



CITY OF
YUKON, OKLAHOMA

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

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

THE CITY OF YUKON, OKLAHOMA

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

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

**CITY OF YUKON, OKLAHOMA
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As of and for the Year Ended June 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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, pension plan schedules and budgetary comparison information on pages 9–18 and 67–73 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 Yukon, Oklahoma's basic financial statements. The accompanying combining and individual nonmajor 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025, on our consideration of the City of Yukon, 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 Yukon, 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 Yukon, Oklahoma's internal control over financial reporting and compliance.

HBC CPAs + Advisors

Oklahoma City, Oklahoma
July 9, 2025

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MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF YUKON, OKLAHOMA
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Our discussion and analysis of the City of Yukon's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2024, the City's total net position increased by \$9.9 million or 11.7% from the prior year.
- During the year, the City's expenses for governmental activities were \$41.2 million and were funded by program revenues of \$6.5 million and further funded with taxes and other general revenues that totaled \$37.2 million.
- In the City's business-type activities, such as utilities, revenues excluding transfers exceeded expenses by \$7.4 million.
- At June 30, 2024, the General Fund reported an unassigned fund balance of \$15.5 million.
- For budgetary reporting purposes, the General Fund reported revenues and transfers over estimates by \$453,964 or a positive 1.4%, while expenditures and transfers were under the final appropriations by \$4,129,631 or a positive 11.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

About the City

The City of Yukon is a municipality with a population of approximately 26,388 located in central Oklahoma. The City is a Council-Manager form of government that provides for three branches of government:

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

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

The City's Financial Reporting Entity

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

(Unaudited. See accompanying auditor's report.)

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The City's financial reporting entity includes the primary government (City of Yukon), two active blended component units and one inactive blended component unit as follows:

- **The City of Yukon** – that operates the public safety, streets, culture, parks and recreation, and administrative activities
- **The Yukon Municipal Authority** – that operates the water, sewer, and sanitation services of the City (blended component unit)
- **The Yukon Economic Development Authority** – that promotes economic and community development in the Yukon area (blended component unit)
- **The Yukon Educational Facilities Authority** – that promotes growth and development of commerce, education, and industry (inactive blended component unit)

Using This Annual Report

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

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

These two government-wide statements report the City's net position and changes in it from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure the City's financial condition, or position.

Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

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

(Unaudited. See accompanying auditor's report.)

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

Reporting the City’s Most Significant Funds - Fund Financial Statements

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

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

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

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by \$94.1 million at the close of the most recent fiscal year.

(Unaudited. See accompanying auditor’s report.)

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TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Current assets	\$ 50,533	\$ 47,525	6%	\$ 11,070	\$ 9,339	19%	\$ 61,603	\$ 56,864	8%
Capital assets, net	73,287	73,697	-1%	15,159	15,464	-2%	88,446	89,161	-1%
Other non-current assets	1,763	2,554	-31%	306	295	4%	2,069	2,849	-27%
Total assets	125,583	123,776	1%	26,535	25,098	6%	152,118	148,874	2%
Deferred outflow of resources	10,393	10,245	1%	325	292	11%	10,718	10,537	2%
Current liabilities	7,383	7,485	-1%	3,885	5,274	-26%	11,268	12,759	-12%
Non-current liabilities	52,357	58,080	-10%	1,116	1,092	2%	53,473	59,172	-10%
Total liabilities	59,740	65,565	-9%	5,001	6,366	-21%	64,741	71,931	-10%
Deferred inflow of resources	3,903	3,030	29%	122	234	-48%	4,025	3,264	23%
Net position									
Net investment in capital assets	40,299	36,515	10%	15,160	15,465	-2%	55,459	51,980	7%
Restricted	27,265	26,397	3%	-	-	-	27,265	26,397	3%
Unrestricted	4,769	2,514	90%	6,577	3,325	98%	11,346	5,839	94%
Total net position	\$ 72,333	\$ 65,426	11%	\$ 21,737	\$ 18,790	16%	\$ 94,070	\$ 84,216	12%

The largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). For 2024, this net investment in capital assets amounted to \$55.5 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Explanations for the changes in excess of 20% and \$300,000 are explained below:

Governmental Activities:

Other non-current assets (31% decrease of \$791,000) – Mainly due to decrease of \$522,000 in the net pension asset

Deferred inflow of resources (23% increase of \$873,000) - Due to differences in actual investment earnings versus projected investment earnings in defined benefit retirement plans

Unrestricted net position (90% increase in net position of \$2.3 million) – Mainly due to unrestricted revenues exceeding expenses

Business-type Activities:

Current liabilities (26% decrease of \$1.4 million) – Due to a decrease in unearned revenue from expenditures of ARPA grant revenues that were received and unspent in the prior year

Unrestricted net position (98% increase of \$3.3 million) – Mainly due to unrestricted revenues exceeding expenses

(Unaudited. See accompanying auditor's report.)

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Changes in Net Position

For the year ended June 30, 2024, net position of the primary government changed as follows:

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total		% Inc. (Dec.)		
	2024	2023	2024	2023	2024	2023			
Revenues									
Charges for services	\$ 2,523	\$ 2,027	24%	\$ 12,249	\$ 12,227	0%	\$ 14,772	\$ 14,254	4%
Operating grants and contributions	3,541	2,124	67%	-	-	-	3,541	2,124	67%
Capital grants and contributions	415	6	6,817%	4,903	413	1,087%	5,318	419	1169%
Taxes	35,012	34,670	1%	-	-	-	35,012	34,670	1%
Intergovernmental revenue	433	431	-	-	-	-	433	431	-
Investment income	719	536	34%	130	1	12,900%	849	537	58%
Miscellaneous	998	1,293	-23%	8	6	33%	1,006	1,299	-23%
Total revenues	43,641	41,087	6%	17,290	12,647	37%	60,931	53,734	13%
Expenses									
General government	10,140	9,018	12%	-	-	-	10,140	9,018	12%
Public safety	18,827	17,334	9%	-	-	-	18,827	17,334	9%
Streets	4,717	4,174	13%	-	-	-	4,717	4,174	13%
Culture, parks and recreation	5,204	4,928	6%	-	-	-	5,204	4,928	6%
Fleet maintenance	986	978	1%	-	-	-	986	978	1%
Economic development	305	329	-7%	-	-	-	305	329	-7%
Interest on long-term debt	1,000	1,145	-13%	-	-	-	1,000	1,145	-13%
Water and wastewater	-	-	-	7,322	6,616	11%	7,322	6,616	11%
Stormwater	-	-	-	250	234	7%	250	234	7%
Sanitation	-	-	-	2,326	2,073	12%	2,326	2,073	12%
Total expenses	41,179	37,906	9%	9,898	8,923	11%	51,077	46,829	9%
Excess (deficiency) before transfers	2,462	3,181	23%	7,392	3,724	98%	9,854	6,905	43%
Transfers	4,444	3,930	13%	(4,444)	(3,930)	-13%	-	-	-
Increase (decrease) in net position	\$ 6,906	\$ 7,111	-3%	\$ 2,948	\$ (206)	1,531%	\$ 9,854	\$ 6,905	43%

Explanations for the changes in excess of 20% and \$300,000 are explained below:

Governmental Activities:

Charges for services – (24% increase of \$496,000) – Resulting primarily from an increase in opioid distribution settlement revenues

Operating grants and contributions – (67% increase of \$1.4 million) - Resulting primarily from a FEMA grant received in FY24

Capital grants and contributions – (6,817% increase of \$409,000) - Resulting primarily from an LWCF grant received in FY24

Business-type Activities:

Capital grants and contributions – (1,087% increase of \$4.5 million) Resulting primarily to ARPA grant revenues recognized in FY24

(Unaudited. See accompanying auditor's report.)

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Governmental Activities

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

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2024	2023		2024	2023	
General government	\$ 10,140	\$ 9,018	12%	\$ (8,538)	\$ (8,659)	-1%
Public safety	18,827	17,334	9%	(15,014)	(14,186)	6%
Streets	4,717	4,174	13%	(4,717)	(4,174)	13%
Culture, parks and recreation	5,204	4,928	6%	(4,140)	(4,278)	-3%
Fleet maintenance	986	978	1%	(986)	(978)	1%
Economic development	305	329	-7%	(305)	(329)	-7%
Interest on long-term debt	1,000	1,145	-13%	(1,000)	(1,145)	-13%
Total	\$ 41,179	\$ 37,906	9%	\$ (34,700)	\$ (33,749)	3%

Explanations for significant changes are shown after Table 2.

Business-type Activities

The City's business-type activities include utility services for water, wastewater, sanitation, and stormwater.

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2024	2023		2024	2023	
Water and Wastewater	\$ 7,322	\$ 6,616	11%	\$ 7,286	\$ 3,483	109%
Stormwater	250	234	7%	17	32	-47%
Sanitation	2,326	2,073	12%	(49)	203	-124%
Total	\$ 9,898	\$ 8,923	11%	\$ 7,254	\$ 3,718	95%

Explanations for significant changes are shown after Table 2.

(Unaudited. See accompanying auditor's report.)

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A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$47.2 million or a 6.1% increase of \$2.7 million from the prior year.

General Fund Budgetary Highlights

Actual revenues and transfers in were over final estimates by \$0.5 million or 1.4%, and expenditures were under final appropriations by \$4.1 million or 11.9%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2024, the City had \$88.4 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, water lines, and sewer lines. (See Table 5). This is a decrease of \$0.7 million.

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>
	<u>2024</u>	<u>2023</u>	<u>2023</u>
Land	\$ 7,624	\$ 7,624	\$ 7,715
Buildings	12,315	13,015	12,987
Machinery, furniture and equipment	3,725	3,658	4,374
Infrastructure	43,676	46,159	44,654
Construction in progress	5,804	3,051	18,574
Leased assets	60	83	60
SBITA assets	83	106	83
Totals	\$ 73,287	\$ 73,696	\$ 88,447
			\$ 89,161

This year's more significant capital asset additions included:

2025 International Truck	\$278,425
2025 Peterbilt Front Loader	\$426,547
2024 Peterbilt Trailer	\$226,057
2023 John Deere 524 P-Tier Wheel Loader	\$149,375
Frisco Ridge 2/I-40 Sanitary Sewer Line	\$385,318
DRC HVAC Project	\$313,342
Fire Station #1 Improvements	\$125,776

See Note 5 to the financial statements for more detailed information on the City's capital assets and changes therein.

(Unaudited. See accompanying auditor's report.)

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Long- Term Debt

At year-end, the City had \$38.5 million in long-term debt outstanding which represents a \$4.3 million or 10% decrease from the prior year. The City's changes in long-term debt by type of debt are as follows:

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

	Governmental		Business-Type		Total	Total Percentage Change	
	Activities	Activities	Activities	Activities			
	2024	2023	2024	2023	2024	2023	2024-2023
Accrued absences	\$ 2,833	\$ 2,592	\$119	\$108	\$ 2,952	\$ 2,700	9%
Revenue bonds/notes payable from direct borrowings/direct placements	34,094	37,949	-	-	34,094	37,949	-10%
General obligation bonds payable	715	1,415	-	-	715	1,415	-49%
Lease obligations payable	60	84	-	-	60	84	-29%
SBITA obligations payable	80	105	-	-	80	105	-24%
Deposits subject to refund	-	-	608	594	608	594	2%
Totals	\$37,782	\$42,145	\$727	\$702	\$38,509	\$42,847	-10%

See Note 6 to the financial statements for more detail information on the City's long-term debt and changes therein.

Economic Factors and Next Year's Budget and Rates

The City's budget for next fiscal year includes the following highlights:

As economic uncertainty continues, and sales tax growth remains low, the City of Yukon expects to implement a budget reflecting a limited increase in revenues. Expenditures will be mostly restrained, although ARPA funding will create some opportunities for capital projects. Some of the notable capital projects slated to begin in FY '25 include extensive rehabilitation of the City's water treatment plant, using ARPA funds; a training tower facility for the Yukon Fire Department; sewer line upgrades in the amount of \$300,000; Intersection improvements at 10th Street and Shedeck Parkway; over \$1.7 million in replacement vehicles across all departments; and the resurfacing of Garth Brooks Boulevard. OnCue should begin construction at its facility to be built at the I-40 and Frisco Road interchange, and we anticipate a mild boost to the City's sales tax revenue when the store opens. The overall budget has increased \$8,621,456 from the previous year with notable funds outlined below:

- The General Fund increased by \$2.3 million
- The Capital Improvement Fund increased by \$1.4 million
- The Grant Fund increased by \$950,000
- The ARPA Fund increased by \$1.1 million

Contacting the City's Financial Management

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City's Treasurer's Office at Yukon City Hall, 500 West Main Street in Yukon, Oklahoma.

(Unaudited. See accompanying auditor's report.)

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

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

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

Statement of Net Position— June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 27,886,093	\$ 9,041,439	\$ 36,927,532
Restricted cash and cash equivalents	11,117,259	1,829	11,119,088
Investments	123,826	-	123,826
Restricted investments	6,060,579	68,116	6,128,695
Accounts receivable, net of allowance	964,168	1,958,095	2,922,263
Court fine receivable, net of allowance	233,308	-	233,308
Due from other governments	4,148,026	-	4,148,026
Restricted investments	-	306,040	306,040
Leases receivable	1,410,939	-	1,410,939
Net Pension Asset	351,675	-	351,675
Capital assets:			
Land and construction in progress	13,427,665	91,005	13,518,670
Other capital assets, net of depreciation	59,859,695	15,068,449	74,928,144
Total Capital Assets	<u>73,287,360</u>	<u>15,159,454</u>	<u>88,446,814</u>
Total Assets	<u>125,583,233</u>	<u>26,534,973</u>	<u>152,118,206</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	8,996,489	208,553	9,205,042
Deferred amounts related to OPEB	1,396,369	116,120	1,512,489
Total deferred outflows of resources	<u>10,392,858</u>	<u>324,673</u>	<u>10,717,531</u>
LIABILITIES			
Accounts payable	684,927	440,973	1,125,900
Accrued payroll liabilities	381,238	28,268	409,506
Accrued interest payable	485,586	-	485,586
Due to other governments	21,936	-	21,936
Escrow liabilities	250,000	-	250,000
Refundable court bonds	650,455	-	650,455
Unearned revenue	-	3,282,466	3,282,466
Long-term liabilities:			
Due within one year	4,909,323	133,121	5,042,444
Due in more than one year	32,986,173	593,658	33,579,831
Total OPEB liability	<u>1,604,781</u>	<u>137,689</u>	<u>1,742,470</u>
Net pension liability	<u>17,765,729</u>	<u>384,251</u>	<u>18,149,980</u>
Total liabilities	<u>59,740,148</u>	<u>5,000,426</u>	<u>64,740,574</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pension	2,426,373	102,290	2,528,663
Deferred amounts related to OPEB	130,455	20,028	150,483
Leases	1,346,198	-	1,346,198
Total deferred inflows of resources	<u>3,903,026</u>	<u>122,318</u>	<u>4,025,344</u>
NET POSITION			
Net investment in capital assets	40,299,195	15,159,454	55,458,649
Restricted for:			
Debt service	2,514,782	-	2,514,782
Public employees	4,788,917	-	4,788,917
Stabilization reserve	6,464,039	-	6,464,039
Economic development	2,540,257	-	2,540,257
Capital project	9,421,829	-	9,421,829
Other contracts/groups	1,534,696	-	1,534,696
Unrestricted	<u>4,769,202</u>	<u>6,577,448</u>	<u>11,346,650</u>
Total net position	<u>\$ 72,332,917</u>	<u>\$ 21,736,902</u>	<u>\$ 94,069,819</u>

See accompanying notes to the financial statements.

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

Statement of Activities –Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
						Governmental Activities	Business-type Activities	Total
Primary government								
Governmental Activities								
General Government	\$ 10,139,963	\$ -	\$ 477,276	\$ 1,125,116	\$ -	\$ (8,537,571)	\$ -	\$ (8,537,571)
Public Safety	18,826,926	-	1,546,249	2,266,764	-	(15,013,913)	-	(15,013,913)
Transportation	4,717,267	-	-	-	-	(4,717,267)	-	(4,717,267)
Culture, parks and recreation	5,204,451	-	500,011	149,168	415,000	(4,140,272)	-	(4,140,272)
Fleet maintenance	985,580	-	-	-	-	(985,580)	-	(985,580)
Economic development	304,840	-	-	-	-	(304,840)	-	(304,840)
Interest on long-term debt	1,000,199	-	-	-	-	(1,000,199)	-	(1,000,199)
Total governmental activities	<u>41,179,226</u>	<u>-</u>	<u>2,523,536</u>	<u>3,541,048</u>	<u>415,000</u>	<u>(34,699,642)</u>	<u>-</u>	<u>(34,699,642)</u>
Business-type activities								
Water and Wastewater	6,632,915	688,898	9,704,744	-	4,903,233	-	7,286,164	7,286,164
Stormwater	231,041	18,931	266,682	-	-	-	16,710	16,710
Sanitation	2,164,410	161,658	2,277,326	-	-	-	(48,742)	(48,742)
Utility Billing	869,486	(869,486)	-	-	-	-	-	-
Total business-type activities	<u>9,897,852</u>	<u>-</u>	<u>12,248,752</u>	<u>-</u>	<u>4,903,233</u>	<u>-</u>	<u>7,254,133</u>	<u>7,254,133</u>
Total primary government	<u>51,077,078</u>	<u>-</u>	<u>14,772,288</u>	<u>3,541,048</u>	<u>5,318,233</u>	<u>(34,699,642)</u>	<u>7,254,133</u>	<u>(27,445,509)</u>
General revenues:								
Taxes:								
Sales and use taxes					32,726,734	-	32,726,734	
Property taxes					652,135	-	652,135	
Franchise and public service taxes					1,261,176	-	1,261,176	
Hotel/motel taxes					372,395	-	372,395	
Intergovernmental revenue not restricted to specific programs					432,530	-	432,530	
Investment income					718,897	129,734	848,631	
Miscellaneous					998,033	7,673	1,005,706	
Transfers - Internal activity					4,444,064	(4,444,064)	-	-
Total general revenues and transfers					<u>41,605,964</u>	<u>(4,306,657)</u>	<u>37,299,307</u>	
Change in net position					6,906,322	2,947,476	9,853,798	
Net position - beginning					<u>65,426,595</u>	<u>18,789,426</u>	<u>84,216,021</u>	
Net position - ending					<u>\$ 72,332,917</u>	<u>\$ 21,736,902</u>	<u>\$ 94,069,819</u>	

See accompanying notes to the financial statements.

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

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

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

Governmental Funds Balance Sheet - June 30, 2024

	Special Revenue Funds		Capital Project Fund		Other Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Fund	Opioid Settlement Fund	96 Sales Tax Capital Projects		
ASSETS						
Cash and cash equivalents	\$ 13,769,292	\$ 3,286,600	\$ -	\$ 8,472,905	\$ 322,198	\$ 25,850,995
Investments	123,826	-	-	-	-	123,826
Restricted cash	9,848,292	-	248,217	708,356	2,805,848	13,610,713
Restricted investments	5,602,223	-	-	-	-	5,602,223
Due from other funds	199,528	29,418	-	-	-	228,946
Due from other governments	3,139,536	-	-	1,000,096	8,394	4,148,026
Court fines receivable, net	233,308	-	-	-	-	233,308
Grant receivable	-	-	707,869	80,000	-	787,869
Other receivables	108,137	-	-	-	68,162	176,299
Lease receivables	-	1,381,636	-	29,303	-	1,410,939
Total assets	33,024,142	4,697,654	956,086	10,290,660	3,204,602	52,173,144
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	168,922	-	-	508,682	-	677,604
Accrued payroll payable	381,238	-	-	-	-	381,238
Due to other funds	213,805	-	-	-	15,141	228,946
Due to component unit	-	-	-	-	21,936	21,936
Accrued interest payable	469,876	-	-	-	-	469,876
Escrow liabilities	657,778	-	-	250,000	-	907,778
Total liabilities	1,891,619	-	-	758,682	37,077	2,687,378
Deferred inflows of resources:						
Unavailable revenue	187,513	-	707,869	80,000	4,840	980,222
Leases	-	1,316,049	-	30,149	-	1,346,198
Total deferred inflow of resources	187,513	1,316,049	707,869	110,149	4,840	2,326,420
Fund balances:						
Restricted	15,484,817	890,025	248,217	9,421,829	3,011,259	29,056,147
Assigned	-	2,491,580	-	-	151,426	2,643,006
Unassigned	15,460,193	-	-	-	-	15,460,193
Total fund balance	30,945,010	3,381,605	248,217	9,421,829	3,162,685	47,159,346
Total liabilities, deferred inflows and fund balance	\$ 33,024,142	\$ 4,697,654	\$ 956,086	\$ 10,290,660	\$ 3,204,602	\$ 52,173,144

See accompanying notes to the financial statements.

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

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

	General Fund	Special Revenue Funds		Capital Project Fund		Other Governmental Funds	Total Governmental Funds
		Special Revenue Fund	Opioid Settlement Fund	96 Sales Tax Capital Projects	Capital Project Fund		
REVENUES							
Taxes	\$ 25,439,121	\$ -	\$ -	\$ 8,138,086	\$ 1,287,101	\$ 34,864,308	
Intergovernmental	2,508,763	1,161,372	182,522	362,520	190,221	4,405,398	
Licenses and permits	467,363	-	-	-	-	467,363	
Charges for services	317,188	15,591	-	11,554	-	344,333	
Fines and forfeitures	906,954	-	-	-	-	906,954	
Investment income	423,732	53,766	-	223,033	16,711	717,242	
Miscellaneous	739,398	909,053	-	365,318	2,972	2,016,741	
Total revenues	<u>30,802,519</u>	<u>2,139,782</u>	<u>182,522</u>	<u>9,100,511</u>	<u>1,497,005</u>	<u>43,722,339</u>	
EXPENDITURES							
Current:							
General government	7,840,538	804,167	-	20,610	-	8,665,315	
Insurance	1,088,058	-	-	-	-	1,088,058	
Fire	7,413,427	81,324	-	-	-	7,494,751	
Police	9,038,108	-	-	-	-	9,038,108	
Animal control	355,035	-	-	-	-	355,035	
Fleet maintenance	983,741	-	-	-	-	983,741	
Municipal court	336,490	-	-	-	-	336,490	
Transportation	1,365,535	-	-	-	-	1,365,535	
Culture, parks, and recreation	4,127,395	281,489	-	-	-	4,408,884	
Economic development	-	-	-	-	304,840	304,840	
Capital outlay	105,517	14,408	-	6,114,089	22,129	6,256,143	
Debt service:							
Principal	78,667	-	-	3,645,000	700,000	4,423,667	
Interest	1,609	-	-	1,192,807	71,959	1,266,375	
Total Expenditures	<u>32,734,120</u>	<u>1,181,388</u>	<u>-</u>	<u>10,972,506</u>	<u>1,098,928</u>	<u>45,986,942</u>	
Excess (deficiency) of revenues over expenditures	<u>(1,931,601)</u>	<u>958,394</u>	<u>182,522</u>	<u>(1,871,995)</u>	<u>398,077</u>	<u>(2,264,603)</u>	
OTHER FINANCING SOURCES (USES)							
Transfers in	5,121,333	-	-	1,345,812	-	6,467,145	
Transfers out	(1,345,812)	(16,963)	-	(157,978)	-	(1,520,753)	
SBITA proceeds	30,753	-	-	-	-	30,753	
Total other financing sources and uses	<u>3,806,274</u>	<u>(16,963)</u>	<u>-</u>	<u>1,187,834</u>	<u>-</u>	<u>4,977,145</u>	
Net change in fund balance	1,874,673	941,431	182,522	(684,161)	398,077	2,712,542	
Fund balance - beginning	<u>29,070,337</u>	<u>2,440,174</u>	<u>65,695</u>	<u>10,105,990</u>	<u>2,764,608</u>	<u>44,446,804</u>	
Fund balance - ending	<u>\$ 30,945,010</u>	<u>\$ 3,381,605</u>	<u>\$ 248,217</u>	<u>\$ 9,421,829</u>	<u>\$ 3,162,685</u>	<u>\$ 47,159,346</u>	

See accompanying notes to the financial statements.

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

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance - Net Position Reconciliation: \$ 47,159,346

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation and amortization of \$94,229,421 73,287,360

Other long-term assets are not available to pay for current period expenditures and they, along with deferred outflows, are either deferred or not reported in the funds:

Grants receivable and accounts receivable, net of allowance for doubtful accounts	980,222
Net pension asset	351,675
Pension related deferred outflows	8,996,489
Deferred outflow related to OPEB	1,396,369

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

Net pension liability	(17,765,729)
Pension related deferred inflows	(2,426,373)
Deferred inflow related to OPEB	(130,455)
Accrued interest payable	(15,710)
Lease obligation	(60,297)
SBITA obligation	(80,432)
Revenue bond obligations	(715,000)
Notes payable	(34,093,893)
Unamortized bond premium/discount	(113,193)
Total OPEB liability	(1,604,781)
Accrued compensated absences	<u>(2,832,681)</u>
	<u>(59,838,544)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 72,332,917

See accompanying notes to the financial statements.

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

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ 2,712,542

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

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

Capital asset purchases capitalized	4,670,944
Book value of disposed capital assets	(5,977)
Depreciation expense	<u>(5,074,773)</u>
	<u>(409,806)</u>

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

7,036

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

Change in unavailable revenue	274,813
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position.

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

SBITA proceeds	(30,753)
Principal payment on notes payable	3,854,987
Principal payment on leases	23,394
Principal payment on SBITA obligation	55,273
Principal payment on general obligation bonds payable	700,000
Amortization of deferred amount on refunding	(19,445)
Amortization of bond premium/discount	<u>59,057</u>
	<u>4,642,513</u>

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

Change in accrued interest payable	15,368
Change in total OPEB liability	(95,946)
Change in accrued compensated absences	<u>(240,198)</u>
	<u>(320,776)</u>

Change in net position of governmental activities \$ 6,906,322

See accompanying notes to the financial statements.

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

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

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

Proprietary Funds Statement of Net Position - June 30, 2024

ENTERPRISE FUNDS				
	Yukon Municipal Authority	Sanitation Fund	Stormwater Fund	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 8,204,511	\$ 163,024	\$ 673,904	\$ 9,041,439
Restricted cash and cash equivalents	1,829	-	-	1,829
Restricted investments	68,116	-	-	68,116
Accounts receivable, net	1,570,040	347,528	40,527	1,958,095
Total current assets	<u>9,844,496</u>	<u>510,552</u>	<u>714,431</u>	<u>11,069,479</u>
Non-current assets:				
Restricted investments	306,040	-	-	306,040
Capital assets:				
Land and construction in progress	75,000	16,005	-	91,005
Other capital assets, net of accumulated depreciation	12,920,279	1,403,477	744,693	15,068,449
Total non-current assets	<u>13,301,319</u>	<u>1,419,482</u>	<u>744,693</u>	<u>15,465,494</u>
Total assets	<u>23,145,815</u>	<u>1,930,034</u>	<u>1,459,124</u>	<u>26,534,973</u>
DEFERRED OUTFLOW OF RESOURCES:				
Deferred amounts related to pensions	113,736	94,817	-	208,553
Deferred amounts related to OPEB	67,786	44,297	4,037	116,120
Total deferred outflow of resources	<u>181,522</u>	<u>139,114</u>	<u>4,037</u>	<u>324,673</u>
LIABILITIES				
Current liabilities:				
Accounts payable	410,388	30,457	128	440,973
Accrued payroll liabilities	16,292	10,423	1,553	28,268
Unearned revenue	3,282,466	-	-	3,282,466
Current portion of:				
Deposits subject to refund	121,491	-	-	121,491
Accrued compensated absences	4,401	6,480	749	11,630
Total current liabilities	<u>3,835,038</u>	<u>47,360</u>	<u>2,430</u>	<u>3,884,828</u>
Non-current liabilities:				
Deposits subject to refund	485,962	-	-	485,962
Accrued compensated absences	37,837	63,124	6,735	107,696
Total OPEB liability	80,714	52,227	4,748	137,689
Net pension liability	218,211	166,040	-	384,251
Total non-current liabilities	<u>822,724</u>	<u>281,391</u>	<u>11,483</u>	<u>1,115,598</u>
Total liabilities	<u>4,657,762</u>	<u>328,751</u>	<u>13,913</u>	<u>5,000,426</u>
DEFERRED INFLOW OF RESOURCES:				
Deferred amounts related to pension	68,167	34,123	-	102,290
Deferred amounts related to OPEB	10,919	7,506	1,603	20,028
Total deferred inflow of resources	<u>79,086</u>	<u>41,629</u>	<u>1,603</u>	<u>122,318</u>
NET POSITION				
Net Investment in capital assets	12,995,279	1,419,482	744,693	15,159,454
Unrestricted	5,595,210	279,286	702,952	6,577,448
Total net position	<u>\$ 18,590,489</u>	<u>\$ 1,698,768</u>	<u>\$ 1,447,645</u>	<u>\$ 21,736,902</u>

See accompanying notes to the financial statements.

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

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

	ENTERPRISE FUNDS			
	Yukon Municipal Authority	Sanitation Fund	Stormwater Fund	Totals
OPERATING REVENUES				
Water charges	\$ 6,477,589	\$ -	\$ -	\$ 6,477,589
Sewer charges	3,007,261	-	-	3,007,261
Sanitation charges	-	2,249,215	-	2,249,215
Stormwater charges	-	-	266,682	266,682
Penalties and interest	217,974	-	-	217,974
Miscellaneous	9,582	28,111	11	37,704
Total operating revenues	<u>9,712,406</u>	<u>2,277,326</u>	<u>266,693</u>	<u>12,256,425</u>
OPERATING EXPENSES				
Billing	869,486	-	-	869,486
Water Plant	718,598	-	-	718,598
Water Supply and Wastewater Treatment	4,814,574	-	-	4,814,574
Sanitation	-	1,810,553	-	1,810,553
Stormwater	-	-	196,946	196,946
Depreciation expense	1,099,724	353,857	34,095	1,487,676
Total Operating Expenses	<u>7,502,382</u>	<u>2,164,410</u>	<u>231,041</u>	<u>9,897,833</u>
Operating income	<u>2,210,024</u>	<u>112,916</u>	<u>35,652</u>	<u>2,358,592</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	119,605	2,575	7,554	129,734
Operating grant revenue	4,222,787	-	-	4,222,787
Interest expense and fiscal charges	(19)	-	-	(19)
Total non-operating revenue	<u>4,342,373</u>	<u>2,575</u>	<u>7,554</u>	<u>4,352,502</u>
Income before transfers and capital contributions	6,552,397	115,491	43,206	6,711,094
Capital contributions	1,065,763	788,194	9,263	1,863,220
Transfers out	(5,168,115)	(458,723)	-	(5,626,838)
Change in net position	2,450,045	444,962	52,469	2,947,476
Total net position - beginning	<u>16,140,444</u>	<u>1,253,806</u>	<u>1,395,176</u>	<u>18,789,426</u>
Total net position - ending	<u>\$ 18,590,489</u>	<u>\$ 1,698,768</u>	<u>\$ 1,447,645</u>	<u>\$ 21,736,902</u>

See accompanying notes to the financial statements.

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

	ENTERPRISE FUNDS			
	Yukon Municipal Authority	Sanitation Fund	Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 8,293,181	\$ 2,266,379	\$ 265,928	\$ 10,825,488
Payments to suppliers	(5,613,379)	(811,413)	(15,923)	(6,440,715)
Payments to employees	(1,131,778)	(1,002,328)	(181,525)	(2,315,631)
Receipts of customer meter deposits	157,823	-	-	157,823
Refunds of customer meter deposits	(144,225)	-	-	(144,225)
Net cash provided by operating activities	1,561,622	452,638	68,480	2,082,740
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(5,168,115)	(458,723)	-	(5,626,838)
Noncapital grants and contributions	4,222,787	-	-	4,222,787
Net cash provided by (used in) noncapital financing activities	(945,328)	(458,723)	-	(1,404,051)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(385,317)	(788,194)	(9,263)	(1,182,774)
Capital grants and contributions	1,065,763	788,194	9,263	1,863,220
Interest and fiscal agent fees paid on capital debt	(19)	-	-	(19)
Net cash provided by (used in) capital and related financing activities	680,427	-	-	680,427
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(13,123)	-	-	(13,123)
Interest and dividends	119,605	2,575	7,554	129,734
Net cash provided by investing activities	106,482	2,575	7,554	116,611
Net increase (decrease) in cash and cash equivalents	1,403,203	(3,510)	76,034	1,475,727
Balances - beginning of year	6,803,137	166,534	597,870	7,567,541
Balances - end of year	\$ 8,206,340	\$ 163,024	\$ 673,904	\$ 9,043,268
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 8,204,511	\$ 163,024	\$ 673,904	\$ 9,041,439
Restricted cash and cash equivalents - current	1,829	-	-	1,829
Total cash and cash equivalents, end of year	\$ 8,206,340	\$ 163,024	\$ 673,904	\$ 9,043,268

See accompanying notes to the financial statements.

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

	Yukon Municipal Authority	Sanitation Fund	Stormwater Fund	Total
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,210,024	\$ 112,916	\$ 35,652	\$ 2,358,592
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	1,099,724	353,857	34,095	1,487,676
Change in assets, liabilities, and deferrals:				
Accounts receivable	(241,430)	(10,947)	(765)	(253,142)
Net pension liability	(83,689)	(21,270)	-	(104,959)
Unearned revenue	(1,177,795)	-	-	(1,177,795)
Accounts payable	(234,173)	30,457	128	(203,588)
Accrued payroll payable	(5,961)	(4,344)	(1,667)	(11,972)
Total OPEB liability	62,479	41,970	2,469	106,918
Pension deferred inflow of resources	(87,310)	(25,023)	960	(111,373)
Pension deferred outflow of resources	60,897	13,532	(3,318)	71,111
OPEB deferred outflow of resources	(62,495)	(41,321)	-	(103,816)
Deposits subject to refund	13,598	-	-	13,598
Accrued compensated absences	7,753	2,811	926	11,490
Net cash provided by operating activities	<u>\$ 1,561,622</u>	<u>\$ 452,638</u>	<u>\$ 68,480</u>	<u>\$ 2,082,740</u>
Noncash activities:				
Contributed capital assets	<u>\$ 1,065,763</u>	<u>\$ 788,194</u>	<u>\$ 9,263</u>	<u>\$ 1,863,220</u>
Total noncash activites	<u>\$ 1,065,763</u>	<u>\$ 788,194</u>	<u>\$ 9,263</u>	<u>\$ 1,863,220</u>

See accompanying notes to the financial statements.

**CITY OF YUKON, OKLAHOMA
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FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF YUKON, OKLAHOMA
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Footnotes to the Basic Financial Statements:

1. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Yukon) and two active blended component units and one inactive blended component unit as noted below. This annual report includes all activities for which the City of Yukon City Council/Manager is fiscally responsible.

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

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

The City of Yukon has a population of approximately 26,388 located in central Oklahoma. The City is a Council/Manager form of government that provides for three branches of government:

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

The City provides typical municipal services such as public safety, street maintenance, culture, parks and recreation and airport.

Blended Component Units:

The Yukon Municipal Authority (YMA) – that operates the water, sewer and sanitation services of the City – City Council serves as Authority Trustees and City Management serves as management of the trust.

The Yukon Economic Development Authority (YEDA) – that promotes economic and community development in the Yukon area. City Council appoints 7 trustees – two of which are City Council members; YEDA almost exclusively provides services to the City.

The Yukon Educational Facilities Authority (YEFA) – promotes growth and development of commerce, education, and industry. City Council serves as Authority Trustees. This component unit is inactive.

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

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2. Basis of Presentation and Accounting

Government-Wide Financial Statements:

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

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

- Public Safety – Fire, Police, Ambulance – fines and forfeitures, restricted operating grants, and restricted capital grants
- Transportation – Restricted capital grants.
- Culture, parks, and recreation – cemetery revenues, pool fees, park fees, and restricted operating and capital grants
- General Government – license and permits, plat and abatement fees, demolition fees, and restricted operating grants
- Water and wastewater – water and wastewater service charges
- Sanitation – sanitation service charges
- Stormwater – stormwater fees

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

The funds of the financial reporting entity are described below.

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For financial statement reporting purposes the General Fund contains the following combining accounts:
 - Public Employee Sales Tax Account (PEST)
 - General Reserve Account
 - Municipal Court Account
 - Escrow Account
- Special Revenue Fund – accounts for restricted revenues for various programs and projects.
- Opioid Settlement Fund – accounts for restricted opioid settlement revenues.
- 1996 Sales Tax Capital Projects Fund (reported as a capital project fund) – accounts for one penny sales taxes restricted for capital improvements and equipment, as well as hotel/motel taxes restricted for economic development, tourism, conventions, and parks/recreation.

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

Special Revenue Funds:

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

- CDBG Fund – accounts for CDGB grant activity.
- Yukon Economic Development Authority Fund – accounts for tax increment sales, use, and hotel/motel taxes generated from within the TIF district equal to 90% of the non-dedicated two cents sales and use tax, as well as 90% of the five cents hotel/motel tax to be used for construction of an interchange at Frisco Road and Interstate 40, as well as the creation of an attractive viable commercial corridor south of Interstate 40 on and east of Frisco Road.
- Hotel/Motel Tax Fund – accounts for hotel/motel tax revenues received other than those within the TIF District as noted above.

Capital Project Fund:

- Capital Projects Fund – accounts for oil and gas receipts to be used for capital projects.

Debt Service Fund:

- Debt Service Fund – accounts for property taxes used to pay general obligation bonds debt service.

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

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

The General Fund and the 1996 Sales Tax Capital Projects Fund are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column Other Governmental Funds.

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Proprietary Funds:

The City's proprietary funds include:

Enterprise Funds

- Yukon Municipal Authority (YMA) Water and Sewer Fund that accounts for the activities of the public trust in providing water and sewer services to the public. For financial reporting purposes, it includes the following accounts: YMA Capital and Utility Billing Account, YMA Water and Sewer Operations Account, and YMA Bond Account.
- YMA Sanitation Fund accounts for the activities of the public trust in providing sanitation services to the public.
- City Stormwater Fund accounts for stormwater services.

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

3. Cash, Cash Equivalents, and Investments

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

At June 30, 2024, the reporting entity held the following deposits and investments:

Primary Government:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits			\$ 43,583,887
Cash on hand			1,000
Time Deposits			6,558,561
OMAG Escrow			74,038
			<u>50,217,486</u>
Investments:			
Trustee money market accounts		AAAm	4,387,695
			<u>4,387,695</u>
Total deposits and investments			<u>\$ 54,605,181</u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 36,927,532
Restricted cash and cash equivalents, current			11,119,088
Investments			123,826
Restricted investments, current			6,128,695
Restricted investments, noncurrent			306,040
			<u>\$ 54,605,181</u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value. At June 30, 2024, the City was exposed to no custodial risk.

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

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

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

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City places no limit on the amount it may invest in any one issuer.

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

The City has the following recurring fair value measurements as of June 30, 2024:

- Money Market Mutual Funds of \$4,387,695 are valued using quoted market prices (Level 1 inputs).

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Restricted Cash and Investments – The amounts reported as restricted assets of the Statement of Net Position are comprised of amounts restricted for utility deposits, debt service, debt reserve, restricted use resources or construction purposes. The restricted assets as of June 30, 2024 are as follows:

	ENTERPRISE FUNDS				GOVERNMENTAL FUNDS			
	Current Cash and cash Equivalents	Current Investments	Noncurrent Cash and cash Equivalents	Noncurrent Investments	Current Cash and cash Equivalents	Current Investments	Noncurrent Cash and cash Equivalents	
2017 Series Construction Account	\$ -	\$ -	\$ -	\$ -	\$ 84	\$ -	\$ -	\$ -
2017 Series Principal Trust Account	-	-	-	-	503,675	-	-	-
2017 Series Interest Trust Account	-	-	-	-	107,539	-	-	-
2017B Interest Trust Account	-	-	-	-	102,145	-	-	-
2017B Principal Account	-	-	-	-	280,000	-	-	-
2018 Construction Trust Account	-	-	-	-	721	-	-	-
2018 Principal Trust Account	-	-	-	-	261,910	-	-	-
2018 Interest Trust Account	-	-	-	-	73,921	-	-	-
2019 Construction Trust Account	-	-	-	-	88,136	-	-	-
2019 Interest Trust Account	-	-	-	-	101,092	-	-	-
2019 Principal Trust Account	-	-	-	-	423,086	-	-	-
2020 Construction Trust Account	-	-	-	-	1,771,816	-	-	-
2020 Principal Trust Account	-	-	-	-	413,013	-	-	-
2020 Interest Trust Account	-	-	-	-	93,371	-	-	-
Sinking Fund	-	-	-	-	167,186	-	-	-
10th St. Improvements Escrow	-	-	-	-	250,000	-	-	-
Hotel/Motel Tax	-	-	-	-	452,138	-	-	-
Municipal Court	-	-	-	-	269,512	-	-	-
Police Reserve	-	-	-	-	2,043,870	-	-	-
Fire Reserve	-	-	-	-	1,170,792	-	-	-
General Employees Reserve	-	-	-	-	916,904	-	-	-
General Fund Reserves	-	-	-	-	642,700	-	-	-
Opioid Settlement Fund	-	-	-	-	248,217	-	-	-
Capital Projects Fund	-	-	-	-	151,426	-	-	-
Escrow Account	-	-	-	-	584,005	-	-	-
96 Sales Tax Capital Improvement	-	-	-	-	-	458,356	-	-
CDARS Program-Reserves	-	-	-	-	-	5,602,223	-	-
Utility Deposits	1,829	68,116	-	306,040	-	-	-	-
Total	<u>\$ 1,829</u>	<u>\$ 68,116</u>	<u>\$ -</u>	<u>\$ 306,040</u>	<u>\$ 11,117,259</u>	<u>\$ 6,060,579</u>	<u>\$ -</u>	<u>\$ -</u>

4. Accounts Receivable

Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include fines, franchise tax, hotel/motel tax, and E911 tax receivables.

Primary Government

	Court Fines	Service	Lease	Other
	Receivable	Receivable	Receivable	Receivable
Accounts receivable	1,555,383	1,961,177	1,410,939	964,168
Less: allowance for uncollectible accounts	(1,322,075)	(3,082)	-	-
Accounts receivable, net of allowance	<u>\$ 233,308</u>	<u>\$ 1,958,095</u>	<u>\$ 1,410,939</u>	<u>\$ 964,168</u>

In addition, the City as a lessor, has entered into lease agreements involving land, buildings, and infrastructure. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$131,854.

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Opioid Settlement Funds

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

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

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

The City as a litigating party received \$65,695 as part of this settlement in fiscal year 2023. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. The city is a litigating party in five settlements that will be paid out over 18 years. A receivable of \$707,869 is included in the other receivable above. This amount is also recognized as unavailable revenue at the fund level. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2024.

Additional settlement amounts are not listed that the City could be a litigating party; these amounts could not be estimated at this time.

5. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, construction in progress, buildings and building improvements, machinery and equipment, vehicles, and infrastructure. Capital assets are reported at actual or estimated historical cost if actual is unavailable, and reported in the government-wide financial statements. Donated capital assets are recorded at their fair value at the date of donation. Prior to July 1, 2002, governmental activities' infrastructure assets were not capitalized. These assets (back to July 1, 1980) are valued at estimated historical cost. The City capitalized some of the infrastructure assets in the fiscal year ended June 30, 2005; while the remaining infrastructure assets were valued and capitalized in the fiscal year ended June 30, 2007. Proprietary fund capital assets are also reported in their respective funds.

The City capitalizes assets with cost in excess of \$5,000 as purchases and construction outlays occur. Capital assets are depreciated using the straight-line method. Estimated useful lives, in year, for depreciable assets are as follows:

Buildings	40 years
Building Improvements	20-40 years
Vehicles	2-5 years
Office Equipment	7 – 10 years
Computer Equipment	3-5 years
Infrastructure	25 – 50 years

Leased assets are amortized over the life of the associated contract.

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

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,623,795	\$ -	\$ -	\$ 7,623,795
Construction in progress	3,051,183	3,683,511	930,824	5,803,870
Total capital assets not being depreciated	<u>10,674,978</u>	<u>3,683,511</u>	<u>930,824</u>	<u>13,427,665</u>
Other capital assets:				
Buildings	25,127,240	142,007	-	25,269,247
Machinery and equipment	13,009,774	791,631	137,140	13,664,265
Vehicles	6,672,645	373,728	60,832	6,985,541
Infrastructure	107,295,441	580,138	-	107,875,579
Total other capital assets at historical cost	<u>152,105,100</u>	<u>1,887,504</u>	<u>197,972</u>	<u>153,794,632</u>
Less accumulated depreciation for:				
Buildings	12,110,890	843,218	-	12,954,108
Machinery and equipment	10,914,961	547,438	131,163	11,331,236
Vehicles	5,109,627	544,487	60,832	5,593,282
Infrastructure	61,136,275	3,063,042	-	64,199,317
Total accumulated depreciation	<u>89,271,753</u>	<u>4,998,185</u>	<u>191,995</u>	<u>94,077,943</u>
Lease assets:				
Buildings	130,002	-	-	130,002
Less accumulated amortization for:				
Buildings	46,938	23,469	-	70,407
SBITA assets:				
SBITA - intangibles	133,729	30,753	-	164,482
Less accumulated amortization for:				
SBITA - intangibles	27,952	53,119	-	81,071
Other capital assets and lease assets, net	<u>63,022,188</u>	<u>(3,156,516)</u>	<u>5,977</u>	<u>59,859,695</u>
Governmental activities capital assets, net	<u><u>\$ 73,697,166</u></u>	<u><u>\$ 526,995</u></u>	<u><u>\$ 936,801</u></u>	<u><u>\$ 73,287,360</u></u>
 Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 91,005	\$ -	\$ -	\$ 91,005
Total capital assets not being depreciated	<u>91,005</u>	<u>-</u>	<u>-</u>	<u>91,005</u>
Other capital assets:				
Buildings	2,028,138	15,230	-	2,043,368
Machinery and equipment	2,541,299	355,680	103,800	2,793,179
Vehicles	2,786,788	426,547	25,624	3,187,711
Infrastructure	46,087,607	385,317	-	46,472,924
Total other capital assets at historical cost	<u>53,443,832</u>	<u>1,182,774</u>	<u>129,424</u>	<u>54,497,182</u>
Less accumulated depreciation for:				
Buildings	1,294,839	76,565	-	1,371,404
Machinery and equipment	2,100,618	147,453	103,800	2,144,271
Vehicles	1,937,994	297,507	25,624	2,209,877
Infrastructure	32,737,030	966,151	-	33,703,181
Total accumulated depreciation	<u>38,070,481</u>	<u>1,487,676</u>	<u>129,424</u>	<u>39,428,733</u>
Other capital assets, net	<u>15,373,351</u>	<u>(304,902)</u>	<u>-</u>	<u>15,068,449</u>
Business-type activities capital assets, net	<u><u>\$ 15,464,356</u></u>	<u><u>\$ (304,902)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,159,454</u></u>

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Depreciation and Amortization:

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

Governmental Activities:		Business-Type Activities:	
Depreciation:		Depreciation:	
General Government	\$ 240,915	Water & Wastewater	\$ 1,099,724
Public Safety	1,295,404	Stormwater	34,095
Transportation	2,853,429	Sanitation	353,857
Culture & Recreation	<u>608,437</u>		
	<u>\$ 4,998,185</u>		<u>\$ 1,487,676</u>
Amortization:			
Amortization on leased assets:			
Buildings	<u>23,469</u>		
Amortization on SBITA assets:			
SBITA - intangibles	<u>53,119</u>		
	<u>\$ 5,074,773</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:

Type of Debt	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,415,000	\$ -	\$ 700,000	\$ 715,000	\$ 440,000
Notes payable from direct borrowings and direct placements	37,948,880	-	3,854,987	34,093,893	3,978,893
Lease obligations payable	83,691	-	23,394	60,297	23,586
SBITA obligations payable	104,952	30,753	55,273	80,432	35,130
Accrued compensated absences	<u>2,592,483</u>	<u>1,077,370</u>	<u>837,172</u>	<u>2,832,681</u>	<u>431,714</u>
Total Governmental Activities	<u>\$ 42,145,006</u>	<u>\$ 1,108,123</u>	<u>\$ 5,470,826</u>	<u>\$ 37,782,303</u>	<u>\$ 4,909,323</u>
Add: Unamortized bond premium				113,193	
				<u>\$ 37,895,496</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due within one year				4,909,323	
Due in more than one year				32,986,173	
				<u>\$ 37,895,496</u>	
Business-Type Activities:					
Deposits subject to refund	593,855	157,823	144,225	607,453	121,491
Accrued compensated absences	107,836	158,939	147,449	119,326	11,630
Total Business-Type Activities	<u>\$ 701,691</u>	<u>\$ 316,762</u>	<u>\$ 291,674</u>	<u>\$ 726,779</u>	<u>\$ 133,121</u>
Reconciliation to Government-Wide Statement of Net Position:					
Due within one year				133,121	
Due in more than one year				593,658	
				<u>\$ 726,779</u>	

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Governmental activities long-term debt:

General Obligation Bonds Payable:

Series 2015 General Obligation Bonds. Original amount of \$6,885,000 used for current capital projects and to refund the Series 2004, 2005, and 2006 General Obligation Bonds. These prior bonds were used for the following purposes:

2004 GO Bonds - 60% Street, 22% Sewer, 11% Water, and 7% Bridge - Original Issue of \$4,500,000

2005 GO Bonds - 67% Street, 15% Water, and 18% Bridge - Original Issue of \$3,900,000

2006 GO Bonds - 83% Street, 6% Water, and 11% Bridge - Original Issue of \$4,600,000

These bonds are due in annual principal installments ranging from \$785,000 to \$275,000 and semi-annual interest payments at rates ranging from 1% to 5%. They were issued in June 2015 and mature in March 2026.

	<u>\$ 715,000</u>
Current portion	\$ 440,000
Non-current portion	<u>275,000</u>
Total	<u>\$ 715,000</u>

Notes Payable from Direct Borrowings and Direct Placements

Series 2017B Revenue Note payable to Bank of Oklahoma, original amount of \$5,840,000, issued in October 2017 by the Yukon Municipal Authority, secured by and payable from a year-to-year pledge of certain sales tax revenues; due in semi-annual installments, used to refinance the outstanding balances of notes payable to Yukon National Bank and BancFirst Yukon, fund certain capital improvements, matures in July 2031, interest at 4.19%. In the event of default on the note, the lender may: 1) file suit for specific performance of covenants, 2) require sales tax revenue be deposited with the bank, 3) acceleration of payment of principal and interest accrued on all notes, 4) suit to enforce or enjoin action or inaction of parties under provisions of the note of sales tax agreement.

\$ 4,840,000

Series 2017 Sales Tax Revenue Note payable to Bank of Oklahoma, original amount of \$10,000,000, secured by and payable from Sales Tax Revenue pledged, issued in July 2017 by the Yukon Municipal Authority, due in semi-annual installments, used to finance improvements to roadways, streets and interchanges, and construction of a Public Works Building, matures in July 2031, interest at 2.56%. In the event of default on the note, the lender may: 1) file suit for specific performance of any or all of the covenants contained in this note indenture, the sales tax agreement or the notes; 2) require the Sales Tax Revenue be deposited directly as received with the bank; 3) acceleration of the payment of principal and interest accrued on all notes; 4) suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of this note.

8,340,000

Series 2018 Sales Tax Revenue Note payable to Bank of Oklahoma, original amount \$5,675,000, issued in August 2018 by the Yukon Municipal authority, secured by and payable by a year-to-year pledge of certain sales tax revenues; due in semi-annual installments; used for capital improvements to roadways, streets, and design and construction of an Animal Shelter Facility, matures in January 2032, interest at 3.08%. In the event of default on the note, the lender may: 1) file suit for specific performance of any or all of the covenants contained in this note indenture, the sales tax agreement or the notes; 2) require the Sales Tax Revenue be deposited directly as received with the bank; 3) acceleration of the payment of principal and interest accrued on all notes; 4) suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of this note.

4,765,000

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Series 2019 Sales Tax Revenue Note payable to Bank of Oklahoma, original amount \$9,540,000, issued in May 2019 by the Yukon Municipal Authority, secured by and payable by a year-to-year pledge of certain sales tax revenues, due in semi-annual installments, used to purchase improvements to Phase 2 of the I-40/Frisco Road Interchange Project, matures in January 2032, interest at 2.56%. In the event of default on the note, the lender may: 1) suit for specific performance of any or all of the covenants of the authority contained in the note indenture; 2) require that the sales tax revenue be deposited directly as received with the bank; 3) acceleration of the payment of principal of and interest accrued on all notes; 4) suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of this note indenture or the sales tax agreement.

7,840,000

Series 2020 Sales Tax Revenue Note payable to Bank of Oklahoma. Original amount of \$9,000,000 issued in April 2020 will be used for street projects, park parking lot expansion, and emergency operations center, secured by and paid for by a year-to-year pledge of certain sales tax revenues, due in semi-annual installments of \$20,000 to \$490,000 through January 2033, interest at 2.29%. In the event of default on the note, the lender may: 1) file suit for specific performance of any or all of the covenants of the authority contained in the note indenture, or the Sales Tax Agreement; 2) require that the sales tax revenue be deposited directly as received with the bank; 3) acceleration of the payment of principal of and interest accrued on all notes; 4) suit at law or equity to enforce or enjoin the action or inaction of parties under the provisions of the note indenture or the sales tax agreement.

8,095,000

\$629,058 Note Payable to PNC Equipment Finance for the purchase of a 2022 Pierce Fire Truck, payable in 3 annual installments of \$217,871 with an annual interest rate of 1.861%, beginning July 18, 2022, final payment due July 18, 2024. The collateral for this note is the 2022 Pierce Fire Truck. In the event of default, the lender may seek remedies as a secured creditor under the provisions of the UCC.

213,893

Total Notes Payable from Direct Borrowings and Direct Placements

\$ 34,093,893

Current portion	\$ 3,978,893
Non-current portion	30,115,000
Total	<u>\$ 34,093,893</u>

Lease Obligations Payable

The City of Yukon as a lessee, has entered into multiple lease agreements involving buildings for operations.

\$ 60,297

Current portion	\$ 23,586
Non-current portion	36,711
Total	<u>\$ 60,297</u>

SBITA Obligations Payable

The City of Yukon has entered into multiple subscription-based information technology arrangements (SBITA) involving software for operations.

\$ 80,432

Current portion	\$ 35,130
Non-current portion	45,302
Total	<u>\$ 80,432</u>

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Debt Service Requirements to Maturity:

Year Ending June 30,	GOVERNMENTAL ACTIVITY DEBT						GOVERNMENTAL ACTIVITY - DIRECT BORROWINGS	
	General Obligation Bonds		Lease Obligation Payable		SBITA Obligation Payable		Revenue Bonds/Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	440,000	35,750	23,586	414	35,130	2,408	3,978,893	926,779
2026	275,000	13,750	23,779	221	45,302	1,319	3,890,000	815,830
2027	-	-	11,933	67	-	-	4,025,000	705,218
2028	-	-	999	1	-	-	4,160,000	590,588
2029	-	-	-	-	-	-	4,300,000	471,981
2030-3033	-	-	-	-	-	-	13,740,000	680,810
Totals	<u>\$ 715,000</u>	<u>\$ 49,500</u>	<u>\$ 60,297</u>	<u>\$ 703</u>	<u>\$ 80,432</u>	<u>\$ 3,727</u>	<u>\$ 34,093,893</u>	<u>\$ 4,191,206</u>

Pledge of Future Revenues

Sales Tax Pledge - The City has also pledged an additional 2 cents (or 50%) of future sales tax revenues to repay \$40,055,000 of Series 2017B, 2017, 2018, 2019, and 2020 Sales Tax Revenue Notes. Proceeds from the bonds provided for the refinancing of the Series 2005A, 2005B, 2007, 2010, and 2011 Sales Tax and Utility System Revenue Bonds which were used for utility and governmental capital assets and new governmental and utility assets. The bonds are payable through 2031, 2031, 2032, 2032, and 2033 respectively. The total principal and interest payable for the remainder of the life of these notes are \$38,067,228. Total pledged sales taxes received in the current fiscal year was \$14,332,421. Debt service payments for the current fiscal year of \$4,671,334 were 32.6% of the pledged sales taxes.

Loan Guarantee

The City of Yukon has extended a financial guarantee to the Yukon BMX Parents and Riders Association for the payment of debt service on a \$98,000 note payable to Yukon National Bank, issued in June 2023 with final payment due in November 2029, for various track improvements at Lewis Carroll Taylor Park. The City's exposure to loss under this guarantee is contingent upon the failure of the Yukon BMX Parents and Riders Association to make timely debt service payments. The City has assessed the creditworthiness of the Yukon BMX Parents and Riders Association and believes the risk of default is low.

7. Net Position and Fund Balances

Fund Statements:

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

- a. Non-spendable – 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.

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

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

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

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General Fund	Major Special Revenue Funds		Major Capital Project Funds 96 Sales Tax Capital Project	Other Governmental Funds	TOTAL
	Special Revenue	Opioid Settlement			
Restricted for:					
Forestry Grant	\$ -	120	\$ -	\$ -	\$ 120
Park Grant	-	122,375	-	-	122,375
Park Events	-	98	-	-	98
Mabel Fry R & L	-	4,341	-	-	4,341
Mabel Fry Books	-	85,668	-	-	85,668
Library State Aid Grant	-	26,188	-	-	26,188
DRC Grants	-	315	-	-	315
Fire Rescue Grants	-	34,277	-	-	34,277
Federal Seizures	-	116,020	-	-	116,020
RAC Grant	-	34,781	-	-	34,781
State Seizures	-	11,873	-	-	11,873
Drug and Alcohol Fee	-	1,034	-	-	1,034
E911	-	441,830	-	-	441,830
Dare Grant	-	2,280	-	-	2,280
Shop with a Cop	-	4,274	-	-	4,274
Police Academy	-	4,427	-	-	4,427
Other grants	-	124	-	300,262	300,386
Economic Development	-	-	-	2,071,006	2,071,006
TIF #1 District project costs	-	-	-	469,251	469,251
Opioid Settlement revenue	-	-	248,217	-	248,217
Municipal Court	3,102	-	-	-	3,102
Escrow Fund	8,250	-	-	-	8,250
PEST Account	4,788,917	-	-	-	4,788,917
General Reserve Account	6,464,039	-	-	-	6,464,039
Capital outlay	1,860,757	-	-	9,421,829	11,282,586
Debt service	2,359,752	-	-	-	170,740
Sub-total Restricted	15,484,817	890,025	248,217	9,421,829	3,011,259
					29,056,147
Assigned to:					
Youth Sports	-	143,978	-	-	143,978
Spirit League	-	1,622	-	-	1,622
Main Street	-	8,210	-	-	8,210
Pennies for Parks	-	3,041	-	-	3,041
Bricks	-	4,685	-	-	4,685
LC Taylor Park	-	2,465	-	-	2,465
Insurance Reimbursements	-	617,397	-	-	617,397
Fire Rescue 651	-	1,293	-	-	1,293
FEMA Reimbursements	-	1,288,476	-	-	1,288,476
Veolia Rebate	-	43,635	-	-	43,635
Police Training	-	11,556	-	-	11,556
Police Community Relations	-	11,760	-	-	11,760
CI Account	-	98,101	-	-	98,101
Triad	-	142	-	-	142
McNatt Rebate	-	3,018	-	-	3,018
Pool Startup Cash	-	860	-	-	860
Insurance Premiums	-	97,932	-	-	97,932
Other	-	153,409	-	-	153,409
Capital projects	-	-	-	151,426	151,426
Sub-total Assigned	-	2,491,580	-	-	151,426
					2,643,006
Unassigned:		15,460,193	-	-	15,460,193
TOTAL FUND BALANCES	\$ 30,945,010	\$ 3,381,605	\$ 248,217	\$ 9,421,829	\$ 3,162,685
					\$ 47,159,346

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

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

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- 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" or "net investment in capital assets."

Minimum Fund Balance (Reserve) Ordinance

In 2003, city voters approved an additional .25 cent sales tax to be earmarked for replenishing and maintaining a reserve account at a level equal to 25% of the previous fiscal year's revenues as determined by the City Council. The City Council has determined that the minimum reserve requirement is based only on the revenues of the General Fund. Any sales taxes received after that level is obtained, is to be deposited in the General Fund to be used and expended only as approved in individual circumstances by the City Council. At June 30, 2024, there was \$6,244,923 on deposit in the General Reserve Account for that purpose, equivalent to 28.0% of the previous year's General Fund total revenue.

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.

Transfers:

Internal transfers between funds, accounts and activities for the year ended June 30, 2024 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
YMA Water/Sewer Operating Account	General Fund	\$ 4,487,669	Operating subsidy
YMA Sanitation Fund	General Fund	458,723	Operating subsidy
96 Sales Tax Capital Improvement Fund	General Fund	157,978	Debt service
Special Revenue Fund	General Fund	5,199	Library state aid grant revenue
Special Revenue Fund	General Fund	2,748	Software subscription payments
Special Revenue Fund	General Fund	9,016	Federal seizure revenue
General Fund	96 Sales Tax Capital Improvement Fund	345,812	Use of bond proceeds for capital projects
General Reserve Fund	96 Sales Tax Capital Improvement Fund	1,000,000	General reserve
Total		<u>\$ 6,467,145</u>	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 6,467,145	\$ (1,520,753)	\$ 4,946,392
Proprietary Funds	-	(5,626,838)	(5,626,838)
	<u>\$ 6,467,145</u>	<u>\$ (7,147,591)</u>	<u>\$ (680,446)</u>

Reconciliation to Statement of Activities:

Net Transfers	\$ (4,946,392)
Transfer of business-type activity expenses to governmental:	(680,446)
Transfer of capital outlay to business-type activities	1,182,774
Transfers - internal activity	<u>\$ (4,444,064)</u>

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Balances:

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

Payable Fund	Receivable Fund	Amount	Nature of Interfund Balance
Municipal Court Fund	General Fund	\$ 184,387	Municipal Court Fees
Hotel Motel Tax	General Fund	15,141	Negative cash
General Fund	Special Revenue Fund	29,418	Incorrect bank account used
		<u>\$ 228,946</u>	

Reconciliation to Fund Financial Statements:

	Due to	Due From	Net Interfund Balances
Governmental Funds	\$ (228,946)	\$ 228,946	\$ -
Proprietary Funds	-	-	-
	<u>\$ (228,946)</u>	<u>\$ 228,946</u>	<u>\$ -</u>

9. Revenues

Sales Tax:

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

- 2 cents is recorded in the General Fund except as noted in the last bullet.
- 1 cent is recorded in the 1996 Sales Tax Capital Project Fund to be used for capital improvements and equipment per voter election.
- .25 cents is recorded in the General Reserve Account (an account of the General Fund) to be used first to establish and maintain a reserve account at a level equal to 25% of the previous year's revenues as determined by the City Council; and second, any remainder to be deposited in the General Fund to be used and expended as determined by the City Council.
- .75 cents is recorded in the Public Employees Sales Tax Account (an account of the General Fund).
- 90% of the 2 cents sales tax collected within the TIF #1 District is transferred from the General Fund to the Yukon Economic Development Fund to be used to pay eligible project costs related to the construction of an interchange at Frisco Road and Interstate 40, as well as creation of an attractive viable commercial corridor south of Interstate 40 on and east of Frisco Road.

Property Tax:

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments.

At the present time the City levies a property tax to fund the annual debt service requirements of general obligation bonds outstanding.

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent nor more than 13½ percent.

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Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. Property taxes levied, but not collected during the year or within 60 days of year-end are reported as deferred revenue.

For the year ended June 30, 2024, the City's net assessed valuation of taxable property was \$237,923,337. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2024 was \$2.72.

10. Other Post-Employment Benefits

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

Benefits provided: The City provides medical, dental, and vision benefits to eligible retirees and their dependents. The benefits are provided in accordance with State law, the City of Yukon Health Benefits Plan Amended and Restated July 1, 2014, and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The retirees and dependents pay 100% of the active employee coverage rates; this results in the retirees and beneficiaries receiving an implicit rate subsidy. Retirees and dependents coverage cease at age 65 and are no longer eligible for the City's OPEB plan. All active employees who retire directly from the City after age 55 with 8 years of service may participate.

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

Active Employees	236
Inactives or beneficiaries currently receiving benefit payments	<u>8</u>
Total	<u>244</u>

Total OPEB Liability – The City's total OPEB liability of \$1,742,470 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2024 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 4.13% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates:

2024	7.0%
2025	6.5%
2026	6.0%
2027	5.5%
2028	5.0%
2029	4.5%
2030	4.5%
2031+	4.5%

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

	Total OPEB Liability (a)
Balances Beginning of Year	<u>\$ 362,418</u>
Changes for the Year:	
Service cost	15,302
Interest expense	11,846
Difference between expected and actual experience	1,534,101
Changes of assumptions	(95,023)
Benefits paid	(86,174)
Net Changes	<u>1,380,052</u>
Balances End of Year	<u>\$ 1,742,470</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB – For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,382,001	\$ -
Changes of assumptions	81,392	112,898
Changes in proportion and differences between City contributions and proportionate share of contributions	49,096	37,585
Total	<u>\$ 1,512,489</u>	<u>\$ 150,483</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
	2025
	2026
	2027
	2028
	2029
	Thereafter
	<u>566,236</u>
	Total
	<u>\$ 1,362,006</u>

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

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
Employers' total OPEB liability	\$ 1,886,174	\$ 1,742,470	\$ 1,609,967

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 4.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Employers' total OPEB liability	\$ 1,559,210	\$ 1,742,470	\$ 1,956,238

OPEB Expense- For the year ended June 30, 2024, the City recognized OPEB expense of \$188,442.

For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows and OPEB expense for the single employer other postemployment benefit plan the measurement has been prepared in accordance with GASB Statement No. 75.

11. Risk Management

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

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool.
- Workers' Compensation – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool.
- Employee's Group Medical –Purchased commercial insurance

12. Commitments and Contingencies

Litigation:

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

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

13. Pension Plan Participation

The City of Yukon 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
- Oklahoma Municipal Retirement Fund – an agent multiple-employer defined benefit plan
- Oklahoma Municipal Retirement Fund – agent multiple-employer defined contribution plans

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

	Governmental Activities	Business-type Activities	Plan Totals
Net Pension Liability (Asset):			
OkMRF	\$ 4,200,422	\$ 384,251	\$ 4,584,673
Police	(351,675)	-	(351,675)
Firefighters	13,565,307	-	13,565,307
Total	\$ 17,414,054	\$ 384,251	\$ 17,798,305
Deferred Outflows of Resources:			
OkMRF	\$ 2,217,686	\$ 208,553	\$ 2,426,239
Police	3,347,362	-	3,347,362
Firefighters	3,431,441	-	3,431,441
Total	\$ 8,996,489	\$ 208,553	\$ 9,205,042
Deferred Inflows of Resources:			
OkMRF	\$ 762,006	\$ 102,290	\$ 864,296
Police	813,193	-	813,193
Firefighters	851,174	-	851,174
Total	\$ 2,426,373	\$ 102,290	\$ 2,528,663
Pension Expense:			
OkMRF	\$ 65,889	\$ 6,027	\$ 71,916
Police	937,673	-	937,673
Firefighters	2,380,135	-	2,380,135
Total	\$ 3,383,697	\$ 6,027	\$ 3,389,724

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Summary of Significant Accounting Policies - For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OFPRS), Oklahoma Police Pension & Retirement System (OPPRS) and Oklahoma Municipal Retirement Fund (OkMRF) and additions to/deductions from OFPRS, OPPRS and OkMRF's fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OkMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows and OPEB expense for the single employer other postemployment benefit plan the measurement has been prepared in accordance with GASB Statement No. 75.

Fire Plan:

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

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

Normal Retirement:

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

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

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$579,248. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,477,965 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$1,201,627.

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 \$13,565,307 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 1.051370% percent.

For the year ended June 30, 2024, the City recognized pension expense of \$2,380,135. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,613,291	\$ 17,222
Changes of assumptions	-	21,751
Net difference between projected and actual earnings on pension plan investments	894,890	-
Changes in proportion and differences between City contributions and proportionate share of contributions	335,049	811,527
City contributions during measurement date	8,963	674
City contributions subsequent to the measurement date	579,248	-
Total	\$ 3,431,441	\$ 851,174

The \$579,248 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2025	\$ 760,156
2026	100,085
2027	1,297,642
2028	<u>(156,864)</u>
Total	<u><u>2,001,019</u></u>

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

Inflation: 2.75%
 Salary increases: 2.75% to 10.50% average, including inflation
 Investment rate of return: 7.5% net of pension plan investment expense

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	5.80%
Domestic equity	42%	9.49%
International equity	20%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 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.

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the city's proportionate share of the 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%
Employer's net pension liability	\$ 17,676,182	\$ 13,565,307	\$ 10,127,529

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

Police Plan:

Plan description - The City of Yukon, 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.

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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% 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 \$578,605. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$585,273 during the calendar year and this is reported as both an expenditure and a revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$511,920. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the City reported an asset of \$351,675 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2023. Based upon this information, the City's proportion was 1.151521%.

For the year ended June 30, 2024, the City recognized pension expense of \$937,673. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 962,709	\$ 54,236
Changes of assumptions	-	656,437
Net difference between projected and actual earnings on pension plan investments	1,742,405	-
Changes in proportion and differences between City contributions and proportionate share of contributions	56,556	100,773
City contributions during measurement date	7,086	1,747
City contributions subsequent to the measurement date	578,606	-
Total	\$ 3,347,362	\$ 813,193

The \$578,606 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase or decrease of the net pension liability (asset) in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2025	\$ 324,594
2026	(1,332)
2027	1,351,223
2028	297,142
2029	<u>(16,064)</u>
	<u><u>\$ 1,955,563</u></u>

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

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

The actuarial assumptions used in the July 1, 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:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private Equity	11.64%
Commodities	0.00%

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

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

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Employers' net pension liability (asset)	\$ 3,320,388	\$ (351,675)	\$ (3,460,759)

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.

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Employee Defined Benefit Plan:

Plan Description-The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems, those employees hired after June 30, 2014, and any city manager hired after January 17, 2011 who is currently accruing benefits under another retirement system approved by the city council. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: www.okmrf.org/reports.html. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

Eligibility Factors and Benefit Provisions

<u>Provision</u>	<u>As of 07/01/23</u>	<u>OkMRF Plan</u>
a. Eligible to participate		Full-time employees except police, firefighters, employees hired after June 30, 2014, city managers hired after January 17, 2011 covered under an approved system.
b. Period Required to Vest	10 year Cliff vesting schedule – hired on or after 7/1/05 5 year Cliff vesting schedule – hired before 7/1/05	
c. Eligibility for Distribution		-Normal retirement: the earlier of 1) age 65 – vested; or 2) the later of age 62 and the age at which participant completed 30 years of service. -Early retirement at age 55 with vesting -Disability retirement upon disability with vesting -Death benefit with vesting for married employees and others with vesting-5 years certain
d. Benefit Determination Base		Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:		
Normal Retirement		-3% of final average salary multiplied by credited years of service
Early Retirement		-Actuarially reduced benefit based upon age, final average salary, and years of service at termination
Disability Retirement		-Same as normal retirement
Death Benefit		-50% of employees accrued benefit, but terminates upon spouse re-marriage or death -50% of employees accrued benefit for non-married employees for 5 years certain - Return of employee contributions
Prior to Vesting		

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f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

Employees Covered by Benefit Terms

Active Employees	49
Deferred Vested Former Employees	48
Disabled	7
Retirees or Retiree Beneficiaries	<u>78</u>
Total	<u>182</u>

Contribution Requirements-The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 16.66% of covered payroll as of 7-1-23. For the year ended June 30, 2024 the City recognized \$675,960 of employer contributions to the plan based on covered payroll of \$4,057,387. Employees' contribution is 3% of covered payroll effective as of 7-1-23.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2023
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%
c. Projected Salary Increase	Varies between 7.5% and 4.5% based on age
d. Post Retirement Cost-of-Living Increase	Benefits (attributable to service prior to 1/1/2010) in payment status are adjusted each July 1st based on the percentage change in the CPI. The maximum increase or decrease in any year is 2.75%.
e. Inflation Rate	2.7%
f. Mortality Table	PubG-2010, with projected mortality improvement
g. Percent of married employees	100%

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h. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are Added during the first 5 years:
	Year 1: 225
	Year 2: 140
	Year 3: 100
	Year 4: 70
	Year 5: 40
j. Date of last experience study	November 2022 for fiscal years 2017 thru 2021

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2023 are summarized in the following table:

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	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
Large cap stocks S&P 500	25%	4.55%	1.14%
Small/mid cap stocks Russell 2500	10%	5.00%	0.50%
International emerging mrkts equity MSCI EM net div	5%	6.40%	0.32%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	20%	2.55%	0.51%
Real estate NCREIF	15%	4.95%	0.74%
Private equity MSCI ACWI net div	5%	6.05%	0.30%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	<u>100%</u>		
Average real return		4.75%	
Inflation		2.75%	
Long-term expected return		<u>7.50%</u>	

Changes in Net Pension Liability-The total pension liability was determined based on an actuarial valuation performed as of July 1, 2023 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2023 and the City's report ending date of June 30, 2024, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

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SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	<u>\$35,911,877</u>	<u>\$30,007,606</u>	<u>\$ 5,904,271</u>
Changes for the Year:			
Service cost	451,615	-	451,615
Interest expense	2,623,924	-	2,623,924
differences between expected and actual experience	(949,200)	-	(949,200)
Contributions--City	-	700,495	(700,495)
Contributions--members	-	126,334	(126,334)
Net investment income	-	2,685,282	(2,685,282)
Benefits paid	(1,886,541)	(1,886,541)	-
Plan administrative expenses	-	(66,174)	66,174
Net Changes	<u>239,798</u>	<u>1,559,396</u>	<u>(1,319,598)</u>
Balances End of Year	<u>\$36,151,675</u>	<u>\$31,567,002</u>	<u>\$ 4,584,673</u>

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

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 8,856,651	\$ 4,584,673	\$ 996,282

The City reported \$71,916 in pension expense for the year ended June 30, 2024. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 721,727
Net difference between projected and actual earnings on pension plan investments	-	108,166
Differences between expected and actual experience	1,713,655	-
Changes in proportion and differences between contributions and proportionate share of contributions	36,624	34,403
City contributions subsequent to the measurement date	675,960	-
Total	<u>\$ 2,426,239</u>	<u>\$ 864,296</u>

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Amortization of Pension Deferrals- The \$675,960 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (462,136)
2026	157,162
2027	1,286,186
2028	<u>(95,229)</u>
	<u>\$ 885,983</u>

Employee Defined Contribution Plan:

The City has also provided a defined contribution plan and trust known as the City of Yukon Plan and Trust in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to all full-time employees hired after June 30, 2014, except for those employees participating in another state or local retirement system including police officers, firefighters, and the city manager. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after 90 days of employment and must make contributions to the plan, based upon employee contributions under the pick-up option, at a rate of 5% of covered payroll. These picked-up contributions are made by the employer and paid in lieu of contributions by the employee. Additionally, the employer intends to make contributions to the plan in varying amounts each year. During this fiscal year, the city contributed an additional 14.67% of covered payroll. The City's contributions for each employee (and interest allocated to the employee's account) are vested after 7 years of employment. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall decrease the required employer contributions. The authority to establish and amend the provisions of the plan rest with the City Council.

For the year ended June 30, 2024, the following amounts related to the defined contribution plan:

Employee contributions made	\$ 263,671
Employer contributions made	\$ 774,037

City Manager Defined Contribution Plan:

The City also has a defined contribution plan and trust known as the City of Yukon City Manager Retirement Plan and Trust (CMO Plan). The plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. According to state law, the authority for establishing or amending the plan's provisions and contribution requirements rests with the city council. This plan is available only to the City Manager. The city manager is eligible to participate upon employment and must contribute 5% to the plan, based upon contributions under the pick-up option. These picked-up contributions are made by the employer and paid in lieu of contributions by the city manager. Additionally, the employer intends to make contributions to the plan in varying amounts each year. The current City Manager is not participating in the plan; therefore, no contributions were made during the year ended June 30, 2024.

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14. 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.

15. Compliance

Use of Restricted Reserves

As discussed in Note 9, the voter-approved reserve requirement is such that .25 cents of restricted sales tax must be deposited into and maintained in the General Reserve Account until the minimum balance of 25% of the prior year General Fund revenue is obtained. The following table shows the change in the General Reserve cash and investment balances and the required minimum balance:

Beginning Cash and Investment Balance - General Fund Reserve	\$ 6,245,949
Add: .25 cent sales tax collections during fiscal year 2024	1,791,553
Interest earned during fiscal year 2024	207,421
Deduct: Transfers to Sales Tax Fund	(1,000,000)
Deduct: Transfer to General Fund Pooled Cash	(1,000,000)
Ending Cash and Investments Balance - General Fund Reserve	<u><u>\$ 6,244,923</u></u>
General Fund Prior Year Revenues	<u><u>\$ 22,327,852</u></u>
Required Reserve Balance (25%)	5,581,963
Ending Reserve Balance (28%)	(6,244,923)
Amount in excess of minimum balance	<u><u>\$ (662,960)</u></u>
CDARS	\$ 602,223
Cash	5,642,700
Total Cash and Investments	<u><u>\$ 6,244,923</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2024

	GENERAL FUND						Variance with Final Budget - Positive (Negative)	
	Budgeted Amounts		Actual Amounts.		Budgetary Basis			
	Original	Final	Original	Final				
REVENUES								
Taxes	\$ 18,281,909	\$ 18,281,909	\$ 18,429,775	\$ 18,429,775	\$ 147,866			
Fees and fines	771,999	771,999	858,869	858,869	86,870			
Licenses and permits	321,836	321,836	467,363	467,363	145,527			
Intergovernmental	436,018	436,018	426,171	426,171	(9,847)			
Charges for services	266,081	266,081	372,554	372,554	106,473			
Investment earnings	1,045	1,045	239,878	239,878	238,833			
Miscellaneous	708,583	708,583	690,318	690,318	(18,264)			
Transfers from Other Funds	10,438,277	10,733,136	10,489,642	10,489,642	(243,494)			
Total revenues	31,225,748	31,520,606	31,974,570	31,974,570	453,964			
EXPENDITURES								
Legislative	1,164,472	1,670,997	1,338,228	1,338,228	332,769			
Administration	585,276	594,276	580,727	580,727	13,549			
Insurance	1,209,794	1,209,794	1,090,322	1,090,322	119,472			
Finance	550,034	550,034	533,479	533,479	16,555			
Fire	5,909,214	5,976,214	5,948,555	5,948,555	27,659			
Police	8,711,848	9,001,706	8,466,912	8,466,912	534,794			
Streets	3,802,479	3,802,479	1,467,561	1,467,561	2,334,918			
Municipal Court	365,388	365,388	337,273	337,273	28,115			
Emergency Management	19,690	19,690	13,209	13,209	6,481			
Technology	1,650,481	1,650,481	1,540,373	1,540,373	110,108			
Development Services	1,394,224	1,394,224	1,298,121	1,298,121	96,103			
Library	719,371	719,371	644,983	644,983	74,388			
Property Maintenance	1,539,655	1,594,655	1,493,287	1,493,287	101,368			
Human Resources	486,731	486,731	471,264	471,264	15,467			
Park Maintenance	1,167,266	1,227,266	1,197,748	1,197,748	29,518			
Recreation Facilities	2,305,683	2,305,683	2,289,568	2,289,568	16,115			
Fleet Maintenance	1,109,528	1,109,528	988,730	988,730	120,798			
Animal Control	459,527	459,527	359,194	359,194	100,333			
Public Works Administration	575,087	575,087	523,966	523,966	51,121			
Total Expenditures	33,725,748	34,713,131	30,583,500	30,583,500	4,129,631			
Excess (deficiency) of revenues over expenditures	(2,500,000)	(3,192,525)	1,391,070	1,391,070	4,583,595			
Net change in fund balances	(2,500,000)	(3,192,525)	1,391,070	1,391,070	4,583,595			
Fund balances - beginning	-	18,656,449	18,656,449	18,656,449	-			
Fund balances - ending	\$ (2,500,000)	\$ 15,463,924	\$ 20,047,519	\$ 20,047,519	\$ 4,583,595			

	SPECIAL REVENUE FUND						Variance with Final Budget - Positive (Negative)	
	Budgeted Amounts		Actual Amounts.		Budgetary Basis			
	Original	Final	Original	Final				
REVENUES								
Intergovernmental	\$ 62,000	\$ 1,157,000	\$ 1,161,372	\$ 1,161,372	\$ 4,372			
Charges for services	13,900	13,900	15,591	15,591	1,691			
Investment earnings	16	16	34,937	34,937	34,921			
Miscellaneous	651,826	651,825	1,092,590	1,092,590	440,765			
Total revenues	727,742	1,822,741	2,304,490	2,304,490	481,749			
EXPENDITURES								
Legislative	370,000	1,040,000	804,167	804,167	235,833			
Property Maintenance	84,000	151,000	93,088	93,088	57,912			
Park Administration	235,925	308,925	301,096	301,096	7,829			
Total Expenditures	689,925	1,499,925	1,198,351	1,198,351	301,574			
Excess (deficiency) of revenues over expenditures	37,817	322,816	1,106,139	1,106,139	783,323			
Net change in fund balances	37,817	322,816	1,106,139	1,106,139	783,323			
Fund balances - beginning	-	2,440,174	2,440,174	2,440,174	-			
Fund balances - ending	\$ 37,817	\$ 2,762,990	\$ 3,546,313	\$ 3,546,313	\$ 783,323			

See accompanying footnotes to this schedule.

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Footnotes to Budgetary Comparison Schedules:

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

<u>General Fund</u>	
Total revenue- budgetary basis	\$ 31,974,570
Total expense- budgetary basis	<u>(30,583,500)</u>
Change in fund balance-budgetary basis	1,391,070
Revenue accruals	352,785
Expenditures accruals	(437,073)
Debt service transfers in	157,978
Other transfers	<u>(440,507)</u>
Change in fund balance-GAAP basis	<u>\$ 1,024,253</u>

<u>Special Revenue Fund</u>	
Total revenue- budgetary basis	\$ 2,304,490
Total expense- budgetary basis	<u>(1,198,351)</u>
Change in fund balance-budgetary basis	1,106,139
Revenue accruals	(164,708)
Expenditures accruals	2,748
Other transfers	<u>(2,748)</u>
Change in fund balance-GAAP basis	<u>\$ 941,431</u>

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Proportionate Share of the Net Pension Liability

Oklahoma Firefighters Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.866292%	0.961924%	1.022960%	1.033477%	1.011471%	1.041431%	1.097896%	1.139324%	1.155548%	1.051370%
City's proportionate share of the net pension liability	\$ 8,908,499	\$ 10,209,958	\$ 12,497,650	\$ 12,998,280	\$ 11,385,587	\$ 11,004,444	\$ 13,525,118	\$ 7,503,203	\$ 15,111,503	\$ 13,565,307
City's covered payroll	\$ 2,312,686	\$ 2,722,207	\$ 2,866,828	\$ 2,834,850	\$ 2,993,757	\$ 3,220,529	\$ 3,492,421	\$ 3,701,164	\$ 3,824,829	\$ 4,059,979
City's proportionate share of the net pension liability as a percentage of its covered payroll	385%	375%	436%	459%	380%	342%	387%	203%	395%	334%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.85%

Schedule of City Contributions

Oklahoma Firefighters Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 381,109	\$ 401,355	\$ 396,879	\$ 419,126	\$ 450,874	\$ 488,939	\$ 518,163	\$ 535,476	\$ 568,397	\$ 579,248
Contributions in relation to the statutorily required contribution	381,109	401,355	396,879	419,126	450,874	488,939	518,163	535,476	568,397	579,248
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,722,207	\$ 2,866,828	\$ 2,834,850	\$ 2,993,757	\$ 3,220,529	\$ 3,492,421	\$ 3,701,164	\$ 3,824,829	\$ 4,059,979	\$ 4,137,481
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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Proportionate Share of the Net Pension Liability (Asset)

Oklahoma Police Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability (asset)	1.0818%	1.0681%	1.063063%	1.055151%	1.129001%	1.066713%	1.076002%	1.153726%	1.089374%	1.151521%
City's proportionate share of the net pension liability (asset)	\$ (364,234)	\$ 43,549	\$ 1,628,017	\$ 81,162	\$ (537,800)	\$ (68,099)	\$ 1,235,735	\$ (5,534,606)	\$ (873,591)	\$ (351,675)
City's covered payroll	\$ 3,026,462	\$ 3,024,623	\$ 3,023,747	\$ 3,146,485	\$ 3,443,792	\$ 3,467,585	\$ 3,674,185	\$ 3,992,469	\$ 3,902,062	\$ 4,332,346
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.03%	1.44%	53.84%	2.58%	15.62%	1.96%	-33.63%	138.63%	22.39%	8.12%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

Schedule of City Contributions

Oklahoma Police Pension & Retirement System

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 393,201	\$ 393,087	\$ 409,043	\$ 447,693	\$ 450,786	\$ 477,644	\$ 519,021	\$ 507,268	\$ 563,205	\$ 578,606
Contributions in relation to the statutorily required contribution	<u>393,201</u>	<u>393,087</u>	<u>409,043</u>	<u>447,693</u>	<u>450,786</u>	<u>477,644</u>	<u>519,021</u>	<u>507,268</u>	<u>563,205</u>	<u>578,606</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,024,623	\$ 3,023,747	\$ 3,146,485	\$ 3,443,792	\$ 3,467,585	\$ 3,674,185	\$ 3,992,469	\$ 3,902,062	\$ 4,332,346	\$ 4,450,815
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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Oklahoma Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios										Last 10 Fiscal Years
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ 728,208	\$ 768,257	\$ 721,423	\$ 642,852	\$ 589,347	\$ 590,626	\$ 503,603	\$ 531,744	\$ 535,445	\$ 451,615
Interest	1,792,596	1,842,244	1,969,186	2,030,443	2,140,575	2,275,136	2,351,776	2,525,461	2,662,448	2,623,924
Differences between expected and actual experience	-	251,460	(584,036)	226,840	434,600	(1,104,300)	829,130	294,086	(1,331,537)	(949,200)
Changes of assumptions	-	-	-	801,879	-	628,314	-	-	(599,832)	-
Benefit payments, including refunds of member contributions	(1,133,944)	(1,170,678)	(1,279,360)	(1,354,360)	(1,365,624)	(1,375,280)	(1,360,287)	(1,377,444)	(1,677,574)	(1,886,541)
Net change in total pension liability	1,386,860	1,691,283	827,213	2,347,654	1,798,898	1,014,496	2,324,222	1,973,847	(411,050)	239,798
Total pension liability - beginning	22,958,454	24,345,314	26,036,597	26,863,810	29,311,464	31,010,362	32,024,858	34,349,080	36,322,927	35,911,877
Total pension liability - ending (a)	\$ 24,345,314	\$ 26,036,597	\$ 26,863,810	\$ 29,211,464	\$ 31,010,362	\$ 32,024,858	\$ 34,349,080	\$ 36,322,927	\$ 35,911,877	\$ 36,151,675
Plan fiduciary net position										
Contributions - employer	\$ 1,743,018	\$ 1,694,508	\$ 1,569,940	\$ 1,032,268	\$ 876,735	\$ 884,550	\$ 916,886	\$ 903,450	\$ 859,190	\$ 700,495
Contributions - member	70,118	136,381	189,531	172,045	170,904	165,233	163,671	165,358	144,242	126,334
Net investment income	2,751,704	571,511	207,657	2,674,956	1,780,571	1,752,799	1,110,608	7,644,198	(4,305,588)	2,685,282
Benefit payments, including refunds of member contributions	(1,133,945)	(1,170,678)	(1,279,360)	(1,354,360)	(1,365,624)	(1,375,280)	(1,360,287)	(1,377,444)	(1,677,574)	(1,886,541)
Administrative expense	(40,786)	(42,045)	(42,069)	(47,065)	(49,929)	(53,109)	(56,005)	(57,698)	(59,897)	(66,174)
Net change in plan fiduciary net position	3,390,109	1,189,677	645,699	2,477,844	1,412,657	1,374,193	774,873	7,277,364	(5,039,627)	1,559,396
Plan fiduciary net position - beginning	16,504,317	19,894,426	21,084,103	21,729,802	24,207,646	25,620,303	26,994,496	27,769,369	35,047,233	30,007,606
Plan fiduciary net position - ending (b)	\$ 19,894,426	\$ 21,084,103	\$ 21,729,802	\$ 24,207,646	\$ 25,620,303	\$ 26,994,496	\$ 27,769,369	\$ 35,047,233	\$ 30,007,606	\$ 31,567,002
Net pension liability - ending (a) - (b)	\$ 4,450,888	\$ 4,952,494	\$ 5,134,008	\$ 5,003,818	\$ 5,390,059	\$ 5,030,362	\$ 6,579,711	\$ 1,275,694	\$ 5,904,271	\$ 4,584,673
Plan fiduciary net position as a percentage of the total pension liability	81.72%	80.98%	80.89%	82.87%	82.62%	84.29%	80.84%	96.49%	83.56%	87.32%
Covered payroll	\$ 6,862,798	\$ 6,818,960	\$ 6,147,225	\$ 5,488,209	\$ 5,347,497	\$ 5,702,366	\$ 5,588,995	\$ 5,488,821	\$ 4,860,286	\$ 4,204,649
Net pension liability as a percentage of covered-payroll	64.86%	72.63%	83.52%	91.17%	100.80%	88.22%	117.73%	23.24%	121.48%	109.04%

Notes to Schedule:

The discount rate was reduced from 7.75% to 7.50% for fiscal year 2018.

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Oklahoma Municipal Retirement System

Schedule of Employer Contributions	Last 10 Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 1,260,144	\$ 986,630	\$ 880,858	\$ 858,811	\$ 915,800	\$ 942,305	\$ 895,775	\$ 870,963	\$ 700,495	\$ 675,960
Contributions in relation to the actuarially determined contribution	1,699,800	1,569,940	987,878	858,811	915,800	912,124	895,775	870,963	700,690	675,960
Contribution deficiency (excess)	\$ (439,656)	\$ (583,310)	\$ (107,020)	\$ -	\$ -	\$ 30,181	\$ -	\$ -	\$ (195)	\$ -
Covered employee payroll	\$ 6,818,960	\$ 6,147,225	\$ 5,488,209	\$ 5,347,497	\$ 5,702,366	\$ 5,588,995	\$ 5,488,821	\$ 4,860,286	\$ 4,204,649	\$ 4,057,387
Contributions as a percentage of covered-employee payroll	24.93%	25.54%	18.00%	16.06%	16.06%	16.32%	16.32%	17.92%	16.66%	16.66%

Notes to Schedule:

1. Latest Valuation Date: July 1, 2023
2. Actuarially determined contribution rate is calculated as of July 1, 2023. July 2023 through June 2024 the actuary determined contributions were at a rate of 16.66%.
3. Methods and assumptions used to determine contribution rates:
 - Actuarial cost method - Entry age normal
 - Amortization method - Level percent of payroll, closed
 - Remaining amortization period - 28 years
 - Asset valuation method - Actuarial:
 - Smoothing period - 4 years
 - Recognition method - Non-asymptotic
 - Corridor - 70% - 130%
 - Salary increases - 4.50% to 7.50% (varies by attained age)
 - Investment rate of return - 7.25%

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Other Post-Employment Benefits

	Last 10 Fiscal Years						
	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	\$ 9,959	\$ 9,959	\$ 9,959	\$ 9,959	\$ 13,751	\$ 15,302	\$ 15,302
Interest	9,414	9,414	9,721	8,953	8,943	13,052	11,846
Change in assumptions	-	-	173,461	(3,846)	(37,759)	-	(95,023)
Differences between expected and actual experience	-	-	-	-	6,852	-	1,534,101
Benefit payments, including refunds of member contributions	(14,067)	(14,067)	(19,471)	(19,471)	(38,658)	(38,658)	(86,174)
Net change in total OPEB liability	5,306	5,306	173,670	(4,405)	(46,871)	(10,304)	1,380,052
Total OPEB liability - beginning	239,716	245,022	250,328	423,998	419,593	372,722	362,418
Total OPEB liability - ending (a)	\$ 245,022	\$ 250,328	\$ 423,998	\$ 419,593	\$ 372,722	\$ 362,418	\$ 1,742,470
Covered employee payroll	\$ 11,785,046	\$ 11,785,046	\$ 13,384,882	\$ 13,384,882	\$ 14,808,372	\$ 14,808,372	\$ 16,814,146
Total OPEB liability as a percentage of covered-employee payroll	2.08%	2.12%	3.17%	3.13%	2.52%	2.45%	10.36%

Notes to Schedule:

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

Discount rates used: 3.88% 3.88% 2.21% 2.16% 3.54% 3.54% 4.21%

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OTHER SUPPLEMENTARY INFORMATION

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

	<u>CDBG Fund</u>	<u>Yukon Economic Development Authority</u>	<u>Hotel Motel Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 322,198	\$ -	\$ -	\$ -	\$ -	\$ 322,198
Due from other governments	-	-	-	-	8,394	8,394
Restricted cash	-	2,035,098	452,138	151,426	167,186	2,805,848
Other receivables	-	35,908	32,254	-	-	68,162
Total assets	<u>\$ 322,198</u>	<u>\$ 2,071,006</u>	<u>\$ 484,392</u>	<u>\$ 151,426</u>	<u>\$ 175,580</u>	<u>\$ 3,204,602</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Due to other funds	\$ -	\$ -	\$ 15,141	\$ -	\$ -	\$ 15,141
Due to other governments	21,936	-	-	-	-	21,936
Total liabilities	<u>21,936</u>	<u>-</u>	<u>15,141</u>	<u>-</u>	<u>-</u>	<u>37,077</u>
Deferred Inflows of resources:						
Unavailable revenue	-	-	-	-	4,840	4,840
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,840</u>	<u>4,840</u>
Fund balances:						
Restricted	300,262	2,071,006	469,251	-	170,740	3,011,259
Assigned	-	-	-	151,426	-	151,426
Total fund balance	<u>300,262</u>	<u>2,071,006</u>	<u>469,251</u>	<u>151,426</u>	<u>170,740</u>	<u>3,162,685</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 322,198</u>	<u>\$ 2,071,006</u>	<u>\$ 484,392</u>	<u>\$ 151,426</u>	<u>\$ 175,580</u>	<u>\$ 3,204,602</u>

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

	<u>CDBG Fund</u>	<u>Yukon Economic Development Authority</u>	<u>Hotel Motel Tax Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total-Other Governmental Funds</u>
REVENUES						
Taxes	\$ -	\$ 267,411	\$ 372,395	\$ -	\$ 647,295	\$ 1,287,101
Intergovernmental	190,221	-	-	-	-	190,221
Investment income	3,664	230	53	36	12,728	16,711
Miscellaneous	-	-	1,753	1,219	-	2,972
Total revenues	<u>193,885</u>	<u>267,641</u>	<u>374,201</u>	<u>1,255</u>	<u>660,023</u>	<u>1,497,005</u>
EXPENDITURES						
Current:						
Economic development	-	-	304,840	-	-	304,840
Capital Outlay	22,129	-	-	-	-	22,129
Debt Service:						
Principal	-	-	-	-	700,000	700,000
Interest	-	-	-	-	71,959	71,959
Total Expenditures	<u>22,129</u>	<u>-</u>	<u>304,840</u>	<u>-</u>	<u>771,959</u>	<u>1,098,928</u>
Excess (deficiency) of revenues over expenditures	171,756	267,641	69,361	1,255	(111,936)	398,077
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balance	171,756	267,641	69,361	1,255	(111,936)	398,077
Fund balance - beginning	128,506	1,803,365	399,890	150,171	282,676	2,764,608
Fund balance - ending	<u>\$ 300,262</u>	<u>\$ 2,071,006</u>	<u>\$ 469,251</u>	<u>\$ 151,426</u>	<u>\$ 170,740</u>	<u>\$ 3,162,685</u>

CITY OF YUKON, OKLAHOMA
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Combining Balance Sheet – General Fund Accounts – June 30, 2024

	<u>General Fund</u>	<u>PEST Account</u>	<u>General Reserve Account</u>	<u>Municipal Court</u>	<u>Escrow Account</u>	<u>Total General Fund Accounts</u>
ASSETS						
Cash and cash equivalents	\$ 13,769,292	\$ -	\$ -	\$ -	\$ -	\$ 13,769,292
Investments	123,826	-	-	-	-	123,826
Restricted cash	4,220,509	4,131,566	642,700	269,512	584,005	9,848,292
Restricted investments	-	-	5,602,223	-	-	5,602,223
Due from other funds	199,528	-	-	-	-	199,528
Due from other governments	2,263,069	657,351	219,116	-	-	3,139,536
Court fine receivable, net	233,308	-	-	-	-	233,308
Other receivables	108,137	-	-	-	-	108,137
Total assets	<u>\$ 20,917,669</u>	<u>\$ 4,788,917</u>	<u>\$ 6,464,039</u>	<u>\$ 269,512</u>	<u>\$ 584,005</u>	<u>\$ 33,024,142</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 168,922	\$ -	\$ -	\$ -	\$ -	\$ 168,922
Accrued payroll payable	381,238	-	-	-	-	381,238
Due to other funds	29,418	-	-	184,387	-	213,805
Accrued interest payable	469,876	-	-	-	-	469,876
Escrow liabilities	-	-	-	82,023	575,755	657,778
Total liabilities	<u>\$ 1,049,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,410</u>	<u>\$ 575,755</u>	<u>\$ 1,891,619</u>
Deferred Inflows of resources:						
Unavailable revenue	<u>187,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>187,513</u>
Fund Balance:						
Restricted	4,220,509	4,788,917	6,464,039	3,102	8,250	15,484,817
Unassigned	15,460,193	-	-	-	-	15,460,193
Total fund balance	<u>19,680,702</u>	<u>4,788,917</u>	<u>6,464,039</u>	<u>3,102</u>	<u>8,250</u>	<u>30,945,010</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 20,917,669</u>	<u>\$ 4,788,917</u>	<u>\$ 6,464,039</u>	<u>\$ 269,512</u>	<u>\$ 584,005</u>	<u>\$ 33,024,142</u>

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

	<u>General Fund</u>	<u>PEST Account</u>	<u>General Reserve Account</u>	<u>Municipal Court</u>	<u>Escrow Account</u>	<u>Total General Fund Accounts</u>
REVENUES						
Taxes	\$ 18,325,777	\$ 5,335,008	\$ 1,778,336	\$ -	\$ -	\$ 25,439,121
Intergovernmental	2,508,763	-	-	-	-	2,508,763
Licenses and permits	467,363	-	-	-	-	467,363
Charges for services	317,188	-	-	-	-	317,188
Fines and forfeitures	906,954	-	-	-	-	906,954
Investment income	255,064	455	168,143	-	70	423,732
Miscellaneous	739,398	-	-	-	-	739,398
Total revenues	<u>23,520,507</u>	<u>5,335,463</u>	<u>1,946,479</u>	<u>-</u>	<u>70</u>	<u>30,802,519</u>
EXPENDITURES						
Current:						
General government	7,840,538	-	-	-	-	7,840,538
Insurance	1,088,058	-	-	-	-	1,088,058
Fire	7,413,427	-	-	-	-	7,413,427
Police	9,038,108	-	-	-	-	9,038,108
Animal control	355,035	-	-	-	-	355,035
Fleet maintenance	983,741	-	-	-	-	983,741
Municipal court	336,490	-	-	-	-	336,490
Transportation	1,365,535	-	-	-	-	1,365,535
Culture, parks, and recreation	4,127,395	-	-	-	-	4,127,395
Capital outlay	105,517	-	-	-	-	105,517
Debt Service:						
Principal	78,667	-	-	-	-	78,667
Interest	1,609	-	-	-	-	1,609
Total Expenditures	<u>32,734,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,734,120</u>
Excess (deficiency) of revenues over expenditures	<u>(9,213,613)</u>	<u>5,335,463</u>	<u>1,946,479</u>	<u>-</u>	<u>70</u>	<u>(1,931,601)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,121,333	-	-	-	-	5,121,333
Transfers out	(345,812)	-	(1,000,000)	-	-	(1,345,812)
Intra-account transfers in	5,431,592	-	-	-	-	5,431,592
Intra-account transfers out	-	(4,431,592)	(1,000,000)	-	-	(5,431,592)
SBTA proceeds	30,753	-	-	-	-	30,753
Total other financing sources and uses	<u>10,237,866</u>	<u>(4,431,592)</u>	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>3,806,274</u>
Net change in fund balances	1,024,253	903,871	(53,521)	-	70	1,874,673
Fund balances - beginning	18,656,449	3,885,046	6,517,560	3,102	8,180	29,070,337
Fund balances - ending	<u>\$ 19,680,702</u>	<u>\$ 4,788,917</u>	<u>\$ 6,464,039</u>	<u>\$ 3,102</u>	<u>\$ 8,250</u>	<u>\$ 30,945,010</u>

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**Combining Schedule of Net Position – Yukon Municipal Authority Water and Sewer Fund (YMA)
– June 30, 2024**

Enterprise Fund Accounts					
	Yukon Municipal Authority	Water and Sewer Account	ARPA Account	YMA Bond Account	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 838,252	\$ 272,018	\$ 7,094,241	\$ -	\$ 8,204,511
Restricted cash and cash equivalents	-	1,829	-	-	1,829
Restricted Investments	-	68,116	-	-	68,116
Accounts Receivable, net	1,570,040	-	-	-	1,570,040
Total current assets	2,408,292	341,963	7,094,241	-	9,844,496
Non-current assets:					
Restricted investments	-	306,040	-	-	306,040
Capital Assets:					
Land and construction in progress	75,000	-	-	-	75,000
Other capital assets, net of accumulated depreciation	12,920,279	-	-	-	12,920,279
Total non-current assets	12,995,279	306,040	-	-	13,301,319
Total assets	15,403,571	648,003	7,094,241	-	23,145,815
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts related to pensions	-	113,736	-	-	113,736
Deferred amounts related to OPEB	-	67,786	-	-	67,786
Total deferred outflow of resources	-	181,522	-	-	181,522
LIABILITIES					
Current Liabilities:					
Accounts payable	168,348	241,190	850	-	410,388
Accrued payroll payable	-	16,292	-	-	16,292
Unearned revenue	-	-	3,282,466	-	3,282,466
Current portion of:					
Deposits subject to refund	-	121,491	-	-	121,491
Accrued compensated absences	-	4,401	-	-	4,401
Total current liabilities	168,348	383,374	3,283,316	-	3,835,038
Non-current liabilities:					
Deposits subject to refund	-	485,962	-	-	485,962
Accrued compensated absences	-	37,837	-	-	37,837
Total OPEB liability	-	80,714	-	-	80,714
Net pension liability	-	218,211	-	-	218,211
Total non-current liabilities	-	822,724	-	-	822,724
Total liabilities	168,348	1,206,098	3,283,316	-	4,657,762
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pension	-	68,167	-	-	68,167
Deferred amounts related to OPEB	-	10,919	-	-	10,919
Total deferred inflow of resources	-	79,086	-	-	79,086
NET POSITION					
Net investment in capital assets	12,995,279	-	-	-	12,995,279
Unrestricted	2,239,944	(455,659)	3,810,925	-	5,595,210
Total net position	\$ 15,235,223	\$ (455,659)	\$ 3,810,925	\$ -	\$ 18,590,489

CITY OF YUKON, OKLAHOMA
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Combining Schedule of Revenues, Expenses, and Changes in Net Position – Yukon Municipal Authority Water and Sewer (YMA) - Year Ended June 30, 2024

	Enterprise Fund Accounts				
	Yukon Municipal Authority	Water and Sewer Account	ARPA Account	YMA Bond Account	Total
OPERATING REVENUES					
Water charges	\$ 6,477,589	\$ -	\$ -	\$ -	\$ 6,477,589
Sewer charges	2,800,929	206,332	-	-	3,007,261
Penalties	217,974	-	-	-	217,974
Miscellaneous	7,662	1,920	-	-	9,582
Total operating revenues	<u>9,504,154</u>	<u>208,252</u>	<u>-</u>	<u>-</u>	<u>9,712,406</u>
OPERATING EXPENSES					
Billing	-	869,486	-	-	869,486
Water Plant	-	718,598	-	-	718,598
Water Supply and Wastewater Treatment	-	4,317,225	497,349	-	4,814,574
Depreciation expense	1,099,724	-	-	-	1,099,724
Total Operating Expenses	<u>1,099,724</u>	<u>5,905,309</u>	<u>497,349</u>	<u>-</u>	<u>7,502,382</u>
Operating income (loss)	<u>8,404,430</u>	<u>(5,697,057)</u>	<u>(497,349)</u>	<u>-</u>	<u>2,210,024</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	12,988	21,919	84,698	-	119,605
Operating grant revenue	-	-	4,222,787	-	4,222,787
Interest expense and fiscal charges	-	-	-	(19)	(19)
Total non-operating revenue (expenses)	<u>12,988</u>	<u>21,919</u>	<u>4,307,485</u>	<u>(19)</u>	<u>4,342,373</u>
Income (loss) before contributions and transfers	<u>8,417,418</u>	<u>(5,675,138)</u>	<u>3,810,136</u>	<u>(19)</u>	<u>6,552,397</u>
Capital contributions	385,317	-	680,446	-	1,065,763
Transfers out	-	(4,487,669)	(680,446)	-	(5,168,115)
Intra-account Transfers in	-	9,232,983	-	-	9,232,983
Intra-account Transfers out	<u>(9,232,983)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,232,983)</u>
Change in net position	<u>(430,248)</u>	<u>(929,824)</u>	<u>3,810,136</u>	<u>(19)</u>	<u>2,450,045</u>
Total net position - beginning	<u>15,665,471</u>	<u>474,165</u>	<u>789</u>	<u>19</u>	<u>16,140,444</u>
Total net position - ending	<u>\$ 15,235,223</u>	<u>\$ (455,659)</u>	<u>\$ 3,810,925</u>	<u>\$ -</u>	<u>\$ 18,590,489</u>

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

SINGLE AUDIT AND INTERNAL CONTROL AND COMPLIANCE INFORMATION

**CITY OF YUKON, OKLAHOMA
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**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 Yukon, 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 the City of Yukon, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Yukon, Oklahoma's basic financial statements, and have issued our report thereon dated July 9, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Yukon, Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Yukon, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Yukon, 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Yukon, 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 determination of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

HBC CPAs + Advisors

Oklahoma City, Oklahoma
July 9, 2025



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 Yukon, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Yukon, 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 Yukon, Oklahoma 's major federal programs for the year ended June 30, 2024. City of Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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 Yukon, 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.

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.



Oklahoma City, Oklahoma
July 9, 2025

CITY OF YUKON, OKLAHOMA
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Schedule of Expenditures of Federal Awards – Year Ended June 30, 2024

Grantor/Pass through agency Grantor/Program Title	Assistance Listing Number	Pass Thru Grant #	Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed through Oklahoma Department of Emergency Management:				
Disaster Recovery - Oct 2020 Winter Storm	97.036	FEMA 4575-DR-OK	1,114,837	1,056,161
EMPG ARPA 2021	97.042	EMPG-ARPA	10,000	10,000
Total U.S. Department of Homeland Security			1,124,837	1,066,161
<u>U.S. DEPARTMENT OF TREASURY:</u>				
American Rescue Plan Act	21.027		4,928,271	1,177,795
Total U.S. Department of Treasury			4,928,271	1,177,795
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed through Oklahoma Highway Safety Office:				
Yukon Traffic Enforcement	20.600	PT-23-03-40-01	10,000	1,860
Yukon Traffic Enforcement	20.600	PT-24-03-49-02	17,763	10,049
Total Oklahoma Department of Transportation			27,763	11,909
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Body-Worn Camera Policy and Implementation Program	16.835	2020-BC-BX-5001	100,000	32,520
Total U.S. Department of Homeland Security			100,000	32,520
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Passed through Oklahoma Humanities Council:				
NEH Great Stories Club 2023	45.164	NEH GSC 2023	500	500
Total National Endowment for the Humanities			500	500
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</u>				
Passed through Oklahoma Department of Libraries:				
FY24 Health Literacy Grant	45.310		8,843	8,843
Total Institute of Museum and Library Services			8,843	8,843
<u>U.S. DEPARTMENT OF INTERIOR</u>				
Passed through Oklahoma Tourism and Recreation Department:				
Land and Water Conservation Fund	15.916	P21AP11888/40-01246	400,000	400,000
Total Federal Awards			\$ 6,590,214	\$ 2,697,728

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Yukon, Oklahoma (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 assets, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Yukon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
• Noncompliance which is material to the financial statements noted?	No

Federal Rewards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
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 2 CFR 200.516(a)?	No

Identification of major programs

CDFA Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.036	Disaster Recovery (Presidentially Declared Disaster)
Dollar threshold to distinguish between Type A and Type B programs	\$750,000
Auditee qualities as a low-risk auditee?	No

II. Financial Statement Findings

None noted.

City of Yukon
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

Internal Control over Financial Reporting:

Finding No. 2023-001

Condition: The amount of expenditures of the Fire Department within the City exceeded its appropriations.

Recommendation: Perform a budget review prior to fiscal year end to determine that no expenditures were in excess of the budgeted amount.

Status: There were no expenditures in excess of the budgeted amounts.