wide statements to assist in identifying the differences that arise from the change in accounting basis presented on each statement.

A budgetary comparison statement is included. This statement to demonstrate compliance with the City's adopted and final revised budget, a separate budgetary statement is included. This statement is presented on the cash basis of accounting.

Proprietary Funds Financial Statements

The proprietary fund is reported within the fund financial statements and report services for which the City charges customers a fee. The City has one type of proprietary fund, enterprise funds. Enterprise funds represent the same activities as the business-type activities in the government-wide statements. Services are provided to customers.

Proprietary fund statements provide information on the full accrual basis of accounting. Consistent with the government-wide financial statements but with more detail for expenditures by department.

Fiduciary Funds Financial Statements

Fiduciary funds such as the meter deposit fund are reported in the fiduciary fund financial statements but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. Fiduciary fund financial statements report similarly to proprietary funds.

Footnotes to the Basic Financial Statements

The accompanying notes to the financial statements provide information necessary to a full understand the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Required Supplementary information for Budgets and Pensions

Major funds and component units are reported in the basic financial statements; combining and individual statements and schedules for non-major funds are presented in this section of the report. In addition, information related to the pension obligations of the City are included.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The long-term investment by the City in municipal assets is reflected in the following tables. This information along with the long-term debt table shows the overall investment by the City in its future. Some of the assets have been financed as long term projects. The City reports over \$60 million in capital assets with \$30 million remaining on debt used to finance their acquisition or construction.

Net position

The City's combined net position at June 30, 2024 was \$67,808,136. The City reported positive unrestricted net position for both governmental and business-type activities.

	Summary of Net Position							
	(in thousands)							
	Governmental Activities		Business-Type Activities		Total		Change	
	2024	2023	2024	2023	2024	2023	\$	%
Current assets	\$22,593	\$ 22,054	\$ 15,546	\$ 4,989	\$38,139	\$27,043	\$11,096	41%
Capital assets, net	53,860	52,719	13,357	13,248	67,217	65,967	1,250	2%
Total assets	76,453	74,773	28,903	18,237	105,356	93,010	12,346	13%
Deferred outflow of resources	3,722	4,510	-	-	3,722	4,510	(788)	-17%
Current liabilities	3,583	3,155	2,396	2,244	5,979	5,399	580	11%
Non-current liabilities	14,074	16,762	19,168	10,999	33,242	27,761	5,481	20%
Total liabilities	17,657	19,917	21,564	13,243	39,221	33,160	6,061	18%
Deferred inflow of resources	2,049	2,710	-	-	2,049	2,710	(661)	-24%
Net position								
Net investment in capital assets	42,430	39,310	2,972	749	45,402	40,059	5,343	13%
Restricted	11,601	9,812	1,147	1,612	12,748	11,424	1,324	12%
Unrestricted	6,438	7,534	3,220	2,633	9,658	10,167	(509)	-5%
Total net position	\$60,469	\$ 56,656	\$ 7,339	\$ 4,994	\$67,808	\$61,650	\$ 6,158	10%

The City's overall financial position increased 10%, or \$6.2 million, between fiscal year 2024 and 2023. Assets noted an increase of 13% or \$12 million, with the increase primarily seen in current assets held by the City. Liabilities noted an increase of 18% or \$6 million primarily attributable to the new debt issuance obtained by the City.

CITY OF WOODWARD, OKLAHOMA
Management Discussion and Analysis
June 30, 2024

Changes in net position

The following table represents the annual activity in changes to the net position of the City for governmental and business type activities. These changes should be considered by activity type and at the total entity level.

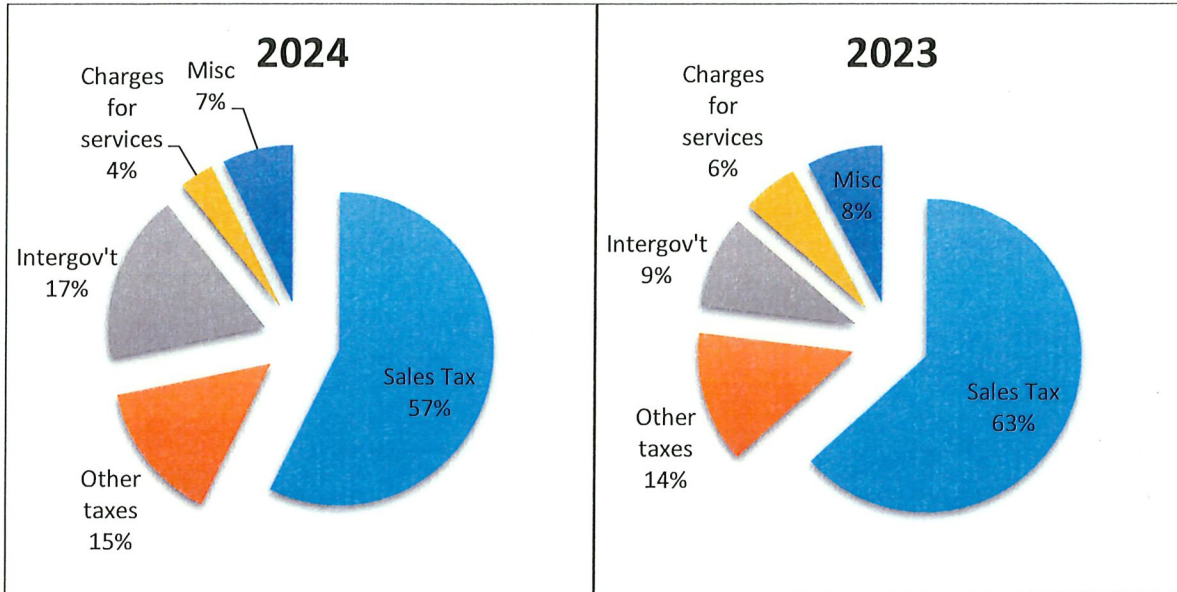
	Summary of Changes in Net Position							
	Governmental Activities		Business-type Activities		Total		Change	
	2024	2023	2024	2023	2024	2023	\$	%
Revenues								
Program revenues	\$ 6,623,004	\$ 3,852,318	\$ 8,663,457	\$ 8,671,089	\$ 15,286,461	\$ 12,523,407	\$ 2,763,054	22%
Taxes and other general revenues	17,553,584	16,947,318	894,411	172,117	18,447,995	17,119,435	1,328,560	8%
Total revenues	24,176,588	20,799,636	9,557,868	8,843,206	33,734,456	29,642,842	4,091,614	14%
Expenses								
General government	4,141,353	4,192,659	1,662,272	1,399,119	5,803,625	5,591,778	211,847	4%
Public safety/judiciary	7,369,270	6,949,965	-	-	7,369,270	6,949,965	419,305	6%
Transportation	1,659,398	1,419,035	-	-	1,659,398	1,419,035	240,363	17%
Cultural	4,210,033	3,910,326	-	-	4,210,033	3,910,326	299,707	8%
Public services	410,106	330,470	-	-	410,106	330,470	79,636	24%
Economic development	3,442,274	1,326,047	224,914	304,051	3,667,188	1,630,098	2,037,090	125%
Water	-	-	1,980,328	2,160,430	1,980,328	2,160,430	(180,102)	-8%
Sewer	-	-	921,692	1,005,286	921,692	1,005,286	(83,594)	-8%
Sanitation	-	-	1,225,821	1,220,815	1,225,821	1,220,815	5,006	0%
Hospital	-	-	327,975	489,143	327,975	489,143	(161,168)	-33%
Total expenses	21,232,434	18,128,502	6,343,002	6,578,844	27,575,436	24,707,346	2,868,090	12%
Excess (deficiency) before transfers	\$ 2,944,154	\$ 2,671,134	\$ 3,214,866	\$ 2,264,362	\$ 6,159,020	\$ 4,935,496	\$ 1,223,524	25%
Transfers	870,159	2,062,544	(870,159)	(1,469,233)	-	593,311.00	(593,311)	100%
Increase (decrease) in net position	\$ 3,814,313	\$ 4,733,678	\$ 2,344,707	\$ 795,129	\$ 6,159,020	\$ 5,528,807	\$ 630,213	11%

Revenues for the City increased over prior year with a change of 14% or \$4 million. Program revenues, which include revenues received from other government agencies and utility billing, increased \$2.7 million or 22% over prior year due to an increase in grant funding received in the fiscal year. Taxes and general revenues reported an increase of 8% or \$1.3 million which is primarily attributable to an increase in interest received and revenue received from debt proceeds.

Operating expenses increased 12% or \$2.8 million. Economic development had the most notable increase at 125% related to the capital project funded by grant revenues.

Graphic presentations of selected data from the summary table follow to assist in the analysis of the City's activities. Revenues of the governmental activities by department are reflected below.

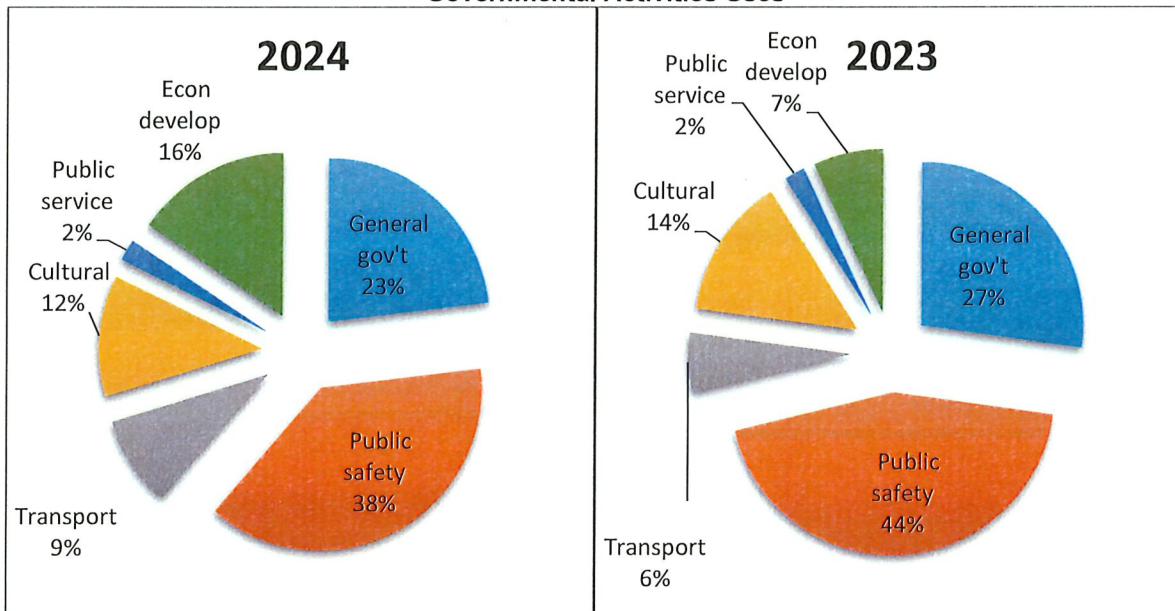
Governmental Activities Sources



Sales tax revenues account for 57% of the total operating revenues of the governmental activities which decreased from prior year of 63%. Intergovernmental revenues increased to 17%, reflecting the increase in operating and capital grants received during the fiscal year. All other revenue sources remained consistent with prior year.

Expenditures of the governmental activities by department are reflected below.

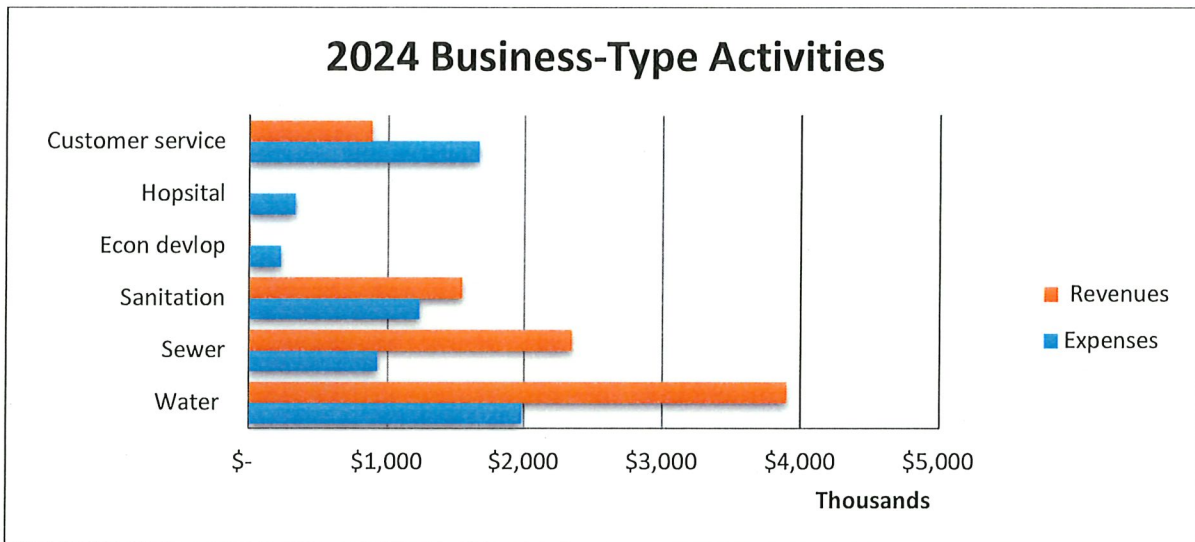
Governmental Activities Uses



Public safety remained the largest use of funds for the City in fiscal year 2024 at 38% or \$6,645,894 which varies from prior year at 44% or \$6,287,318. Economic Development increased to 16%, primarily related to the capital project funded with grants. All other activities remained consistent between years. Spending as represented in the above graphic totaled \$17,417,227 in fiscal year 2024 compared to \$14,306,378 in fiscal year 2023.

It should be noted that governmental expenses are adjusted from the fund statements to the government-wide statements for the purchase and construction of capital assets. Government-wide statement is full accrual; capital outlay expenses are eliminated and capital assets are reported.

Business-type Activities



Business-type activities are shown comparing costs to revenues generated by the related services. Water, Sewer, and Sanitation activities are intended to be self-supporting with user charges and other revenues designed to recover costs. Other activities provide services with minimal user charges.

For the fiscal year ended June 30, 2024, revenues from water, sewer, and sanitation services covered the cost of operating their respective departments.

CITY OF WOODWARD, OKLAHOMA
Management Discussion and Analysis
June 30, 2024

Capital Assets

	Capital Assets, Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Non-Depreciable Assets						
Land	\$ 1,014,751	\$ 1,014,751	\$ 579,373	\$ 579,373	\$ 1,594,124	\$ 1,594,124
Construction in Process	5,285,086	12,919,361	864,625	35,000	6,149,711	12,954,361
Depreciable Assets						
Buildings	51,592,351	51,131,416	678,647	678,647	52,270,998	51,810,063
Machinery & equipment	17,811,563	17,036,668	22,551,883	22,211,939	40,363,446	39,248,607
Infrastructure	34,426,516	23,340,813	25,032,296	25,013,746	59,458,812	48,354,559
Accumulated Depreciation	(56,270,664)	(52,724,316)	(36,349,616)	(35,270,191)	(92,620,282)	(87,994,507)
Net Capital Assets	\$ 53,859,603	\$ 52,718,693	\$ 13,357,206	\$ 13,248,514	\$ 67,216,809	\$ 65,967,207

Long-Term Debt

The City's comparative noncurrent liabilities are as follows:

	Primary Government Long-Term Debt			
	Governmental Activities		Business-type Activities	
	2024	2023	2024	2023
Notes payable	\$ 9,475,137	\$ 11,110,285	\$ 17,922,482	\$ 9,313,115
Capital leases	2,050,591	2,546,081	2,795,948	3,186,265
Meter deposits	-	-	503,459	480,805
Compensated absences	475,726	414,040	48,664	54,723
Pension obligation	4,262,611	4,794,190	-	-
Less current portion	(2,136,279)	(2,102,068)	(2,098,022)	(2,035,950)
Total long-term debt	\$ 14,127,786	\$ 16,762,528	\$ 19,172,531	\$ 10,998,958

2024 AND BEYOND FOR THE CITY OF WOODWARD

Economic Environment

“As the US economy enters a new year, it faces a significant structural change driven by higher interest rates, persistent inflation and a more restrict policy framework, particularly in trade relations. Given the expansionary fiscal policy – which includes tax cuts and increased spending as well as less regulation – we think that the economy may continue to outperform” per the Chief Economist, Joe Brusuelas, RSM US LLP. The City has continued to be proactive and perform well despite the uncertainty of the US economy.

The City is committed to continuing to provide citizens with the public safety and utility services they are accustomed to as the economy continues to recover.

Next Year Budget

Management is committed to providing a consistent level of service to citizens while improving the infrastructure and recreation opportunities of the community within the current constraints.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the City Manager at the City of Woodward, 722 Main Street, Woodward, OK 73801.

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

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash and cash equivalents	\$ 6,205,764	\$ 2,191,356	\$ 8,397,120
Investments	20,216	-	20,216
Taxes receivable	3,032,248	-	3,032,248
Accounts receivable (net)	671,252	1,993,424	2,664,676
Inventory	777,928	-	777,928
Other assets	72,079	-	72,079
Due from other funds	634,090	(623,184)	10,906
Total current assets	<u>11,413,577</u>	<u>3,561,596</u>	<u>14,975,173</u>
Restricted assets:			
Cash and cash equivalents	11,083,349	11,983,958	23,067,307
Total restricted assets	<u>11,083,349</u>	<u>11,983,958</u>	<u>23,067,307</u>
Noncurrent Assets:			
Land and construction in progress	6,299,837	1,443,998	7,743,835
Other capital assets (net of accumulated depreciation)	47,559,766	11,913,208	59,472,974
Pension asset	96,626	-	96,626
Total noncurrent assets	<u>53,956,229</u>	<u>13,357,206</u>	<u>67,313,435</u>
Total assets	<u>\$ 76,453,155</u>	<u>\$ 28,902,760</u>	<u>\$ 105,355,915</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on pension obligations	<u>3,722,461</u>	<u>-</u>	<u>3,722,461</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,148,827	\$ 66,709	\$ 1,215,536
Payroll liabilities	251,818	108,477	360,295
Accrued payables	-	117,380	117,380
Deferred revenue	-	266	266
Compensated absences, current	46,853	4,866	51,719
Capital lease, current	461,743	420,766	882,509
Notes payable, current	1,674,536	1,677,256	3,351,792
Total current liabilities	<u>3,583,777</u>	<u>2,395,720</u>	<u>5,979,497</u>
Noncurrent liabilities:			
Compensated absences, non-current	421,673	43,797	465,470
Meter deposits	-	503,958	503,958
Pension obligation	4,262,611	-	4,262,611
Capital lease, non-current	1,588,848	2,375,183	3,964,031
Notes payable, non-current	7,800,601	16,245,226	24,045,827
Total noncurrent liabilities	<u>14,073,733</u>	<u>19,168,164</u>	<u>33,241,897</u>
Total liabilities	<u>17,657,510</u>	<u>21,563,884</u>	<u>39,221,394</u>
DEFERRED INFLOW OF RESOURCES			
Deferred charges on pension obligations	<u>2,048,846</u>	<u>-</u>	<u>2,048,846</u>
NET POSITION			
Net investment in capital assets	42,430,501	2,971,513	45,402,014
Reserved for restricted purposes	11,600,831	1,147,262	12,748,093
Unrestricted	6,437,928	3,220,101	9,658,029
Total net position	<u>\$ 60,469,260</u>	<u>\$ 7,338,876</u>	<u>\$ 67,808,136</u>

City of Woodward, Oklahoma
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental activities:					
General government	\$ 4,141,353	\$ 95,356	\$ 1,802,189	\$ -	\$ (2,243,808)
Public safety and judiciary	7,369,270	445,031	562,383	-	(6,361,856)
Transportation	2,387,880	602,810	105,841	2,206,122	526,893
Cultural, parks and recreation	4,210,033	36,047	24,547	-	(4,149,439)
Public service	410,106	33,176	-	-	(376,930)
Economic development	2,713,792	709,502	-	-	(2,004,290)
Total governmental activities	<u>21,232,434</u>	<u>1,921,922</u>	<u>2,494,960</u>	<u>2,206,122</u>	<u>(14,609,430)</u>
Business-type activities:					
Water	1,980,328	3,896,569	-	-	1,916,241
Sewer	921,692	1,747,152	597,876	-	1,423,336
Sanitation	1,225,821	1,538,686	-	-	312,865
Economic development	224,914	5,000	-	-	(219,914)
Hospital	327,975	-	-	-	(327,975)
Customer service	1,662,272	878,174	-	-	(784,098)
Total business-type activities	<u>6,343,002</u>	<u>8,065,581</u>	<u>597,876</u>	<u>-</u>	<u>2,320,455</u>
Total primary government	<u>\$ 27,575,436</u>	<u>\$ 9,987,503</u>	<u>\$ 3,092,836</u>	<u>\$ 2,206,122</u>	<u>\$ (12,288,975)</u>

City of Woodward, Oklahoma
Statement of Activities (continued)
Year Ended June 30, 2024

Changes in Net Position:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net (expense)/revenue	\$ (14,609,430)	\$ 2,320,455	\$ (12,288,975)
General revenues:			
Taxes:			
Sales tax	13,499,291	-	13,499,291
Use tax	1,443,383	-	1,443,383
Franchise tax	700,471	-	700,471
Other taxes	668,543	-	668,543
Investment income	994,829	204,218	1,199,047
Other income	247,067	690,193	937,260
Transfers	870,159	(870,159)	-
Total general revenues and transfers	<u>18,423,743</u>	<u>24,252</u>	<u>18,447,995</u>
Change in net assets	3,814,313	2,344,707	6,159,020
Net position-beginning	56,654,947	4,994,169	61,649,116
Net position-ending	<u>\$ 60,469,260</u>	<u>\$ 7,338,876</u>	<u>\$ 67,808,136</u>

City of Woodward, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Limited Purpose Sales Tax	Restricted Sales Tax	Grant Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 6,205,764	\$ 6,976,148	\$ 3,386,936	\$ 571,488	\$ 148,777	\$ 17,289,113
Investments	20,216	-	-	-	-	20,216
Taxes receivable	1,930,211	826,527	275,510	-	-	3,032,248
Accounts receivable	96,817	-	-	450,947	123,488	671,252
Due from other funds	795,670	-	17,041	5,183	-	817,894
Inventory	645,869	-	-	-	132,059	777,928
Other assets	72,079	-	-	-	-	72,079
Total assets	<u>\$ 9,766,626</u>	<u>\$ 7,802,675</u>	<u>\$ 3,679,487</u>	<u>\$ 1,027,618</u>	<u>\$ 404,324</u>	<u>\$ 22,680,730</u>
LIABILITIES						
Accounts payable	\$ 12,799	\$ 39,500	\$ 26,351	\$ 438,237	\$ 631,940	\$ 1,148,827
Payroll liabilities	286,136	-	-	-	12,535	298,671
Due to other funds	12,887	8,900	4,450	76,225	81,342	183,804
Total liabilities	<u>311,822</u>	<u>48,400</u>	<u>30,801</u>	<u>514,462</u>	<u>725,817</u>	<u>1,631,302</u>
FUND BALANCES						
Nonspendable	645,869	-	-	-	-	645,869
Restricted	-	-	-	-	-	-
Committed	-	7,754,275	3,648,686	-	197,870	11,600,831
Assigned	-	-	-	513,156	(519,363)	(6,207)
Unassigned	8,808,935	-	-	-	-	8,808,935
Total fund balances	<u>9,454,804</u>	<u>7,754,275</u>	<u>3,648,686</u>	<u>513,156</u>	<u>(321,493)</u>	<u>21,049,428</u>
Total liabilities and fund balances	<u>\$ 9,766,626</u>	<u>\$ 7,802,675</u>	<u>\$ 3,679,487</u>	<u>\$ 1,027,618</u>	<u>\$ 404,324</u>	<u>\$ 22,680,730</u>
Total fund balance- total governmental funds						\$ 21,049,428
Amounts reported for governmental activities in the Statement of Net Position are different because:						
Land and capital assets, net of accumulated depreciation, are not financial resources and, in the funds, and therefore, are not reported						
					6,299,837	
					103,830,430	
					(56,270,664)	53,859,603
Long-term portion of liabilities are not due and payable in the current period and are not reported						
					(9,475,137)	
					(2,050,591)	
					(421,673)	
					1,673,615	
					(4,165,985)	(14,439,771)
Net position of governmental activities						<u>\$ 60,469,260</u>

City of Woodward, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2024

	General Fund	Limited Purpose Sales Tax	Restricted Sales Tax	Grant Fund	Non-Major Funds	Total Governmental Funds
REVENUES						
Sales tax	\$ 6,749,646	\$ 5,062,234	\$ 1,687,411	\$ -	\$ -	\$ 13,499,291
Use tax	1,443,383	-	-	-	-	1,443,383
Franchise tax	700,471	-	-	-	-	700,471
Hotel tax	-	-	-	-	610,764	610,764
Other tax	668,543	-	-	-	-	668,543
Licenses and permits	96,278	-	-	-	-	96,278
Rents & royalties	15,366	-	-	-	65,333	80,699
Fines and forfeitures	311,689	-	-	-	-	311,689
Charges for services	179,535	-	-	-	645,488	825,023
Intergovernmental revenues	105,841	-	-	3,976,309	-	4,082,150
Donations	1,486	-	-	-	-	1,486
Reimbursements	617,446	-	-	-	-	617,446
Other revenues	242,370	-	-	-	9,799	252,169
Interest	361,154	372,305	200,999	53,897	6,474	994,829
Total revenues	<u>11,493,208</u>	<u>5,434,539</u>	<u>1,888,410</u>	<u>4,030,206</u>	<u>1,337,858</u>	<u>24,184,221</u>
EXPENDITURES						
General government:						
General government	1,587,581	-	-	30,486	-	1,618,067
City clerk	168,605	-	-	-	-	168,605
Commission	19,049	-	-	-	-	19,049
Building maintenance	459,517	-	-	-	-	459,517
Finance	320,297	-	-	-	-	320,297
Treasurer	28,825	-	-	-	-	28,825
Managerial	421,095	-	-	-	-	421,095
Information technology	390,949	-	182,169	-	-	573,118
Fleet management	245,094	-	-	-	-	245,094
Construction	116,898	39,500	-	21,000	-	177,398
Total general government	<u>3,757,910</u>	<u>39,500</u>	<u>182,169</u>	<u>51,486</u>	<u>-</u>	<u>4,031,065</u>
Public safety and judiciary:						
Police	3,167,135	-	-	67,291	-	3,234,426
City attorney	61,782	-	-	-	-	61,782
Municipal court	91,492	-	-	-	-	91,492
Fire	2,768,442	-	-	3,476	-	2,771,918
Code enforcement	279,226	-	-	-	-	279,226
Civil defense	207,050	-	-	-	-	207,050
Total public safety and judiciary	<u>6,575,127</u>	<u>-</u>	<u>-</u>	<u>70,767</u>	<u>-</u>	<u>6,645,894</u>
Transportation:						
Street	741,178	-	-	-	-	741,178
Airport	-	-	-	92,874	728,482	821,356
Total transportation	<u>741,178</u>	<u>-</u>	<u>-</u>	<u>92,874</u>	<u>728,482</u>	<u>1,562,534</u>
Cultural, parks and recreation:						
Parks	1,350,025	-	-	-	-	1,350,025
Library	435,021	-	-	17,912	-	452,933
Event Complex	143,078	-	-	-	-	143,078
Sports and recreation	252	-	-	-	-	252
Museum	140,908	-	-	-	-	140,908
Total cultural, parks and recreation	<u>2,069,284</u>	<u>-</u>	<u>-</u>	<u>17,912</u>	<u>-</u>	<u>2,087,196</u>
Public service:						
Cemetery	177,465	-	-	-	-	177,465
Senior citizens center	200,646	-	-	-	-	200,646
Total public service	<u>378,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,111</u>
Economic development:						
Tourism	709,157	-	-	2,003,270	-	2,712,427
Total economic development	<u>709,157</u>	<u>-</u>	<u>-</u>	<u>2,003,270</u>	<u>-</u>	<u>2,712,427</u>
Capital outlay	-	698,825	711,090	3,277,343	-	4,687,258
Debt service:						
Principal	2,130,638	-	-	-	-	2,130,638
Interest expense	523,630	-	-	-	-	523,630
Total debt service	<u>2,654,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,654,268</u>
Total expenditures	<u>16,885,035</u>	<u>738,325</u>	<u>893,259</u>	<u>5,513,652</u>	<u>728,482</u>	<u>24,758,753</u>
Excess (deficiency) of revenues over expenditures	<u>(5,391,827)</u>	<u>4,696,214</u>	<u>995,151</u>	<u>(1,483,446)</u>	<u>609,376</u>	<u>(574,532)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	6,078,263	-	-	-	-	6,078,263
Transfers out	-	(3,225,370)	(692,427)	(580,625)	(709,682)	(5,208,104)
Total other financing sources and uses	<u>6,078,263</u>	<u>(3,225,370)</u>	<u>(692,427)</u>	<u>(580,625)</u>	<u>(709,682)</u>	<u>870,159</u>
Net change in fund balances	686,436	1,470,844	302,724	(2,064,071)	(100,306)	295,627
Fund balances - beginning	8,768,368	6,283,431	3,345,962	2,577,227	(221,187)	20,753,801
Fund balances - ending	<u>\$ 9,454,804</u>	<u>\$ 7,754,275</u>	<u>\$ 3,648,686</u>	<u>\$ 513,156</u>	<u>\$ (321,493)</u>	<u>\$ 21,049,428</u>

City of Woodward, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2024

Reconciliation of the change in fund balances - total governmental funds
to the change in net position of governmental activities:

Net change in fund balances - total governmental funds \$ 295,627
Amounts reported for governmental activities in the Statement of Activities are
different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital asset purchases capitalized	4,687,258	
Depreciation expense	<u>(3,546,348)</u>	1,140,910

Governmental funds report debt principle payments as expenditures and debt proceeds
as revenue, while governmental activities report the payments as a reduction of the debt
and proceeds as an increase to the debt.

Principal debt payments		2,124,450
Proceeds from debt issuance		-

Some expenses in the statement of activities do not require the use of current financial
resources and, therefore, are not reported in governmental funds.

Accrued compensated absences, net change		(1,445)
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In the statement of activities, the cost of pension benefits earned net of
employee contributions are reported as an component of pension expense.
The fund financial statements report pension contributions as expenditures.

		<u>254,771</u>
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		<u>\$ 3,814,313</u>
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City of Woodward, Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2024

	<u>Woodward Municipal Authority</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,191,356
Accounts receivable, net	1,993,424
Total current assets	<u>4,184,780</u>
Current assets:	
Restricted assets:	
Cash, including time deposits	11,983,958
Total restricted assets	<u>11,983,958</u>
Noncurrent assets:	
Capital assets (net)	13,357,206
Total noncurrent assets	<u>13,357,206</u>
Total assets	<u>\$ 29,525,944</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 66,709
Payroll liabilities	108,477
Due to other funds	623,184
Accrued interest payable	117,380
Capital lease, current	420,766
Notes payable, current	1,677,256
Total current liabilities	<u>3,013,772</u>
Noncurrent liabilities:	
Compensated absences	48,663
Deferred revenue	266
Meter deposits	503,958
Capital lease, non-current	2,375,183
Notes payable, non-current	16,245,226
Total noncurrent liabilities	<u>19,173,296</u>
Total liabilities	<u>22,187,068</u>
NET POSITION	
Net investment in capital assets	2,971,513
Restricted	1,147,262
Unrestricted	3,220,101
Total net position	<u>\$ 7,338,876</u>

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

	<u>Woodward Municipal Authority</u>
<u>Operating revenues:</u>	
Charges for services:	
Water charges	\$ 3,896,569
Sewer charges	1,747,152
Sanitation charges	1,538,686
Golf course	5,000
Penalties	94,532
Total charges for services	<u>7,281,939</u>
Lease and rental income	783,642
Stormwater fee	597,876
Miscellaneous income	690,193
Total operating revenues	<u>9,353,650</u>
<u>Operating expenses:</u>	
Personal services	2,188,684
Materials and supplies	705,007
Other services and charges	1,799,086
Depreciation and amortization	1,079,428
Total operating expenses	<u>5,772,205</u>
Net operating income	3,581,445
<u>Nonoperating revenue (expense):</u>	
Investment income	204,218
Interest expense and issuance costs	<u>(570,797)</u>
Total nonoperating revenue (expense)	<u>(366,579)</u>
Net Income before contributions and transfers	3,214,866
Transfers from other funds	6,644,359
Transfers to other funds	<u>(7,514,518)</u>
Change in net position	2,344,707
Net position-beginning of year	<u>4,994,169</u>
Net position-end of year	<u>\$ 7,338,876</u>

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

	<u>Woodward Municipal Authority</u>
<u>Cash flows from operating activities:</u>	
Receipts from customers	\$ 9,214,350
Payments to suppliers	(2,496,206)
Payments to employees	(2,254,667)
Net cash provided (used) by operating activities	<u>4,463,477</u>
<u>Cash flows from non-capital financing activities:</u>	
Transfers from other funds	6,644,359
Transfers to other funds	(7,514,518)
Net cash provided (used) by non-capital financing activities	<u>(870,159)</u>
<u>Cash flows from capital and related financing activities:</u>	
Purchase of capital assets	(1,188,119)
Retirement/sell of capital assets	-
Proceeds from notes payable	10,255,000
Proceeds from capital lease	-
Principal paid on capital debt	(2,035,950)
Interest paid on capital debt	(503,809)
Net cash provided (used) by capital and related financing activities	<u>6,527,122</u>
<u>Cash flows from investing activities:</u>	
Investment income	336,184
Net cash provided (used) by investing activities	<u>336,184</u>
Net increase (decrease) in cash and cash equivalents	10,456,624
Cash & cash equivalents, beginning of year	<u>3,718,690</u>
Cash & cash equivalents, end of the year	<u>\$ 14,175,314</u>
Cash, including time deposits	\$ 2,191,356
Restricted cash, including time deposits	11,983,958
Total cash and cash equivalents, end of year	<u>\$ 14,175,314</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 3,581,445
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,079,428
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(100,219)
Increase (decrease) in accounts payable	7,887
Increase (decrease) in payroll liabilities	(65,983)
Increase (decrease) in deferred revenue	(62,234)
Increase (decrease) in meter deposits	23,153
Total adjustments	<u>882,032</u>
Net cash provided (used) by operating activities	<u>\$ 4,463,477</u>

City of Woodward, Oklahoma
Statement of Fiduciary Net Position - Agency Fund
June 30, 2024

	<u>Municipal Court</u>	
ASSETS		
Cash and cash equivalents	\$	87,583
Total assets	\$	<u>87,583</u>
LIABILITIES		
Accounts payable	\$	4,460
Due to other funds		10,907
Amounts held in escrow		72,216
Total liabilities	\$	<u>87,583</u>

Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Woodward) and a blended component unit, Woodward Municipal Authority, as noted below. This annual report includes all activities for which the City of Woodward City Commissioners are fiscally responsible.

The City of Woodward - that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities

The City of Woodward has a population of over 12,000 located in northwestern Oklahoma. The City is a Council/Manager form of government and operates under a home-rule charter that provides for three branches of government:

- Legislative — the City Commission is a five-member governing body with the four commissioners elected by each ward and one commissioner elected at large. They mayor is elected by the City Commissioners
- Executive — the City Manager is the Chief Executive Officer and is appointed by the City Commission
- Judicial — the Municipal Judge is a practicing attorney appointed by the City Commission

Component Units:

The City of Woodward Municipal Authority — public trust created under 60 O.S. §176 with the City as the beneficiary that operates the water, sewer and sanitation services of the City. The component unit (Authority) has the City Commission as their governing body (trustees) and the City can impose its will on the Authority through required approval of all debt obligations issued by these entities. The Authority is reported as a blended component unit.

Related Organizations:

In addition, the City has the following related organizations that are not included as component units within the City's financial statements. These organizations are governed by a separate board.

- Woodward Hospital and Health Center — is a 501.(C)(3) non-profit corporation that has used the Woodward Municipal Authority as a vehicle to issue revenue note debt for facility improvements. These debts are typically secured by a pledge of hospital revenues and the improvements to the facilities constructed with the proceeds of the debt. The corporation leases the hospital facilities from the Woodward Municipal Authority in accordance with a long-term lease agreement signed by both parties. The Woodward Hospital and Health Center is not considered to be a component unit of the City of Woodward, and issues separate audited financial statements on an annual basis.
- The Woodward Industrial Foundation (the "Foundation") is a non-profit corporation organized under Section 501.(C)(6) of the Internal Revenue Code. The Foundation promotes industrial growth in the City of Woodward and Woodward County. The Foundation is not considered a component unit of the City and prepares separately reviewed financial

statements which are available from the Foundation's offices. The City of Woodward has contracted with the Foundation to provide professional assistance to the City in coordinating its economic and industrial development program. For the services provided, the City compensates the Foundation at a current rate of \$25,200 per month. During the year ended June 30, 2024, the Foundation approved lease rental agreements between the Woodward Municipal Authority and industrial occupants and the payment of other economic development expenses.

- Woodward Main Street Program, Inc. (the "Corporation") was established on May 23, 1990, to revitalize the local business community through design, economic restructuring, promotion and organization. The main source of income is provided by the City of Woodward, Oklahoma (the "City"). This represents an economic concentration, thus, if support from the City was to decline the impact on the Corporation would be significant. The Corporation entered into a contract with the City of Woodward, Oklahoma (the "City") and the Woodward Municipal Authority (WMA), which requires the Corporation to provide economic, industrial and community development activities for the benefit of the City and WMA. In exchange for the services provided, the Corporation receives certain set contract payments. All revenues received under this contract are unrestricted, subject to fulfillment of the terms of the amended contract. The quarterly contract payments were \$10,375 for fiscal year ended June 30, 2024 for a total of \$41,500.

2. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and economic resource focus. Under the economic resource focus, all assets and liabilities, including current and non-current, along with deferred outflows and inflows, are reported. 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 within the statement of activities that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Public Safety: Fire and Police — Fines and forfeitures, K-9 donations, restricted operating grants, 911 revenue, state pension on-behalf payments, capital grants and contributions
- Airport: Rental fees
- Streets: Commercial vehicle and gasoline excise tax shared by the State.
- Library: Fines, state aid operating grant
- Park and recreation: program revenues
- Code enforcement: License and permits
- General Government: Rental and miscellaneous charges for services, arts council grant, ODOC grant
- Civil Defense: emergency management, operating grants
- Cemetery: cemetery lot sales
- Tourism: convention center rental and activities
- Water: water service charges
- Sewer: sewer service charges

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

- Economic Development: rental fees
- Hospital: rental fees

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

Certain reclassifications were made from prior year balances to confirm to the financial statements and notes in the current period presentation.

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund — accounts for all activities not accounted for in other special-purpose funds
- Limited Purpose Sales Tax Fund — capital project fund that accounts for revenues of a one and a half-cent sales tax legally restricted by voter election for capital improvements or debt service on certain debt, such as the debt related to 34th Street, Central Fire Station, new City Hall, parks and convention center
- Restricted Sales Tax Fund — capital project fund that accounts for revenues of a one-half cent sales tax legally restricted by voter election for capital improvement purposes
- Grant Fund — capital project fund that accounts for grants of any nature to be accounted for within this fund by department excluding grants in progress prior to establishment of grant fund

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

- Hotel/Motel Tax Fund — a special revenue fund that accounts for hotel/motel tax revenues to be used in economic development and promotion of tourism
- Miscellaneous Trust Fund — a special revenue fund that accounts for miscellaneous fees received and restricted for related expenditures
- Perpetual Care Fund — a special revenue fund that accounts for revenues administratively restricted for cemetery maintenance
- Cemetery Care Fund — a capital project fund that accounts for 12.5 percent of cemetery revenue restricted by State law for cemetery capital improvements.

The governmental funds are reported on a modified accrual basis of accounting and current financial resources measurement focus. Revenues are recorded on the modified accrual basis when earned and 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 economic resources measurement focus and accrual basis of accounting at the government-wide level.

The General Fund, Limited Purpose Sales Tax Fund, Restricted Sales Tax Fund, and Grant Fund are

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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 Fund:

The City's proprietary fund is reported as a major enterprise fund:

- Woodward Municipal Authority — accounts for the operation of the water, sewer, sanitation and rental revenues of the hospital complex.

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.

Fiduciary funds:

These funds are used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements, and similar arrangements. This net position, if any, is not available for the operations of the City. Fiduciary funds report transaction on an accrual basis of accounting and economic resource measurement focus.

The City's fiduciary fund is the following Agency Fund:

- Municipal Court — accounts for municipal court bonds held pending case resolution and state assessed fees held for remittance to the state.

3. Cash, Cash Equivalents, 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, certificates of deposit, and short-term investments with an original maturity of three-months or less. Trust account investments in open-ended mutual fund shares are also considered cash equivalents for reporting purposes.

The City invested in certificates of deposits at June 30, 2024.

Custodial Credit Risk — Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized 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. Collateral is limited to U.S. Treasury securities or direct debt obligations of municipalities, counties, or school districts within the state. At June 30, 2024, the City was not exposed to custodial credit

risk as defined above.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment related to interest rate risk establishes maximum maturities for certain investments. The policy limits investment maturities to no more than three years from date of purchase, except for investment of bond or debt reserve funds which have no maximum. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. As noted in the schedule of deposits and investments above, at June 30, 2024, the investments held by the City mature in three years or less.

Investment Credit Risk – The City's investment policy limits authorized investments to those defined in state law as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy limits investments to the following:

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

The City also has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments is debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. At June 30, 2024, there were no investments with exposure to credit risk.

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's investment policy requires diversification of investments. With the exception of U.S. Treasury securities and authorized investment pools, no more than 50% of the City's total investment portfolio may be invested in a single financial institution. At June 30, 2024, the City had no concentration of investment credit risk as defined above.

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4. Inventory

Inventory recorded in governmental funds and governmental activities is valued at average cost and consists of materials and supplies used for maintenance, office and janitorial activities and airport fuel. The cost is allocated to the various user departments based on their consumption. The consumption method of accounting treatment is utilized by the City's governmental funds.

5. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation.

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

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
<i>Governmental Activities</i>				
Land	\$ 1,014,751	\$ -	\$ -	\$ 1,014,751
Construction in process	12,919,361	3,391,181	(11,025,456)	5,285,086
Total non-depreciable assets	13,934,112	3,391,181	(11,025,456)	6,299,837
Buildings	51,131,416	460,935	-	51,592,351
Improvements	10,938,052	60,247	-	10,998,299
Infrastructure	12,402,761	11,025,456	-	23,428,217
Machinery and equipment	17,036,668	774,895	-	17,811,563
Total assets at cost	105,443,009	15,712,714	(11,025,456)	110,130,267
Less accumulated depreciation	52,724,316	3,546,348	-	56,270,664
Governmental capital assets, net	\$ 52,718,693	\$ 12,166,366	\$ (11,025,456)	\$ 53,859,603
<i>Business-type Activities</i>				
Land	\$ 579,373	\$ -	\$ -	\$ 579,373
Construction in process	35,000	829,625	-	864,625
Total non-depreciable assets	614,373	829,625	-	1,443,998
Buildings	678,647	-	-	678,647
Improvements	19,316,351	-	-	19,316,351
Infrastructure	5,697,395	18,550	-	5,715,945
Machinery and equipment	22,211,939	339,944	-	22,551,883
Total assets at cost	48,518,705	1,188,119	-	49,706,824
Less accumulated depreciation	35,270,191	1,079,427	-	36,349,618
Business-type capital assets, net	\$ 13,248,514	\$ 108,692	\$ -	\$ 13,357,206

Depreciation:

Depreciable capital assets are depreciated on a straight-line basis over their estimated useful lives. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by

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type of asset is as follows: Buildings 50 years, Improvements other than buildings 20-30 years, Machinery, furniture and equipment 3-24 years, Utility property and improvements and infrastructure 15-50 years.

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

<i>Governmental Activities</i>		<i>Business-type Activities</i>	
General government	\$ 364,271	Customer service	\$ 449,078
Public safety and judiciary	657,937	Water	399,216
Transportation	799,498	Sewer	151,421
Cultural, parks, and recreation	1,691,282	Hospital	13,487
Public service	31,995	Sanitation	55,464
Economic development	1,365	Economic development	10,761
Total depreciation expense	<u>\$ 3,546,348</u>	Total depreciation expense	<u>\$ 1,079,427</u>

6. Long-Term Debt and Debt Service Requirements

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

	Balance at			Balance at	Amounts
	July 1, 2023	Additions	Deletions	June 30, 2024	Due Within
					One Year
<i>Governmental Activities</i>					
Notes payable	\$ 11,110,285	\$ -	\$ 1,635,148	\$ 9,475,137	\$ 1,674,536
Capital leases	2,546,081	-	495,490	2,050,591	461,743
Compensated absences	414,040	61,686	-	475,726	-
Pension obligation	4,794,190	-	531,579	4,262,611	-
Total governmental activities	<u>\$ 18,864,596</u>	<u>\$ 61,686</u>	<u>\$ 2,662,217</u>	<u>\$ 16,264,065</u>	<u>\$ 2,136,279</u>
<i>Business-type Activities</i>					
Compensated absences	\$ 54,723	\$ -	\$ 6,059	\$ 48,664	\$ -
Meter deposits	480,805	22,654	-	503,459	-
Notes payable	9,313,115	10,255,000	1,645,633	17,922,482	1,677,256
Capital leases	3,186,265	-	390,317	2,795,948	420,766
Total business-type activities	<u>\$ 13,034,908</u>	<u>\$ 10,277,654</u>	<u>\$ 2,042,009</u>	<u>\$ 21,270,553</u>	<u>\$ 2,098,022</u>
Total long-term debt	<u>\$ 31,899,504</u>	<u>\$ 10,339,340</u>	<u>\$ 4,704,226</u>	<u>\$ 37,534,618</u>	<u>\$ 4,234,301</u>

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Governmental Activities long-term debt:

Notes Payable:

2006 Woodward Municipal Authority Sales tax Revenue Note for the construction of Crystal Beach assets, original issue amount \$9,700,000, dated December 2006, secured by sales tax, interest rates of 4.187%, with final maturity on December 1, 2026. \$ 1,953,000

2007 Woodward Municipal Authority Sales Tax Revenue Note for the construction of Crystal Beach assets, original issue amount \$10,000,000, dated December 2007 secured by sales tax, interest rate of 4.087% with final maturity on December 1, 2027. 2,670,000

2008 Woodward Municipal Authority Sales Tax Revenue Note for the construction of Crystal Beach assets, original issue amount \$5,300,000, dated October 2008 secured by sales tax, interest rate of 5.15% with final maturity on December 1, 2028. 1,850,000

Rural Housing Service Promissory Note for the construction of the Convention Center, original note amount \$3,843,705, dated December 20, 2010, secured by sales tax, interest rate of 3.75% with the final payment on December 20, 2050. The amount drawn on loan as of June 30, 2012 was \$3,843,705. 3,002,137

Capital Lease Payable:

\$2,800,000 capital lease with Truist Bank, formerly Branch Banking and Trust, for water and storm improvements, refinancing the 2015a Series. Lease is payable in bi-annual installments with an interest rate of 1.35% with final maturity May 2028. 1,546,000

\$622,180 capital lease with Stock Exchange Bank for 2022 Spartan E-One Firetruck maturing December 2029. Lease is payable in monthly installments with an interest rate of 4.5%. 504,591

Total Governmental Activities long-term debt \$ 11,525,728

Business-type activities long-term debt:

Notes Payable:

Sewer line Promissory Note with OWRB dated August 1, 2007, original amount of \$1,400,000, due in semi-annual installments each March 15 and September 15, final installment due March 15, 2028, with 3.10% interest rate. \$ 314,482

Utility System Revenue Note, Series 2018 dated March 2018, original amount of \$5,120,000 due in semi-annual installments September 1 and September 1, final installment due March 1, 2033 with a 2.845% interest rate. The proceeds of the notes are used to finance a portion of the 34th Street Enhancement project and automated water meter reading system. 3,565,000

Woodward Municipal Authority Sales Tax Revenue Note, Series 2020 dated April 2020, original amount of \$8,480,000 issued to refinance the Authority's Sales Tax Revenue Note, Series 2013 that was issued in the original principal amount of \$9,000,000 and the Authority's Sales Tax Revenue Note, Series 2015 that was issued in the original amount of \$5,500,000 due in semi-annual installments October 1 and April 1, final installment due April 2027 carrying an interest rate of 1.5%. 3,788,000

Oklahoma Water Resources loan dated June 7, 2024, original amount \$10,255,000 for water and sewer improvements, maturing October 2050 10,255,000

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Capital Lease Payable:

\$5,200,000 capital lease with Branch Banking and Trust for stormwater improvements, payable in bi-annual installments, interest rate of 2.26% with final payment due June 2031	2,715,000
\$186,305 capital lease with Yamaha Motor Finance Corporation, USA for 40 golf carts, payable in monthly installments, interest rate of 4.2% with final payment due June 2022	46,420
\$61,500 capital lease with Yamaha Motor Company dated September 2020 for golf carts, payable in monthly installments of \$817,50 carrying an interest rate of 4.48% with final payment due September 2024. At the expiration of the lease, the golf carts can be purchased for \$30,497.	34,528
Total Business-type Activities long-term debt	\$ 20,718,430

Long-term debt service requirements to maturity:

Debt held by governmental activities is typically extinguished by the General Fund.

Year Ending 30-Jun	Governmental Activities				Business-type Activities			
	Capital Lease Payable		Notes Payable		Capital Lease Payable		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044
	461,743	40,669	1,674,536	363,863	420,766	61,381	1,677,256	521,206
	471,553	31,722	1,742,379	290,011	397,170	51,772	1,715,705	584,420
	479,539	22,526	1,815,331	213,080	380,000	42,714	1,744,985	557,125
	487,708	13,085	1,178,396	147,803	390,000	34,070	424,535	534,210
	99,069		491,578	109,743	395,000	25,256	405,000	522,898
	50,979	5,424	485,029	444,431	813,012	23,335	2,305,000	2,445,219
	-	-	584,884	344,576	-	-	2,035,000	2,126,880
	-	-	705,301	224,159	-	-	3,255,000	1,511,781
	-	-	797,703	78,982	-	-	4,360,001	817,091
Totals	\$ 2,050,591	\$ 113,426	\$ 9,475,137	\$ 2,216,648	\$ 2,795,948	\$ 238,528	\$ 17,922,482	\$ 9,620,831

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Pledge of Future Revenues

The City pledged the following revenues on outstanding debt.

Debt	Revenue Pledged	Total Pledged Revenue in Current Year	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal	Period Revenue Will Not Be Available for Other Purposes
2006 Sales Tax Note	1.5% sales tax	\$ 5,062,234	\$ 732,108	14%	\$ 2,590,000	Until 2027
2007 Sales Tax Note	1.5% sales tax	5,062,234	726,486	14%	3,275,000	Until 2028
2008 Sales Tax Note	1.5% sales tax	5,062,234	423,515	8%	2,170,000	Until 2029
Series 2018 Utility Note	Water, sewer, and stormwater revenues	6,107,111	444,006	7%	3,900,000	Until 2033
Series 2020 Sales Tax Note	1% sales tax	3,374,823	1,295,620	38%	5,013,000	Until 2027

7. Fund Balances and Net Position

Fund Statements:

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

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

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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 outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted."

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

8. 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.

The following is a detail of the City's interfund activity for the fiscal year:

		Transfer From				Total
		General Fund	Limited Purpose Sales Tax	Non-Major Funds	Municipal Authority	
Transfer To	General Fund	\$ -	-	709,682	2,700,000	\$ 3,409,682
	Limited Purpose Sale Tax	-	-	-	-	-
	Non-Major Funds	-	-	-	-	-
	Municipal Authority	-	3,225,370	1,273,052	-	4,498,422
		\$ -	\$ 3,225,370	\$ 1,982,734	\$ 2,700,000	\$ 7,908,104

9. Budget Policy and Practice

The City Clerk submits an annual budget to the City Commission in accordance with the Oklahoma Municipal Budget Act. The budget is presented to the Commission for review, and public hearings are held to address priorities and the allocation of resources. In June, the Commission adopts the annual fiscal year budgets for City operating funds. Budget amendments or supplements may be made during the year when unexpected modifications are required in estimated revenues and appropriations. Budget amendments are recommended by the City Clerk and must be approved by the Commission. Public trusts submit budgets and other planning documents to their respective governing bodies. Other funds budgeted on a project-length basis are also subjected to the Commission review and approval process.

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and object class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. This legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review by the City Commission. Within these control levels, management may transfer appropriations without Commission approval. Revisions to the budget were made throughout the year.

Budget Basis of Accounting

The combined statement of revenues, expenditures and changes in fund balances (budget and actual) present comparisons of legally adopted budgets with actual data on a budgetary basis. The budgetary basis of accounting differs from GAAP in that the cash basis of accounting is used. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. All appropriations (including encumbered) lapse at year-end; any open encumbrances to be honored in the subsequent budget year are reappropriated in the next fiscal year's budget. As a result, no reserve for encumbrances is reported at year-end.

The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

10. 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, with a transfer of risk to the pool
- Workers' Compensation — Workers' compensation is covered through participation in Oklahoma Municipal Assurance Group risk entity pool, with a transfer of risk to the pool
- Employee's Group Medical — Covered through participation in commercial insurance

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

11. 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 Woodward participates in various federal or state grant/loan programs from year to year. In 2024, the City's involvement in federal and state award programs was material. 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.

12. Pension Plan Participation

The City of Woodward participates in four 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
- Principal Mutual Retirement (PMR) — an agent multiple-employer defined contribution plan
- Oklahoma Municipal Retirement Fund (OkMRF) — an agent multiple-employer defined contribution plan

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The following is a summary of the impact on the financial statements:

Pension Plan Summary	
Governmental Activities	
Pension Expense	
Fire Pension Plan	\$ 727,570
Police Pension Plan	258,321
	985,891
Pension (Asset)/Liability	
Fire Pension Plan	4,262,611
Police Pension Plan	(96,626)
	4,165,985
Deferred Pension Outflow	
Fire Pension Plan	2,091,867
Police Pension Plan	1,630,594
	3,722,461
Deferred Pension Inflow	
Fire Pension Plan	1,122,918
Police Pension Plan	925,928
	\$ 2,048,846

Oklahoma Firefighter's Pension and Retirement System

Plan Description – The City of Woodward, 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 retirement, disability and death benefits to members of the plan.

Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service after they have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more service.

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service after they have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more service.

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 years 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-

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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% 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 \$193,052 (fiscal year contributions).

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported a liability of \$4,262,611 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information the City's proportion was 0.330371%.

For the year ended June 30, 2024, the City recognized pension expense of \$727,570. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	\$ 506,943	\$ 5,412
Changes of assumptions	-	6,835
Net difference between projected and actual earnings on pension plan investments	1,391,872	1,110,671
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	193,052	-
Total	\$ 2,091,867	\$ 1,122,918

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	\$ 252,758
2025	79,357
2026	474,665
2027	(30,884)
2028	-

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

Inflation:	3%
Salary increases:	3.5% to 9.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 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, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.9%
Domestic equity	37%	7.07%
International equity	20%	9.19%
Real Estate	10%	7.99%
Other assets	13%	5.57%

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-percent point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability	5,554,369	4,262,611	3,182,364

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.

Oklahoma Police Pension and Retirement System

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

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

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered. Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

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

Contributions – The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$156,672.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the City reported an asset of \$96,626 for its proportionate share of the net pension liability. The net pension asset was measured as of July 1, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 0.3164%.

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For the year ended June 30, 2024, the City recognized pension expense of \$258,321. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Difference between expected and actual experience	\$ 264,514	\$ 14,902
Changes of assumptions	-	180,363
Net difference between projected and actual earnings on pension plan investments	1,209,408	730,663
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	156,672	-
Total	<u>\$ 1,630,594</u>	<u>\$ 925,928</u>

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	\$	89,868
2025		1,536
2026		373,074
2027		84,855
2028		(1,339)

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

Inflation:	3%
Salary increases:	4.5% to 17.0% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates: Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

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

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

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

<u>Long-Term Expected Asset Class</u>	<u>Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real Estate	7.99%
Private Equity	10.2%
Other assets	3.5%

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability/(asset)	912,313	(96,626)	(950,881)

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.

Principal Mutual Retirement

The City provides a pension benefit for all its full-time employees with the exception of the police and fire departments, through a defined contribution plan with the Principal Mutual Life Insurance Company. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings. Employees are eligible to participate upon completion of a probationary period. Employer contributions equal to 7% of the employee's gross pay. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 20% after completion of three years of service and then 20% per year for the next four years. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the plan rests with the City Commission.

Oklahoma Municipal Retirement Fund

The City has also provided a defined contribution plan known as the Oklahoma Municipal Retirement Fund Defined Contribution Plan. Participation in the defined contribution plan is mandatory for all full-time employees not covered under the Police and Firefighter's Pension Systems. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon their employment commencement date. The City's contributions may vary from year to year, however, for the current year the City contributed 1.5% of gross pay for eligible employees. The City's contributions for each employee (and interest allocated to the employee's account) are vested at 100% upon the employee's employment commencement date. The employee is fully vested upon employment commencement date. The employee's required rate of contribution is 2% with total employee contributions not to exceed 10%. The authority to establish and amend the provisions of the plan rest with the City Commission.

The following table represents the history of contributions to the Plans.

Fiscal Year	OkMRF		Principal Mutual	
	Employer	Employee	Employer	Employee
2013	\$ 47,518	\$ 149,906	\$ 332,578	\$ -
2014	50,988	159,311	303,549	-
2015	74,650	160,032	358,595	-
2016	78,129	115,066	380,560	-
2017	68,742	99,190	326,633	-
2018	68,491	98,598	324,433	-
2019	71,726	147,651	341,061	-
2020	80,809	162,257	369,911	-
2021	70,829	142,284	334,711	-
2022	62,999	140,796	336,830	-
2023	53,954	110,512	377,668	-
2024	56,489	121,068	395,402	-

12. Use of Estimates

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

13. Sales Tax Revenue

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

- 2 cents is recorded in the General Fund for operations.
- 1.5 cents is recorded in the Limited Purpose Sales Tax Fund to be used for capital improvements or debt service on certain indebtedness.
- 0.5 cents is recorded in the Restricted Sales Tax Fund to be used for capital improvements.

City of Woodward, Oklahoma
General Fund
Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2024

	Budget	Revisions	Revised Budget	Actual	Variance - Favorable (Unfavorable)
REVENUES					
Sales tax	\$ 6,138,743	\$ -	\$ 6,138,743	\$ 6,749,646	\$ 610,903
Use tax	1,261,676	-	1,261,676	1,443,383	181,707
Franchise tax	690,357	-	690,357	700,471	10,114
Other taxes	473,692	-	473,692	668,543	194,851
Licenses and permits	104,542	-	104,542	96,278	(8,264)
Fines and forfeitures	305,724	-	305,724	311,689	5,965
Charges for services	225,215	-	225,215	179,535	(45,680)
Intergovernmental revenues	422,014	-	422,014	105,841	(316,173)
Other revenues	350,083	-	350,083	876,668	526,585
Interest	45,257	-	45,257	361,154	315,897
Total revenues	10,017,303	-	10,017,303	11,493,208	1,475,905
EXPENDITURES					
General government:					
General government	1,711,500	(5,000)	1,706,500	1,587,581	118,919
City clerk	200,393	-	200,393	168,605	31,788
Commission	23,397	-	23,397	19,049	4,348
Building maintenance	543,649	-	543,649	459,517	84,132
Finance	344,029	-	344,029	320,297	23,732
Treasurer	25,400	5,000	30,400	28,825	1,575
Managerial	923,839	-	923,839	421,095	502,744
Information technology	454,277	-	454,277	390,949	63,328
Fleet management	267,138	-	267,138	245,094	22,044
Construction	135,154	-	135,154	116,898	18,256
Total general government	4,628,776	-	4,628,776	3,757,910	870,866
Public safety and judiciary:					
Police	3,389,705	-	3,389,705	3,167,135	222,570
City attorney	90,072	-	90,072	61,782	28,290
Municipal court	104,718	-	104,718	91,492	13,226
Fire	2,688,102	82,000	2,770,102	2,768,442	1,660
Code enforcement	304,204	-	304,204	279,226	24,978
Civil defense	479,057	(82,000)	397,057	207,050	190,007
Total public safety and judiciary	7,055,858	-	7,055,858	6,575,127	480,731
Transportation:					
Street	774,330	-	774,330	741,178	33,152
Total transportation	774,330	-	774,330	741,178	33,152
Cultural, parks and recreation:					
Parks	685,227	675,000	1,360,227	1,350,025	10,202
Library	467,677	-	467,677	435,021	32,656
Event Complex	135,424	8,000	143,424	143,078	346
Sports and recreation	753,858	(683,000)	70,858	252	70,606
Museum	142,148	-	142,148	140,908	1,240
Total cultural, parks and recreation	2,184,335	-	2,184,335	2,069,284	115,051
Public service:					
Cemetery	196,714	(16,500)	180,214	177,465	2,749
Senior citizens center	184,364	16,500	200,864	200,646	218
Total public service	381,078	-	381,078	378,111	2,967
Economic development:					
Tourism	819,599	-	819,599	709,157	110,442
Total economic development	819,599	-	819,599	709,157	110,442
Total expenditures	15,843,976	-	15,843,976	14,230,767	1,613,209
Revenue over (under) expenditures	(5,826,673)	-	(5,826,673)	(2,737,559)	(137,304)
OTHER FINANCING SOURCES (USES)					
Operating transfers in/(out)	4,104,980	-	4,104,980	6,078,263	1,973,283
Net other financing sources (uses)	4,104,980	-	4,104,980	6,078,263	1,973,283
Revenues and other financing sources over (under) expenditures and other uses	(1,721,693)	-	(1,721,693)	3,340,704	1,835,979
Fund balance at beginning of year (Non-GAAP budgetary basis)				10,107,687	
Fund balance at end of year (Non-GAAP budgetary basis)				<u>\$ 13,448,391</u>	
ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES					
Revenue and transfer accruals				(3,993,587)	
Fund balance at end of year (GAAP basis)				<u>\$ 9,454,804</u>	

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Oklahoma Police Pension Retirement Plan
Year Ended June 30, 2024

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
City's portion of the net pension liability (asset)	0.4449%	0.4507%	0.4351%	0.0036%	0.3143%	0.2956%	0.3286%	0.2940%	0.3085%	0.3164%
City's proportionate share of the net pension liability (asset)	\$ (149,809)	\$ 18,377	\$ 666,377	\$ 27,687	\$ (149,724)	\$ (18,868)	\$ 377,366	\$ (1,410,374)	\$ (247,410)	\$ (96,626)
City's covered-employee payroll	\$ 1,244,785	\$ 1,414,340	\$ 1,261,656	\$ 994,858	\$ 1,044,284	\$ 1,218,612	\$ 1,071,274	\$ 1,242,402	\$ 1,346,351	\$ 1,246,077
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12%	1%	53%	3%	-14%	-2%	35%	-114%	-18%	-8%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.99%	99.71%	99.99%	100.07%	100.01%	99.83%	100.62%	100.11%	100.04%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
Oklahoma Police Pension Retirement Plan

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
Contractually required contribution	\$ 159,164	\$ 165,612	\$ 166,821	\$ 76,700	\$ 121,583	\$ 90,650	\$ 132,261	\$ 143,663	\$ 160,314	\$ 156,672
Contributions in relation to the contractually required contribution	(159,164)	(165,612)	(166,821)	(76,700)	(121,583)	(90,650)	(132,261)	(143,663)	(160,314)	(156,672)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,224,338	\$ 1,414,340	\$ 1,261,656	\$ 994,858	\$ 1,044,284	\$ 1,218,612	\$ 1,071,274	\$ 1,242,402	\$ 1,346,351	\$ 1,246,077
Contributions as a percentage of covered-employee payroll	13.00%	11.71%	13.22%	7.71%	11.64%	7.44%	12.35%	11.56%	11.91%	12.57%

** Only the current fiscal year is presented because 10-year data is not yet available

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Oklahoma Fire Pension Retirement Plan
 Year Ended June 30, 2024

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
City's portion of the net pension liability (asset)	0.4143%	0.4445%	0.4293%	0.4127%	0.3633%	0.3135%	0.3805%	0.3650%	0.3666%	0.3304%
City's proportionate share of the net pension liability (asset)	\$ 4,280,218	\$ 4,718,064	\$ 5,245,352	\$ 5,190,281	\$ 4,089,963	\$ 3,313,002	\$ 4,686,976	\$ 2,403,730	\$ 4,794,190	\$ 4,262,611
City's covered-employee payroll	\$ 1,109,007	\$ 1,192,820	\$ 1,169,100	\$ 1,119,844	\$ 1,079,345	\$ 1,291,680	\$ 1,209,167	\$ 1,240,638	\$ 1,333,072	\$ 1,430,632
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	384%	395%	449%	463%	379%	256%	386%	194%	360%	298%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* The amount presented for each fiscal year were determined as of the fiscal year-end that occurred previous

SCHEDULE OF CITY CONTRIBUTIONS
 Oklahoma Fire Pension Retirement Plan

	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
Contractually required contribution	\$ 156,145	\$ 166,995	\$ 168,135	\$ 97,029	\$ 147,635	\$ 108,657	\$ 164,139	\$ 168,682	\$ 177,068	\$ 193,052
Contributions in relation to the contractually required contribution	(156,145)	(166,995)	(168,135)	(97,029)	(147,635)	(108,657)	(164,139)	(168,682)	(177,068)	(193,052)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,115,317	\$ 1,192,820	\$ 1,169,100	\$ 1,119,844	\$ 1,079,345	\$ 1,291,680	\$ 1,209,167	\$ 1,240,638	\$ 1,333,072	\$ 1,430,632
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.38%	8.66%	13.68%	8.41%	13.57%	13.60%	13.28%	13.49%

** Only the current fiscal year is presented because 10-year data is not yet available

City of Woodward, Oklahoma
Combining Balance Sheet
Other Governmental Funds
June 30, 2024

	Hotel Tax Fund	Miscellaneous Trust Fund	Cemetery Care Fund	Perpetual Care Fund	Special Airport	Total Non-Major Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 33,724	\$ 98,655	\$ 16,198	\$ 200	\$ 148,777
Accounts receivable	120,250	-	-	-	3,238	123,488
Due from other governments	-	-	-	-	-	-
Inventory	-	-	-	-	132,059	132,059
Total assets	<u>\$ 120,250</u>	<u>\$ 33,724</u>	<u>\$ 98,655</u>	<u>\$ 16,198</u>	<u>\$ 135,497</u>	<u>\$ 404,324</u>
LIABILITIES						
Accounts payable	\$ 61,619	\$ -	\$ -	\$ -	\$ 570,321	\$ 631,940
Payroll liabilities	-	-	-	-	12,535	12,535
Due to other funds	-	-	9,338	-	72,004	81,342
Total liabilities	<u>61,619</u>	<u>-</u>	<u>9,338</u>	<u>-</u>	<u>654,860</u>	<u>725,817</u>
FUND BALANCES						
Restricted	-	-	-	-	-	-
Committed	58,631	33,724	89,317	16,198	-	197,870
Assigned	-	-	-	-	(519,363)	(519,363)
Unassigned	-	-	-	-	-	-
Total fund balances	<u>58,631</u>	<u>33,724</u>	<u>89,317</u>	<u>16,198</u>	<u>(519,363)</u>	<u>(321,493)</u>
Total liabilities and fund balances	<u>\$ 120,250</u>	<u>\$ 33,724</u>	<u>\$ 98,655</u>	<u>\$ 16,198</u>	<u>\$ 135,497</u>	<u>\$ 404,324</u>

City of Woodward, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2024

	Hotel Tax Fund	Miscellaneous Trust Fund	Cemetery Care Fund	Perpetual Care Fund	Special Airport	Total Non-Major Funds
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/motel tax	610,764	-	-	-	-	610,764
Charges for services	98,738	1,120	8,153	-	537,477	645,488
Rental income	-	-	-	-	65,333	65,333
Other income	-	-	-	-	9,799	9,799
Interest income	-	-	5,525	949	-	6,474
Total revenues	<u>709,502</u>	<u>1,120</u>	<u>13,678</u>	<u>949</u>	<u>612,609</u>	<u>1,337,858</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Airport	-	-	-	-	728,482	728,482
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>728,482</u>	<u>728,482</u>
Excess (deficiency) of revenues over expenditures	<u>709,502</u>	<u>1,120</u>	<u>13,678</u>	<u>949</u>	<u>(115,873)</u>	<u>609,376</u>
OTHER FINANCING SOURCES (USES)						
Transfers in/(out)	<u>(709,682)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(709,682)</u>
Total other financing sources and uses	<u>(709,682)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(709,682)</u>
Net change in fund balances	(180)	1,120	13,678	949	(115,873)	(100,306)
Fund balances - beginning	58,811	32,604	75,639	15,249	(403,490)	(221,187)
Fund balances - ending	<u>\$ 58,631</u>	<u>\$ 33,724</u>	<u>\$ 89,317</u>	<u>\$ 16,198</u>	<u>\$ (519,363)</u>	<u>\$ (321,493)</u>

See accompanying notes to the financial statements

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council
City of Woodward, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Woodward, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Woodward, Oklahoma's basic financial statements and have issued our report thereon dated July 7, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

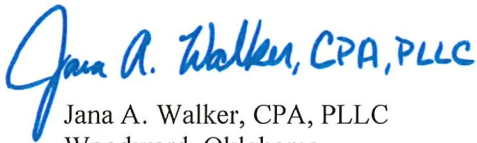
As part of obtaining reasonable assurance about whether City of Woodward, Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001.

City of Woodward, Oklahoma's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Woodward, Oklahoma's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Woodward, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



Jana A. Walker, CPA, PLLC
Woodward, Oklahoma
July 7, 2025

CITY OF WOODWARD, OKLAHOMA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title		Federal Assistance Listing	Program or Award Amount	Federal Expenditures
<u>U.S. Department of Transportation:</u>				
Federal Aviation Administration - Airport Improvement Program				
Airport Improvement Program	3-40-0108-020-2022	20.106	\$ 1,000,000	\$ 536,390
Development Pavement Management Program	3-40-0108-017-2021	20.106	587,000	314,861
Sub-total U.S. Department of Transportation			1,587,000	851,251
<u>U.S. Department of Commerce Economic Development Admin:</u>				
Economic Adjustment Assistance Title II, Section 209	08-79-05367;URI:114300	11.307	2,000,000	1,455,986
Sub-total U.S. Department of Commerce			2,000,000	1,455,986
<u>U.S. Department of Treasury:</u>				
<u>Passed through the Oklahoma Oklahoma Water Resources Board:</u>				
Coronavirus State and Local Fiscal Recovery Funds	ARPA: ARP-23-0038-DPG	21.027	100,000	100,000
Sub-total U.S. Department of Treasury			100,000	100,000
Total of Expenditures of Federal Awards			\$ 3,687,000	\$ 2,407,237

Note A - This schedule was prepared on an accrual (GAAP) basis of accounting consistent with the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Also, there were no awards passed through to sub-recipients.

Note B - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note C - Indirect Cost Rate - The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the City Council
City of Woodward, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Woodward, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Woodward, Oklahoma's major federal programs for the year ended June 30, 2024. City of Woodward, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Woodward, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Woodward, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Woodward, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Woodward, Oklahoma's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Woodward, Oklahoma's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Woodward, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Woodward, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Woodward, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Woodward, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City of Woodward, Oklahoma's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Woodward, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

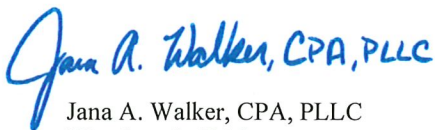
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jana A. Walker, CPA, PLLC
Woodward, Oklahoma
July 7, 2025

**CITY OF WOODWARD, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024**

SECTION I --- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
<u>Internal control over financial reporting:</u>	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

<u>Internal control over major programs:</u>	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with §200.516 Audit findings paragraph (a)?	Yes

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Adjustment Assistance Title II, Section 209

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

CITY OF WOODWARD, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION II --- FINANCIAL STATEMENT FINDINGS

FINDING 2024-001 Lack of Timely Filed Audit

Condition: Audit report issued after allotted 150 days from year end for the OWRB loan agreement. Additional deadlines included 180 days after the year end for the Oklahoma State Auditor & Inspector and after the allotted 9 months after year end with the Federal Audit Clearinghouse

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year. The regulations at 34 C.F.R. 668.23(a)(4) incorporate the audit submission deadline established at 2 C.F.R. 200.512(a)(1), through reference to the Single Audit Act. Institutions under the Single Audit Act have an audit submission deadline of the earlier of 30 calendar days after receipt of the audit report, or nine months after the end of the audit period.

Cause: Management did not receive the financial reporting package in a timely manner and appropriate follow up procedures were not performed to ensure the auditor had workpapers to review with sufficient time to issue the audit report prior to the deadline.

Effect or Potential Effect: Debt covenant violation and noncompliance with the Single Audit Act could result in loss of future funding.

Recommendation: Management should establish a well-defined process for financial reporting that includes overall timing and follow up procedures to ensure the established policies related to timing are adhered.

Response: Management will make arrangements to have their records inspected quicker after year-end to ensure the timely completion of an audit. Additionally, follow-up procedures will be executed to ensure all parties have received the required information to complete audit procedures prior to the deadline.

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2024-001 Lack of Timely Filed Audit

Condition: Audit report filed with the Federal Audit Clearinghouse after allotted 9 months after year end period.

Criteria: The regulations at 34 C.F.R. 668.23(a)(4) incorporate the audit submission deadline established at 2 C.F.R. 200.512(a)(1), through reference to the Single Audit Act. Institutions under the Single Audit Act have an audit submission deadline of the earlier of 30 calendar days after receipt of the audit report, or nine months after the end of the audit period.

Cause: Management did not receive the financial reporting package in a timely manner and appropriate follow up procedures were not performed to ensure the auditor had workpapers to review with sufficient time to issue the audit report prior to the deadline.

CITY OF WOODWARD, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS- (continued)

FINDING 2024-001 Lack of Timely Filed Audit- (continued)

Effect or Potential Effect: Noncompliance with the Single Audit Act could result in loss of future funding.

Recommendation: Management should establish a well-defined process for financial reporting that includes overall timing and follow up procedures to ensure the established policies related to timing are adhered.

SECTION IV--- SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2023-001 Ineffective Oversight of Controls and Monitoring

Condition: The depreciation expense was being calculated differently on two separate reports resulting in difference in depreciation expense being recorded.

Criteria: Internal control is an integral component of an organization's management that provides reasonable assurance that the objectives of effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations are being met. Internal controls comprises of the plans, methods, and procedures used to meet missions, goals, and objectives.

Cause: Management override of controls due to turnover in the accounting department.

Effect or Potential Effect: Depreciation expense was not properly calculated resulting in accumulated depreciation being understated.

Recommendation: The City should reconcile the fixed assets program to ensure the assets are being properly accounted for and depreciated on an ongoing basis.

Current Status: Management has made appropriate corrections, no current year finding.

FINDING 2023-001 Lack of Timely Filed Audit

Condition: Audit report issued after allotted 150 days from year end for the OWRB and after the allotted 9 months after year end with the Federal Audit Clearinghouse

Criteria: In accordance with the Oklahoma Water Resource Board loan agreement, Article II, 2.7(D)(4) the City shall furnish copies of the reports of the financial audit within 150 days after the end of each fiscal year. The regulations at 34 C.F.R. 668.23(a)(4) incorporate the audit submission deadline established at 2 C.F.R. 200.512(a)(1), through reference to the Single Audit Act. Institutions under the Single Audit Act have an audit submission deadline of the earlier of 30 calendar days after receipt of the audit report, or nine months after the end of the audit period.

CITY OF WOODWARD, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

SECTION IV--- SCHEDULE OF PRIOR AUDIT FINDINGS-(continued)

Cause: Management did not receive the financial reporting package in a timely manner and appropriate follow up procedures were not performed to ensure the auditor had workpapers to review with sufficient time to issue the audit report prior to the deadline.

Effect or Potential Effect: Debt covenant violation and noncompliance with the Single Audit Act could result in loss of future funding.

Recommendation: Management should establish a well-defined process for financial reporting that includes overall timing and follow up procedures to ensure the established policies related to timing are adhered.

Current Status: Reported as finding 2024-001.

SECTION V – CORRECTIVE ACTION PLAN

Management will make arrangements to have their records inspected quicker after year-end to ensure the timely completion of an audit. Additionally, follow-up procedures will be executed to ensure all parties have received the required information to complete audit procedures prior to the deadline.