



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2020

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

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Independent Auditors' Report

RSM US LLP

Honorable Mayor and City Council
The City of Midwest City
Midwest City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining non-major fund financial statements, and the schedule of debt service requirements, listed in the table of contents as other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of debt service requirements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Oklahoma City, Oklahoma
December 23, 2020

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MANAGEMENT DISCUSSION AND ANALYSIS

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The City of Midwest City's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements beginning on page 17.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended June 30, 2020, by \$521,544,268 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$70,056,863, with the business type activities reporting a positive unrestricted net position of \$32,178,343. The unrestricted net position, when not in a deficit position, may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position increased by \$3,951,292 or 0.76% from the prior year. This was a result of a decrease of \$832,439 in the governmental activities while the business-type activities had an increase of \$4,783,731. In addition, expenses increased over the prior year. The detailed changes made from the Governmental Fund Statements to the Statement of Net Position can be found on page 23.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2020 totaled \$43,887,778 compared to FY 2019 which totaled \$41,854,988. The total increase in sales and use tax collections was \$2,032,790. The increase in sales and use taxes is primarily the result of the U.S. Supreme Court's Wayfair decision which opened the door to being able to collect more on-line sales tax and House Bill 1019 passed by the Oklahoma Legislature requiring third-party internet sellers to collect and remit use tax on behalf of the third parties. A historical review of governmental activity revenues can be found in the statistical information section of the report.
- At the end of the fiscal year 2020, the unassigned fund balance of the General Fund was \$3,036,047 or 9.9% of General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Midwest City's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

In the Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, culture and recreation, health and welfare and economic development. Sales taxes and franchise taxes finance most of these activities as reflected on page 18.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, sanitation, and drainage), conference center/hotel, golf, trailer park and industrial park activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council 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 monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority 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 identified as the modified accrual basis of 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 governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental

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activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements on page 21 and 23 of this report.

The City of Midwest City maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Police, Fire, Hospital Authority, and 2018 GO Bond CIP funds. Data from the debt service fund, 16 special revenue funds, and 7 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 80 of this report.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the City's other programs and activities, such as the risk management functions, health self-insurance fund, fleet services, surplus property activities and public works function. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The City of Midwest City maintains one major enterprise fund. The City uses this fund to account for its water, sewer, sanitation, conference center/hotel, debt service, utility services, utility capital, customer deposits, golf and drainage operations. The fund provides the same type of information as the government-wide financial statements, only in more detail and includes some of the internal service fund-type activity. The City considers this enterprise fund activity to be a major fund. Data from 2 non-major enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements starting on page 86 of this report.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2020, the City's combined net position is \$521,544,268, of which \$400,407,449 can be attributed to governmental activities and \$121,136,819 is attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The largest portion of the City's net position, \$365 million, reflects its net investment in capital assets (e.g., land, water rights, building, machinery and equipment, less any related debt used to acquire those assets that is still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net change in capital assets can be reviewed in Table 1 with key element changes shown in Table 3.

TABLE 1
NET POSITION
(In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2020	2019		2020	2019		2020	2019	
Current and other assets	\$ 273,237	\$ 282,125	-3%	\$ 40,418	\$ 39,089	3%	\$ 313,655	\$ 321,214	-2%
Capital assets	299,768	305,826	-2%	148,175	146,998	1%	447,943	452,824	-1%
Total assets	573,005	587,951	-3%	188,593	186,087	1%	761,598	774,038	-2%
Deferred outflow of resources	12,519	11,077	13%	1,652	1,263	31%	14,171	12,340	15%
Long-term obligations outstanding	164,089	176,858	-7%	64,829	67,427	-4%	228,918	244,285	-6%
Other liabilities	11,816	12,514	-6%	2,629	2,671	-2%	14,445	15,185	-5%
Total liabilities	175,905	189,372	-7%	67,458	70,098	-4%	243,363	259,470	-6%
Deferred inflow of resources	9,212	8,416	9%	1,650	899	84%	10,862	9,315	17%
Net position:									
Net investment in capital assets	277,576	302,961	-8%	87,417	88,683	-1%	364,993	391,644	-7%
Restricted	193,188	181,159	7%	1,542	1,573	-2%	194,730	182,732	7%
Unrestricted (deficit)	(70,357)	(82,880)	-15%	32,178	26,097	23%	(38,179)	(56,783)	-33%
Total net position	\$ 400,407	\$ 401,240	0%	\$ 121,137	\$ 116,353	4%	\$ 521,544	\$ 517,593	1%

Governmental activities decreased the City's net position by \$832,439 or (.16)%. The business type activities increased the City's net position by \$4,783,731 or .92% for a net increase of \$3,951,292, or .76%. The key elements of these changes are contained in Table 2.

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**TABLE 2
CHANGES IN NET POSITION
(In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2020	2019		2020	2019		2020	2019	
Revenues:									
Program revenues:									
Charges for services	\$ 10,331	\$ 10,705	-3%	\$ 29,508	\$ 28,921	2%	\$ 39,839	\$ 39,626	1%
Operating grants and contributions	5,649	5,498	3%	55	-	100%	5,704	5,498	4%
Capital grants and contributions	57	25	128%	-	-	0%	57	25	128%
General revenues:									
Sales and use taxes	43,888	41,855	5%	-	-	0%	43,888	41,855	5%
Other taxes	7,773	4,982	56%	-	-	0%	7,773	4,982	56%
Other general revenue	10,223	11,884	-14%	1,075	1,436	-25%	11,298	13,320	-15%
Total revenues	<u>77,921</u>	<u>74,949</u>	4%	<u>30,638</u>	<u>30,357</u>	1%	<u>108,559</u>	<u>105,306</u>	3%
Program expenses:									
General government	8,553	10,008	-15%	-	-	-	8,553	10,008	-15%
Public safety	34,371	26,211	31%	-	-	-	34,371	26,211	31%
Streets	15,342	15,938	-4%	-	-	-	15,342	15,938	-4%
Cultural, parks and recreation	1,825	2,160	-16%	-	-	-	1,825	2,160	-16%
Health and welfare	409	464	-12%	-	-	-	409	464	-12%
Economic development	10,244	4,724	117%	-	-	-	10,244	4,724	117%
Interest expense	4,411	4,322	2%	-	-	-	4,411	4,322	2%
Water	-	-	-	7,324	6,867	7%	7,324	6,867	7%
Sewer	-	-	-	8,451	8,238	3%	8,451	8,238	3%
Sanitation	-	-	-	5,380	5,012	7%	5,380	5,012	7%
Drainage	-	-	-	639	658	-3%	639	658	-3%
Conference center	-	-	-	6,529	8,390	-22%	6,529	8,390	-22%
Other activities	-	-	-	1,129	1,095	3%	1,129	1,095	3%
Total expenses	<u>75,155</u>	<u>63,827</u>	18%	<u>29,452</u>	<u>30,260</u>	-3%	<u>104,607</u>	<u>94,087</u>	11%
Excess (deficiency) before transfers	2,766	11,122	-75%	1,186	97	1123%	3,952	11,219	-65%
Transfers	<u>(3,598)</u>	<u>(3,648)</u>	-1%	<u>3,598</u>	<u>3,648</u>	-1%	<u>-</u>	<u>-</u>	
Increase (decrease) in net position	<u>\$ (832)</u>	<u>\$ 7,474</u>	-111%	<u>\$ 4,784</u>	<u>\$ 3,745</u>	28%	<u>\$ 3,952</u>	<u>\$ 11,219</u>	-65%

Governmental Activities. The revenues reflect an increase over the prior year of \$2,971,482. This increase is primarily the result of an increase in the sales and use tax collections caused by legal changes which allowed for collecting more on-line sales and use taxes and an increase in charges for services which is primarily related to leasehold income from an economic development agreement. Sales and use tax collections increased \$2,032,789 in FY 2020. Property taxes increased from \$344,844 in FY 2019 to \$3,073,076 due to the issuance of the 2019 General Obligation Bond Series.

The most significant governmental activities expense was providing public safety with a cost of \$34,370,973. These expenses were funded by revenue collected from a variety of sources with the largest being a transfer from the General Fund to the Police and Fire Special Revenue Funds in the amount of \$19,230,230 and dedicated sales tax of \$11,033,749 for the fiscal year ended June 30, 2020. Other significant governmental expenses are for economic development which increased by \$5,519,631 in FY 2020 mainly due to \$4.7 million in expenses for the Warren Theater infrastructure construction. Street expenses in the amount of \$15,341,451 relates to \$12,092,130 of depreciation expense.

Business-type Activities. Business-type revenue increased by \$280,223 or 0.92% from the prior year. Other general income totaled \$1,074,997 in FY 2020 and \$1,436,616 in FY 2019. The largest portion of this difference is attributed to investment income. Investment income totaled \$1,042,888 in FY 2019 and \$627,338 in FY 2020. The decrease is mainly attributed to unrealized gain on securities which decreased \$415,550 from FY 2019 to FY 2020.

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Hotel expenses decreased from \$8,389,592 in FY 2019 to \$6,528,860 in FY 2020 due to the impact of COVID-19 on the tourism industry.

Budgetary Highlights. For FY 2020, the General Fund revenue (including transfers) budget was amended by \$1,146,367 or 2.98% of the original budget of \$38,412,094. The actual revenue (including transfers) was less than the final budget projection by \$294,753, or 0.75%. The actual expenditures (including transfers) on a budgetary basis were \$37,638,498 compared to the final budget of \$40,614,337. General Fund actual expenditures (including transfers) on a budgetary basis were \$2,975,839 or 7.33% below final budget projections. See page 72 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$23,913, or 0.15%, of the original budget of \$16,012,211. The actual revenue (including transfers) was more than the final budget projection by \$312,424 or 1.95%. The revenue increase is attributed to sales tax coming in above projections for the year. The actual expenditures (including transfers) on a budgetary basis were \$15,317,728 compared to the final budget of \$16,326,518. Actual expenditures (including transfers) were \$1,008,790 or 6.18% below final budget projections.

The Fire Fund revenues (including transfers) budget was amended by \$57,962 or 0.46%. The actual revenue (including transfers) was more than the final budget projection by \$240,778 or 1.91%. The revenue increase is attributed to sales tax coming in above projections for the year. The actual expenditures (including transfers) on a budgetary basis were \$11,580,877 compared to the final budget of \$12,674,683. Actual expenditures (including transfers) were \$1,093,806 or 8.63% below projections.

The budget to actual comparisons for these funds can be found on pages 72-75 of the report.

Capital Assets. At the end of fiscal year 2020, the City had \$447,943,533 invested in a broad range of capital assets, including police and fire equipment, buildings, conference center and hotel, park facilities, roads, bridges, water and sewer facilities and distribution systems. This amount represents a net decrease (including additions and deductions) of \$6,057,951 for the governmental activities. Although the City had total additions of \$8,554,090; the depreciation expense of \$14,583,150 caused the current year reduction, with street depreciation for the year amounting to \$12,092,130.

The business-type activities had a net increase of \$1,177,705. Table 3 reflects the net key elements that make up the capital assets by type and source.

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**TABLE 3
Capital Assets
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	Restated,		2020	2019	2020	2019
	2020	2019				
Land	\$ 39,950	\$ 39,949	\$ 2,072	\$ 2,072	\$ 42,022	\$ 42,021
Water rights	-	-	6,953	4,673	6,953	4,673
Construction in progress	11,228	7,095	3,169	2,283	14,397	9,378
Buildings	31,747	30,058	32,688	32,563	64,435	62,621
Machinery and equipment	22,233	21,753	14,575	14,249	36,808	36,002
Vehicles	10,440	9,978	11,206	10,137	21,646	20,115
Infrastructure	452,511	451,460	184,062	181,904	636,573	633,364
	568,109	560,293	254,725	247,881	822,834	808,174
Less: Depreciation	(268,341)	(254,467)	(106,550)	(100,884)	(374,891)	(355,351)
Totals	\$ 299,768	\$ 305,826	\$ 148,175	\$ 146,997	\$ 447,943	\$ 452,823

Additional information on the City's capital assets can be found on pages 45-47 of this report.

Debt Administration. At year end, the City had \$175,944,417 in long term debt outstanding compared to \$193,181,895 at the end of the prior fiscal year, a decrease of 8.92% as shown in Table 4. The City had two new bond issuances in FY 2020. General Obligation Bonds totaling \$6,550,000 and one Note payable for \$2,280,047. See pages 49-53 for a more in depth review of long-term debt.

**TABLE 4
Long-Term Debt
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 44,125	\$ 37,900	\$ -	\$ -	\$ 44,125	\$ 37,900
General obligation bonds premium	476	496	-	-	476	496
Notes payable (direct borrowing)	-	19,929	-	-	-	19,929
Accrued compensated absences	5,767	5,828	1,643	1,526	7,410	7,354
Revenue bonds	66,165	67,455	51,535	55,900	117,700	123,355
Revenue bonds premium	-	-	2,280	2,579	2,280	2,579
Note payable	-	-	2,280	-	2,280	-
Refundable deposits	115	46	1,558	1,523	1,673	1,569
Totals	\$ 116,648	\$ 131,654	\$ 59,296	\$ 61,528	\$ 175,944	\$ 193,182

FACTORS AFFECTING FINANCIAL CONDITION

Economic Outlook.

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses, state and local governments, and people throughout the United States. Further, financial markets have experienced significant volatility attributed to coronavirus concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which the coronavirus impacts the City's results will depend on future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the

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breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot presently estimate the overall operation and financial impact to the City.

During the past year, we saw a handful of closures in Town Center Plaza, partly due to national retail failures and in part because of the COVID-19 pandemic. We also witnessed the temporary closing of the seven-month old Warren Theatre in the Sooner Rose Shopping & Entertainment Center, which was directly attributed to the virus.

Local, state and federal government programs have provided some remedy to employers and employees and more help may be necessary to get through this ordeal. The Midwest City Memorial Hospital Authority's Board of Grantors 2020 Business Relief Program helped 32 businesses survive by issuing over \$90,000 in small business assistance checks in September. However, amusement centers, bowling alleys, full-service restaurants, hotels and theaters are operating well under capacity. As result, there is discussion about launching a second local business rescue plan as early as January. This aid package could spread up to \$340,000 to the business who have been hit the hardest.

Oklahoma County has also initiated a \$15 million business assistance grant program that is funded by Federal CARES Act money. Thousands of applications are expected, and we feel our businesses community stands to benefit.

Economic growth for 2021 hinges on several key factors, not the least of which is the available use of a reliable COVID-19 vaccine. As of issue date, one vaccine is authorized and three large scale phase 3 clinical trials are in progress.

We expect little, if any, growth in our retail sales tax base over the next six months.

FY 2020-2021 Budgets and Rates - The fiscal year 202-2021 expenditure budgets presented to the Council and Board of Trustees was \$107,946,859, which is net of \$53,669,756 inter/intra-fund transfers.

Request for Information. This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws, regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Midwest City, Finance Department, 100 N. Midwest Boulevard, Midwest City, Oklahoma 73110.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Statement of Net Position– June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 52,195,816	\$ 14,465,212	\$ 66,661,028
Cash and cash equivalents, restricted	29,798,489	13,865,471	43,663,960
Investments	116,024,655	7,775,865	123,800,520
Investments, restricted	13,687,797	-	13,687,797
Land held for economic development	3,439,804	-	3,439,804
Accounts receivable, net	2,526,959	3,693,951	6,220,910
Interest receivable	109,904	22,777	132,681
Other receivable	381,916	147,940	529,856
Inventory	101,545	275,083	376,628
Internal balances	393,030	(393,030)	-
Prepaid items	3,114	6,454	9,568
Due from other governments	10,755,512	-	10,755,512
Net pension asset	131,036	-	131,036
Lease receivable	43,600,541	-	43,600,541
Deposits held by others	86,608	-	86,608
Investments, non- current, restricted	-	558,304	558,304
Capital assets:			
Land, water rights, and construction in progress	51,178,679	12,194,304	63,372,983
Other capital assets, net of depreciation	248,589,465	135,981,085	384,570,550
Total assets	<u>573,004,870</u>	<u>188,593,416</u>	<u>761,598,286</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	821,097	821,097
Deferred amount related to pensions	8,984,958	-	8,984,958
Deferred amount related to OPEB	3,534,483	830,454	4,364,937
Total deferred outflows	<u>12,519,441</u>	<u>1,651,551</u>	<u>14,170,992</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,164,680	1,534,841	2,699,521
Wages payable	1,943,859	528,678	2,472,537
Claims payable	2,328,410	-	2,328,410
Due to other governments	10,467	-	10,467
Accrued interest payable	1,060,695	565,102	1,625,797
Unearned revenue	5,306,857	-	5,306,857
Long-term liabilities:			
Due within one year	5,443,528	5,268,085	10,711,613
Due in more than one year	158,645,907	59,561,402	218,207,309
Total liabilities	<u>175,904,403</u>	<u>67,458,108</u>	<u>243,362,511</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	4,633,244	-	4,633,244
Deferred amount related to property taxes	3,526,293	-	3,526,293
Deferred amount related to OPEB	1,052,922	1,650,040	2,702,962
Total deferred inflows	<u>9,212,459</u>	<u>1,650,040</u>	<u>10,862,499</u>
NET POSITION			
Net investment in capital assets	277,575,836	87,416,666	364,992,502
Restricted for:			
Debt service	1,999,307	1,541,810	3,541,117
Hospital	109,690,961	-	109,690,961
Capital improvements	46,639,705	-	46,639,705
Public Safety	20,173,438	-	20,173,438
Street operations	1,891,284	-	1,891,284
Culture and recreation	1,501,679	-	1,501,679
Economic Development	6,614,991	-	6,614,991
Other	4,677,108	-	4,677,108
Unrestricted (deficit)	(70,356,860)	32,178,343	(38,178,517)
Total net position	<u>\$ 400,407,449</u>	<u>\$ 121,136,819</u>	<u>\$ 521,544,268</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

Statement of Activities –Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 8,552,451	\$ 3,645,228	\$ 136,301	\$ 48,738	\$ (4,722,184)	\$ -	\$ (4,722,184)
Public safety	34,370,973	1,883,982	3,945,726	8,673	(28,532,592)	-	(28,532,592)
Streets	15,341,451	579,271	616,495	-	(14,145,685)	-	(14,145,685)
Culture and recreation	1,825,214	402,995	228,556	-	(1,193,663)	-	(1,193,663)
Health and welfare	409,221	-	-	-	(409,221)	-	(409,221)
Economic development	10,243,915	3,819,179	722,035	-	(5,702,701)	-	(5,702,701)
Interest expense	4,410,918	-	-	-	(4,410,918)	-	(4,410,918)
Total governmental activities	<u>75,154,143</u>	<u>10,330,655</u>	<u>5,649,113</u>	<u>57,411</u>	<u>(59,116,964)</u>	<u>-</u>	<u>(59,116,964)</u>
Business-type activities:							
Water	7,323,707	8,368,990	-	-	-	1,045,283	1,045,283
Sewer	8,450,750	8,414,298	54,834	-	-	18,382	18,382
Sanitation	5,379,901	7,404,296	-	-	-	2,024,395	2,024,395
Drainage	639,667	493,111	-	-	-	(146,556)	(146,556)
Conference center	6,528,860	3,768,017	-	-	-	(2,760,843)	(2,760,843)
Golf	1,072,462	1,059,554	-	-	-	(12,908)	(12,908)
Industrial park	57,229	-	-	-	-	(57,229)	(57,229)
Total business-type activities	<u>29,452,576</u>	<u>29,508,266</u>	<u>54,834</u>	<u>-</u>	<u>-</u>	<u>110,524</u>	<u>110,524</u>
Total primary government	<u>\$ 104,606,719</u>	<u>\$ 39,838,921</u>	<u>\$ 5,703,947</u>	<u>\$ 57,411</u>	<u>(59,116,964)</u>	<u>110,524</u>	<u>(59,006,440)</u>
General revenues:							
Taxes:							
Sales and use taxes					43,887,778	-	43,887,778
Property tax					3,073,076	-	3,073,076
Payment in lieu of taxes					1,081,431	-	1,081,431
Franchise and public service taxes					2,564,865	-	2,564,865
Hotel/motel taxes					535,515	-	535,515
Intergovernmental revenue not restricted to specific programs					517,573	-	517,573
Investment income					9,632,905	627,338	10,260,243
Miscellaneous					589,592	447,659	1,037,251
Transfers - internal activity					(3,598,210)	3,598,210	-
Total general revenues and transfers					<u>58,284,525</u>	<u>4,673,207</u>	<u>62,957,732</u>
Change in net position					(832,439)	4,783,731	3,951,292
Net position - beginning					401,239,888	116,353,088	517,592,976
Net position - ending					<u>\$ 400,407,449</u>	<u>\$ 121,136,819</u>	<u>\$ 521,544,268</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Governmental Funds Balance Sheet - June 30, 2020

	Midwest City					Other	Total
	General Fund	Police Fund	Fire Fund	Hospital Authority	2018 GO Bond CIP	Governmental Funds	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 5,804,284	\$ 4,253,331	\$ 3,335,205	\$ 18,698,477	\$ 17,322,523	\$ 27,758,875	\$ 77,172,695
Investments	3,322,743	2,319,871	1,878,205	97,733,016	9,812,015	11,939,071	127,004,921
Land held for economic development	-	-	-	3,439,804	-	-	3,439,804
Receivables:							
Accounts receivable	1,888,832	86,358	1,334	37,176	-	774,456	2,788,156
Accrued interest receivable	9,306	8,386	5,675	13	38,067	41,283	102,730
Due from other funds	325,156	3,635,979	2,885,913	2,689	-	297,800	7,147,537
Deposits held by others	-	-	-	81,308	-	5,300	86,608
Prepaid items	3,114	-	-	-	-	-	3,114
Other receivable	17,141	4,439	7,749	-	-	-	29,329
Due from other governments	3,521,853	880,770	691,256	-	-	5,661,633	10,755,512
Inventory	-	-	-	-	-	60,000	60,000
Advance to other funds	468,527	-	-	-	-	-	468,527
Total assets	<u>\$ 15,360,956</u>	<u>\$ 11,189,134</u>	<u>\$ 8,805,337</u>	<u>\$ 119,992,483</u>	<u>\$ 27,172,605</u>	<u>\$ 46,538,418</u>	<u>\$ 229,058,933</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 127,935	\$ 5,588	\$ 16,302	\$ 36,542	\$ 403,688	\$ 329,518	\$ 919,573
Wages payable	523,191	679,235	553,344	12,953	-	100,180	1,868,903
Unearned revenue	-	-	-	5,306,857	-	-	5,306,857
Refundable deposits - court	114,688	-	-	-	-	-	114,688
Due to other funds	6,438,709	-	-	-	-	1,174,338	7,613,047
Due to other governments	10,467	-	-	-	-	-	10,467
Advance from other funds	-	-	468,527	-	-	-	468,527
Total liabilities	<u>7,214,990</u>	<u>684,823</u>	<u>1,038,173</u>	<u>5,356,352</u>	<u>403,688</u>	<u>1,604,036</u>	<u>16,302,062</u>
Deferred inflows of resources:							
Unavailable revenue	1,657,112	80,204	-	565,637	-	4,001,829	6,304,782
Fund balances:							
Nonspendable	471,641	-	-	3,521,112	-	109,362	4,102,115
Restricted	2,333,992	10,424,107	7,767,164	109,125,327	26,768,917	39,973,949	196,393,456
Committed	-	-	-	1,424,055	-	-	1,424,055
Assigned	647,174	-	-	-	-	849,242	1,496,416
Unassigned	3,036,047	-	-	-	-	-	3,036,047
Total fund balances	<u>6,488,854</u>	<u>10,424,107</u>	<u>7,767,164</u>	<u>114,070,494</u>	<u>26,768,917</u>	<u>40,932,553</u>	<u>206,452,089</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 15,360,956</u>	<u>\$ 11,189,134</u>	<u>\$ 8,805,337</u>	<u>\$ 119,992,483</u>	<u>\$ 27,172,605</u>	<u>\$ 46,538,418</u>	<u>\$ 229,058,933</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2020:

Fund balances of governmental funds	\$ 206,452,089
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$267,032,044	298,983,210
Certain long-term assets are not available to pay for current fund liabilities and therefore, along with deferred outflows, are either reported as deferred inflows of resources in the funds or not reported in the funds at all:	
Due from other governments	138,762
Other receivable, net of allowance	2,639,727
Lease receivable	43,600,541
Net pension asset	131,036
Pension related deferred outflows	8,984,958
OPEB related deferred outflows	3,446,871
	58,941,895
The net pension liability and the total OPEB liability and the pension and OPEB related deferred inflows are not due and payable from current financial resources and therefore, are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	
Net pension liability	(26,774,282)
Pension related deferred inflows	(4,633,244)
Total OPEB liability	(19,949,141)
OPEB related deferred inflows	(946,613)
	(52,303,280)
Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of amount allocated to business-type activities.	5,776,340
Certain other long-term liabilities are not due and payable from current financial resources and not reported in the funds:	
General obligation bonds payable	(44,125,000)
Bonds payable	(66,165,000)
Premium on debt	(475,592)
Accrued compensated absences	(5,616,518)
Accrued interest payable	(1,060,695)
	(117,442,805)
Net position of governmental activities	\$ 400,407,449

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2020

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Midwest City Hospital Authority</u>	<u>2018 GO Bond CIP</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 24,945,429	\$ 6,171,936	\$ 4,861,813	\$ 1,081,431	\$ -	\$ 14,021,282	\$ 51,081,891
Intergovernmental	671,226	847,493	3,663,624	-	-	1,789,491	6,971,834
Charges for services	2,388,511	144,313	16,315	-	-	5,537,692	8,086,831
Fines and forfeitures	1,004,121	53,288	-	-	-	61,431	1,118,840
Licenses and permits	569,506	2,300	9,875	-	-	100,073	681,754
Investment income	212,037	133,069	100,667	7,169,991	584,819	772,394	8,972,977
Miscellaneous	740,514	81,875	72,961	1,023,582	-	238,655	2,157,587
Total revenues	<u>30,531,344</u>	<u>7,434,274</u>	<u>8,725,255</u>	<u>9,275,004</u>	<u>584,819</u>	<u>22,521,018</u>	<u>79,071,714</u>
EXPENDITURES							
Current:							
General government	5,030,245	-	-	1,149,841	28,479	1,988,374	8,196,939
Public safety	1,074,367	14,643,730	14,784,440	-	16,759	763,274	31,282,570
Streets	2,536,504	-	-	-	-	537,504	3,074,008
Culture and recreation	912,440	-	-	-	972	492,567	1,405,979
Health and welfare	350,520	-	-	-	-	-	350,520
Economic development	3,182,583	-	-	-	61,305	6,544,195	9,788,083
Capital outlay	82,633	840,418	18,546	1,960	5,779,512	4,091,993	10,815,062
Debt service:							
Principal retirement	-	-	-	19,929,040	-	1,615,000	21,544,040
Interest and fiscal charges	-	-	21,905	371,585	-	4,037,016	4,430,506
Total expenditures	<u>13,169,292</u>	<u>15,484,148</u>	<u>14,824,891</u>	<u>21,452,426</u>	<u>5,887,027</u>	<u>20,069,923</u>	<u>90,887,707</u>
Excess (deficiency) of revenues over expenditures	<u>17,362,052</u>	<u>(8,049,874)</u>	<u>(6,099,636)</u>	<u>(12,177,422)</u>	<u>(5,302,208)</u>	<u>2,451,095</u>	<u>(11,815,993)</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from issuance of debt	-	-	-	-	6,550,000	-	6,550,000
Payment received for note receivable	-	-	-	19,120,761	-	-	19,120,761
Transfers in	10,887,301	10,681,218	8,549,012	-	-	2,598,216	32,715,747
Transfers out	(28,004,786)	-	(21,891)	(1,678,654)	(12,780)	(6,268,934)	(35,987,045)
Total other financing sources and uses	<u>(17,117,485)</u>	<u>10,681,218</u>	<u>8,527,121</u>	<u>17,442,107</u>	<u>6,537,220</u>	<u>(3,670,718)</u>	<u>22,399,463</u>
Net change in fund balances	244,567	2,631,344	2,427,485	5,264,685	1,235,012	(1,219,623)	10,583,470
Fund balances - beginning	6,244,287	7,792,763	5,339,679	108,805,809	25,533,905	42,152,176	195,868,619
Fund balances - ending	<u>\$ 6,488,854</u>	<u>\$ 10,424,107</u>	<u>\$ 7,767,164</u>	<u>\$ 114,070,494</u>	<u>\$ 26,768,917</u>	<u>\$ 40,932,553</u>	<u>\$ 206,452,089</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2020:

Net change in fund balances - total governmental funds: \$ 10,583,470

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

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

Capital asset purchases capitalized	8,509,708
Gain (loss) on disposal of capital assets	(28,992)
Depreciation expense	(14,518,444)
	(6,037,728)

Repayment of debt principal is an expenditure and collections of leasehold receivables are a revenue in the governmental funds. However, the repayments reduce long-term liabilities or the long-term assets in the Statement of Net Position:

Leasehold receivable receipts	(18,979,618)
Amortization of premium	19,911
Debt proceeds	(6,550,000)
Note payable principal payments	19,929,040
Bond payable principal payments	1,290,000
General obligation bond principal payments	325,000
	(3,965,667)

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	221,996
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an equal amount of expenditures in the governmental funds. These are the adjustments needed to expenditures in order to report them as their full-accrual counterparts at the government -wide level.

Other post employment benefits	(993,281)
Interest expense	(323)
Pension expense	(752,724)
Accrued compensated absences	41,663
	(1,704,665)

Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues/expenses are reported in governmental activities on the Statement of Activities, net of amount allocated to business-type activities

70,155

Change in net position of governmental activities	\$ (832,439)
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See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Proprietary Funds Statement of Net Position - June 30, 2020

	<u>Midwest City Municipal Authority</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 13,434,482	\$ 613,799	\$ 14,048,281	\$ 5,238,541
Cash and cash equivalents, restricted	13,865,471	-	13,865,471	-
Investments	7,206,956	338,785	7,545,741	2,937,655
Accounts receivable, net	3,673,757	-	3,673,757	91,377
Other receivable	168,134	-	168,134	-
Accrued interest receivable	22,777	-	22,777	7,187
Prepaid items	6,454	-	6,454	-
Inventory	275,083	-	275,083	41,545
Due from other funds	1,001,009	-	1,001,009	3,607
Total current assets	<u>39,654,123</u>	<u>952,584</u>	<u>40,606,707</u>	<u>8,319,912</u>
Non-current assets:				
Investments, restricted	558,304	-	558,304	-
Land, construction in progress, and water rights	11,517,275	677,029	12,194,304	-
Other capital assets, net	133,269,354	2,579,850	135,849,204	916,815
Total non-current assets	<u>145,344,933</u>	<u>3,256,879</u>	<u>148,601,812</u>	<u>916,815</u>
Total assets	<u>184,999,056</u>	<u>4,209,463</u>	<u>189,208,519</u>	<u>9,236,727</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	821,097	-	821,097	-
Deferred amount related to OPEB	783,138	-	783,138	134,928
	<u>1,604,235</u>	<u>-</u>	<u>1,604,235</u>	<u>134,928</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,534,185	-	1,534,185	261,082
Claims liability	-	-	-	1,107,410
Wages payable	480,587	-	480,587	107,728
Due to other funds	140,758	-	140,758	398,348
Accrued interest payable	565,102	-	565,102	-
Accrued compensated absences	505,754	-	505,754	119,092
Refundable deposits	168,628	-	168,628	-
Revenue bonds payable	4,525,000	-	4,525,000	-
Total current liabilities	<u>7,920,014</u>	<u>-</u>	<u>7,920,014</u>	<u>1,993,660</u>
Non-current liabilities:				
Accrued compensated absences	931,556	-	931,556	238,184
Claims liability	-	-	-	1,221,000
Total OPEB liability	5,120,370	-	5,120,370	1,130,712
Refundable deposits	1,388,928	-	1,388,928	-
Notes payable	2,280,047	-	2,280,047	-
Revenue bonds payable, net	49,290,430	-	49,290,430	-
Total non-current liabilities	<u>59,011,331</u>	<u>-</u>	<u>59,011,331</u>	<u>2,589,896</u>
Total liabilities	<u>66,931,345</u>	<u>-</u>	<u>66,931,345</u>	<u>4,583,556</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount related to OPEB	1,560,677	-	1,560,677	195,672
NET POSITION				
Net investment in capital assets	84,027,906	3,256,879	87,284,785	916,815
Restricted for debt service	1,541,810	-	1,541,810	-
Restricted for other purposes	106,161	216,134	322,295	-
Unrestricted	32,435,392	736,450	33,171,842	3,675,612
Total net position	<u>\$ 118,111,269</u>	<u>\$ 4,209,463</u>	<u>\$ 122,320,732</u>	<u>\$ 4,592,427</u>

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

(1,183,913)

Total net position per Government-Wide financial statements

\$ 121,136,819

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2020

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2020

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 29,386,097	\$ -	\$ 29,386,097	\$ 11,805,504
Fees, licenses and permits	26,185	-	26,185	-
Miscellaneous	316,853	-	316,853	489,712
Total operating revenues	<u>29,729,135</u>	<u>-</u>	<u>29,729,135</u>	<u>12,295,216</u>
OPERATING EXPENSES				
Personal services	10,537,156	-	10,537,156	2,025,725
Materials and supplies	3,966,801	-	3,966,801	1,573,058
Other services and charges	7,086,287	156	7,086,443	1,149,873
Insurance claims and expense	-	-	-	7,556,759
Depreciation and amortization	5,960,662	57,073	6,017,735	75,865
Total operating expenses	<u>27,550,906</u>	<u>57,229</u>	<u>27,608,135</u>	<u>12,381,280</u>
Operating income (loss)	<u>2,178,229</u>	<u>(57,229)</u>	<u>2,121,000</u>	<u>(86,064)</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	835,873	15,899	851,772	159,008
Interest expense and fiscal charges	(1,887,010)	-	(1,887,010)	-
Cain (loss) on asset retirement	(87,554)	-	(87,554)	-
Other non-operating revenue	59,524	-	59,524	-
Total non-operating revenue (expenses)	<u>(1,079,167)</u>	<u>15,899</u>	<u>(1,063,268)</u>	<u>159,008</u>
Income (loss) before contributions and transfers	<u>1,099,062</u>	<u>(41,330)</u>	<u>1,057,732</u>	<u>72,944</u>
Capital contributions	433,237	-	433,237	18,675
Transfers in	14,053,051	-	14,053,051	125,000
Transfers out	<u>(10,906,753)</u>	<u>-</u>	<u>(10,906,753)</u>	<u>-</u>
Change in net position	4,678,597	(41,330)	4,637,267	216,619
Total net position - beginning	113,432,672	4,250,793	117,683,465	4,375,808
Total net position - ending	<u>\$ 118,111,269</u>	<u>\$ 4,209,463</u>	<u>\$ 122,320,732</u>	<u>\$ 4,592,427</u>
Change in net position per above			\$ 4,637,267	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			146,464	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 4,783,731</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2020

	Midwest City Municipal Authority	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 29,782,478	\$ -	\$ 29,782,478	\$ -
Receipts from interfund services	-	-	-	12,286,113
Payments to suppliers	(11,108,982)	(156)	(11,109,138)	(1,724,684)
Payments to employees	(10,454,084)	-	(10,454,084)	(1,985,413)
Receipts (payments) from interfund loans	(62,759)	-	(62,759)	72,027
Receipt of customer deposits	486,373	-	486,373	-
Return of customer deposits	(439,639)	-	(439,639)	-
Claims and benefits paid	-	-	-	(8,439,703)
Net cash provided by (used in) operating activities	8,203,387	(156)	8,203,231	208,340
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	14,053,051	-	14,053,051	-
Transfers to other funds	(10,906,753)	-	(10,906,753)	125,000
Net cash provided by noncapital financing activities	3,146,298	-	3,146,298	125,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(6,901,556)	-	(6,901,556)	(51,213)
Principal paid on capital debt	(4,365,000)	-	(4,365,000)	-
Proceeds from issuance of bonds	2,280,047	-	2,280,047	-
Interest and fiscal charges paid on capital debt	(2,173,437)	-	(2,173,437)	-
Proceeds from sale of capital assets	64,132	-	64,132	-
Net cash used in capital and related financing activities	(11,095,814)	-	(11,095,814)	(51,213)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	1,468,916	97,298	1,566,214	708,789
Interest and dividends	815,598	15,899	831,497	155,262
Net cash provided by investing activities	2,284,514	113,197	2,397,711	864,051
Net increase in cash and cash equivalents	2,538,385	113,041	2,651,426	1,146,178
Balances - beginning of year	24,761,568	500,758	25,262,326	4,092,363
Balances - end of year	\$ 27,299,953	\$ 613,799	\$ 27,913,752	\$ 5,238,541
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 13,434,482	\$ 613,799	\$ 14,048,281	\$ 5,238,541
Restricted cash and cash equivalents	13,865,471	-	13,865,471	-
Total cash and cash equivalents	\$ 27,299,953	\$ 613,799	\$ 27,913,752	\$ 5,238,541
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,178,229	\$ (57,229)	\$ 2,121,000	\$ (86,064)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	5,965,352	57,073	6,022,425	75,865
Other nonoperating revenue	54,834	-	54,834	-
Change in assets and liabilities:				
Receivables, net	(54,932)	-	(54,932)	(9,103)
Other receivable	61,244	-	61,244	-
Due from other funds	(104,721)	-	(104,721)	(1,283)
Prepaid items	(965)	-	(965)	-
Inventory	5,579	-	5,579	20,418
Deferred outflows OPEB	(420,278)	-	(420,278)	(81,678)
Accounts payable	(60,508)	-	(60,508)	(14,291)
Claims liability	-	-	-	109,176
Due to other funds	41,962	-	41,962	73,310
Accrued payroll and related liabilities	52,532	-	52,532	26,126
Refundable deposits	34,241	-	34,241	-
Total OPEB liability	(372,037)	-	(372,037)	29,838
Accrued compensated absences	94,720	-	94,720	3,887
Deferred inflows OPEB	728,135	-	728,135	62,139
Net cash provided by (used in) operating activities	\$ 8,203,387	\$ (156)	\$ 8,203,231	\$ 208,340
Noncash activities:				
Contributed capital assets - from governmental funds	\$ 433,237	\$ -	\$ 433,237	\$ 18,675

See accompanying notes to the basic financial statements.

FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Midwest City's (the "City") accounting and financial reporting policies conform to accounting principles generally accepted in the United State of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

The City of Midwest City – operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities

The City of Midwest City is an incorporated municipality located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected seven-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judges are practicing attorneys appointed by the City Council

In determining the financial reporting entity, the City of Midwest City complies with the provisions of Governmental Accounting Standards Board and includes all component units for which the City is financially accountable. The City's financial reporting entity primary government presentation includes the City of Midwest City and certain component units as follows:

Blended Component Units: Separate legal entities for which the City Council members also serve as the trustees/governing body of the Authorities and/or the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities. These component units funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

Midwest City Utilities Authority – created for industrial development.

Midwest City Municipal Authority – created to operate the water, sewer, sanitation and conference center/hotel.

Midwest City Hospital Authority – created to operate the hospital, however, in 1996 the hospital was leased for a 30 year term. In March 2009, this lease was extended to May 2048. The Trustees manage activities related to the hospital lease. Economic development is also a principal mission of the Authority.

Urban Renewal Authority – created for economic development.

Economic Development Authority – created for economic development.

Each of these component units listed above 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.

In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate annual financial statements.

1.B. Basis of Presentation and Accounting

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 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)

Government-Wide Financial Statements:

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. In the Statement of Net Position and the Statement of Activities, the City presents two kinds of activities:

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets, parks and recreation. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of the services it provides. The City's water, sewer, sanitation and the hotel/conference center activities are reported here.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Fund Financial Statements:

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 remaining at year-end. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized and available within 120 days of year end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, judgments, postemployment benefits and net pension liabilities are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, court fines and interest associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. For reporting purposes the General Fund also includes the activities of the Reimbursed Projects Account, Employee Activity Account, Activity Account, Animals Best Friend Account, 29th and Douglas Account, Disaster Relief Account, and Retiree Health Claims Account.
- Police Fund – is a special revenue fund that accounts for police services funded by a restricted sales tax, a transfer of 34.21% of General Fund revenues per ordinance legally restricted for police operations, and fines and fees restricted for traffic enforcement operations. For reporting purposes, the Police Fund includes the Jail Fund.
- Fire Fund — is a special revenue fund that accounts for fire protection services funded by sales tax legally restricted for fire and a transfer of 27.66% of General Fund revenues per ordinance legally restricted for fire operations.
- Midwest City Hospital Authority – is a special revenue fund that manages activities related to the hospital lease, funded by interest income and in lieu of taxes. The Hospital Authority also makes investments and expenditures in economic development activities.
- 2018 GO Bond CIP – is a capital project fund funded with proceeds from general obligation bond issues to finances voter approved projects.

CITY OF MIDWEST CITY, OKLAHOMA
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Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds include Grants, Juvenile, Parks and Recreation, Emergency Operations, Technology, Welcome Center, Police Impound Fees, Street and Alley, Police Special Projects, Police Lab Fee, Convention/Visitors Bureau, Sooner Rose TIF, Urban Renewal Authority Funds, Economic Development Authority Fund, Street Light Fee, and General Government Sales Tax.

Debt Service Fund – accounts for ad-valorem taxes levied by the City for use in retiring general obligation bonds, and their related interest expenses.

Capital Project Funds:

- Capital Improvement Fund – accounts for assessed fees that help fund capital projects for various functions of the City.
- Downtown Redevelopment Authority – accounts for the lease proceeds from the 29th street redevelopment. Proceeds are used to fund various needs of the City.
- 2002 Street Project Fund – accounts for the proceeds from the 2002 General Obligation Street Bonds which funds capital street projects.
- Dedicated Tax 2012 Fund – accounts for the sales tax restricted for street, parks, trails, sidewalks and public transportation projects.
- 2018 GO Bond Proprietary Fund – accounts for general obligation bond proceeds restricted to proprietary projects.
- Sales Tax Capital Improvement Fund – accounts for sales tax restricted by a vote of the citizens for capital improvements, including debt retirements.
- Capital Outlay Reserve Fund – accounts for funds set aside to fund the five year capital needs projects.

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.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

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

The City's proprietary funds include the following:

Enterprise Funds

Major:

The Municipal Authority Funds includes the following accounts:

- Water Account (includes the Water Operating Account and the Water Capital Projects Account) accounts for the activities providing water services to the public.
- Sewer Account (includes the Sewer Operating Account and the Sewer Capital Projects Account) accounts for the activities providing sewer services to the public.
- Sanitation Account (includes the Sanitation Operating Account) accounts for the activities providing sanitation services to the public.
- Conference Center/Hotel Account (includes the Conference and Hotel Operating Account) accounts for the activities related to the Conference Center and Hotel.
- Drainage Account (includes the Drainage Operating Fund and the Capital Projects Account) accounts for the activities providing drainage services to the public.
- Debt Service Account accounts for the debt activities related to the 2011 and 2011A Revenue Bonds.
- Utility Services Account – accounts for activities related to billing for water, sewer, sanitation, storm water, and drainage.
- Utilities Capital Account – accounts for capital purchases for the water, sewer, and sanitation systems.
- Customer Deposit Account –accounts for utility customer deposits.
- Golf Course Account –accounts for activities of the John Conrad and the Hidden Creek golf courses.

Non-Major:

- Utilities Authority Fund –accounts for industrial development activities.

Internal Service Funds (aggregated in a single column for reporting purposes)

- Risk Management Fund - accounts for the cost of providing various insurance services (i.e, general liability, vehicle and property) to other funds and departments of the City.
- Public Works Administration Fund - accounts for the cost of centralization of administrative resources to various departments of the City. This fund primarily serves the business-type activities.
- Fleet Services Fund - accounts for fuel, maintenance and repairs for the City's fleet.
- Surplus Property Fund - accounts for the disposal of surplus property on behalf of all departments.
- L&H Benefits Fund - accounts for health and life benefits to employees.
- Workers Compensation Fund – accounts for the cost of providing workers compensation insurance services to the other funds and departments of the city.

1.C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments:

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, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments, other than Hospital Authority investments, consist of long-term certificates of deposit, U.S. Treasury bonds and notes, and U.S. agency securities. Certificates of deposit are reported at cost, while the U.S. Treasury and agency securities are reported at fair value. Hospital investment consist of mutual funds, equities, and foreign equities. Investments are reported at fair value.

Except where otherwise required, cash resources have been pooled in order to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the funds' average cash balance and legal requirements.

Restricted Assets:

Certain proceeds of the enterprise funds' promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The debt service fund accounts are used to segregate resources accumulated for debt service payments over the next 12 months. In addition, amounts held for meter deposit refunds are considered restricted.

Receivables

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

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues. Non-exchange transactions collectible but not available are reported as a deferred inflow of resources in the fund financial statements in accordance with the modified accrual basis of accounting, but not reported as a deferred inflow of resources in the government-wide financial statements in accordance with the accrual basis. Interest on investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories:

Inventories are valued at average cost. Governmental fund inventory is related to parts of vehicle and equipment maintenance. Proprietary fund inventory is related to material on hand for repairs and improvements to the utility system. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

Land Held for Economic Development:

The Hospital Authority owns land that is being held for future economic development. This land is carried at the lower of cost or fair value.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- Buildings/improvements 25-60 years
- Utility systems 25-99 years
- Infrastructure 25-99 years
- Machinery and equipment 5-20 years
- Vehicles 5-25 years

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

Unearned Revenue

In 1996, the Hospital Authority entered into a long-term lease agreement with a third party to lease the Midwest City Municipal Hospital for a 30 year period. The lessee prepaid the entire amount of the rent for the 30 years, a total of \$26.9 million. This amount is being recognized in income over the 30 year period.

Long-term obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of bond premium or discount. Deferred amount on refundings are amortized over the shorter of the life of the new debt or the remaining life of the refunded debt using the straight line method. Deferred amounts are shown as deferred inflows or outflows.

Long-term obligations of governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

The City's long term debt consists of general obligation bonds, revenue bonds and notes, accrued compensated absences, contracts payable, net pension liability, total OPEB liability, and refundable deposits.

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. Regular full-time civilian employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a civilian employee is paid for accrued vacation up to a maximum of 192 hours plus current year accrual earned to date of separation. Civilian employees earn sick leave per pay period of 3.7 hours, for a total of 96.20 hours per year with the exception of Fire Rookies working 24 hour shifts who earn 5.54 hours per pay period for an annual total of 144.04 hours per year. Civilian employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years of service, a civilian employee is paid for accrued sick leave up to a maximum of 960 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Civilian employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits.

Police union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a police union employee is paid for accrued vacation up to a maximum of 216 hours plus current year accrual earned to date of separation. Police union employees earn sick leave per pay period of 4.6 hours for an annual total of 119.60 hours. Police union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service, a police union employee is paid for accrued sick leave up to a maximum of 11,000 hours plus current year accrual earned to date of separation at 1/2 his/her hourly rate of pay. Police union employees who separate from employment prior to 10 years of service shall receive no compensation for accrued sick leave benefits. 100% of the sick leave balance shall be paid to the police union employee's named beneficiary in the event an employee is killed in the line of duty.

Fire union employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 301.34 hours per year based upon shift worked and years of service. Upon separation from the city, a fire union employee is paid for accrued vacation up to a maximum of 300 hours plus current year accrual earned to date of separation for 24 hour workers; up to a maximum of 216 hours plus current

year accrual earned to date of separation for 8 hour workers. Fire union employees earn sick leave per pay period of 5.54 for a total of 144.04 hours per year for 24 hour workers and 96.20 hours per year for 8 hour workers. Fire union employees who separate from employment with the city will be compensated for all accrued but unused sick leave as follows: Upon separation from the city after 10 years or more of service or with an on-the-job injury, a fire union employee is paid for accrued sick leave up to a maximum of 1,314 hours for 24 hour workers; up to a maximum of 939 hours for 8 hour workers at 1/3 his/her hourly rate of pay. Hours accumulated over the maximum are paid at the rate of 1/2 his/her hourly rate of pay each bi-weekly pay period. Employees, regardless of years of service, will be paid out at 1/2 for separation due to on the job injury. Fire union employees who separate from employment prior to 10 years of service and without an on-the-job injury shall receive no compensation for accrued sick leave benefits.

Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until then. The City has three items that qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The city also reports deferred outflows for pension and OPEB-related amounts.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines and property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statements the property tax revenues remain as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position also reports deferred inflows for pension and OPEB-related amounts.

Fund Equity:

Government-Wide and Proprietary Fund Financial Statements:

Net position is displayed in three components:

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance. The Hospital Authority and Urban Renewal Authority highest level of decision-making authority is made 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 revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Deficit fund balances of other governmental funds are also reported as unassigned.

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

1.D. Revenues, Expenditures and Expenses

Program Revenues:

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

- Public Safety – Fire, Police, 911 – fines and forfeitures, restricted operating grants, 911 revenue, and restricted capital grants, property seizure, donations, state on-behalf pension contributions
- Streets – commercial vehicle and gasoline excise tax shared by the State.

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- Culture and recreation – pool fees, rental of community center and senior center, programming fees, park fees, softball fees, operating and capital grants
- Health and Welfare – FEMA grants
- Economic Development – rental income and operating grants
- General Government – license and permits, technology and false alarm fees, impact fees, and operating grants

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

Sales Tax Revenue:

Sales tax revenue represents a 4.60 cents tax on each dollar of taxable sales which is collected by the Oklahoma Tax Commission and remitted to the City. Upon final allocation the sales tax is broken down as follows:

	Effective January 2018	
General Government	1.25	27.17%
Police	1.42	30.87%
Fire	1.14	24.78%
911	.04	.87%
Capital Improvements	.25	5.43%
Parks and Recreation	.05	1.09%
Sewer Plant	.40	8.70%
Streets/Parks/Sidewalks/Trails/and Public Transportation	.05	1.09%
Totals	4.6	100%

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. 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 tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2020, the City's net assessed valuation of taxable property was \$352,794,185. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2020 was \$8.08.

Property tax accrued on the lien date of January 1, 2020 and recorded as a deferred inflow of resources was \$3,526,293.

Expenditures and Expenses:

In the government-wide financial statements, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In the proprietary fund financial statements, expenses are reported by object or activity.

1.E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide statement of net position and statement of activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

expected are reported as transfers in and out.

1.F. Use of Estimates

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

2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. 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.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
US agency securities	\$ -	\$ 34,364,197	\$ -	\$ 34,364,197
Real Estate	-	-	554,559	554,559
Mutual Fund - equities	32,783,620	-	-	32,783,620
	<u>\$ 32,783,620</u>	<u>\$ 34,364,197</u>	<u>\$ 554,559</u>	<u>\$ 67,702,376</u>

As of June 30, 2020, the City’s investments in U.S. agency securities are valued using Level 2 inputs. The value is determined using quoted prices for similar assets or liabilities in active markets.

Real estate investments classified in Level 3 are valued using the change in assessed property tax land values for similar properties from the county assessor.

Certain investments that do not have a readily determinable fair value are measured at net asset value (NAV), or its equivalent. NAV per share is calculated as of the City’s year-end in a manner consistent with the Governmental Accounting Standards Board’s measurement principles. There are no unfunded commitments related to these investment vehicles. The valuation method for investments measured at the NAV per share (or its equivalent) is presented on the following table.

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Investments Measured at Net Asset Value	Fair Value	Redemption Frequency	Redemption Notice Period
US equity index funds ⁽¹⁾	\$ 50,449,726	Daily	2 days
US fixed income debt funds ⁽²⁾	9,896,626	Daily	3 days
	<u>\$ 60,346,352</u>		

- (1) **US equity index funds** – The Fund is an index fund that seeks investment results that correspond generally to the S&P 500 Index. The Fund is invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of that segment of the U.S. market for publicly traded equity securities represented by the larger capitalized companies. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- (2) **US fixed income debt funds** – The US fixed income debt fund is an index fund that establishes an objective of delivering investment performance approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays U.S. Aggregate Bond Index. The Fund uses a "passive" or indexing approach to try to achieve the Fund's investment objective. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

The City of Midwest City primary government and blended component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2020 by these entities are as follows:

Type	Carrying Value	Credit Rating	Maturities in Years				
			On Demand	Less Than One	1 - 5	6 - 10	More than 10
Demand deposits	\$ 92,536,352	n/a	\$ 92,536,352	\$ -	\$ -	\$ -	\$ -
Time deposits	10,129,812	n/a	-	6,500,000	3,629,812	-	-
Government Money Market Accounts	17,789,398	AAAm	17,789,398	-	-	-	-
U.S. Agencies Obligations	34,231,517	Aaa	-	10,119,227	11,337,629	15,857	12,758,804
Sub-total	154,687,079		<u>\$ 110,325,750</u>	<u>\$ 16,619,227</u>	<u>\$ 14,967,441</u>	<u>\$ 15,857</u>	<u>\$ 12,758,804</u>
Real Estate	554,559	n/a					
Mutual Funds - equities	83,233,345	n/a					
Fixed Income	9,896,626	n/a					
Sub-total	93,684,530						
Total Deposits and Investments	<u>\$ 248,371,609</u>						
Reconciliation to Financial Statements:							
Cash and cash equivalents	\$ 66,661,028						
Cash and cash equivalents, restricted	43,663,960						
Investments	123,800,520						
Investments, restricted	13,687,797						
Investments, restricted non-current	558,304						
	<u>\$ 248,371,609</u>						

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

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at a minimum level of 110% of the uninsured deposits and accrued

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interest thereon. The City's policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma. Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement

At June 30, 2020, the City had no exposure to custodial credit risk as defined above.

Investment Credit Risk – The City's investment policy limits investments, excluding the Hospital Authority and Municipal Authority, to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidences of deposit that are either insured or secured with acceptable collateral with an in-state financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

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

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy indicates that the investment portfolio, shall remain sufficiently liquid to enable the City to meet all operating requirements as anticipated. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

At June 30, 2020, the investments held by the City mature between 2020 through 2047.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City's investments in Blackrock (classified as mutual funds – equities) and Vanguard mutual funds each exceed 5%.

Hospital Authority Investments:

The Hospital Authority policy provides that assets be invested to preserve its principal, produce a proscribed level of income, and provide for growth of principal with no outside additions to the fund

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being anticipated. Assets are to be invested in a diversified portfolio to achieve attractive real rates of return. The investment policy of the Hospital Authority allows for the investment of funds in domestic and international common stocks, government and corporate bonds, short-term fixed income securities maturing in one year or less (cash equivalents); by utilizing primarily index funds, mutual funds, or collective trust funds. In addition, the Hospital Authority may invest portions of the fund corpus, or income, in real estate. Such real estate investments would typically include developed or undeveloped real property located in Midwest City, Oklahoma or its environs, or commingled funds which invest in various kinds of property located throughout the United States. The overall rate of return objective of the portfolio is a highest possible rate of return consistent with the risk levels established by the Board.

The acceptable long-term rate of return is expected to provide equal or superior results, using a three to five year moving average, relative to the following benchmarks:

1. An absolute return objective of the Consumer Price Index plus 4% compounded annually.
2. An income return sufficient to meet any disbursement requirement as stipulated by the Board.
3. A return exceeding the 90 Day U.S. Treasury Bill rate (risk-free rate).
4. Domestic equity fund returns which exceed the S&P 500 Stock index return by 1% (100 basis points), per year and fixed income return which exceed the Barclays Capital Aggregate Bond Index by ½% per year (50 basis points).
5. Stock and bond returns which fall into the top 25% of the Consultant's Universe (or other representative universe approved by The Board) of common stock and bond funds (referred to as equity and fixed income), with some consistency.
6. Passive domestic returns which replicate the return of the Standard and Poor's 500 Stock Index, passive fixed returns which replicate the return of the Barclays Capital Aggregate Bond Index, and passive international returns which replicate the return of the MSCI EAFE International Index.

Asset allocation guidelines for the Hospital Authority are as follows:

Class	Target	Maximum	June 2020 Percent
Equities - Domestic	20%-70%	85%	75.0%
Fixed Income	2.5%-30%	80%	8.9%
Cash Equivalents	0%	20%	16.0%

Restricted Cash and Investments

The amounts reported as restricted assets on the Statement of Net Position are comprised of amounts held for Debt Service accounts by the trustee bank for revenue bond retirement and revenue bond construction funds, and the Customer Deposit Account for refundable deposits held by others. The restricted assets as of June 30, 2020 are as follows:

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Cash and Cash Equivalents:	
Restricted for Debt Service	\$ 7,740,418
Restricted Construction proceeds	34,937,890
Restricted for Refundable Deposits	985,652
	\$ 43,663,960
Investments:	
Restricted for Debt Service	\$ 13,687,797
Investments Restricted for Refundable Deposits	558,304
	\$ 14,246,101

3. Leases Receivable

The Hospital Authority entered into an agreement with the Midwest Regional Medical Center (now known as Alliance Health Midwest) to provide funds up to \$25,000,000 to construct two additional floors onto the existing six floor patient tower. The loan is amortized over a 25 year period with an interest rate of 7.5%, will be repaid within 9 years from December 2010, with a balloon payment due in November 2019. The loan is secured with a lease receivable for future rental of the facility. During fiscal year 2020, the lease and related debt were paid in full.

The Economic Development Authority entered into an agreement with Sooner Town Center, LLC to provide funds up to \$49,155,000 for the Town Center Plaza Project. The loan is amortized over a 30 year period with interest rates of 2.40% to 4.70%. The loan is secured with a lease receivable for future rental of the facility. At the end of the fiscal year, the City reflects a \$43.6 million receivable in the governmental activities. At the end of the fiscal year, the borrower had not drawn \$3.4 million of the available loan proceeds.

4. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2020, capital assets balances changed as follows:

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	Balance at July 1, 2019	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2020
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 39,949,356	\$ 1,040	\$ -	\$ 39,950,396
Construction in progress	7,095,031	5,549,837	1,416,585	11,228,283
Total capital assets not being depreciated	<u>47,044,387</u>	<u>5,550,877</u>	<u>1,416,585</u>	<u>51,178,679</u>
Capital assets being depreciated:				
Buildings	30,058,005	1,688,925	-	31,746,930
Machinery and equipment	21,753,300	1,059,163	579,060	22,233,403
Vehicles	9,977,631	621,339	159,364	10,439,606
Infrastructure	451,460,264	1,050,371	-	452,510,635
Total other capital assets	<u>513,249,200</u>	<u>4,419,798</u>	<u>738,424</u>	<u>516,930,574</u>
Less accumulated depreciation for:				
Buildings	13,678,290	690,243	-	14,368,533
Machinery and equipment	16,469,951	946,051	567,729	16,848,273
Vehicles	5,932,795	618,837	141,804	6,409,828
Infrastructure	218,386,456	12,328,019	-	230,714,475
Total accumulated depreciation	<u>254,467,492</u>	<u>14,583,150</u>	<u>709,533</u>	<u>268,341,109</u>
Capital assets being depreciated, net	<u>258,781,708</u>	<u>(10,163,352)</u>	<u>28,891</u>	<u>248,589,465</u>
Governmental activities capital assets, net	<u>\$ 305,826,095</u>	<u>\$ (4,612,475)</u>	<u>\$ 1,445,476</u>	<u>\$ 299,768,144</u>

	Balance at July 1, 2019	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2020
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 2,072,449	\$ -	\$ -	\$ 2,072,449
Water rights	4,672,610	2,280,047	-	6,952,657
Construction in progress	2,283,487	2,520,852	1,635,141	3,169,198
Total capital assets not being depreciated	<u>9,028,546</u>	<u>4,800,899</u>	<u>1,635,141</u>	<u>12,194,304</u>
Capital assets being depreciated:				
Buildings	32,562,683	125,260	-	32,687,943
Machinery and equipment	14,249,467	349,819	24,298	14,574,988
Vehicles	10,136,605	1,374,047	304,816	11,205,836
Utility systems	181,904,071	2,345,618	187,200	184,062,489
Total other capital assets	<u>238,852,826</u>	<u>4,194,744</u>	<u>516,314</u>	<u>242,531,256</u>
Less accumulated depreciation for:				
Buildings	12,101,960	741,639	-	12,843,599
Machinery and equipment	10,239,695	562,064	22,078	10,779,681
Vehicles	5,718,310	579,131	275,173	6,022,268
Utility systems	72,823,723	4,146,060	65,160	76,904,623
Total accumulated depreciation	<u>100,883,688</u>	<u>6,028,894</u>	<u>362,411</u>	<u>106,550,171</u>
Capital assets being depreciated, net	<u>137,969,138</u>	<u>(1,834,150)</u>	<u>153,903</u>	<u>135,981,085</u>
Business-type activities capital assets, net	<u>\$ 146,997,684</u>	<u>\$ 2,966,749</u>	<u>\$ 1,789,044</u>	<u>\$ 148,175,389</u>

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$ 478,478
Public safety	1,243,220
Streets	12,092,130
Culture and recreation	357,360
Health and welfare	21,970
Economic development	325,286
Sub-total governmental funds depreciation	<u>14,518,444</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	64,706
Total	<u>\$ 14,583,150</u>

Business-Type Activities:

Water	\$ 1,182,464
Sewer	2,966,503
Sanitation	538,784
Drainage	276,782
Conference center/hotel	877,723
Golf	118,406
Industrial park	57,073
Total Business Type Activities	<u>6,017,735</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	11,159
Total	<u>\$ 6,028,894</u>

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5. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2020 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>		
General Gov Sales Tax	Surplus Property	\$ 100,832	Surplus properties sales proceeds to be distributed		
General Fund	Comm Dev Block Grant	76,975	To cover negative balance in pooled cash		
General Fund	Housing Grant	41,903	To cover negative balance in pooled cash		
General Fund	Grant	206,278	To cover negative balance in pooled cash		
General Fund	Fire Fund	468,527	Long-term loan for capital improvements		
Police Fund	General Fund	3,560,178	Restricted sales tax payable		
Police Fund	Surplus Property	75,801	Surplus properties sales proceeds to be distributed		
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed		
Fire Fund	General Fund	2,878,531	Restricted sales tax payable		
Fire Fund	Surplus Property	7,382	Surplus properties sales proceeds to be distributed		
Welcome Center	Surplus Property	350	Surplus properties sales proceeds to be distributed		
Welcome Center	Golf	70,379	Long-term loan for capital improvements		
Convention & Visitor Bureau	Surplus Property	148	Surplus properties sales proceeds to be distributed		
Emergency Operating Fund	Surplus Property	3,022	Surplus properties sales proceeds to be distributed		
Park & Recreation	Golf	70,379	Long-term loan for capital improvements		
Grant Fund	Surplus Property	1,222	Surplus properties sales proceeds to be distributed		
Hospital Authority	Surplus Property	2,689	Surplus properties sales proceeds to be distributed		
Capital Improvements Fund	Debt Service	50,688	Revenue accrued to be transferred		
Public Works Administration	Surplus Property	3	Surplus properties sales proceeds to be distributed		
Fleet Services Fund	Surplus Property	3,604	Surplus properties sales proceeds to be distributed		
Storm Water Quality	Surplus Property	54	Surplus properties sales proceeds to be distributed		
Sanitation Fund	Surplus Property	140,848	Surplus properties sales proceeds to be distributed		
Water Fund	Surplus Property	17,948	Surplus properties sales proceeds to be distributed		
Sewer	Surplus Property	27,990	Surplus properties sales proceeds to be distributed		
Hotel	Surplus Property	13,161	Surplus properties sales proceeds to be distributed		
Golf	Surplus Property	2,514	Surplus properties sales proceeds to be distributed		
Debt Service	Sales Tax Capital Improvement	798,494	Revenue accrued to be transferred		
		<u>\$ 8,620,680</u>			

	<u>Due From Other Funds</u>	<u>Advance From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advance To Other Funds</u>	<u>Net Internal Balances</u>
Reconciliation to Fund Financial Statements:					
Governmental Funds	\$ 7,147,537	\$ 468,527	\$ 7,613,047	\$ 468,527	\$ (465,510)
Proprietary Funds	1,001,009	-	140,758	-	860,251
Internal Service Funds	3,607	-	398,348	-	(394,741)
Total	<u>\$ 8,152,153</u>	<u>\$ 468,527</u>	<u>\$ 8,152,153</u>	<u>\$ 468,527</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:	
Net Internal Balances	\$ 860,251
Internal Service Fund Activity reported in Business-Type Activities	(1,253,281)
Net Internal Balances	<u>\$ (393,030)</u>

Internal and Interfund Transfers:

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2020 were as follows:

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Transfer In	Transfer Out	Amount	Nature of Transfer
General Fund	Storm Water Quality Fund	\$ 41,907	Indirect Cost Allocation
General Fund	Sanitation Fund	763,936	Indirect Cost Allocation
General Fund	Water Fund	748,459	Indirect Cost Allocation
General Fund	Sewer Fund	772,099	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	8,558,800	Debt Service Subsidy
General Fund	Downtown Redevelopment	2,100	Operating Subsidy
General Gov Sales Tax	General Fund	24,549	Capital Outlay Subsidy
General Gov Sales Tax	G.O. Debt Services	23,624	Capital Outlay Subsidy
Street and Alley Fund	Water Fund	21,552	Capital Outlay Subsidy
Technology Fund	Emergency Operations Fund	90,000	Contract Cost Allocation
Police Fund	General Fund	10,656,218	Ordinance Obligation
Police Fund	Police Impound Fee	25,000	Operating Subsidy
Juvenile Fund	Grants Fund	40,000	Operating Subsidy
Fire Fund	Grants Fund	8,536,232	Ordinance Obligation
Fire Fund	2018 Election G.O. Bonds	12,780	Capital Outlay Subsidy
Emergency Management Fund	Grants Fund	20,000	Grant Subsidy
Community Development Block Grant	General Fund	188,987	City Match of CDBG Program
Grants Fund	Police Impound Fee	2,413	Grant Subsidy
Grants Fund	Fire Fund	21,891	Grant Subsidy
Economic Dev Authority	Hospital Authority	1,678,654	Capital Outlay Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	486,546	Capital Outlay Subsidy
L&H Benefit	Economic Development Authority	125,000	Operating Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	5,494,251	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	General Fund	8,558,800	Debt Service Subsidy
		<u>\$ 46,893,798</u>	
		Transfers From	Transfers To Other
		Other Funds	Funds
Reconciliation to Fund Financial Statements:			Net Transfers
Governmental Funds		\$ 32,715,747	\$ (3,271,298)
Proprietary Funds		14,053,051	(10,906,753)
Internal Service Funds		125,000	-
Total		<u>\$ 46,893,798</u>	<u>\$ (46,893,798)</u>
			<u>\$ -</u>
Reconciliation to Statement of Activities:			
Net Transfers			\$ 3,146,298
Capital Contributions to Enterprise Fund			451,912
Transfers - Internal Activity			<u>\$ 3,598,210</u>

6. Long-Term Liabilities and Obligations

The City's long term obligations consist of general obligation bonds, notes payable, revenue bonds payable accrued compensated absences, total OPEB liability and net pension liabilities. For the year ended June 30, 2020, the City's long-term debt balances changed as follows:

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Primary Government:

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 37,900,000	\$ 6,550,000	\$ 325,000	\$ 44,125,000	\$ 1,695,000
General Obligation Bonds premium	495,503	-	19,911	475,592	-
Notes Payable (direct borrowing)	19,929,041	-	19,929,041	-	-
Revenue Bonds Payable	67,455,000	-	1,290,000	66,165,000	1,730,000
Accrued Compensated Absences	5,828,416	3,017,449	3,078,181	5,767,684	1,903,840
Refundable Deposits	46,195	294,901	226,408	114,688	114,688
Total Governmental Activities	<u>\$ 131,654,155</u>	<u>\$ 9,862,350</u>	<u>\$ 24,868,541</u>	<u>116,647,964</u>	<u>5,443,528</u>

Reconciliation to Statement of Net Position:

Plus: Total OPEB Liability	20,667,189	-
Net Pension Liability	26,774,282	-
	<u>\$ 164,089,435</u>	<u>\$ 5,443,528</u>

Business-Type Activities:

Revenue Bonds Payable	\$ 55,900,000	\$ -	\$ 4,365,000	\$ 51,535,000	\$ 4,525,000
Revenue Bonds Premium	2,578,682	-	298,252	2,280,430	-
Notes Payable	-	2,280,047	-	2,280,047	-
Refundable Deposits	1,523,315	486,373	452,132	1,557,556	168,628
Accrued Compensated Absences	<u>1,525,743</u>	<u>1,006,846</u>	<u>889,169</u>	<u>1,643,420</u>	<u>574,457</u>
Total Business-Type Activities	<u>\$ 61,527,740</u>	<u>\$ 3,773,266</u>	<u>\$ 6,004,553</u>	<u>\$ 59,296,453</u>	<u>\$ 5,268,085</u>

Reconciliation to Statement of Net Position:

Plus: Total OPEB Liability	5,533,034	-
	<u>\$ 64,829,487</u>	<u>\$ 5,268,085</u>

Accrued compensated absences liability of the governmental activities is liquidated by the General Fund, Police Fund, the Fire Fund, Juvenile Fund, Grant Fund, Welcome Center Fund, Convention and Visitors Bureau Fund, Technology Fund, Park and Recreation Fund, Downtown Redevelopment Fund, Hospital Authority, and the Emergency Operations Fund. Net pension liability and total OPEB liability are paid from the General Fund, Police Fund and Fire Fund.

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

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General Obligation Bonds:

\$4,500,000 general obligation bonds dated May 1, 2006 for public safety, payable in annual installments of \$275,000 the first year and \$325,000, thereafter, with interest rates of 3.75% to 3.95%, repaid by property tax levies. Final maturity in May 2021.	\$ 325,000
\$20,000,000 general obligation bonds dated April 1, 2019, payable in annual installments of \$795,000 the first year in 2021 and \$835,000, thereafter, with interest rates of 3.00% to 3.50%, repaid by property tax levies. Final maturity April 2044.	20,000,000
\$17,250,000 general obligation bonds dated June 1, 2019, payable in annual installments of \$575,000 the first year in 2021 and \$725,000, thereafter, with interest rates of 3.00%, repaid by property tax levies. Final maturity June 2044.	17,250,000
\$6,550,000 general obligation bonds dated June 1, 2020, payable in annual installments of 225,000 the first year and \$275,000, thereafter, with interest rates of 2.25% to 2.50%, repaid by property tax levies. Final maturity June 2045.	<u>6,550,000</u>

Total general obligation bonds	<u>\$ 44,125,000</u>
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Current	\$ 1,695,000
Non-current	<u>42,430,000</u>
Total	<u>\$ 44,125,000</u>

Revenue Bonds Payable:

\$49,155,000 Economic Development Revenue Bonds due in annual principal installments of \$795,000 to \$4,265,000 through February 1, 2048; interest rate ranges from 2.40% to 4.70%. Secured by mortgage lien on the property.	\$ 47,450,000
\$19,250,000 Tax Apportionment Refunding Bonds due in annual principal installments of \$795,000 to \$1,810,000 starting July 1, 2021 through July 1, 2037; interest rate ranges from 3.45% to 4.75%. Repaid by property tax levies and sales/use tax apportioned.	<u>\$ 18,715,000</u>

Total Revenue Bonds, Net	<u>\$ 66,165,000</u>
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Current	\$ 1,730,000
Non-current	<u>64,435,000</u>
Total	<u>\$ 66,165,000</u>

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

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Revenue Bonds Payable:

\$46,550,000 Series 2011A Capital Improvement Revenue Bonds, due in annual principal installments of \$2,605,000 to \$4,530,000 through June 30, 2025; interest rate from 0.5% to 5.0%.

\$ 20,950,000

\$31,265,000 Series 2019 Capital Improvement Revenue Bonds due in annual principal installments of \$680,000 to \$1,725,000 through April 1, 2048; interest rate ranges from 2.0% to 4.0%.

30,585,000

Total Revenue Bonds	\$ 51,535,000
Unamortized Revenue Bond Premium	2,280,430
Total Revenue Bonds, Net	<u>\$ 53,815,430</u>

Current	\$ 4,525,000
Non-current	49,290,430
Total	<u>\$ 53,815,430</u>

Note Payable:

\$2,280,047 note payable with the Central Oklahoma Master Conservancy District is the City of Midwest City's estimated share of the cost of a new water facility. The project is a joint project with cities of Norman, Del City and Midwest City. The contract provides the City with a share of the District's water supply (40.45). The construction project is anticipated to be completed in FY20-21. Final debt payments schedule is available once the project is complete. The agreement is dated July 9,

\$ 2,280,047

Current	\$ -
Non-current	2,280,047
Total	<u>\$ 2,280,047</u>

Long-term debt service requirements to maturity are as follows:

Governmental-Type Activities					
Year Ending June 30,	Revenue Bonds Payable		G.O. Bonds Payable		
	Principal	Interest	Principal	Interest	
2021	\$ 1,730,000	\$ 2,850,903	\$ 1,695,000	\$ 1,310,523	
2022	1,790,000	2,796,828	1,785,000	1,256,585	
2023	1,850,000	2,737,143	1,835,000	1,204,722	
2024	1,910,000	2,673,598	1,835,000	1,151,735	
2025	1,980,000	2,605,560	1,835,000	1,098,748	
2026-2030	11,100,000	11,823,077	9,175,000	4,698,925	
2031-2035	13,690,000	9,227,615	9,175,000	3,373,193	
2036-2040	11,640,000	6,146,021	9,175,000	2,017,194	
2041-2045	11,040,000	3,794,225	7,615,000	610,174	
2046-2050	9,435,000	968,670	-	-	
	<u>\$ 66,165,000</u>	<u>\$ 45,623,640</u>	<u>\$ 44,125,000</u>	<u>\$ 16,721,799</u>	

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Business-Type Activities		
Year Ending June 30,	Revenue Bonds Payable	
	Principal	Interest
2021	\$ 4,525,000	\$ 1,972,613
2022	4,715,000	1,785,775
2023	4,920,000	1,580,275
2024	5,070,000	1,430,775
2025	5,270,000	1,235,250
2026-2030	4,090,000	4,869,525
2031-2035	4,965,000	3,992,725
2036-2040	5,915,000	3,049,150
2041-2045	7,090,000	1,868,000
2046-2050	4,975,000	403,200
	\$ 51,535,000	\$ 22,187,288

An amortization schedule will not be available on the note payable until construction of the project is complete.

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2019 Revenue Bonds which are payable through 2048. Proceeds from the bond provided financing to current refund the 2011 Revenue Bonds which were originally used for advance refunding the 2003 series bonds and to provide capital funding. The total principal and interest payable for the remainder of the life of the bond is \$50,174,725. Pledged sales taxes transferred in the current year was \$14,053,051. Debt service payments on 2019 Revenue Bonds of \$1,790,349 for the current fiscal year were 12.74% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$19,922,255.

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2011A Revenue Bonds which are payable through 2025. Proceeds from the bond provided financing for construction and improvements to the sewer treatment plant. The total principal and interest payable for the remainder of the life of the bond is \$23,547,563. Pledged sales taxes transferred in the current year was \$14,053,051. Debt service payments on the bonds were \$4,708,513 for the current fiscal year or 33.5% of pledged sales tax. Other sources of revenues such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$19,922,255.

Current Refunding

On April 1, 2012 the City issued \$31,265,000 series 2019 Capital Improvement Refunding Revenue Bonds with interest rates from 2.0 percent to 4.0 percent to current refund \$20,502,048 of outstanding 2011 Series Capital Improvement Refunding Bonds with interest rates from 0.4 percent to 5.0 percent. A portion of the proceeds along with \$531,257 of the 2011 revenue bonds debt service fund were used to current refund the 2011 bonds.

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The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$899,050. This difference, reported in the accompanying financial statements as deferred outflow of resources, is being charged to operations through the year 2034 using the straight line method.

7. Net Position and Fund Balances

The following table shows the governmental activities net position that is restricted:

Fund	Restricted By	Amount
Hospital Authority	Enabling legislation	\$ 109,690,961
Technology Fund	Enabling legislation	224,251
Police Impound Fund	Enabling legislation	104,778
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	746,651
Street Lighting Fund	Enabling legislation	1,891,284
2018 GO Bond Proprietary	Enabling legislation	10,717,679
2018 GO Bond CIP	Enabling legislation	26,768,917
Economic Development Authority	Enabling legislation	4,075,493
		<u>154,223,818</u>
Street and Alley Fund	Statutory requirements	1,670,606
Juvenile Fund	Statutory requirements	28,593
Police Special Projects	Statutory requirements	214,719
Police Lab Fee	Statutory requirements	23,959
		<u>1,937,877</u>
Grant Fund	External contracts	120,916
General Fund	External contracts	2,333,992
Police Fund	External contracts	10,424,107
Fire Fund	External contracts	7,767,164
Park and Recreation Fund	External contracts	704,501
Emergency Operation Fund	External contracts	814,413
Welcome Center	External contracts	362,770
Convention and Visitors Bureau	External contracts	205,605
GO Debt Service Fund	External contracts	1,999,307
2002 GO Street Bond	External contracts	314,872
Downtown Redevelopment	External contracts	1,818,805
Dedicated Tax Fund	External contracts	1,915,665
Capital Improvement Fund	External contracts	2,462,259
General Government Sales Tax Fund	External contracts	4,125,376
Sooner Rose TIF	External contracts	1,657,026
		<u>37,026,778</u>
Total Restricted Net Position		<u>\$ 193,188,473</u>
Restricted (by purpose) for:		
Debt service		\$ 1,999,307
Hospital		109,690,961
Capital improvements		46,639,705
Public Safety		20,173,438
Street operations		1,891,284
Culture and recreation		1,501,679
Economic Development		6,614,991
Other		4,677,108
		<u>\$ 193,188,473</u>

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The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Major Special Revenue Funds			Capital Project Major	Other Governmental Fund	Total
		Police Fund	Fire Fund	Hospital Authority	2018 GO Bond CIP		
Fund Balance:							
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000
Deposits held by others	468,527	-	-	3,521,112	-	49,362	4,039,001
Prepaid expenses	3,114	-	-	-	-	-	3,114
	<u>471,641</u>	<u>-</u>	<u>-</u>	<u>3,521,112</u>	<u>-</u>	<u>109,362</u>	<u>4,102,115</u>
Restricted:							
Public safety	795,705	10,424,107	7,767,164	-	-	1,186,462	20,173,438
Hospital	-	-	-	109,125,327	-	-	109,125,327
General obligation debt service	-	-	-	-	-	1,920,465	1,920,465
Capital improvements	-	-	-	-	26,768,917	15,198,800	41,967,717
Street improvements	-	-	-	-	-	4,447,737	4,447,737
Street operations	-	-	-	-	-	1,891,284	1,891,284
Technology improvements	-	-	-	-	-	224,251	224,251
Culture and rec programs	434,408	-	-	-	-	1,067,271	1,501,679
Economic development	552,147	-	-	-	-	9,912,303	10,464,450
Public works	242,072	-	-	-	-	-	242,072
Health and welfare programs	136,757	-	-	-	-	-	136,757
General government	172,903	-	-	-	-	4,125,376	4,298,279
Sub-total restricted	<u>2,333,992</u>	<u>10,424,107</u>	<u>7,767,164</u>	<u>109,125,327</u>	<u>26,768,917</u>	<u>39,973,949</u>	<u>196,393,456</u>
Committed to:							
Economic development	-	-	-	1,424,055	-	-	1,424,055
Assigned to:							
Culture and rec programs	24,747	-	-	-	-	-	24,747
Health and welfare programs	52,857	-	-	-	-	-	52,857
Capital improvements	-	-	-	-	-	772,677	772,677
Public safety	284,500	-	-	-	-	-	284,500
Economic development	-	-	-	-	-	76,565	76,565
General government	288	-	-	-	-	-	288
Public works	85,344	-	-	-	-	-	85,344
Appropriation for use in FY 20-21 budget	98,143	-	-	-	-	-	98,143
General government - encumbrances	20,731	-	-	-	-	-	20,731
Public safety - encumbrances	1,245	-	-	-	-	-	1,245
Public works - encumbrances	43,663	-	-	-	-	-	43,663
Culture and rec - encumbrances	3,697	-	-	-	-	-	3,697
Economic development - encumbrances	30,093	-	-	-	-	-	30,093
Health and welfare - encumbrances	1,866	-	-	-	-	-	1,866
Sub-total assigned	<u>647,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,242</u>	<u>1,496,416</u>
Unassigned:	3,036,047	-	-	-	-	-	3,036,047
TOTAL FUND BALANCE	<u>\$ 6,488,854</u>	<u>\$ 10,424,107</u>	<u>\$ 7,767,164</u>	<u>\$ 114,070,494</u>	<u>\$ 26,768,917</u>	<u>\$ 40,932,553</u>	<u>\$ 206,452,089</u>

The following is a breakdown of encumbrances at June 30, 2020:

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Fund	Balance
Major Funds:	
General Fund	\$ 229,328
Police Fund	55,958
Fire Fund	137,827
Hospital Authority	72,061
2018 GO Bond CIP	8,311,043
	<u>\$ 8,806,217</u>
Non Major Fund:	
General Govt Sales Tax	\$ 213,972
Street and Alley Fund	73,447
Police Federal Projects	180
Juvenile Fund	305
Police Lab Fund	2,362
Police Impound Fund	7,515
Welcome Center Fund	16
Convention and Visitor Bureau	5,193
Street Tax Fund	149,086
Emergency Operations Fund	12,882
Park and Recreation Fund	65,335
Grant Fund	144,149
Capital Improvement Fund	78,088
Downtown Redevelopment Fund	453,608
Economic Development Authority	125,835
2018 GO Bond CIP Proprietary	588,681
	<u>\$ 1,920,654</u>

Per resolution, the City Council has established a minimum fund balance policy for the General Fund equal to ten percent (10%) of the fund’s budgetary operating expenditures each fiscal year. In addition, a reserve equal to five percent (5%) of the budgetary operating expenditures for each fund has been established for the following funds: Police Fund, Fire Fund, Welcome Center Fund, Convention and Visitors Bureau Fund and the Juvenile Fund. The reserves are to ensure the fiscal solvency of the City as a safeguard and all or a portion of the reserves may be appropriated by the city council as necessary in the event of a natural disaster or other catastrophic circumstances, or in the event of significant accounting errors.

8. Risk Management

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

- General Liability – Covered through self-insurance with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$1,000,000.
- Physical Property – Covered through purchased insurance with deductibles, by coverage as follows:

Wind/hail	\$10,000
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Miscellaneous equipment	500
Mobile equipment	500
Fine arts deductible	1,000
Automobile physical damage	1,000

- Workers' Compensation – Workers' compensation is covered through self-insurance with the a third party administering the claims process. The City carry's stop-loss insurance for individual claims in excess of \$450,000 for all employees with an aggregate stop loss of \$1,000,000.
- Employee's Group Medical –Covered through self-insurance using a third party administrator to process medical claims. The City uses the third party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$150,000 during any year with aggregate stop loss of \$7,803,281.

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

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance funds, changes in the claims liability for the City from June 30, 2018, to June 30, 2020, are as follows:

	<u>Workers Comp</u>	<u>Health Care</u>	<u>Total</u>
Claims liability, June 30, 2018	\$ 2,042,000	\$ 268,403	\$ 2,310,403
Claims and changes in estimates	1,289,936	6,170,306	7,460,242
Claims payments	<u>(1,369,936)</u>	<u>(6,181,475)</u>	<u>(7,551,411)</u>
Claims liability, June 30, 2019	1,962,000	257,234	2,219,234
Claims and changes in estimates	1,346,530	7,222,973	8,569,503
Claims payments	<u>(1,364,530)</u>	<u>(7,095,797)</u>	<u>(8,460,327)</u>
Claims liability, June 30, 2020	<u>\$ 1,944,000</u>	<u>\$ 384,410</u>	<u>\$ 2,328,410</u>

9. Retirement Plan Participation

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

1. Oklahoma Police Pension and Retirement System (OPPRS) - a statewide cost-sharing plan
2. Oklahoma Firefighter’s Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
3. Oklahoma Municipal Retirement Fund (OMRF-DCP) – an agent multiple-employer defined contribution plan

Summary Defined Benefit Plans Balances:

	Governmental Activities
Net Pension Asset	
Police Pension System	\$ 131,036
Net Pension Liability	
Firefighter’s Pension System	\$ 26,774,282
Total Net Pension Liability	\$ 26,774,282
Deferred Outflows of Resources	
Police Pension System	\$ 2,547,577
Firefighter’s Pension System	6,437,381
Total Deferred Outflows of Resources	\$ 8,984,958
Deferred Inflows of Resources	
Police Pension System	\$ 671,833
Firefighter’s Pension System	3,961,411
Total Deferred Inflows of Resources	\$ 4,633,244

Oklahoma Police Pension and Retirement Systems

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

Plan description - The City of Midwest City, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan

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administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS.

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

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined 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 \$906,468. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$838,732 that is reported as both revenue and expenditure in the Police 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 \$811,976. These on-behalf payments do not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 8% and employer contributions will be 13%.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported an asset of \$131,036

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for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2019. 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, 2020. Based upon this information, the City's proportion was 2.053% at June 30, 2019, which was an increase of .010% compared to its proportion at June 2019.

For the year ended June 30, 2020, the City recognized pension expense of \$1,571,413. At June 30, 2020, 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	\$ 78,638	\$ 618,681
Changes of assumptions	334,588	-
Net difference between projected and actual earnings on pension plan investments	1,197,418	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,226	37,053
City Contributions during measurement period	26,239	16,099
City contributions subsequent to the measurement date	906,468	-
Total	\$ 2,547,577	\$ 671,833

The \$906,468 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase to or a reduction of the net pension asset in the year ended June 30, 2021. Other deferred outflows and deferred inflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The net deferred outflows related to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2021	\$ 574,042
	2022	(193,149)
	2023	182,316
	2024	393,178
	2025	12,889
		\$ 969,276

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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Inflation:	2.75%
Salary increases:	3.5% to 12% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Mortality rates:	<p>Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.</p> <p>Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.</p> <p>Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA.</p>
Cost-of-living Adjustment:	Police officers eligible to receive increased benefits according to repealed Section 50-150 of Title 11 of the Oklahoma Statutes pursuant to a court order receive and adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

The actuarial assumptions used in the July 1, 2019, 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, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	60%
Fixed Income	25%
Real Estate and other investments	15%
	<u>100%</u>

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real estate	7.99%
Private equity/debt	10.20%
Commodities	3.50%

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

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability 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)	\$ 5,582,088	\$ (131,036)	\$ (4,961,555)

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

Oklahoma Fire Pension and Retirement Systems

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

Plan description - The City of Midwest City, 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 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.

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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 \$1,007,730. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$3,663,624 that is reported as both a revenue and an expenditure 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 \$2,576,922. These on-behalf payments did not meet the criteria of a special funding situation.

The City's contract with the union provides that member contributions will be 9% and employer contributions will be 14%.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$26,774,282 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2019. Based upon this information, the City's proportion was 2.534%, at June 30, 2020, which was an increase of .028% compared to its proportion at June 30, 2019.

For the year ended June 30, 2020, the City recognized pension expense of \$4,484,407. At June 30, 2020, 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	\$ 4,483,344	\$ 544,599
Changes of assumptions	-	687,816
Net difference between projected and actual earnings on pension plan investments	-	1,938,148
Changes in proportion and differences between City contributions and proportionate share of contributions	809,590	762,089
City contributions during the measurement period	136,717	28,759
City contributions subsequent to the measurement date	1,007,730	-
Total	\$ 6,437,381	\$ 3,961,411

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The \$1,007,730 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, 2021. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The net deferred outflows of resources related to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	1,028,708
2022		(85,245)
2023		404,697
2024		197,174
2025		(77,094)
	<u>\$</u>	<u>1,468,240</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2019, 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, 2019, are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.90%
Domestic equity	47%	7.09%
International equity	15%	9.19%
Real estate	10%	7.99%
Other assets	8%	5.57%

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 34,573,136	\$ 26,774,282	\$ 18,210,390

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.

OMRF Defined Contribution Plan:

The City has provided a defined contribution plan and trust known as the City of Midwest City Plan and Trust (the "Plan") in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan an agent multiple employer defined contribution plan. OMRF operations are supervised by a nine-member Council of Trustees elected by the participating municipalities. The Plan is administered by JPMorgan Chase of Oklahoma City. The defined contribution plan is available to all full-time employees on a voluntary basis who are not participating in a state sponsored plan. According to City Ordinance, the employee and employer are required to contribute amounts equal to 0.0% and 14%, respectively, of the employee's salary each month. The employer's contributions for each employee are 50% vested after five years, with 10% vesting for each subsequent year thereafter. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited are allocated to the remaining fund participants based on percentage of contribution. The authority to

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establish and amend the provisions of the plan rests with the City Council. For the year ended June 30, 2020, the City contributed \$2,294,189 to the plan, while the employee contributions totaled \$14,027.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 525 Central Park Drive, Suite 320, Oklahoma City, Oklahoma, 73105, by calling (405) 606-7880, or at www.okmrf.org.

10. Postemployment Healthcare Plan

Plan Description. The City offers post-employment benefit (OPEB) options Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying 50% of the premium rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue separate financial statements.

Benefits provided - The Plan covers all current retirees of the City who elected postretirement medical coverage through the City Health Plan and future retired employees of the City fully self-insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health, RX, and dental benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City and are at least 55 years old at the time of termination.

The amount of benefit payments during fiscal year June 30, 2020 were \$881,386.

Employees Covered by Benefit Terms

Active Employees	458
Inactive not yet receiving benefits	100
Inactive or beneficiaries receiving benefits	<u>140</u>
Total	<u>698</u>

Total OPEB Liability – The total OPEB liability was determined based on actuarial valuation performed as of June 30, 2019 which is also the measurement date.

Actuarial Assumptions- The total OPEB liability in the June 30, 2019 valuation, was determined using the following actuarial assumptions:

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- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.50% based on the 20 year municipal bond yield (Bond Buyers’ index)
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates

<u>Year</u>	<u>Rate</u>
2020	5.99%
2025	5.86%
2030	5.99%
2035	5.87%
2040	5.33%
2045	5.15%
2050	5.03%
2060	4.87%

Changes in Total OPEB Liability –

	Total OPEB Liability
Balances at Beginning of Year	\$ 22,894,776
Changes for the Year:	
Service cost	861,255
Interest expense	919,357
Differences between expected and actual experience	373,421
Change in assumptions	2,032,800
Benefits paid	(881,386)
Net Changes	3,305,447
Balances End of Year	\$ 26,200,223

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the City recognized OPEB expense of \$1,799,787. At June 30, 2020, 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	\$ 308,023	\$ 94,211
Changes of assumptions	1,676,793	1,089,021
Change in porportion and contributions during the measurement period	1,519,736	1,519,730
City Contributions (benefit payments) subsequent to the measurement date	860,385	-
Total	\$ 4,364,937	\$ 2,702,962

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The \$860,385 reported as deferred outflows of resources related to OPEB resulting from City benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Any other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30:	
2021	\$ 19,174
2022	19,174
2023	118,895
2024	345,145
2025	299,202
	\$ 801,590

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total net OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employers' total OPEB liability	\$ 32,286,409	\$ 26,200,223	\$ 21,608,830

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.09 percent decreasing to 3.876 percent) or 1-percentage-point higher (7.09 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	1% Decrease (5.09 % decreasing to 3.87%)	Current Discount Rate (6.09 % decreasing to 4.87%)	1% Increase (7.09% decreasing to 5.87%)
Employers' total OPEB liability	\$ 21,768,527	\$ 26,200,223	\$ 31,913,110

11. Commitments and Contingencies

Litigation

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

Grant Programs

The City of Midwest City 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. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its sewer utility system. The estimated liability of the legally required closure costs for the sewer utility system cannot be reasonably estimated as of June 30, 2020, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

12. Subsequent Events

On December 3, 2020, the Municipal Authority issued the Series 2020 Capital Improvement Refunding Revenue Note, principal of \$18,455,000. The note has a fixed interest rate of 1.16% and matures March 1, 2025. Proceeds along with debts service funds of \$3,179,730 were used to refund \$20,950,000 of the outstanding Capital Improvement Revenue Bonds, Series 2011A.

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2020

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 1,180,133	\$ (216,449)	\$ 5,811,138	\$ 6,027,587
Resources (Inflows):				
Taxes	23,991,464	24,459,464	24,502,414	42,950
Charges for services	792,560	705,807	673,974	(31,833)
Fines and forfeitures	1,371,969	1,371,970	1,075,276	(296,694)
Licenses and permits	463,620	463,620	569,507	105,887
Investment income	179,771	179,771	165,678	(14,093)
Intergovernmental	468,360	871,740	880,888	9,148
Miscellaneous	364,909	476,774	498,639	21,865
Total Resources (Inflows)	<u>27,632,653</u>	<u>28,529,146</u>	<u>28,366,376</u>	<u>(162,770)</u>
Amounts available for appropriation	<u>28,812,786</u>	<u>28,312,697</u>	<u>34,177,514</u>	<u>5,864,817</u>
Charges to Appropriations (Outflows):				
CITY CLERK	102,173	102,420	100,029	2,391
HUMAN RESOURCES	414,900	430,900	346,970	83,930
CITY ATTORNEY	57,035	59,638	56,524	3,114
COMMUNITY DEVELOPMENT	2,148,804	2,501,821	2,017,750	484,071
PARK & REC	631,859	657,221	469,668	187,553
FINANCE	717,767	766,695	699,111	67,584
STREETS	3,227,546	3,498,022	2,622,779	875,243
ANIMAL WELFARE	487,773	592,241	352,479	239,762
MUNICIPAL COURT	541,307	542,483	473,373	69,110
GENERAL GOVT	21,500	193,007	44,608	148,399
NEIGHBORHOOD SVCS	1,592,230	1,632,283	1,502,659	129,624
INFORMATION TECHNOLOGY	694,684	715,322	653,271	62,051
EMERGENCY RESPONSE	1,083,582	1,101,306	1,066,551	34,755
SWIMMING POOLS	302,108	308,966	285,501	23,465
COMMUNICATIONS	199,365	299,804	215,490	84,314
SENIOR CENTER	222,392	222,392	161,795	60,597
Total Charges to Appropriations	<u>12,445,025</u>	<u>13,624,521</u>	<u>11,068,558</u>	<u>2,555,963</u>
Other financing sources (uses)				
Transfers from other funds	10,779,441	11,029,315	10,897,332	(131,983)
Transfers to other funds	(26,259,387)	(27,092,236)	(26,669,970)	422,266
Total other financing sources (uses)	<u>(15,479,946)</u>	<u>(16,062,921)</u>	<u>(15,772,638)</u>	<u>290,283</u>
Ending Budgetary Fund Balance	<u>\$ 887,815</u>	<u>\$ (1,374,745)</u>	<u>\$ 7,336,318</u>	<u>\$ 8,711,063</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

	POLICE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,203,803	\$ 709,495	\$ 4,481,332	\$ 3,771,837
Resources (Inflows):				
Taxes	5,877,981	5,877,981	6,049,861	171,880
Intergovernmental	8,202	8,202	8,761	559
Charges for services	181,425	181,425	144,313	(37,112)
License and permits	-	2,178	2,300	122
Investment income	82,252	82,252	98,143	15,891
Fines and forfeitures	67,342	67,342	87,960	20,618
Miscellaneous	2,178	23,913	60,861	36,948
Total Resources (Inflows)	<u>6,219,380</u>	<u>6,243,293</u>	<u>6,452,199</u>	<u>208,906</u>
Amounts available for appropriation	<u>7,423,183</u>	<u>6,952,788</u>	<u>10,933,531</u>	<u>3,980,743</u>
Charges to Appropriations (Outflows):				
Public Safety	15,147,465	15,626,518	14,617,728	1,008,790
Total Charges to Appropriations	<u>15,147,465</u>	<u>15,626,518</u>	<u>14,617,728</u>	<u>1,008,790</u>
Other financing sources (uses)				
Transfers from other funds	9,792,831	9,792,831	9,896,349	103,518
Transfers to other funds	(700,000)	(700,000)	(700,000)	-
Total other financing sources (uses)	<u>9,092,831</u>	<u>9,092,831</u>	<u>9,196,349</u>	<u>103,518</u>
Ending Budgetary Fund Balance	<u>\$ 1,368,549</u>	<u>\$ 419,101</u>	<u>\$ 5,512,152</u>	<u>\$ 5,093,051</u>

	FIRE FUND			
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ (5,759,128)	\$ 270,473	\$ 3,431,003	\$ 3,160,530
Resources (Inflows):				
Taxes	4,631,143	4,631,143	4,765,630	134,487
Charges for services	21,279	21,279	16,315	(4,964)
Investment income	72,559	72,559	77,106	4,547
Licenses and permits	9,107	9,107	9,875	768
Miscellaneous	9,720	67,682	77,145	9,463
Total Resources (Inflows)	<u>4,743,808</u>	<u>4,801,770</u>	<u>4,946,071</u>	<u>144,301</u>
Amounts available for appropriation	<u>(1,015,320)</u>	<u>5,072,243</u>	<u>8,377,074</u>	<u>3,304,831</u>
Charges to Appropriations (Outflows):				
Public Safety	11,884,229	12,424,683	11,308,986	1,115,697
Total Charges to Appropriations	<u>11,884,229</u>	<u>12,424,683</u>	<u>11,308,986</u>	<u>1,115,697</u>
Other financing sources (uses)				
Transfers from other funds	7,817,940	7,817,940	7,914,417	96,477
Transfers to other funds	(250,000)	(250,000)	(271,891)	(21,891)
Total other financing sources (uses)	<u>7,567,940</u>	<u>7,567,940</u>	<u>7,642,526</u>	<u>74,586</u>
Ending Budgetary Fund Balance	<u>\$ (5,331,609)</u>	<u>\$ 215,500</u>	<u>\$ 4,710,614</u>	<u>\$ 4,495,114</u>

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Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unreserved budgetary fund balance. This presentation of unreserved fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories 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 Hospital Authority does not present a budget to actual comparison because it is a Title 60 Public Trust. Title 60 Trust are only required to prepare a budget and submit to the beneficiary, but there are no requirements related to form, content or monitoring, and it is not considered a legal annual budget.
4. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedules below:

GENERAL FUND	Fund Balance	Net Change in	Fund Balance
	June 30, 2019	Fund Balance	June 30, 2020
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 6,244,287	\$ 244,567	\$ 6,488,854
Increases (Decreases):			
Revenues:			
Receivable	(5,375,769)	(556,645)	(5,932,414)
Change in fair value of investments	927	(6,013)	(5,086)
Other misc items	688,064	435,442	1,123,506
Expenditures:			
Payables	6,914,163	1,719,838	8,634,001
Encumbrances	(142,651)	41,356	(101,295)
Impact of combining accounts:			
Reimbursed Projects Account	(887,585)	(372,440)	(1,260,025)
Employee Activity Account	(20,232)	(35)	(20,267)
Activity Account	(350,655)	1,816	(348,839)
Animals Best Friend Account	(80,941)	(7,045)	(87,986)
29th and Douglas Account	(283)	(5)	(288)
Disaster Relief Account	(1,178,187)	124,374	(1,053,813)
Fund Balance - Budgetary Basis	\$ 5,811,138	\$ 1,625,210	\$ 7,436,348

**CITY OF MIDWEST CITY, OKLAHOMA
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POLICE FUND	<u>Fund Balance June 30, 2019</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2020</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ -	\$ -	\$ -
Increases (Decreases):			
Revenues:			
Receivable	(3,725,505)	(890,427)	(4,615,932)
Change in fair value of investments	769	(5,352)	(4,583)
Other misc items	(318,516)	(737,951)	(1,056,467)
Expenditures:			
Payables	731,821	33,206	765,027
Fund Balance - Budgetary Basis	<u>\$ (3,311,431)</u>	<u>\$ (1,600,524)</u>	<u>\$ (4,911,955)</u>
FIRE FUND	<u>Fund Balance June 30, 2019</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2020</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ -	\$ -	\$ -
Increases (Decreases):			
Revenues:			
Receivable	(2,862,929)	(728,998)	(3,591,927)
Change in fair value of investments	502	(3,603)	(3,101)
Other misc items	(323,140)	(176,555)	(499,695)
Expenditures:			
Payables	1,185,891	(147,718)	1,038,173
Fund Balance - Budgetary Basis	<u>\$ (1,999,676)</u>	<u>\$ (1,056,874)</u>	<u>\$ (3,056,550)</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Required Supplementary Information – Pensions

Schedules of Required Supplementary Information

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

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
City's proportion of the net pension liability (asset)	2.2929%	2.3249%	2.2789%	2.0280%	2.0430%	2.0530%
City's proportionate share of the net pension liability (asset)	\$ (772,001)	\$ 94,795	\$ 3,490,072	\$ 155,991	\$ (973,201)	\$ (131,036)
City's covered payroll	\$ 6,171,257	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	12.51%	1.44%	51.93%	2.58%	15.62%	1.96%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%

Notes to Schedule:

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contribution	\$ 854,309	\$ 873,711	\$ 786,165	\$ 813,621	\$ 868,833	\$ 868,833
Contributions in relation to the statutorily required contribution	<u>1,021,780</u>	<u>873,705</u>	<u>786,167</u>	<u>813,621</u>	<u>869,006</u>	<u>906,468</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (173)</u>	<u>\$ (37,635)</u>
City's covered payroll	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330	\$ 6,971,293
Contributions as a percentage of covered payroll	15.55%	13.00%	13.00%	13.06%	13.00%	13.00%

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

Notes to Schedule:

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

The City's contract with the union provides that member contributions will be 3% and employer contributions will be 18% for years 2015-2018

There were no changes in the trends that affected the amounts reported in the schedules.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
City's proportion of the net pension liability	2.392%	2.613%	2.627%	2.554%	2.506%	2.534%
City's proportionate share of the net pension liability	\$ 24,598,661	\$ 27,733,504	\$ 32,089,584	\$ 32,124,179	\$ 28,208,718	\$ 26,774,282
City's covered payroll	\$ 6,734,825	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624
City's proportionate share of the net pension liability as a percentage of its covered payroll	365%	388%	464%	443%	378%	342%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.58%

Notes to Schedule:

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Statutorily required contribution	\$ 1,001,267	\$ 969,220	\$ 1,016,333	\$ 1,164,029	\$ 1,096,847	\$ 1,152,988
Contributions in relation to the statutorily required contribution	<u>1,064,424</u>	<u>969,270</u>	<u>1,016,378</u>	<u>1,164,029</u>	<u>1,096,998</u>	<u>1,007,730</u>
Contribution deficiency (excess)	<u>\$ (63,157)</u>	<u>\$ (50)</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ (151)</u>	<u>\$ 145,258</u>
City's covered payroll	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629
Contributions as a percentage of covered payroll	14.88%	14.00%	14.00%	15.61%	14.00%	12.24%

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

Notes to Schedule:

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

The City's contract with the union provides that member contributions will be 5% and employer contributions will be 18% for years 2015-2018

There were no changes in the trends that affected the amounts reported in the schedules.

CITY OF MIDWEST CITY, OKLAHOMA
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Required Supplementary Information – Other Post Employment Benefit (OPEB)

Schedule of Changes in Total OPEB Liability and Related Ratios

Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 948,825	\$ 929,222	\$ 861,255
Interest	671,955	390,053	919,357
Differences between expected and actual experience	-	(145,135)	373,421
Changes in assumptions	(2,572,581)	(475,835)	2,032,800
Experience Gain/(Loss)	(862,742)	(869,660)	(881,386)
Net increase (decrease) in total OPEB liability	<u>(1,814,543)</u>	<u>(171,355)</u>	<u>3,305,447</u>
Balances at Beginning of Year	<u>24,880,674</u>	<u>23,066,131</u>	<u>22,894,776</u>
Balances End of Year	<u>\$ 23,066,131</u>	<u>\$ 22,894,776</u>	<u>\$ 26,200,223</u>
Covered payroll	\$ 27,950,000	\$ 28,460,000	\$ 28,560,000
Total OPEB liability as a percentage of covered payroll	82.53%	80.45%	91.74%

Notes to Schedule:

Only the three fiscal years are presented because 10-year data is not yet available

OTHER SUPPLEMENTARY INFORMATION

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

Combining Balance Sheet – General Fund Accounts – June 30, 2020

	General Fund Accounts							Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Disaster Relief Account	
ASSETS								
Cash and cash equivalents	\$ 4,020,484	\$ 787,907	\$ 20,356	\$ 225,129	\$ 89,075	\$ 288	\$ 661,045	\$ 5,804,284
Investments	2,398,739	434,883	-	124,259	-	-	364,862	3,322,743
Accounts receivable	1,590,385	38,639	-	-	25,093	-	234,715	1,888,832
Accrued interest receivable	9,306	-	-	-	-	-	-	9,306
Other receivable	14,511	-	-	2,630	-	-	-	17,141
Due from other governments	3,521,415	-	-	-	-	-	438	3,521,853
Due from other funds	325,156	-	-	-	-	-	-	325,156
Prepaid items	3,114	-	-	-	-	-	-	3,114
Advance from other funds	468,527	-	-	-	-	-	-	468,527
Total assets	<u>\$ 12,351,637</u>	<u>\$ 1,261,429</u>	<u>\$ 20,356</u>	<u>\$ 352,018</u>	<u>\$ 114,168</u>	<u>\$ 288</u>	<u>\$ 1,261,060</u>	<u>\$ 15,360,956</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 114,414	\$ 1,404	\$ 89	\$ 2,320	\$ 2,493	\$ -	\$ 7,215	\$ 127,935
Wages payable	513,303	-	-	859	-	-	9,029	523,191
Due to other governments	10,467	-	-	-	-	-	-	10,467
Refundable deposits	114,688	-	-	-	-	-	-	114,688
Due to other funds	6,438,709	-	-	-	-	-	-	6,438,709
Total liabilities	<u>7,191,581</u>	<u>1,404</u>	<u>89</u>	<u>3,179</u>	<u>2,493</u>	<u>-</u>	<u>16,244</u>	<u>7,214,990</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	1,442,420	-	-	-	23,689	-	191,003	1,657,112
Fund balances:								
Nonspendable	471,641	-	-	-	-	-	-	471,641
Restricted	10,510	1,170,201	-	348,839	35,129	-	769,313	2,333,992
Assigned	199,438	89,824	20,267	-	52,857	288	284,500	647,174
Unassigned	3,036,047	-	-	-	-	-	-	3,036,047
Total fund balances	<u>3,717,636</u>	<u>1,260,025</u>	<u>20,267</u>	<u>348,839</u>	<u>87,986</u>	<u>288</u>	<u>1,053,813</u>	<u>6,488,854</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,351,637</u>	<u>\$ 1,261,429</u>	<u>\$ 20,356</u>	<u>\$ 352,018</u>	<u>\$ 114,168</u>	<u>\$ 288</u>	<u>\$ 1,261,060</u>	<u>\$ 15,360,956</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2020**

General Fund Accounts								
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Disaster Relief Account	Totals
REVENUES								
Taxes	\$ 24,945,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,945,429
Intergovernmental	517,573	153,653	-	-	-	-	-	671,226
Charges for services	2,178,710	98,879	-	49,632	-	-	61,290	2,388,511
Investment income	169,876	16,450	333	5,845	1,435	5	18,093	212,037
Fines & forfeitures	987,817	-	-	-	16,304	-	-	1,004,121
Licenses & permits	565,106	4,400	-	-	-	-	-	569,506
Miscellaneous	242,755	283,727	2,331	87,124	3,359	-	121,218	740,514
Total revenues	29,607,266	557,109	2,664	142,601	21,098	5	200,601	30,531,344
EXPENDITURES								
Current:								
General government	4,627,247	85,354	11,629	-	-	-	306,015	5,030,245
Public Safety	1,074,367	-	-	-	-	-	-	1,074,367
Streets	2,536,504	-	-	-	-	-	-	2,536,504
Culture and recreation	775,023	-	-	137,417	-	-	-	912,440
Health & welfare	336,467	-	-	-	14,053	-	-	350,520
Economic development	3,139,941	42,642	-	-	-	-	-	3,182,583
Capital outlay	-	56,673	-	7,000	-	-	18,960	82,633
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	12,489,549	184,669	11,629	144,417	14,053	-	324,975	13,169,292
Revenues over (under) expenditures	17,117,717	372,440	(8,965)	(1,816)	7,045	5	(124,374)	17,362,052
OTHER FINANCING SOURCES (USES)								
Transfers in	10,887,301	-	-	-	-	-	-	10,887,301
Transfers out	(28,004,786)	-	-	-	-	-	-	(28,004,786)
Transfers in - interaccount	-	-	9,000	-	-	-	-	9,000
Transfers out - interaccount	(9,000)	-	-	-	-	-	-	(9,000)
Total other financing sources (uses)	(17,126,485)	-	9,000	-	-	-	-	(17,117,485)
Net change in fund balances	(8,768)	372,440	35	(1,816)	7,045	5	(124,374)	244,567
Fund balances - beginning of year	3,726,404	887,585	20,232	350,655	80,941	283	1,178,187	6,244,287
Fund balances - end of year	\$ 3,717,636	\$ 1,260,025	\$ 20,267	\$ 348,839	\$ 87,986	\$ 288	\$ 1,053,813	\$ 6,488,854

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2020

	<u>Special Revenue Funds</u>											
	<u>Grant Fund</u>	<u>Juvenile Fund</u>	<u>Park & Recreation Fund</u>	<u>Emergency Operations Fund</u>	<u>Technology Fund</u>	<u>Welcome Center Fund</u>	<u>Police Impound Fund</u>	<u>Street & Alley Fund</u>	<u>Police Special Projects Fund</u>	<u>Police Lab Fee Fund</u>	<u>Convention/Visitors Bureau Fund</u>	<u>Sooner Rose TIF</u>
ASSETS												
Cash and cash equivalents	\$ 144,245	\$ 27,943	\$ 366,300	\$ 492,694	\$ 201,307	\$ 182,488	\$ 109,036	\$ 1,034,357	\$ 214,719	\$ 23,424	\$ 184,975	\$ 1,355,177
Investments	-	-	202,178	271,941	-	100,724	-	585,892	-	-	-	299,051
Accrued interest receivable	-	-	-	-	-	-	-	2,273	-	-	-	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	50,089	72,648	800	559	303,513	-	-	-	-	12,128	-	2,798
Due from other governments	490,434	-	74,530	65,308	-	15,398	-	48,084	-	-	28,744	-
Due from other funds	1,222	780	70,379	3,022	-	70,729	-	-	-	-	148	-
Inventory	60,000	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>745,990</u>	<u>101,371</u>	<u>714,187</u>	<u>833,524</u>	<u>504,820</u>	<u>369,339</u>	<u>109,036</u>	<u>1,670,606</u>	<u>214,719</u>	<u>35,552</u>	<u>213,867</u>	<u>1,657,026</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES												
Liabilities:												
Accounts payable and accrued liabilities	130,121	-	5,217	1,500	-	770	4,258	-	-	59	1,803	-
Wages payable	26,864	4,233	4,319	17,611	4,888	5,799	-	-	-	-	6,459	-
Due to other funds	325,156	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>482,141</u>	<u>4,233</u>	<u>9,536</u>	<u>19,111</u>	<u>4,888</u>	<u>6,569</u>	<u>4,258</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>8,262</u>	<u>-</u>
Deferred inflows:												
Unavailable revenue	38,871	68,545	150	-	275,681	-	-	-	-	11,534	-	-
Fund balances:												
Nonspendable	104,062	-	-	-	-	-	-	-	-	-	-	-
Restricted	120,916	28,593	704,501	814,413	224,251	362,770	104,778	1,670,606	214,719	23,959	205,605	1,657,026
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>224,978</u>	<u>28,593</u>	<u>704,501</u>	<u>814,413</u>	<u>224,251</u>	<u>362,770</u>	<u>104,778</u>	<u>1,670,606</u>	<u>214,719</u>	<u>23,959</u>	<u>205,605</u>	<u>1,657,026</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 745,990</u>	<u>\$ 101,371</u>	<u>\$ 714,187</u>	<u>\$ 833,524</u>	<u>\$ 504,820</u>	<u>\$ 369,339</u>	<u>\$ 109,036</u>	<u>\$ 1,670,606</u>	<u>\$ 214,719</u>	<u>\$ 35,552</u>	<u>\$ 213,867</u>	<u>\$ 1,657,026</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2020

	Special Revenue Funds				Capital Project Funds				Debt Service Fund		Totals		
	Urban Renewal Authority	Economic Development Authority	General Government Sales Tax Fund	Street Light Fee	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	2018 GO Bond Proprietary	Sales Tax Capital Improvement Fund	Capital Improvement Fund		Capital Outlay Reserve Fund	G.O. Debt Service Fund
ASSETS													
Cash and cash equivalents	\$ 81,862	\$ 6,668,163	\$ 2,364,461	\$ 1,185,666	\$ 1,517,114	\$ 202,888	\$ 1,178,733	\$ 6,842,460	\$ -	\$ 1,612,772	\$ 565,942	\$ 1,202,149	\$ 27,758,875
Investments	-	1,046,777	1,339,304	671,598	859,340	111,984	667,671	3,875,782	-	913,524	312,370	680,935	11,939,071
Accrued interest receivable	-	4,061	5,196	2,606	3,334	-	2,590	15,037	-	3,544	-	2,642	41,283
Deposits held by others	-	-	-	-	500	300	-	-	-	4,500	-	-	5,300
Other receivable	-	250,779	-	81,142	-	-	-	-	-	-	-	-	774,456
Due from other governments	-	-	354,770	-	-	-	66,671	-	849,182	28,315	-	3,640,197	5,661,633
Due from other funds	-	-	100,832	-	-	-	-	-	-	50,688	-	-	297,800
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	60,000
Total assets	<u>81,862</u>	<u>7,969,780</u>	<u>4,164,563</u>	<u>1,941,012</u>	<u>2,380,288</u>	<u>315,172</u>	<u>1,915,665</u>	<u>10,733,279</u>	<u>849,182</u>	<u>2,613,343</u>	<u>878,312</u>	<u>5,525,923</u>	<u>46,538,418</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	1,493	43,238	10,243	48,665	13,502	-	-	15,600	-	53,049	-	-	329,518
Wages payable	-	-	28,944	1,063	-	-	-	-	-	-	-	-	100,180
Due to other funds	-	-	-	-	-	-	-	-	849,182	-	-	-	1,174,338
Total liabilities	<u>1,493</u>	<u>43,238</u>	<u>39,187</u>	<u>49,728</u>	<u>13,502</u>	<u>-</u>	<u>-</u>	<u>15,600</u>	<u>849,182</u>	<u>53,049</u>	<u>-</u>	<u>-</u>	<u>1,604,036</u>
Deferred inflows:													
Unavailable revenue	-	1,590	-	-	-	-	-	-	-	-	-	3,605,458	4,001,829
Fund balances:													
Nonspendable	-	-	-	-	500	300	-	-	-	4,500	-	-	109,362
Restricted	3,804	7,924,952	4,125,376	1,891,284	1,818,805	314,872	1,915,665	10,717,679	-	2,462,259	746,651	1,920,465	39,973,949
Assigned	76,565	-	-	547,481	-	-	-	-	-	93,535	131,661	-	849,242
Total fund balances	<u>80,369</u>	<u>7,924,952</u>	<u>4,125,376</u>	<u>1,891,284</u>	<u>2,366,786</u>	<u>315,172</u>	<u>1,915,665</u>	<u>10,717,679</u>	<u>-</u>	<u>2,560,294</u>	<u>878,312</u>	<u>1,920,465</u>	<u>40,932,553</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 81,862</u>	<u>\$ 7,969,780</u>	<u>\$ 4,164,563</u>	<u>\$ 1,941,012</u>	<u>\$ 2,380,288</u>	<u>\$ 315,172</u>	<u>\$ 1,915,665</u>	<u>\$ 10,733,279</u>	<u>\$ 849,182</u>	<u>\$ 2,613,343</u>	<u>\$ 878,312</u>	<u>\$ 5,525,923</u>	<u>\$ 46,538,418</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2020

	Special Revenue Funds											
	Grant Fund	Juvenile Fund	Park & Recreation Fund	Emergency Operations Fund	Technology Fund	Welcome Center Fund	Police Impound Fund	Street & Alley Fund	Police Special Projects Fund	Police Lab Fee Fund	Convention/Visitors Bureau Fund	Sooner Rose TIF
REVENUES												
Taxes	\$ -	\$ -	\$ 547,954	\$ 521,226	\$ -	\$ 160,655	\$ -	\$ -	\$ -	\$ -	\$ 299,888	\$ 582,129
Intergovernmental	1,272,519	-	-	-	-	-	-	506,178	-	-	-	-
Charges for services	-	-	300	4,542	242,687	-	43,800	-	-	-	-	-
Investment income	10	276	11,254	12,608	2,896	6,191	2,242	31,383	3,220	390	3,639	60,754
Fines & forfeitures	-	43,213	-	-	8,231	-	-	-	1,256	8,731	-	-
Licenses & permits	-	-	-	-	23,400	-	-	-	-	-	-	-
Miscellaneous	17,468	-	6,257	1,725	-	37,552	-	1,424	32,440	-	7,050	5,654
Total revenues	1,289,997	43,489	565,765	540,101	277,214	204,398	46,042	538,985	36,916	9,121	310,577	648,537
EXPENDITURES												
Current:												
General government	-	-	-	-	321,623	-	-	-	-	-	-	-
Public safety	162,726	85,012	-	407,922	-	-	69,957	-	29,677	7,980	-	-
Streets	-	-	-	-	-	-	-	51,733	-	-	-	-
Culture and recreation	-	-	303,505	-	-	189,062	-	-	-	-	-	-
Economic development	765,029	-	-	-	-	-	-	-	-	-	336,681	4,758,376
Capital outlay	554,369	1,493	220,823	1,987	-	817	-	141,936	5,000	-	-	-
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	380,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	839,918
Total expenditures	1,482,124	86,505	524,328	409,909	321,623	189,879	69,957	193,669	34,677	7,980	336,681	5,978,294
Revenues over (under) expenditures	(192,127)	(43,016)	41,437	130,192	(44,409)	14,519	(23,915)	345,316	2,239	1,141	(26,104)	(5,329,757)
OTHER FINANCING SOURCES (USES)												
Transfers in	213,291	40,000	-	20,000	90,000	-	-	21,552	-	-	-	-
Transfers out	(20,000)	-	-	(90,000)	-	-	(27,413)	-	-	-	-	-
Total other financing sources (uses)	193,291	40,000	-	(70,000)	90,000	-	(27,413)	21,552	-	-	-	-
Net change in fund balances	1,164	(3,016)	41,437	60,192	45,591	14,519	(51,328)	366,868	2,239	1,141	(26,104)	(5,329,757)
Fund balances - beginning of year	223,814	31,609	663,064	754,221	178,660	348,251	156,106	1,303,738	212,480	22,818	231,709	6,986,783
Fund balances - end of year	\$ 224,978	\$ 28,593	\$ 704,501	\$ 814,413	\$ 224,251	\$ 362,770	\$ 104,778	\$ 1,670,606	\$ 214,719	\$ 23,959	\$ 205,605	\$ 1,657,026

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2020

	Special Revenue Funds					Capital Project Funds					Debt Service Fund		Totals
	Urban Renewal Authority	Economic Development Authority	General Government Sales Tax Fund	Street Light Fee	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	2018 GO Bond Proprietary	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	G.O. Debt Service Fund	
REVENUES													
Taxes	\$ -	\$ -	\$ 2,498,473	\$ -	\$ -	\$ -	\$ 468,252	\$ -	\$ 5,976,795	\$ 186,161	\$ -	\$ 2,779,749	\$ 14,021,282
Intergovernmental	-	-	-	-	-	-	-	-	-	10,794	-	-	1,789,491
Charges for services	-	4,667,092	-	579,271	-	-	-	-	-	-	-	-	5,537,692
Investment income	806	53,544	80,829	42,842	54,605	6,710	39,385	250,958	4,002	57,005	15,048	31,797	772,394
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	61,431
Licenses & permits	-	-	-	-	-	-	-	-	-	76,673	-	-	100,073
Miscellaneous	50,500	1,090	58,545	4,200	-	-	11,500	-	-	-	-	3,250	238,655
Total revenues	51,306	4,721,726	2,637,847	626,313	54,605	6,710	519,137	250,958	5,980,797	330,633	15,048	2,814,796	22,521,018
EXPENDITURES													
Current:													
General government	-	-	1,666,751	-	-	-	-	-	-	-	-	-	1,988,374
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	763,274
Streets	-	-	-	418,490	-	-	33,899	-	-	33,382	-	-	537,504
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	492,567
Economic development	1,493	671,251	-	-	11,365	-	-	-	-	-	-	-	6,544,195
Capital outlay	3,115	1,674,236	391,543	-	8,457	135,856	142,783	282,014	-	493,308	34,256	-	4,091,993
Debt service:													
Principal retirement	-	910,000	-	-	-	-	-	-	-	-	-	325,000	1,615,000
Interest and fiscal charges	-	2,059,838	-	-	-	-	-	-	-	-	-	1,137,260	4,037,016
Total expenditures	4,608	5,315,325	2,058,294	418,490	19,822	135,856	176,682	282,014	-	526,690	34,256	1,462,260	20,069,923
Revenues over (under) expenditures	46,698	(593,599)	579,553	207,823	34,783	(129,146)	342,455	(31,056)	5,980,797	(196,057)	(19,208)	1,352,536	2,451,095
OTHER FINANCING SOURCES (USES)													
Transfers in	-	1,678,654	48,173	-	-	-	-	-	-	486,546	-	-	2,598,216
Transfers out	-	(125,000)	-	-	(2,100)	-	-	-	(5,980,797)	-	-	(23,624)	(6,268,934)
Total other financing sources (uses)	-	1,553,654	48,173	-	(2,100)	-	-	-	(5,980,797)	486,546	-	(23,624)	(3,670,718)
Net change in fund balances	46,698	960,055	627,726	207,823	32,683	(129,146)	342,455	(31,056)	-	290,489	(19,208)	1,328,912	(1,219,623)
Fund balances - beginning of year	33,671	6,964,897	3,497,650	1,683,461	2,334,103	444,318	1,573,210	10,748,735	-	2,269,805	897,520	591,553	42,152,176
Fund balances - end of year	\$ 80,369	\$ 7,924,952	\$ 4,125,376	\$ 1,891,284	\$ 2,366,786	\$ 315,172	\$ 1,915,665	\$ 10,717,679	\$ -	\$ 2,560,294	\$ 878,312	\$ 1,920,465	\$ 40,932,553

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2020

Midwest City Municipal Authority											
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	Utility Services Account	Utilities Capital Account	Customer Deposit Account	Golf Courses Account	Total
ASSETS											
Current assets:											
Cash and cash equivalents	\$ 3,792,444	\$ 4,302,316	\$ 1,753,502	\$ 788,148	\$ 384,135	\$ -	\$ 275,695	\$ 1,941,073	\$ -	\$ 197,169	\$ 13,434,882
Cash and cash equivalents, restricted	-	-	-	-	-	12,879,819	-	-	985,652	-	13,865,471
Investments	2,134,872	2,310,500	993,238	197,017	212,022	-	152,169	1,099,484	-	107,654	7,206,956
Accounts receivable, net	1,293,455	1,164,498	1,019,396	66,538	64,400	-	65,440	-	30	-	3,673,757
Other receivable	-	-	-	82,903	-	-	-	80,465	-	4,766	168,134
Accrued interest receivable	6,319	6,173	3,853	-	-	-	-	4,266	2,166	-	22,777
Prepaid items	-	-	-	6,454	-	-	-	-	-	-	6,454
Inventory	175,581	96,462	-	-	-	-	-	-	-	3,040	275,083
Due from other funds - interaccount	-	15,233	-	-	-	-	-	-	3,803	-	19,036
Due from other funds	17,948	28,044	140,848	13,161	-	798,494	-	-	-	2,514	1,001,009
Total current assets	7,420,619	7,923,226	3,910,837	1,154,221	660,557	13,678,313	493,304	3,125,288	991,651	315,143	39,673,159
Non-current assets:											
Investments, restricted	-	-	-	-	-	-	-	-	558,304	-	558,304
Due from other funds - interaccount	822,169	-	-	-	-	-	-	-	-	-	822,169
Land, construction in progress, and water rights	8,165,433	932,121	700,000	1,224,414	1,250	-	-	262,000	-	232,057	11,517,275
Other capital assets, net	18,332,002	71,327,907	4,206,271	19,408,732	13,165,779	-	30,967	5,521,118	-	1,276,578	133,269,354
Total non-current assets	27,319,604	72,260,028	4,906,271	20,633,146	13,167,029	-	30,967	5,783,118	558,304	1,508,635	146,167,102
Total assets	34,740,223	80,183,254	8,817,108	21,787,367	13,827,586	13,678,313	524,271	8,908,406	1,549,955	1,823,778	185,840,261
DEFERRED OUTFLOWS OF RESOURCES											
Deferred amount on refunding	-	-	-	-	-	821,097	-	-	-	-	821,097
Deferred amount related to OPEB	253,625	197,854	161,910	-	14,266	-	126,458	-	-	29,025	783,138
Total deferred inflows	253,625	197,854	161,910	-	14,266	821,097	126,458	-	-	29,025	1,604,235
LIABILITIES											
Current liabilities:											
Accounts payable and accrued liabilities	272,289	248,185	176,303	469,699	22	-	13,404	344,245	-	10,038	1,534,185
Wages payable	125,723	166,348	58,040	36,406	11,287	-	44,337	-	-	38,446	480,587
Due to other funds - interaccount	3,803	-	-	-	-	15,233	-	-	-	-	19,036
Due to other funds	-	-	-	-	-	-	-	-	-	140,758	140,758
Accrued interest payable	-	-	-	-	-	565,102	-	-	-	-	565,102
Accrued compensated absences	150,997	164,931	40,299	46,158	15,388	-	49,064	-	-	38,917	505,754
Refundable deposits	-	-	-	14,303	-	-	-	-	154,325	-	168,628
Revenue bonds payable	-	-	-	-	-	4,525,000	-	-	-	-	4,525,000
Total current liabilities	552,812	579,464	274,642	566,566	26,697	5,105,335	106,805	344,245	154,325	228,159	7,939,050
Non-current liabilities:											
Accrued compensated absences	301,994	329,861	80,597	12,367	30,776	-	98,128	-	-	77,833	931,556
Total OPEB liability	1,595,094	1,589,109	961,672	-	117,538	-	643,252	-	-	213,705	5,120,370
Due to other funds - interaccount	-	-	-	-	-	-	-	822,169	-	-	822,169
Refundable deposits	-	-	-	-	-	-	-	-	1,388,928	-	1,388,928
Notes payable	2,280,047	-	-	-	-	-	-	-	-	-	2,280,047
Revenue bonds payable, net	-	-	-	-	-	49,290,430	-	-	-	-	49,290,430
Total non-current liabilities	4,177,135	1,918,970	1,042,269	12,367	148,314	49,290,430	741,380	822,169	1,388,928	291,538	59,833,500
Total liabilities	4,729,947	2,498,434	1,316,911	578,933	175,011	54,395,765	848,185	1,166,414	1,543,253	519,697	67,772,550
DEFERRED INFLOW OF RESOURCES											
Deferred amount related to OPEB	290,960	777,505	124,800	-	47,170	-	147,075	-	-	173,167	1,560,677
NET POSITION											
Net investment in capital assets	24,217,389	72,260,027	4,906,273	20,633,150	13,167,029	(58,478,682)	30,967	5,783,118	-	1,508,635	84,027,906
Restricted for debt service	-	-	-	-	-	1,541,810	-	-	-	-	1,541,810
Restricted for other purposes	-	-	-	-	-	-	55,501	-	-	50,660	106,161
Unrestricted (deficit)	5,755,552	4,845,142	2,631,034	575,284	452,642	17,040,517	(430,999)	1,958,874	6,702	(399,356)	32,435,392
Total net position	\$ 29,972,941	\$ 77,105,169	\$ 7,537,307	\$ 21,208,434	\$ 13,619,671	\$ (39,896,355)	\$ (344,531)	\$ 7,741,992	\$ 6,702	\$ 1,159,939	\$ 118,111,269

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2020

<u>Midwest City Municipal Authority</u>											
	<u>Water Account</u>	<u>Sewer Account</u>	<u>Sanitation Account</u>	<u>Conference Center/Hotel Account</u>	<u>Drainage Account</u>	<u>Debt Service Account</u>	<u>Utility Services Account</u>	<u>Utilities Capital Account</u>	<u>Customer Deposit Account</u>	<u>Golf Courses Account</u>	<u>Total</u>
OPERATING REVENUES											
Charges for services	\$ 7,637,906	\$ 8,198,499	\$ 7,209,685	\$ 3,682,760	\$ 460,432	\$ -	\$ 1,094,821	\$ -	\$ -	\$ 1,101,994	\$ 29,386,097
Fees, licenses and permits	9,825	16,360	-	-	-	-	-	-	-	-	26,185
Miscellaneous	42,501	905	8,961	45,151	800	-	5,583	212,700	-	252	316,853
Total operating revenues	<u>7,690,232</u>	<u>8,215,764</u>	<u>7,218,646</u>	<u>3,727,911</u>	<u>461,232</u>	<u>-</u>	<u>1,100,404</u>	<u>212,700</u>	<u>-</u>	<u>1,102,246</u>	<u>29,729,135</u>
OPERATING EXPENSES											
Personal services	2,363,791	3,305,772	1,300,504	1,694,517	254,709	-	931,510	-	-	686,353	10,537,156
Materials and supplies	838,698	807,021	1,160,797	855,417	81,252	-	25,958	-	-	197,658	3,966,801
Other services and charges	1,654,989	1,336,333	2,532,714	1,222,155	35,596	-	172,260	54,513	-	77,727	7,086,287
Depreciation and amortization	740,505	2,966,503	538,784	877,723	276,782	-	4,083	437,876	-	118,406	5,960,662
Total operating expenses	<u>5,597,983</u>	<u>8,415,629</u>	<u>5,532,799</u>	<u>4,649,812</u>	<u>648,339</u>	<u>-</u>	<u>1,133,811</u>	<u>492,389</u>	<u>-</u>	<u>1,080,144</u>	<u>27,550,906</u>
Operating income (loss)	<u>2,092,249</u>	<u>(199,865)</u>	<u>1,685,847</u>	<u>(921,901)</u>	<u>(187,107)</u>	<u>-</u>	<u>(33,407)</u>	<u>(279,689)</u>	<u>-</u>	<u>22,102</u>	<u>2,178,229</u>
NON-OPERATING REVENUES (EXPENSES)											
Investment income	136,248	133,564	56,494	-	9,168	162,383	7,484	296,072	32,018	2,442	835,873
Interest expense and fiscal charges	-	-	-	-	-	(1,853,433)	-	(33,577)	-	-	(1,887,010)
Gain (loss) on asset retirement	175	(2,192)	36,189	316	-	-	-	(122,042)	-	-	(87,554)
Other non-operating revenue	-	5,000	49,834	-	-	4,690	-	-	-	-	59,524
Total non-operating revenue (expenses)	<u>136,423</u>	<u>136,372</u>	<u>142,517</u>	<u>316</u>	<u>9,168</u>	<u>(1,686,360)</u>	<u>7,484</u>	<u>140,453</u>	<u>32,018</u>	<u>2,442</u>	<u>(1,079,167)</u>
Income (loss) before contributions and transfers	<u>2,228,672</u>	<u>(63,493)</u>	<u>1,828,364</u>	<u>(921,585)</u>	<u>(177,939)</u>	<u>(1,686,360)</u>	<u>(25,923)</u>	<u>(139,236)</u>	<u>32,018</u>	<u>24,544</u>	<u>1,099,062</u>
Capital contributions	-	380,702	-	-	-	-	-	-	-	52,535	433,237
Transfers in - interaccount	87,758	-	-	892,973	-	981,668	-	167,958	-	-	2,130,357
Transfers out - interaccount	(167,958)	(981,668)	-	-	-	(892,973)	-	-	(87,758)	-	(2,130,357)
Transfers in	-	-	-	-	-	14,053,051	-	-	-	-	14,053,051
Transfers out	(770,011)	(814,006)	(763,936)	-	-	(8,558,800)	-	-	-	-	(10,906,753)
Change in net position	<u>1,378,461</u>	<u>(1,478,465)</u>	<u>1,064,428</u>	<u>(28,612)</u>	<u>(177,939)</u>	<u>3,896,586</u>	<u>(25,923)</u>	<u>28,722</u>	<u>(55,740)</u>	<u>77,079</u>	<u>4,678,597</u>
Total net position - beginning	28,594,480	78,583,634	6,472,879	21,237,046	13,797,610	(43,792,941)	(318,608)	7,713,270	62,442	1,082,860	113,432,672
Total net position - ending	<u>\$ 29,972,941</u>	<u>\$ 77,105,169</u>	<u>\$ 7,537,307</u>	<u>\$ 21,208,434</u>	<u>\$ 13,619,671</u>	<u>\$ (39,896,355)</u>	<u>\$ (344,531)</u>	<u>\$ 7,741,992</u>	<u>\$ 6,702</u>	<u>\$ 1,159,939</u>	<u>\$ 118,111,269</u>

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As of and for the Year Ended June 30, 2020**

Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2020

	Midwest City Municipal Authority										
	Water Account	Sewer Account	Sanitation Account	Conference Center/Hotel Account	Drainage Account	Debt Service Account	Utility Services Account	Utilities Capital Account	Customer Deposit Account	Golf Courses Account	Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from customers	\$ 7,440,947	\$ 8,190,830	\$ 7,242,533	\$ 3,956,781	\$ 461,521	\$ 4,690	\$ 1,106,357	\$ 271,722	\$ 2,594	\$ 1,104,503	\$ 29,782,478
Payments to suppliers	(2,766,335)	(2,297,924)	(3,685,818)	(1,939,866)	(159,231)	-	(198,512)	216,336	-	(277,632)	(11,108,982)
Payments to employees	(2,276,564)	(3,352,903)	(1,246,453)	(1,661,648)	(262,945)	-	(915,716)	-	-	(737,855)	(10,454,084)
Receipts (payments) from interfund loans	(59,873)	(1,337)	(65,832)	(316)	-	(95,449)	-	-	59,698	100,350	(62,759)
Receipt of customer deposits	-	-	-	-	-	-	-	-	486,373	-	486,373
Return of customer deposits	-	-	-	-	-	-	-	-	(439,639)	-	(439,639)
Net cash provided by (used in) operating activities	2,338,175	2,538,666	2,244,430	354,951	39,345	(90,759)	(7,871)	488,058	109,026	189,366	8,203,387
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Transfers from other funds - interaccount	87,758	-	-	892,973	-	981,668	-	167,958	-	-	2,130,357
Transfers to other funds - interaccount	(167,958)	(981,668)	-	-	-	(892,973)	-	-	(87,758)	-	(2,130,357)
Transfers from other funds	-	-	-	-	-	14,053,051	-	-	-	-	14,053,051
Transfers to other funds	(770,011)	(814,006)	(763,936)	-	-	(8,558,800)	-	-	-	-	(10,906,753)
Net cash provided by (used in) noncapital financing activities	(850,211)	(1,795,674)	(763,936)	892,973	-	5,882,946	-	167,958	(87,758)	-	3,146,298
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Capital assets purchased	(3,451,632)	(495,166)	(838,196)	(1,360,436)	(3,376)	-	-	(752,750)	-	-	(6,901,556)
Principal paid on capital debt	-	-	-	-	-	(4,365,000)	-	-	-	-	(4,365,000)
Proceeds issuance of debt	2,280,047	-	-	-	-	-	-	-	-	-	2,280,047
Payments of interfund loan for capital purchases	134,382	-	-	-	-	-	-	(134,382)	-	-	-
Interest and fiscal charges paid on capital debt	-	-	-	-	-	(2,139,860)	-	(33,577)	-	-	(2,173,437)
Proceeds from sale of capital assets	175	(2,192)	65,833	316	-	-	-	-	-	-	64,132
Net cash provided by (used in) capital and related financing activities	(1,037,028)	(497,358)	(772,363)	(1,360,120)	(3,376)	(6,504,860)	-	(920,709)	-	-	(11,095,814)
CASH FLOWS FROM INVESTING ACTIVITIES											
Sale (purchase) of investments	384,851	583,917	(54,079)	105,859	44,468	-	47,174	324,700	137,769	(105,743)	1,468,916
Interest and dividends	131,374	128,432	52,774	-	9,168	162,383	7,484	292,874	28,668	2,441	815,598
Net cash provided by (used in) investing activities	516,225	712,349	(1,305)	105,859	53,636	162,383	54,658	617,574	166,437	(103,302)	2,284,514
Net increase (decrease) in cash and cash equivalents	967,161	957,983	706,826	(6,337)	89,605	(850,290)	46,787	352,881	187,705	86,064	2,538,385
Balances - beginning of year	2,825,283	3,344,333	1,046,676	794,485	294,530	13,730,109	228,908	1,588,192	797,947	111,105	24,761,568
Balances - end of year	\$ 3,792,444	\$ 4,302,316	\$ 1,753,502	\$ 788,148	\$ 384,135	\$ 12,879,819	\$ 275,695	\$ 1,941,073	\$ 985,652	\$ 197,169	\$ 27,299,953
Reconciliation to Statement of Net Position:											
Cash and cash equivalents	\$ 3,792,444	\$ 4,302,316	\$ 1,753,502	\$ 788,148	\$ 384,135	\$ -	\$ 275,695	\$ 1,941,073	\$ -	\$ 197,169	\$ 13,434,482
Restricted cash and cash equivalents	-	-	-	-	-	12,879,819	-	-	985,652	-	13,865,471
Total cash and cash equivalents	<u>\$ 3,792,444</u>	<u>\$ 4,302,316</u>	<u>\$ 1,753,502</u>	<u>\$ 788,148</u>	<u>\$ 384,135</u>	<u>\$ 12,879,819</u>	<u>\$ 275,695</u>	<u>\$ 1,941,073</u>	<u>\$ 985,652</u>	<u>\$ 197,169</u>	<u>\$ 27,299,953</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 2,092,249	\$ (199,865)	\$ 1,685,847	\$ (921,901)	\$ (187,107)	\$ -	\$ (33,407)	\$ (279,689)	\$ -	\$ 22,102	\$ 2,178,229
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation expense	740,505	2,966,503	538,784	877,723	276,782	4,690	4,083	437,876	-	118,406	5,965,352
Other nonoperating revenue	-	5,000	49,834	-	-	-	-	-	-	-	54,834
Change in assets and liabilities:											
Receivables, net	(254,339)	(29,934)	(25,947)	244,195	289	-	5,953	-	2,594	2,257	(54,932)
Other receivable	5,054	-	(2,832)	-	-	-	-	59,022	-	-	61,244
Due from other funds	(175)	(1,337)	(65,832)	(316)	-	(96,759)	-	-	59,698	-	(104,721)
Prepaid items	-	-	-	(965)	-	-	-	-	-	-	(965)
Inventory	9,467	(3,125)	-	-	-	-	-	-	-	-	(763)
Accounts payable	(282,115)	(151,445)	7,693	138,671	(42,383)	-	(294)	270,849	-	(1,484)	(60,508)
Deferred outflows OPEB	(193,661)	(113,573)	(56,712)	-	(8,484)	-	(33,159)	-	-	(14,689)	(420,278)
Due to other funds	(59,698)	-	-	-	-	1,310	-	-	-	-	100,350
Due to employees	19,063	14,001	7,023	8,477	(1,807)	-	3,639	-	-	-	52,532
Refundable deposits	-	-	-	(12,493)	-	-	-	-	46,734	-	34,241
Total OPEB liability	283,935	(502,578)	31,206	-	(28,678)	-	(50,610)	-	-	(105,312)	(372,037)
Accrued compensated absences	52,483	31,158	14,565	24,392	(1,878)	-	(802)	-	-	(25,198)	94,720
Deferred inflows OPEB	(74,593)	523,861	57,969	-	32,611	-	96,726	-	-	91,561	728,135
Net cash provided by (used in) operating activities	\$ 2,338,175	\$ 2,538,666	\$ 2,244,430	\$ 354,951	\$ 39,345	\$ (90,759)	\$ (7,871)	\$ 488,058	\$ 109,026	\$ 189,366	\$ 8,203,387
Noncash activities:											
Contributed capital assets - from governmental funds	\$ -	\$ 380,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,535	\$ 433,237

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Combining Statement of Net Position— Internal Service Funds – June 30, 2020

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Worker's Comp Fund	Totals
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 416,931	\$ 394,451	\$ 302,574	\$ 854,342	\$ 1,130,263	\$ 2,139,980	\$ 5,238,541
Investments	230,124	217,716	165,896	471,552	640,216	1,212,151	2,937,655
Receivables:							
Accounts receivable	-	-	39,068	11,147	24,595	16,567	91,377
Accrued interest receivable	-	-	-	-	2,484	4,703	7,187
Due from other funds	3	3,604	-	-	-	-	3,607
Inventories	-	41,545	-	-	-	-	41,545
Total current assets	<u>647,058</u>	<u>657,316</u>	<u>507,538</u>	<u>1,337,041</u>	<u>1,797,558</u>	<u>3,373,401</u>	<u>8,319,912</u>
Non-current assets:							
Capital Assets:							
Non-depreciable	-	-	-	-	-	-	-
Depreciable, net of accumulated depreciation	131,881	703,292	81,642	-	-	-	916,815
Total non-current assets	<u>131,881</u>	<u>703,292</u>	<u>81,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>916,815</u>
Total assets	<u>778,939</u>	<u>1,360,608</u>	<u>589,180</u>	<u>1,337,041</u>	<u>1,797,558</u>	<u>3,373,401</u>	<u>9,236,727</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred amount related to OPEB	47,316	68,845	2,594	16,173	-	-	134,928
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	-	104,805	276	1,926	147,317	6,758	261,082
Claims liability	-	-	-	217,000	384,410	506,000	1,107,410
Wages payable	48,747	44,585	1,517	10,429	2,450	-	107,728
Due to other funds	-	-	398,348	-	-	-	398,348
Accrued compensated absences	68,703	32,807	1,922	14,780	880	-	119,092
Total current liabilities	<u>117,450</u>	<u>182,197</u>	<u>402,063</u>	<u>244,135</u>	<u>535,057</u>	<u>512,758</u>	<u>1,993,660</u>
Non-current liabilities:							
Accrued compensated absences	137,407	65,614	3,844	29,559	1,760	-	238,184
Total OPEB liability	412,664	624,018	21,370	72,660	-	-	1,130,712
Claims liability	-	-	-	369,000	-	852,000	1,221,000
Total non-current liabilities	<u>550,071</u>	<u>689,632</u>	<u>25,214</u>	<u>471,219</u>	<u>1,760</u>	<u>852,000</u>	<u>2,589,896</u>
Total liabilities	<u>667,521</u>	<u>871,829</u>	<u>427,277</u>	<u>715,354</u>	<u>536,817</u>	<u>1,364,758</u>	<u>4,583,556</u>
DEFERRED INFLOW OF RESOURCES							
Deferred amount related to OPEB	89,363	58,764	8,577	38,968	-	-	195,672
NET POSITION							
Net investment in capital assets	131,881	703,292	81,642	-	-	-	916,815
Unrestricted (deficit)	(62,510)	(204,432)	74,278	598,892	1,260,741	2,008,643	3,675,612
Total net position	<u>\$ 69,371</u>	<u>\$ 498,860</u>	<u>\$ 155,920</u>	<u>\$ 598,892</u>	<u>\$ 1,260,741</u>	<u>\$ 2,008,643</u>	<u>\$ 4,592,427</u>

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Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2020

	<u>Public Works Administration</u>	<u>Fleet Services Fund</u>	<u>Surplus Property Fund</u>	<u>Risk Management Fund</u>	<u>L & H Benefits Fund</u>	<u>Worker's Comp Fund</u>	<u>Totals</u>
OPERATING REVENUES							
Charges for services	\$ 1,173,104	\$ 2,725,445	\$ 46,973	\$ 854,148	\$ 6,153,735	\$ 852,099	\$ 11,805,504
Miscellaneous	-	12,806	946	3,263	454,732	17,965	489,712
Total operating revenues	<u>1,173,104</u>	<u>2,738,251</u>	<u>47,919</u>	<u>857,411</u>	<u>6,608,467</u>	<u>870,064</u>	<u>12,295,216</u>
OPERATING EXPENSES							
Personal services	856,931	899,452	34,937	195,860	38,545	-	2,025,725
Materials and supplies	8,288	1,560,005	1,377	3,388	-	-	1,573,058
Other services and charges	50,449	98,343	8,017	981,101	11,963	-	1,149,873
Insurance claims and expenses	-	-	-	-	7,095,798	460,961	7,556,759
Depreciation and amortization	11,159	58,257	6,449	-	-	-	75,865
Total operating expenses	<u>926,827</u>	<u>2,616,057</u>	<u>50,780</u>	<u>1,180,349</u>	<u>7,146,306</u>	<u>460,961</u>	<u>12,381,280</u>
Operating income (loss)	<u>246,277</u>	<u>122,194</u>	<u>(2,861)</u>	<u>(322,938)</u>	<u>(537,839)</u>	<u>409,103</u>	<u>(86,064)</u>
NON-OPERATING REVENUES							
Investment income	8,021	8,197	7,628	22,929	40,390	71,843	159,008
Total non-operating revenue	<u>8,021</u>	<u>8,197</u>	<u>7,628</u>	<u>22,929</u>	<u>40,390</u>	<u>71,843</u>	<u>159,008</u>
Income (loss) before contributions and transfers	<u>254,298</u>	<u>130,391</u>	<u>4,767</u>	<u>(300,009)</u>	<u>(497,449)</u>	<u>480,946</u>	<u>72,944</u>
Capital contributions	18,675	-	-	-	-	-	18,675
Transfers in	-	-	-	-	125,000	-	125,000
Change in net position	<u>272,973</u>	<u>130,391</u>	<u>4,767</u>	<u>(300,009)</u>	<u>(372,449)</u>	<u>480,946</u>	<u>216,619</u>
Total net position - beginning	(203,602)	368,469	151,153	898,901	1,633,190	1,527,697	4,375,808
Total net position - ending	<u>\$ 69,371</u>	<u>\$ 498,860</u>	<u>\$ 155,920</u>	<u>\$ 598,892</u>	<u>\$ 1,260,741</u>	<u>\$ 2,008,643</u>	<u>\$ 4,592,427</u>

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Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2020

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Worker's Comp Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from interfund services	\$ 1,173,104	\$ 2,738,251	\$ 9,873	\$ 851,391	\$ 6,637,922	\$ 875,572	\$ 12,286,113
Payments to suppliers	(58,737)	(1,623,954)	(10,057)	(19,973)	(11,963)	-	(1,724,684)
Payments to employees	(819,610)	(901,238)	(34,457)	(193,312)	(36,796)	-	(1,985,413)
Claims and benefits paid	-	-	-	(880,101)	(6,956,182)	(603,420)	(8,439,703)
Payment from (to) other funds	-	(1,283)	73,310	-	-	-	72,027
Net cash provided by (used in) operating activities	294,757	211,776	38,669	(241,995)	(367,019)	272,152	208,340
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating transfers in	-	-	-	-	125,000	-	125,000
Net cash provided by noncapital financing activities	-	-	-	-	125,000	-	125,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(6,729)	(44,484)	-	-	-	-	(51,213)
Net cash provided by (used in) capital and related financing activities	(6,729)	(44,484)	-	-	-	-	(51,213)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	(66,737)	(14,450)	27,746	257,417	292,826	211,987	708,789
Interest and dividends	8,021	8,197	7,629	24,671	38,776	67,968	155,262
Net cash provided by investing activities	(58,716)	(6,253)	35,375	282,088	331,602	279,955	864,051
Net increase in cash and cash equivalents	229,312	161,039	74,044	40,093	89,583	552,107	1,146,178
Balances - beginning of year	187,619	233,412	228,530	814,249	1,040,680	1,587,873	4,092,363
Balances - end of year	\$ 416,931	\$ 394,451	\$ 302,574	\$ 854,342	\$ 1,130,263	\$ 2,139,980	\$ 5,238,541
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 416,931	\$ 394,451	\$ 302,574	\$ 854,342	\$ 1,130,263	\$ 2,139,980	\$ 5,238,541
Total cash and cash equivalents	\$ 416,931	\$ 394,451	\$ 302,574	\$ 854,342	\$ 1,130,263	\$ 2,139,980	\$ 5,238,541
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 246,277	\$ 122,194	\$ (2,861)	\$ (322,938)	\$ (537,839)	\$ 409,103	\$ (86,064)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	11,159	58,257	6,449	-	-	-	75,865
Change in assets and liabilities:							
Receivables, net	-	-	(38,046)	(6,020)	29,455	5,508	(9,103)
Due from other funds	-	(1,283)	-	-	-	-	(1,283)
Inventory	-	20,418	-	-	-	-	20,418
Deferred outflows OPEB	(30,339)	(46,515)	(1,543)	(3,281)	-	-	(81,678)
Accounts payable	-	13,976	(663)	(16,585)	12,440	(23,459)	(14,291)
Claims liability	-	-	-	101,000	127,176	(119,000)	109,176
Due to employees	15,718	7,860	334	1,731	483	-	26,126
Due to other funds	-	-	73,310	-	-	-	73,310
Total OPEB liability	5,652	60,422	(5,215)	(31,021)	-	-	29,838
Accrued compensated absences	22,957	(24,948)	974	3,638	1,266	-	3,887
Deferred in flows OPEB	23,333	1,395	5,930	31,481	-	-	62,139
Net cash provided by (used in) operating activities	\$ 294,757	\$ 211,776	\$ 38,669	\$ (241,995)	\$ (367,019)	\$ 272,152	\$ 208,340

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Debt Service Coverage Schedule - Year Ended June 30, 2020

	2011A and 2019 Revenue Bonds
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 7,690,232
Wastewater revenue	8,215,764
Pledged sales tax	14,053,051
Investment income	269,812
Total Gross Revenue Available	30,228,859
OPERATING EXPENSES:	
Total Operating Expenses	10,306,604
Net Revenue Available for Debt Service	\$ 19,922,255
Average Annual Debt Service	
2019 Revenue Bonds	\$ 1,791,954
2011A Revenue Bonds	4,709,513
	\$ 6,501,467
Computed Coverage	306%
Coverage Requirement	125%

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STATISTICAL INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2020

General Government Expenditures by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets</u>	<u>Health and Welfare</u>	<u>Culture & Recreation</u>	<u>Economic Development</u>	<u>Debt Services</u>	<u>Total</u>
2010-11	\$ 6,459,976	\$ 25,157,469	\$ 6,006,443	\$ 160,983	\$ 1,120,863	\$ 4,915,834	\$ 3,679,296	\$ 47,500,864
2011-12	5,423,037	27,570,275	3,702,871	629	1,989,113	4,813,173	3,745,698	47,244,796
2012-13	5,216,187	27,388,784	3,460,381	110,935	2,841,490	4,704,086	3,856,073	47,577,936
2013-14	6,972,885	27,386,699	4,382,912	463,886	2,112,589	5,028,554	3,753,029	50,100,554
2014-15	6,704,404	28,657,862	5,138,517	410,969	1,746,966	3,792,050	3,650,604	50,101,372
2015-16	7,714,835	27,494,864	4,865,569	755,691	2,037,909	4,644,064	3,505,294	51,018,226
2016-17	8,009,505	27,757,453	7,336,480	387,911	1,647,320	6,686,814	3,426,604	55,252,087
2017-18	8,766,825	28,544,968	3,800,063	441,065	1,797,029	58,846,663	19,166,464	121,363,077
2018-19	11,598,632	31,442,455	5,333,914	471,306	2,038,872	6,598,803	5,972,196	63,456,178
2019-20	10,044,375	33,644,444	6,922,740	414,655	2,146,210	11,740,737	25,974,546	90,887,707

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Governmental Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Intergov- ernmental	Licenses & Permits	Charges for Services	Fines & Forfeitures	Investment Income	Misc Revenues	Total
2010-11	\$ 33,566,216	\$ 6,440,504	\$ 395,511	\$ 2,193,602	\$ 2,001,322	\$ 14,546,261	\$ 552,201	\$ 59,695,617
2011-12	36,586,145 *	5,462,968	330,553	2,636,087	2,170,041	2,749,217	742,978	50,677,989
2012-13	39,796,809	5,205,283	392,512	2,249,961	1,960,694	10,846,574	1,492,193	61,944,026
2013-14	40,546,435	5,668,145	304,395	2,545,726	1,976,580	15,736,403	2,367,115	69,144,799
2014-15	39,781,445	5,543,732	349,439	3,662,747	2,045,294	8,377,665	2,381,400	62,141,722
2015-16	40,296,979	5,367,958	567,942	4,259,051	1,971,146	3,546,362	1,938,936	57,948,374
2016-17	37,327,650	5,011,809	504,832	4,564,074	1,581,638	13,120,184	2,856,002	64,966,189
2017-18	41,659,607 **	4,812,098	589,264	5,412,604	1,428,723	13,120,759	2,177,963	69,201,018
2018-19	46,376,451	6,698,979	725,993	8,027,000	1,364,493	11,671,810	2,240,169	77,104,895
2019-20	51,081,891	6,971,834	681,754	8,086,831	1,118,840	8,972,977	2,157,587	79,071,714

* A new sales/use Tax became effective January 1, 2012 changing the rate from 3.3 to 3.85

** A new sales/use Tax became effective January 1, 2018 changing the rate from 3.85 to 4.60

**CITY OF MIDWEST CITY, OKLAHOMA
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**Assessed Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Service Property	Veteran and Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
2011	\$ 258,517,927	\$ 27,728,562	\$ 13,697,571	\$ 15,338,968	\$ 284,605,074	\$ 2,587,318,855	11%
2012	259,775,001	27,954,136	13,431,063	15,275,338	285,884,862	2,598,953,291	11%
2013	263,908,805	28,917,523	11,834,175	15,286,274	289,374,229	2,630,674,809	11%
2014	267,452,466	28,135,094	11,407,389	15,250,420	291,744,529	2,652,222,991	11%
2015	272,926,268	26,469,753	11,878,425	15,244,120	296,030,326	2,691,184,782	11%
2016	283,028,134	25,089,341	11,544,013	15,602,335	304,059,153	2,764,174,118	11%
2017	296,756,210	35,937,171	13,524,628	16,061,439	330,156,570	3,001,423,364	11%
2018	309,104,061	35,772,442	13,613,786	16,492,553	341,997,736	3,109,070,327	11%
2019	320,771,362	36,281,363	13,177,361	17,435,901	352,794,185	3,207,219,864	11%
2020	328,772,814	37,385,359	13,789,090	18,528,802	361,418,461	3,285,622,373	11%

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Property Tax Rates – All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	City Sinking Fund	MWC Schools	Rose State College	Oklahoma County	Total Midwest City Resident	Choctaw Schools	Total Midwest City Resident	OKC Schools	Total Midwest City Resident
2011	6.62	64.64	17.18	24.06	112.50	70.22	118.08	62.09	109.95
2012	6.09	66.55	17.10	23.97	113.71	72.49	119.65	59.29	106.45
2013	5.78	64.98	17.02	23.87	111.65	76.19	122.86	60.39	107.06
2014	5.44	70.32	20.33	23.58	119.67	76.18	125.53	59.36	108.71
2015	5.18	71.03	19.88	23.72	119.81	76.17	124.95	59.71	108.49
2016	0.96	70.64	19.65	23.81	115.06	76.17	120.59	59.36	103.78
2017	0.92	65.54	19.21	23.28	108.95	76.16	119.57	59.36	102.77
2018	0.94	66.72	18.92	23.64	110.22	76.15	119.65	58.84	102.34
2019	8.08	67.38	18.54	23.49	117.49	76.15	126.26	58.76	108.84
2020	9.76	71.23	18.39	23.39	122.79	76.15	127.68	59.44	110.97

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2020**

Computation of Legal Debt Margin
June 30, 2020

Net assessed valuation	\$361,418,461
Debt limit (a)	\$36,141,846
Applicable bonds outstanding	\$28,160,000
Inapplicable bonds outstanding (b)	\$15,965,000
Legal debt margin	\$7,981,846

(a) Article 10, Section 26 of the Constitution of the State of Oklahoma limits municipal debt to 10% of net assessed valuation for certain types of general obligation bonds.

(b) Per article 10, section 27 of the Constitution of the State of Oklahoma, there is not a limit on the amount of General Obligation bonds for the purpose of purchasing, constructing, or repairing public utilities or streets.

CITY OF MIDWEST CITY, OKLAHOMA
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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Government Expenditures
2010-11	\$ 1,400,000	\$ 503,685	\$ 1,903,685	\$ 47,500,864	4.01%
2011-12	1,400,000	437,342	1,837,342	47,244,796	3.89%
2012-13	1,400,000	370,754	1,770,754	47,577,936	3.72%
2013-14	1,400,000	304,167	1,704,167	50,100,554	3.40%
2014-15	1,400,000	259,975	1,659,975	50,101,372	3.31%
2015-16	1,400,000	190,700	1,590,700	51,018,226	3.12%
2016-17	1,400,000	121,425	1,521,425	57,389,574	2.65%
2017-18	325,000	51,750	376,750	121,363,077	0.31%
2018-19	325,000	38,913	363,913	63,456,178	0.57%
2019-20	325,000	1,137,260	1,462,260	90,887,707	1.61%

(1) Excludes bond issuance and other costs

CITY OF MIDWEST CITY, OKLAHOMA
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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Money Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2010-11	54,371	284,605,074	9,700,000	1,504,457	8,195,543	2.88%	151
2011-12	54,371	285,884,862	8,300,000	1,551,565	6,748,435	2.36%	124
2012-13	54,371	289,374,229	6,900,000	1,428,884	5,471,116	1.89%	101
2013-14	54,371	291,744,529	5,500,000	1,373,216	4,126,784	1.41%	76
2014-15	54,371	296,030,326	4,100,000	1,364,980	2,735,020	0.92%	50
2015-16	54,371	304,059,153	2,700,000	1,392,720	1,307,280	0.43%	24
2016-17	54,371	330,156,570	1,300,000	189,868	1,110,132	0.34%	20
2017-18	54,371	341,997,736	975,000	131,132	843,868	0.25%	16
2018-19	54,371	352,794,185	37,900,000	591,553	37,308,447	10.58%	686
2019-20	54,371	361,418,461	44,125,000	1,883,084	42,241,916	11.69%	777

CITY OF MIDWEST CITY, OKLAHOMA
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Revenue Bond and Note Coverage
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Direct Operating Expenses</u>	<u>Net Revenue Available for Debt Service</u>	<u>Average Annual Debt Service</u>	<u>Debt Service Coverage</u>
2010-11	\$ 15,207,582	\$ 8,004,126	\$ 7,203,456	\$ 2,000,344	3.60
2011-12	17,702,453	8,669,659	9,032,794	6,517,879	1.39
2012-13	27,258,461	9,443,537	17,814,924	6,517,879	2.73
2013-14	28,567,824	9,583,902	18,983,922	6,517,879	2.91
2014-15	28,465,993	9,581,604	18,884,389	6,517,879	2.70
2015-16	28,685,573	11,425,998	17,259,575	6,517,879	2.65
2016-17	28,580,650	9,823,029	18,757,621	6,517,879	2.88
2017-18	28,790,824	9,797,575	18,993,249	6,517,879	2.91
2018-19	29,537,013	10,020,017	19,516,996	6,501,399	3.00
2019-20	30,228,859	10,306,604	19,922,255	6,501,467	3.06

CITY OF MIDWEST CITY, OKLAHOMA
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Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Population Percent Change</u>
1950	10,166	0.00%
1960	36,058	254.69%
1970	48,212	33.71%
1980	49,559	2.79%
1990	52,267	5.46%
2000	54,088	3.48%
2010	54,371	0.50%

Population is taken from US Census conducted every 10 years.

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New Construction
Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction		Total Construction
	Number of Units	Value	Number of Units	Value	
2010-11	98	14,052,174	203	23,937,338	37,989,512
2011-12	28	97,003,650	237	20,332,200	117,335,850
2012-13	27	54,561,650	120	19,020,411	73,582,061
2013-14	8	6,398,000	69	11,878,466	18,276,466
2014-15	15	6,748,210	103	16,365,722	23,113,932
2015-16	26	69,362,500	126	23,727,017	93,089,517
2016-17	14	22,360,831	94	14,092,784	36,453,615
2017-18	195	26,137,283	19	28,127,450	54,264,733
2018-19	32	48,395,772	160	23,481,840	71,877,612
2019-20	17	10,777,000	133	22,503,689	33,280,689

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Miscellaneous Statistics
June 30, 2020

Date of Incorporation	1943
Form of government	Council-manager
Square miles in city limits	24.37
Miles of streets	791.77 one miles
Education	
Number of primary schools	8
Number of secondary schools	3
Number of High schools	2
Number of colleges	1
Police Protection	
Number of officers	98
Fire Protection	
Number of stations	6
Number of headquarters	1
Number of personnel per shift	26
Public Works	
Water storage capacity (millions of gallons)	9.5
Miles of water lines	312.69
Miles of sanitary sewer lines	290.79

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Miscellaneous Statistics, Continued
June 30, 2020

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>	<u>Full Time Hotel/Conference Center</u>
2010-11	494	62
2011-12	493	62
2012-13	491	-
2013-14	489	-
2014-15	477	-
2015-16	472	-
2016-17	470	-
2017-18	471	-
2018-19	478	-
2019-20	485	-

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Miscellaneous Statistics, Continued
June 30, 2020
City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
2009-10	1,910,755,000	5,234,945
2010-11	1,953,204,878	5,351,246
2011-12	2,025,176,197	5,548,428
2012-13	1,902,831,000	5,213,236
2013-14	1,699,549,985	4,656,301
2014-15	1,604,378,570	4,395,558
2015-16	1,778,171,000	4,871,701
2016-17	2,193,795,000	6,010,397
2017-18	1,993,392,000	5,461,348
2018-19	1,695,978,000	4,646,515
2019-20	1,900,570,000	5,207,041