



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2021

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

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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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and other post-employment benefit schedules, and the general fund, 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 22, 2021

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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, 2021, by \$556,715,068 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$48,527,553, with the business type activities reporting a positive unrestricted net position of \$20,683,164. 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 \$35,170,800 or 6.74% from the prior year. This was a result of an increase of \$28,762,108 in the governmental activities while the business-type activities had an increase of \$6,408,692. 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 2021 totaled \$48,204,176 compared to FY 2020 which totaled \$43,887,778. The total increase in sales and use tax collections was \$4,316,398. The increase in sales and use taxes is primarily the result of the Covid-19 pandemic requiring people to stay home and buy local or online. The City saw a significant increase in the retail and food services industries. The 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 continues to prop up tax collections. 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 2021, the unassigned fund balance of the General Fund was a deficit \$1,300,966 or (3.4)% 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

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government's near-term financing decisions. The relationship or differences between governmental 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, 15 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 79 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.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2021, the City's combined net position is \$556,715,068, of which \$429,169,557 can be attributed to governmental activities and \$127,545,511 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, \$386 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.)
	2021	2020		2021	2020		2021	2020	
Current and other assets	\$ 322,206	\$ 273,237	18%	\$ 42,619	\$ 40,418	5%	\$ 364,825	\$ 313,655	16%
Capital assets	305,598	299,768	2%	148,420	148,175	0%	454,018	447,943	1%
Total assets	627,804	573,005	10%	191,039	188,593	1%	818,843	761,598	8%
Deferred outflow of resources	18,280	12,519	46%	3,141	1,652	90%	21,421	14,171	51%
Long-term obligations outstanding	183,701	164,089	12%	61,323	64,829	-5%	245,024	228,918	7%
Other liabilities	26,364	11,816	123%	2,830	2,629	8%	29,194	14,445	102%
Total liabilities	210,065	175,905	19%	64,153	67,458	-5%	274,218	243,363	13%
Deferred inflow of resources	6,850	9,212	-26%	2,481	1,650	50%	9,331	10,862	-14%
Net position:									
Net investment in capital assets	280,915	277,576	1%	105,254	87,417	20%	386,169	364,993	6%
Restricted	196,782	193,188	2%	1,608	1,542	4%	198,390	194,730	2%
Unrestricted (deficit)	(48,528)	(70,357)	-31%	20,684	32,178	-36%	(27,844)	(38,179)	-27%
Total net position	\$ 429,169	\$ 400,407	7%	\$ 127,546	\$ 121,137	5%	\$ 556,715	\$ 521,544	7%

Governmental activities increased the City's net position by \$28,762,108 or 7.18%. The business type activities increased the City's net position by \$6,408,692 or 5.29% for a net increase of \$35,170,800, or 6.74%. The key elements of these changes are contained in Table 2.

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

	<u>Governmental Activities</u>		<u>% Inc. (Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc. (Dec.)</u>	<u>Total Primary Government</u>		<u>% Inc. (Dec.)</u>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Revenues:									
Program revenues:									
Charges for services	\$ 13,162	\$ 8,590	53%	\$ 30,039	\$ 29,508	2%	\$ 43,201	\$ 38,098	13%
Operating grants and contributions	16,967	5,649	200%	-	55	100%	16,967	5,704	197%
Capital grants and contributions	8	57	-86%	-	-	-	8	57	-86%
General revenues:									
Sales and use taxes	48,204	43,888	10%	-	-	-	48,204	43,888	10%
Other taxes	8,699	7,773	12%	-	-	-	8,699	7,773	12%
Other general revenue	36,370	10,223	256%	750	1,075	-30%	37,120	11,298	229%
Total revenues	<u>123,410</u>	<u>76,180</u>	62%	<u>30,789</u>	<u>30,638</u>	-	<u>154,199</u>	<u>106,818</u>	44%
Program expenses:									
General government	26,791	8,553	213%	-	-	-	26,791	8,553	213%
Public safety	37,205	34,371	8%	-	-	-	37,205	34,371	8%
Streets	14,658	15,342	-4%	-	-	-	14,658	15,342	-4%
Cultural, parks and recreation	2,475	1,825	36%	-	-	-	2,475	1,825	36%
Health and welfare	507	409	24%	-	-	-	507	409	24%
Economic development	5,091	10,244	-50%	-	-	-	5,091	10,244	-50%
Interest expense	4,159	4,411	-6%	-	-	-	4,159	4,411	-6%
Water	-	-	-	7,453	7,324	2%	7,453	7,324	2%
Sewer	-	-	-	8,544	8,451	1%	8,544	8,451	1%
Sanitation	-	-	-	5,745	5,380	7%	5,745	5,380	7%
Drainage	-	-	-	716	639	12%	716	639	12%
Conference center	-	-	-	4,797	6,529	-27%	4,797	6,529	-27%
Other activities	-	-	-	887	1,129	-21%	887	1,129	-21%
Total expenses	<u>90,886</u>	<u>75,155</u>	21%	<u>28,142</u>	<u>29,452</u>	-4%	<u>119,028</u>	<u>104,607</u>	14%
Excess (deficiency) before transfers	32,524	1,025	3073%	2,647	1,186	123%	35,171	2,211	1491%
Transfers	<u>(3,762)</u>	<u>(3,598)</u>	5%	<u>3,762</u>	<u>3,598</u>	5%	<u>-</u>	<u>-</u>	
Increase (decrease) in net position	<u>\$ 28,762</u>	<u>\$ (2,573)</u>	1218%	<u>\$ 6,409</u>	<u>\$ 4,784</u>	34%	<u>\$ 35,171</u>	<u>\$ 2,211</u>	1491%

Governmental Activities. The revenues reflect an increase over the prior year of \$45,489,206. This increase is primarily the result of investment income and from Covid-19 relief grants. Sales and use tax collections increased \$4,316,398 in FY 2021. Property taxes increased from \$3,073,076 in FY 2020 to \$4,034,308 due to the issuance of the 2020 General Obligation Bond Series.

The most significant governmental activities expense was providing public safety with a cost of \$37,205,477. 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 \$20,718,739 and dedicated sales tax of \$12,141,834 for the fiscal year ended June 30, 2021.

Business-type Activities. Business-type revenue remained flat from the prior year. Other general income totaled \$749,899 in FY 2021 and \$1,074,997 in FY 2020. The largest portion of this decrease is attributed to investment income. Investment income totaled \$627,338 in FY 2020 and \$73,736 in FY 2021. The decrease is mainly attributed to unrealized gain on securities which decreased \$553,602 from FY 2020 to FY 2021.

Hotel expenses decreased from \$6,528,860 in FY 2020 to \$4,797,199 in FY 2021 due to the prolonged impact of COVID-19 on the tourism industry.

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Budgetary Highlights. For FY 2021, the General Fund revenue (including transfers) budget was amended by \$6,029,776 or 18% of the original budget of \$34,280,564. The actual revenue (including transfers) was more than the final budget projection by \$1,967,092, or 4.88%. The actual expenditures (including transfers) on a budgetary basis were \$39,131,301 compared to the final budget of \$40,359,608. General Fund actual expenditures (including transfers) on a budgetary basis were \$1,227,564 or 3.04% below final budget projections. See page 71 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$3,100,902, or 21.3%, of the original budget of \$14,577,234. The actual revenue (including transfers) was more than the final budget projection by \$359,535 or 2.03%. The revenue increase is attributed to sales tax coming in above projections for the year and transfers in. The actual expenditures (including transfers) on a budgetary basis were \$14,237,929 compared to the final budget of \$17,402,989. Actual expenditures (including transfers) were \$1,278,218 or 7.34% below final budget projections.

The Fire Fund revenues (including transfers) budget was amended by \$2,489,599 or 21.83%. The actual revenue (including transfers) was more than the final budget projection by \$238,421 or 1.72%. 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 \$12,398,193 compared to the final budget of \$13,093,164. Actual expenditures (including transfers) were \$694,971 or 5.31% below projections.

The budget to actual comparisons for these funds can be found on pages 72-74 of the report.

Capital Assets. At the end of fiscal year 2021, the City had \$454,017,310 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 increase (including additions and deductions) of \$5,829,400 for the governmental activities. The City had total additions of \$20,793,236 and depreciation expense of \$13,930,167 with street depreciation for the year amounting to \$11,401,173.

The business-type activities had a net increase of \$244,377. Table 3 reflects the net key elements that make up the capital assets by type and source.

TABLE 3
Capital Assets
(In Thousands)

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total Primary Government</u>	
	<u>Activities</u>		<u>Activities</u>			
	2021	2020 Restated,	2021	2020	2021	2020
Land	\$ 39,950	\$ 39,950	\$ 2,622	\$ 2,072	\$ 42,572	\$ 42,022
Water rights	-	-	6,953	6,953	6,953	6,953
Construction in progress	23,357	11,228	7,388	3,169	30,745	14,397
Buildings	30,480	31,747	32,760	32,688	63,240	64,435
Machinery and equipment	22,534	22,233	15,054	14,575	37,588	36,808
Vehicles	12,770	10,440	11,208	11,206	23,978	21,646
Infrastructure	457,382	452,511	184,564	184,062	641,946	636,573
	586,473	568,109	260,549	254,725	847,022	822,834
Less: Depreciation	(280,876)	(268,341)	(112,129)	(106,550)	(393,005)	(374,891)
Totals	\$ 305,597	\$ 299,768	\$ 148,420	\$ 148,175	\$ 454,017	\$ 447,943

Additional information on the City's capital assets can be found on pages 45-46 of this report.

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Debt Administration. At year end, the City had \$176,679,451 in long term debt outstanding compared to \$175,944,417 at the end of the prior fiscal year, an increase of 0.42% as shown in Table 4. The City had two new bond issuances in FY 2021. General Obligation Bonds totaling \$9,055,000 and one Note payable for \$18,455,000. See pages 48-52 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>	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 51,485	\$ 44,125	\$ -	\$ -	\$ 51,485	\$ 44,125
General obligation bonds premium	634	476	-	-	634	476
Notes payable (direct borrowing)	-	-	-	-	-	-
Accrued compensated absences	6,151	5,767	1,696	1,643	7,847	7,410
Revenue bonds	64,425	66,165	29,905	51,535	94,330	117,700
Revenue bonds premium	-	-	1,028	2,280	1,028	2,280
Note payable	-	-	19,670	2,280	19,670	2,280
Refundable deposits	103	115	1,582	1,558	1,685	1,673
Totals	\$ 122,798	\$ 116,648	\$ 53,881	\$ 59,296	\$ 176,679	\$ 175,944

FACTORS AFFECTING FINANCIAL CONDITION

Midwest City’s economy is mainly dependent on Tinker Air Force Base’s (TAFB) wellbeing. TAFB has more positions available than there are qualified individuals to fill them. The 2025 arrival of the B-21 Raider is expected to increase employment levels equal to those seen prior to last year’s arrival of the Boeing KC-46.

The drop in COVID-19 cases is great news on many fronts as many analysts feel the national economy will continue to grow at a slow but steady pace. Local, state and federal relief seemed to have assisted Midwest City businesses with being able to weather the uncertainty caused by the pandemic. The entertainment, restaurant, and hospitality industries are all operational again.

August 2021 was the re-opening of Midwest City’s Warren Theatre. It originally opened on August 23, 2019, only to be shuttered in March 2020 following the global pandemic. Arvest Bank foreclosed on the property months later, but Regal Cinema purchased it and is now the owner. Although the movie industry as a whole remains in flux, the Warren Regal is doing well and crowds have exceeded expectations. The reopening has reinvigorated development activity in the surrounding Sooner Rose Shopping & Entertainment Center.

The Midwest City Utilities Authority Board of Trustees in late July approved a major real estate deal to sell most of Midwest City’s Soldier Creek Industrial Park to Florida-based Global Turbine Services. The City and its Economic Development Authority both inked performance-based incentives deals worth \$1.86 Million to bring the jet aircraft maintenance, repair, overhaul and testing facility to town. If all goes well, the deal will close in late 2021 with a groundbreaking in 2022. The GTS campus development promises over \$40 Million in new investment and over 200 employees with annual average wages near \$70,000 per employee. Economic growth for 2022 appears favorable as Midwest City is able to expand its industrial district.

FY 2021-2022 Budgets and Rates - The fiscal year 2021-2022 expenditure budgets presented to the Council and Board of Trustees was \$120,046,795, which is net of \$51,769,763 inter/intra-fund transfers.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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, 2021**

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Statement of Net Position– June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 67,601,391	\$ 22,287,663	\$ 89,889,054
Cash and cash equivalents, restricted	34,439,007	10,855,927	45,294,934
Investments	145,622,556	4,764,392	150,386,948
Investments, restricted	6,541,563	-	6,541,563
Land held for economic development	3,439,804	-	3,439,804
Accounts receivable, net	4,228,056	4,159,877	8,387,933
Interest receivable	57,162	15,449	72,611
Other receivable	628,311	91,185	719,496
Inventory	130,331	269,944	400,275
Internal balances	121,517	(121,517)	-
Prepaid items	224	10,655	10,879
Due from other governments	16,717,950	-	16,717,950
Lease receivable	42,653,041	-	42,653,041
Deposits held by others	25,300	-	25,300
Investments, non- current, restricted	-	285,406	285,406
Capital assets:			
Land, water rights, and construction in progress	63,307,488	16,962,910	80,270,398
Other capital assets, net of depreciation	242,290,056	131,456,856	373,746,912
Total assets	<u>627,803,757</u>	<u>191,038,747</u>	<u>818,842,504</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	758,736	758,736
Deferred amount related to pensions	10,555,597	-	10,555,597
Deferred amount related to OPEB	7,724,219	2,381,820	10,106,039
Total deferred outflows	<u>18,279,816</u>	<u>3,140,556</u>	<u>21,420,372</u>
LIABILITIES			
Accounts payable and accrued liabilities	4,070,047	1,909,129	5,979,176
Wages payable	2,086,417	580,168	2,666,585
Judgment payable	12,000,000	-	12,000,000
Claims payable	2,192,724	-	2,192,724
Due to other governments	14,788	-	14,788
Accrued interest payable	1,070,246	341,148	1,411,394
Unearned revenue	4,929,120	-	4,929,120
Long-term liabilities:			
Due within one year	5,708,490	5,719,514	11,428,004
Due in more than one year	177,992,534	55,603,316	233,595,850
Total liabilities	<u>210,064,366</u>	<u>64,153,275</u>	<u>274,217,641</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	2,328,109	-	2,328,109
Deferred amount related to property taxes	3,556,252	-	3,556,252
Deferred amount related to OPEB	965,289	1,526,559	2,491,848
Deferred amount on refunding	-	953,958	953,958
Total deferred inflows	<u>6,849,650</u>	<u>2,480,517</u>	<u>9,330,167</u>
NET POSITION			
Net investment in capital assets	280,915,315	105,254,059	386,169,374
Restricted for:			
Debt service	2,313,797	1,608,288	3,922,085
Hospital	138,358,263	-	138,358,263
Capital improvements	11,500,435	-	11,500,435
Public Safety	29,271,363	-	29,271,363
Street operations	1,747,310	-	1,747,310
Culture and recreation	1,526,029	-	1,526,029
Economic Development	6,669,437	-	6,669,437
Other	5,395,161	-	5,395,161
Unrestricted (deficit)	(48,527,553)	20,683,164	(27,844,389)
Total net position	<u>\$ 429,169,557</u>	<u>\$ 127,545,511</u>	<u>\$ 556,715,068</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Statement of Activities –Year Ended June 30, 2021

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	\$ 26,790,057	\$ 6,713,747	\$ 10,623,648	\$ -	\$ (9,452,662)	\$ -	\$ (9,452,662)
Public safety	37,205,477	2,064,556	4,993,362	8,406	(30,139,153)	-	(30,139,153)
Streets	14,656,606	588,287	521,283	-	(13,547,036)	-	(13,547,036)
Culture and recreation	2,475,082	395,984	37,611	-	(2,041,487)	-	(2,041,487)
Health and welfare	506,780	-	-	-	(506,780)	-	(506,780)
Economic development	5,091,417	3,399,029	791,253	-	(901,135)	-	(901,135)
Interest expense	4,159,461	-	-	-	(4,159,461)	-	(4,159,461)
Total governmental activities	90,884,880	13,161,603	16,967,157	8,406	(60,747,714)	-	(60,747,714)
Business-type activities:							
Water	7,452,869	8,586,498	-	-	-	1,133,629	1,133,629
Sewer	8,544,155	10,489,135	-	-	-	1,944,980	1,944,980
Sanitation	5,744,336	7,797,552	-	-	-	2,053,216	2,053,216
Drainage	716,332	499,660	-	-	-	(216,672)	(216,672)
Conference center	4,797,199	1,902,360	-	-	-	(2,894,839)	(2,894,839)
Golf	830,148	763,567	-	-	-	(66,581)	(66,581)
Industrial park	57,072	-	-	-	-	(57,072)	(57,072)
Total business-type activities	28,142,111	30,038,772	-	-	-	1,896,661	1,896,661
Total primary government	\$ 119,026,991	\$ 43,200,375	\$ 16,967,157	\$ 8,406	(60,747,714)	1,896,661	(58,851,053)
General revenues:							
Taxes:							
Sales and use taxes					48,204,176	-	48,204,176
Property tax					4,034,308	-	4,034,308
Payment in lieu of taxes					1,153,542	-	1,153,542
Franchise and public service taxes					2,433,624	-	2,433,624
Hotel/motel taxes					531,670	-	531,670
Intergovernmental revenue not restricted to specific programs					544,992	-	544,992
Investment income					35,502,522	73,736	35,576,258
Miscellaneous					867,120	676,163	1,543,283
Transfers - internal activity					(3,762,132)	3,762,132	-
Total general revenues and transfers					89,509,822	4,512,031	94,021,853
Change in net position					28,762,108	6,408,692	35,170,800
Net position - beginning					400,407,449	121,136,819	521,544,268
Net position - ending					\$ 429,169,557	\$ 127,545,511	\$ 556,715,068

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Governmental Funds Balance Sheet - June 30, 2021

	<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>
ASSETS							
Cash and cash equivalents	\$ 10,945,539	\$ 7,960,904	\$ 5,765,017	\$ 16,959,372	\$ 23,260,807	\$ 30,502,632	\$ 95,394,271
Investments	2,491,729	1,745,930	1,283,754	134,708,785	5,212,161	5,249,345	150,691,704
Land held for economic development	-	-	-	3,439,804	-	-	3,439,804
Receivables:							
Accounts receivable	2,998,507	73,433	4,400	140,431	-	981,171	4,197,942
Accrued interest receivable	8,259	5,793	3,805	18	18,665	17,007	53,547
Due from other funds	1,222	4,264,666	3,423,573	2,689	-	266,438	7,958,588
Deposits held by others	-	-	-	20,000	-	5,300	25,300
Prepaid items	224	-	-	-	-	-	224
Other receivable	14,701	4,461	8,055	-	-	-	27,217
Due from other governments	9,908,106	875,025	689,441	-	-	5,245,378	16,717,950
Inventory	60,000	-	-	-	-	-	60,000
Advance to other funds	248,192	-	-	-	-	-	248,192
Total assets	<u>\$ 26,676,479</u>	<u>\$ 14,930,212</u>	<u>\$ 11,178,045</u>	<u>\$ 155,271,099</u>	<u>\$ 28,491,633</u>	<u>\$ 42,267,271</u>	<u>\$ 278,814,739</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 185,102	\$ 55,103	\$ 27,320	\$ 57,617	\$ 1,894,311	\$ 1,618,929	\$ 3,838,382
Wages payable	524,886	773,624	618,980	11,360	-	77,979	2,006,829
Unearned revenue	4,929,120	-	-	-	-	-	4,929,120
Refundable deposits - court	102,769	-	-	-	-	-	102,769
Due to other funds	7,578,301	-	-	-	-	843,349	8,421,650
Due to other governments	14,788	-	-	-	-	-	14,788
Advance from other funds	-	-	248,192	-	-	-	248,192
Total liabilities	<u>13,334,966</u>	<u>828,727</u>	<u>894,492</u>	<u>68,977</u>	<u>1,894,311</u>	<u>2,540,257</u>	<u>19,561,730</u>
Deferred inflows of resources:							
Unavailable revenue	8,938,666	67,979	-	559,736	-	4,014,494	13,580,875
Fund balances:							
Nonspendable	331,589	-	-	3,459,804	-	5,300	3,796,693
Restricted	5,131,946	13,952,131	10,283,553	149,758,527	26,597,322	35,648,068	241,371,547
Committed	-	-	-	1,424,055	-	-	1,424,055
Assigned	240,278	81,375	-	-	-	59,152	380,805
Unassigned (deficit)	(1,300,966)	-	-	-	-	-	(1,300,966)
Total fund balances	<u>4,402,847</u>	<u>14,033,506</u>	<u>10,283,553</u>	<u>154,642,386</u>	<u>26,597,322</u>	<u>35,712,520</u>	<u>245,672,134</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 26,676,479</u>	<u>\$ 14,930,212</u>	<u>\$ 11,178,045</u>	<u>\$ 155,271,099</u>	<u>\$ 28,491,633</u>	<u>\$ 42,267,271</u>	<u>\$ 278,814,739</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2021:

Fund balances of governmental funds	\$ 245,672,134
 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 \$279,506,317	<u>304,873,148</u>
Certain long-term assets are not available to pay for current fund liabilities and therefore, are either reported as deferred inflows of resources in the funds or not reported in the funds at all:	
Due from other governments	7,307,896
Other receivable, net of allowance	2,716,727
Lease receivable	<u>42,653,041</u>
	<u>52,677,664</u>
The net pension liability and the total OPEB liability and the pension and OPEB related deferred outflow and 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	(33,999,061)
Pension related deferred outflows	10,555,597
OPEB related deferred outflows	7,293,939
Pension related deferred inflows	(2,328,109)
Total OPEB liability	(25,746,436)
OPEB related deferred inflows	<u>(868,701)</u>
	<u>(45,092,771)</u>
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.	<u>6,621,908</u>
Certain other long-term liabilities are not due and payable from current financial resources and not reported in the funds:	
General obligation bonds payable	(51,485,000)
Judgment payable	(12,000,000)
Bonds payable	(64,425,000)
Premium on debt	(634,189)
Accrued compensated absences	(5,982,667)
Accrued interest payable	<u>(1,055,670)</u>
	<u>(135,582,526)</u>
Net position of governmental activities	<u>\$ 429,169,557</u>

See accompanying notes to the basic financial statements

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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

	<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	\$ 27,121,075	\$ 6,791,075	\$ 5,350,759	\$ 1,153,542	\$ -	\$ 15,932,454	\$ 56,348,905
Intergovernmental	6,288,090	582,395	3,071,457	-	-	521,283	10,463,225
Charges for services	635,412	201,793	10,011	-	-	5,265,094	6,112,310
Fines and forfeitures	1,423,139	72,609	-	-	-	74,729	1,570,477
Licenses and permits	530,939	2,300	14,284	-	-	81,576	629,099
Investment income	64,850	23,000	19,003	35,313,403	19,089	64,032	35,503,377
Miscellaneous	573,448	61,932	24,996	5,872,137	-	102,153	6,634,666
Total revenues	<u>36,636,953</u>	<u>7,735,104</u>	<u>8,490,510</u>	<u>42,339,082</u>	<u>19,089</u>	<u>22,041,321</u>	<u>117,262,059</u>
EXPENDITURES							
Current:							
General government	11,151,735	-	-	1,201,755	535	1,877,668	14,231,693
Public safety	1,341,130	14,472,062	14,511,305	-	315	600,947	30,925,759
Streets	2,224,356	-	-	-	127,395	828,379	3,180,130
Culture and recreation	811,096	-	-	-	15,396	289,002	1,115,494
Health and welfare	398,168	-	-	-	-	75	398,243
Economic development	3,873,382	-	-	-	1,151	646,177	4,520,710
Capital outlay	648,270	821,213	194,900	565,435	11,771,825	7,667,147	21,668,790
Debt service:							
Principal retirement	-	-	-	-	-	3,435,000	3,435,000
Interest and fiscal charges	-	-	13,808	-	-	4,170,589	4,184,397
Total expenditures	<u>20,448,137</u>	<u>15,293,275</u>	<u>14,720,013</u>	<u>1,767,190</u>	<u>11,916,617</u>	<u>19,514,984</u>	<u>83,660,216</u>
Excess (deficiency) of revenues over expenditures	<u>16,188,816</u>	<u>(7,558,171)</u>	<u>(6,229,503)</u>	<u>40,571,892</u>	<u>(11,897,528)</u>	<u>2,526,337</u>	<u>33,601,843</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from issuance of debt	-	-	-	-	9,050,000	5,000	9,055,000
Bond premium	-	-	-	-	-	178,508	178,508
Transfers in	11,813,687	11,482,570	9,236,169	-	2,675,933	765,948	35,974,307
Transfers out	(30,313,488)	(315,000)	(490,277)	-	-	(8,470,848)	(39,589,613)
Total other financing sources and uses	<u>(18,499,801)</u>	<u>11,167,570</u>	<u>8,745,892</u>	<u>-</u>	<u>11,725,933</u>	<u>(7,521,392)</u>	<u>5,618,202</u>
Net change in fund balances	(2,310,985)	3,609,399	2,516,389	40,571,892	(171,595)	(4,995,055)	39,220,045
Fund balances - beginning, restated	6,713,832	10,424,107	7,767,164	114,070,494	26,768,917	40,707,575	206,452,089
Fund balances - ending	<u>\$ 4,402,847</u>	<u>\$ 14,033,506</u>	<u>\$ 10,283,553</u>	<u>\$ 154,642,386</u>	<u>\$ 26,597,322</u>	<u>\$ 35,712,520</u>	<u>\$ 245,672,134</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2021:

Net change in fund balances - total governmental funds: \$ 39,220,045

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	20,748,751
Gain (loss) on disposal of capital assets	(989,184)
Depreciation expense	(13,869,629)
	5,889,938

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	(947,500)
Amortization of premium	(158,597)
Debt proceeds	(9,055,000)
Bond payable principal payments	1,740,000
General obligation bond principal payments	1,695,000
	(6,726,097)

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	7,246,134
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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	(1,872,315)
Interest expense	5,025
Judgment expense	(12,000,000)
Pension expense	(3,480,041)
Accrued compensated absences	(366,150)
	(17,713,481)

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

845,569

Change in net position of governmental activities	\$ 28,762,108
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See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Proprietary Funds Statement of Net Position - June 30, 2021

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,986,518	\$ 782,677	\$ 21,769,195	\$ 7,164,595
Cash and cash equivalents, restricted	10,855,927	-	10,855,927	-
Investments	4,483,042	169,240	4,652,282	1,584,525
Accounts receivable, net	4,140,079	-	4,140,079	631,190
Other receivable	110,983	-	110,983	-
Accrued interest receivable	15,449	-	15,449	3,633
Prepaid items	10,655	-	10,655	-
Inventory	269,944	-	269,944	70,331
Due from other funds	1,056,317	-	1,056,317	5,830
Total current assets	<u>41,928,914</u>	<u>951,917</u>	<u>42,880,831</u>	<u>9,460,104</u>
Non-current assets:				
Investments, restricted	285,406	-	285,406	-
Land, construction in progress, and water rights	16,280,564	682,346	16,962,910	-
Other capital assets, net	128,775,039	2,522,778	131,297,817	883,435
Total non-current assets	<u>145,341,009</u>	<u>3,205,124</u>	<u>148,546,133</u>	<u>883,435</u>
Total assets	<u>187,269,923</u>	<u>4,157,041</u>	<u>191,426,964</u>	<u>10,343,539</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	758,736	-	758,736	-
Deferred amount related to OPEB	2,064,829	-	2,064,829	747,271
	<u>2,823,565</u>	<u>-</u>	<u>2,823,565</u>	<u>747,271</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,728,595	-	1,728,595	440,265
Claims liability	-	-	-	894,924
Wages payable	526,480	-	526,480	119,786
Due to other funds	143,941	-	143,941	455,144
Accrued interest payable	341,148	-	341,148	-
Accrued compensated absences	509,098	-	509,098	122,095
Refundable deposits	174,762	-	174,762	-
Revenue bonds payable	4,970,000	-	4,970,000	-
Total current liabilities	<u>8,394,024</u>	<u>-</u>	<u>8,394,024</u>	<u>2,032,214</u>
Non-current liabilities:				
Accrued compensated absences	989,564	-	989,564	244,191
Claims liability	-	-	-	1,297,800
Total OPEB liability	6,688,038	-	6,688,038	1,910,868
Refundable deposits	1,406,849	-	1,406,849	-
Notes payable	2,280,047	-	2,280,047	-
Revenue bonds payable, net	43,353,220	-	43,353,220	-
Total non-current liabilities	<u>54,717,718</u>	<u>-</u>	<u>54,717,718</u>	<u>3,452,859</u>
Total liabilities	<u>63,111,742</u>	<u>-</u>	<u>63,111,742</u>	<u>5,485,073</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount related to OPEB	1,450,996	-	1,450,996	172,151
Deferred amount on refunding	953,958	-	953,958	-
	<u>2,404,954</u>	<u>-</u>	<u>2,404,954</u>	<u>172,151</u>
NET POSITION				
Net investment in capital assets	101,889,896	3,205,124	105,095,020	883,435
Restricted for debt service	1,608,288	-	1,608,288	-
Restricted for other purposes	92,701	216,134	308,835	-
Unrestricted	20,985,907	735,783	21,721,690	4,550,151
Total net position	<u>\$ 124,576,792</u>	<u>\$ 4,157,041</u>	<u>\$ 128,733,833</u>	<u>\$ 5,433,586</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

(1,188,322)

Total net position per Government-Wide financial statements

\$ 127,545,511

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2021

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

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 29,970,065	\$ -	\$ 29,970,065	\$ 12,217,853
Fees, licenses and permits	18,609	-	18,609	-
Miscellaneous	150,154	-	150,154	834,406
Total operating revenues	<u>30,138,828</u>	<u>-</u>	<u>30,138,828</u>	<u>13,052,259</u>
OPERATING EXPENSES				
Personal services	10,003,949	-	10,003,949	2,324,410
Materials and supplies	3,394,764	-	3,394,764	1,471,097
Other services and charges	6,880,344	-	6,880,344	1,206,039
Insurance claims and expense	-	-	-	7,193,548
Depreciation and amortization	5,814,350	57,072	5,871,422	71,380
Total operating expenses	<u>26,093,407</u>	<u>57,072</u>	<u>26,150,479</u>	<u>12,266,474</u>
Operating income (loss)	<u>4,045,421</u>	<u>(57,072)</u>	<u>3,988,349</u>	<u>785,785</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	329,231	4,650	333,881	17,374
Interest expense and fiscal charges	(1,752,891)	-	(1,752,891)	-
Gain on asset retirement	119,630	-	119,630	-
Total non-operating revenue (expenses)	<u>(1,304,030)</u>	<u>4,650</u>	<u>(1,299,380)</u>	<u>17,374</u>
Income (loss) before contributions and transfers	<u>2,741,391</u>	<u>(52,422)</u>	<u>2,688,969</u>	<u>803,159</u>
Capital contributions	108,826	-	108,826	38,000
Transfers in	15,508,676	-	15,508,676	-
Transfers out	<u>(11,893,370)</u>	<u>-</u>	<u>(11,893,370)</u>	<u>-</u>
Change in net position	6,465,523	(52,422)	6,413,101	841,159
Total net position - beginning	118,111,269	4,209,463	122,320,732	4,592,427
Total net position - ending	<u>\$ 124,576,792</u>	<u>\$ 4,157,041</u>	<u>\$ 128,733,833</u>	<u>\$ 5,433,586</u>
Change in net position per above			\$ 6,413,101	
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			(4,409)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 6,408,692</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 29,733,799	\$ -	\$ 29,733,799	\$ -
Receipts from interfund services	-	-	-	12,512,446
Payments to suppliers	(10,079,760)	-	(10,079,760)	(1,797,662)
Payments to employees	(9,720,408)	-	(9,720,408)	(2,159,050)
Receipts (payments) from interfund loans	(52,125)	-	(52,125)	54,573
Receipt of customer deposits	444,130	-	444,130	-
Return of customer deposits	(424,217)	-	(424,217)	-
Claims and benefits paid	-	-	-	(8,058,311)
Net cash provided by operating activities	<u>9,901,419</u>	<u>-</u>	<u>9,901,419</u>	<u>551,996</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	15,508,676	-	15,508,676	-
Transfers to other funds	(11,893,370)	-	(11,893,370)	-
Net cash provided by noncapital financing activities	<u>3,615,306</u>	<u>-</u>	<u>3,615,306</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(5,878,150)	(5,317)	(5,883,467)	-
Principal paid on capital debt	(1,745,000)	-	(1,745,000)	-
Proceeds from issuance of bonds	18,455,000	-	18,455,000	-
Interest and fiscal charges paid on capital debt	(2,212,736)	-	(2,212,736)	-
Proceeds from sale of capital assets	23,283	-	23,283	-
Payment to escrow agent for refunded debt	(20,950,000)	-	(20,950,000)	-
Net cash provided by (used in) capital and related financing activities	<u>(12,307,603)</u>	<u>(5,317)</u>	<u>(12,312,920)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	2,992,336	169,545	3,161,881	1,349,977
Interest and dividends	341,034	4,650	345,684	24,081
Net cash provided by investing activities	<u>3,333,370</u>	<u>174,195</u>	<u>3,507,565</u>	<u>1,374,058</u>
Net increase in cash and cash equivalents	4,542,492	168,878	4,711,370	1,926,054
Balances - beginning of year	<u>27,299,953</u>	<u>613,799</u>	<u>27,913,752</u>	<u>5,238,541</u>
Balances - end of year	<u>\$ 31,842,445</u>	<u>\$ 782,677</u>	<u>\$ 32,625,122</u>	<u>\$ 7,164,595</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 20,986,518	\$ 782,677	\$ 21,769,195	\$ 7,164,595
Restricted cash and cash equivalents	10,855,927	-	10,855,927	-
Total cash and cash equivalents	<u>\$ 31,842,445</u>	<u>\$ 782,677</u>	<u>\$ 32,625,122</u>	<u>\$ 7,164,595</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 4,045,421	\$ (57,072)	\$ 3,988,349	\$ 785,785
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	5,814,350	57,072	5,871,422	71,380
Change in assets and liabilities:				
Receivables, net	(464,195)	-	(464,195)	(539,813)
Other receivable	55,024	-	55,024	-
Due from other funds	(1,582,765)	-	(1,582,765)	(2,223)
Prepaid items	(4,201)	-	(4,201)	-
Inventory	5,139	-	5,139	(28,786)
Deferred outflows OPEB	(1,281,691)	-	(1,281,691)	(612,343)
Accounts payable	194,410	-	194,410	179,183
Claims liability	-	-	-	(135,686)
Due to other funds	1,530,640	-	1,530,640	56,796
Accrued payroll and related liabilities	45,893	-	45,893	12,058
Refundable deposits	24,055	-	24,055	-
Total OPEB liability	1,567,668	-	1,567,668	780,156
Accrued compensated absences	61,352	-	61,352	9,010
Deferred inflows OPEB	(109,681)	-	(109,681)	(23,521)
Net cash provided by operating activities	<u>\$ 9,901,419</u>	<u>\$ -</u>	<u>\$ 9,901,419</u>	<u>\$ 551,996</u>
Noncash activities:				
Contributed capital assets - from governmental funds	<u>\$ 108,826</u>	<u>\$ -</u>	<u>\$ 108,826</u>	<u>\$ 38,000</u>

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, Grant Account, and Disaster Relief 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.

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

Special Revenue Funds include 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), a non-major enterprise fund 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 and 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.

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 refunding is 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 gain on refunding of debt, 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 unspent 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."

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.
- 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.

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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, 2021, the City's net assessed valuation of taxable property was \$361,418,461. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2021 was \$9.76.

Property tax accrued on the lien date of January 1, 2021 and recorded as a deferred inflow of resources was \$3,556,252.

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.

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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	\$ -	\$ 18,221,718	\$ -	\$ 18,221,718
Real Estate	-	-	2,304,089	2,304,089
Mutual Fund - equities	47,694,942	-	-	47,694,942
	<u>\$ 47,694,942</u>	<u>\$ 18,221,718</u>	<u>\$ 2,304,089</u>	<u>\$ 68,220,749</u>

As of June 30, 2021, 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.

Investments Measured at Net Asset Value	Fair Value	Redemption Frequency	Redemption Notice Period
US equity index funds ⁽¹⁾	\$ 71,003,083	Daily	2 days
US fixed income debt funds ⁽²⁾	9,859,915	Daily	3 days
	<u>\$ 80,862,998</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.

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Government money market accounts are carried at amortized cost.

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, 2021 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	\$ 127,024,086	n/a	\$ 127,024,086	\$ -	\$ -	\$ -	\$ -	
Time deposits	8,130,170	n/a	-	2,000,000	6,130,170	-	-	
Government Money Market Accounts	8,159,902	AAAm	8,159,902	-	-	-	-	
U.S. Agencies Obligations	18,221,718	Aaa	-	5,496,250	5,620,144	-	7,105,357	
Sub-total	161,535,876		\$ 135,183,988	\$ 7,496,250	\$ 11,750,314	\$ -	\$ 7,105,357	
Real Estate	2,304,089	n/a						
Mutual Funds - equities	118,698,025	n/a						
Fixed Income	9,859,915	n/a						
Sub-total	130,862,029							
Total Deposits and Investments	\$ 292,397,905							
Reconciliation to Financial Statements:								
Cash and cash equivalents	\$ 89,889,054							
Cash and cash equivalents, restricted	45,294,934							
Investments	150,386,948							
Investments, restricted	6,541,563							
Investments, restricted non-current	285,406							
	\$ 292,397,905							

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 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, 2021, 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, 2021, the investments held by the City mature between 2021 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 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).

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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 2021 Percent
Equities - Domestic	20%-70%	85%	86.8%
Fixed Income	2.5%-30%	80%	7.2%
Cash Equivalents	0%	20%	6.0%

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, 2021 are as follows:

Cash and Cash Equivalents:	
Restricted for Debt Service	\$ 7,194,784
Restricted Construction proceeds	36,826,441
Restricted for Refundable Deposits	1,273,709
	\$ 45,294,934
Investments:	
Restricted for Debt Service	\$ 6,541,563
Investments Restricted for Refundable Deposits	285,406
	\$ 6,826,969

3. Leases Receivable

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 \$42.7 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.

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4. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2021, capital assets balances changed as follows:

	Balance at July 1, 2020	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2021
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 39,950,396	\$ -	\$ -	\$ 39,950,396
Construction in progress	11,228,283	18,151,456	6,022,647	23,357,092
Total capital assets not being depreciated	<u>51,178,679</u>	<u>18,151,456</u>	<u>6,022,647</u>	<u>63,307,488</u>
Capital assets being depreciated:				
Buildings	31,746,930	431,798	1,698,576	30,480,152
Machinery and equipment	22,233,403	750,117	449,184	22,534,336
Vehicles	10,439,606	2,611,202	281,265	12,769,543
Infrastructure	452,510,635	4,871,310	-	457,381,945
Total other capital assets	<u>516,930,574</u>	<u>8,664,427</u>	<u>2,429,025</u>	<u>523,165,976</u>
Less accumulated depreciation for:				
Buildings	14,368,533	688,528	557,979	14,499,082
Machinery and equipment	16,848,273	965,245	613,889	17,199,629
Vehicles	6,409,828	626,067	223,488	6,812,407
Infrastructure	230,714,475	11,650,327	-	242,364,802
Total accumulated depreciation	<u>268,341,109</u>	<u>13,930,167</u>	<u>1,395,356</u>	<u>280,875,920</u>
Capital assets being depreciated, net	<u>248,589,465</u>	<u>(5,265,740)</u>	<u>1,033,669</u>	<u>242,290,056</u>
Governmental activities capital assets, net	<u>\$ 299,768,144</u>	<u>\$ 12,885,716</u>	<u>\$ 7,056,316</u>	<u>\$ 305,597,544</u>
	Balance at July 1, 2020	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2021
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 2,072,449	\$ 550,000	\$ -	\$ 2,622,449
Water rights	6,952,657	-	-	6,952,657
Construction in progress	3,169,198	4,665,725	447,119	7,387,804
Total capital assets not being depreciated	<u>12,194,304</u>	<u>5,215,725</u>	<u>447,119</u>	<u>16,962,910</u>
Capital assets being depreciated:				
Buildings	32,687,943	72,501	-	32,760,444
Machinery and equipment	14,574,988	961,908	483,147	15,053,749
Vehicles	11,205,836	25,547	23,586	11,207,797
Utility systems	184,062,489	501,730	-	184,564,219
Total other capital assets	<u>242,531,256</u>	<u>1,561,686</u>	<u>506,733</u>	<u>243,586,209</u>
Less accumulated depreciation for:				
Buildings	12,843,599	745,630	-	13,589,229
Machinery and equipment	10,779,681	568,818	279,497	11,069,002
Vehicles	6,022,268	603,090	23,586	6,601,772
Utility systems	76,904,623	3,964,727	-	80,869,350
Total accumulated depreciation	<u>106,550,171</u>	<u>5,882,265</u>	<u>303,083</u>	<u>112,129,353</u>
Capital assets being depreciated, net	<u>135,981,085</u>	<u>(4,320,579)</u>	<u>203,650</u>	<u>131,456,856</u>
Business-type activities capital assets, net	<u>\$ 148,175,389</u>	<u>\$ 895,146</u>	<u>\$ 650,769</u>	<u>\$ 148,419,766</u>

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$ 494,303
Public safety	1,207,563
Streets	11,401,174
Culture and recreation	342,755
Health and welfare	70,868
Economic development	352,967
Sub-total governmental funds depreciation	<u>13,869,630</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	60,537
Total	<u><u>\$ 13,930,167</u></u>

Business-Type Activities:

Water	\$ 1,270,670
Sewer	2,743,269
Sanitation	531,874
Drainage	275,669
Conference center/hotel	881,333
Golf	111,535
Industrial park	57,072
Total Business Type Activities	<u>5,871,422</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	10,843
Total	<u><u>\$ 5,882,265</u></u>

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5. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2021 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	\$ 105,011	Surplus properties sales proceeds to be distributed			
General Fund	Fire Fund	248,192	Long-term loan for capital improvements			
Police Fund	General Fund	4,178,082	Restricted sales tax payable			
Police Fund	Surplus Property	86,584	Surplus properties sales proceeds to be distributed			
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed			
Fire Fund	General Fund	3,378,128	Restricted sales tax payable			
Fire Fund	General Fund	22,091	Revenue accrued to be transferred			
Fire Fund	Surplus Property	23,354	Surplus properties sales proceeds to be distributed			
Welcome Center	Surplus Property	354	Surplus properties sales proceeds to be distributed			
Welcome Center	Golf	71,971	Long-term loan for capital improvements			
Convention & Visitor Bureau	Surplus Property	501	Surplus properties sales proceeds to be distributed			
Emergency Operating Fund	Surplus Property	3,022	Surplus properties sales proceeds to be distributed			
Park & Recreation	Golf	71,971	Long-term loan for capital improvements			
General 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	12,828	Revenue accrued to be transferred			
Public Works Administration	Surplus Property	3	Surplus properties sales proceeds to be distributed			
Fleet Services Fund	Surplus Property	5,827	Surplus properties sales proceeds to be distributed			
Storm Water Quality	Surplus Property	54	Surplus properties sales proceeds to be distributed			
Sanitation Fund	Surplus Property	141,872	Surplus properties sales proceeds to be distributed			
Water Fund	Surplus Property	20,133	Surplus properties sales proceeds to be distributed			
Sewer	Surplus Property	29,806	Surplus properties sales proceeds to be distributed			
Hotel	Surplus Property	18,651	Surplus properties sales proceeds to be distributed			
Golf	Surplus Property	15,280	Surplus properties sales proceeds to be distributed			
Debt Service	Debt Service	830,521	Revenue accrued to be transferred			
		<u>\$ 9,268,927</u>				
		Due From Other Funds	Advance From Other Funds	Due To Other Funds	Advance To Other Funds	Net Internal Balances
Reconciliation to Fund Financial Statements:						
Governmental Funds		\$ 7,958,588	\$ 248,192	\$ 8,421,650	\$ 14,788	\$ (229,658)
Proprietary Funds		1,056,317	-	143,941	-	912,376
Internal Service Funds		5,830	-	455,144	-	(449,314)
Total		<u>\$ 9,020,735</u>	<u>\$ 248,192</u>	<u>\$ 9,020,735</u>	<u>\$ 14,788</u>	<u>\$ 233,404</u>
Reconciliation to Statement of Net Position:						
Net Internal Balances		\$ 912,376				
Internal Service Fund Activity reported in Business-Type Activities		(1,033,893)				
Net Internal Balances		<u>\$ (121,517)</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, 2021 were as follows:

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<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Transfer</u>
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	772,098	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	9,444,350	Debt Service Subsidy
General Gov Sales Tax	G.O. Debt Services	11,666	Capital Outlay Subsidy
Street and Alley Fund	Water Fund	39,420	Capital Outlay Subsidy
Police Fund	General Fund	11,482,301	Ordinance Obligation
Police Fund	General Fund	269	Operating Subsidy
Juvenile Fund	General Fund	50,000	Operating Subsidy
Fire Fund	General Fund	9,204,149	Ordinance Obligation
Fire Fund	General Fund	32,020	Capital Outlay Subsidy
Emergency Management Fund	General Fund	25,000	Grant Subsidy
General Fund	Police Impound Fee	3,754	Grant Subsidy
General Fund	Fire Fund	39,183	Grant Subsidy
Sanitation	General Fund	55,400	Grant Subsidy
Urban Renewal Authority	General Fund	20,000	Operating Subsidy
2018 Election GO Bonds	General Gov Sales Tax	50,000	Capital Outlay Subsidy
2018 Election GO Bonds	Police Capitalization	315,000	Capital Outlay Subsidy
2018 Election GO Bonds	Fire Fund	315,000	Capital Outlay Subsidy
2018 Election GO Bonds	Fire Capitalization	136,094	Capital Outlay Subsidy
2018 Election GO Bonds	Welcome Center	150,000	Capital Outlay Subsidy
2018 Election GO Bonds	Street Tax Fund	100,000	Capital Outlay Subsidy
2018 Election GO Bonds	Park & Recreation	263,935	Capital Outlay Subsidy
2018 Election GO Bonds	Capital Improvement Fund	29,220	Capital Outlay Subsidy
2018 Election GO Bonds	Downtown Redevelopment	1,316,684	Capital Outlay Subsidy
2018 GO Bonds Proprietary	Capital Water Improve	83,200	Capital Outlay Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	6,008,927	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	General Fund	9,444,349	Debt Service Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	536,662	Capital Outlay Subsidy
		<u>\$ 51,482,983</u>	
		<u>Transfers From</u>	<u>Transfers To Other</u>
Reconciliation to Fund Financial Statements:		<u>Other Funds</u>	<u>Funds</u>
Governmental Funds		\$ 35,974,307	\$ (39,589,613)
Proprietary Funds		15,508,676	(11,893,370)
Total		<u>\$ 51,482,983</u>	<u>\$ (51,482,983)</u>
			<u>\$ -</u>
Reconciliation to Statement of Activities:			
Net Transfers			\$ 3,615,306
Capital Contributions to Enterprise Fund			146,826
Transfers - Internal Activity			<u>\$ 3,762,132</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, 2021, 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, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 44,125,000	\$ 9,055,000	\$ 1,695,000	\$ 51,485,000	\$ 1,785,000
General Obligation Bonds premium	475,592	178,508	19,911	634,189	-
Revenue Bonds Payable	66,165,000	-	1,740,000	64,425,000	1,790,000
Accrued Compensated Absences	5,767,684	3,290,397	2,906,090	6,151,991	2,030,721
Refundable Deposits	114,688	369,227	381,146	102,769	102,769
Total Governmental Activities	<u>\$ 116,647,964</u>	<u>\$ 12,893,132</u>	<u>\$ 6,742,147</u>	122,798,949	5,708,490
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				26,903,014	-
Net Pension Liability				33,999,061	-
				<u>\$ 183,701,024</u>	<u>\$ 5,708,490</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 51,535,000	\$ -	\$ 21,630,000	\$ 29,905,000	\$ 695,000
Revenue Bonds Premium	2,280,430	-	1,252,210	1,028,220	-
Notes Payable	2,280,047	18,455,000	1,065,000	19,670,047	4,275,000
Refundable Deposits	1,557,556	447,932	423,878	1,581,610	174,762
Accrued Compensated Absences	1,643,420	922,965	870,760	1,695,625	574,752
Total Business-Type Activities	<u>\$ 59,296,453</u>	<u>\$ 19,825,897</u>	<u>\$ 25,241,848</u>	\$ 53,880,502	\$ 5,719,514
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				7,442,328	-
				<u>\$ 61,322,830</u>	<u>\$ 5,719,514</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:

\$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. \$ 19,205,000

\$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. 16,675,000

\$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. 6,550,000

\$9,055,000 general obligation bonds dated June 1, 2021, payable in annual installments of \$375,000 and \$430,000 in last year, with interest rates of 2.00% to 2.375%, repaid by property tax levies. Final maturity June 2046. 9,055,000

Total general obligation bonds \$ 51,485,000

Current	\$ 1,785,000
Non-current	<u>49,700,000</u>
Total	<u>\$ 51,485,000</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. \$ 46,515,000

\$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. \$ 17,910,000

Total Revenue Bonds, Net \$ 64,425,000

Current	\$ 1,790,000
Non-current	<u>62,635,000</u>
Total	<u>\$ 64,425,000</u>

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

Revenue Bonds Payable:

\$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%.

	\$ 29,905,000
Total Revenue Bonds	\$ 29,905,000
Unamortized Revenue Bond Premium	<u>1,028,220</u>
Total Revenue Bonds, Net	<u>\$ 30,933,220</u>

	\$ 695,000
Current	\$ 695,000
Non-current	<u>30,238,220</u>
Total	<u>\$ 30,933,220</u>

Note Payable:

\$18,455,000 Capital Improvement Revenue Refunding Note, Series 2020, due in annual principal installments of \$1,065,000 to \$4,425,000 starting March 1, 2021 through through June 30, 2025; interest rate 1.16%.

\$ 17,390,000

\$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

Total Notes Payable \$ 19,670,047

	\$ 4,275,000
Current	\$ 4,275,000
Non-current	<u>15,395,047</u>
Total	<u>\$ 19,670,047</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	
2022	\$ 1,790,000	\$ 2,796,353	\$ 1,785,000	\$ 1,443,985	
2023	1,850,000	2,736,668	2,210,000	1,392,122	
2024	1,910,000	2,673,123	2,210,000	1,331,635	
2025	1,980,000	2,605,085	2,210,000	1,271,148	
2026	2,055,000	2,532,035	2,210,000	1,210,660	
2027-2031	11,550,000	11,366,008	11,050,000	5,145,987	
2032-2036	14,305,000	8,615,048	11,050,000	3,630,460	
2037-2041	10,525,000	5,627,588	11,050,000	2,076,472	
2042-2046	11,550,000	3,288,005	7,710,000	509,276	
2047-2048	6,910,000	525,225	-	-	
	<u>\$ 64,425,000</u>	<u>\$ 42,765,138</u>	<u>\$ 51,485,000</u>	<u>\$ 18,011,745</u>	

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Business-Type Activities

Year Ending June 30,	Revenue Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 695,000	\$ 1,095,625	\$ 4,275,000	\$ 189,312
2023	710,000	1,081,725	4,320,000	139,606
2024	725,000	1,067,525	4,370,000	89,349
2025	740,000	1,053,025	4,425,000	38,483
2026	760,000	1,030,825	-	-
2027-2031	4,245,000	4,713,525	-	-
2032-2036	5,160,000	3,802,188	-	-
2037-2041	6,115,000	2,847,462	-	-
2042-2046	7,375,000	1,584,400	-	-
2047-2048	3,380,000	204,200	-	-
Total	<u>\$ 29,905,000</u>	<u>\$ 18,480,500</u>	<u>\$ 17,390,000</u>	<u>\$ 456,750</u>

An amortization schedule will not be available on the note payable with the Central Oklahoma Master Conservancy District 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 \$48,385,500. Pledged sales taxes transferred in the current year was \$15,453,276. Debt service payments on 2019 Revenue Bonds of \$1,789,225 for the current fiscal year were 11.56% 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 \$23,117,148.

Sales Tax Pledge - The City has pledged one-fourth of one percent (or .25%) of future sales tax revenues to repay the 2020 Sales Tax Revenue Refunding Note which are payable through 2025. Proceeds from the bond provided financing for refund the 2011A Revenue Bonds. The total principal and interest payable for the remainder of the life of the bond is \$17,846,750. Pledged sales taxes transferred in the current year was \$15,453,276. Debt service payments on the bonds were \$1,117,330 for the current fiscal year or 7.2% 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 \$23,117,148.

Current Refunding

In December 2020, the City issued \$18,455,000 series 2020 Utility System and Sales Tax Revenue Note with interest rates at 1.16 percent to current refund \$20,950,00 of outstanding 2011A Series Capital Improvement Revenue Bonds with interest rates from 2.0 percent to 4.0 percent. A portion of the proceeds along with \$3,178,730 of the 2011A revenue bonds debt service fund were used to current refund the 2011A bonds.

The City refunded the 2011A Bonds to reduce its total debt service payments of the next five years by \$4,151,789 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$888,222. The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,105,724. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being charged to operations through the year 2025 using the straight line method.

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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	\$ 138,318,264
Technology Fund	Enabling legislation	457,053
Police Impound Fund	Enabling legislation	114,337
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	741,398
Street Lighting Fund	Enabling legislation	1,747,310
2018 GO Bond	Enabling legislation	3,263,460
Economic Development Authority	Enabling legislation	5,038,511
		<u>149,684,137</u>
Street and Alley Fund	Statutory requirements	1,631,170
Juvenile Fund	Statutory requirements	40,042
Police Special Projects	Statutory requirements	222,442
Police Lab Fee	Statutory requirements	26,370
		<u>1,920,024</u>
General Fund	External contracts	5,171,953
Police Fund	External contracts	13,952,131
Fire Fund	External contracts	10,283,553
Park and Recreation Fund	External contracts	773,971
Emergency Operation Fund	External contracts	881,441
Welcome Center	External contracts	357,338
Convention and Visitors Bureau	External contracts	307,869
GO Debt Service Fund	External contracts	2,313,797
2002 GO Street Bond	External contracts	314,871
Downtown Redevelopment	External contracts	578,946
Dedicated Tax Fund	External contracts	1,933,848
Capital Improvement Fund	External contracts	2,579,689
General Government Sales Tax Fund	External contracts	4,926,430
Sooner Rose TIF	External contracts	801,797
		<u>45,177,634</u>
Total Restricted Net Position		<u>\$ 196,781,795</u>
Restricted (by purpose) for:		
Debt service		\$ 2,313,797
Hospital		138,358,263
Capital improvements		11,500,435
Public Safety		29,271,363
Street operations		1,747,310
Culture and recreation		1,526,029
Economic Development		6,669,437
Other		5,395,161
		<u>\$ 196,781,795</u>

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

	Major Special Revenue Funds				Capital Project Major	Other		Total
	General Fund	Police Fund	Fire Fund	Hospital Authority	2018 GO Bond CIP	Governmental Fund		
Fund Balance:								
Nonspendable:								
Inventory	\$ 83,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,173
Deposits held by others	248,192	-	-	3,459,804	-	5,300	-	3,713,296
Prepaid expenses	224	-	-	-	-	-	-	224
	<u>331,589</u>	<u>-</u>	<u>-</u>	<u>3,459,804</u>	<u>-</u>	<u>5,300</u>	<u>-</u>	<u>3,796,693</u>
Restricted:								
Public safety	3,751,049	13,952,131	10,283,553	-	-	1,284,632	-	29,271,365
Hospital	-	-	-	149,758,527	-	-	-	149,758,527
General obligation debt service	-	-	-	-	-	2,447,665	-	2,447,665
Capital improvements	-	-	-	-	26,597,322	11,693,678	-	38,291,000
Street improvements	-	-	-	-	-	1,946,041	-	1,946,041
Street operations	-	-	-	-	-	1,747,310	-	1,747,310
Technology improvements	-	-	-	-	-	457,053	-	457,053
Culture and rec programs	394,720	-	-	-	-	1,131,309	-	1,526,029
Economic development	517,446	-	-	-	-	10,013,950	-	10,531,396
Public works	242,072	-	-	-	-	-	-	242,072
Health and welfare programs	53,776	-	-	-	-	-	-	53,776
General government	172,883	-	-	-	-	4,926,430	-	5,099,313
Sub-total restricted	<u>5,131,946</u>	<u>13,952,131</u>	<u>10,283,553</u>	<u>149,758,527</u>	<u>26,597,322</u>	<u>35,648,068</u>	<u>-</u>	<u>241,371,547</u>
Committed to:								
Economic development	-	-	-	1,424,055	-	-	-	1,424,055
Assigned to:								
Culture and rec programs	28,955	-	-	-	-	-	-	28,955
Capital improvements	-	-	-	-	-	-	-	-
Public safety	-	81,375	-	-	-	-	-	81,375
Economic development	-	-	-	-	-	57,606	-	57,606
Streets	-	-	-	-	-	1,546	-	1,546
General government	27,483	-	-	-	-	-	-	27,483
Public works	28,539	-	-	-	-	-	-	28,539
General government - encumbrances	45,964	-	-	-	-	-	-	45,964
Public safety - encumbrances	1,720	-	-	-	-	-	-	1,720
Public works - encumbrances	40,952	-	-	-	-	-	-	40,952
Culture and rec - encumbrances	319	-	-	-	-	-	-	319
Economic development - encumbrances	37,060	-	-	-	-	-	-	37,060
Sub-total assigned	<u>240,278</u>	<u>81,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,152</u>	<u>-</u>	<u>380,805</u>
Unassigned (deficit):	(1,300,966)	-	-	-	-	-	-	(1,300,966)
TOTAL FUND BALANCE	<u>\$ 4,402,847</u>	<u>\$ 14,033,506</u>	<u>\$ 10,283,553</u>	<u>\$ 154,642,386</u>	<u>\$ 26,597,322</u>	<u>\$ 35,712,520</u>	<u>\$ -</u>	<u>\$ 245,672,134</u>

Beginning fund balance was restated due to a reclassification of a fund from a non-major governmental fund to an account of the General Fund.

	General Fund	Non Major Governmental Funds
Beginning net position, as previously reported	\$ 6,488,854	\$ 40,932,553
Reclassification of fund from non-major to General Fund Account	224,978	(224,978)
Beginning net position, restated	<u>\$ 6,713,832</u>	<u>\$ 40,707,575</u>

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The following is a breakdown of encumbrances at June 30, 2021:

Fund	Balance
Major Funds:	
General Fund	\$ 160,581
Police Fund	307,168
Fire Fund	28,319
Hospital Authority	126,794
2018 GO Bond CIP	13,619,887
	<u>\$ 14,242,749</u>
Non Major Fund:	
General Govt Sales Tax	\$ 45,161
Street and Alley Fund	158,009
Technology Fund	23,189
Capital Outlay Reserve	15,388
Convention and Visitor Bureau	11,634
Street Tax Fund	151,846
Emergency Operations Fund	14,742
Park and Recreation Fund	9,516
Grant Fund	164,409
Capital Improvement Fund	17,368
Downtown Redevelopment Fund	8,000
Urban Renewal Authority	16,800
Economic Development Authority	85,745
2018 GO Bond CIP Proprietary	5,386,559
	<u>\$ 6,108,366</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:

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Wind/hail	\$10,000
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 \$8,795,738.

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, 2019, to June 30, 2021, are as follows:

	Workers Comp	Health Care	Total
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	(1,364,530)	(7,095,797)	(8,460,327)
Claims liability, June 30, 2020	1,944,000	384,410	2,328,410
Claims and changes in estimates	1,076,786	6,649,828	7,726,614
Claims payments	(1,139,786)	(6,722,514)	(7,862,300)
Claims liability, June 30, 2021	\$ 1,881,000	\$ 311,724	\$ 2,192,724

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 Liability	
Police Pension System	\$ 2,390,495
Firefighter’s Pension System	31,608,566
Total Net Pension Liability	\$ 33,999,061
Deferred Outflows of Resources	
Police Pension System	\$ 4,099,589
Firefighter’s Pension System	6,456,008
Total Deferred Outflows of Resources	\$ 10,555,597
Deferred Inflows of Resources	
Police Pension System	\$ 704,591
Firefighter’s Pension System	1,623,518
Total Deferred Inflows of Resources	\$ 2,328,109

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 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.

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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 \$969,285. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$557,371 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 \$838,739. 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the City reported a liability of \$2,390,495 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by

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pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 2.081% at June 30, 2021, which was an increase of .28% compared to its proportion at June 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$2,810,301. At June 30, 2021, 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	\$ 61,844	\$ 649,195
Changes of assumptions	245,573	-
Net difference between projected and actual earnings on pension plan investments	2,820,411	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	35,887
City Contributions during measurement period	2,476	19,509
City contributions subsequent to the measurement date	969,285	-
Total	\$ 4,099,589	\$ 704,591

The \$969,285 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, 2022. 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:

2022	\$	322,698
2023		703,314
2024		917,040
2025		531,382
2026		(48,721)
	\$	2,425,713

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%

Salary increases: 3.5% to 12% average, including inflation

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Investment rate of return: 7.5% net of pension plan investment expense

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

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

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

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, 2020, 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, 2020, 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>

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

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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)	\$ 8,444,653	\$ 2,390,495	\$ (2,730,049)

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.

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 \$1,286,239. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$3,071,457 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 \$2,657,966. 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%.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the City reported a liability of \$31,608,566 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the City's proportion was 2.566%, at June 30, 2021, which was an increase of .032% compared to its proportion at June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$6,421,969. At June 30, 2021, 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	\$ 4,028,523	\$ 424,110
Changes of assumptions	-	535,640
Net difference between projected and actual earnings on pension plan investments	464,610	-
Changes in proportion and differences between City contributions and proportionate share of contributions	580,592	533,507
City contributions during the measurement period	96,044	130,261
City contributions subsequent to the measurement date	1,286,239	-
Total	\$ 6,456,008	\$ 1,623,518

The \$1,286,239 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, 2022. 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:

2022	\$ 710,535
2023	1,208,363
2024	996,670
2025	630,683
	\$ 3,546,251

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Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2020, 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, 2020, 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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.38%
Domestic equity	47%	7.41%
International equity	15%	9.82%
Real estate	10%	7.70%
Other assets	8%	5.67%

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from 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:

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	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 41,049,554	\$ 31,608,566	\$ 23,709,691

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 City Council has the authority to establish and amend provisions of the plan specific to the City, such as naming authorized agents and approving disability and retirement provisions. For the year ended June 30, 2021, the City contributed \$2,307,633 to the plan, while the employee contributions totaled \$13,688.

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.

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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, 2021 were \$860,385.

Employees Covered by Benefit Terms

Active Employees	468
Inactive not yet receiving benefits	150
Inactive or beneficiaries receiving benefits	<u>106</u>
Total	<u>724</u>

Total OPEB Liability – The total OPEB liability was determined based on actuarial valuation performed as of June 30, 2021 with a measurement date of June 30, 2020.

Actuarial Assumptions- The total OPEB liability in the June 30, 2020 valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 2.21% 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>
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	<u>\$ 26,200,223</u>
Changes for the Year:	
Service cost	969,237
Interest expense	950,931
Differences between expected and actual experience	669,018
Change in assumptions	6,416,318
Benefits paid	<u>(860,385)</u>
Net Changes	<u>8,145,119</u>
Balances End of Year	<u>\$ 34,345,342</u>

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the City recognized OPEB expense of \$2,294,280. At June 30, 2021, 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	\$ 796,889	\$ 68,749
Changes of assumptions	6,636,535	712,252
Change in proportion and contributions during the measurement period	1,710,852	1,710,847
City Contributions (benefit payments) subsequent to the measurement date	961,763	-
Total	<u>\$ 10,106,039</u>	<u>\$ 2,491,848</u>

The \$961,763 subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. 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:	
2022	\$ 1,234,497
2023	1,334,218
2024	1,560,468
2025	1,514,519
2026	1,008,726
	<u>\$ 6,652,428</u>

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 (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Employers' total OPEB liability	\$ 40,425,955	\$ 34,345,342	\$ 29,521,800

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 (4.99 percent decreasing to 3.87 percent) or 1-percentage-point higher (6.999 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	1% Decrease (4.99 % decreasing to 3.87%)	Current Discount Rate (5.99 % decreasing to 4.87%)	1% Increase (6.99% decreasing to 5.87%)
Employers' total OPEB liability	\$ 30,428,078	\$ 34,345,342	\$ 39,426,903

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 includes an accruals for loss contingencies that may result from these proceedings, see subsequent event note. 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, 2021, 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 a subsequent fiscal year.

Construction Commitments

The city had the following outstanding construction commitments at June 30.

Hotel property improvement	\$ 5,710,221
Multi athletic facility	4,869,916
Street repair	2,081,761
Reed baseball complex	1,316,286
Animal shelter	372,747
Town center park	5,116,884
JC golf renovation	2,718,218
Booster station renovation	3,906,305
	<u>\$ 26,092,338</u>

General Obligation Bonds

In May 2021 the citizens approved the issuance of \$9,055,000 of General Obligation Bonds. Subsequent to year end, the city will issue \$5,700,000 for the purpose of acquiring, construction, reconstruction, improving, remodeling, and repairing public safety buildings and facilities, including extending utilities and improving access thereto and purchasing and installing public safety equipment.

12. Subsequent Events

In October 2021, a judgment was rendered against the city related to an inverse condemnation claim that was filed in a previous fiscal year. The jury awarded the plaintiffs a total of \$2,620,402 plus attorney's fees and court cost. The city estimates the final settlement at \$12,000,000. This amount has been recorded as current liability in the governmental activities, government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2021

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 887,815	\$ (1,374,745)	\$ 7,336,318	\$ 8,711,063
Resources (Inflows):				
Taxes	21,778,198	25,852,638	27,182,028	1,329,390
Charges for services	448,916	448,918	435,831	(13,087)
Fines and forfeitures	956,675	956,676	1,376,523	419,847
Licenses and permits	538,710	538,715	528,638	(10,077)
Investment income	42,910	42,910	58,963	16,053
Intergovernmental	484,487	484,487	563,475	78,988
Miscellaneous	214,065	214,065	360,786	146,721
Total Resources (Inflows)	<u>24,463,961</u>	<u>28,538,409</u>	<u>30,506,244</u>	<u>1,967,835</u>
Amounts available for appropriation	<u>25,351,776</u>	<u>27,163,664</u>	<u>37,842,562</u>	<u>10,678,898</u>
Charges to Appropriations (Outflows):				
City Clerk	103,274	105,058	101,918	3,140
Human Resources	437,210	448,191	413,250	34,941
City Attorney	51,389	53,236	51,896	1,340
Community Development	1,980,419	2,031,315	1,852,073	179,242
Park & Rec	304,005	323,746	315,198	8,548
Finance	626,772	667,104	621,072	46,032
Streets	2,649,489	2,753,763	2,228,486	525,277
Animal Welfare	385,018	393,758	381,077	12,681
Municipal Court	487,269	504,777	488,275	16,502
Neighborhood Services	1,119,018	1,210,225	1,095,537	114,688
Information Technology	658,679	694,419	556,440	137,979
Emergency Response	1,095,828	1,125,084	1,122,710	2,374
Swimming Pool	292,229	318,203	303,778	14,425
Communications	278,220	285,951	215,483	70,468
Senior Center	142,116	144,177	102,316	41,861
Total Charges to Appropriations	<u>10,610,935</u>	<u>11,059,007</u>	<u>9,849,511</u>	<u>1,209,496</u>
Other financing sources (uses)				
Transfers from other funds	9,816,603	11,771,931	11,771,188	(743)
Transfers to other funds	<u>(23,767,773)</u>	<u>(29,300,601)</u>	<u>(29,281,790)</u>	<u>18,811</u>
Total other financing sources (uses)	<u>(13,951,170)</u>	<u>(17,528,670)</u>	<u>(17,510,602)</u>	<u>18,068</u>
Ending Budgetary Fund Balance	<u>\$ 789,671</u>	<u>\$ (1,424,013)</u>	<u>\$ 10,482,449</u>	<u>\$ 11,906,462</u>

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021**

POLICE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,368,549	\$ 419,101	\$ 5,512,152	\$ 5,093,051
Resources (Inflows):				
Taxes	5,335,484	6,450,371	6,793,380	343,009
Intergovernmental	11,120	11,120	5,024	(6,096)
Charges for services	210,159	210,160	201,793	(8,367)
License and permits	-	2,567	2,300	(267)
Investment income	59,194	59,194	44,387	(14,807)
Fines and forfeitures	60,867	60,867	71,531	10,664
Miscellaneous	2,567	18,648	54,590	35,942
Total Resources (Inflows)	5,679,391	6,812,927	7,173,005	360,078
Amounts available for appropriation	7,047,940	7,232,028	12,685,157	5,453,129
Charges to Appropriations (Outflows):				
Public Safety	14,604,849	15,850,217	14,571,999	1,278,218
Total Charges to Appropriations	14,604,849	15,850,217	14,571,999	1,278,218
Other financing sources (uses)				
Transfers from other funds	8,897,843	10,865,209	10,864,666	(543)
Transfers to other funds	(337,866)	(1,552,772)	(1,552,772)	-
Total other financing sources (uses)	8,559,977	9,312,437	9,311,894	(543)
Ending Budgetary Fund Balance	\$ 1,003,068	\$ 694,248	\$ 7,425,052	\$ 6,730,804

FIRE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ (5,331,609)	\$ 215,500	\$ 4,710,614	\$ 4,495,114
Resources (Inflows):				
Taxes	4,203,720	5,082,151	5,352,574	270,423
Charges for services	17,409	17,409	10,010	(7,399)
Investment income	47,840	47,840	33,566	(14,274)
Licenses and permits	9,039	9,039	14,284	5,245
Miscellaneous	13,394	13,394	9,030	(4,364)
Total Resources (Inflows)	4,291,402	5,169,833	5,419,464	249,631
Amounts available for appropriation	(1,040,207)	5,385,333	10,130,078	4,744,745
Charges to Appropriations (Outflows):				
Public Safety	11,709,657	12,477,670	11,792,241	685,429
Total Charges to Appropriations	11,709,657	12,477,670	11,792,241	685,429
Other financing sources (uses)				
Transfers from other funds	7,114,523	8,725,691	8,714,481	(11,210)
Transfers to other funds	(298,725)	(615,494)	(605,952)	9,542
Total other financing sources (uses)	6,815,798	8,110,197	8,108,529	(1,668)
Ending Budgetary Fund Balance	\$ (5,934,066)	\$ 1,017,860	\$ 6,446,366	\$ 5,428,506

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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	<u>Fund Balance</u> <u>June 30, 2020</u>	<u>Net Change in</u> <u>Fund Balance</u>	<u>Fund Balance</u> <u>June 30, 2021</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 6,713,832	\$ (2,310,985)	\$ 4,402,847
Increases (Decreases):			
Revenues:			
Receivable	(5,932,414)	323,657	(5,608,757)
Change in fair value of investments	(5,086)	6,497	1,411
Other misc items	1,023,476	287,186	1,310,662
Expenditures:			
Payables	8,634,001	1,196,966	9,830,967
Encumbrances	(101,295)	(24,718)	(126,013)
Impact of combining accounts:			
Reimbursed Projects Account	(1,260,025)	208,143	(1,051,882)
Employee Activity Account	(20,267)	(4,380)	(24,647)
Activity Account	(348,839)	(4,908)	(353,747)
Animals Best Friend Account	(87,986)	20,691	(67,295)
29th and Douglas Account	(288)	(3)	(291)
Grants Account	(224,978)	6,132,029	5,907,051
Disaster Relief Account	(1,053,813)	(2,684,044)	(3,737,857)
Fund Balance - Budgetary Basis	<u>\$ 7,336,318</u>	<u>\$ 3,146,131</u>	<u>\$ 10,482,449</u>

**CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2021**

POLICE FUND	Fund Balance June 30, 2020	Net Change in Fund Balance	Fund Balance June 30, 2021
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 10,424,107	\$ 3,609,399	\$ 14,033,506
Increases (Decreases):			
Revenues:			
Receivable	(4,615,932)	272,040	(4,343,892)
Change in fair value of investments	(4,583)	5,819	1,236
Other misc items	(1,056,467)	(2,106,037)	(3,162,504)
Expenditures:			
Payables	765,027	131,679	896,706
Fund Balance - Budgetary Basis	<u>\$ 5,512,152</u>	<u>\$ 1,912,900</u>	<u>\$ 7,425,052</u>
FIRE FUND	Fund Balance June 30, 2020	Net Change in Fund Balance	Fund Balance June 30, 2021
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 7,767,164	\$ 2,516,389	\$ 10,283,553
Increases (Decreases):			
Revenues:			
Receivable	(3,591,927)	(537,347)	(4,129,274)
Change in fair value of investments	(3,101)	(812)	(3,913)
Other misc items	(499,695)	(98,797)	(598,492)
Expenditures:			
Payables	1,038,173	(143,681)	894,492
Fund Balance - Budgetary Basis	<u>\$ 4,710,614</u>	<u>\$ 1,735,752</u>	<u>\$ 6,446,366</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

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>	<u>2021</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
City's proportion of the net pension liability (asset)	2.2929%	2.3249%	2.2789%	2.0280%	2.0430%	2.0530%	2.0815%
City's proportionate share of the net pension liability (asset)	\$ (772,001)	\$ 94,795	\$ 3,490,072	\$ 155,991	\$ (973,201)	\$ (131,036)	\$ 2,390,495
City's covered payroll	\$ 6,171,257	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330	\$ 6,971,293
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%	-34.29%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%

Notes to Schedule:

Only seven 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>	<u>2021</u>
Statutorily required contribution	\$ 854,309	\$ 873,711	\$ 786,165	\$ 813,621	\$ 868,833	\$ 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>	<u>914,700</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (173)</u>	<u>\$ (37,635)</u>	<u>\$ (45,867)</u>
City's covered payroll	\$ 6,571,604	\$ 6,720,857	\$ 6,047,423	\$ 6,230,526	\$ 6,683,330	\$ 6,971,293	\$ 7,036,149
Contributions as a percentage of covered payroll	15.55%	13.00%	13.00%	13.06%	13.00%	13.00%	13.00%

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

Notes to Schedule:

Only seven 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, 2021

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>	<u>2021</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
City's proportion of the net pension liability	2.392%	2.613%	2.627%	2.554%	2.506%	2.534%	2.566%
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	\$ 31,608,566
City's covered payroll	\$ 6,734,825	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629
City's proportionate share of the net pension liability as a percentage of its covered payroll	365%	388%	464%	443%	378%	342%	384%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.58%	69.98%

Notes to Schedule:

Only seven 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>	<u>2021</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Statutorily required contribution	\$ 1,001,267	\$ 969,220	\$ 1,016,333	\$ 1,164,029	\$ 1,096,847	\$ 1,152,988	\$ 1,211,656
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>	<u>1,211,718</u>
Contribution deficiency (excess)	<u>\$ (63,157)</u>	<u>\$ (50)</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ (151)</u>	<u>\$ 145,258</u>	<u>\$ (62)</u>
City's covered payroll	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629	\$ 8,654,685
Contributions as a percentage of covered payroll	14.88%	14.00%	14.00%	15.61%	14.00%	12.24%	14.00%

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

Notes to Schedule:

Only seven 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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For the Year Ended June 30, 2021

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>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 948,825	\$ 929,222	\$ 861,255	\$ 969,237
Interest	671,955	390,053	919,357	950,931
Differences between expected and actual experience	-	(145,135)	373,421	669,018
Changes in assumptions	(2,572,581)	(475,835)	2,032,800	6,416,318
Experience Gain/(Loss)	(862,742)	(869,660)	(881,386)	(860,385)
Net increase (decrease) in total OPEB liability	<u>(1,814,543)</u>	<u>(171,355)</u>	<u>3,305,447</u>	<u>8,145,119</u>
Balances at Beginning of Year	<u>24,880,674</u>	<u>23,066,131</u>	<u>22,894,776</u>	<u>26,200,223</u>
Balances End of Year	<u>\$ 23,066,131</u>	<u>\$ 22,894,776</u>	<u>\$ 26,200,223</u>	<u>\$ 34,345,342</u>
Covered payroll	\$ 27,950,000	\$ 28,460,000	\$ 28,560,000	\$ 30,140,000
Total OPEB liability as a percentage of covered payroll	82.53%	80.45%	91.74%	113.95%

Notes to Schedule:

Only the four 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, 2021

Combining Balance Sheet – General Fund Accounts – June 30, 2021

	General Fund Accounts								Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Grant Account	Disaster Relief Account	
ASSETS									
Cash and cash equivalents	\$ 7,448,489	\$ 858,641	\$ 24,737	\$ 359,167	\$ 66,529	\$ 291	\$ 142,998	\$ 2,044,687	\$ 10,945,539
Investments	1,847,900	185,666	-	-	-	-	-	458,163	2,491,729
Accounts receivable	1,682,164	10,914	-	-	24,052	-	29,200	1,252,177	2,998,507
Accrued interest receivable	6,618	-	-	-	-	-	-	1,641	8,259
Other receivable	14,511	-	-	190	-	-	-	-	14,701
Due from other governments	3,441,977	-	-	-	-	-	6,465,691	438	9,908,106
Due from other funds	-	-	-	-	-	-	1,222	-	1,222
Due from other funds interaccount	215,071	-	-	-	-	-	-	6,145,878	6,360,949
Prepaid items	224	-	-	-	-	-	-	-	224
Inventory	-	-	-	-	-	-	60,000	-	60,000
Advance from other funds	248,192	-	-	-	-	-	-	-	248,192
Total assets	\$ 14,905,146	\$ 1,055,221	\$ 24,737	\$ 359,357	\$ 90,581	\$ 291	\$ 6,699,111	\$ 9,902,984	\$ 33,037,428
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 139,090	\$ 3,339	\$ 90	\$ 4,949	\$ 226	\$ -	\$ 24,732	\$ 12,676	\$ 185,102
Wages payable	490,522	-	-	661	-	-	23,563	10,140	524,886
Due to other governments	14,788	-	-	-	-	-	-	-	14,788
Unearned revenue	-	-	-	-	-	-	-	4,929,120	4,929,120
Refundable deposits	102,769	-	-	-	-	-	-	-	102,769
Due to other funds	7,556,210	-	-	-	-	-	22,091	-	7,578,301
Due to other funds - interaccount	-	-	-	-	-	-	6,360,949	-	6,360,949
Total liabilities	8,303,379	3,339	90	5,610	226	-	70,386	4,951,936	19,695,915
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	1,527,588	-	-	-	23,060	-	6,174,827	1,213,191	8,938,666
Fund balances:									
Nonspendable	248,416	-	-	-	-	-	83,173	-	331,589
Restricted	10,492	996,151	-	349,437	38,009	-	-	3,737,857	5,131,946
Assigned	126,013	55,731	24,647	4,310	29,286	291	-	-	240,278
Unassigned	4,689,258	-	-	-	-	-	(5,990,224)	-	(1,300,966)
Total fund balances	5,074,179	1,051,882	24,647	353,747	67,295	291	(5,907,051)	3,737,857	4,402,847
Total liabilities, deferred inflows and fund balances	\$ 14,905,146	\$ 1,055,221	\$ 24,737	\$ 359,357	\$ 90,581	\$ 291	\$ 338,162	\$ 9,902,984	\$ 33,037,428

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2021

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts – Year Ended June 30, 2021

	General Fund Accounts								Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	29th and Douglas Account	Grant Account	Disaster Relief Account	
REVENUES									
Taxes	\$ 27,121,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,121,075
Intergovernmental	544,992	-	-	-	-	-	5,743,098	-	6,288,090
Charges for services	436,896	99,386	-	34,952	-	-	-	64,178	635,412
Investment income	36,472	5,577	112	1,699	426	3	6	20,555	64,850
Fines & forfeitures	1,400,006	-	-	-	23,133	-	-	-	1,423,139
Licenses & permits	528,639	2,300	-	-	-	-	-	-	530,939
Miscellaneous	360,786	30,926	1,065	47,537	2,880	-	28,538	101,716	573,448
Total revenues	30,428,866	138,189	1,177	84,188	26,439	3	5,771,642	186,449	36,636,953
EXPENDITURES									
Current:									
General government	3,042,203	13,897	5,797	-	-	2,723	-	8,087,115	11,151,735
Public Safety	1,128,421	-	-	-	-	-	212,709	-	1,341,130
Streets	2,224,356	-	-	-	-	-	-	-	2,224,356
Culture and recreation	731,816	-	-	79,280	-	-	-	-	811,096
Health & welfare	381,038	-	-	-	17,130	-	-	-	398,168
Economic development	2,935,948	37,313	-	-	-	-	900,121	-	3,873,382
Capital outlay	-	295,122	-	-	30,000	-	323,148	-	648,270
Debt service:									
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	10,443,782	346,332	5,797	79,280	47,130	2,723	1,435,978	8,087,115	20,448,137
Revenues over (under) expenditures	19,985,084	(208,143)	(4,620)	4,908	(20,691)	(2,720)	4,335,664	(7,900,666)	16,188,816
OTHER FINANCING SOURCES (USES)									
Transfers in	11,770,750	-	-	-	-	-	42,937	-	11,813,687
Transfers out	(30,200,799)	-	-	-	-	-	(112,689)	-	(30,313,488)
Transfers in - interaccount	-	-	9,000	-	-	2,723	186,769	10,584,710	10,783,202
Transfers out - interaccount	(198,492)	-	-	-	-	-	(10,584,710)	-	(10,783,202)
Total other financing sources (uses)	(18,628,541)	-	9,000	-	-	2,723	(10,467,693)	10,584,710	(18,499,801)
Net change in fund balances	1,356,543	(208,143)	4,380	4,908	(20,691)	3	(6,132,029)	2,684,044	(2,310,985)
Fund balances - beginning of year, restated	3,717,636	1,260,025	20,267	348,839	87,986	288	224,978	1,053,813	6,713,832
Fund balances - end of year	\$ 5,074,179	\$ 1,051,882	\$ 24,647	\$ 353,747	\$ 67,295	\$ 291	\$ (5,907,051)	\$ 3,737,857	\$ 4,402,847

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

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021

	Special Revenue Funds										
	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
ASSETS											
Cash and cash equivalents	\$ 38,163	\$ 535,572	\$ 689,347	\$ 426,884	\$ 265,190	\$ 114,337	\$ 1,320,976	\$ 223,572	\$ 25,123	\$ 276,171	\$ 488,227
Investments	-	115,808	149,059	-	-	-	295,997	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	1,060	-	-	-	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	36,179	-	559	362,829	-	-	-	9,060	-	-	313,570
Due from other governments	-	77,149	65,165	-	21,387	-	51,497	-	-	39,923	-
Due from other funds	780	71,971	3,022	-	72,325	-	-	-	-	501	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>75,122</u>	<u>800,500</u>	<u>907,152</u>	<u>789,713</u>	<u>358,902</u>	<u>114,337</u>	<u>1,669,530</u>	<u>223,572</u>	<u>34,183</u>	<u>316,595</u>	<u>801,797</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	-	22,855	3,245	847	(3)	-	38,360	1,130	-	1,518	-
Wages payable	3,703	3,524	22,466	2,081	1,567	-	-	-	-	7,208	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>3,703</u>	<u>26,379</u>	<u>25,711</u>	<u>2,928</u>	<u>1,564</u>	<u>-</u>	<u>38,360</u>	<u>1,130</u>	<u>-</u>	<u>8,726</u>	<u>-</u>
Deferred inflows:											
Unavailable revenue	<u>31,377</u>	<u>150</u>	<u>-</u>	<u>329,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,813</u>	<u>-</u>	<u>-</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	40,042	773,971	881,441	457,053	357,338	114,337	1,631,170	222,442	26,370	307,869	801,797
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>40,042</u>	<u>773,971</u>	<u>881,441</u>	<u>457,053</u>	<u>357,338</u>	<u>114,337</u>	<u>1,631,170</u>	<u>222,442</u>	<u>26,370</u>	<u>307,869</u>	<u>801,797</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 75,122</u>	<u>\$ 800,500</u>	<u>\$ 907,152</u>	<u>\$ 789,713</u>	<u>\$ 358,902</u>	<u>\$ 114,337</u>	<u>\$ 1,669,530</u>	<u>\$ 223,572</u>	<u>\$ 34,183</u>	<u>\$ 316,595</u>	<u>\$ 801,797</u>

(continued)

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

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021

	Special Revenue Funds				Capital Project Funds				Debt Service Fund		Totals		
	Urban Renewal Authority	Economic Development Authority	General Government Sales Tax Fund	Street Light Fee	Redowntown 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	\$ 21,797	\$ 8,055,304	\$ 3,709,854	\$ 1,408,882	\$ 480,164	\$ 316,417	\$ 1,525,965	\$ 5,932,852	\$ -	\$ 2,069,610	\$ 609,586	\$ 1,968,639	\$ 30,502,632
Investments	-	729,660	831,285	315,695	103,827	-	341,930	1,329,402	-	463,747	131,812	441,123	5,249,345
Accrued interest receivable	-	2,613	2,977	1,131	-	-	1,224	4,761	-	1,661	-	1,580	17,007
Deposits held by others	-	-	-	-	500	300	-	-	-	4,500	-	-	5,300
Other receivable	40,908	136,248	-	81,818	-	-	-	-	-	-	-	-	981,171
Due from other governments	-	-	353,838	-	-	-	66,496	-	843,349	31,843	-	3,694,731	5,245,378
Due from other funds	-	-	105,011	-	-	-	-	-	-	12,828	-	-	266,438
Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>62,705</u>	<u>8,923,825</u>	<u>5,002,965</u>	<u>1,807,526</u>	<u>584,491</u>	<u>316,717</u>	<u>1,935,615</u>	<u>7,267,015</u>	<u>843,349</u>	<u>2,584,189</u>	<u>741,398</u>	<u>6,106,073</u>	<u>42,267,271</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	1,295	21,755	39,697	59,624	5,045	-	1,767	1,407,218	-	-	-	14,576	1,618,929
Wages payable	-	-	36,838	592	-	-	-	-	-	-	-	-	77,979
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	843,349	-	-	-	843,349
Total liabilities	<u>1,295</u>	<u>21,755</u>	<u>76,535</u>	<u>60,216</u>	<u>5,045</u>	<u>-</u>	<u>1,767</u>	<u>1,407,218</u>	<u>843,349</u>	<u>-</u>	<u>-</u>	<u>14,576</u>	<u>2,540,257</u>
Deferred inflows:													
Unavailable revenue	-	1,590	-	-	-	-	-	-	-	-	-	3,643,832	4,014,494
Fund balances:													
Nonspendable	-	-	-	-	500	300	-	-	-	4,500	-	-	5,300
Restricted	3,804	8,900,480	4,926,430	1,747,310	578,946	314,871	1,933,848	5,859,797	-	2,579,689	741,398	2,447,665	35,648,068
Assigned	57,606	-	-	-	-	1,546	-	-	-	-	-	-	59,152
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>61,410</u>	<u>8,900,480</u>	<u>4,926,430</u>	<u>1,747,310</u>	<u>579,446</u>	<u>316,717</u>	<u>1,933,848</u>	<u>5,859,797</u>	<u>-</u>	<u>2,584,189</u>	<u>741,398</u>	<u>2,447,665</u>	<u>35,712,520</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 62,705</u>	<u>\$ 8,923,825</u>	<u>\$ 5,002,965</u>	<u>\$ 1,807,526</u>	<u>\$ 584,491</u>	<u>\$ 316,717</u>	<u>\$ 1,935,615</u>	<u>\$ 7,267,015</u>	<u>\$ 843,349</u>	<u>\$ 2,584,189</u>	<u>\$ 741,398</u>	<u>\$ 6,106,073</u>	<u>\$ 42,267,271</u>

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

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2021

	Special Revenue Funds										
	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	\$ -	\$ 595,722	\$ 553,303	\$ -	\$ 159,501	\$ -	\$ -	\$ -	\$ -	\$ 297,735	\$ 772,391
Intergovernmental	-	-	-	-	-	-	521,283	-	-	-	-
Charges for services	-	625	-	352,383	-	45,600	-	-	-	-	-
Investment income	158	5,004	4,261	1,401	2,882	497	2,180	949	127	1,128	2,573
Fines & forfeitures	36,111	-	-	9,008	-	-	-	20,089	9,521	-	-
Licenses & permits	-	2,765	-	24,200	-	-	-	-	-	-	-
Miscellaneous	-	4,827	-	-	4,657	-	4,184	6,231	26	703	-
Total revenues	36,269	608,943	557,564	386,992	167,040	46,097	527,647	27,269	9,674	299,566	774,964
EXPENDITURES											
Current:											
General government	-	-	-	154,190	-	-	-	-	-	-	-
Public safety	74,820	-	474,927	-	-	30,829	-	13,108	7,263	-	-
Streets	-	-	-	-	-	-	62,298	-	-	-	-
Culture and recreation	-	266,530	-	-	22,472	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	197,302	-
Capital outlay	-	9,008	40,609	-	-	1,955	544,205	6,438	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	805,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	825,193
Total expenditures	74,820	275,538	515,536	154,190	22,472	32,784	606,503	19,546	7,263	197,302	1,630,193
Revenues over (under) expenditures	(38,551)	333,405	42,028	232,802	144,568	13,313	(78,856)	7,723	2,411	102,264	(855,229)
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in	50,000	-	25,000	-	-	-	39,420	-	-	-	-
Transfers out	-	(263,935)	-	-	(150,000)	(3,754)	-	-	-	-	-
Total other financing sources (uses)	50,000	(263,935)	25,000	-	(150,000)	(3,754)	39,420	-	-	-	-
Net change in fund balances	11,449	69,470	67,028	232,802	(5,432)	9,559	(39,436)	7,723	2,411	102,264	(855,229)
Fund balances - beginning of year, restated	28,593	704,501	814,413	224,251	362,770	104,778	1,670,606	214,719	23,959	205,605	1,657,026
Fund balances - end of year	\$ 40,042	\$ 773,971	\$ 881,441	\$ 457,053	\$ 357,338	\$ 114,337	\$ 1,631,170	\$ 222,442	\$ 26,370	\$ 307,869	\$ 801,797

(continued)

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

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2021

	<u>Special Revenue Funds</u>					<u>Capital Project Funds</u>					<u>Debt Service Fund</u>		<u>Totals</u>
	<u>Urban Renewal Authority</u>	<u>Economic Development Authority</u>	<u>General Government Sales Tax Fund</u>	<u>Street Light Fee</u>	<u>Redowntown Development Authority</u>	<u>2002 Street Project Fund</u>	<u>Dedicated Tax 2012 Fund</u>	<u>2018 GO Bond Proprietary</u>	<u>Sales Tax Capital Improvement Fund</u>	<u>Capital Improvement Fund</u>	<u>Capital Outlay Reserve Fund</u>	<u>G.O. Debt Service Fund</u>	
REVENUES													
Taxes	\$ -	\$ -	\$ 2,746,144	\$ -	\$ -	\$ -	\$ 516,075	\$ -	\$ 6,542,616	\$ 249,764	\$ -	\$ 3,499,203	\$ 15,932,454
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	521,283
Charges for services	-	4,278,199	-	588,287	-	-	-	-	-	-	-	-	5,265,094
Investment income	325	6,685	8,558	1,732	(2,192)	1,545	2,568	7,478	2,973	4,332	4,134	4,734	64,032
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	74,729
Licenses & permits	-	-	-	-	-	-	-	-	-	54,611	-	-	81,576
Miscellaneous	65,908	-	15,617	-	-	-	-	-	-	-	-	-	102,153
Total revenues	<u>66,233</u>	<u>4,284,884</u>	<u>2,770,319</u>	<u>590,019</u>	<u>(2,192)</u>	<u>1,545</u>	<u>518,643</u>	<u>7,478</u>	<u>6,545,589</u>	<u>308,707</u>	<u>4,134</u>	<u>3,503,937</u>	<u>22,041,321</u>
EXPENDITURES													
Current:													
General government	-	-	1,586,822	-	-	-	-	-	-	-	-	136,656	1,877,668
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	600,947
Streets	-	-	-	733,993	-	-	32,088	-	-	-	-	-	828,379
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-	289,002
Health and welfare	-	-	-	-	-	-	-	75	-	-	-	-	75
Economic development	105,192	340,883	-	-	2,800	-	-	-	-	-	-	-	646,177
Capital outlay	-	-	344,109	-	465,664	-	368,372	4,953,485	-	792,254	141,048	-	7,667,147
Debt service:													
Principal retirement	-	935,000	-	-	-	-	-	-	-	-	-	1,695,000	3,435,000
Interest and fiscal charges	-	2,033,473	-	-	-	-	-	-	-	-	-	1,311,923	4,170,589
Total expenditures	<u>105,192</u>	<u>3,309,356</u>	<u>1,930,931</u>	<u>733,993</u>	<u>468,464</u>	<u>-</u>	<u>400,460</u>	<u>4,953,560</u>	<u>-</u>	<u>792,254</u>	<u>141,048</u>	<u>3,143,579</u>	<u>19,514,984</u>
Revenues over (under) expenditures	<u>(38,959)</u>	<u>975,528</u>	<u>839,388</u>	<u>(143,974)</u>	<u>(470,656)</u>	<u>1,545</u>	<u>118,183</u>	<u>(4,946,082)</u>	<u>6,545,589</u>	<u>(483,547)</u>	<u>(136,914)</u>	<u>360,358</u>	<u>2,526,337</u>
OTHER FINANCING SOURCES (USES)													
Debt proceeds	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000
Bond premium	-	-	-	-	-	-	-	-	-	-	-	178,508	178,508
Transfers in	20,000	-	11,666	-	-	-	-	83,200	-	536,662	-	-	765,948
Transfers out	-	-	(50,000)	-	(1,316,684)	-	(100,000)	-	(6,545,589)	(29,220)	-	(11,666)	(8,470,848)
Total other financing sources (uses)	<u>20,000</u>	<u>-</u>	<u>(38,334)</u>	<u>-</u>	<u>(1,316,684)</u>	<u>-</u>	<u>(100,000)</u>	<u>88,200</u>	<u>(6,545,589)</u>	<u>507,442</u>	<u>-</u>	<u>166,842</u>	<u>(7,521,392)</u>
Net change in fund balances	<u>(18,959)</u>	<u>975,528</u>	<u>801,054</u>	<u>(143,974)</u>	<u>(1,787,340)</u>	<u>1,545</u>	<u>18,183</u>	<u>(4,857,882)</u>	<u>-</u>	<u>23,895</u>	<u>(136,914)</u>	<u>527,200</u>	<u>(4,995,055)</u>
Fund balances - beginning of year, restated	<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>40,707,575</u>
Fund balances - end of year	<u>\$ 61,410</u>	<u>\$ 8,900,480</u>	<u>\$ 4,926,430</u>	<u>\$ 1,747,310</u>	<u>\$ 579,446</u>	<u>\$ 316,717</u>	<u>\$ 1,933,848</u>	<u>\$ 5,859,797</u>	<u>\$ -</u>	<u>\$ 2,584,189</u>	<u>\$ 741,398</u>	<u>\$ 2,447,665</u>	<u>\$ 35,712,520</u>

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

Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2021

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	\$ 6,505,814	\$ 7,664,324	\$ 3,604,433	\$ 102,826	\$ 569,012	\$ -	\$ 404,280	\$ 1,816,996	\$ -	\$ 318,833	\$ 20,986,518
Cash and cash equivalents, restricted	-	-	-	-	-	9,582,218	-	-	1,273,709	-	10,855,927
Investments	1,457,789	1,687,408	807,663	-	123,039	-	-	407,143	-	-	4,483,942
Accounts receivable, net	1,169,035	1,537,862	1,165,250	140,671	64,936	-	60,837	-	1,488	-	4,140,079
Other receivable	-	-	-	88,546	-	-	-	19,798	-	2,639	110,983
Accrued interest receivable	5,221	4,856	2,892	-	-	-	-	1,458	1,022	-	15,449
Prepaid items	-	-	-	10,655	-	-	-	-	-	-	10,655
Inventory	171,619	98,325	-	-	-	-	-	-	-	-	269,944
Due from other accounts	-	17,615	-	1,042,205	-	-	-	-	1,540	-	1,061,360
Due from other funds	20,133	29,860	141,872	18,651	-	830,521	-	-	-	15,280	1,056,317
Total current assets	<u>9,329,611</u>	<u>11,040,250</u>	<u>5,722,110</u>	<u>1,403,554</u>	<u>756,987</u>	<u>10,412,739</u>	<u>465,117</u>	<u>2,245,395</u>	<u>1,277,759</u>	<u>336,752</u>	<u>42,990,274</u>
Non-current assets:											
Investments, restricted	-	-	-	-	-	-	-	-	285,406	-	285,406
Due from other funds - interaccount	682,660	485,133	-	-	-	-	-	-	-	-	1,167,793
Land, construction in progress, and water rights	8,165,433	983,813	700,000	5,648,011	1,250	-	550,000	-	-	232,057	16,280,564
Other capital assets, net	17,795,334	68,499,306	3,712,798	18,617,403	12,891,110	-	50,811	5,974,679	-	1,234,998	128,775,039
Total non-current assets	<u>26,643,427</u>	<u>69,968,252</u>	<u>4,412,798</u>	<u>24,265,414</u>	<u>12,891,360</u>	-	<u>50,811</u>	<u>6,524,679</u>	<u>285,406</u>	<u>1,466,655</u>	<u>146,508,802</u>
Total assets	<u>35,973,038</u>	<u>81,008,502</u>	<u>10,134,908</u>	<u>25,668,968</u>	<u>13,648,347</u>	<u>10,412,739</u>	<u>515,928</u>	<u>8,770,074</u>	<u>1,563,165</u>	<u>1,803,407</u>	<u>189,499,076</u>
DEFERRED OUTFLOWS OF RESOURCES											
Deferred amount on refunding	-	-	-	-	-	758,736	-	-	-	-	758,736
Deferred amount related to OPEB	556,218	622,080	304,481	-	165,377	-	239,017	-	-	177,656	2,064,829
Total deferred outflows	<u>556,218</u>	<u>622,080</u>	<u>304,481</u>	<u>-</u>	<u>165,377</u>	<u>758,736</u>	<u>239,017</u>	<u>-</u>	<u>-</u>	<u>177,656</u>	<u>2,823,565</u>
LIABILITIES											
Current liabilities:											
Accounts payable and accrued liabilities	222,486	398,395	192,947	800,233	255	-	13,914	96,026	-	4,339	1,728,595
Wages payable	146,386	188,266	71,457	35,633	17,536	-	43,033	-	-	24,169	526,480
Due to other accounts	1,540	-	-	485,133	-	1,059,820	-	-	-	-	1,546,493
Due to other funds	-	-	-	-	-	-	-	-	-	143,941	143,941
Accrued interest payable	-	-	-	-	-	341,148	-	-	-	-	341,148
Accrued compensated absences	159,016	176,091	53,696	20,928	24,125	-	42,299	-	-	32,943	509,098
Refundable deposits	-	-	-	18,445	-	-	-	-	156,317	-	174,762
Revenue bonds payable	-	-	-	-	-	4,970,000	-	-	-	-	4,970,000
Total current liabilities	<u>529,428</u>	<u>762,752</u>	<u>318,100</u>	<u>1,360,372</u>	<u>41,916</u>	<u>6,370,968</u>	<u>99,246</u>	<u>96,026</u>	<u>156,317</u>	<u>205,392</u>	<u>9,940,517</u>
Non-current liabilities:											
Accrued compensated absences	318,031	352,183	107,392	13,224	48,251	-	84,597	-	-	65,886	989,564
Total OPEB liability	2,011,440	2,112,012	1,056,006	-	301,716	-	804,576	-	-	402,288	6,688,038
Due to other funds - interaccount	-	-	-	-	-	-	-	682,660	-	-	682,660
Refundable deposits	-	-	-	-	-	-	-	-	1,406,849	-	1,406,849
Notes payable	2,280,047	-	-	-	-	-	-	-	-	-	2,280,047
Revenue bonds payable, net	-	-	-	-	-	43,353,220	-	-	-	-	43,353,220
Total non-current liabilities	<u>4,609,518</u>	<u>2,464,195</u>	<u>1,163,398</u>	<u>13,224</u>	<u>349,967</u>	<u>43,353,220</u>	<u>889,173</u>	<u>682,660</u>	<u>1,406,849</u>	<u>468,174</u>	<u>55,400,378</u>
Total liabilities	<u>5,138,946</u>	<u>3,226,947</u>	<u>1,481,498</u>	<u>1,373,596</u>	<u>391,883</u>	<u>49,724,188</u>	<u>988,419</u>	<u>778,686</u>	<u>1,563,166</u>	<u>673,566</u>	<u>65,340,895</u>
DEFERRED INFLOW OF RESOURCES											
Deferred amount related to OPEB	254,375	667,953	213,367	-	42,696	-	134,837	-	-	137,768	1,450,996
Deferred amount on refunding	-	-	-	-	-	953,958	-	-	-	-	953,958
Total deferred inflows	<u>254,375</u>	<u>667,953</u>	<u>213,367</u>	<u>-</u>	<u>42,696</u>	<u>953,958</u>	<u>134,837</u>	<u>-</u>	<u>-</u>	<u>137,768</u>	<u>2,404,954</u>
NET POSITION											
Net investment in capital assets	23,680,720	69,483,119	4,412,798	24,265,414	12,891,360	(40,885,660)	50,811	6,524,679	-	1,466,655	101,889,896
Restricted for debt service	-	-	-	-	-	1,608,288	-	-	-	-	1,608,288
Restricted for other purposes	-	-	-	-	-	-	54,179	-	-	38,522	92,701
Unrestricted (deficit)	7,455,215	8,252,563	4,331,726	29,958	487,785	(229,299)	(473,301)	1,466,709	(1)	(335,448)	20,985,907
Total net position	<u>\$ 31,135,935</u>	<u>\$ 77,735,682</u>	<u>\$ 8,744,524</u>	<u>\$ 24,295,372</u>	<u>\$ 13,379,145</u>	<u>\$ (39,506,671)</u>	<u>\$ (368,311)</u>	<u>\$ 7,991,388</u>	<u>\$ (1)</u>	<u>\$ 1,169,729</u>	<u>\$ 124,576,792</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2021

Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2021

<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	\$ 7,940,578	\$ 10,244,581	\$ 7,599,367	\$ 1,857,666	\$ 467,574	\$ -	\$ 1,080,787	\$ -	\$ -	\$ 779,512	\$ 29,970,065
Fees, licenses and permits	8,100	10,290	-	-	-	-	219	-	-	-	18,609
Miscellaneous	11,712	41,070	8,253	12,787	800	-	-	75,096	-	436	150,154
Total operating revenues	<u>7,960,390</u>	<u>10,295,941</u>	<u>7,607,620</u>	<u>1,870,453</u>	<u>468,374</u>	<u>-</u>	<u>1,081,006</u>	<u>75,096</u>	<u>-</u>	<u>779,948</u>	<u>30,138,828</u>
OPERATING EXPENSES											
Personal services	2,678,107	3,324,678	1,368,240	861,020	349,574	-	848,761	-	-	573,569	10,003,949
Materials and supplies	849,994	760,994	1,134,534	481,230	54,284	-	9,946	-	-	103,782	3,394,764
Other services and charges	1,523,651	1,501,600	2,666,049	848,396	32,544	-	242,455	-	-	65,649	6,880,344
Depreciation and amortization	740,421	2,743,269	531,874	881,333	275,669	-	5,702	524,547	-	111,535	5,814,350
Total operating expenses	<u>5,792,173</u>	<u>8,330,541</u>	<u>5,700,697</u>	<u>3,071,979</u>	<u>712,071</u>	<u>-</u>	<u>1,106,864</u>	<u>524,547</u>	<u>-</u>	<u>854,535</u>	<u>26,093,407</u>
Operating income (loss)	<u>2,168,217</u>	<u>1,965,400</u>	<u>1,906,923</u>	<u>(1,201,526)</u>	<u>(243,697)</u>	<u>-</u>	<u>(25,858)</u>	<u>(449,451)</u>	<u>-</u>	<u>(74,587)</u>	<u>4,045,421</u>
NON-OPERATING REVENUES (EXPENSES)											
Investment income	23,278	23,287	7,806	-	3,171	6,568	2,078	259,339	1,648	2,056	329,231
Interest expense and fiscal charges	-	-	-	-	-	(1,724,441)	-	(28,450)	-	-	(1,752,891)
Gain (loss) on asset retirement	2,185	(199,769)	1,024	5,490	-	-	-	300,000	-	10,700	119,630
Other non-operating revenue	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenue (expenses)	<u>25,463</u>	<u>(176,482)</u>	<u>8,830</u>	<u>5,490</u>	<u>3,171</u>	<u>(1,717,873)</u>	<u>2,078</u>	<u>530,889</u>	<u>1,648</u>	<u>12,756</u>	<u>(1,304,030)</u>
Income (loss) before contributions and transfers	<u>2,193,680</u>	<u>1,788,918</u>	<u>1,915,753</u>	<u>(1,196,036)</u>	<u>(240,526)</u>	<u>(1,717,873)</u>	<u>(23,780)</u>	<u>81,438</u>	<u>1,648</u>	<u>(61,831)</u>	<u>2,741,391</u>
Capital contributions	-	37,205	-	-	-	-	-	-	-	71,621	108,826
Transfers in - interaccount	8,351	-	-	4,282,974	-	381,604	-	167,958	-	-	4,840,887
Transfers out - interaccount	(167,958)	(381,604)	-	-	-	(4,282,974)	-	-	(8,351)	-	(4,840,887)
Transfers in	-	-	55,400	-	-	15,453,276	-	-	-	-	15,508,676
Transfers out	(871,079)	(814,006)	(763,936)	-	-	(9,444,349)	-	-	-	-	(11,893,370)
Change in net position	1,162,994	630,513	1,207,217	3,086,938	(240,526)	389,684	(23,780)	249,396	(6,703)	9,790	6,465,523
Total net position - beginning	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
Total net position - ending	<u>\$ 31,135,935</u>	<u>\$ 77,735,682</u>	<u>\$ 8,744,524</u>	<u>\$ 24,295,372</u>	<u>\$ 13,379,145</u>	<u>\$ (39,506,671)</u>	<u>\$ (368,311)</u>	<u>\$ 7,991,388</u>	<u>\$ (1)</u>	<u>\$ 1,169,729</u>	<u>\$ 124,576,792</u>

**CITY OF MIDWEST CITY, OKLAHOMA
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Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2021

	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	\$ 8,084,810	\$ 9,922,577	\$ 7,461,766	\$ 1,794,819	\$ 467,838	\$ -	\$ 1,085,609	\$ 135,763	\$ (1,458)	\$ 782,075	\$ 29,733,799
Payments to suppliers	(2,419,486)	(2,114,247)	(3,783,939)	(1,003,293)	(86,595)	-	(251,891)	(248,219)	-	(172,090)	(10,079,760)
Payments to employees	(2,556,220)	(3,280,153)	(1,274,301)	(886,166)	(288,520)	-	(833,834)	-	-	(601,214)	(9,720,408)
Receipts (payments) from interfund loans	(4,448)	(489,331)	(1,024)	(562,562)	-	1,012,560	-	-	2,263	(9,583)	(52,125)
Receipt of customer deposits	-	-	-	-	-	-	-	-	444,130	-	444,130
Return of customer deposits	-	-	-	-	-	-	-	-	(424,217)	-	(424,217)
Net cash provided by (used in) operating activities	<u>3,104,656</u>	<u>4,038,846</u>	<u>2,402,502</u>	<u>(657,202)</u>	<u>92,723</u>	<u>1,012,560</u>	<u>(116)</u>	<u>(112,456)</u>	<u>20,718</u>	<u>(812)</u>	<u>9,901,419</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Transfers from other funds - interaccount	8,351	-	-	4,282,974	-	381,604	-	167,958	-	-	4,840,887
Transfers to other funds - interaccount	(167,958)	(381,604)	-	-	-	(4,282,974)	-	-	(8,351)	-	(4,840,887)
Transfers from other funds	-	-	55,400	-	-	15,453,276	-	-	-	-	15,508,676
Transfers to other funds	(871,079)	(814,006)	(763,936)	-	-	(9,444,349)	-	-	-	-	(11,893,370)
Net cash provided by (used in) noncapital financing activities	<u>(1,030,686)</u>	<u>(1,195,610)</u>	<u>(708,536)</u>	<u>4,282,974</u>	<u>-</u>	<u>2,107,557</u>	<u>-</u>	<u>167,958</u>	<u>(8,351)</u>	<u>-</u>	<u>3,615,306</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Capital assets purchased	(203,753)	(130,742)	(38,401)	(4,513,601)	-	-	(25,545)	(966,108)	-	-	(5,878,150)
Principal paid on capital debt	-	-	-	-	-	(1,745,000)	-	-	-	-	(1,745,000)
Proceeds issuance of debt	-	-	-	-	-	18,455,000	-	-	-	-	18,455,000
Payments of interfund loan for capital purchases	139,509	-	-	-	-	-	-	(139,509)	-	-	-
Interest and fiscal charges paid on capital debt	-	-	-	-	-	(2,184,286)	-	(28,450)	-	-	(2,212,736)
Payment to escrow agent for refunded debt	-	-	-	-	-	(20,950,000)	-	-	-	-	(20,950,000)
Proceeds from sale of capital assets	2,185	1,818	1,024	5,490	-	-	-	-	-	12,766	23,283
Net cash provided by (used in) capital and related financing activities	<u>(62,059)</u>	<u>(128,924)</u>	<u>(37,377)</u>	<u>(4,508,111)</u>	<u>-</u>	<u>(6,424,286)</u>	<u>(25,545)</u>	<u>(1,134,067)</u>	<u>-</u>	<u>12,766</u>	<u>(12,307,603)</u>
CASH FLOWS FROM INVESTING ACTIVITIES											
Sale (purchase) of investments	677,083	623,092	184,086	197,017	88,983	-	152,168	690,321	271,932	107,654	2,992,336
Interest and dividends	24,376	24,604	10,256	3,171	6,508	6,508	2,078	264,167	3,758	2,056	341,034
Net cash provided by (used in) investing activities	<u>701,459</u>	<u>647,696</u>	<u>194,342</u>	<u>197,017</u>	<u>92,154</u>	<u>6,508</u>	<u>154,246</u>	<u>954,488</u>	<u>275,690</u>	<u>109,710</u>	<u>3,333,370</u>
Net increase (decrease) in cash and cash equivalents	2,713,370	3,362,008	1,850,931	(685,322)	184,877	(3,297,601)	128,585	(124,077)	288,057	121,664	4,542,492
Balances - beginning 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
Balances - end of year	<u>\$ 6,505,814</u>	<u>\$ 7,664,324</u>	<u>\$ 3,604,433</u>	<u>\$ 102,826</u>	<u>\$ 569,012</u>	<u>\$ 9,582,218</u>	<u>\$ 404,280</u>	<u>\$ 1,816,996</u>	<u>\$ 1,273,709</u>	<u>\$ 318,833</u>	<u>\$ 31,842,445</u>
Reconciliation to Statement of Net Position:											
Cash and cash equivalents	\$ 6,505,814	\$ 7,664,324	\$ 3,604,433	\$ 102,826	\$ 569,012	\$ -	\$ 404,280	\$ 1,816,996	\$ -	\$ 318,833	\$ 20,986,518
Restricted cash and cash equivalents	-	-	-	-	-	9,582,218	-	-	1,273,709	-	10,855,927
Total cash and cash equivalents	<u>\$ 6,505,814</u>	<u>\$ 7,664,324</u>	<u>\$ 3,604,433</u>	<u>\$ 102,826</u>	<u>\$ 569,012</u>	<u>\$ 9,582,218</u>	<u>\$ 404,280</u>	<u>\$ 1,816,996</u>	<u>\$ 1,273,709</u>	<u>\$ 318,833</u>	<u>\$ 31,842,445</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 2,168,217	\$ 1,965,400	\$ 1,906,923	\$ (1,201,526)	\$ (243,697)	\$ -	\$ (25,858)	\$ (449,451)	\$ -	\$ (74,587)	\$ 4,045,421
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation expense	740,421	2,743,269	531,874	881,333	275,669	-	5,702	524,547	-	111,535	5,814,350
Other nonoperating revenue	-	-	-	-	-	-	-	-	-	-	-
Change in assets and liabilities:											
Receivables, net	124,420	(373,364)	(145,854)	(74,133)	(536)	-	4,603	-	(1,458)	2,127	(464,195)
Other receivable	-	-	-	(5,643)	-	-	-	60,667	-	-	55,024
Due from other funds	(2,185)	(489,331)	(1,024)	(1,047,695)	-	(32,027)	-	-	2,263	(12,766)	(1,882,765)
Prepaid items	-	-	-	(4,201)	-	-	-	-	-	-	(4,201)
Inventory	3,962	(1,863)	-	-	-	-	-	-	-	3,040	5,139
Accounts payable	(49,803)	150,210	16,644	330,534	233	-	510	(248,219)	-	(5,699)	194,410
Deferred outflows OPEB	(302,593)	(424,226)	(142,571)	-	(151,111)	-	(112,559)	-	-	(148,631)	(1,281,691)
Due to other funds	(2,263)	-	-	485,133	-	-	-	-	-	3,188	1,530,640
Due to employees	20,663	21,918	13,417	(773)	6,249	1,044,587	(1,304)	-	-	-	45,893
Refundable deposits	-	-	-	4,142	-	-	-	-	-	-	24,055
Total OPEB liability	416,346	522,903	94,334	-	184,178	-	161,324	-	19,913	-	1,567,668
Accrued compensated absences	24,056	33,482	40,192	(24,373)	26,212	-	(20,296)	-	-	(17,921)	61,352
Deferred inflows OPEB	(36,585)	(109,552)	88,567	-	(4,474)	-	(12,238)	-	-	(35,399)	(109,681)
Net cash provided by (used in) operating activities	<u>\$ 3,104,656</u>	<u>\$ 4,038,846</u>	<u>\$ 2,402,502</u>	<u>\$ (657,202)</u>	<u>\$ 92,723</u>	<u>\$ 1,012,560</u>	<u>\$ (116)</u>	<u>\$ (112,456)</u>	<u>\$ 20,718</u>	<u>\$ (812)</u>	<u>\$ 9,901,419</u>
Noncash activities:											
Contributed capital assets - from governmental funds	\$ -	\$ 37,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,621	\$ 108,826

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Combining Statement of Net Position– Internal Service Funds – June 30, 2021

	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	\$ 518,468	\$ 569,171	\$ 469,868	\$ 1,079,390	\$ 1,427,320	\$ 3,100,378	\$ 7,164,595
Investments	112,110	123,073	101,400	233,399	319,826	694,717	1,584,525
Receivables:							
Accounts receivable	-	35	3,536	9,839	603,674	14,106	631,190
Accrued interest receivable	-	-	-	-	1,145	2,488	3,633
Due from other funds	3	5,827	-	-	-	-	5,830
Inventories	-	70,331	-	-	-	-	70,331
Total current assets	<u>630,581</u>	<u>768,437</u>	<u>574,804</u>	<u>1,322,628</u>	<u>2,351,965</u>	<u>3,811,689</u>	<u>9,460,104</u>
Non-current assets:							
Capital Assets:							
Depreciable, net of accumulated depreciation	159,039	649,204	75,192	-	-	-	883,435
Total non-current assets	<u>159,039</u>	<u>649,204</u>	<u>75,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,435</u>
Total assets	<u>789,620</u>	<u>1,417,641</u>	<u>649,996</u>	<u>1,322,628</u>	<u>2,351,965</u>	<u>3,811,689</u>	<u>10,343,539</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>316,991</u>	<u>197,767</u>	<u>26,152</u>	<u>206,361</u>	<u>-</u>	<u>-</u>	<u>747,271</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	180,534	73,334	726	4,747	180,564	360	440,265
Claims liability	-	-	-	190,100	311,724	393,100	894,924
Wages payable	53,688	53,007	1,731	11,360	-	-	119,786
Due to other funds	-	-	455,144	-	-	-	455,144
Accrued compensated absences	65,654	37,916	2,373	16,152	-	-	122,095
Total current liabilities	<u>299,876</u>	<u>164,257</u>	<u>459,974</u>	<u>222,359</u>	<u>492,288</u>	<u>393,460</u>	<u>2,032,214</u>
Non-current liabilities:							
Accrued compensated absences	131,308	75,832	4,746	32,305	-	-	244,191
Total OPEB liability	754,290	804,576	50,286	301,716	-	-	1,910,868
Claims liability	-	-	-	355,900	-	941,900	1,297,800
Total non-current liabilities	<u>885,598</u>	<u>880,408</u>	<u>55,032</u>	<u>689,921</u>	<u>-</u>	<u>941,900</u>	<u>3,452,859</u>
Total liabilities	<u>1,185,474</u>	<u>1,044,665</u>	<u>515,006</u>	<u>912,280</u>	<u>492,288</u>	<u>1,335,360</u>	<u>5,485,073</u>
DEFERRED INFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>75,563</u>	<u>49,780</u>	<u>7,565</u>	<u>39,243</u>	<u>-</u>	<u>-</u>	<u>172,151</u>
NET POSITION							
Net investment in capital assets	159,039	649,204	75,192	-	-	-	883,435
Unrestricted (deficit)	(313,465)	(128,241)	78,385	577,466	1,859,677	2,476,329	4,550,151
Total net position	<u>\$ (154,426)</u>	<u>\$ 520,963</u>	<u>\$ 153,577</u>	<u>\$ 577,466</u>	<u>\$ 1,859,677</u>	<u>\$ 2,476,329</u>	<u>\$ 5,433,586</u>

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Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2021

	<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	\$ 1,069,699	\$ 2,634,369	\$ 50,807	\$ 897,428	\$ 6,645,308	\$ 920,242	\$ 12,217,853
Miscellaneous	23	2,223	384	68,653	749,017	14,106	834,406
Total operating revenues	<u>1,069,722</u>	<u>2,636,592</u>	<u>51,191</u>	<u>966,081</u>	<u>7,394,325</u>	<u>934,348</u>	<u>13,052,259</u>
OPERATING EXPENSES							
Personal services	1,046,333	999,248	43,065	237,070	(1,306)	-	2,324,410
Materials and supplies	3,706	1,466,947	232	212	-	-	1,471,097
Other services and charges	273,508	97,372	6,363	755,926	72,870	-	1,206,039
Insurance claims and expenses	-	-	-	-	6,722,517	471,031	7,193,548
Depreciation and amortization	10,843	54,088	6,449	-	-	-	71,380
Total operating expenses	<u>1,334,390</u>	<u>2,617,655</u>	<u>56,109</u>	<u>993,208</u>	<u>6,794,081</u>	<u>471,031</u>	<u>12,266,474</u>
Operating income (loss)	<u>(264,668)</u>	<u>18,937</u>	<u>(4,918)</u>	<u>(27,127)</u>	<u>600,244</u>	<u>463,317</u>	<u>785,785</u>
NON-OPERATING REVENUES							
Investment income	2,871	3,166	2,575	5,701	(1,308)	4,369	17,374
Total non-operating revenue	<u>2,871</u>	<u>3,166</u>	<u>2,575</u>	<u>5,701</u>	<u>(1,308)</u>	<u>4,369</u>	<u>17,374</u>
Income (loss) before contributions and transfers	<u>(261,797)</u>	<u>22,103</u>	<u>(2,343)</u>	<u>(21,426)</u>	<u>598,936</u>	<u>467,686</u>	<u>803,159</u>
Capital contributions	38,000	-	-	-	-	-	38,000
Transfers in	-	-	-	-	-	-	-
Change in net position	<u>(223,797)</u>	<u>22,103</u>	<u>(2,343)</u>	<u>(21,426)</u>	<u>598,936</u>	<u>467,686</u>	<u>841,159</u>
Total net position - beginning	69,371	498,860	155,920	598,892	1,260,741	2,008,643	4,592,427
Total net position - ending	<u>\$ (154,426)</u>	<u>\$ 520,963</u>	<u>\$ 153,577</u>	<u>\$ 577,466</u>	<u>\$ 1,859,677</u>	<u>\$ 2,476,329</u>	<u>\$ 5,433,586</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2021

Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2021

	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	\$ 1,069,722	\$ 2,636,557	\$ 86,723	\$ 967,389	\$ 6,815,246	\$ 936,809	\$ 12,512,446
Payments to suppliers	(96,680)	(1,624,576)	(6,145)	2,609	(72,870)	-	(1,797,662)
Payments to employees	(992,389)	(932,847)	(37,152)	(192,878)	(3,784)	-	(2,159,050)
Claims and benefits paid	-	-	-	(795,926)	(6,761,956)	(500,429)	(8,058,311)
Payment from (to) other funds	-	(2,223)	56,796	-	-	-	54,573
Net cash provided by (used in) operating activities	(19,347)	76,911	100,222	(18,806)	(23,364)	436,380	551,996
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	118,013	94,643	64,496	238,153	319,277	515,395	1,349,977
Interest and dividends	2,871	3,166	2,576	5,701	1,144	8,623	24,081
Net cash provided by investing activities	120,884	97,809	67,072	243,854	320,421	524,018	1,374,058
Net increase in cash and cash equivalents	101,537	174,720	167,294	225,048	297,057	960,398	1,926,054
Balances - beginning of year	416,931	394,451	302,574	854,342	1,130,263	2,139,980	5,238,541
Balances - end of year	\$ 518,468	\$ 569,171	\$ 469,868	\$ 1,079,390	\$ 1,427,320	\$ 3,100,378	\$ 7,164,595
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 518,468	\$ 569,171	\$ 469,868	\$ 1,079,390	\$ 1,427,320	\$ 3,100,378	\$ 7,164,595
Total cash and cash equivalents	\$ 518,468	\$ 569,171	\$ 469,868	\$ 1,079,390	\$ 1,427,320	\$ 3,100,378	\$ 7,164,595
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ (264,668)	\$ 18,937	\$ (4,918)	\$ (27,127)	\$ 600,244	\$ 463,317	\$ 785,785
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	10,843	54,088	6,449	-	-	-	71,380
Change in assets and liabilities:							
Receivables, net	-	(35)	35,532	1,308	(579,079)	2,461	(539,813)
Due from other funds	-	(2,223)	-	-	-	-	(2,223)
Inventory	-	(28,786)	-	-	-	-	(28,786)
Deferred outflows OPEB	(269,675)	(128,922)	(23,558)	(190,188)	-	-	(612,343)
Accounts payable	180,534	(31,471)	450	2,821	33,247	(6,398)	179,183
Claims liability	-	-	-	(40,000)	(72,686)	(23,000)	(135,686)
Due to employees	4,941	8,422	214	931	(2,450)	-	12,058
Due to other funds	-	-	56,796	-	-	-	56,796
Total OPEB liability	341,626	180,558	28,916	229,056	-	-	780,156
Accrued compensated absences	(9,148)	15,327	1,353	4,118	(2,640)	-	9,010
Deferred inflows OPEB	(13,800)	(8,984)	(1,012)	275	-	-	(23,521)
Net cash provided by (used in) operating activities	\$ (19,347)	\$ 76,911	\$ 100,222	\$ (18,806)	\$ (23,364)	\$ 436,380	\$ 551,996

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Debt Service Coverage Schedule - Year Ended June 30, 2021

DEBT SERVICE COVERAGE:

	2019 Revenue Bonds 2020 Refunding Note
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 7,960,390
Wastewater revenue	10,295,941
Pledged sales tax	15,453,276
Investment income	46,565
Total Gross Revenue Available	33,756,172
OPERATING EXPENSES:	
Total Operating Expenses	10,639,024
Net Revenue Available for Debt Service	\$ 23,117,148
Average Annual Debt Service	
2019 Revenue Bonds	\$ 1,791,954
2020 Refunding Note	4,461,688
	\$ 6,253,642
Computed Coverage	370%
Coverage Requirement	125%

Note to schedule: Pledged revenues include water and wastewater revenues, as well as specific sales tax and investment income. Operating expenses included on this schedule include only the operating expense, exclusive of depreciation and amortization, applicable to the water and wastewater revenues.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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STATISTICAL INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2021

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>
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	7,087,999	414,655	2,146,210	11,740,737	25,974,546	91,052,966
2020-21	15,487,296	34,323,997	11,171,490	3,090,028	7,347,564	4,620,444	7,619,397	83,660,216

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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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
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
2020-21	56,348,905	10,463,225	629,099	6,112,310	1,570,477	35,503,377	6,634,666	117,262,059

* 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
ANNUAL FINANCIAL REPORT
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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	
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%
2021	344,062,828	37,827,456	15,041,028	20,087,269	376,844,043	3,425,854,936	11%

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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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
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
2021	9.44	68.91	18.18	22.92	119.45	76.15	126.69	59.41	109.95

CITY OF MIDWEST CITY, OKLAHOMA
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Computation of Legal Debt Margin
June 30, 2020

Net assessed valuation	\$376,844,043
Debt limit (a)	\$37,684,404
Applicable bonds outstanding	\$30,460,980
Inapplicable bonds outstanding (b)	\$21,024,020
Legal debt margin	\$7,223,424

(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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Government Expenditures</u>
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	91,052,966	1.61%
2020-21	1,695,000	1,311,923	3,006,923	83,660,216	3.59%

(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>
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
2020-21	58,409	376,844,043	35,880,000	2,447,665	33,432,335	8.87%	572

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>
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
2020-21	33,756,172	10,639,024	23,117,148	6,253,642	3.70

**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%
2020	58,409	743.00%

Population is taken from US Census conducted every 10 years.

CITY OF MIDWEST CITY, OKLAHOMA
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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	
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
2020-21	10	6,725,000	96	16,435,218	23,160,218

CITY OF MIDWEST CITY, OKLAHOMA
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Miscellaneous Statistics
June 30, 2021

Date of Incorporation	1943
Form of government	Council-manager
Square miles in city limits	24.37
Miles of streets	794.38 lane miles

Education

Number of primary schools	6
Number of secondary schools	2
Number of High schools	2
Number of colleges	1

Police Protection

Number of officers	97
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Fire Protection

Number of stations	6
Number of headquarters	1
Number of personnel per shift	26

Public Works

Water storage capacity (millions of gallons)	8
Miles of water lines	313.29
Miles of sanitary sewer lines	291.33

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Miscellaneous Statistics, Continued
June 30, 2021

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>	<u>Full Time Hotel/Conference Center</u>
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	-
2021-21	467	-

CITY OF MIDWEST CITY, OKLAHOMA
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Miscellaneous Statistics, Continued
June 30, 2021
City Water Usage (Gallons)

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
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
2020-21	1,894,847,000	5,191,362