



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Midwest City, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Other Matters

The financial statements of the City of Midwest City as of June 30, 2021, were audited by other auditors whose report was dated December 22, 2021 and expressed an unmodified opinion on those statements.

Change in Accounting Principle

As discussed in Note 1.C to the financial statements, in 2022 the City adopted new accounting guidance, GASB No. 87 *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

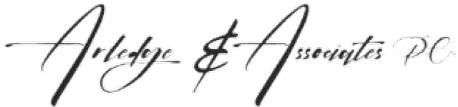
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Arledge & Associates, P.C.

Edmond, Oklahoma
December 21, 2022



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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 18.

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, 2022, by \$569,830,460 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$46,198,374, with the business type activities reporting a positive unrestricted net position of \$26,555,726. 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 \$13,115,392 or 2.35% from the prior year. This was a result of an increase of \$1,934,092 in the governmental activities while the business-type activities had an increase of \$11,181,300. The detailed changes made from the Governmental Fund Statements to the Statement of Net Position can be found on page 22.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2022 totaled \$51,034,793 compared to FY 2021 which totaled \$48,204,176. The total increase in sales and use tax collections was \$2,830,617. The increase in sales and use taxes is primarily the result of more consumer spending due to inflation. The City saw an increase in taxes from the retail and food services industries. 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 2022, the unassigned fund balance of the General Fund was \$4,443,120 or 11.1% 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.

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.

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental 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.

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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, Economic Development Authority, Hospital Authority, and 2018 GO Bond CIP funds. Data from the debt service fund, 14 special revenue funds, and 8 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 81 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2022, the City's combined net position is \$569,830,460, of which \$431,103,649 can be attributed to governmental activities and \$138,726,811 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, \$395 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.

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**TABLE 1
NET POSITION
(In Thousands)**

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Current and other assets	\$ 351,997	\$ 322,206	9%	\$ 42,919	\$ 42,619	1%	\$ 394,916	\$ 364,825	8%
Capital assets	324,657	305,598	6%	154,336	148,420	4%	478,993	454,018	6%
Total assets	<u>676,654</u>	<u>627,804</u>	8%	<u>197,255</u>	<u>191,039</u>	3%	<u>873,909</u>	<u>818,843</u>	7%
Deferred outflow of resources	<u>17,561</u>	<u>18,280</u>	-4%	<u>4,614</u>	<u>3,141</u>	47%	<u>22,175</u>	<u>21,421</u>	4%
Long-term obligations outstanding	18,160	183,701	-90%	2,447	61,323	-96%	20,607	245,024	-92%
Other liabilities	170,860	26,364	548%	58,677	2,830	1973%	229,537	29,194	686%
Total liabilities	<u>189,020</u>	<u>210,065</u>	-10%	<u>61,124</u>	<u>64,153</u>	-5%	<u>250,144</u>	<u>274,218</u>	-9%
Deferred inflow of resources	<u>74,091</u>	<u>6,850</u>	982%	<u>2,018</u>	<u>2,481</u>	-19%	<u>76,109</u>	<u>9,331</u>	716%
Net position:									
Net investment in capital assets	284,352	280,915	1%	110,546	105,254	5%	394,898	386,169	2%
Restricted	192,950	196,782	-2%	1,625	1,608	1%	194,575	198,390	-2%
Unrestricted (deficit)	(46,198)	(48,528)	-5%	26,556	20,684	28%	(19,642)	(27,844)	-29%
Total net position	<u>\$ 431,104</u>	<u>\$ 429,169</u>	0%	<u>\$ 138,727</u>	<u>\$ 127,546</u>	9%	<u>\$ 569,831</u>	<u>\$ 556,715</u>	2%

Governmental activities increased the City's net position by \$1,934,092 or 0.45%. The business type activities increased the City's net position by \$11,181,300 or 8.77% for a net increase of \$13,115,392, or 2.36%. The key elements of these changes are contained in Table 2.

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total Primary Government		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Revenues:									
Program revenues:									
Charges for services	\$ 7,401	\$ 13,162	-44%	\$ 30,909	\$ 30,039	3%	\$ 38,310	\$ 43,201	-11%
Operating grants and contributions	5,044	16,967	-70%	26	-	100%	5,070	16,967	-70%
Capital grants and contributions	14,737	8	184113%	-	-	-	14,737	8	184113%
General revenues:									
Sales and use taxes	51,035	48,204	6%	-	-	-	51,035	48,204	6%
Other taxes	9,261	8,699	6%	-	-	-	9,261	8,699	6%
Other general revenue	(13,210)	36,370	-136%	208	750	-72%	(13,002)	37,120	-135%
Total revenues	<u>74,268</u>	<u>123,410</u>	-40%	<u>31,143</u>	<u>30,789</u>	1%	<u>105,411</u>	<u>154,199</u>	-32%
Program expenses:									
General government	6,895	26,791	-74%	-	-	-	6,895	26,791	-74%
Public safety	28,830	37,205	-23%	-	-	-	28,830	37,205	-23%
Streets	14,873	14,658	1%	-	-	-	14,873	14,658	1%
Cultural, parks and recreation	1,736	2,475	-30%	-	-	-	1,736	2,475	-30%
Health and welfare	767	507	51%	-	-	-	767	507	51%
Economic development	6,486	5,091	27%	-	-	-	6,486	5,091	27%
Interest expense	4,208	4,159	1%	-	-	-	4,208	4,159	1%
Water	-	-	-	7,582	7,453	2%	7,582	7,453	2%
Sewer	-	-	-	8,727	8,544	2%	8,727	8,544	2%
Sanitation	-	-	-	6,063	5,745	6%	6,063	5,745	6%
Drainage	-	-	-	909	716	27%	909	716	27%
Conference center	-	-	-	4,288	4,797	-11%	4,288	4,797	-11%
Other activities	-	-	-	932	887	5%	932	887	5%
Total expenses	<u>63,795</u>	<u>90,886</u>	-30%	<u>28,501</u>	<u>28,142</u>	1%	<u>92,296</u>	<u>119,028</u>	-22%
Excess (deficiency) before transfers	10,473	32,524	-68%	2,642	2,647	0%	13,115	35,171	-63%
Transfers	(8,539)	(3,762)	127%	8,539	3,762	127%	-	-	-
Increase in net position	<u>\$ 1,934</u>	<u>\$ 28,762</u>	93%	<u>\$ 11,181</u>	<u>\$ 6,409</u>	74%	<u>\$ 13,115</u>	<u>\$ 35,171</u>	-63%

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Governmental Activities. The revenues reflect a decrease over the prior year of \$48,785,871. This decrease is primarily the result of investment income decreased \$49,820,575 due to market downturn. City received \$4.4 million in CARES Act funding for coronavirus relief in FY2021 and \$6.2 million Federal Emergency Management Agency (FEMA) funding for ice storm in FY2022. City issued \$5,700,000 2022 General Obligation Bond Series for public safety capital improvement projects.

The most significant governmental activities expense was providing public safety with a cost of \$28,830,011. 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 \$21,312,593 and dedicated sales tax of \$12,812,286 for the fiscal year ended June 30, 2022.

Business-type Activities. Business-type revenue remained flat from the prior year. Other general income totaled \$207,769 in FY 2022 and \$749,899 in FY 2021. The largest portion of this decrease is attributed to more asset retirement in FY2021 than in FY2022.

Budgetary Highlights. For FY 2022, the General Fund revenue (including transfers) budget was amended by \$1,291,483 or 3.38% of the original budget of \$38,239,835. The actual revenue (including transfers) was more than the final budget projection by \$4,129,153, or 10.45%. The actual expenditures (including transfers) on a budgetary basis were \$40,683,837 compared to the final budget of \$42,632,595. General Fund actual expenditures (including transfers) on a budgetary basis were \$1,948,758 or 4.6% below final budget projections. See page 73 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by \$2,942,375, or 18.1%, of the original budget of \$16,235,829. The actual revenue (including transfers) was more than the final budget projection by \$1,047,491 or 5.46%. 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 \$17,735,420 compared to the final budget of \$19,102,407. Actual expenditures (including transfers) were \$1,366,987 or 7.15% below final budget projections.

The Fire Fund revenues (including transfers) budget was amended by \$1,752,160 or 13.61%. The actual revenue (including transfers) was more than the final budget projection by \$668,860 or 4.57%. 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 \$13,252,558 compared to the final budget of \$14,265,091. Actual expenditures (including transfers) were \$1,012,533 or 7.1% below projections.

The budget to actual comparisons for these funds can be found on pages 73-76 of the report.

Capital Assets. At the end of fiscal year 2022, the City had \$478,993,117 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 \$19,059,042 for the governmental activities. The City had total additions of \$32,539,140 and depreciation expense of \$14,027,581.

The business-type activities had a net increase of \$5,916,765. Table 3 reflects the net key elements that make up the capital assets by type and source.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2022	2021	2022	2021	2022	2021
Land	\$ 39,950	\$ 39,950	\$ 2,617	\$ 2,622	\$ 42,567	\$ 42,572
Water rights	-	-	6,953	6,953	6,953	6,953
Construction in progress	26,666	23,357	12,280	7,388	38,946	30,745
Buildings	33,438	30,480	33,131	32,760	66,569	63,240
Machinery and equipment	23,271	22,534	15,968	15,054	39,239	37,588
Vehicles	13,364	12,770	11,084	11,208	24,448	23,978
Infrastructure	482,324	457,382	189,921	184,564	672,245	641,946
	<u>619,013</u>	<u>586,473</u>	<u>271,954</u>	<u>260,549</u>	<u>890,967</u>	<u>847,022</u>
Less: Depreciation	(294,356)	(280,876)	(117,617)	(112,129)	(411,973)	(393,005)
Totals	<u>\$ 324,657</u>	<u>\$ 305,597</u>	<u>\$ 154,337</u>	<u>\$ 148,420</u>	<u>\$ 478,994</u>	<u>\$ 454,017</u>

Additional information on the City's capital assets can be found on pages 46-48 of this report.

Debt Administration. At year end, the City had \$173,810,194 in long term debt outstanding compared to \$176,679,451 at the end of the prior fiscal year, a decrease of 1.62% as shown in Table 4. The City had one new bond issuances in FY 2022. General Obligation Bonds totaling \$5,700,000. See pages 50-54 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>	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 55,400	\$ 51,485	\$ -	\$ -	\$ 55,400	\$ 51,485
General obligation bonds premium	742	634	-	-	742	634
Notes payable (direct borrowing)	-	-	-	-	-	-
Accrued compensated absences	6,146	6,152	1,653	1,696	7,799	7,848
Revenue bonds	62,635	64,425	29,210	29,905	91,845	94,330
Revenue bonds premium	-	-	990	1,028	990	1,028
Note payable	-	-	15,360	19,670	15,360	19,670
Refundable deposits	90	103	1,584	1,582	1,674	1,685
	<u>90</u>	<u>103</u>	<u>1,584</u>	<u>1,582</u>	<u>1,674</u>	<u>1,685</u>
Totals	<u>\$ 125,013</u>	<u>\$ 122,799</u>	<u>\$ 48,797</u>	<u>\$ 53,881</u>	<u>\$ 173,810</u>	<u>\$ 176,680</u>

FACTORS AFFECTING FINANCIAL CONDITION

Over the past year, Midwest City resident's personal income has increased by 4.2% but buying power has diminished by 2.3% due to inflation. Though supply chain issues are fading away, many buyers are slow to finance large purchases because of rapidly escalating interest rates. These factors are expected to suppress consumer spending for durable goods beyond emergency purchases.

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Although Midwest City's household income is indistinguishable from many Oklahoma communities, the disproportionate number of government employees (24.1% of the total workforce) residing in Midwest City has kept it insulated from the economic peaks and valleys seen elsewhere. Midwest City's unemployment rate is also estimated to be 0.5% below the U.S. average. Because of these factors, there is no reason to expect significant swings in the local economy.

Tinker Air Force Base remains the largest single-site employer in the state, and the recent arrival of the KC-46 Pegasus tanker will help offset the departure of maintenance jobs lost to Boeing when half (15) of the E-3A AWACS airplanes stationed here leave in 2023.

Mathis Brother's Furniture store is forecasted to open March 2023 on the west side. Centrillum Proteins is scheduled to start construction of their new plant on the north side of town in January of 2023. These new additions will potentially bring new income to some of our most economically challenged areas.

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
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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Statement of Net Position– June 30, 2022

City of Midwest City
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 114,824,517	\$ 28,586,489	\$ 143,411,006
Cash and cash equivalents, restricted	21,846,726	5,069,039	26,915,765
Investments	94,590,165	4,575,000	99,165,165
Investments, restricted	2,996,385	-	2,996,385
Land held for economic development	3,439,804	-	3,439,804
Accounts receivable, net	3,314,731	4,311,590	7,626,321
Interest receivable	57,306	12,805	70,111
Other receivable	447,556	103,097	550,653
Inventory	152,117	276,759	428,876
Internal balances	234,522	(234,522)	-
Prepaid items	224	-	224
Due from other governments	12,438,080	-	12,438,080
Net pension asset	9,753,944	-	9,753,944
Lease receivable	46,199,778	-	46,199,778
Note receivable	41,675,541	-	41,675,541
Deposits held by others	25,300	-	25,300
Investments, non-current, restricted	-	218,544	218,544
Capital assets:			
Land, water rights, and construction in progress	66,616,158	21,849,505	88,465,663
Other capital assets, net of depreciation	258,040,428	132,487,026	390,527,454
Total assets	676,653,282	197,255,332	873,908,614
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	696,374	696,374
Deferred amount related to pensions	10,065,394	-	10,065,394
Deferred amount related to OPEB	7,496,078	3,917,552	11,413,630
Total deferred outflows	17,561,472	4,613,926	22,175,398
LIABILITIES			
Accounts payable and accrued liabilities	3,145,201	1,452,884	4,598,085
Wages payable	2,492,716	673,350	3,166,066
Judgment payable	-	-	-
Claims payable	2,099,360	-	2,099,360
Due to other governments	11,855	-	11,855
Accrued interest payable	1,052,884	321,143	1,374,027
Unearned revenue	9,358,239	-	9,358,239
Long-term liabilities:			
Due within one year	6,178,756	5,900,022	12,078,778
Due in more than one year	164,681,300	52,777,134	217,458,434
Total liabilities	189,020,311	61,124,533	250,144,844
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	22,568,970	-	22,568,970
Deferred amount related to property taxes	3,976,449	-	3,976,449
Deferred amount related to OPEB	1,527,634	1,324,127	2,851,761
Deferred amount related to leases	46,017,741	-	46,017,741
Deferred amount on refunding	-	693,787	693,787
Total deferred inflows	74,090,794	2,017,914	76,108,708
NET POSITION			
Net investment in capital assets	284,352,429	110,545,786	394,898,215
Restricted for:			
Debt service	1,759,029	1,625,299	3,384,328
Hospital	124,239,237	-	124,239,237
Capital improvements	9,982,479	-	9,982,479
Public Safety	34,726,603	-	34,726,603
Street operations	1,382,160	-	1,382,160
Culture and recreation	2,815,495	-	2,815,495
Economic Development	10,927,983	-	10,927,983
Other	7,116,608	-	7,116,608
Unrestricted (deficit)	(46,198,374)	26,555,726	(19,642,648)
Total net position	\$ 431,103,649	\$ 138,726,811	\$ 569,830,460

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2022

Statement of Activities –Year Ended June 30, 2022

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	\$ 6,895,422	\$ 1,347,705	\$ 1,399,446	\$ 5,260	\$ (4,143,011)	\$ -	\$ (4,143,011)
Public safety	28,830,011	1,795,239	1,808,961	45,749	(25,180,062)	-	(25,180,062)
Streets	14,872,859	592,602	530,726	13,998,723	249,192	-	249,192
Culture and recreation	1,736,200	428,041	49,508	687,482	(571,169)	-	(571,169)
Health and welfare	767,466	-	-	-	(767,466)	-	(767,466)
Economic development	6,485,958	3,237,496	1,255,758	-	(1,992,704)	-	(1,992,704)
Interest expense	4,207,963	-	-	-	(4,207,963)	-	(4,207,963)
Total governmental activities	<u>63,795,879</u>	<u>7,401,083</u>	<u>5,044,399</u>	<u>14,737,214</u>	<u>(36,613,183)</u>	<u>-</u>	<u>(36,613,183)</u>
Business-type activities:							
Water	7,581,686	8,841,881	-	-	-	1,260,195	1,260,195
Sewer	8,727,262	11,215,511	-	-	-	2,488,249	2,488,249
Sanitation	6,062,798	8,059,727	-	-	-	1,996,929	1,996,929
Drainage	908,597	505,098	-	-	-	(403,499)	(403,499)
Conference center	4,288,483	1,859,253	-	-	-	(2,429,230)	(2,429,230)
Golf	868,616	427,745	25,854	-	-	(415,017)	(415,017)
Industrial park	63,207	-	-	-	-	(63,207)	(63,207)
Total business-type activities	<u>28,500,649</u>	<u>30,909,215</u>	<u>25,854</u>	<u>-</u>	<u>-</u>	<u>2,434,420</u>	<u>2,434,420</u>
Total primary government	<u>\$ 92,296,528</u>	<u>\$ 38,310,298</u>	<u>\$ 5,070,253</u>	<u>\$ 14,737,214</u>	<u>(36,613,183)</u>	<u>2,434,420</u>	<u>(34,178,763)</u>
General revenues:							
Taxes:							
Sales and use taxes					51,034,793	-	51,034,793
Property tax					4,051,000	-	4,051,000
Payment in lieu of taxes					790,446	-	790,446
Franchise and public service taxes					2,815,310	-	2,815,310
Hotel/motel taxes					583,993	-	583,993
Intergovernmental revenue not restricted to specific programs					1,021,274	-	1,021,274
Investment income					(14,318,053)	(38,030)	(14,356,083)
Miscellaneous					1,107,623	245,799	1,353,422
Transfers - internal activity					(8,539,111)	8,539,111	-
Total general revenues and transfers					<u>38,547,275</u>	<u>8,746,880</u>	<u>47,294,155</u>
Change in net position					1,934,092	11,181,300	13,115,392
Net position - beginning					429,169,557	127,545,511	556,715,068
Net position - ending					<u>\$ 431,103,649</u>	<u>\$ 138,726,811</u>	<u>\$ 569,830,460</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022**

Governmental Funds Balance Sheet - June 30, 2022

	General Fund	Police Fund	Fire Fund	Economic Development Authority	Midwest City Hospital Authority	2018 GO Bond CIP	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 20,875,833	\$ 10,390,903	\$ 7,730,197	\$ 7,867,467	\$ 42,661,995	\$ 11,214,164	\$ 27,403,127	\$ 128,143,686
Investments	3,700,407	1,732,872	1,308,491	706,984	82,954,588	1,920,362	4,032,271	96,355,975
Land held for economic development	-	-	-	-	3,439,804	-	-	3,439,804
Receivables:								
Accounts receivable	2,193,959	57,086	2,450	229,550	82,450	-	561,092	3,126,587
Accrued interest receivable	11,498	5,104	3,458	2,300	1,636	6,247	23,551	53,794
Due from other funds	301,222	4,973,373	3,973,566	-	2,689	-	419,213	9,670,063
Deposits held by others	-	-	-	-	20,000	-	5,300	25,300
Prepaid items	224	-	-	-	-	-	-	224
Other receivable	14,701	24,996	17,311	-	-	-	-	57,008
Leases receivable	582,396	-	-	22,633,158	22,984,224	-	-	46,199,778
Due from other governments	5,068,143	931,715	722,887	-	-	-	5,715,335	12,438,080
Inventory	60,000	-	-	-	-	-	-	60,000
Advance to other funds	19,451	-	-	-	-	-	-	19,451
Total assets	<u>\$ 32,827,834</u>	<u>\$ 18,116,049</u>	<u>\$ 13,758,360</u>	<u>\$ 31,439,459</u>	<u>\$ 152,147,386</u>	<u>\$ 13,140,773</u>	<u>\$ 38,159,889</u>	<u>\$ 299,589,750</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 340,763	\$ 144,818	\$ 20,336	\$ 16,868	\$ 60,020	\$ 1,484,939	\$ 826,324	\$ 2,894,068
Wages payable	682,146	871,003	729,262	-	13,607	-	105,213	2,401,231
Unearned revenue	9,358,239	-	-	-	-	-	-	9,358,239
Refundable deposits - court	89,786	-	-	-	-	-	-	89,786
Due to other funds	8,823,285	-	-	-	-	-	882,843	9,706,128
Due to other governments	11,855	-	-	-	-	-	-	11,855
Advance from other funds	-	-	19,451	-	-	-	-	19,451
Total liabilities	<u>19,306,074</u>	<u>1,015,821</u>	<u>769,049</u>	<u>16,868</u>	<u>73,627</u>	<u>1,484,939</u>	<u>1,814,380</u>	<u>24,480,758</u>
Deferred inflows of resources:								
Deferred inflow - leases	577,263	-	-	22,497,315	22,943,163	-	-	46,017,741
Unavailable revenue	2,969,605	64,344	-	1,590	7,500	-	4,454,640	7,497,679
Total deferred inflows of resources	<u>3,546,868</u>	<u>64,344</u>	<u>-</u>	<u>22,498,905</u>	<u>22,950,663</u>	<u>-</u>	<u>4,454,640</u>	<u>53,515,420</u>
Fund balances:								
Nonspendable	99,204	-	-	-	3,459,804	-	5,300	3,564,308
Restricted	4,892,434	17,035,884	12,989,311	8,923,686	124,239,237	11,655,834	31,824,309	211,560,695
Committed	-	-	-	-	1,424,055	-	-	1,424,055
Assigned	540,134	-	-	-	-	-	61,260	601,394
Unassigned	4,443,120	-	-	-	-	-	-	4,443,120
Total fund balances	<u>9,974,892</u>	<u>17,035,884</u>	<u>12,989,311</u>	<u>8,923,686</u>	<u>129,123,096</u>	<u>11,655,834</u>	<u>31,890,869</u>	<u>221,593,572</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 32,827,834</u>	<u>\$ 18,116,049</u>	<u>\$ 13,758,360</u>	<u>\$ 31,439,459</u>	<u>\$ 152,147,386</u>	<u>\$ 13,140,773</u>	<u>\$ 38,159,889</u>	<u>\$ 299,589,750</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2022:

Fund balances of governmental funds	\$	221,593,572
 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 \$292,926,824		323,935,848
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		130,727
Other receivable, net of allowance		3,390,503
Note receivable		41,675,541
Net pension asset		9,753,944
		54,950,715
 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		(17,546,151)
Pension related deferred outflows		10,065,394
OPEB related deferred outflows		7,111,374
Pension related deferred inflows		(22,568,970)
Total OPEB liability		(27,205,088)
OPEB related deferred inflows		(1,343,497)
		(51,486,938)
 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.		
		7,895,320
 Certain other long-term liabilities are not due and payable from current financial resources and not reported in the funds:		
General obligation bonds payable		(55,400,000)
Bonds payable		(62,635,000)
Premium on debt		(741,600)
Accrued compensated absences		(5,969,960)
Accrued interest payable		(1,038,308)
		(125,784,868)
 Net position of governmental activities	 \$	 431,103,649

See accompanying notes to the basic financial statements

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2022

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2022

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Economic Development Authority</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	\$ 28,872,801	\$ 7,166,061	\$ 5,646,224	\$ -	\$ 790,446	\$ -	\$ 16,778,762	\$ 59,254,294
Intergovernmental	8,488,148	881,898	3,943,694	-	-	-	530,726	13,844,466
Charges for services	495,283	270,617	5,555	4,143,804	-	-	1,160,036	6,075,295
Fines and forfeitures	1,218,206	63,440	-	-	-	-	85,875	1,367,521
Licenses and permits	546,999	1,600	8,150	-	-	-	90,428	647,177
Investment income	(93,492)	(40,413)	(25,447)	320,479	(13,476,893)	(47,547)	(54,536)	(13,417,849)
Miscellaneous	612,588	68,326	25,406	16,281	737,534	-	118,657	1,578,792
Total revenues	<u>40,140,533</u>	<u>8,411,529</u>	<u>9,603,582</u>	<u>4,480,564</u>	<u>(11,948,913)</u>	<u>(47,547)</u>	<u>18,709,948</u>	<u>69,349,696</u>
EXPENDITURES								
Current:								
General government	4,396,708	-	-	-	12,022,316	242	1,945,882	18,365,148
Public safety	1,284,853	16,054,072	16,366,404	-	-	1,354	639,046	34,345,729
Streets	2,370,700	-	-	-	-	446	1,108,756	3,479,902
Culture and recreation	942,024	-	-	-	-	4,636	360,234	1,306,894
Health and welfare	585,241	-	-	-	-	-	-	585,241
Economic development	4,121,583	-	-	1,485,533	-	956	290,419	5,898,491
Capital outlay	141,194	1,238,099	147,004	-	328,630	15,062,963	6,739,688	23,657,578
Debt service:								
Principal retirement	-	-	-	965,000	-	-	2,610,000	3,575,000
Interest and fiscal charges	-	-	5,402	2,006,825	-	-	2,243,011	4,255,238
Total expenditures	<u>13,842,303</u>	<u>17,292,171</u>	<u>16,518,810</u>	<u>4,457,358</u>	<u>12,350,946</u>	<u>15,070,597</u>	<u>15,937,036</u>	<u>95,469,221</u>
Excess (deficiency) of revenues over expenditures	<u>26,298,230</u>	<u>(8,880,642)</u>	<u>(6,915,228)</u>	<u>23,206</u>	<u>(24,299,859)</u>	<u>(15,118,144)</u>	<u>2,772,912</u>	<u>(26,119,525)</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from issuance of debt	-	-	-	-	-	-	5,700,000	5,700,000
Bond premium	-	-	-	-	-	-	137,324	137,324
Transfers in	12,508,641	11,883,020	9,672,986	-	3,066	236,048	3,466,748	37,770,509
Transfers out	(33,234,826)	-	(52,000)	-	(1,222,497)	(59,392)	(6,998,155)	(41,566,870)
Total other financing sources and uses	<u>(20,726,185)</u>	<u>11,883,020</u>	<u>9,620,986</u>	<u>-</u>	<u>(1,219,431)</u>	<u>176,656</u>	<u>2,305,917</u>	<u>2,040,963</u>
Net change in fund balances	5,572,045	3,002,378	2,705,758	23,206	(25,519,290)	(14,941,488)	5,078,829	(24,078,562)
Fund balances - beginning	4,402,847	14,033,506	10,283,553	8,900,480	154,642,386	26,597,322	26,812,040	245,672,134
Fund balances - ending	<u>\$ 9,974,892</u>	<u>\$ 17,035,884</u>	<u>\$ 12,989,311</u>	<u>\$ 8,923,686</u>	<u>\$ 129,123,096</u>	<u>\$ 11,655,834</u>	<u>\$ 31,890,869</u>	<u>\$ 221,593,572</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2022

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2022:

Net change in fund balances - total governmental funds: \$ (24,078,562)

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	18,344,106
Capital asset donated	14,691,465
Gain (loss) on disposal of capital assets	(4,601)
Depreciation expense	(13,968,270)
	19,062,700

Repayment of debt principal is an expenditure and collections of notes 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:

Notes receivable receipts	(977,500)
Premium on debt issuance	(137,324)
Amortization of premium	29,913
Debt proceeds	(5,700,000)
Bond payable principal payments	1,790,000
General obligation bond principal payments	1,785,000
	(3,209,911)

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	(6,503,393)
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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	(2,116,013)
Interest expense	17,362
Judgment expense	12,000,000
Pension expense	5,475,790
Accrued compensated absences	12,707
	15,389,846

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

	1,273,412
Change in net position of governmental activities	\$ 1,934,092

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2022

Proprietary Funds Statement of Net Position - June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 26,967,444	\$ 876,160	\$ 27,843,604	\$ 9,270,442
Cash and cash equivalents, restricted	5,069,039	-	5,069,039	-
Investments	4,313,960	141,264	4,455,224	1,350,351
Accounts receivable, net	4,290,921	-	4,290,921	578,692
Other receivable	123,766	-	123,766	-
Accrued interest receivable	12,805	-	12,805	3,512
Prepaid items	-	-	-	-
Inventory	276,759	-	276,759	92,117
Due from other funds	1,052,168	-	1,052,168	5,830
Total current assets	<u>42,106,862</u>	<u>1,017,424</u>	<u>43,124,286</u>	<u>11,300,944</u>
Non-current assets:				
Investments, restricted	218,544	-	218,544	-
Land, construction in progress, and water rights	21,177,649	671,856	21,849,505	-
Other capital assets, net	129,871,606	2,465,705	132,337,311	870,453
Total non-current assets	<u>151,267,799</u>	<u>3,137,561</u>	<u>154,405,360</u>	<u>870,453</u>
Total assets	<u>193,374,661</u>	<u>4,154,985</u>	<u>197,529,646</u>	<u>12,171,397</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	696,374	-	696,374	-
Deferred amount related to OPEB	3,637,024	-	3,637,024	665,232
	<u>4,333,398</u>	<u>-</u>	<u>4,333,398</u>	<u>665,232</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,446,896	-	1,446,896	287,314
Claims liability	-	-	-	907,060
Wages payable	609,511	-	609,511	139,707
Due to other funds	548,170	-	548,170	473,763
Accrued interest payable	321,143	-	321,143	-
Accrued compensated absences	496,481	-	496,481	119,770
Refundable deposits	164,686	-	164,686	-
Notes payable	147,968	-	147,968	-
Revenue bonds payable	5,030,000	-	5,030,000	-
Total current liabilities	<u>8,764,855</u>	<u>-</u>	<u>8,764,855</u>	<u>1,927,614</u>
Non-current liabilities:				
Accrued compensated absences	973,259	-	973,259	239,538
Claims liability	-	-	-	1,192,300
Total OPEB liability	9,138,991	-	9,138,991	1,836,788
Refundable deposits	1,419,662	-	1,419,662	-
Notes payable	2,097,347	-	2,097,347	-
Revenue bonds payable, net	38,285,137	-	38,285,137	-
Total non-current liabilities	<u>51,914,396</u>	<u>-</u>	<u>51,914,396</u>	<u>3,268,626</u>
Total liabilities	<u>60,679,251</u>	<u>-</u>	<u>60,679,251</u>	<u>5,196,240</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount related to OPEB	1,217,382	-	1,217,382	290,882
Deferred amount on refunding	693,787	-	693,787	-
	<u>1,911,169</u>	<u>-</u>	<u>1,911,169</u>	<u>290,882</u>
NET POSITION				
Net investment in capital assets	107,258,511	3,137,560	110,396,071	870,453
Restricted for debt service	1,625,299	-	1,625,299	-
Restricted for other purposes	85,598	216,134	301,732	-
Unrestricted	26,148,231	801,291	26,949,522	6,479,054
Total net position	<u>\$ 135,117,639</u>	<u>\$ 4,154,985</u>	<u>\$ 139,272,624</u>	<u>\$ 7,349,507</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

(545,813)

Total net position per Government-Wide financial statements

\$ 138,726,811

See accompanying notes to the basic financial statements.

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Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 30,873,745	\$ -	\$ 30,873,745	\$ 13,921,590
Fees, licenses and permits	21,020	-	21,020	-
Miscellaneous	39,138	-	39,138	682,214
Total operating revenues	<u>30,933,903</u>	<u>-</u>	<u>30,933,903</u>	<u>14,603,804</u>
OPERATING EXPENSES				
Personal services	11,043,183	-	11,043,183	2,332,931
Materials and supplies	4,030,854	-	4,030,854	2,598,151
Other services and charges	7,402,393	818	7,403,211	403,794
Insurance claims and expense	-	-	-	7,255,364
Depreciation and amortization	5,595,221	57,073	5,652,294	68,903
Total operating expenses	<u>28,071,651</u>	<u>57,891</u>	<u>28,129,542</u>	<u>12,659,143</u>
Operating income (loss)	<u>2,862,252</u>	<u>(57,891)</u>	<u>2,804,361</u>	<u>1,944,661</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	136,439	61,151	197,590	(28,740)
Interest expense and fiscal charges	(1,073,267)	-	(1,073,267)	-
Cain (loss) on asset retirement	76,312	(5,316)	70,996	-
Other non-operating revenue	-	-	-	-
Total non-operating revenue (expenses)	<u>(860,516)</u>	<u>55,835</u>	<u>(804,681)</u>	<u>(28,740)</u>
Income (loss) before contributions and transfers	<u>2,001,736</u>	<u>(2,056)</u>	<u>1,999,680</u>	<u>1,915,921</u>
Capital contributions	4,742,750	-	4,742,750	-
Transfers in	16,010,426	-	16,010,426	-
Transfers out	<u>(12,214,065)</u>	<u>-</u>	<u>(12,214,065)</u>	<u>-</u>
Change in net position	10,540,847	(2,056)	10,538,791	1,915,921
Total net position - beginning	124,576,792	4,157,041	128,733,833	5,433,586
Total net position - ending	<u>\$ 135,117,639</u>	<u>\$ 4,154,985</u>	<u>\$ 139,272,624</u>	<u>\$ 7,349,507</u>
Change in net position per above			\$ 10,538,791	
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			642,509	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 11,181,300</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 30,758,779	\$ -	\$ 30,758,779	\$ -
Receipts from interfund services	-	-	-	14,656,302
Payments to suppliers	(11,711,106)	(818)	(11,711,924)	(3,025,737)
Payments to employees	(10,343,930)	-	(10,343,930)	(2,193,300)
Receipts (payments) from interfund loans	408,378	-	408,378	18,619
Receipt of customer deposits	496,437	-	496,437	-
Return of customer deposits	(482,201)	-	(482,201)	-
Claims and benefits paid	-	-	-	(7,499,673)
Net cash provided by (used in) operating activities	<u>9,126,357</u>	<u>(818)</u>	<u>9,125,539</u>	<u>1,956,211</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	16,010,426	-	16,010,426	-
Transfers to other funds	(12,214,065)	-	(12,214,065)	-
Net cash provided by noncapital financing activities	<u>3,796,361</u>	<u>-</u>	<u>3,796,361</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(6,898,923)	-	(6,898,923)	(55,922)
Principal paid on capital debt	(5,245,821)	-	(5,245,821)	-
Proceeds from issuance of bonds	241,089	-	241,089	-
Interest and fiscal charges paid on capital debt	(1,329,164)	-	(1,329,164)	-
Proceeds from sale of capital assets	129,112	5,174	134,286	-
Payment to escrow agent for refunded debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(13,103,707)</u>	<u>5,174</u>	<u>(13,098,533)</u>	<u>(55,922)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	226,481	27,976	254,457	233,372
Interest and dividends	148,546	61,151	209,697	(27,814)
Net cash provided by investing activities	<u>375,027</u>	<u>89,127</u>	<u>464,154</u>	<u>205,558</u>
Net increase in cash and cash equivalents	194,038	93,483	287,521	2,105,847
Balances - beginning of year	<u>31,842,445</u>	<u>782,677</u>	<u>32,625,122</u>	<u>7,164,595</u>
Balances - end of year	<u>\$ 32,036,483</u>	<u>\$ 876,160</u>	<u>\$ 32,912,643</u>	<u>\$ 9,270,442</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 26,967,444	\$ 876,160	\$ 27,843,604	\$ 9,270,442
Restricted cash and cash equivalents	5,069,039	-	5,069,039	-
Total cash and cash equivalents	<u>\$ 32,036,483</u>	<u>\$ 876,160</u>	<u>\$ 32,912,643</u>	<u>\$ 9,270,442</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,862,252	\$ (57,891)	\$ 2,804,361	\$ 1,944,661
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	5,595,221	57,073	5,652,294	68,903
Other nonoperating revenue	-	-	-	-
Change in assets and liabilities:				
Receivables, net	(151,460)	-	(151,460)	52,498
Other receivable	(12,165)	-	(12,165)	-
Due from other funds	754,019	-	754,019	-
Prepaid items	10,655	-	10,655	-
Inventory	(6,815)	-	(6,815)	(21,786)
Deferred outflows OPEB	(1,572,195)	-	(1,572,195)	82,039
Accounts payable	(281,699)	-	(281,699)	(152,951)
Claims liability	-	-	-	(93,364)
Due to other funds	(345,641)	-	(345,641)	18,619
Accrued payroll and related liabilities	83,031	-	83,031	19,921
Refundable deposits	2,737	-	2,737	-
Total OPEB liability	2,450,953	-	2,450,953	(74,080)
Accrued compensated absences	(28,922)	-	(28,922)	(6,980)
Deferred inflows OPEB	(233,614)	-	(233,614)	118,731
Net cash provided by (used in) operating activities	<u>\$ 9,126,357</u>	<u>\$ (818)</u>	<u>\$ 9,125,539</u>	<u>\$ 1,956,211</u>
Noncash activities:				
Contributed capital assets - from governmental funds	<u>\$ 4,742,750</u>	<u>\$ -</u>	<u>\$ 4,742,750</u>	<u>\$ -</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.
- Economic Development Authority – is a special revenue fund that manages activities related to economic development within the city limits.
- 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, 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.
- 2022 GO Bond Fund – accounts for general obligation bond proceeds restricted streets.

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 investments 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.

Leases:

The City is a party as lessor for various non-cancellable long-term leases of building and land. The corresponding lease receivables, are recorded in an amount equal to the present value of the expected future minimum lease payments received, respectively, discounted by an applicable interest rate.

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.

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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, and deferrals related to lease receivables. 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, property taxes, leases, pension and OPEB-related amounts.

Lease-related amounts are recognized at the inception of leases in which the city or its' component unit is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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."

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city's highest level of decision-making authority. The City's highest level of decision-making authority is made by ordinance. The Hospital Authority and Urban Renewal Authority highest level of decision-making authority is made by resolution.
- d. Assigned – includes amounts that are constrained by the city's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for revenues in other governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund. Any deficit fund balances of other governmental funds are also reported as unassigned.

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

1.D. Revenues, Expenditures and Expenses

Program Revenues:

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

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

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

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

Sales Tax Revenue:

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

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

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$376,844,043. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2021 was \$9.44.

Property tax accrued on the lien date of January 1, 2022 and recorded as a deferred inflow of resources was \$3,976,449.

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.

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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. The City generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases unless the rate that the lessor/vendor charges is known.

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	\$ -	\$ 18,428,450	\$ -	\$ 18,428,450
Real Estate	-	-	1,404,076	1,404,076
Mutual Fund - equities	30,340,074	-	-	30,340,074
	<u>\$ 30,340,074</u>	<u>\$ 18,428,450</u>	<u>\$ 1,404,076</u>	<u>\$ 50,172,600</u>

As of June 30, 2022, 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⁾	\$ 39,072,937	Daily	2 days
US fixed income debt funds ⁽²⁾	11,627,059	Daily	3 days
	<u>\$ 50,699,996</u>		

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- (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.

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, 2022 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	\$ 144,551,485	n/a	\$ 144,551,485	\$ -	\$ -	\$ -	\$ -
Time deposits	3,500,000	n/a	-	1,000,000	2,500,000	-	-
Government Money Market Accounts	23,564,240	AAAAm	23,564,240	-	-	-	-
U.S. Agencies Obligations	18,428,450	Aaa	-	4,977,636	8,861,539	-	4,589,275
Sub-total	190,044,175		\$ 168,115,725	\$ 5,977,636	\$ 11,361,539	\$ -	\$ 4,589,275
Real Estate	1,404,076	n/a					
Mutual Funds - equities	69,413,011	n/a					
Fixed Income	11,627,059	n/a					
Sub-total	82,444,146						
Total Deposits and Investments	\$ 272,488,321						
Reconciliation to Financial Statements:							
Cash and cash equivalents	\$ 143,411,006						
Cash and cash equivalents, restricted	26,915,765						
Investments	99,165,165						
Investments, restricted	2,996,385						
	\$ 272,488,321						

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, 2022, 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, 2022, the investments held by the City mature between 2022 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).
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 2022 Percent
Equities - Domestic	20%-70%	85%	66.4%
Fixed Income	2.5%-30%	80%	11.1%
Cash Equivalents	0%	20%	22.5%

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, 2022 are as follows:

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Cash and Cash Equivalents:	
Restricted for Debt Service	\$ 6,199,127
Restricted Construction proceeds	19,361,163
Restricted for Refundable Deposits	<u>1,355,475</u>
	<u>\$ 26,915,765</u>

Investments:	
Restricted for Debt Service	\$ 2,996,385
Investments Restricted for Refundable Deposits	<u>218,544</u>
	<u>\$ 3,214,929</u>

3. Note 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 note receivable for future rental of the facility. At the end of the fiscal year, the City reflects a \$41.7 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.

4. Lease Receivable

The City as a lessor, has entered into lease agreements involving land and buildings. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$1,552,012. Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2022, the City received variable payments as required by lease agreements totaling \$151,901.

5. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2022, capital assets balances changed as follows:

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	Balance at July 1, 2021	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2022
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 39,950,396	\$ -	\$ -	\$ 39,950,396
Construction in progress	23,357,092	23,453,042	20,144,372	26,665,762
Total capital assets not being depreciated	<u>63,307,488</u>	<u>23,453,042</u>	<u>20,144,372</u>	<u>66,616,158</u>
Capital assets being depreciated:				
Buildings	30,480,152	2,957,650	-	33,437,802
Machinery and equipment	22,534,336	884,023	147,266	23,271,093
Vehicles	12,769,543	999,460	405,098	13,363,905
Infrastructure	457,381,945	24,941,700	-	482,323,645
Total other capital assets	<u>523,165,976</u>	<u>29,782,833</u>	<u>552,364</u>	<u>552,396,445</u>
Less accumulated depreciation for:				
Buildings	14,499,082	742,403	-	15,241,485
Machinery and equipment	17,199,629	975,165	142,655	18,032,139
Vehicles	6,812,407	739,014	405,098	7,146,323
Infrastructure	242,364,802	11,571,268	-	253,936,070
Total accumulated depreciation	<u>280,875,920</u>	<u>14,027,850</u>	<u>547,753</u>	<u>294,356,017</u>
Capital assets being depreciated, net	<u>242,290,056</u>	<u>15,754,983</u>	<u>4,611</u>	<u>258,040,428</u>
Governmental activities capital assets, net	<u>\$ 305,597,544</u>	<u>\$ 39,208,025</u>	<u>\$ 20,148,983</u>	<u>\$ 324,656,586</u>

	Balance at July 1, 2021	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2022
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 2,622,449	\$ -	\$ 5,173	\$ 2,617,276
Water rights	6,952,657	-	-	6,952,657
Construction in progress	7,387,804	6,581,553	1,689,785	12,279,572
Total capital assets not being depreciated	<u>16,962,910</u>	<u>6,581,553</u>	<u>1,694,958</u>	<u>21,849,505</u>
Capital assets being depreciated:				
Buildings	32,760,444	370,731	-	33,131,175
Machinery and equipment	15,053,749	933,432	19,585	15,967,596
Vehicles	11,207,797	76,296	199,614	11,084,479
Utility systems	184,564,219	5,356,846	-	189,921,065
Total other capital assets	<u>243,586,209</u>	<u>6,737,305</u>	<u>219,199</u>	<u>250,104,315</u>
Less accumulated depreciation for:				
Buildings	13,589,229	753,964	-	14,343,193
Machinery and equipment	11,069,002	560,179	18,516	11,610,665
Vehicles	6,601,772	577,531	155,165	7,024,138
Utility systems	80,869,350	3,769,943	-	84,639,293
Total accumulated depreciation	<u>112,129,353</u>	<u>5,661,617</u>	<u>173,681</u>	<u>117,617,289</u>
Capital assets being depreciated, net	<u>131,456,856</u>	<u>1,075,688</u>	<u>45,518</u>	<u>132,487,026</u>
Business-type activities capital assets, net	<u>\$ 148,419,766</u>	<u>\$ 7,657,241</u>	<u>\$ 1,740,476</u>	<u>\$ 154,336,531</u>

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$	483,888
Public safety		1,334,519
Streets		11,279,056
Culture and recreation		351,366
Health and welfare		136,770
Economic development		382,671
Sub-total governmental funds depreciation		13,968,270

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage		59,580
Total	\$	14,027,850

Business-Type Activities:

Water	\$	1,251,731
Sewer		2,541,990
Sanitation		503,320
Drainage		274,745
Conference center/hotel		871,508
Golf		151,927
Industrial park		57,073
Total Business Type Activities		5,652,294

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage		9,323
Total	\$	5,661,617

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6. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2022 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	\$ 113,959	Surplus properties sales proceeds to be distributed				
General Fund	Fire Fund	19,451	Long-term loan for capital improvements				
Police Fund	General Fund	4,874,886	Restricted sales tax payable				
Police Fund	Surplus Property	98,487	Surplus properties sales proceeds to be distributed				
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed				
Fire Fund	General Fund	3,941,519	Restricted sales tax payable				
Fire Fund	General Fund	6,880	Revenue accrued to be transferred				
Fire Fund	Surplus Property	25,167	Surplus properties sales proceeds to be distributed				
Welcome Center	Surplus Property	805	Surplus properties sales proceeds to be distributed				
Welcome Center	Golf	124,085	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	124,085	Long-term loan for capital improvements				
General Fund	Surplus Property	1,222	Surplus properties sales proceeds to be distributed				
General Fund	Hotel	300,000	Long-term loan for capital improvements				
Hospital Authority	Surplus Property	2,689	Surplus properties sales proceeds to be distributed				
Capital Improvements Fund	Debt Service	51,976	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	141,973	Surplus properties sales proceeds to be distributed				
Water Fund	Surplus Property	21,985	Surplus properties sales proceeds to be distributed				
Sewer	Surplus Property	23,176	Surplus properties sales proceeds to be distributed				
Hotel	Surplus Property	18,651	Surplus properties sales proceeds to be distributed				
Golf	Surplus Property	15,462	Surplus properties sales proceeds to be distributed				
Debt Service	Debt Service	830,867	Revenue accrued to be transferred				
		<u>\$ 10,747,512</u>					
			Due From Other	Advance From	Due To Other	Advance To	Net Internal
			Funds	Other Funds	Funds	Other Funds	Balances
Reconciliation to Fund Financial Statements:							
Governmental Funds		\$ 9,670,063	\$ 19,451	\$ 9,706,128	\$ 19,451	\$ (36,065)	
Proprietary Funds		1,052,168	-	548,170	-	503,998	
Internal Service Funds		5,830	-	473,763	-	(467,933)	
Total		<u>\$ 10,728,061</u>	<u>\$ 19,451</u>	<u>\$ 10,728,061</u>	<u>\$ 19,451</u>	<u>\$ -</u>	
Reconciliation to Statement of Net Position:							
Net Internal Balances		\$ 503,998					
Internal Service Fund Activity reported in Business-Type Activities		(738,520)					
Net Internal Balances		<u>\$ (234,522)</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, 2022 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	9,821,240	Debt Service Subsidy	
General Gov Sales Tax	G.O. Debt Services	850,000	Capital Outlay Subsidy	
General Gov Sales Tax	General Fund	31,250	Operating Subsidy	
Street and Alley Fund	Water Fund	61,415	Capital Outlay Subsidy	
Police Fund	General Fund	11,883,021	Ordinance Obligation	
Juvenile Fund	General Fund	17,656	Operating Subsidy	
Fire Fund	General Fund	9,528,145	Ordinance Obligation	
Fire Fund	General Fund	85,449	Capital Outlay Subsidy	
Fire Fund	2018 Election GO Bonds	59,392	Capital Outlay Subsidy	
Emergency Management Fund	General Fund	15,000	Grant Subsidy	
Park and Recreation Fund	General Fund	1,000,000	Grant Subsidy	
Park and Recreation Fund	Hospital Authority	346,372	Grant Subsidy	
General Fund	Police Impound Fee	4,628	Grant Subsidy	
Urban Renewal Authority	Hospital Authority	4,745	Operating Subsidy	
Sooner Rose TIF	Hospital Authority	778,345	Operating Subsidy	
General Fund	Hospital Authority	10,000	Grant Subsidy	
Hospital Authority	General Fund	3,066	Operating Subsidy	
2018 Election GO Bonds	Park & Recreation	98,284	Capital Outlay Subsidy	
2018 Election GO Bonds	Debt Service	7,729	Capital Outlay Subsidy	
2018 Election GO Bonds	Fire Fund	52,000	Capital Outlay Subsidy	
2018 Election GO Bonds	Hospital Authority	78,035	Capital Outlay Subsidy	
2018 GO Bonds Proprietary	Water Fund	5,009	Capital Outlay Subsidy	
Golf Fund	Hospital Authority	5,000	Operating Subsidy	
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	6,184,186	Debt Service Subsidy	
Capital Improvement Revenue Bond Fund	General Fund	9,821,240	Debt Service Subsidy	
Capital Improvement Fund	Revenue Bond Sinking Fund	703,328	Capital Outlay Subsidy	
		<u>\$ 53,780,935</u>		
		Transfers From	Transfers To Other	
Reconciliation to Fund Financial Statements:		<u>Other Funds</u>	<u>Funds</u>	<u>Net Transfers</u>
Governmental Funds		\$ 37,770,509	\$ (41,566,870)	\$ (3,796,361)
Proprietary Funds		16,010,426	(12,214,065)	3,796,361
Total		<u>\$ 53,780,935</u>	<u>\$ (53,780,935)</u>	<u>\$ -</u>
Reconciliation to Statement of Activities:				
Net Transfers				\$ 3,796,361
Capital Contributions to Enterprise Fund				4,742,750
Transfers - Internal Activity				<u>\$ 8,539,111</u>

7. 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, 2022, the City's long-term debt balances changed as follows:

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Primary Government:

<u>Type of Debt</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 51,485,000	\$ 5,700,000	\$ 1,785,000	\$ 55,400,000	\$ 2,210,000
General Obligation Bonds premium	634,189	137,324	29,913	741,600	-
Revenue Bonds Payable	64,425,000	-	1,790,000	62,635,000	1,850,000
Accrued Compensated Absences	6,151,991	3,324,703	3,330,086	6,146,608	2,028,970
Refundable Deposits	102,769	329,782	342,765	89,786	89,786
Total Governmental Activities	<u>\$ 122,798,949</u>	<u>\$ 9,491,809</u>	<u>\$ 7,277,764</u>	<u>125,012,994</u>	<u>6,178,756</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				28,300,911	-
Net Pension Liability				17,546,151	-
				<u>\$ 170,860,056</u>	<u>\$ 6,178,756</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 29,905,000	\$ -	\$ 695,000	\$ 29,210,000	\$ 710,000
Revenue Bonds Premium	1,028,220	-	38,083	990,137	-
Notes Payable	19,670,047	241,090	4,550,822	15,360,315	4,467,968
Refundable Deposits	1,581,610	496,437	493,699	1,584,348	164,686
Accrued Compensated Absences	1,695,625	906,763	949,988	1,652,400	557,368
Total Business-Type Activities	<u>\$ 53,880,502</u>	<u>\$ 1,644,290</u>	<u>\$ 6,727,592</u>	<u>\$ 48,797,200</u>	<u>\$ 5,900,022</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				9,879,956	-
				<u>\$ 58,677,156</u>	<u>\$ 5,900,022</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. \$ 18,370,000

\$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. 15,950,000

\$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. 6,325,000

\$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

\$5,700,000 general obligation bonds dated March 1, 2022, payable in annual installments of \$380,000, with interest rates of 2.00%, repaid by property tax levies. Final maturity March 2038. 5,700,000

Total general obligation bonds \$ 55,400,000

Current	\$ 2,210,000
Non-current	<u>53,190,000</u>
Total	<u>\$ 55,400,000</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. \$ 45,550,000

\$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. \$ 17,085,000

Total Revenue Bonds, Net \$ 62,635,000

Current	\$ 1,850,000
Non-current	<u>60,785,000</u>
Total	<u>\$ 62,635,000</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%.

	\$ 29,210,000
Total Revenue Bonds	\$ 29,210,000
Unamortized Revenue Bond Premium	990,137
Total Revenue Bonds, Net	<u>\$ 30,200,137</u>

	\$ 710,000
Current	\$ 710,000
Non-current	29,490,137
Total	<u>\$ 30,200,137</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 June 30, 2025; interest rate 1.16%.

\$ 13,115,000

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, 2019

2,049,267

\$241,900 bank note for a pipe inspection system, due in annual installments of \$53,257 starting September 15, 2020 through September 15, 2025; interest rate 3.41%.

196,048

Total Notes Payable \$ 15,360,315

	\$ 4,467,968
Current	\$ 4,467,968
Non-current	10,892,347
Total	<u>\$ 15,360,315</u>

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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	
2023	\$ 1,850,000	\$ 2,736,668	\$ 2,210,000	\$ 1,506,122	
2024	1,910,000	2,673,123	2,590,000	1,445,635	
2025	1,980,000	2,605,085	2,590,000	1,377,548	
2026	2,055,000	2,532,035	2,590,000	1,309,460	
2027	2,130,000	2,453,613	2,590,000	1,241,372	
2028-2032	12,040,000	10,879,363	12,950,000	5,185,550	
2033-2037	14,650,000	7,975,183	12,950,000	3,476,057	
2038-2042	9,670,000	5,159,475	11,430,000	1,766,366	
2043-2047	12,085,000	2,735,785	5,500,000	285,650	
2048	4,265,000	200,455	-	-	
	<u>\$ 62,635,000</u>	<u>\$ 39,950,785</u>	<u>\$ 55,400,000</u>	<u>\$ 17,593,760</u>	

Business-Type Activities					
Year Ending June 30,	Revenue Bonds Payable		Notes Payable		
	Principal	Interest	Principal	Interest	
2023	\$ 710,000	\$ 1,081,725	\$ 4,467,968	\$ 168,889	
2024	725,000	1,067,525	4,555,967	125,573	
2025	740,000	1,053,025	4,615,517	70,735	
2026	760,000	1,030,825	195,184	28,261	
2027	785,000	1,008,025	146,716	24,163	
2028-2032	4,415,000	4,543,725	781,364	83,989	
2033-2037	5,350,000	3,612,175	597,599	19,614	
2038-2042	6,330,000	2,629,450	-	-	
2043-2047	7,670,000	1,289,400	-	-	
2048	1,725,000	69,000	-	-	
Total	<u>\$ 29,210,000</u>	<u>\$ 17,384,875</u>	<u>\$ 15,360,315</u>	<u>\$ 521,224</u>	

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 \$46,594,875. Pledged sales taxes transferred in the current year was \$16,005,426. Debt service payments on 2019 Revenue Bonds of \$1,790,625 for the current fiscal year were 11.19% 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 \$23,254,719.

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 \$13,382,438. Pledged sales taxes transferred in the current year was \$16,005,426. Debt service payments on the bonds were \$4,464,312 for the current fiscal year or 27.89% 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 \$23,254,719.

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8. 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	\$ 124,239,237
Technology Fund	Enabling legislation	631,727
Police Impound Fund	Enabling legislation	110,092
Urban Renewal Authority	Enabling legislation	3,804
Capital Outlay Reserve Fund	Enabling legislation	730,853
Street Lighting Fund	Enabling legislation	1,382,160
2018 GO Bond	Enabling legislation	165,750
Economic Development Authority	Enabling legislation	8,923,686
		<u>136,187,309</u>
Street and Alley Fund	Statutory requirements	1,535,929
Juvenile Fund	Statutory requirements	78,401
Police Special Projects	Statutory requirements	231,597
Police Lab Fee	Statutory requirements	29,996
		<u>1,875,923</u>
General Fund	External contracts	4,892,434
Police Fund	External contracts	17,035,884
Fire Fund	External contracts	12,989,311
Park and Recreation Fund	External contracts	1,939,182
Emergency Operation Fund	External contracts	1,119,595
Welcome Center	External contracts	358,378
Convention and Visitors Bureau	External contracts	432,698
GO Debt Service Fund	External contracts	1,759,029
2002 GO Street Bond	External contracts	265,109
2022 GO Bond Fund	External contracts	813,066
Downtown Redevelopment	External contracts	571,542
Dedicated Tax Fund	External contracts	2,160,230
Capital Improvement Fund	External contracts	3,108,273
General Government Sales Tax Fund	External contracts	6,520,328
Sooner Rose TIF	External contracts	921,303
		<u>54,886,362</u>
Total Restricted Net Position		<u>\$ 192,949,594</u>
Restricted (by purpose) for:		
Debt service		\$ 1,759,029
Hospital		124,239,237
Capital improvements		9,982,479
Public Safety		34,726,603
Street operations		1,382,160
Culture and recreation		2,815,495
Economic Development		10,927,983
Other		7,116,608
		<u>\$ 192,949,594</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	Economic Development Authority	2018 GO Bond CIP	Governmental Fund		
Fund Balance:									
Nonspendable:									
Inventories	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Deposits held by others	38,980	-	-	3,459,804	-	-	5,300	-	3,504,084
Prepaid expenses	224	-	-	-	-	-	-	-	224
	<u>99,204</u>	<u>-</u>	<u>-</u>	<u>3,459,804</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>-</u>	<u>3,564,308</u>
Restricted:									
Public safety	3,131,727	17,035,884	12,989,311	-	-	-	1,569,681	-	34,726,603
Hospital	-	-	-	124,239,237	-	-	-	-	124,239,237
General obligation debt service	-	-	-	-	-	-	2,776,089	-	2,776,089
Capital improvements	-	-	-	-	-	11,655,834	13,487,921	-	25,143,755
Street improvements	-	-	-	-	-	-	1,801,038	-	1,801,038
Street operations	-	-	-	-	-	-	1,382,160	-	1,382,160
Technology improvements	-	-	-	-	-	-	631,727	-	631,727
Culture and rec programs	517,935	-	-	-	-	-	2,297,560	-	2,815,495
Economic development	646,492	-	-	-	8,923,686	-	1,357,805	-	10,927,983
Public works	318,048	-	-	-	-	-	-	-	318,048
Health and welfare programs	63,417	-	-	-	-	-	-	-	63,417
General government	214,815	-	-	-	-	-	6,520,328	-	6,735,143
Sub-total restricted	<u>4,892,434</u>	<u>17,035,884</u>	<u>12,989,311</u>	<u>124,239,237</u>	<u>8,923,686</u>	<u>11,655,834</u>	<u>31,824,309</u>	<u>-</u>	<u>211,560,695</u>
Committed to:									
Economic development	-	-	-	1,424,055	-	-	-	-	1,424,055
Assigned to:									
Culture and rec programs	24,547	-	-	-	-	-	-	-	24,547
Health and welfare programs	37,551	-	-	-	-	-	-	-	37,551
Economic development	-	-	-	-	-	-	61,260	-	61,260
General government	57,377	-	-	-	-	-	-	-	57,377
Appropriation for use in FY 22-23 budget	164,975	-	-	-	-	-	-	-	164,975
General government - encumbrances	99,752	-	-	-	-	-	-	-	99,752
Public safety - encumbrances	715	-	-	-	-	-	-	-	715
Public works - encumbrances	73,953	-	-	-	-	-	-	-	73,953
Culture and rec - encumbrances	18,146	-	-	-	-	-	-	-	18,146
Economic development - encumbrances	63,118	-	-	-	-	-	-	-	63,118
Sub-total assigned	<u>540,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,260</u>	<u>-</u>	<u>601,394</u>
Unassigned:	4,443,120	-	-	-	-	-	-	-	4,443,120
TOTAL FUND BALANCE	<u>\$ 9,974,892</u>	<u>\$ 17,035,884</u>	<u>\$ 12,989,311</u>	<u>\$ 129,123,096</u>	<u>\$ 8,923,686</u>	<u>\$ 11,655,834</u>	<u>\$ 31,890,869</u>	<u>\$ -</u>	<u>\$ 221,593,572</u>

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The following is a breakdown of encumbrances at June 30, 2022:

Fund	Balance
Major Funds:	
General Fund	\$ 739,352
Police Fund	668,735
Fire Fund	145,206
Economic Development Authority	24,088
Hospital Authority	108,837
2018 GO Bond CIP	4,309,961
	\$ 5,996,179
Non Major Fund:	
General Govt Sales Tax	\$ 141,110
Street and Alley Fund	34,841
Technology Fund	14,081
Street Lighting	3,964
Police Federal Projects	391
Police Lab Fund	210
Capital Outlay Reserve	4,378
Convention and Visitor Bureau	38,884
Street TaxFund	129,334
Emergency Operations Fund	29,139
Park and Recreation Fund	161,632
Grant Fund	476,212
Capital Improvement Fund	109,805
2002 GO Street Bond Fund	187,218
2018 GO Bond CIP Proprietary	1,105,581
2022 GO Bond	24,875
	\$ 2,461,655

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.

9. 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.

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- Physical Property – Covered through purchased insurance with deductibles, by coverage as follows:

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 \$8,463,908.

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, 2020, to June 30, 2022, are as follows:

	<u>Workers Comp</u>	<u>Health Care</u>	<u>Total</u>
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	<u>(1,139,786)</u>	<u>(6,722,514)</u>	<u>(7,862,300)</u>
Claims liability, June 30, 2021	1,881,000	311,724	2,192,724
Claims and changes in estimates	1,168,830	6,818,952	7,987,782
Claims payments	<u>(1,337,830)</u>	<u>(6,743,316)</u>	<u>(8,081,146)</u>
Claims liability, June 30, 2022	<u>\$ 1,712,000</u>	<u>\$ 387,360</u>	<u>\$ 2,099,360</u>

10. 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

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

Summary Defined Benefit Plans Balances:

	Governmental Activities
Net Pension Asset	
Police Pension System	\$ 9,753,944
Net Pension Liability	
Firefighter’s Pension System	\$ 17,546,151
Total Net Pension Liability	\$ 17,546,151
Deferred Outflows of Resources	
Police Pension System	\$ 1,322,122
Firefighter’s Pension System	8,743,272
Total Deferred Outflows of Resources	\$ 10,065,394
Deferred Inflows of Resources	
Police Pension System	\$ 7,531,243
Firefighter’s Pension System	15,037,727
Total Deferred Inflows of Resources	\$ 22,568,970

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 \$975,234. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$867,711 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 \$576,799. 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 (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$9,753,944 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's

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proportion was 2.033% at June 30, 2022, which was an decrease of .49 compared to its proportion at June 2021.

For the year ended June 30, 2022, the City recognized pension expense of (\$988,286). At June 30, 2022, 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	\$ 140,043	\$ 384,987
Changes of assumptions	148,325	-
Net difference between projected and actual earnings on pension plan investments	-	7,115,164
Changes in proportion and differences between City contributions and proportionate share of contributions	1,691	19,989
City Contributions during measurement period	56,829	11,103
City contributions subsequent to the measurement date	975,234	-
Total	\$ 1,322,122	\$ 7,531,243

The \$975,234 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 or an addition to the net pension liability (asset) in the year ended June 30, 2023. 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:			
	2023	\$	(1,629,302)
	2024		(1,420,350)
	2025		(1,797,055)
	2026		(2,363,696)
	2027		26,048
		\$	(7,184,355)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%

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

The actuarial assumptions used in the July 1, 2021, 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, 2021, are summarized in the following table:

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

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private equity/debt	9.36%
Commodities	0.00%

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)	\$ (3,658,024)	\$ (9,753,944)	\$ (14,908,498)

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)

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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'

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annual pay. Contributions to the pension plan from the City were \$1,118,772. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$3,943,694 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 \$1,942,907. These on-behalf payments did not meet the criteria of a special funding situation.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$17,546,151 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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, 2021. Based upon this information, the City's proportion was 2.664%, at June 30, 2022, which was an increase of .10% compared to its proportion at June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$126,209. At June 30, 2022, 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	\$ 6,363,592	\$ 308,139
Changes of assumptions	-	389,173
Net difference between projected and actual earnings on pension plan investments	-	13,948,441
Changes in proportion and differences between City contributions and proportionate share of contributions	1,144,192	304,923
City contributions during the measurement period	116,716	87,051
City contributions subsequent to the measurement date	1,118,772	-
Total	\$ 8,743,272	\$ 15,037,727

The \$1,118,772 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, 2023. 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

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deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2023	\$ (1,129,632)
	2024	(1,354,171)
	2025	(1,734,811)
	2026	(3,194,613)
		<u>\$ (7,413,227)</u>

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2021, 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, 2021, 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, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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

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all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 27,419,494	\$ 17,546,151	\$ 9,280,142

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, 2022, the City contributed \$2,430,421 to the plan, while the employee contributions totaled \$23,835.

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.

11. 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

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immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter’s Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying 50% of the premium rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue separate financial statements.

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

The amount of benefit payments during fiscal year June 30, 2022 were \$961,763.

Employees Covered by Benefit Terms

Active Employees	452
Inactive not yet receiving benefits	155
Inactive or beneficiaries receiving benefits	<u>113</u>
Total	<u>720</u>

Total OPEB Liability – The total OPEB liability was determined based on actuarial valuation performed as of June 30, 2022 with a measurement date of June 30, 2021.

Actuarial Assumptions- The total OPEB liability in the June 30, 2021 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%

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Changes in Total OPEB Liability –

	Total OPEB Liability
Balances at Beginning of Year	\$ 34,345,342
Changes for the Year:	
Service cost	1,490,700
Interest expense	791,977
Differences between expected and actual experience	951,201
Change in assumptions	1,563,410
Benefits paid	(961,763)
Net Changes	3,835,525
Balances End of Year	\$ 38,180,867

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the City recognized OPEB expense of \$3,947,662. 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	\$ 1,405,061	\$ 43,287
Changes of assumptions	6,477,081	335,483
Change in proportion and contributions during the measurement period	2,471,625	2,472,991
City Contributions (benefit payments) subsequent to the measurement date	1,059,863	-
Total	\$ 11,413,630	\$ 2,851,761

The \$1,059,863 subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. 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:	
2023	\$ 1,765,095
2024	1,991,346
2025	1,945,395
2026	1,439,598
2027	360,572
	\$ 7,502,006

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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

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	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Employers' total OPEB liability	\$ 44,885,801	\$ 38,180,867	\$ 32,855,199

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	\$ 34,101,196	\$ 38,180,867	\$ 43,427,544

12. 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, 2022, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in a subsequent fiscal year.

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Construction Commitments

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

Mid American Park Expansion	\$ 350,000
Hotel property improvement	584,706
City-wide street repair	1,443,161
City-wide street repair - PI	780,457
Mid American Park - phase 3	350,000
Town Center Park	1,202,775
John Conrad Golf Course renovation	361,600
Booster station renovation	1,022,474
	<u>\$ 6,095,173</u>

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2022

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 108,104	\$ 3,101,277	\$ 10,482,449	\$ 7,381,172
Resources (Inflows):				
Taxes	24,473,470	24,473,470	28,640,900	4,167,430
Charges for services	232,930	232,930	210,558	(22,372)
Fines and forfeitures	1,141,452	1,141,452	1,215,478	74,026
Licenses and permits	575,780	575,780	545,458	(30,322)
Investment income	101,567	101,567	43,058	(58,509)
Intergovernmental	507,449	507,449	523,119	15,670
Miscellaneous	276,650	276,650	334,022	57,372
Total Resources (Inflows)	<u>27,309,298</u>	<u>27,309,298</u>	<u>31,512,593</u>	<u>4,203,295</u>
Amounts available for appropriation	<u>27,417,402</u>	<u>30,410,575</u>	<u>41,995,042</u>	<u>11,584,467</u>
Charges to Appropriations (Outflows):				
City Clerk	107,960	112,398	111,127	1,271
Human Resources	490,169	507,904	474,660	33,244
City Attorney	57,429	59,227	57,413	1,814
Community Development	2,133,993	2,240,325	1,888,494	351,831
Park & Rec	312,226	320,990	264,393	56,597
Finance	674,820	712,251	663,935	48,316
Streets	2,744,756	2,858,189	2,284,207	573,982
Animal Welfare	547,992	600,759	563,946	36,813
Municipal Court	520,925	539,247	486,653	52,594
Neighborhood Services	1,294,760	1,342,294	1,112,578	229,716
Information Technology	691,827	732,373	542,903	189,470
Emergency Response	1,121,821	1,169,598	1,121,626	47,972
Swimming Pool	282,843	297,121	279,664	17,457
Communications	283,432	308,701	251,131	57,570
Senior Center	246,232	254,508	250,173	4,335
Total Charges to Appropriations	<u>11,511,185</u>	<u>12,055,885</u>	<u>10,352,903</u>	<u>1,702,982</u>
Other financing sources (uses)				
Transfers from other funds	10,930,537	12,222,020	12,147,878	(74,142)
Transfers to other funds	(26,620,546)	(30,576,710)	(30,330,934)	245,776
Total other financing sources (uses)	<u>(15,690,009)</u>	<u>(18,354,690)</u>	<u>(18,183,056)</u>	<u>171,634</u>
Ending Budgetary Fund Balance	<u>\$ 216,208</u>	<u>\$ -</u>	<u>\$ 13,459,083</u>	<u>\$ 13,459,083</u>

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POLICE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,739,425	\$ 1,739,425	\$ 7,425,052	\$ 5,685,627
Resources (Inflows):				
Taxes	6,049,862	6,049,862	7,123,612	1,073,750
Intergovernmental	8,384	8,384	14,187	5,803
Charges for services	208,987	208,987	270,616	61,629
License and permits	-	2,289	1,600	(689)
Investment income	81,698	81,698	32,075	(49,623)
Fines and forfeitures	58,586	58,586	64,195	5,609
Miscellaneous	5,789	3,500	50,927	47,427
Total Resources (Inflows)	6,413,306	6,413,306	7,557,212	1,143,906
Amounts available for appropriation	8,152,731	8,152,731	14,982,264	6,829,533
Charges to Appropriations (Outflows):				
Public Safety	16,342,987	17,470,140	16,103,153	1,366,987
Total Charges to Appropriations	16,342,987	17,470,140	16,103,153	1,366,987
Other financing sources (uses)				
Transfers from other funds	9,822,523	12,764,898	12,668,483	(96,415)
Transfers to other funds	(1,632,267)	(1,632,267)	(1,632,267)	-
Total other financing sources (uses)	8,190,256	11,132,631	11,036,216	(96,415)
Ending Budgetary Fund Balance	\$ -	\$ 1,815,222	\$ 9,915,327	\$ 8,100,105

FIRE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 510,400	\$ 364,503	\$ 6,446,366	\$ 6,081,863
Resources (Inflows):				
Taxes	4,765,630	4,765,630	5,612,778	847,148
Charges for services	18,183	18,183	5,555	(12,628)
Investment income	61,372	61,372	23,573	(37,799)
Licenses and permits	54,621	54,621	8,150	(46,471)
Miscellaneous	12,334	12,334	23,592	11,258
Total Resources (Inflows)	4,912,140	4,912,140	5,673,648	761,508
Amounts available for appropriation	5,422,540	5,276,643	12,120,014	6,843,371
Charges to Appropriations (Outflows):				
Public Safety	12,775,334	13,600,591	12,588,058	1,012,533
Total Charges to Appropriations	12,775,334	13,600,591	12,588,058	1,012,533
Other financing sources (uses)				
Transfers from other funds	7,965,294	9,717,454	9,624,806	(92,648)
Transfers to other funds	(612,500)	(664,500)	(664,500)	-
Total other financing sources (uses)	7,352,794	9,052,954	8,960,306	(92,648)
Ending Budgetary Fund Balance	\$ -	\$ 729,006	\$ 8,492,262	\$ 7,763,256

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Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unreserved budgetary fund balance. This presentation of unreserved fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The Hospital Authority and the Economic Development Authority do not present budget to actual comparisons because they are Title 60 Public Trust. Title 60 Trusts 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>Net Change in</u>	<u>Fund Balance</u>
	<u>June 30, 2021</u>	<u>Fund Balance</u>	<u>June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 4,402,847	\$ 5,572,045	\$ 9,974,892
Increases (Decreases):			
Revenues:			
Receivable	(5,608,757)	278,973	(5,329,784)
Change in fair value of investments	1,411	(2,258)	(847)
Other misc items	1,310,662	1,975,644	3,286,306
Expenditures:			
Payables	9,830,967	(102,684)	9,728,283
Encumbrances	(126,013)	(129,672)	(255,685)
Impact of combining accounts:			
Reimbursed Projects Account	(1,051,882)	(321,678)	(1,373,560)
Employee Activity Account	(24,647)	7,922	(16,725)
Activity Account	(353,747)	(60,553)	(414,300)
Animals Best Friend Account	(67,295)	(12,762)	(80,057)
29th and Douglas Account	(291)	291	-
Grants Account	5,907,051	(4,849,717)	1,057,334
Disaster Relief Account	(3,737,857)	621,083	(3,116,774)
Fund Balance - Budgetary Basis	<u>\$ 10,482,449</u>	<u>\$ 2,976,634</u>	<u>\$ 13,459,083</u>

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POLICE FUND	<u>Fund Balance June 30, 2021</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 14,033,506	\$ 3,002,378	\$ 17,035,884
Increases (Decreases):			
Revenues:			
Receivable	(4,343,892)	(1,648,382)	(5,992,274)
Change in fair value of investments	1,236	(1,917)	(681)
Other misc items	(3,162,504)	1,019,081	(2,143,423)
Expenditures:			
Payables	896,706	119,115	1,015,821
Fund Balance - Budgetary Basis	<u>\$ 7,425,052</u>	<u>\$ 2,490,275</u>	<u>\$ 9,915,327</u>
FIRE FUND	<u>Fund Balance June 30, 2021</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2022</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 10,283,553	\$ 2,705,758	\$ 12,989,311
Increases (Decreases):			
Revenues:			
Receivable	(4,129,274)	(590,398)	(4,719,672)
Change in fair value of investments	(3,913)	3,452	(461)
Other misc items	(598,492)	52,527	(545,965)
Expenditures:			
Payables	894,492	(125,443)	769,049
Fund Balance - Budgetary Basis	<u>\$ 6,446,366</u>	<u>\$ 2,045,896</u>	<u>\$ 8,492,262</u>

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Required Supplementary Information – Pensions

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MIDWEST CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
City's proportion of the net pension liability (asset)	2.2929%	2.3249%	2.2789%	2.0280%	2.0430%	2.0530%	2.0815%	2.0330%
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	\$ (9,753,944)
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	\$ 7,036,149
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%	-138.63%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

Notes to Schedule:

Only eight 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>	<u>2022</u>
Statutorily required contribution	\$ 854,309	\$ 873,711	\$ 786,165	\$ 813,621	\$ 868,833	\$ 906,268	\$ 914,700	\$ 977,309
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>	<u>977,309</u>
Contribution deficiency (excess)	<u>\$ (167,471)</u>	<u>\$ 6</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (173)</u>	<u>\$ (200)</u>	<u>\$ -</u>	<u>\$ -</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	\$ 7,517,766
Contributions as a percentage of covered payroll	15.55%	13.00%	13.00%	13.06%	13.00%	13.00%	13.00%	13.00%

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

Notes to Schedule:

Only eight 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.

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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>	<u>2022</u>
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
City's proportion of the net pension liability	2.392%	2.613%	2.627%	2.554%	2.506%	2.534%	2.566%	2.664%
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	\$ 17,546,151
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	\$ 8,654,685
City's proportionate share of the net pension liability as a percentage of its covered payroll	365%	388%	464%	443%	378%	342%	384%	203%
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%	84.24%

Notes to Schedule:

Only eight 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>	<u>2022</u>
Statutorily required contribution	\$ 1,001,267	\$ 969,220	\$ 1,016,333	\$ 1,164,029	\$ 1,096,847	\$ 1,152,988	\$ 1,211,656	\$ 1,280,510
Contributions in relation to the statutorily required contribution	1,064,424	969,270	1,016,378	1,164,029	1,096,998	1,007,730	1,211,718	1,280,567
Contribution deficiency (excess)	\$ (63,157)	\$ (50)	\$ (45)	\$ -	\$ (151)	\$ 145,258	\$ (62)	\$ (57)
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	\$ 9,146,500
Contributions as a percentage of covered payroll	14.88%	14.00%	14.00%	15.61%	14.00%	12.24%	14.00%	14.00%

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

Notes to Schedule:

Only eight 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.

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Required Supplementary Information –Other Post Employment Benefit (OPEB)

Schedule of Changes in Total OPEB Liability and Related Ratios
Postemployment Health Insurance Implicit Rate Subsidy Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 948,825	\$ 929,222	\$ 861,255	\$ 969,237	\$ 1,490,700
Interest	671,955	390,053	919,357	950,931	791,977
Differences between expected and actual experience	-	(145,135)	373,421	669,018	951,201
Changes in assumptions	(2,572,581)	(475,835)	2,032,800	6,416,318	1,563,410
Experience Gain/(Loss)	(862,742)	(869,660)	(881,386)	(860,385)	(961,763)
Net increase (decrease) in total OPEB liability	(1,814,543)	(171,355)	3,305,447	8,145,119	3,835,525
Balances at Beginning of Year	24,880,674	23,066,131	22,894,776	26,200,223	34,345,342
Balances End of Year	\$ 23,066,131	\$ 22,894,776	\$ 26,200,223	\$ 34,345,342	\$ 38,180,867
Covered payroll	\$ 27,950,000	\$ 28,460,000	\$ 28,560,000	\$ 30,140,000	\$ 31,276,000
Total OPEB liability as a percentage of covered payroll	82.53%	80.45%	91.74%	113.95%	122.08%

Notes to Schedule:

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Balance Sheet – General Fund Accounts – June 30, 2022

	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	\$ 9,901,768	\$ 1,030,931	\$ 16,755	\$ 421,701	\$ 78,729	\$ -	\$ 183,617	\$ 9,242,332	\$ 20,875,833
Investments	1,951,492	166,218	-	-	-	-	-	1,582,697	3,700,407
Accounts receivable	1,590,425	320,586	-	-	20,525	-	25,556	236,867	2,193,959
Accrued interest receivable	6,349	-	-	-	-	-	-	5,149	11,498
Other receivable	14,511	-	-	190	-	-	-	-	14,701
Due from other governments	3,671,958	-	-	-	-	-	1,395,747	438	5,068,143
Due from other funds	-	-	-	-	-	-	1,222	300,000	301,222
Due from other funds interaccount	46,541	-	-	-	-	-	-	1,302,141	1,348,682
Leases receivable	-	582,396	-	-	-	-	-	-	582,396
Prepaid items	224	-	-	-	-	-	-	-	224
Inventory	-	-	-	-	-	-	60,000	-	60,000
Advance from other funds	19,451	-	-	-	-	-	-	-	19,451
Total assets	\$ 17,202,719	\$ 2,100,131	\$ 16,755	\$ 421,891	\$ 99,254	\$ -	\$ 1,666,142	\$ 12,669,624	\$ 34,176,516
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 176,065	\$ 149,308	\$ 30	\$ 6,090	\$ 200	\$ -	\$ 2,208	\$ 6,862	\$ 340,763
Wages payable	634,172	-	-	1,501	-	-	37,537	8,936	682,146
Due to other governments	11,855	-	-	-	-	-	-	-	11,855
Unearned revenue	-	-	-	-	-	-	-	9,358,239	9,358,239
Refundable deposits	89,786	-	-	-	-	-	-	-	89,786
Due to other funds	8,816,405	-	-	-	-	-	6,880	-	8,823,285
Due to other funds - interaccount	-	-	-	-	-	-	1,348,682	-	1,348,682
Total liabilities	9,728,283	149,308	30	7,591	200	-	1,395,307	9,374,037	20,654,756
DEFERRED INFLOWS OF RESOURCES									
Deferred inflow - leases	-	577,263	-	-	-	-	-	-	577,263
Unavailable revenue	1,443,626	-	-	-	18,997	-	1,328,169	178,813	2,969,605
	1,443,626	577,263	-	-	18,997	-	1,328,169	178,813	3,546,868
Fund balances:									
Nonspendable	19,675	-	-	-	-	-	79,529	-	99,204
Restricted	10,492	1,309,144	-	413,518	42,506	-	-	3,116,774	4,892,434
Assigned	420,660	64,416	16,725	782	37,551	-	-	-	540,134
Unassigned	5,579,983	-	-	-	-	-	(1,136,863)	-	4,443,120
Total fund balances	6,030,810	1,373,560	16,725	414,300	80,057	-	(1,057,334)	3,116,774	9,974,892
Total liabilities, deferred inflows and fund balances	\$ 17,202,719	\$ 2,100,131	\$ 16,755	\$ 421,891	\$ 99,254	\$ -	\$ 1,666,142	\$ 12,669,624	\$ 34,176,516

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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	\$ 28,872,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,872,801
Intergovernmental	521,274	299,546	-	-	-	-	7,167,328	500,000	8,488,148
Charges for services	209,508	102,991	-	69,584	-	-	-	113,200	495,283
Investment income	(45,712)	8,999	53	995	190	7	26	(58,050)	(93,492)
Fines & forfeitures	1,198,489	-	-	-	19,717	-	-	-	1,218,206
Licenses & permits	545,459	1,540	-	-	-	-	-	-	546,999
Miscellaneous	332,021	36,325	1,090	108,301	4,497	-	24,939	105,415	612,588
Total revenues	31,633,840	449,401	1,143	178,880	24,404	7	7,192,293	660,565	40,140,533
EXPENDITURES									
Current:									
General government	3,445,383	116,927	13,567	-	-	7,232	-	813,599	4,396,708
Public Safety	1,130,526	-	-	-	-	-	154,327	-	1,284,853
Streets	2,370,700	-	-	-	-	-	-	-	2,370,700
Culture and recreation	823,697	-	-	118,327	-	-	-	-	942,024
Health & welfare	578,390	-	-	-	6,851	-	-	-	585,241
Economic development	2,989,390	314,617	-	-	-	-	817,576	-	4,121,583
Capital outlay	-	42,551	-	-	4,791	-	93,852	-	141,194
Debt service:									
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	11,338,086	474,095	13,567	118,327	11,642	7,232	1,065,755	813,599	13,842,303
Revenues over (under) expenditures	20,295,754	(24,694)	(12,424)	60,553	12,762	(7,225)	6,126,538	(153,034)	26,298,230
OTHER FINANCING SOURCES (USES)									
Transfers in	12,147,641	346,372	-	-	-	10,000	4,628	-	12,508,641
Transfers out	(31,281,311)	-	-	-	-	(3,066)	(100,449)	(1,850,000)	(33,234,826)
Transfers in - interaccount	473	-	4,502	-	-	-	201,424	1,381,951	1,588,350
Transfers out - interaccount	(205,926)	-	-	-	-	-	(1,382,424)	-	(1,588,350)
Total other financing sources (uses)	(19,339,123)	346,372	4,502	-	-	6,934	(1,276,821)	(468,049)	(20,726,185)
Net change in fund balances	956,631	321,678	(7,922)	60,553	12,762	(291)	4,849,717	(621,083)	5,572,045
Fund balances - beginning of year	5,074,179	1,051,882	24,647	353,747	67,295	291	(5,907,051)	3,737,857	4,402,847
Fund balances - end of year	\$ 6,030,810	\$ 1,373,560	\$ 16,725	\$ 414,300	\$ 80,057	\$ -	\$ (1,057,334)	\$ 3,116,774	\$ 9,974,892

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	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	\$ 75,439	\$ 1,521,027	\$ 950,223	\$ 601,689	\$ 217,453	\$ 111,802	\$ 1,331,160	\$ 231,713	\$ 30,303	\$ 388,480	\$ 867,569
Investments	-	245,236	153,205	-	-	-	214,624	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-	-	14,250	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	53,746	-	559	342,708	-	-	-	-	11,300	-	53,734
Due from other governments	-	80,079	68,158	-	20,685	-	17,400	-	-	38,612	-
Due from other funds	780	124,085	3,022	-	124,890	-	-	-	-	501	-
Total assets	<u>129,965</u>	<u>1,970,427</u>	<u>1,175,167</u>	<u>944,397</u>	<u>363,028</u>	<u>111,802</u>	<u>1,563,184</u>	<u>231,713</u>	<u>41,603</u>	<u>441,843</u>	<u>921,303</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	10	28,134	18,047	2,089	-	1,710	27,255	116	307	77	-
Wages payable	2,052	2,961	37,525	2,170	4,650	-	-	-	-	9,068	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>2,062</u>	<u>31,095</u>	<u>55,572</u>	<u>4,259</u>	<u>4,650</u>	<u>1,710</u>	<u>27,255</u>	<u>116</u>	<u>307</u>	<u>9,145</u>	<u>-</u>
Deferred inflows:											
Unavailable revenue	49,502	150	-	308,411	-	-	-	-	11,300	-	-
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	78,401	1,939,182	1,119,595	631,727	358,378	110,092	1,535,929	231,597	29,996	432,698	921,303
Assigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>78,401</u>	<u>1,939,182</u>	<u>1,119,595</u>	<u>631,727</u>	<u>358,378</u>	<u>110,092</u>	<u>1,535,929</u>	<u>231,597</u>	<u>29,996</u>	<u>432,698</u>	<u>921,303</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 129,965</u>	<u>\$ 1,970,427</u>	<u>\$ 1,175,167</u>	<u>\$ 944,397</u>	<u>\$ 363,028</u>	<u>\$ 111,802</u>	<u>\$ 1,563,184</u>	<u>\$ 231,713</u>	<u>\$ 41,603</u>	<u>\$ 441,843</u>	<u>\$ 921,303</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	Special Revenue Funds			Capital Project Funds							Debt Service Fund	Totals	
	Urban Renewal Authority	General Government Sales Tax Fund	Street Light Fee	Downtown Development Authority	2002 Street Project Fund	Dedicated Tax 2012 Fund	2018 GO Bond Proprietary	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	2022 GO Bond Fund		G.O. Debt Service Fund
ASSETS													
Cash and cash equivalents	\$ 48,711	\$ 5,260,049	\$ 1,194,498	\$ 576,587	\$ 281,159	\$ 1,784,589	\$ 1,647,281	\$ -	\$ 2,579,797	\$ 629,378	\$ 4,732,596	\$ 2,341,624	\$ 27,403,127
Investments	-	900,753	192,590	-	-	305,600	265,593	-	441,775	101,475	810,430	400,990	4,032,271
Accrued interest receivable	-	2,930	-	-	-	994	-	-	1,437	-	2,636	1,304	23,551
Deposits held by others	-	-	-	500	300	-	-	-	4,500	-	-	-	5,300
Other receivable	16,353	-	82,692	-	-	-	-	-	-	-	-	-	561,092
Due from other governments	-	371,004	-	-	-	69,722	-	883,018	34,633	-	-	4,132,024	5,715,335
Due from other funds	-	113,959	-	-	-	-	-	-	51,976	-	-	-	419,213
Total assets	65,064	6,648,695	1,469,780	577,087	281,459	2,160,905	1,912,874	883,018	3,114,118	730,853	5,545,662	6,875,942	38,159,889
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	-	82,383	86,817	5,045	16,050	675	541,513	175	1,345	-	-	14,576	826,324
Wages payable	-	45,984	803	-	-	-	-	-	-	-	-	-	105,213
Due to other funds	-	-	-	-	-	-	-	882,843	-	-	-	-	882,843
Total liabilities	-	128,367	87,620	5,045	16,050	675	541,513	883,018	1,345	-	-	14,576	1,814,380
Deferred inflows:													
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	4,085,277	4,454,640
Fund balances:													
Nonspendable	-	-	-	500	300	-	-	-	4,500	-	-	-	5,300
Restricted	3,804	6,520,328	1,382,160	571,542	265,109	2,160,230	1,371,361	-	3,108,273	730,853	5,545,662	2,776,089	31,824,309
Assigned	61,260	-	-	-	-	-	-	-	-	-	-	-	61,260
Total fund balances	65,064	6,520,328	1,382,160	572,042	265,409	2,160,230	1,371,361	-	3,112,773	730,853	5,545,662	2,776,089	31,890,869
Total liabilities, deferred inflows, and fund balances	\$ 65,064	\$ 6,648,695	\$ 1,469,780	\$ 577,087	\$ 281,459	\$ 2,160,905	\$ 1,912,874	\$ 883,018	\$ 3,114,118	\$ 730,853	\$ 5,545,662	\$ 6,875,942	\$ 38,159,889

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2022

	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	\$ -	\$ 631,831	\$ 576,975	\$ -	\$ 175,198	\$ -	\$ -	\$ -	\$ -	\$ 327,036	\$ 962,461
Intergovernmental	-	-	-	-	-	-	530,726	-	-	-	-
Charges for services	-	4,300	215,775	306,399	-	40,960	-	-	-	-	-
Investment income	144	4,508	2,610	1,334	2,408	303	3,274	518	76	915	1,226
Fines & forfeitures	49,672	-	-	7,480	-	-	-	19,409	9,314	-	-
Licenses & permits	-	6,716	-	13,600	-	-	-	-	-	-	-
Miscellaneous	-	687	-	-	450	-	-	6,652	435	16,700	-
Total revenues	<u>49,816</u>	<u>648,042</u>	<u>795,360</u>	<u>328,813</u>	<u>178,056</u>	<u>41,263</u>	<u>534,000</u>	<u>26,579</u>	<u>9,825</u>	<u>344,651</u>	<u>963,687</u>
EXPENDITURES											
Current:											
General government	-	-	-	144,870	-	-	-	-	-	-	-
Public safety	29,113	-	553,796	-	-	34,179	-	15,759	6,199	-	-
Streets	-	-	-	-	-	-	201,841	-	-	-	-
Culture and recreation	-	316,667	-	-	41,978	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	219,822	-
Capital outlay	-	67,880	18,410	9,269	135,038	6,701	488,815	1,665	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	825,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	797,526
Total expenditures	<u>29,113</u>	<u>384,547</u>	<u>572,206</u>	<u>154,139</u>	<u>177,016</u>	<u>40,880</u>	<u>690,656</u>	<u>17,424</u>	<u>6,199</u>	<u>219,822</u>	<u>1,622,526</u>
Revenues over (under) expenditures	<u>20,703</u>	<u>263,495</u>	<u>223,154</u>	<u>174,674</u>	<u>1,040</u>	<u>383</u>	<u>(156,656)</u>	<u>9,155</u>	<u>3,626</u>	<u>124,829</u>	<u>(658,839)</u>
OTHER FINANCING SOURCES (USES)											
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	-
Transfers in	17,656	1,000,000	15,000	-	-	-	61,415	-	-	-	778,345
Transfers out	-	(98,284)	-	-	-	(4,628)	-	-	-	-	-
Total other financing sources (uses)	<u>17,656</u>	<u>901,716</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>(4,628)</u>	<u>61,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778,345</u>
Net change in fund balances	38,359	1,165,211	238,154	174,674	1,040	(4,245)	(95,241)	9,155	3,626	124,829	119,506
Fund balances - beginning 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
Fund balances - end of year	<u>\$ 78,401</u>	<u>\$ 1,939,182</u>	<u>\$ 1,119,595</u>	<u>\$ 631,727</u>	<u>\$ 358,378</u>	<u>\$ 110,092</u>	<u>\$ 1,535,929</u>	<u>\$ 231,597</u>	<u>\$ 29,996</u>	<u>\$ 432,698</u>	<u>\$ 921,303</u>

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CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2022

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>							<u>Debt Service Fund</u>	<u>Totals</u>
	<u>Urban Renewal Authority</u>	<u>General Government Sales Tax Fund</u>	<u>Street Light Fee</u>	<u>Downtown 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>2022 GO Bond Fund</u>	<u>G.O. Debt Service Fund</u>	
REVENUES													
Taxes	\$ -	\$ 2,897,777	\$ -	\$ -	\$ -	\$ 544,571	\$ -	\$ 6,885,888	\$ 281,545	\$ -	\$ -	\$ 3,495,480	\$ 16,778,762
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	530,726
Charges for services	-	-	592,602	-	-	-	-	-	-	-	-	-	1,160,036
Investment income	55	(26,126)	3,194	1,508	782	(8,763)	5,808	2,031	(11,708)	1,916	(29,673)	(10,876)	(54,536)
Fines & forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	85,875
Licenses & permits	-	-	-	-	-	-	-	-	70,112	-	-	-	90,428
Miscellaneous	69,451	24,054	228	-	-	-	-	-	-	-	-	-	118,657
Total revenues	<u>69,506</u>	<u>2,895,705</u>	<u>596,024</u>	<u>1,508</u>	<u>782</u>	<u>535,808</u>	<u>5,808</u>	<u>6,887,919</u>	<u>339,949</u>	<u>1,916</u>	<u>(29,673)</u>	<u>3,484,604</u>	<u>18,709,948</u>
EXPENDITURES													
Current:													
General government	-	1,620,652	-	-	-	-	-	405	-	-	124,665	55,290	1,945,882
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	639,046
Streets	-	-	845,510	-	-	61,405	-	-	-	-	-	-	1,108,756
Culture and recreation	-	-	-	-	-	-	1,589	-	-	-	-	-	360,234
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	70,597	-	-	-	-	-	-	-	-	-	-	-	290,419
Capital outlay	-	562,405	115,664	8,912	52,090	248,021	4,497,664	-	514,693	12,461	-	-	6,739,688
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	1,785,000	2,610,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	1,445,485	2,243,011
Total expenditures	<u>70,597</u>	<u>2,183,057</u>	<u>961,174</u>	<u>8,912</u>	<u>52,090</u>	<u>309,426</u>	<u>4,499,253</u>	<u>405</u>	<u>514,693</u>	<u>12,461</u>	<u>124,665</u>	<u>3,285,775</u>	<u>15,937,036</u>
Revenues over (under) expenditures	<u>(1,091)</u>	<u>712,648</u>	<u>(365,150)</u>	<u>(7,404)</u>	<u>(51,308)</u>	<u>226,382</u>	<u>(4,493,445)</u>	<u>6,887,514</u>	<u>(174,744)</u>	<u>(10,545)</u>	<u>(154,338)</u>	<u>198,829</u>	<u>2,772,912</u>
OTHER FINANCING SOURCES (USES)													
Debt proceeds	-	-	-	-	-	-	-	-	-	-	5,700,000	-	5,700,000
Bond premium	-	-	-	-	-	-	-	-	-	-	-	137,324	137,324
Transfers in	4,745	881,250	-	-	-	-	5,009	-	703,328	-	-	-	3,466,748
Transfers out	-	-	-	-	-	-	-	(6,887,514)	-	-	-	(7,729)	(6,998,155)
Total other financing sources (uses)	<u>4,745</u>	<u>881,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,009</u>	<u>(6,887,514)</u>	<u>703,328</u>	<u>-</u>	<u>5,700,000</u>	<u>129,595</u>	<u>2,305,917</u>
Net change in fund balances	3,654	1,593,898	(365,150)	(7,404)	(51,308)	226,382	(4,488,436)	-	528,584	(10,545)	5,545,662	328,424	5,078,829
Fund balances - beginning of year	61,410	4,926,430	1,747,310	579,446	316,717	1,933,848	5,859,797	-	2,584,189	741,398	-	2,447,665	26,812,040
Fund balances - end of year	<u>\$ 65,064</u>	<u>\$ 6,520,328</u>	<u>\$ 1,382,160</u>	<u>\$ 572,042</u>	<u>\$ 265,409</u>	<u>\$ 2,160,230</u>	<u>\$ 1,371,361</u>	<u>\$ -</u>	<u>\$ 3,112,773</u>	<u>\$ 730,853</u>	<u>\$ 5,545,662</u>	<u>\$ 2,776,089</u>	<u>\$ 31,890,869</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2022

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	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ -	\$ 493,118	\$ 2,115,914	\$ -	\$ 235,804	\$ 26,967,444
Cash and cash equivalents, restricted	-	-	-	-	-	3,713,564	-	-	1,355,475	-	5,069,039
Investments	1,347,062	1,858,508	746,051	-	-	-	-	362,339	-	-	4,313,960
Accounts receivable, net	1,325,838	1,561,879	1,134,807	125,156	66,064	-	75,795	-	1,382	-	4,290,921
Other receivable	-	-	1,721	99,480	-	-	-	19,308	-	3,257	123,766
Accrued interest receivable	4,382	4,817	2,427	-	-	-	-	1,179	-	-	12,805
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Inventory	174,284	102,475	-	-	-	-	-	-	-	-	276,759
Due from other funds interaccount	-	43,434	250,000	501,188	-	-	-	-	2,001	-	796,623
Due from other funds	21,985	23,230	141,973	18,651	-	830,867	-	-	-	15,462	1,052,168
Total current assets	<u>10,739,868</u>	<u>14,662,681</u>	<u>6,633,625</u>	<u>1,085,094</u>	<u>556,752</u>	<u>4,544,431</u>	<u>568,913</u>	<u>2,498,740</u>	<u>1,358,858</u>	<u>254,523</u>	<u>42,903,485</u>
Non-current assets:											
Investments, restricted	-	-	-	-	-	-	-	-	218,544	-	218,544
Due from other funds - interaccount	537,829	-	-	-	-	-	-	-	-	-	537,829
Land, construction in progress, and water rights	7,761,859	780,766	1,362,257	10,489,460	1,250	-	-	550,000	-	232,057	21,177,649
Other capital assets, net	17,989,605	66,827,410	3,242,855	17,784,105	12,697,828	-	45,050	5,460,400	-	5,824,353	129,871,606
Total non-current assets	<u>26,289,293</u>	<u>67,608,176</u>	<u>4,605,112</u>	<u>28,273,565</u>	<u>12,699,078</u>	<u>-</u>	<u>45,050</u>	<u>6,010,400</u>	<u>218,544</u>	<u>-</u>	<u>151,805,628</u>
Total assets	<u>37,029,161</u>	<u>82,270,857</u>	<u>11,238,737</u>	<u>29,358,659</u>	<u>13,255,830</u>	<u>4,544,431</u>	<u>613,963</u>	<u>8,509,140</u>	<u>1,577,402</u>	<u>6,310,933</u>	<u>194,709,113</u>
DEFERRED OUTFLOWS OF RESOURCES											
Deferred amount on refunding	-	-	-	-	-	696,374	-	-	-	-	696,374
Deferred amount related to OPEB	906,400	1,466,675	540,033	-	138,929	-	219,291	-	-	365,696	3,637,024
Total deferred outflows	<u>906,400</u>	<u>1,466,675</u>	<u>540,033</u>	<u>-</u>	<u>138,929</u>	<u>696,374</u>	<u>219,291</u>	<u>-</u>	<u>-</u>	<u>365,696</u>	<u>4,333,398</u>
LIABILITIES											
Current liabilities:											
Accounts payable and accrued liabilities	245,089	236,190	313,322	488,685	5,979	-	18,224	124,392	-	15,015	1,446,896
Wages payable	179,812	214,021	86,332	22,277	17,147	-	48,588	-	-	41,334	609,511
Due to other funds interaccount	2,001	-	-	271,319	-	523,303	-	-	-	-	796,623
Due to other funds	-	-	-	300,000	-	-	-	-	-	248,170	548,170
Accrued interest payable	-	-	-	-	-	321,143	-	-	-	-	321,143
Accrued compensated absences	161,500	167,420	58,618	16,638	16,400	-	42,406	-	-	33,499	496,481
Refundable deposits	-	-	-	6,946	-	-	-	-	157,740	-	164,686
Notes payable	101,391	32,604	-	-	13,973	-	-	-	-	-	147,968
Revenue bonds payable	-	-	-	-	-	5,030,000	-	-	-	-	5,030,000
Total current liabilities	<u>689,793</u>	<u>650,235</u>	<u>458,272</u>	<u>1,105,865</u>	<u>53,499</u>	<u>5,874,446</u>	<u>109,218</u>	<u>124,392</u>	<u>157,740</u>	<u>338,018</u>	<u>9,561,478</u>
Non-current liabilities:											
Accrued compensated absences	323,000	334,841	117,236	13,573	32,800	-	84,812	-	-	66,997	973,259
Total OPEB liability	2,638,536	3,268,634	1,455,390	-	278,236	-	813,306	-	-	684,889	9,138,991
Due to other funds - interaccount	-	-	-	-	-	-	-	537,829	-	-	537,829
Refundable deposits	-	-	-	-	-	-	-	-	1,419,662	-	1,419,662
Notes payable	1,947,876	104,630	-	-	44,841	-	-	-	-	-	2,097,347
Revenue bonds payable, net	-	-	-	-	-	38,285,137	-	-	-	-	38,285,137
Total non-current liabilities	<u>4,909,412</u>	<u>3,708,105</u>	<u>1,572,626</u>	<u>13,573</u>	<u>355,877</u>	<u>38,285,137</u>	<u>898,118</u>	<u>537,829</u>	<u>1,419,662</u>	<u>751,886</u>	<u>52,452,225</u>
Total liabilities	<u>5,599,205</u>	<u>4,358,340</u>	<u>2,030,898</u>	<u>1,119,438</u>	<u>409,376</u>	<u>44,159,583</u>	<u>1,007,336</u>	<u>662,221</u>	<u>1,577,402</u>	<u>1,089,904</u>	<u>62,013,703</u>
DEFERRED INFLOW OF RESOURCES											
Deferred amount related to OPEB	174,102	567,999	166,321	-	63,233	-	143,310	-	-	102,417	1,217,382
Deferred amount on refunding	-	-	-	-	-	693,787	-	-	-	-	693,787
Total deferred inflows	<u>174,102</u>	<u>567,999</u>	<u>166,321</u>	<u>-</u>	<u>63,233</u>	<u>693,787</u>	<u>143,310</u>	<u>-</u>	<u>-</u>	<u>102,417</u>	<u>1,911,169</u>
NET POSITION											
Net investment in capital assets	23,702,197	67,470,942	4,605,112	28,273,565	12,640,264	(41,545,429)	45,050	6,010,400	-	6,056,410	107,258,511
Restricted for debt service	-	-	-	-	-	1,625,299	-	-	-	-	1,625,299
Restricted for other purposes	-	-	-	-	-	-	53,266	-	-	32,332	85,598
Unrestricted (deficit)	8,460,057	11,340,251	4,976,439	(34,344)	281,886	307,565	(415,708)	1,836,519	-	(604,434)	26,148,231
Total net position	<u>\$ 32,162,254</u>	<u>\$ 78,811,193</u>	<u>\$ 9,581,551</u>	<u>\$ 28,239,221</u>	<u>\$ 12,922,150</u>	<u>\$ (39,612,565)</u>	<u>\$ (317,392)</u>	<u>\$ 7,846,919</u>	<u>\$ -</u>	<u>\$ 5,484,308</u>	<u>\$ 135,117,639</u>

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2022

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
OPERATING REVENUES											
Charges for services	\$ 8,180,238	\$ 10,929,327	\$ 7,818,897	\$ 1,967,323	\$ 471,232	\$ -	\$ 1,172,824	\$ -	\$ -	\$ 333,904	\$ 30,873,745
Fees, licenses and permits	9,750	11,270	-	-	-	-	-	-	-	-	21,020
Miscellaneous	6,169	10,665	21,151	62	800	-	73	-	-	218	39,138
Total operating revenues	<u>8,196,157</u>	<u>10,951,262</u>	<u>7,840,048</u>	<u>1,967,385</u>	<u>472,032</u>	<u>-</u>	<u>1,172,897</u>	<u>-</u>	<u>-</u>	<u>334,122</u>	<u>30,933,903</u>
OPERATING EXPENSES											
Personal services	2,968,949	3,808,501	1,566,258	964,110	318,314	-	837,275	-	-	579,776	11,043,183
Materials and supplies	1,019,712	907,927	1,209,910	652,643	129,797	-	19,901	-	-	90,964	4,030,854
Other services and charges	1,425,822	1,691,598	2,893,583	861,414	206,040	-	260,212	-	-	63,724	7,402,393
Depreciation and amortization	731,691	2,541,990	503,320	871,508	274,745	-	5,761	514,279	-	151,927	5,595,221
Total operating expenses	<u>6,146,174</u>	<u>8,950,016</u>	<u>6,173,071</u>	<u>3,349,675</u>	<u>928,896</u>	<u>-</u>	<u>1,123,149</u>	<u>514,279</u>	<u>-</u>	<u>886,391</u>	<u>28,071,651</u>
Operating income (loss)	<u>2,049,983</u>	<u>2,001,246</u>	<u>1,666,977</u>	<u>(1,382,290)</u>	<u>(456,864)</u>	<u>-</u>	<u>49,748</u>	<u>(514,279)</u>	<u>-</u>	<u>(552,269)</u>	<u>2,862,252</u>
NON-OPERATING REVENUES (EXPENSES)											
Investment income	(37,526)	(38,091)	(21,666)	4	1,521	2,122	1,171	224,979	3,235	690	136,439
Interest expense and fiscal charges	(8,383)	(6,564)	-	-	(1,652)	(1,033,541)	-	(23,127)	-	-	(1,073,267)
Gain (loss) on asset retirement	1,852	400	(44,348)	-	-	-	-	-	-	118,408	76,312
Other non-operating revenue	-	-	-	-	-	-	-	-	-	-	-
Total non-operating revenue (expenses)	<u>(44,057)</u>	<u>(44,255)</u>	<u>(66,014)</u>	<u>4</u>	<u>(131)</u>	<u>(1,031,419)</u>	<u>1,171</u>	<u>201,852</u>	<u>3,235</u>	<u>119,098</u>	<u>(860,516)</u>
Income (loss) before contributions and transfers	<u>2,005,926</u>	<u>1,956,991</u>	<u>1,600,963</u>	<u>(1,382,286)</u>	<u>(456,995)</u>	<u>(1,031,419)</u>	<u>50,919</u>	<u>(312,427)</u>	<u>3,235</u>	<u>(433,171)</u>	<u>2,001,736</u>
Capital contributions	-	-	-	-	-	-	-	-	-	4,742,750	4,742,750
Transfers in - interaccount	3,234	-	-	5,326,135	-	67,474	-	167,958	-	-	5,564,801
Transfers out - interaccount	(167,958)	(67,474)	-	-	-	(5,326,135)	-	-	(3,234)	-	(5,564,801)
Transfers in	-	-	-	-	-	16,005,426	-	-	-	5,000	16,010,426
Transfers out	(814,883)	(814,006)	(763,936)	-	-	(9,821,240)	-	-	-	-	(12,214,065)
Change in net position	1,026,319	1,075,511	837,027	3,943,849	(456,995)	(105,894)	50,919	(144,469)	1	4,314,579	10,540,847
Total net position - beginning	31,135,935	77,735,682	8,744,524	24,295,372	13,379,145	(39,506,671)	(368,311)	7,991,388	(1)	1,169,729	124,576,792
Total net position - ending	<u>\$ 32,162,254</u>	<u>\$ 78,811,193</u>	<u>\$ 9,581,551</u>	<u>\$ 28,239,221</u>	<u>\$ 12,922,150</u>	<u>\$ (39,612,565)</u>	<u>\$ (317,392)</u>	<u>\$ 7,846,919</u>	<u>\$ -</u>	<u>\$ 5,484,308</u>	<u>\$ 135,117,639</u>

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2022

	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	\$ 8,039,354	\$ 10,927,245	\$ 7,868,770	\$ 1,960,467	\$ 470,904	\$ -	\$ 1,157,939	\$ 490	\$ 106	\$ 333,504	\$ 30,758,779
Payments to suppliers	(2,425,596)	(2,765,880)	(3,983,118)	(1,814,950)	(330,113)	-	(275,803)	28,366	-	(144,012)	(11,711,106)
Payments to employees	(2,731,429)	(3,596,686)	(1,419,831)	(981,407)	(318,374)	-	(794,469)	-	-	(501,734)	(10,343,930)
Receipts (payments) from interfund loans	(1,391)	465,944	(250,101)	627,203	-	(536,863)	-	-	(461)	104,047	408,378
Receipt of customer deposits	-	-	-	-	-	-	-	-	496,437	-	496,437
Return of customer deposits	-	-	-	-	-	-	-	-	(482,201)	-	(482,201)
Net cash provided by (used in) operating activities	2,880,938	5,030,623	2,215,720	(208,687)	(177,583)	(536,863)	87,667	28,856	13,881	(208,195)	9,126,357
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Transfers from other funds - interaccount	3,234	-	-	5,326,135	-	67,474	-	167,958	-	-	5,564,801
Transfers to other funds - interaccount	(167,958)	(67,474)	-	-	-	(5,326,135)	-	-	(3,234)	-	(5,564,801)
Transfers from other funds	-	-	-	-	-	16,005,426	-	-	-	5,000	16,010,426
Transfers to other funds	(814,883)	(814,006)	(763,936)	-	-	(9,821,240)	-	-	-	-	(12,214,065)
Net cash provided by (used in) noncapital financing activities	(979,607)	(881,480)	(763,936)	5,326,135	-	925,525	-	167,958	(3,234)	5,000	3,796,361
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Capital assets purchases	(522,388)	(674,330)	(740,083)	(4,879,659)	(82,463)	-	-	-	-	-	(6,898,923)
Principal paid on capital debt	(230,780)	(35,693)	-	-	(9,349)	(4,970,000)	-	-	-	-	(5,245,821)
Proceeds issuance of debt	-	172,927	-	-	68,162	-	-	-	-	-	241,089
Payments of interfund loan for capital purchases	144,831	-	-	-	-	-	-	(144,831)	-	-	-
Interest and fiscal charges paid on capital debt	(8,383)	(6,564)	-	-	(1,652)	(1,289,438)	-	(23,127)	-	-	(1,329,164)
Proceeds from sale of capital assets	1,852	7,683	101	-	-	-	-	-	-	119,476	129,112
Net cash provided by (used in) capital and related financing activities	(614,888)	(535,977)	(739,982)	(4,879,659)	(25,301)	(6,259,438)	-	(167,958)	-	119,476	(13,103,707)
CASH FLOWS FROM INVESTING ACTIVITIES											
Sale (purchase) of investments	106,689	(175,116)	60,671	-	123,039	-	-	44,336	66,862	-	226,481
Interest and dividends	(32,649)	(34,036)	(20,260)	4	1,521	2,122	1,171	225,726	4,257	690	148,546
Net cash provided by (used in) investing activities	74,040	(209,152)	40,411	4	124,560	2,122	1,171	270,062	71,119	690	375,027
Net increase (decrease) in cash and cash equivalents	1,360,503	3,404,014	752,213	257,793	(78,324)	(5,868,654)	88,838	298,918	81,766	(83,029)	194,038
Balances - beginning of year	6,505,814	7,664,324	3,604,433	102,826	569,012	9,582,218	404,280	1,816,996	1,273,709	318,833	31,842,445
Balances - end of year	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ 3,713,564	\$ 493,118	\$ 2,115,914	\$ 1,355,475	\$ 235,804	\$ 32,036,483
Reconciliation to Statement of Net Position:											
Cash and cash equivalents	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ -	\$ 493,118	\$ 2,115,914	\$ -	\$ 235,804	\$ 26,967,444
Restricted cash and cash equivalents	-	-	-	-	-	3,713,564	-	-	1,355,475	-	5,069,039
Total cash and cash equivalents	\$ 7,866,317	\$ 11,068,338	\$ 4,356,646	\$ 340,619	\$ 490,688	\$ 3,713,564	\$ 493,118	\$ 2,115,914	\$ 1,355,475	\$ 235,804	\$ 32,036,483
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 2,049,983	\$ 2,001,246	\$ 1,666,977	\$ (1,382,290)	\$ (456,864)	\$ -	\$ 49,748	\$ (514,279)	\$ -	\$ (552,269)	\$ 2,862,252
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation expense	731,691	2,541,990	503,320	871,508	274,745	-	5,761	514,279	-	151,927	5,595,221
Change in assets and liabilities:											
Receivables, net	(156,803)	(24,017)	30,443	15,515	(1,128)	-	(14,958)	-	106	(618)	(151,460)
Other receivable	-	-	(1,721)	(10,934)	-	-	-	490	-	-	(12,165)
Due from other funds	(1,852)	465,944	(250,101)	541,017	-	(346)	-	(461)	(182)	(182)	754,019
Prepaid items	-	-	-	10,655	-	-	-	-	-	-	10,655
Inventory	(2,665)	(4,150)	-	-	-	-	-	-	-	-	(6,815)
Accounts payable	22,603	(162,205)	120,375	(311,548)	5,724	-	4,310	28,366	-	10,676	(281,699)
Deferred outflows OPEB	(350,182)	(844,595)	(235,552)	-	26,448	-	19,726	-	-	(188,040)	(1,572,195)
Due to other funds	461	-	-	86,186	-	(536,517)	-	-	-	104,229	(345,641)
Due to employees	33,426	25,755	14,875	(13,256)	(389)	-	5,555	-	-	17,165	83,031
Refundable deposits	-	-	-	(11,499)	-	-	-	-	14,236	-	2,737
Total OPEB liability	627,096	1,156,622	399,384	-	(23,480)	-	8,730	-	-	282,601	2,450,953
Accrued compensated absences	7,453	(26,013)	14,766	(3,941)	(23,176)	-	322	-	-	1,667	(28,922)
Deferred inflows OPEB	(80,273)	(99,954)	(47,046)	-	20,537	-	8,473	-	-	(35,351)	(233,614)
Net cash provided by (used in) operating activities	\$ 2,880,938	\$ 5,030,623	\$ 2,215,720	\$ (208,687)	\$ (177,583)	\$ (536,863)	\$ 87,667	\$ 28,856	\$ 13,881	\$ (208,195)	\$ 9,126,357
Noncash activities:											
Contributed capital assets - from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,742,750	\$ 4,742,750

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Net Position– Internal Service Funds – June 30, 2022

	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	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Investments	119,776	-	-	151,003	509,926	569,646	1,350,351
Receivables:							
Accounts receivable	-	513	2,461	30,528	545,190	-	578,692
Accrued interest receivable	-	-	-	-	1,659	1,853	3,512
Due from other funds	3	5,827	-	-	-	-	5,830
Inventories	-	92,117	-	-	-	-	92,117
Total current assets	<u>862,664</u>	<u>804,634</u>	<u>595,644</u>	<u>1,105,448</u>	<u>4,034,544</u>	<u>3,898,010</u>	<u>11,300,944</u>
Non-current assets:							
Capital Assets:							
Depreciable, net of accumulated depreciation	149,715	651,309	69,429	-	-	-	870,453
Total non-current assets	<u>149,715</u>	<u>651,309</u>	<u>69,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>870,453</u>
Total assets	<u>1,012,379</u>	<u>1,455,943</u>	<u>665,073</u>	<u>1,105,448</u>	<u>4,034,544</u>	<u>3,898,010</u>	<u>12,171,397</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>280,528</u>	<u>221,126</u>	<u>21,273</u>	<u>142,305</u>	<u>-</u>	<u>-</u>	<u>665,232</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	5,988	94,946	46	387	184,805	1,142	287,314
Claims liability	-	-	-	167,900	387,360	351,800	907,060
Wages payable	63,839	59,869	2,341	13,658	-	-	139,707
Due to other funds	-	-	473,763	-	-	-	473,763
Accrued compensated absences	60,887	39,036	2,618	17,229	-	-	119,770
Total current liabilities	<u>130,714</u>	<u>193,851</u>	<u>478,768</u>	<u>199,174</u>	<u>572,165</u>	<u>352,942</u>	<u>1,927,614</u>
Non-current liabilities:							
Accrued compensated absences	121,773	78,072	5,236	34,457	-	-	239,538
Total OPEB liability	740,965	907,478	42,806	145,539	-	-	1,836,788
Claims liability	-	-	-	355,100	-	837,200	1,192,300
Total non-current liabilities	<u>862,738</u>	<u>985,550</u>	<u>48,042</u>	<u>535,096</u>	<u>-</u>	<u>837,200</u>	<u>3,268,626</u>
Total liabilities	<u>993,452</u>	<u>1,179,401</u>	<u>526,810</u>	<u>734,270</u>	<u>572,165</u>	<u>1,190,142</u>	<u>5,196,240</u>
DEFERRED INFLOW OF RESOURCES							
Deferred amount related to OPEB	<u>106,745</u>	<u>31,724</u>	<u>12,967</u>	<u>139,446</u>	<u>-</u>	<u>-</u>	<u>290,882</u>
NET POSITION							
Net investment in capital assets	149,715	651,309	69,429	-	-	-	870,453
Unrestricted (deficit)	42,995	(185,365)	77,140	374,037	3,462,379	2,707,868	6,479,054
Total net position	<u>\$ 192,710</u>	<u>\$ 465,944</u>	<u>\$ 146,569</u>	<u>\$ 374,037</u>	<u>\$ 3,462,379</u>	<u>\$ 2,707,868</u>	<u>\$ 7,349,507</u>

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2022

	<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	\$ 1,501,459	\$ 2,933,446	\$ 48,680	\$ 901,382	\$ 7,783,973	\$ 752,650	\$ 13,921,590
Miscellaneous	-	11	760	27,163	646,599	7,681	682,214
Total operating revenues	<u>1,501,459</u>	<u>2,933,457</u>	<u>49,440</u>	<u>928,545</u>	<u>8,430,572</u>	<u>760,331</u>	<u>14,603,804</u>
OPERATING EXPENSES							
Personal services	1,059,190	1,005,455	44,341	223,945	-	-	2,332,931
Materials and supplies	8,948	1,834,840	39	754,324	-	-	2,598,151
Other services and charges	78,529	96,204	7,807	155,968	65,286	-	403,794
Insurance claims and expenses	-	-	-	-	6,743,316	512,048	7,255,364
Depreciation and amortization	9,323	53,817	5,763	-	-	-	68,903
Total operating expenses	<u>1,155,990</u>	<u>2,990,316</u>	<u>57,950</u>	<u>1,134,237</u>	<u>6,808,602</u>	<u>512,048</u>	<u>12,659,143</u>
Operating income (loss)	<u>345,469</u>	<u>(56,859)</u>	<u>(8,510)</u>	<u>(205,692)</u>	<u>1,621,970</u>	<u>248,283</u>	<u>1,944,661</u>
NON-OPERATING REVENUES							
Investment income	1,667	1,840	1,502	2,263	(19,268)	(16,744)	(28,740)
Total non-operating revenue	<u>1,667</u>	<u>1,840</u>	<u>1,502</u>	<u>2,263</u>	<u>(19,268)</u>	<u>(16,744)</u>	<u>(28,740)</u>
Change in net position	347,136	(55,019)	(7,008)	(203,429)	1,602,702	231,539	1,915,921
Total net position - beginning	(154,426)	520,963	153,577	577,466	1,859,677	2,476,329	5,433,586
Total net position - ending	<u>\$ 192,710</u>	<u>\$ 465,944</u>	<u>\$ 146,569</u>	<u>\$ 374,037</u>	<u>\$ 3,462,379</u>	<u>\$ 2,707,868</u>	<u>\$ 7,349,507</u>

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Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2022

	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	\$ 1,501,459	\$ 2,932,979	\$ 50,515	\$ 907,856	\$ 8,489,056	\$ 774,437	\$ 14,656,302
Payments to suppliers	(262,023)	(1,931,218)	(8,526)	(758,684)	(65,286)	-	(3,025,737)
Payments to employees	(1,009,021)	(933,748)	(40,195)	(210,336)	-	-	(2,193,300)
Claims and benefits paid	-	-	-	(178,968)	(6,663,439)	(657,266)	(7,499,673)
Payment from (to) other funds	-	-	18,619	-	-	-	18,619
Net cash provided by (used in) operating activities	230,415	68,013	20,413	(240,132)	1,760,331	117,171	1,956,211
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	-	(55,922)	-	-	-	-	(55,922)
Net cash provided by (used in) capital and related financing activities	-	(55,922)	-	-	-	-	(55,922)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	(7,667)	123,073	101,400	82,396	(190,123)	124,293	233,372
Interest and dividends	1,669	1,842	1,502	2,263	(19,759)	(15,331)	(27,814)
Net cash provided by investing activities	(5,998)	124,915	102,902	84,659	(209,882)	108,962	205,558
Net increase in cash and cash equivalents	224,417	137,006	123,315	(155,473)	1,550,449	226,133	2,105,847
Balances - beginning of year	518,468	569,171	469,868	1,079,390	1,427,320	3,100,378	7,164,595
Balances - end of year	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 742,885	\$ 706,177	\$ 593,183	\$ 923,917	\$ 2,977,769	\$ 3,326,511	\$ 9,270,442
Total cash and cash equivalents	<u>\$ 742,885</u>	<u>\$ 706,177</u>	<u>\$ 593,183</u>	<u>\$ 923,917</u>	<u>\$ 2,977,769</u>	<u>\$ 3,326,511</u>	<u>\$ 9,270,442</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 345,469	\$ (56,859)	\$ (8,510)	\$ (205,692)	\$ 1,621,970	\$ 248,283	\$ 1,944,661
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	9,323	53,817	5,763	-	-	-	68,903
Change in assets and liabilities:							
Receivables, net	-	(478)	1,075	(20,689)	58,484	14,106	52,498
Due from other funds	-	-	-	-	-	-	-
Inventory	-	(21,786)	-	-	-	-	(21,786)
Deferred outflows OPEB	36,463	(23,359)	4,879	64,056	-	-	82,039
Accounts payable	(174,546)	21,612	(680)	(4,360)	4,241	782	(152,951)
Claims liability	-	-	-	(23,000)	75,636	(146,000)	(93,364)
Due to employees	10,151	6,862	610	2,298	-	-	19,921
Due to other funds	-	-	18,619	-	-	-	18,619
Total OPEB liability	(13,325)	102,902	(7,480)	(156,177)	-	-	(74,080)
Accrued compensated absences	(14,302)	3,358	735	3,229	-	-	(6,980)
Deferred inflows OPEB	31,182	(18,056)	5,402	100,203	-	-	118,731
Net cash provided by (used in) operating activities	\$ 230,415	\$ 68,013	\$ 20,413	\$ (240,132)	\$ 1,760,331	\$ 117,171	\$ 1,956,211

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Debt Service Coverage Schedule - Year Ended June 30, 2022

DEBT SERVICE COVERAGE:

	2019 Revenue Bonds 2020 Refunding Note
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 8,196,157
Wastewater revenue	10,951,262
Pledged sales tax	16,005,426
Investment income	(75,617)
Total Gross Revenue Available	35,077,228
OPERATING EXPENSES:	
Total Operating Expenses	11,822,509
Net Revenue Available for Debt Service	\$ 23,254,719
Average Annual Debt Service	
2019 Revenue Bonds	\$ 1,791,954
2020 Refunding Note	4,461,688
	\$ 6,253,642
Computed Coverage	372%
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.

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STATISTICAL INFORMATION

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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>
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
2021-22	20,012,790	36,925,596	12,037,652	3,271,886	9,483,656	5,907,403	7,830,238	95,469,221

**CITY OF MIDWEST CITY, OKLAHOMA
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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
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
2021-22	59,254,294	13,844,466	647,177	6,075,295	1,367,521	(13,417,849)	1,578,792	69,349,696

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

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

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

Fiscal Year	Real Property	Personal Property	Public Service Property	Veteran and Homestead Exemption	Total Actual		Ratio of Total Assessed Value to Total Estimated Actual Value
					Assessed Value	Estimated Actual Value	
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%
2022	364,726,522	38,738,823	15,389,406	20,738,384	398,116,367	3,619,239,700	11%

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

Fiscal Year	City Sinking Fund	MWC Schools	Rose State College	Oklahoma County	Total Midwest City Resident	Choctaw Schools	Total Midwest City Resident	OKC Schools	Total Midwest City Resident
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	122.77	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
2022	9.99	65.57	18.03	23.05	116.64	76.15	127.22	28.95	110.02

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

Net assessed valuation	\$398,116,367
Debt limit (a)	\$39,811,637
Applicable bonds outstanding	\$34,941,155
Inapplicable bonds outstanding (b)	\$20,458,845
Legal debt margin	\$4,870,482

(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.

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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest (1)	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Government Expenditures
2012-13	\$ 1,400,000	\$ 370,754	\$ 1,770,754	\$ 47,244,796	3.75%
2013-14	1,400,000	304,167	1,704,167	47,577,936	3.58%
2014-15	1,400,000	259,975	1,659,975	50,100,554	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	55,252,087	0.68%
2018-19	325,000	38,913	363,913	121,363,077	0.30%
2019-20	325,000	1,137,260	1,462,260	63,456,178	2.30%
2020-21	1,695,000	1,311,923	3,006,923	91,052,966	3.30%
2021-22	1,785,000	1,445,485	3,230,485	95,469,221	3.38%

(1) Excludes bond issuance and other costs

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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>
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	5,148,500	2,447,665	49,037,335	13.01%	840
2021-22	58,409	398,116,367	55,400,000	2,776,091	52,623,909	13.22%	901

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>
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	2.90
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
2021-22	35,077,228	11,822,509	23,254,719	6,253,642	3.72

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	0.52%
2020	58,409	7.43%

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	
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
2021-22	10	8,755,000	88	20,621,218	29,376,218

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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
Number of Vo-Techs	1
Police Protection	
Number of officers	99
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	300.84
Miles of sanitary sewer lines	290.69

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

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>
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
2021-21	482

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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>
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
2021-22	1,943,554,000	5,324,805