



**CITY OF
MIDWEST CITY, OKLAHOMA**

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

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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, 2023, 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, 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, 2023, 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.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the City has recorded a prior period adjustment to the financials relating to previously capitalized construction in progress costs which were below the capitalization threshold and reclassified to expenditures. Our opinion is 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* and *governmental 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, 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 schedules and debt service coverage schedule, as listed in the table of contents, 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 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 January 5, 2024 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 PC

Edmond, Oklahoma
January 5, 2024



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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, 2023, by \$607,025,909 (net position). Of this amount, unrestricted net position of the governmental activities was a deficit of \$41,888,177, with the business type activities reporting a positive unrestricted net position of \$34,828,631. 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 \$39,982,116 or 7.05% from the prior year. This was a result of an increase of \$30,403,853 in the governmental activities while the business-type activities had an increase of \$9,578,263. 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 2023 totaled \$54,505,413 compared to FY 2022 which totaled \$51,034,793. The total increase in sales and use tax collections was \$3,470,620. 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 2023, the unassigned fund balance of the General Fund was \$3,549,368 or 8.90% 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.

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.

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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 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.

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

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Development Authority, and Hospital Authority funds. Data from the debt service fund, 14 special revenue funds, and 9 capital project funds, all of which are considered to be governmental, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements starting on page 80 of this report.

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

The City of Midwest City maintains one major enterprise fund. The City uses this fund to account for its water, sewer, sanitation, conference center/hotel, debt service, utility services, utility capital, customer deposits, golf and drainage operations. The fund provides the same type of information as the government-wide financial statements, only in more detail and includes some of the internal service fund-type activity. The City considers this enterprise fund activity to be a major fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2023, the City's combined net position is \$607,025,909, of which \$461,507,502 can be attributed to governmental activities and \$145,518,407 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, \$396 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.)
	2023	2022		2023	2022		2023	2022	
Current and other assets	\$ 358,055	\$ 351,997	2%	\$ 50,012	\$ 42,919	17%	\$ 408,067	\$ 394,916	3%
Capital assets	333,450	324,657	3%	148,590	154,336	-4%	482,040	478,993	1%
Total assets	691,505	676,654		198,602	197,255		890,107	873,909	
Deferred outflow of resources	21,096	17,561	20%	4,096	4,614	-11%	25,192	22,175	14%
Other liabilities	14,973	18,160	-18%	1,897	2,447	-22%	16,870	20,607	-18%
Long-term obligations outstanding	179,745	170,860	5%	52,005	58,677	-11%	231,750	229,537	1%
Total liabilities	194,718	189,020	3%	53,902	61,124	-12%	248,620	250,144	-1%
Deferred inflow of resources	56,376	74,091	-24%	3,278	2,018	62%	59,654	76,109	-22%
Net position:									
Net investment in capital assets	287,327	284,352	1%	109,020	110,546	-1%	396,347	394,898	0%
Restricted	216,069	192,950	12%	1,670	1,625	3%	217,739	194,575	12%
Unrestricted (deficit)	(41,889)	(46,198)	-9%	34,828	26,556	31%	(7,061)	(19,642)	-64%
Total net position	\$ 461,507	\$ 431,104	7%	\$ 145,518	\$ 138,727	5%	\$ 607,025	\$ 569,831	7%

Governmental activities increased the City's net position by \$30,403,853 or 5.36%. The business type activities increased the City's net position by \$9,578,263 or 1.69% for a net increase of \$39,982,116, or 7.05%. 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.)
	2023	2022		2023	2022		2023	2022	
Revenues:									
Program revenues:									
Charges for services	\$ 7,899	\$ 7,401	7%	\$ 35,867	\$ 30,909	16%	\$ 43,766	\$ 38,310	14%
Operating grants and contributions	7,997	5,044	59%	207	26	696%	8,204	5,070	62%
Capital grants and contributions	9,558	14,737	-35%	-	-	-	9,558	14,737	-35%
General revenues:									
Sales and use taxes	54,505	51,035	7%	-	-	-	54,505	51,035	7%
Other taxes	11,364	9,261	23%	-	-	-	11,364	9,261	23%
Other general revenue	16,342	(13,210)	-224%	954	208	359%	17,296	(13,002)	-233%
Total revenues	107,665	74,268	45%	37,028	31,143	19%	144,693	105,411	37%
Program expenses:									
General government	7,843	6,895	14%	-	-	-	7,843	6,895	14%
Public safety	36,658	28,830	27%	-	-	-	36,658	28,830	27%
Streets	16,767	14,873	13%	-	-	-	16,767	14,873	13%
Cultural, parks and recreation	2,274	1,736	31%	-	-	-	2,274	1,736	31%
Health and welfare	866	767	13%	-	-	-	866	767	13%
Economic development	3,499	6,486	-46%	-	-	-	3,499	6,486	-46%
Interest expense	4,229	4,208	0%	-	-	-	4,229	4,208	0%
Water	-	-	-	7,994	7,582	5%	7,994	7,582	5%
Sewer	-	-	-	9,548	8,727	9%	9,548	8,727	9%
Sanitation	-	-	-	6,408	6,063	6%	6,408	6,063	6%
Drainage	-	-	-	821	909	-10%	821	909	-10%
Conference center	-	-	-	5,936	4,288	38%	5,936	4,288	38%
Other activities	-	-	-	1,868	932	100%	1,868	932	100%
Total expenses	72,136	63,795	13%	32,575	28,501	14%	104,711	92,296	13%
Excess (deficiency) before transfers	35,529	10,473	239%	4,453	2,642	69%	39,982	13,115	205%
Transfers	(5,125)	(8,539)	-40%	5,125	8,539	-40%	-	-	
Increase in net position	\$ 30,404	\$ 1,934	-1472%	\$ 9,578	\$ 11,181	-14%	\$ 39,982	\$ 13,115	205%

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Governmental Activities. The revenues reflect an increase over the prior year of \$33,397,094. This increase is primarily the result of investment income increasing \$30,366,982 due to a better performance of the market. The City received \$1.7 million American Rescue Plan Act (ARPA) funding in FY2023. Regarding capital contributions, the City issued \$5,700,000 General Obligation Bond Series in FY2022 for public safety capital improvement projects and there is no bond issuance in FY2023.

The most significant governmental activities expense was providing public safety with a cost of \$36,658,276. 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 \$22,786,081 and dedicated sales tax of \$13,646,342 for the fiscal year ended June 30, 2023.

Business-type Activities. Business-type revenue increased \$5.8 million from the prior year, mainly due to the John Conrad Golf Course reopened in FY2023 after renovations. Also, the city owned Delta Hotel has more visitors in FY2023 after renovations. Other general income totaled \$953,909 in FY 2023 and \$207,769 in FY 2022. The largest portion of this increase is attributed to investment income increase due to an improved market.

Budgetary Highlights. For FY 2023, the General Fund revenue (including transfers) budget was amended by \$1,169,149 or 2.82% of the original budget of \$41,494,856. The actual revenue (including transfers) was more than the final budget projection by \$3,642,643, or 8.54%. The actual expenditures (including transfers) on a budgetary basis were \$44,158,330 compared to the final budget of \$45,892,094. General Fund actual expenditures (including transfers) on a budgetary basis were \$1,733,762 or 3.78% below final budget projections. See page 72 of the report for more detail.

The Police Fund revenue (including transfers) budget was increased by 1,372,020, or 7.75%, of the original budget of \$17,703,885. The actual revenue (including transfers) was more than the final budget projection by \$1,017,424 or 5.33%. 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 \$19,520,878 compared to the final budget of \$20,501,061. Actual expenditures (including transfers) were \$1,676,861 or 8.18% below final budget projections.

The Fire Fund revenues (including transfers) budget was amended by \$1,068,688 or 7.70%. The actual revenue (including transfers) was more than the final budget projection by \$782,307 or 5.23%. 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 \$13,945,853 compared to the final budget of \$14,809,420. Actual expenditures (including transfers) were \$863,567 or 5.83% below projections.

The budget to actual comparisons for these funds can be found on pages 73-75 of the report.

Capital Assets. At the end of fiscal year 2023, the City had \$482,040,407 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 \$8,793,392 for the governmental activities. The City had total additions of \$23,386,832 and depreciation expense of \$14,584,379.

The business-type activities had a net decrease of \$2,959,435. 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>	
	2023	2022	2023	2022	2023	2022
Land	\$ 41,637	\$ 39,950	\$ 2,617	\$ 2,617	\$ 44,254	\$ 42,567
Water rights	-	-	6,953	6,953	6,953	6,953
Construction in progress	16,504	26,666	1,430	9,493	17,934	36,159
Buildings	38,922	33,438	40,860	33,131	79,782	66,569
Machinery and equipment	23,998	23,271	16,425	15,968	40,423	39,239
Vehicles	14,038	13,364	12,150	11,084	26,188	24,448
Infrastructure	506,613	482,324	190,807	189,921	697,420	672,245
	<u>641,712</u>	<u>619,013</u>	<u>271,242</u>	<u>269,167</u>	<u>912,954</u>	<u>888,180</u>
Less: Depreciation	<u>(308,263)</u>	<u>(294,356)</u>	<u>(122,651)</u>	<u>(117,617)</u>	<u>(430,914)</u>	<u>(411,973)</u>
Totals	<u>\$ 333,449</u>	<u>\$ 324,657</u>	<u>\$ 148,591</u>	<u>\$ 151,550</u>	<u>\$ 482,040</u>	<u>\$ 476,207</u>

Additional information on the City's capital assets can be found on pages 46-47 of this report.

Debt Administration. At year end, the City had \$165,074,269 in long term debt outstanding compared to \$173,810,194 at the end of the prior fiscal year, a decrease of 5.03% as shown in Table 4. See pages 49-53 for a more in-depth review of long-term debt.

TABLE 4
Long-Term Debt
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 53,190	\$ 55,400	\$ -	\$ -	\$ 53,190	\$ 55,400
General obligation bonds premium	706	742	-	-	706	742
Notes payable (direct borrowing)	-	-	-	-	-	-
Accrued compensated absences	6,615	6,146	1,732	1,653	8,347	7,799
Revenue bonds	60,785	62,635	28,500	29,210	89,285	91,845
Revenue bonds premium	-	-	952	990	952	990
Note payable	-	-	10,895	15,360	10,895	15,360
Refundable deposits	117	90	1,583	1,584	1,700	1,674
	<u>121,413</u>	<u>125,013</u>	<u>43,662</u>	<u>48,797</u>	<u>165,075</u>	<u>173,810</u>
Totals	<u>\$ 121,413</u>	<u>\$ 125,013</u>	<u>\$ 43,662</u>	<u>\$ 48,797</u>	<u>\$ 165,075</u>	<u>\$ 173,810</u>

FACTORS AFFECTING FINANCIAL CONDITION

Economic outlook - The Midwest City economy will likely continue to grow, but at a slower pace. Oklahoma County's unemployment rate for 2023 hovered between 2.7% - 3.2%, it is one of the lowest in the nation compared to other metropolitan areas. Midwest City does not expect to see much of a change in employment figures in the first three quarters of 2024, but by fourth quarter could change when two industrial prospects begin hiring.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2023

Industrial - The City of Midwest City created the North Side Improvement District, which encompasses approximately 3 square miles, also known as the City of Midwest City Increment District #3. Earlier in 2023, American Glass, Inc. (“AGI”) announced plans to consolidate existing locations in Cleveland (OK), Oklahoma City, and Tulsa into a new headquarters and assembly facility in the Soldier Creek Industrial Park. AGI purchased 11.73 acres from the Midwest City Utilities Authority in August and has already commenced construction on a \$10 million campus. A mile north of the AGI facility, Centrillum Protein broke ground on a \$70 million, 112,488 ft.² secondary beef processing plant.

Hospitality - Lodging Tax revenues for FY 2023 are up over 14% compared to last year. They are back to the growth level seen before the pandemic. An increase is also projected for FY 2024 as the massive remodel of the Delta Hotel is finally completed. Catering/Dining service tax collections grew over 3.8% in FY 2023 versus the prior year, and they are up 26.11% over the last five years.

Sales tax - Voters approved to reallocate 0.4015 cent of sales tax from debt service to capital improvement, effective October 16, 2023. The total sales tax rate will not change.

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.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Statement of Net Position– June 30, 2023

City of Midwest City
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 137,147,072	\$ 38,096,496	\$ 175,243,568
Cash and cash equivalents, restricted	14,912,415	4,000,277	18,912,692
Investments	95,742,604	2,854,172	98,596,776
Investments, restricted	868,275	-	868,275
Land held for economic development	3,439,804	-	3,439,804
Accounts receivable, net	3,461,003	4,577,712	8,038,715
Interest receivable	29,746	10,778	40,524
Other receivable	1,455,419	138,371	1,593,790
Inventory	145,343	334,340	479,683
Internal balances	112,133	(112,133)	-
Prepaid items	224	-	224
Due from other governments	12,181,935	-	12,181,935
Net pension asset	1,746,241	-	1,746,241
Lease receivable	45,070,401	-	45,070,401
Note receivable	41,717,392	-	41,717,392
Deposits held by others	25,300	-	25,300
Investments, non- current, restricted	-	111,768	111,768
Capital assets:			
Land, water rights, and construction in progress	58,140,736	10,999,776	69,140,512
Other capital assets, net of depreciation	275,309,242	137,590,653	412,899,895
Total assets	691,505,285	198,602,210	890,107,495
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	634,012	634,012
Deferred amount related to pensions	14,300,269	-	14,300,269
Deferred amount related to OPEB	6,796,253	3,462,130	10,258,383
Total deferred outflows	21,096,522	4,096,142	25,192,664
LIABILITIES			
Accounts payable and accrued liabilities	3,058,701	1,267,053	4,325,754
Wages payable	1,252,228	329,145	1,581,373
Claims payable	1,955,899	-	1,955,899
Due to other governments	10,787	-	10,787
Accrued interest payable	1,064,395	300,889	1,365,284
Unearned revenue	7,630,843	-	7,630,843
Long-term liabilities:			
Due within one year	6,800,209	6,006,779	12,806,988
Due in more than one year	172,945,241	45,998,112	218,943,353
Total liabilities	194,718,303	53,901,978	248,620,281
DEFERRED INFLOWS OF RESOURCES			
Deferred amount related to pensions	1,407,037	-	1,407,037
Deferred amount related to property taxes	4,025,013	-	4,025,013
Deferred amount related to OPEB	6,383,379	2,844,350	9,227,729
Deferred amount related to leases	44,560,573	-	44,560,573
Deferred amount on refunding	-	433,617	433,617
Total deferred inflows	56,376,002	3,277,967	59,653,969
NET POSITION			
Net investment in capital assets	287,326,903	109,020,127	396,347,030
Restricted for:			
Debt service	2,079,821	1,669,649	3,749,470
Hospital	133,454,667	-	133,454,667
Capital improvements	9,716,223	-	9,716,223
Public Safety	39,200,455	-	39,200,455
Street operations	1,152,644	-	1,152,644
Culture and recreation	3,666,746	-	3,666,746
Economic Development	16,260,698	-	16,260,698
Other	10,537,522	-	10,537,522
Unrestricted (deficit)	(41,888,177)	34,828,631	(7,059,546)
Total net position	\$ 461,507,502	\$ 145,518,407	\$ 607,025,909

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Statement of Activities –Year Ended June 30, 2023

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 7,843,145	\$ 1,420,829	\$ 1,690,098	\$ 2,085,837	\$ (2,646,381)	\$ -	\$ (2,646,381)
Public safety	36,658,276	1,844,626	3,809,735	19,962	(30,983,953)	-	(30,983,953)
Streets	16,767,081	592,742	545,099	6,714,633	(8,914,607)	-	(8,914,607)
Culture and recreation	2,274,226	587,648	48,699	738,046	(899,833)	-	(899,833)
Health and welfare	866,113	-	-	-	(866,113)	-	(866,113)
Economic development	3,499,265	3,453,390	1,903,217	-	1,857,342	-	1,857,342
Interest expense	4,229,229	-	-	-	(4,229,229)	-	(4,229,229)
Total governmental activities	<u>72,137,335</u>	<u>7,899,235</u>	<u>7,996,848</u>	<u>9,558,478</u>	<u>(46,682,774)</u>	<u>-</u>	<u>(46,682,774)</u>
Business-type activities:							
Water	7,994,130	9,364,917	26	-	-	1,370,813	1,370,813
Sewer	9,548,604	11,686,399	200,000	-	-	2,337,795	2,337,795
Sanitation	6,407,767	8,553,552	980	-	-	2,146,765	2,146,765
Drainage	820,848	507,429	-	-	-	(313,419)	(313,419)
Conference center	5,935,962	3,657,698	-	-	-	(2,278,264)	(2,278,264)
Golf	1,804,894	2,097,470	6,100	-	-	298,676	298,676
Industrial park	63,000	-	-	-	-	(63,000)	(63,000)
Total business-type activities	<u>32,575,205</u>	<u>35,867,465</u>	<u>207,106</u>	<u>-</u>	<u>-</u>	<u>3,499,366</u>	<u>3,499,366</u>
Total primary government	<u>\$ 104,712,540</u>	<u>\$ 43,766,700</u>	<u>\$ 8,203,954</u>	<u>\$ 9,558,478</u>	<u>(46,682,774)</u>	<u>3,499,366</u>	<u>(43,183,408)</u>
General revenues:							
Taxes:							
Sales and use taxes					54,505,413	-	54,505,413
Property tax					4,584,973	-	4,584,973
Payment in lieu of taxes					790,446	-	790,446
Franchise and public service taxes					3,053,286	-	3,053,286
Hotel/motel taxes					708,892	-	708,892
Intergovernmental revenue not restricted to specific programs					2,226,275	-	2,226,275
Investment income					16,048,929	695,046	16,743,975
Miscellaneous					293,401	258,863	552,264
Transfers - internal activity					(5,124,988)	5,124,988	-
Total general revenues and transfers					<u>77,086,627</u>	<u>6,078,897</u>	<u>83,165,524</u>
Change in net position					30,403,853	9,578,263	39,982,116
Net position - beginning, restated					431,103,649	135,940,144	567,043,793
Net position - ending					<u>\$ 461,507,502</u>	<u>\$ 145,518,407</u>	<u>\$ 607,025,909</u>

See accompanying notes to the basic financial statements.

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Governmental Funds Balance Sheet - June 30, 2023

	General Fund	Police Fund	Fire Fund	Economic Development Authority	Midwest City Hospital Authority	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 20,832,800	\$ 13,624,463	\$ 10,154,617	\$ 12,435,403	\$ 49,437,785	\$ 35,561,517	\$ 142,046,585
Investments	1,906,503	1,140,412	871,353	738,241	89,042,800	2,446,714	96,146,023
Land held for economic development	-	-	-	-	3,439,804	-	3,439,804
Receivables:							
Accounts receivable	2,193,958	69,467	2,450	185,696	69,495	520,290	3,041,356
Accrued interest receivable	7,290	4,235	3,577	3,030	775	9,484	28,391
Due from other funds	301,222	5,837,875	4,652,059	-	2,689	508,462	11,302,307
Deposits held by others	-	-	-	-	20,000	5,300	25,300
Prepaid items	224	-	-	-	-	-	224
Other receivable	1,141,776	14,964	5,838	-	-	-	1,162,578
Leases receivable	472,664	-	-	22,183,730	22,414,007	-	45,070,401
Due from other governments	4,481,118	977,462	770,152	-	-	5,953,203	12,181,935
Inventory	60,000	-	-	-	-	-	60,000
Total assets	<u>\$ 31,397,555</u>	<u>\$ 21,668,878</u>	<u>\$ 16,460,046</u>	<u>\$ 35,546,100</u>	<u>\$ 164,427,355</u>	<u>\$ 45,004,970</u>	<u>\$ 314,504,904</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 472,476	\$ 28,720	\$ 26,367	\$ 40,308	\$ 375,142	\$ 1,806,758	\$ 2,749,771
Wages payable	326,685	432,305	398,460	-	6,655	42,481	1,206,586
Refundable deposits - court	116,734	-	-	-	-	-	116,734
Due to other funds	10,351,093	-	-	-	-	937,300	11,288,393
Due to other governments	10,787	-	-	-	-	-	10,787
Total liabilities	<u>11,277,775</u>	<u>461,025</u>	<u>424,827</u>	<u>40,308</u>	<u>381,797</u>	<u>2,786,539</u>	<u>15,372,271</u>
Deferred inflows of resources:							
Deferred inflow - leases	464,110	-	-	21,887,962	22,208,501	-	44,560,573
Unavailable revenue	10,395,492	65,699	-	1,590	22,907	4,537,299	15,022,987
Total deferred inflows of resources	<u>10,859,602</u>	<u>65,699</u>	<u>-</u>	<u>21,889,552</u>	<u>22,231,408</u>	<u>4,537,299</u>	<u>59,583,560</u>
Fund balances:							
Nonspendable	84,730	-	-	-	3,459,804	5,300	3,549,834
Restricted	2,561,658	21,142,154	16,035,219	13,616,240	133,454,667	37,549,163	224,359,101
Committed	-	-	-	-	1,424,055	-	1,424,055
Assigned	3,064,422	-	-	-	3,475,624	126,670	6,666,716
Unassigned (deficit)	3,549,368	-	-	-	-	(1)	3,549,367
Total fund balances	<u>9,260,178</u>	<u>21,142,154</u>	<u>16,035,219</u>	<u>13,616,240</u>	<u>141,814,150</u>	<u>37,681,132</u>	<u>239,549,073</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 31,397,555</u>	<u>\$ 21,668,878</u>	<u>\$ 16,460,046</u>	<u>\$ 35,546,100</u>	<u>\$ 164,427,355</u>	<u>\$ 45,004,970</u>	<u>\$ 314,504,904</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2023:

Fund balances of governmental funds \$ 239,549,073

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 \$306,777,585 332,746,828

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	173,056
Other receivable, net of allowance	3,194,075
Note receivable	41,717,392
Net pension asset	<u>1,746,241</u>
	<u>46,830,764</u>

The net pension liability and the total OPEB liability and the pension and OPEB related deferred outflow and inflows are not due and payable from current financial resources and therefore, are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Net pension liability	(34,064,759)
Pension related deferred outflows	14,300,269
OPEB related deferred outflows	6,487,209
Pension related deferred inflows	(1,407,037)
Total OPEB liability	(23,433,048)
OPEB related deferred inflows	<u>(5,990,451)</u>
	<u>(44,107,817)</u>

Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of amount allocated to business-type activities. 8,663,927

Certain other long-term liabilities are not due and payable from current financial resources and not reported in the funds:

General obligation bonds payable	(53,190,000)
Bonds payable	(60,785,000)
Premium on debt	(705,966)
Accrued compensated absences	(6,444,488)
Accrued interest payable	<u>(1,049,819)</u>
	<u>(122,175,273)</u>

Net position of governmental activities \$ 461,507,502

See accompanying notes to the basic financial statements

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2023

	General Fund	Police Fund	Fire Fund	Economic Development Authority	Midwest City Hospital Authority	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 30,821,344	\$ 7,632,566	\$ 6,013,776	\$ -	\$ 790,446	\$ 18,357,998	\$ 63,616,130
Intergovernmental	5,224,396	940,403	4,527,995	-	-	525,554	11,218,348
Charges for services	687,370	236,843	24,245	4,306,088	-	1,151,551	6,406,097
Fines and forfeitures	1,123,482	58,831	-	-	-	68,290	1,250,603
Licenses and permits	643,976	1,800	7,025	-	-	135,665	788,466
Investment income	496,688	224,213	155,408	448,172	14,371,995	728,588	16,425,064
Miscellaneous	834,514	62,321	10,876	354,884	113,035	137,342	1,512,972
Total revenues	<u>39,831,770</u>	<u>9,156,977</u>	<u>10,739,325</u>	<u>5,109,144</u>	<u>15,275,476</u>	<u>21,104,988</u>	<u>101,217,680</u>
EXPENDITURES							
Current:							
General government	4,144,925	-	-	-	870,868	2,070,697	7,086,490
Public safety	1,303,502	16,579,648	17,689,260	-	-	651,875	36,224,285
Streets	4,011,599	-	-	-	-	1,015,053	5,026,652
Culture and recreation	1,144,553	-	-	-	-	526,858	1,671,411
Health and welfare	654,654	-	-	-	-	-	654,654
Economic development	3,409,214	-	-	344,056	-	223,198	3,976,468
Capital outlay	308,902	1,247,021	210,307	319,345	751,412	12,380,571	15,217,558
Debt service:							
Principal retirement	-	-	-	995,000	-	3,065,000	4,060,000
Interest and fiscal charges	-	-	61	1,976,428	-	2,276,863	4,253,352
Total expenditures	<u>14,977,349</u>	<u>17,826,669</u>	<u>17,899,628</u>	<u>3,634,829</u>	<u>1,622,280</u>	<u>22,210,115</u>	<u>78,170,870</u>
Excess (deficiency) of revenues over expenditures	<u>24,854,421</u>	<u>(8,669,692)</u>	<u>(7,160,303)</u>	<u>1,474,315</u>	<u>13,653,196</u>	<u>(1,105,127)</u>	<u>23,046,810</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	13,111,670	12,775,962	10,206,211	4,208,239	-	3,423,956	43,726,038
Transfers out	(38,680,805)	-	-	(990,000)	(962,142)	(8,184,400)	(48,817,347)
Total other financing sources and uses	<u>(25,569,135)</u>	<u>12,775,962</u>	<u>10,206,211</u>	<u>3,218,239</u>	<u>(962,142)</u>	<u>(4,760,444)</u>	<u>(5,091,309)</u>
Net change in fund balances	(714,714)	4,106,270	3,045,908	4,692,554	12,691,054	(5,865,571)	17,955,501
Fund balances - beginning	9,974,892	17,035,884	12,989,311	8,923,686	129,123,096	43,546,703	221,593,572
Fund balances - ending	<u>\$ 9,260,178</u>	<u>\$ 21,142,154</u>	<u>\$ 16,035,219</u>	<u>\$ 13,616,240</u>	<u>\$ 141,814,150</u>	<u>\$ 37,681,132</u>	<u>\$ 239,549,073</u>

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2023:

Net change in fund balances - total governmental funds: \$ 17,955,501

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	13,808,595
Capital asset donated	9,538,516
Gain (loss) on disposal of capital assets	(9,161)
Depreciation expense	(14,526,970)
	8,810,980

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	41,851
Amortization of premium	35,634
Bond payable principal payments	1,850,000
General obligation bond principal payments	2,210,000
	4,137,485

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	(154,099)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as an equal amount of expenditures in the governmental funds. These are the adjustments needed to expenditures in order to report them as their full-accrual counterparts at the government -wide level.

Other post employment benefits	(1,499,079)
Interest expense	(11,511)
Pension expense	870,497
Accrued compensated absences	(474,528)
	(1,114,621)

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

768,607

Change in net position of governmental activities \$ 30,403,853

See accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Proprietary Funds Statement of Net Position - June 30, 2023

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 36,008,554	\$ 1,035,593	\$ 37,044,147	\$ 11,065,251
Cash and cash equivalents, restricted	4,000,277	-	4,000,277	-
Investments	2,854,172	-	2,854,172	464,856
Accounts receivable, net	4,558,743	-	4,558,743	712,488
Other receivable	157,340	-	157,340	-
Accrued interest receivable	10,778	-	10,778	1,355
Inventory	334,340	-	334,340	85,343
Due from other funds	1,107,713	-	1,107,713	5,830
Total current assets	<u>49,031,917</u>	<u>1,035,593</u>	<u>50,067,510</u>	<u>12,335,123</u>
Non-current assets:				
Investments, restricted	111,768	-	111,768	-
Land, construction in progress, and water rights	10,594,886	404,890	10,999,776	-
Other capital assets, net	134,772,214	2,670,258	137,442,472	851,331
Total non-current assets	<u>145,478,868</u>	<u>3,075,148</u>	<u>148,554,016</u>	<u>851,331</u>
Total assets	<u>194,510,785</u>	<u>4,110,741</u>	<u>198,621,526</u>	<u>13,186,454</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on refunding	634,012	-	634,012	-
Deferred amount related to OPEB	3,190,805	-	3,190,805	580,369
	<u>3,824,817</u>	<u>-</u>	<u>3,824,817</u>	<u>580,369</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,262,936	-	1,262,936	338,085
Claims liability	-	-	-	959,099
Wages payable	297,921	-	297,921	66,404
Due to other funds	587,231	-	587,231	540,226
Accrued interest payable	300,889	-	300,889	-
Accrued compensated absences	507,504	-	507,504	126,624
Refundable deposits	171,401	-	171,401	-
Notes payable	4,533,044	-	4,533,044	-
Revenue bonds payable	725,000	-	725,000	-
Total current liabilities	<u>8,385,926</u>	<u>-</u>	<u>8,385,926</u>	<u>2,030,438</u>
Non-current liabilities:				
Accrued compensated absences	1,015,006	-	1,015,006	253,249
Claims liability	-	-	-	996,800
Total OPEB liability	7,677,906	-	7,677,906	1,500,359
Refundable deposits	1,411,546	-	1,411,546	-
Notes payable	6,361,652	-	6,361,652	-
Revenue bonds payable, net	28,727,055	-	28,727,055	-
Total non-current liabilities	<u>45,193,165</u>	<u>-</u>	<u>45,193,165</u>	<u>2,750,408</u>
Total liabilities	<u>53,579,091</u>	<u>-</u>	<u>53,579,091</u>	<u>4,780,846</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amount related to OPEB	2,627,688	-	2,627,688	609,590
Deferred amount on refunding	433,617	-	433,617	-
	<u>3,061,305</u>	<u>-</u>	<u>3,061,305</u>	<u>609,590</u>
NET POSITION				
Net investment in capital assets	105,796,798	3,075,148	108,871,946	851,331
Restricted for debt service	1,669,649	-	1,669,649	-
Restricted for other purposes	124,075	216,134	340,209	-
Unrestricted	34,104,684	819,459	34,924,143	7,525,056
Total net position	<u>\$ 141,695,206</u>	<u>\$ 4,110,741</u>	<u>\$ 145,805,947</u>	<u>\$ 8,376,387</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

(287,540)

Total net position per Government-Wide financial statements \$ 145,518,407

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2023

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 35,802,599	\$ -	\$ 35,802,599	\$ 12,675,951
Fees, licenses and permits	12,750	-	12,750	-
Miscellaneous	85,222	-	85,222	1,042,697
Total operating revenues	<u>35,900,571</u>	<u>-</u>	<u>35,900,571</u>	<u>13,718,648</u>
OPERATING EXPENSES				
Personal services	11,493,380	-	11,493,380	2,418,627
Materials and supplies	4,606,071	-	4,606,071	1,886,315
Other services and charges	9,652,283	588	9,652,871	625,235
Insurance claims and expense	-	-	-	7,863,186
Depreciation and amortization	5,812,474	62,412	5,874,886	66,793
Total operating expenses	<u>31,564,208</u>	<u>63,000</u>	<u>31,627,208</u>	<u>12,860,156</u>
Operating income (loss)	<u>4,336,363</u>	<u>(63,000)</u>	<u>4,273,363</u>	<u>858,492</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	905,952	18,756	924,708	173,388
Interest expense and fiscal charges	(1,034,087)	-	(1,034,087)	-
Gain (loss) on asset retirement	(173,982)	-	(173,982)	-
Other non-operating revenue	200,000	-	200,000	-
Total non-operating revenue (expenses)	<u>(102,117)</u>	<u>18,756</u>	<u>(83,361)</u>	<u>173,388</u>
Income (loss) before contributions and transfers	<u>4,234,246</u>	<u>(44,244)</u>	<u>4,190,002</u>	<u>1,031,880</u>
Capital contributions	33,679	-	33,679	-
Transfers in	17,908,623	-	17,908,623	-
Transfers out	<u>(12,812,314)</u>	<u>-</u>	<u>(12,812,314)</u>	<u>(5,000)</u>
Change in net position	9,364,234	(44,244)	9,319,990	1,026,880
Total net position - beginning, restated	132,330,972	4,154,985	136,485,957	7,349,507
Total net position - ending	<u>\$ 141,695,206</u>	<u>\$ 4,110,741</u>	<u>\$ 145,805,947</u>	<u>\$ 8,376,387</u>
Change in net position per above			\$ 9,319,990	
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			258,273	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements			<u>\$ 9,578,263</u>	

See accompanying notes to the basic financial statements.

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2023

	Midwest City Municipal Authority	Nonmajor Enterprise Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 35,806,792	\$ -	\$ 35,806,792	\$ -
Receipts from interfund services	-	-	-	13,584,852
Payments to suppliers	(14,499,895)	(588)	(14,500,483)	(2,427,441)
Payments to employees	(11,356,760)	-	(11,356,760)	(2,404,223)
Receipts (payments) from interfund loans	(16,484)	-	(16,484)	66,463
Receipt of customer deposits	422,972	-	422,972	-
Return of customer deposits	(431,990)	-	(431,990)	-
Claims and benefits paid	-	-	-	(8,033,211)
Net cash provided by (used in) operating activities	9,924,635	(588)	9,924,047	786,440
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	17,908,623	-	17,908,623	-
Transfers to other funds	(12,812,314)	-	(12,812,314)	(5,000)
Net cash provided by (used in) noncapital financing activities	5,096,309	-	5,096,309	(5,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(3,108,103)	-	(3,108,103)	(47,671)
Principal paid on capital debt	(5,212,240)	-	(5,212,240)	-
Proceeds from issuance of bonds	36,621	-	36,621	-
Interest and fiscal charges paid on capital debt	(1,290,231)	-	(1,290,231)	-
Proceeds from sale of capital assets	50,816	-	50,816	-
Net cash provided by (used in) capital and related financing activities	(9,523,137)	-	(9,523,137)	(47,671)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	1,559,157	141,264	1,700,421	885,963
Interest and dividends	915,384	18,757	934,141	175,077
Net cash provided by investing activities	2,474,541	160,021	2,634,562	1,061,040
Net increase in cash and cash equivalents	7,972,348	159,433	8,131,781	1,794,809
Balances - beginning of year	32,036,483	876,160	32,912,643	9,270,442
Balances - end of year	\$ 40,008,831	\$ 1,035,593	\$ 41,044,424	\$ 11,065,251
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 36,008,554	\$ 1,035,593	\$ 37,044,147	\$ 11,065,251
Restricted cash and cash equivalents	4,000,277	-	4,000,277	-
Total cash and cash equivalents	\$ 40,008,831	\$ 1,035,593	\$ 41,044,424	\$ 11,065,251
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 4,336,363	\$ (63,000)	\$ 4,273,363	\$ 858,492
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	5,812,474	62,412	5,874,886	66,793
Other nonoperating revenue	200,000	-	200,000	-
Change in assets, deferred outflows, liabilities, and deferred inflow:				
Receivables, net	(267,492)	-	(267,492)	(133,796)
Other receivable	(33,904)	-	(33,904)	-
Due from other funds	193,199	-	193,199	-
Prepaid items	-	-	-	-
Inventory	(57,581)	-	(57,581)	6,774
Deferred outflows OPEB	446,219	-	446,219	84,863
Accounts payable	(183,960)	-	(183,960)	50,771
Claims liability	-	-	-	(143,461)
Due to other funds	(209,683)	-	(209,683)	66,463
Accrued payroll and related liabilities	(311,590)	-	(311,590)	(73,303)
Refundable deposits	(1,401)	-	(1,401)	-
Total OPEB liability	(1,461,085)	-	(1,461,085)	(336,429)
Accrued compensated absences	52,770	-	52,770	20,565
Deferred inflows OPEB	1,410,306	-	1,410,306	318,708
Net cash provided by (used in) operating activities	\$ 9,924,635	\$ (588)	\$ 9,924,047	\$ 786,440
Noncash activities:				
Contributed capital assets - from governmental funds	\$ 33,679	\$ -	\$ 33,679	\$ -

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 the 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, 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.

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2023

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.
- 2018 GO Bond CIP – is a capital project fund funded with proceeds from general obligation bond issues to finance voter approved 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 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 payables are reported net of bond premium or discount. Deferred amount on refunding is amortized over the shorter of the life of the new debt or the remaining life of the refunded debt using the straight-line method. Deferred amounts are shown as deferred inflows or outflows.

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

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

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. Regular full-time civilian employees earn vacation leave per pay period in varying amounts from 80.08 hours per year to 204.10 hours per year based upon years of service. Upon separation from the city, a civilian employee is paid for accrued vacation up to a maximum of 216 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 1,100 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 7 for a total of 180 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 960hours for 8 hour workers at 1/2 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."

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.
- 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

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- 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, 2023, the City's net assessed valuation of taxable property was \$398,116,367. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2023 was \$9.99.

Property tax accrued on the lien date of January 1, 2023 and recorded as a deferred inflow of resources was \$4,025,013.

Expenditures and Expenses:

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

1.E. Internal and Interfund Balances and Activities

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

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

1.F. Use of Estimates

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

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2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
US agency securities	\$ -	\$ 10,222,864	\$ -	\$ 10,222,864
Real Estate	-	-	484,386	484,386
Mutual Fund - equities	36,050,640	-	-	36,050,640
	<u>\$ 36,050,640</u>	<u>\$ 10,222,864</u>	<u>\$ 484,386</u>	<u>\$ 46,757,890</u>

As of June 30, 2023, 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⁾	\$ 46,722,649	Daily	2 days
US fixed income debt funds ⁽²⁾	5,596,280	Daily	3 days
	<u>\$ 52,318,929</u>		

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

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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, 2023, 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	\$ 165,076,838	n/a	\$ 165,076,838	\$ -	\$ -	\$ -	\$ -
Time deposits	500,000	n/a	-	500,000	-	-	-
Government Money Market Accounts	29,079,423	AAAm	29,079,423	-	-	-	-
U.S. Agencies Obligations	10,222,864	Aaa	-	3,995,744	2,299,866	-	3,927,254
Sub-total	204,879,125		\$ 194,156,261	\$ 4,495,744	\$ 2,299,866	\$ -	\$ 3,927,254
Real Estate	484,386	n/a					
Mutual Funds - equities	82,773,288	n/a					
Fixed Income	5,596,280	n/a					
Sub-total	88,853,954						
Total Deposits and Investments	\$ 293,733,079						
Reconciliation to Financial Statements:							
Cash and cash equivalents	\$ 175,243,568						
Cash and cash equivalents, restricted	18,912,692						
Investments	98,596,776						
Investments, restricted	868,275						
Investments, restricted non-current	111,768						
	\$ 293,733,079						

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, 2023, 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, 2023, the investments held by the City mature between 2023 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).

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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 2023 Percent
Equities - Domestic	20%-70%	85%	72.0%
Fixed Income	2.5%-30%	80%	4.9%
Cash Equivalents	0%	20%	23.1%

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, 2023 are as follows:

Cash and Cash Equivalents:	
Restricted for Debt Service	\$ 6,328,618
Restricted Construction proceeds	11,130,387
Restricted for Refundable Deposits	1,453,687
	\$ 18,912,692
Investments:	
Restricted for Debt Service	\$ 868,275
Investments Restricted for Refundable Deposits	111,768
	\$ 980,043

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 \$2.4 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

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\$1,543,957. 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, 2023, the City received variable payments as required by lease agreements totaling \$117,076.

5. Opioid Settlement Receivable

In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states. Oklahoma’s Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

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

The City as a litigating party received \$104,863 as part of this settlement in fiscal year 2023. The city recorded them funds in the General Fund. As a litigating party the city recorded a receivable of \$1,091,725. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2023.

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

6. Capital Assets and Depreciation

Capital Assets:

For the year ended June 30, 2023, capital assets balances changed as follows:

	Balance at July 1, 2022	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2023
PRIMARY GOVERNMENT:				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 39,950,396	\$ 1,686,212	\$ -	\$ 41,636,608
Construction in progress	26,665,762	11,142,961	21,304,595	16,504,128
Total capital assets not being depreciated	<u>66,616,158</u>	<u>12,829,173</u>	<u>21,304,595</u>	<u>58,140,736</u>
Capital assets being depreciated:				
Buildings	33,437,802	5,494,195	9,655	38,922,342
Machinery and equipment	23,271,093	856,858	130,020	23,997,931
Vehicles	13,363,905	1,221,374	547,021	14,038,258
Infrastructure	482,323,645	24,289,827	-	506,613,472
Total other capital assets	<u>552,396,445</u>	<u>31,862,254</u>	<u>686,696</u>	<u>583,572,003</u>
Less accumulated depreciation for:				
Buildings	15,241,485	801,965	6,799	16,036,651
Machinery and equipment	18,032,139	941,286	130,017	18,843,408
Vehicles	7,146,323	794,500	540,819	7,400,004
Infrastructure	253,936,070	12,046,628	-	265,982,698
Total accumulated depreciation	<u>294,356,017</u>	<u>14,584,379</u>	<u>677,635</u>	<u>308,262,761</u>
Capital assets being depreciated, net	<u>258,040,428</u>	<u>17,277,875</u>	<u>9,061</u>	<u>275,309,242</u>
Governmental activities capital assets, net	<u>\$ 324,656,586</u>	<u>\$ 30,107,048</u>	<u>\$ 21,313,656</u>	<u>\$ 333,449,978</u>

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	Restated, Balance at July 1, 2022	Additions	Transfers, Retirements, and Disposals	Balance at June 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,617,276	\$ -	\$ -	\$ 2,617,276
Water rights	6,952,657	-	-	6,952,657
Construction in progress	9,492,905	836,139	8,899,201	1,429,843
Total capital assets not being depreciated	<u>19,062,838</u>	<u>836,139</u>	<u>8,899,201</u>	<u>10,999,776</u>
Capital assets being depreciated:				
Buildings	33,131,175	7,728,734	-	40,859,909
Machinery and equipment	15,967,596	731,215	273,976	16,424,835
Vehicles	11,084,479	1,851,675	786,261	12,149,893
Utility systems	189,921,065	901,071	15,358	190,806,778
Total other capital assets	<u>250,104,315</u>	<u>11,212,695</u>	<u>1,075,595</u>	<u>260,241,415</u>
Less accumulated depreciation for:				
Buildings	14,343,193	784,691	-	15,127,884
Machinery and equipment	11,610,665	590,898	204,474	11,997,089
Vehicles	7,024,138	608,447	646,297	6,986,288
Utility systems	84,639,293	3,900,234	26	88,539,501
Total accumulated depreciation	<u>117,617,289</u>	<u>5,884,270</u>	<u>850,797</u>	<u>122,650,762</u>
Capital assets being depreciated, net	<u>132,487,026</u>	<u>5,328,425</u>	<u>224,798</u>	<u>137,590,653</u>
Business-type activities capital assets, net	<u>\$ 151,549,864</u>	<u>\$ 6,164,564</u>	<u>\$ 9,123,999</u>	<u>\$ 148,590,429</u>

Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

General government	\$ 478,723
Public safety	1,353,116
Streets	11,563,858
Culture and recreation	528,136
Health and welfare	156,803
Economic development	446,334
Sub-total governmental funds depreciation	<u>14,526,970</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	57,409
Total	<u>\$ 14,584,379</u>

Business-Type Activities:

Water	\$ 1,258,164
Sewer	2,567,646
Sanitation	530,580
Drainage	280,540
Conference center/hotel	887,216
Golf	288,328
Industrial park	62,412
Total Business Type Activities	<u>5,874,886</u>

Depreciation on capital assets held by the City's internal service funds is charged to the various functions based upon usage	9,384
Total	<u>\$ 5,884,270</u>

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7. Internal and Interfund Balances and Transfers

Internal and Interfund Balances:

Interfund receivables and payables at June 30, 2023, 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	\$ 134,703	Surplus properties sales proceeds to be distributed
Police Fund	General Fund	5,720,702	Restricted sales tax payable
Police Fund	Surplus Property	117,173	Surplus properties sales proceeds to be distributed
Juvenile Fund	Surplus Property	780	Surplus properties sales proceeds to be distributed
Fire Fund	General Fund	4,625,391	Restricted sales tax payable
Fire Fund	Surplus Property	26,668	Surplus properties sales proceeds to be distributed
Welcome Center	Surplus Property	805	Surplus properties sales proceeds to be distributed
Welcome Center	Golf	143,615	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
Emergency Operating Fund	General Fund	5,000	Revenue accrued to be transferred
Park & Recreation	Golf	143,616	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	Sales Tax Capital Improvement	76,420	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	149,820	Surplus properties sales proceeds to be distributed
Water Fund	Surplus Property	38,110	Surplus properties sales proceeds to be distributed
Sewer	Surplus Property	31,487	Surplus properties sales proceeds to be distributed
Hotel	Surplus Property	18,651	Surplus properties sales proceeds to be distributed
Golf	Surplus Property	8,711	Surplus properties sales proceeds to be distributed
Debt Service	Sales Tax Capital Improvement	860,880	Revenue accrued to be transferred
		<u>\$ 12,415,850</u>	

<u>Reconciliation to Fund Financial Statements:</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Net Internal Balances</u>
Governmental Funds	\$ 11,302,307	\$ 11,288,393	\$ 13,914
Proprietary Funds	1,107,713	587,231	520,482
Internal Service Funds	5,830	540,226	(534,396)
Total	<u>\$ 12,415,850</u>	<u>\$ 12,415,850</u>	<u>\$ -</u>

<u>Reconciliation to Statement of Net Position:</u>	<u>Amount</u>
Net Internal Balances	\$ 520,485
Internal Service Fund Activity reported in Business-Type Activities	(632,618)
Net Internal Balances	<u>\$ (112,133)</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, 2023 were as follows:

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Transfer In	Transfer Out	Amount	Nature of Transfer
General Fund	Storm Water Quality Fund	\$ 41,907	Indirect Cost Allocation
General Fund	Sanitation Fund	763,936	Indirect Cost Allocation
General Fund	Water Fund	748,459	Indirect Cost Allocation
General Fund	Sewer Fund	772,099	Indirect Cost Allocation
General Fund	Capital Improvement Revenue Bond Fund	10,431,471	Debt Service Subsidy
General Fund	Hospital Authority	344,143	Operating Subsidy
General Gov Sales Tax	General Fund	72,273	Operating Subsidy
General Gov Sales Tax	Capital Outlay Reserve	737,355	Fund closure
Municipal Authority	Conference Center/Hotel	24,867	Contract Cost Allocation
Street and Alley Fund	Water Fund	29,575	Capital Outlay Subsidy
Police Fund	General Fund	12,720,039	Ordinance Obligation
Police Fund	Police Special Projects	44,045	Operating Subsidy
Police Fund	General Fund	11,878	Operating Subsidy
General Fund	Public Works Admin	5,000	Operating Subsidy
Fire Fund	General Fund	10,186,892	Ordinance Obligation
Fire Fund	General Fund	19,319	Capital Outlay Subsidy
Emergency Management Fund	General Fund	30,694	Grant Subsidy
Park and Recreation Fund	General Fund	1,000,000	Grant Subsidy
General Fund	Police Impound Fee	4,655	Grant Subsidy
Economic Development	General Fund	4,208,239	Grant Subsidy
Sooner Rose TIF	Hospital Authority	617,999	Operating Subsidy
2018 Election GO Bonds	Debt Service	64,839	Capital Outlay Subsidy
Municipal Authority	Economic Development	990,000	Capital Outlay Subsidy
Capital Improvement Fund	Revenue Bond Sinking Fund	846,354	Debt Service Subsidy
Municipal Authority	General Fund	10,431,471	Debt Service Subsidy
Capital Improvement Revenue Bond Fund	Revenue Bond Sinking Fund	6,487,152	Capital Outlay Subsidy
		<u>\$ 61,634,661</u>	

Reconciliation to Fund Financial Statements:

	Transfers From Other Funds	Transfers To Other Funds	Net Transfers
Governmental Funds	\$ 43,726,038	\$ (48,817,347)	\$ (5,091,309)
Proprietary Funds	17,908,623	(12,812,314)	5,096,309
Internal Service Funds	-	(5,000)	(5,000)
Total	<u>\$ 61,634,661</u>	<u>\$ (61,634,661)</u>	<u>\$ -</u>

Reconciliation to Statement of Activities:

Net Transfers	\$ 5,091,309
Capital Contributions to Enterprise Fund	33,679
Transfers - Internal Activity	<u>\$ 5,124,988</u>

8. 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, 2023, 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, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 55,400,000	\$ -	\$ 2,210,000	\$ 53,190,000	\$ 2,590,000
General Obligation Bonds premium	741,600	-	35,634	705,966	-
Revenue Bonds Payable	62,635,000	-	1,850,000	60,785,000	1,910,000
Accrued Compensated Absences	6,146,608	3,962,551	3,494,288	6,614,871	2,183,475
Refundable Deposits	89,786	400,205	373,257	116,734	116,734
Total Governmental Activities	<u>\$ 125,012,994</u>	<u>\$ 4,362,756</u>	<u>\$ 7,963,179</u>	<u>121,412,571</u>	<u>6,800,209</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				24,268,120	-
Net Pension Liability				34,064,759	-
				<u>\$ 179,745,450</u>	<u>\$ 6,800,209</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 29,210,000	\$ -	\$ 710,000	\$ 28,500,000	\$ 725,000
Revenue Bonds Premium	990,137	-	38,082	952,055	-
Notes Payable	15,360,315	36,621	4,502,240	10,894,696	4,533,044
Refundable Deposits	1,584,348	437,535	438,936	1,582,947	171,401
Accrued Compensated Absences	1,652,400	1,054,850	975,250	1,732,000	577,334
Total Business-Type Activities	<u>\$ 48,797,200</u>	<u>\$ 1,529,006</u>	<u>\$ 6,664,508</u>	<u>\$ 43,661,698</u>	<u>\$ 6,006,779</u>
Reconciliation to Statement of Net Position:					
Plus: Total OPEB Liability				8,343,193	-
				<u>\$ 52,004,891</u>	<u>\$ 6,006,779</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. \$ 17,535,000

\$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. 15,225,000

\$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. 6,050,000

\$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. 8,680,000

\$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 \$ 53,190,000

Current	\$ 2,590,000
Non-current	<u>50,600,000</u>
Total	<u>\$ 53,190,000</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. \$ 44,555,000

\$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. \$ 16,230,000

Total Revenue Bonds, Net \$ 60,785,000

Current	\$ 1,910,000
Non-current	<u>58,875,000</u>
Total	<u>\$ 60,785,000</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%.

\$ 28,500,000

	Total Revenue Bonds	\$ 28,500,000
	Unamortized Revenue Bond Premium	952,055
	Total Revenue Bonds, Net	<u>\$ 29,452,055</u>

	Current	\$ 725,000
	Non-current	28,727,055
	Total	<u>\$ 29,452,055</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%.

\$ 8,795,000

\$2,280,047 note payable with the Central Oklahoma Master Conservancy District is the City of Midwest City's estimated share of the cost of a new water facility. The project is a joint project with cities of Norman, Del City and Midwest City. The contract provides the City with a share of the District's water supply (40.45). The construction project is anticipated to be completed in FY20-21. Final debt payments schedule is available once the project is complete. The agreement is dated July 9, 2019

1,913,604

\$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%.

149,471

\$36,621 Golf cart loan, due in annual installments of \$12,321 starting March 28, 2023 through February 28, 2027; interest rate 5.52%.

36,621

Total Notes Payable \$ 10,894,696

	Current	\$ 4,533,044
	Non-current	6,361,652
	Total	<u>\$ 10,894,696</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
2024	\$ 1,910,000	\$ 2,673,122	\$ 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	2,215,000	2,370,768	2,590,000	1,173,285
2029-2033	12,555,000	10,359,393	12,950,000	4,845,113
2034-2038	13,690,000	7,319,150	12,950,000	3,129,565
2039-2043	10,105,000	4,728,750	11,050,000	1,438,110
2044-2048	14,145,000	2,190,200	3,290,000	127,550
	<u>\$ 60,785,000</u>	<u>\$ 37,232,116</u>	<u>\$ 53,190,000</u>	<u>\$ 16,087,638</u>

Business-Type Activities				
Year Ending June 30,	Revenue Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2024	\$ 725,000	\$ 1,067,525	\$ 4,533,044	\$ 122,688
2025	740,000	1,053,025	4,624,575	73,998
2026	760,000	1,030,825	204,739	31,027
2027	785,000	1,008,025	153,376	25,717
2028	815,000	976,625	149,813	21,828
2029-2033	4,590,000	4,367,125	797,859	71,190
2034-2038	5,540,000	3,423,150	431,290	10,585
2039-2043	6,565,000	2,394,250	-	-
2044-2047	7,980,000	982,600	-	-
Total	<u>\$ 28,500,000</u>	<u>\$ 16,303,150</u>	<u>\$ 10,894,696</u>	<u>\$ 357,033</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 \$44,803,150. Pledged sales taxes transferred in the current year were \$16,918,623. Debt service payments on 2019 Revenue Bonds of \$1,791,725 for the current fiscal year were 10.59% of pledged sales tax. Other sources of revenue such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged was \$24,502,158.

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 \$8,922,832. Pledged sales taxes transferred in the current year was \$16,918,623. Debt service payments on the bonds were \$4,459,606 for the current fiscal year or 26.36% 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 \$24,502,158.

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9. 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	\$ 133,454,667
Technology Fund	Enabling legislation	727,719
Police Impound Fund	Enabling legislation	103,551
Urban Renewal Authority	Enabling legislation	3,804
Street Lighting Fund	Enabling legislation	1,152,644
2018 GO Bond	Enabling legislation	443,229
Pension asset	Enabling legislation	1,366,541
Economic Development Authority	Enabling legislation	13,616,240
		<u>150,868,395</u>
Street and Alley Fund	Statutory requirements	1,805,906
Juvenile Fund	Statutory requirements	99,899
Police Special Projects	Statutory requirements	190,436
Police Lab Fee	Statutory requirements	18,530
		<u>2,114,771</u>
General Fund	External contracts	3,348,493
Police Fund	External contracts	21,142,154
Fire Fund	External contracts	16,035,219
Park and Recreation Fund	External contracts	2,519,980
Emergency Operation Fund	External contracts	1,431,568
Welcome Center	External contracts	499,366
Convention and Visitors Bureau	External contracts	617,244
GO Debt Service Fund	External contracts	2,079,821
2002 GO Street Bond	External contracts	162,733
2022 GO Bond Fund	External contracts	208,385
Downtown Redevelopment	External contracts	469,538
Dedicated Tax Fund	External contracts	2,404,945
Capital Improvement Fund	External contracts	3,493,768
General Government Sales Tax Fund	External contracts	7,505,385
Sooner Rose TIF	External contracts	1,167,011
		<u>63,085,610</u>
Total Restricted Net Position		<u>\$ 216,068,776</u>
Restricted (by purpose) for:		
Debt service		\$ 2,079,821
Hospital		133,454,667
Capital improvements		9,716,223
Public Safety		39,200,455
Street operations		1,152,644
Culture and recreation		3,666,746
Economic Development		16,260,698
Other		10,537,522
		<u>\$ 216,068,776</u>

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

	General Fund	Major Special Revenue Funds				Other Governmental Fund	Total
		Police Fund	Fire Fund	Hospital Authority	Economic Development Authority		
Fund Balance:							
Nonspendable:							
Inventory	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Deposits held by others	24,506	-	-	3,459,804	-	5,300	3,489,610
Prepaid expenses	224	-	-	-	-	-	224
	<u>84,730</u>	<u>-</u>	<u>-</u>	<u>3,459,804</u>	<u>-</u>	<u>5,300</u>	<u>3,549,834</u>
Restricted:							
Public safety	179,098	21,142,154	16,035,219	-	-	1,843,984	39,200,455
Hospital	-	-	-	133,454,667	-	-	133,454,667
General obligation debt service	-	-	-	-	-	2,993,932	2,993,932
Capital improvements	-	-	-	-	-	16,712,188	16,712,188
Street improvements	-	-	-	-	-	1,805,906	1,805,906
Street operations	-	-	-	-	-	1,152,644	1,152,644
Technology improvements	-	-	-	-	-	727,719	727,719
Culture and rec programs	647,400	-	-	-	-	3,019,346	3,666,746
Economic development	856,399	-	-	-	13,616,240	1,788,059	16,260,698
Public works	317,925	-	-	-	-	-	317,925
Health and welfare programs	48,175	-	-	-	-	-	48,175
General government	512,661	-	-	-	-	7,505,385	8,018,046
Sub-total restricted	<u>2,561,658</u>	<u>21,142,154</u>	<u>16,035,219</u>	<u>133,454,667</u>	<u>13,616,240</u>	<u>37,549,163</u>	<u>224,359,101</u>
Committed to:							
Economic development	-	-	-	1,424,055	-	-	1,424,055
Assigned to:							
Culture and rec programs	67,235	-	-	-	-	-	67,235
Health and welfare programs	26,250	-	-	-	-	-	26,250
Economic development	-	-	-	-	-	126,670	126,670
General government	112,582	-	-	3,475,624	-	-	3,588,206
Appropriation for use in FY 23-24 budget	2,740,022	-	-	-	-	-	2,740,022
General government - encumbrances	43,030	-	-	-	-	-	43,030
Public safety - encumbrances	2,713	-	-	-	-	-	2,713
Public works - encumbrances	47,662	-	-	-	-	-	47,662
Culture and rec - encumbrances	363	-	-	-	-	-	363
Economic development - encumbrances	21,938	-	-	-	-	-	21,938
Health and welfare - encumbrances	2,627	-	-	-	-	-	2,627
Sub-total assigned	<u>3,064,422</u>	<u>-</u>	<u>-</u>	<u>3,475,624</u>	<u>-</u>	<u>126,670</u>	<u>6,666,716</u>
Unassigned (deficit):	3,549,368	-	-	-	-	(1)	3,549,367
TOTAL FUND BALANCE	<u>\$ 9,260,178</u>	<u>\$ 21,142,154</u>	<u>\$ 16,035,219</u>	<u>\$ 141,814,150</u>	<u>\$ 13,616,240</u>	<u>\$ 37,681,132</u>	<u>\$ 239,549,073</u>

The City restated beginning net positions of the proprietary funds and business type activities, as follows:

	Business Type Activities	Major Enterprise Fund
Beginning net position, as previously reported	\$ 138,726,811	\$ 135,117,639
Reclassification of CIP items to expense	(2,786,667)	(2,786,667)
Beginning net position, restated	<u>\$ 135,940,144</u>	<u>\$ 132,330,972</u>

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The following is a breakdown of encumbrances at June 30, 2023:

Fund	Balance
Major Funds:	
General Fund	\$ 423,941
Police Fund	774,059
Fire Fund	37,024
Economic Development Authority	179,450
Hospital Authority	872,764
	<u>\$ 2,287,238</u>
Non Major Fund:	
General Govt Sales Tax	\$ 115,890
Street and Alley Fund	190,244
Technology Fund	12,968
Street Lighting	4,920
Police Federal Projects	350
Police Lab Fund	141
Convention and Visitor Bureau	51,783
Street Tax Fund	31,337
Emergency Operations Fund	14,987
Park and Recreation Fund	1,286,254
Grant Fund	391,282
Capital Improvement Fund	192,185
Downtown Redevelopment Fund	100,000
2002 GO Street Bond Fund	92,039
2018 GO Bond CIP Proprietary	27,829
2018 GO Bond CIP	1,734,527
2022 GO Bond	465,353
	<u>\$ 4,712,089</u>

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

10. Risk Management

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

- General Liability – Covered through the Oklahoma Municipal Assurances Group with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$2,000,000.

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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 carries stop-loss insurance for individual claims in excess of \$450,000 for non-uniformed employees and \$750,000 for police and fire 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, 2021, to June 30, 2023, are as follows:

	<u>Workers Comp</u>	<u>Health Care</u>	<u>Total</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	1,712,000	387,360	2,099,360
Claims and changes in estimates	1,174,461	6,865,581	8,040,042
Claims payments	<u>(1,414,361)</u>	<u>(6,769,142)</u>	<u>(8,183,503)</u>
Claims liability, June 30, 2023	<u>\$ 1,472,100</u>	<u>\$ 483,799</u>	<u>\$ 1,955,899</u>

11. 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	\$ 1,746,241
Net Pension Liability	
Firefighter’s Pension System	\$ 34,064,759
Total Net Pension Liability	\$ 34,064,759
Deferred Outflows of Resources	
Police Pension System	\$ 3,722,512
Firefighter’s Pension System	10,577,757
Total Deferred Outflows of Resources	\$ 14,300,269
Deferred Inflows of Resources	
Police Pension System	\$ 379,700
Firefighter’s Pension System	1,027,337
Total Deferred Inflows of Resources	\$ 1,407,037

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 \$1,055,075. The State of Oklahoma also made on behalf contributions to OPPRS in the amount of \$925,624 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 \$876,720. 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, 2023, the City reported an asset of \$1,746,241 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2022. 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, 2022. Based upon this information, the City's

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proportion was 2.175% at June 30, 2022, which was an increase of .49 compared to its proportion at June 2021.

For the year ended June 30, 2023, the City recognized pension expense of 378,565. At June 30, 2023, 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	\$ 856,552	\$ 190,211
Changes of assumptions	60,796	-
Net difference between projected and actual earnings on pension plan investments	1,703,976	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,340	157,918
City Contributions during measurement period	44,773	31,571
City contributions subsequent to the measurement date	1,055,075	-
Total	\$ 3,722,512	\$ 379,700

The \$1,055,075 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, 2024. 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:		
2024	\$	517,193
2025		113,698
2026		(493,228)
2027		2,065,962
2028		84,112
	\$	2,287,737

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013 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, 2022, 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	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private equity/debt	9.66%
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)	\$ 5,059,377	\$ (1,746,241)	\$ (7,498,652)

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' annual pay. Contributions to the pension plan from the City were \$1,413,843. The State of Oklahoma

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also made on-behalf contributions to FPRS in the amount of \$4,527,995 that is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$2,668,480. 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, 2023, the City reported a liability of \$34,064,759 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022. Based upon this information, the City's proportion was 2.605%, at June 30, 2023, which was an decrease of .06% compared to its proportion at June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$4,756,056. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,372,998	\$ 171,968
Changes of assumptions	-	217,194
Net difference between projected and actual earnings on pension plan investments	3,958,691	-
Changes in proportion and differences between City contributions and proportionate share of contributions	774,119	524,979
City contributions during the measurement period	58,106	113,196
City contributions subsequent to the measurement date	1,413,843	-
Total	\$ 10,577,757	\$ 1,027,337

The \$1,413,843 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, 2024. Other deferred outflows of resources related to pensions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of the measurement period. The net deferred outflows of resources related to the difference between expected and actual investment earnings and is being amortized over a closed 5-year period as of the beginning of each measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2024	\$	2,259,689
2025		1,887,891
2026		456,309
2027		3,532,688
	\$	8,136,577

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022, valuation was 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, 2022, 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%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the 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	\$ 43,895,069	\$ 34,064,759	\$ 25,842,184

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, 2023, the City contributed \$2,678,204 to the plan, while the employee contributions totaled \$34,730.

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.

12. Postemployment Healthcare Plan

Plan Description. The City offers post-employment benefit (OPEB) options Medical, Rx, and Dental insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates as a substantive single employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the City of Midwest City Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest

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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, 2023, was \$1,059,863.

Employees Covered by Benefit Terms

Active Employees	448
Inactive not yet receiving benefits	161
Inactive or beneficiaries receiving benefits	<u>108</u>
Total	<u>717</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, 2022.

Actuarial Assumptions- The total OPEB liability in the June 30, 2022, valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 4.09% 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	<u>\$ 38,180,867</u>
Changes for the Year:	
Service cost	1,643,692
Interest expense	860,247
Differences between expected and actual experience	1,577,004
Change in assumptions	(8,590,634)
Benefits paid	<u>(1,059,863)</u>
Net Changes	<u>(5,569,554)</u>
Balances End of Year	<u><u>\$ 32,611,313</u></u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the City recognized OPEB expense of \$3,042,605. At June 30, 2023, 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	\$ 2,363,336	\$ 17,825
Changes of assumptions	4,752,505	7,148,624
Change in proportion and contributions during the measurement period	2,061,600	2,061,280
City Contributions (benefit payments) subsequent to the measurement date	1,080,942	-
Total	<u>\$ 10,258,383</u>	<u>\$ 9,227,729</u>

The \$1,080,942 subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. 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:	
2024	\$ 764,886
2025	718,937
2026	213,139
2027	(864,521)
2028	<u>(882,729)</u>
	<u><u>\$ (50,288)</u></u>

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total net OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09 percent) or 1-percentage-point higher (5.09 percent) than the current discount rate:

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	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Employers' total OPEB liability	\$ 37,619,583	\$ 32,611,313	\$ 28,539,660

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 (4.96 percent decreasing to 3.87 percent) or 1-percentage-point higher (6.96 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	1% Decrease (4.96 % decreasing to 3.87%)	Current Discount Rate (5.94 % decreasing to 4.87%)	1% Increase (6.96% decreasing to 5.87%)
Employers' total OPEB liability	\$ 28,438,681	\$ 32,611,313	\$ 37,811,535

13. 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 accrual 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, 2023, 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, 2023.

Multi-Athletic Center Phase II	\$ 1,364,799
Mid America Park Expansion	350,000
Timber Ridge TWR - engineering	615,700
ARPA Horizontal Water Well Rehab	2,740,000
Horizontal Water Well Rehab	250,000
Soccer Facility Renovation	754,126
Mid-America Park Phae II	350,000
Police and Fire Training Facility Phase IV	1,005,758
MAC Sewer Line	751,185
	<u>\$ 8,181,568</u>

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2023

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 164,975	\$ 3,228,089	\$ 13,459,083	\$ 10,230,994
Resources (Inflows):				
Taxes	27,008,054	27,008,054	30,514,997	3,506,943
Charges for services	217,635	217,635	206,568	(11,067)
Fines and forfeitures	1,215,362	1,215,362	1,133,225	(82,137)
Licenses and permits	560,353	560,353	641,996	81,643
Investment income	73,657	73,657	293,719	220,062
Intergovernmental	547,508	547,508	488,239	(59,269)
Miscellaneous	281,251	281,251	267,721	(13,530)
Total Resources (Inflows)	<u>29,903,820</u>	<u>29,903,820</u>	<u>33,546,465</u>	<u>3,642,645</u>
Amounts available for appropriation	<u>30,068,795</u>	<u>33,131,909</u>	<u>47,005,548</u>	<u>13,873,639</u>
Charges to Appropriations (Outflows):				
City Clerk	126,621	132,914	124,476	8,438
Human Resources	539,236	569,907	524,536	45,371
City Attorney	68,579	71,624	61,305	10,319
Community Development	742,437	834,383	732,885	101,498
Park & Rec	323,935	351,840	325,934	25,906
Finance	759,351	810,710	760,097	50,613
Streets	3,241,403	3,255,376	2,784,343	471,033
Animal Welfare	693,238	686,887	622,614	64,273
Municipal Court	530,651	553,650	529,381	24,269
Neighborhood Services	1,475,342	1,540,037	1,368,913	171,124
Information Technology	956,911	1,029,304	829,599	199,705
Emergency Response	1,154,160	1,223,890	1,206,592	17,298
Swimming Pool	340,745	428,446	428,446	-
Communications	317,346	383,355	249,593	133,762
Eng & Const Services	1,473,848	1,530,071	1,325,737	204,334
Senior Center	237,628	251,695	244,061	7,634
Total Charges to Appropriations	<u>12,981,431</u>	<u>13,654,089</u>	<u>12,118,512</u>	<u>1,535,577</u>
Other financing sources (uses)				
Transfers from other funds	11,591,036	12,760,185	12,760,183	(2)
Transfers to other funds	(28,678,400)	(32,238,005)	(32,039,818)	198,187
Total other financing sources (uses)	<u>(17,087,364)</u>	<u>(19,477,820)</u>	<u>(19,279,635)</u>	<u>198,185</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,607,401</u>	<u>\$ 15,607,401</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:	\$ 938,983	\$ 1,425,156	\$ 9,915,327	\$ 8,490,171
Resources (Inflows):				
Taxes	6,664,812	6,664,814	7,572,580	907,766
Intergovernmental	8,869	8,869	14,779	5,910
Charges for services	250,973	250,974	236,844	(14,130)
License and permits	-	1,829	1,800	(29)
Investment income	59,216	59,216	262,482	203,266
Fines and forfeitures	64,341	64,341	59,722	(4,619)
Miscellaneous	16,215	14,385	49,132	34,747
Total Resources (Inflows)	<u>7,064,426</u>	<u>7,064,428</u>	<u>8,197,339</u>	<u>1,132,911</u>
Amounts available for appropriation	<u>8,003,409</u>	<u>8,489,584</u>	<u>18,112,666</u>	<u>9,623,082</u>
Charges to Appropriations (Outflows):				
Public Safety	17,234,656	19,092,849	17,415,988	1,676,861
Total Charges to Appropriations	<u>17,234,656</u>	<u>19,092,849</u>	<u>17,415,988</u>	<u>1,676,861</u>
Other financing sources (uses)				
Transfers from other funds	10,639,459	12,011,477	11,895,990	(115,487)
Transfers to other funds	(1,408,212)	(1,408,212)	(1,408,212)	-
Total other financing sources (uses)	<u>9,231,247</u>	<u>10,603,265</u>	<u>10,487,778</u>	<u>(115,487)</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,184,456</u>	<u>\$ 11,184,456</u>

FIRE FUND				
	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 8,492,262	\$ 8,492,262
Resources (Inflows):				
Taxes	5,250,827	5,250,829	5,966,513	715,684
Charges for services	6,220	6,220	24,245	18,025
Investment income	42,945	42,944	199,076	156,132
Licenses and permits	11,231	11,231	7,025	(4,206)
Miscellaneous	6,293	6,293	9,375	3,082
Total Resources (Inflows)	<u>5,317,516</u>	<u>5,317,517</u>	<u>6,206,234</u>	<u>888,717</u>
Amounts available for appropriation	<u>5,317,516</u>	<u>5,317,517</u>	<u>14,698,496</u>	<u>9,380,979</u>
Charges to Appropriations (Outflows):				
Public Safety	13,357,630	14,579,420	13,715,853	863,567
Total Charges to Appropriations	<u>13,357,630</u>	<u>14,579,420</u>	<u>13,715,853</u>	<u>863,567</u>
Other financing sources (uses)				
Transfers from other funds	8,566,942	9,635,629	9,529,219	(106,410)
Transfers to other funds	(230,000)	(230,000)	(230,000)	-
Total other financing sources (uses)	<u>8,336,942</u>	<u>9,405,629</u>	<u>9,299,219</u>	<u>(106,410)</u>
Ending Budgetary Fund Balance	<u>\$ 296,828</u>	<u>\$ 143,726</u>	<u>\$ 10,281,862</u>	<u>\$ 10,138,136</u>

CITY OF MIDWEST CITY, OKLAHOMA
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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>June 30, 2022</u>	<u>Net Change in</u> <u>Fund Balance</u>	<u>Fund Balance</u> <u>June 30, 2023</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 9,974,892	\$ (714,714)	\$ 9,260,178
Increases (Decreases):			
Revenues:			
Receivable	(5,329,784)	(262,825)	(5,592,609)
Change in fair value of investments	(847)	(3,937)	(4,784)
Other misc items	3,286,306	664,808	3,951,114
Expenditures:			
Payables	9,728,283	1,225,293	10,953,576
Encumbrances	(255,685)	137,352	(118,333)
Impact of combining accounts:			
Reimbursed Projects Account	(1,373,560)	(573,994)	(1,947,554)
Employee Activity Account	(16,725)	271	(16,454)
Activity Account	(414,300)	(88,349)	(502,649)
Animals Best Friend Account	(80,057)	7,881	(72,176)
Grants Account	1,057,334	(1,291,775)	(234,441)
Disaster Relief Account	(3,116,774)	3,048,307	(68,467)
Fund Balance - Budgetary Basis	<u>\$ 13,459,083</u>	<u>\$ 2,148,318</u>	<u>\$ 15,607,401</u>

CITY OF MIDWEST CITY, OKLAHOMA
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POLICE FUND	<u>Fund Balance June 30, 2022</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2023</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 17,035,884	\$ 4,106,270	\$ 21,142,154
Increases (Decreases):			
Revenues:			
Receivable	(5,992,274)	65,733	(5,926,541)
Change in fair value of investments	(681)	(3,351)	(4,032)
Other misc items	(2,143,423)	(2,345,007)	(4,488,430)
Expenditures:			
Payables	1,015,821	(554,516)	461,305
Fund Balance - Budgetary Basis	<u>\$ 9,915,327</u>	<u>\$ 1,269,129</u>	<u>\$ 11,184,456</u>
FIRE FUND	<u>Fund Balance June 30, 2022</u>	<u>Net Change in Fund Balance</u>	<u>Fund Balance June 30, 2023</u>
Budget to GAAP Reconciliation:			
Fund Balance - GAAP Basis	\$ 12,989,311	\$ 3,045,908	\$ 16,035,219
Increases (Decreases):			
Revenues:			
Receivable	(4,719,672)	55,748	(4,663,924)
Change in fair value of investments	(461)	(2,944)	(3,405)
Other misc items	(545,965)	(964,890)	(1,510,855)
Expenditures:			
Payables	769,049	(344,222)	424,827
Fund Balance - Budgetary Basis	<u>\$ 8,492,262</u>	<u>\$ 1,789,600</u>	<u>\$ 10,281,862</u>

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2023

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>	<u>2023</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	June 30, 2022
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%	2.1750%
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)	\$ (1,746,241)
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	\$ 7,517,766
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%	-23.23%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

Notes to Schedule:

Only nine 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>	<u>2023</u>
Statutorily required contribution	\$ 854,309	\$ 873,711	\$ 786,165	\$ 813,621	\$ 868,833	\$ 906,268	\$ 914,700	\$ 977,309	\$ 1,055,078
Contributions in relation to the statutorily required contribution	1,021,780	873,705	786,167	813,621	869,006	906,468	914,700	977,309	1,055,075
Contribution deficiency (excess)	\$ (167,471)	\$ 6	\$ (2)	\$ -	\$ (173)	\$ (200)	\$ -	\$ -	\$ 3
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	\$ 8,115,983
Contributions as a percentage of covered payroll	15.55%	13.00%	13.00%	13.06%	13.00%	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 nine fiscal years are presented because 10-year data is not yet available.

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

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

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023**

**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>	<u>2023</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	June 30, 2022
City's proportion of the net pension liability	2.392%	2.613%	2.627%	2.554%	2.506%	2.534%	2.566%	2.664%	2.605%
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	\$ 34,064,759
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	\$ 9,146,500
City's proportionate share of the net pension liability as a percentage of its covered payroll	365%	388%	464%	443%	378%	342%	384%	203%	372%
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%	69.49%

Notes to Schedule:

Only nine 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>	<u>2023</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	\$ 1,413,775
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	1,413,843
Contribution deficiency (excess)	<u>\$ (63,157)</u>	<u>\$ (50)</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ (151)</u>	<u>\$ 145,258</u>	<u>\$ (62)</u>	<u>\$ (57)</u>	<u>\$ (68)</u>
City's covered payroll	\$ 7,151,904	\$ 6,922,999	\$ 7,259,523	\$ 7,458,084	\$ 7,834,624	\$ 8,235,629	\$ 8,654,685	\$ 9,146,500	\$ 10,098,396
Contributions as a percentage of covered payroll	14.88%	14.00%	14.00%	15.61%	14.00%	12.24%	14.00%	14.00%	14.00%

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

Notes to Schedule:

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

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

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

CITY OF MIDWEST CITY, OKLAHOMA
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For the Year Ended June 30, 2023

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>	<u>2023</u>
Total OPEB Liability						
Service cost	\$ 948,825	\$ 929,222	\$ 861,255	\$ 969,237	\$ 1,490,700	\$ 1,643,692
Interest	671,955	390,053	919,357	950,931	791,977	860,247
Differences between expected and actual experience	-	(145,135)	373,421	669,018	951,201	1,577,004
Changes in assumptions	(2,572,581)	(475,835)	2,032,800	6,416,318	1,563,410	(8,590,634)
Experience Gain/(Loss)	(862,742)	(869,660)	(881,386)	(860,385)	(961,763)	(1,059,863)
Net increase (decrease) in total OPEB liability	(1,814,543)	(171,355)	3,305,447	8,145,119	3,835,525	(5,569,554)
Balances at Beginning of Year	24,880,674	23,066,131	22,894,776	26,200,223	34,345,342	38,180,867
Balances End of Year	\$ 23,066,131	\$ 22,894,776	\$ 26,200,223	\$ 34,345,342	\$ 38,180,867	\$ 32,611,313
Covered payroll	\$ 27,950,000	\$ 28,460,000	\$ 28,560,000	\$ 30,140,000	\$ 31,276,000	\$ 32,267,000
Total OPEB liability as a percentage of covered payroll	82.53%	80.45%	91.74%	113.95%	122.08%	101.07%

Notes to Schedule:

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

OTHER SUPPLEMENTARY INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts – June 30, 2023

	General Fund Accounts							Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Grant Account	Disaster Relief Account	
ASSETS								
Cash and cash equivalents	\$ 11,976,368	\$ 1,697,792	\$ 18,726	\$ 481,111	\$ 75,232	\$ 153,287	\$ 6,430,284	\$ 20,832,800
Investments	1,224,188	130,536	-	-	-	-	551,779	1,906,503
Accounts receivable	1,584,127	374,583	-	-	20,663	30,533	184,052	2,193,958
Accrued interest receivable	5,025	-	-	-	-	-	2,265	7,290
Other receivable	14,511	1,091,725	-	35,540	-	-	-	1,141,776
Due from other governments	3,988,946	-	-	-	-	491,734	438	4,481,118
Due from other funds	-	-	-	-	-	1,222	300,000	301,222
Due from other funds interaccount	57,508	1,360	-	-	-	-	400,727	459,595
Leases receivable	-	472,664	-	-	-	-	-	472,664
Prepaid items	224	-	-	-	-	-	-	224
Inventory	-	-	-	-	-	60,000	-	60,000
Total assets	<u>\$ 18,850,897</u>	<u>\$ 3,768,660</u>	<u>\$ 18,726</u>	<u>\$ 516,651</u>	<u>\$ 95,895</u>	<u>\$ 736,776</u>	<u>\$ 7,869,545</u>	<u>\$ 31,857,150</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 175,891	\$ 265,271	\$ 2,272	\$ 13,413	\$ 4,099	\$ 5,097	\$ 6,433	\$ 472,476
Wages payable	304,071	-	-	589	-	17,441	4,584	326,685
Due to other governments	10,787	-	-	-	-	-	-	10,787
Refundable deposits	116,734	-	-	-	-	-	-	116,734
Due to other funds	10,346,093	-	-	-	-	5,000	-	10,351,093
Due to other funds - interaccount	-	-	-	-	-	459,595	-	459,595
Total liabilities	<u>10,953,576</u>	<u>265,271</u>	<u>2,272</u>	<u>14,002</u>	<u>4,099</u>	<u>487,133</u>	<u>11,017</u>	<u>11,737,370</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflow - leases	-	464,110	-	-	-	-	-	464,110
Unavailable revenue	1,478,884	1,091,725	-	-	19,620	15,202	7,790,061	10,395,492
	<u>1,478,884</u>	<u>1,555,835</u>	<u>-</u>	<u>-</u>	<u>19,620</u>	<u>15,202</u>	<u>7,790,061</u>	<u>10,859,602</u>
Fund balances:								
Nonspendable	224	-	-	-	-	84,506	-	84,730
Restricted	10,492	1,834,972	-	451,866	45,926	149,935	68,467	2,561,658
Assigned	2,858,353	112,582	16,454	50,783	26,250	-	-	3,064,422
Unassigned	3,549,368	-	-	-	-	-	-	3,549,368
Total fund balances	<u>6,418,437</u>	<u>1,947,554</u>	<u>16,454</u>	<u>502,649</u>	<u>72,176</u>	<u>234,441</u>	<u>68,467</u>	<u>9,260,178</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,850,897</u>	<u>\$ 3,768,660</u>	<u>\$ 18,726</u>	<u>\$ 516,651</u>	<u>\$ 95,895</u>	<u>\$ 736,776</u>	<u>\$ 7,869,545</u>	<u>\$ 31,857,150</u>

**CITY OF MIDWEST CITY, OKLAHOMA
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**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2023**

	General Fund Accounts							Totals
	General Fund	Reimbursed Projects Account	Employee Activity Account	Activity Account	Animals Best Friend Account	Grant Account	Disaster Relief Account	
REVENUES								
Taxes	\$ 30,821,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,821,344
Intergovernmental	498,879	654,192	-	-	-	2,343,929	1,727,396	5,224,396
Charges for services	206,610	105,414	-	209,452	69,381	-	96,513	687,370
Investment income	254,093	34,393	337	7,880	1,470	380	198,135	496,688
Fines & forfeitures	1,108,624	-	-	-	14,858	-	-	1,123,482
Licenses & permits	641,996	1,980	-	-	-	-	-	643,976
Miscellaneous	286,426	336,328	4,437	88,963	3,420	13,340	101,600	834,514
Total revenues	33,817,972	1,132,307	4,774	306,295	89,129	2,357,649	2,123,644	39,831,770
EXPENDITURES								
Current:								
General government	3,786,087	42,714	15,045	-	-	-	301,079	4,144,925
Public Safety	1,165,523	24,800	-	-	-	113,179	-	1,303,502
Streets	4,011,599	-	-	-	-	-	-	4,011,599
Culture and recreation	941,795	-	-	202,758	-	-	-	1,144,553
Health & welfare	597,870	-	-	-	56,784	-	-	654,654
Economic development	2,018,408	748,486	-	-	-	642,320	-	3,409,214
Capital outlay	-	87,816	-	15,188	40,226	164,722	950	308,902
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	12,521,282	903,816	15,045	217,946	97,010	920,221	302,029	14,977,349
Revenues over (under) expenditures	21,296,690	228,491	(10,271)	88,349	(7,881)	1,437,428	1,821,615	24,854,421
OTHER FINANCING SOURCES (USES)								
Transfers in	12,757,872	344,143	5,000	-	-	4,655	-	13,111,670
Transfers out	(33,422,553)	-	-	-	-	(50,013)	(5,208,239)	(38,680,805)
Transfers in - interaccount	-	1,360	5,000	-	-	239,382	338,317	584,059
Transfers out - interaccount	(244,382)	-	-	-	-	(339,677)	-	(584,059)
Total other financing sources (uses)	(20,909,063)	345,503	10,000	-	-	(145,653)	(4,869,922)	(25,569,135)
Net change in fund balances	387,627	573,994	(271)	88,349	(7,881)	1,291,775	(3,048,307)	(714,714)
Fund balances - beginning of year	6,030,810	1,373,560	16,725	414,300	80,057	(1,057,334)	3,116,774	9,974,892
Fund balances - end of year	\$ 6,418,437	\$ 1,947,554	\$ 16,454	\$ 502,649	\$ 72,176	\$ 234,441	\$ 68,467	\$ 9,260,178

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2023

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2023

	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	\$ 95,468	\$ 2,249,088	\$ 1,375,842	\$ 717,514	\$ 332,047	\$ 104,051	\$ 1,769,916	\$ 190,866	\$ 18,545	\$ 576,761	\$ 1,099,602
Investments	-	192,993	-	-	-	-	136,081	-	-	-	-
Accrued interest receivable	-	792	-	-	-	-	-	-	-	-	-
Deposits held by others	-	-	-	-	-	-	-	-	-	-	-
Other receivable	54,109	-	559	339,624	-	-	-	-	11,376	-	-
Due from other governments	-	86,762	60,775	-	25,139	-	15,584	-	-	46,926	67,409
Due from other funds	780	143,616	8,022	-	144,420	-	-	-	-	501	-
Total assets	<u>150,357</u>	<u>2,673,251</u>	<u>1,445,198</u>	<u>1,057,138</u>	<u>501,606</u>	<u>104,051</u>	<u>1,921,581</u>	<u>190,866</u>	<u>29,921</u>	<u>624,188</u>	<u>1,167,011</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES											
Liabilities:											
Accounts payable and accrued liabilities	-	151,908	3,038	11,715	-	500	115,675	430	15	2,781	-
Wages payable	1,716	1,213	10,592	1,394	2,240	-	-	-	-	4,163	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,716</u>	<u>153,121</u>	<u>13,630</u>	<u>13,109</u>	<u>2,240</u>	<u>500</u>	<u>115,675</u>	<u>430</u>	<u>15</u>	<u>6,944</u>	<u>-</u>
Deferred inflows:											
Unavailable revenue	<u>48,742</u>	<u>150</u>	<u>-</u>	<u>316,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,376</u>	<u>-</u>	<u>-</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	99,899	2,519,980	1,431,568	727,719	499,366	103,551	1,805,906	190,436	18,530	617,244	1,167,011
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>99,899</u>	<u>2,519,980</u>	<u>1,431,568</u>	<u>727,719</u>	<u>499,366</u>	<u>103,551</u>	<u>1,805,906</u>	<u>190,436</u>	<u>18,530</u>	<u>617,244</u>	<u>1,167,011</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 150,357</u>	<u>\$ 2,673,251</u>	<u>\$ 1,445,198</u>	<u>\$ 1,057,138</u>	<u>\$ 501,606</u>	<u>\$ 104,051</u>	<u>\$ 1,921,581</u>	<u>\$ 190,866</u>	<u>\$ 29,921</u>	<u>\$ 624,188</u>	<u>\$ 1,167,011</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2023

	Special Revenue Funds			Capital Project Funds				
	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	2018 GO Bond CIP
ASSETS								
Cash and cash equivalents	\$ 98,591	\$ 6,512,420	\$ 1,147,644	\$ 480,183	\$ 191,285	\$ 2,189,792	\$ 435,694	\$ 7,700,107
Investments	-	558,827	-	-	-	187,905	-	660,742
Accrued interest receivable	-	2,294	-	-	-	771	-	2,712
Deposits held by others	-	-	-	500	300	-	-	-
Other receivable	31,883	-	82,739	-	-	-	-	-
Due from other governments	-	401,317	-	-	-	74,280	-	-
Due from other funds	-	134,703	-	-	-	-	-	-
Total assets	130,474	7,609,561	1,230,383	480,683	191,585	2,452,748	435,694	8,363,561
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	-	83,240	77,512	10,645	28,552	47,803	131,042	220,225
Wages payable	-	20,936	227	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	104,176	77,739	10,645	28,552	47,803	131,042	220,225
Deferred inflows:								
Unavailable revenue	-	-	-	-	-	-	-	-
Fund balances:								
Nonspendable	-	-	-	500	300	-	-	-
Restricted	3,804	7,505,385	1,152,644	469,538	162,733	2,404,945	304,652	8,143,336
Assigned	126,670	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total fund balances	130,474	7,505,385	1,152,644	470,038	163,033	2,404,945	304,652	8,143,336
Total liabilities, deferred inflows, and fund balances	\$ 130,474	\$ 7,609,561	\$ 1,230,383	\$ 480,683	\$ 191,585	\$ 2,452,748	\$ 435,694	\$ 8,363,561

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2023

					<u>Debt Service Fund</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>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 3,121,449	\$ -	\$ 2,418,532	\$ 2,736,120	\$ 35,561,517
Investments	-	267,849	-	207,533	234,784	2,446,714
Accrued interest receivable	-	1,099	-	852	964	9,484
Deposits held by others	-	4,500	-	-	-	5,300
Other receivable	-	-	-	-	-	520,290
Due from other governments	937,299	40,351	-	-	4,197,361	5,953,203
Due from other funds	-	76,420	-	-	-	508,462
Total assets	<u>937,299</u>	<u>3,511,668</u>	<u>-</u>	<u>2,626,917</u>	<u>7,169,229</u>	<u>45,004,970</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	-	13,400	-	893,701	14,576	1,806,758
Wages payable	-	-	-	-	-	42,481
Due to other funds	937,300	-	-	-	-	937,300
Total liabilities	<u>937,300</u>	<u>13,400</u>	<u>-</u>	<u>893,701</u>	<u>14,576</u>	<u>2,786,539</u>
Deferred inflows:						
Unavailable revenue	-	-	-	-	4,160,721	4,537,299
Fund balances:						
Nonspendable	-	4,500	-	-	-	5,300
Restricted	-	3,493,768	-	1,733,216	2,993,932	37,549,163
Assigned	-	-	-	-	-	126,670
Unassigned (deficit)	(1)	-	-	-	-	(1)
Total fund balances	<u>(1)</u>	<u>3,498,268</u>	<u>-</u>	<u>1,733,216</u>	<u>2,993,932</u>	<u>37,681,132</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 937,299</u>	<u>\$ 3,511,668</u>	<u>\$ -</u>	<u>\$ 2,626,917</u>	<u>\$ 7,169,229</u>	<u>\$ 45,004,970</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2023

	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	\$ -	\$ 685,126	\$ 600,309	\$ -	\$ 212,668	\$ -	\$ -	\$ -	\$ -	\$ 396,979	\$ 1,219,168
Intergovernmental	-	-	-	-	-	-	525,554	-	-	-	-
Charges for services	-	25,025	215,775	282,599	-	35,410	-	-	-	-	-
Investment income	1,585	17,611	23,504	12,259	7,353	2,014	32,673	3,616	420	9,441	31,781
Fines & forfeitures	54,482	-	-	5,405	-	-	-	8,403	-	-	-
Licenses & permits	-	-	-	24,400	-	-	-	-	-	-	-
Miscellaneous	-	11,676	-	7,500	-	-	-	4,088	-	18	-
Total revenues	<u>56,067</u>	<u>739,438</u>	<u>839,588</u>	<u>332,163</u>	<u>220,021</u>	<u>37,424</u>	<u>558,227</u>	<u>16,107</u>	<u>420</u>	<u>406,438</u>	<u>1,250,949</u>
EXPENDITURES											
Current:											
General government	-	-	-	224,830	-	-	-	-	-	-	-
Public safety	34,569	-	554,215	-	-	39,310	-	11,895	11,886	-	-
Streets	-	-	-	-	-	-	83,367	-	-	-	-
Culture and recreation	-	413,593	-	-	79,033	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	221,892	-
Capital outlay	-	745,047	4,094	11,341	-	-	234,458	1,328	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	855,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	768,240
Total expenditures	<u>34,569</u>	<u>1,158,640</u>	<u>558,309</u>	<u>236,171</u>	<u>79,033</u>	<u>39,310</u>	<u>317,825</u>	<u>13,223</u>	<u>11,886</u>	<u>221,892</u>	<u>1,623,240</u>
Revenues over (under) expenditures	<u>21,498</u>	<u>(419,202)</u>	<u>281,279</u>	<u>95,992</u>	<u>140,988</u>	<u>(1,886)</u>	<u>240,402</u>	<u>2,884</u>	<u>(11,466)</u>	<u>184,546</u>	<u>(372,291)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	-	1,000,000	30,694	-	-	-	29,575	-	-	-	617,999
Transfers out	-	-	-	-	-	(4,655)	-	(44,045)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,000,000</u>	<u>30,694</u>	<u>-</u>	<u>-</u>	<u>(4,655)</u>	<u>29,575</u>	<u>(44,045)</u>	<u>-</u>	<u>-</u>	<u>617,999</u>
Net change in fund balances	21,498	580,798	311,973	95,992	140,988	(6,541)	269,977	(41,161)	(11,466)	184,546	245,708
Fund balances - beginning of year	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
Fund balances - end of year	<u>\$ 99,899</u>	<u>\$ 2,519,980</u>	<u>\$ 1,431,568</u>	<u>\$ 727,719</u>	<u>\$ 499,366</u>	<u>\$ 103,551</u>	<u>\$ 1,805,906</u>	<u>\$ 190,436</u>	<u>\$ 18,530</u>	<u>\$ 617,244</u>	<u>\$ 1,167,011</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital Project Funds</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>2018 GO Bond CIP</u>
REVENUES								
Taxes	\$ -	\$ 3,086,422	\$ -	\$ -	\$ -	\$ 580,022	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	592,742	-	-	-	-	-
Investment income	1,186	106,370	22,525	9,996	4,255	36,404	12,646	190,054
Fines & forfeitures	-	-	-	-	-	-	-	-
Licenses & permits	-	-	-	-	-	-	-	-
Miscellaneous	65,530	42,774	5,756	-	-	-	-	-
Total revenues	<u>66,716</u>	<u>3,235,566</u>	<u>621,023</u>	<u>9,996</u>	<u>4,255</u>	<u>616,426</u>	<u>12,646</u>	<u>190,054</u>
EXPENDITURES								
Current:								
General government	-	1,845,867	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets	-	-	850,539	-	-	81,147	-	-
Culture and recreation	-	-	-	-	-	-	-	34,232
Economic development	1,306	-	-	-	-	-	-	-
Capital outlay	-	1,239,137	-	112,000	106,631	290,564	1,079,355	3,733,159
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>1,306</u>	<u>3,085,004</u>	<u>850,539</u>	<u>112,000</u>	<u>106,631</u>	<u>371,711</u>	<u>1,079,355</u>	<u>3,767,391</u>
Revenues over (under) expenditures	<u>65,410</u>	<u>150,562</u>	<u>(229,516)</u>	<u>(102,004)</u>	<u>(102,376)</u>	<u>244,715</u>	<u>(1,066,709)</u>	<u>(3,577,337)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	834,495	-	-	-	-	-	64,839
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>834,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,839</u>
Net change in fund balances	65,410	985,057	(229,516)	(102,004)	(102,376)	244,715	(1,066,709)	(3,512,498)
Fund balances - beginning of year	65,064	6,520,328	1,382,160	572,042	265,409	2,160,230	1,371,361	11,655,834
Fund balances - end of year	<u>\$ 130,474</u>	<u>\$ 7,505,385</u>	<u>\$ 1,152,644</u>	<u>\$ 470,038</u>	<u>\$ 163,033</u>	<u>\$ 2,404,945</u>	<u>\$ 304,652</u>	<u>\$ 8,143,336</u>

(continued)

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds – Year Ended June 30, 2023

	Sales Tax Capital Improvement Fund	Capital Improvement Fund	Capital Outlay Reserve Fund	2022 GO Bond Fund	Debt Service Fund G.O. Debt Service Fund	Totals
REVENUES						
Taxes	\$ 7,329,800	\$ 304,232	\$ -	\$ -	\$ 3,943,272	\$ 18,357,998
Intergovernmental	-	-	-	-	-	525,554
Charges for services	-	-	-	-	-	1,151,551
Investment income	3,705	50,995	6,502	83,660	58,033	728,588
Fines & forfeitures	-	-	-	-	-	68,290
Licenses & permits	-	111,265	-	-	-	135,665
Miscellaneous	-	-	-	-	-	137,342
Total revenues	<u>7,333,505</u>	<u>466,492</u>	<u>6,502</u>	<u>83,660</u>	<u>4,001,305</u>	<u>21,104,988</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,070,697
Public safety	-	-	-	-	-	651,875
Streets	-	-	-	-	-	1,015,053
Culture and recreation	-	-	-	-	-	526,858
Economic development	-	-	-	-	-	223,198
Capital outlay	-	927,351	-	3,896,106	-	12,380,571
Debt service:						
Principal retirement	-	-	-	-	2,210,000	3,065,000
Interest and fiscal charges	-	-	-	-	1,508,623	2,276,863
Total expenditures	<u>-</u>	<u>927,351</u>	<u>-</u>	<u>3,896,106</u>	<u>3,718,623</u>	<u>22,210,115</u>
Revenues over (under) expenditures	<u>7,333,505</u>	<u>(460,859)</u>	<u>6,502</u>	<u>(3,812,446)</u>	<u>282,682</u>	<u>(1,105,127)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	846,354	-	-	-	3,423,956
Transfers out	<u>(7,333,506)</u>	<u>-</u>	<u>(737,355)</u>	<u>-</u>	<u>(64,839)</u>	<u>(8,184,400)</u>
Total other financing sources (uses)	<u>(7,333,506)</u>	<u>846,354</u>	<u>(737,355)</u>	<u>-</u>	<u>(64,839)</u>	<u>(4,760,444)</u>
Net change in fund balances	(1)	385,495	(730,853)	(3,812,446)	217,843	(5,865,571)
Fund balances - beginning of year	-	3,112,773	730,853	5,545,662	2,776,089	43,546,703
Fund balances - end of year	<u>\$ (1)</u>	<u>\$ 3,498,268</u>	<u>\$ -</u>	<u>\$ 1,733,216</u>	<u>\$ 2,993,932</u>	<u>\$ 37,681,132</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Schedule of Net Position – Midwest City Municipal Authority Accounts – June 30, 2023

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	\$ 11,090,663	\$ 15,004,055	\$ 5,031,601	\$ 228,962	\$ 426,407	\$ -	\$ 754,915	\$ 2,522,692	\$ -	\$ 949,259	\$ 36,008,554
Cash and cash equivalents, restricted	-	-	-	-	-	2,546,592	-	1,453,685	-	-	4,002,277
Investments	951,683	1,254,259	431,759	-	-	-	-	216,471	-	-	2,854,172
Accounts receivable, net	1,298,086	1,608,960	1,181,171	314,318	65,749	-	89,303	-	1,156	-	4,558,743
Other receivable	-	-	-	135,444	-	-	-	18,969	-	2,927	157,340
Accrued interest receivable	3,907	4,210	1,772	-	-	-	-	889	-	-	10,778
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Inventory	226,171	104,798	-	-	-	-	-	-	-	3,371	334,340
Due from other funds interaccount	-	126,200	250,000	169,903	-	-	-	-	1,776	-	547,879
Due from other funds	38,110	31,541	149,820	18,651	-	860,880	-	-	-	8,711	1,107,713
Total current assets	<u>13,608,620</u>	<u>18,134,023</u>	<u>7,046,123</u>	<u>867,278</u>	<u>492,156</u>	<u>3,407,472</u>	<u>844,218</u>	<u>2,759,021</u>	<u>1,456,617</u>	<u>964,268</u>	<u>49,579,796</u>
Non-current assets:											
Investments, restricted	-	-	-	-	-	-	-	-	111,768	-	111,768
Due from other funds - interaccount	387,472	-	-	-	-	-	-	-	-	-	387,472
Land, construction in progress, and water rights	7,811,107	870,266	1,130,206	-	1,250	-	-	550,000	-	232,057	10,594,886
Other capital assets, net	17,475,428	64,708,305	4,479,779	25,163,671	12,417,289	-	39,289	4,946,120	-	5,542,333	134,772,214
Total non-current assets	<u>25,674,007</u>	<u>65,578,571</u>	<u>5,609,985</u>	<u>25,163,671</u>	<u>12,418,539</u>	<u>-</u>	<u>39,289</u>	<u>5,496,120</u>	<u>111,768</u>	<u>5,774,390</u>	<u>145,866,340</u>
Total assets	<u>39,282,627</u>	<u>83,712,594</u>	<u>12,656,108</u>	<u>26,030,949</u>	<u>12,910,695</u>	<u>3,407,472</u>	<u>883,507</u>	<u>8,255,141</u>	<u>1,568,385</u>	<u>6,738,658</u>	<u>195,446,136</u>
DEFERRED OUTFLOWS OF RESOURCES											
Deferred amount on refunding	-	-	-	-	-	634,012	-	-	-	-	634,012
Deferred amount related to OPEB	775,440	1,268,578	484,447	-	134,352	-	246,753	-	-	281,235	3,190,805
Total deferred outflows	<u>775,440</u>	<u>1,268,578</u>	<u>484,447</u>	<u>-</u>	<u>134,352</u>	<u>634,012</u>	<u>246,753</u>	<u>-</u>	<u>-</u>	<u>281,235</u>	<u>3,824,817</u>
LIABILITIES											
Current liabilities:											
Accounts payable and accrued liabilities	250,734	273,131	266,933	317,445	5,780	-	17,277	113,052	-	18,584	1,262,936
Wages payable	81,574	102,806	35,722	19,906	8,082	-	22,261	-	-	27,570	297,921
Due to other funds interaccount	1,776	-	-	250,000	-	296,103	-	-	-	-	547,879
Due to other funds	-	-	-	300,000	-	-	-	-	-	287,231	587,231
Accrued interest payable	-	-	-	-	-	300,889	-	-	-	-	300,889
Accrued compensated absences	161,857	182,498	63,889	7,792	17,567	-	36,319	-	-	37,582	507,504
Refundable deposits	-	-	-	14,563	-	-	-	156,838	-	-	171,401
Notes payable	103,532	33,714	-	-	14,450	4,370,000	-	-	-	11,348	4,533,044
Revenue bonds payable	-	-	-	-	-	725,000	-	-	-	-	725,000
Total current liabilities	<u>599,473</u>	<u>592,149</u>	<u>366,544</u>	<u>909,706</u>	<u>45,879</u>	<u>5,691,992</u>	<u>75,857</u>	<u>113,052</u>	<u>156,838</u>	<u>382,315</u>	<u>8,933,805</u>
Non-current liabilities:											
Accrued compensated absences	323,714	364,995	127,778	15,584	35,134	-	72,638	-	-	75,163	1,015,006
Total OPEB liability	2,202,055	2,725,261	1,266,459	-	257,249	-	751,960	-	-	474,922	7,677,906
Due to other funds - interaccount	-	-	-	-	-	-	-	387,472	-	-	387,472
Refundable deposits	-	-	-	-	-	-	-	-	1,411,546	-	1,411,546
Notes payable	1,810,072	70,914	-	-	30,393	4,425,000	-	-	-	25,273	6,361,652
Revenue bonds payable, net	-	-	-	-	-	28,727,055	-	-	-	-	28,727,055
Total non-current liabilities	<u>4,335,841</u>	<u>3,161,170</u>	<u>1,394,237</u>	<u>15,584</u>	<u>322,776</u>	<u>33,152,055</u>	<u>824,598</u>	<u>387,472</u>	<u>1,411,546</u>	<u>575,358</u>	<u>45,580,637</u>
Total liabilities	<u>4,935,314</u>	<u>3,753,319</u>	<u>1,760,781</u>	<u>925,290</u>	<u>368,655</u>	<u>38,844,047</u>	<u>900,455</u>	<u>500,524</u>	<u>1,568,384</u>	<u>957,673</u>	<u>54,514,442</u>
DEFERRED INFLOW OF RESOURCES											
Deferred amount related to OPEB	600,965	1,031,485	386,262	-	100,691	-	261,862	-	-	246,423	2,627,688
Deferred amount on refunding	-	-	-	-	-	433,617	-	-	-	-	433,617
Total deferred inflows	<u>600,965</u>	<u>1,031,485</u>	<u>386,262</u>	<u>-</u>	<u>100,691</u>	<u>433,617</u>	<u>261,862</u>	<u>-</u>	<u>-</u>	<u>246,423</u>	<u>3,061,305</u>
NET POSITION											
Net investment in capital assets	23,372,931	65,473,943	5,609,985	25,163,671	12,373,696	(37,470,606)	39,289	5,496,120	-	5,737,769	105,796,798
Restricted for debt service	-	-	-	-	-	1,669,649	-	-	-	-	1,669,649
Restricted for other purposes	-	-	-	-	-	-	51,539	-	-	72,536	124,075
Unrestricted (deficit)	11,148,857	14,722,425	5,383,527	(58,012)	202,005	564,777	(122,885)	2,258,497	1	5,492	34,104,684
Total net position	<u>\$ 34,521,788</u>	<u>\$ 80,196,368</u>	<u>\$ 10,993,512</u>	<u>\$ 25,105,659</u>	<u>\$ 12,575,701</u>	<u>\$ (35,236,180)</u>	<u>\$ (32,057)</u>	<u>\$ 7,754,617</u>	<u>\$ 1</u>	<u>\$ 5,815,797</u>	<u>\$ 141,695,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2023

Combining Schedule of Revenues, Expenses and Changes in Net Position – Midwest City Municipal Authority Accounts – Year Ended June 30, 2023

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	\$ 8,641,893	\$ 11,373,396	\$ 8,267,498	\$ 3,657,694	\$ 471,415	\$ -	\$ 1,296,308	\$ -	\$ -	\$ 2,094,395	\$ 35,802,599
Fees, licenses and permits	5,325	7,425	-	-	-	-	-	-	-	-	12,750
Miscellaneous	29,107	353	47,932	4	1,733	-	93	-	-	6,000	85,222
Total operating revenues	<u>8,676,325</u>	<u>11,381,174</u>	<u>8,315,430</u>	<u>3,657,698</u>	<u>473,148</u>	<u>-</u>	<u>1,296,401</u>	<u>-</u>	<u>-</u>	<u>2,100,395</u>	<u>35,900,571</u>
OPERATING EXPENSES											
Personal services	2,773,616	3,785,560	1,546,290	1,475,840	314,248	-	740,624	-	-	857,202	11,493,380
Materials and supplies	1,274,688	977,288	1,190,431	605,435	117,389	-	9,380	-	-	431,460	4,606,071
Other services and charges	1,751,538	2,324,092	3,027,148	1,995,650	113,069	-	267,344	-	-	173,442	9,652,283
Depreciation and amortization	738,123	2,567,646	530,580	887,216	280,540	-	5,761	514,280	-	288,328	5,812,474
Total operating expenses	<u>6,537,965</u>	<u>9,654,586</u>	<u>6,294,449</u>	<u>4,964,141</u>	<u>825,246</u>	<u>-</u>	<u>1,023,109</u>	<u>514,280</u>	<u>-</u>	<u>1,750,432</u>	<u>31,564,208</u>
Operating income (loss)	<u>2,138,360</u>	<u>1,726,588</u>	<u>2,020,981</u>	<u>(1,306,443)</u>	<u>(352,098)</u>	<u>-</u>	<u>273,292</u>	<u>(514,280)</u>	<u>-</u>	<u>349,963</u>	<u>4,336,363</u>
NON-OPERATING REVENUES (EXPENSES)											
Investment income	172,685	240,133	87,033	-	7,653	72,159	12,043	271,622	28,450	14,174	905,952
Interest expense and fiscal charges	(40,119)	(4,676)	-	-	(2,004)	(969,686)	-	(17,602)	-	-	(1,034,087)
Gain (loss) on asset retirement	16,151	8,311	(132,117)	-	-	-	-	-	-	(66,327)	(173,982)
Other non-operating revenue	-	-	200,000	-	-	-	-	-	-	-	200,000
Total non-operating revenue (expenses)	<u>148,717</u>	<u>243,768</u>	<u>154,916</u>	<u>-</u>	<u>5,649</u>	<u>(897,527)</u>	<u>12,043</u>	<u>254,020</u>	<u>28,450</u>	<u>(52,153)</u>	<u>(102,117)</u>
Income (loss) before contributions and transfers	<u>2,287,077</u>	<u>1,970,356</u>	<u>2,175,897</u>	<u>(1,306,443)</u>	<u>(346,449)</u>	<u>(897,527)</u>	<u>285,335</u>	<u>(260,260)</u>	<u>28,450</u>	<u>297,810</u>	<u>4,234,246</u>
Capital contributions	-	-	-	-	-	-	-	-	-	33,679	33,679
Transfers in - interaccount	28,449	228,825	-	984,415	-	-	-	167,958	-	-	1,409,647
Transfers out - interaccount	(167,958)	-	-	-	-	(1,213,240)	-	-	(28,449)	-	(1,409,647)
Transfers in	990,000	-	-	-	-	16,918,623	-	-	-	-	17,908,623
Transfers out	<u>(778,034)</u>	<u>(814,006)</u>	<u>(763,936)</u>	<u>(24,867)</u>	<u>-</u>	<u>(10,431,471)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,812,314)</u>
Change in net position	2,359,534	1,385,175	1,411,961	(346,895)	(346,449)	4,376,385	285,335	(92,302)	1	331,489	9,364,234
Total net position - beginning, restated	32,162,254	78,811,193	9,581,551	25,452,554	12,922,150	(39,612,565)	(317,392)	7,846,919	-	5,484,308	132,330,972
Total net position - ending	<u>\$ 34,521,788</u>	<u>\$ 80,196,368</u>	<u>\$ 10,993,512</u>	<u>\$ 25,105,659</u>	<u>\$ 12,575,701</u>	<u>\$ (35,236,180)</u>	<u>\$ (32,057)</u>	<u>\$ 7,754,617</u>	<u>\$ 1</u>	<u>\$ 5,815,797</u>	<u>\$ 141,695,206</u>

CITY OF MIDWEST CITY, OKLAHOMA
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As of and for the Year Ended June 30, 2023

Combining Schedule of Cash Flows – Midwest City Municipal Authority Accounts – June 30, 2023

	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	\$ 8,704,077	\$ 11,334,093	\$ 8,470,787	\$ 3,440,189	\$ 473,463	\$ -	\$ 1,282,893	\$ 339	\$ 226	\$ 2,100,725	\$ 35,806,792
Payments to suppliers	(3,072,468)	(3,266,762)	(4,263,968)	(2,772,325)	(250,657)	-	(277,671)	(11,340)	-	(604,704)	(14,499,895)
Payments to employees	(2,749,441)	(3,733,333)	(1,494,491)	(1,485,046)	(298,764)	-	(755,468)	-	-	(840,217)	(11,356,760)
Receipts (payments) from interfund loans	(16,350)	(91,077)	(7,847)	309,966	-	(257,213)	-	-	225	45,812	(16,484)
Receipt of customer deposits	-	-	-	-	-	-	-	-	422,972	-	422,972
Return of customer deposits	-	-	-	-	-	-	-	-	(431,990)	-	(431,990)
Net cash provided by (used in) operating activities	2,865,818	4,242,921	2,704,481	(907,216)	(55,958)	(257,213)	249,754	(11,001)	(8,567)	701,616	9,924,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Transfers from other funds - interaccount	28,449	228,825	-	984,415	-	-	-	167,958	-	-	1,409,647
Transfers to other funds - interaccount	(167,958)	-	-	-	-	(1,213,240)	-	-	(28,449)	-	(1,409,647)
Transfers from other funds	990,000	-	-	-	-	16,918,623	-	-	-	-	17,908,623
Transfers to other funds	(778,034)	(814,006)	(763,936)	(24,867)	-	(10,431,471)	-	-	-	-	(12,812,314)
Net cash provided by (used in) noncapital financing activities	72,457	(585,181)	(763,936)	959,548	-	5,273,912	-	167,958	(28,449)	-	5,096,309
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Capital assets purchased	(288,526)	(538,041)	(1,675,417)	(563,989)	-	-	-	-	-	(42,130)	(3,108,103)
Principal paid on capital debt	(135,663)	(32,600)	-	-	(13,971)	(5,030,000)	-	-	-	-	(5,212,240)
Proceeds issuance of debt	-	-	-	-	-	-	-	-	-	36,621	36,621
Payments of interfund loan for capital purchases	150,357	-	-	-	-	-	-	(150,357)	-	-	-
Interest and fiscal charges paid on capital debt	(40,119)	(4,676)	-	-	(2,004)	(1,225,830)	-	(17,602)	-	-	(1,290,231)
Proceeds from sale of capital assets	31,483	8,311	7,847	-	-	-	-	-	-	3,175	50,816
Net cash provided by (used in) capital and related financing activities	(282,468)	(567,012)	(1,667,570)	(563,989)	(15,975)	(6,255,830)	-	(167,959)	-	(2,334)	(9,523,137)
CASH FLOWS FROM INVESTING ACTIVITIES											
Sale (purchase) of investments	392,245	600,883	314,292	-	-	-	-	145,179	106,558	-	1,559,157
Interest and dividends	176,294	244,106	87,688	-	7,652	72,159	12,043	272,601	28,668	14,173	915,384
Net cash provided by (used in) investing activities	568,539	844,989	401,980	-	7,652	72,159	12,043	417,780	135,226	14,173	2,474,541
Net increase (decrease) in cash and cash equivalents	3,224,346	3,935,717	674,955	(111,657)	(64,281)	(1,166,972)	261,797	406,778	98,210	713,455	7,972,348
Balances - beginning 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
Balances - end of year	\$ 11,090,663	\$ 15,004,055	\$ 5,031,601	\$ 228,962	\$ 426,407	\$ 2,546,592	\$ 754,915	\$ 2,522,692	\$ 1,453,685	\$ 949,259	\$ 40,008,831
Reconciliation to Statement of Net Position:											
Cash and cash equivalents	\$ 11,090,663	\$ 15,004,055	\$ 5,031,601	\$ 228,962	\$ 426,407	\$ -	\$ 754,915	\$ 2,522,692	\$ -	\$ 949,259	\$ 36,008,554
Restricted cash and cash equivalents	-	-	-	-	-	2,546,592	-	-	1,453,685	-	4,000,277
Total cash and cash equivalents	\$ 11,090,663	\$ 15,004,055	\$ 5,031,601	\$ 228,962	\$ 426,407	\$ 2,546,592	\$ 754,915	\$ 2,522,692	\$ 1,453,685	\$ 949,259	\$ 40,008,831
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 2,138,360	\$ 1,726,588	\$ 2,020,981	\$ (1,306,443)	\$ (352,098)	\$ -	\$ 273,292	\$ (514,280)	\$ -	\$ 349,963	\$ 4,336,363
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
Depreciation expense	738,123	2,567,646	530,580	887,216	280,540	-	5,761	514,280	-	288,328	5,812,474
Other nonoperating revenue	-	-	200,000	-	-	-	-	-	-	-	200,000
Change in assets, liabilities, and deferrals:											
Receivables, net	27,752	(47,081)	(46,364)	(189,162)	315	-	(13,508)	-	226	330	(267,492)
Other receivable	-	-	1,721	(35,964)	-	-	-	339	-	-	(33,904)
Due from other funds	(16,125)	(91,077)	(7,847)	331,285	-	(30,013)	-	-	225	6,751	193,199
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Inventory	(51,887)	(2,323)	-	-	-	-	-	-	-	-	(57,581)
Accounts payable	5,645	36,941	(46,389)	(171,240)	(199)	-	(947)	(11,340)	-	-	(183,900)
Deferred outflows OPEB	130,960	198,097	55,586	-	4,577	-	(27,462)	-	-	-	446,219
Due to other funds	(225)	-	-	(21,319)	-	(227,200)	-	-	-	39,061	(209,683)
Due to employees	(98,238)	(111,215)	(50,610)	(2,371)	(9,065)	-	(26,327)	-	-	(13,764)	(311,590)
Refundable deposits	-	-	-	7,617	-	-	-	-	(9,018)	-	(1,401)
Total OPEB liability	(436,481)	(543,373)	(188,931)	-	(20,987)	-	(61,346)	-	-	(209,967)	(1,461,085)
Accrued compensated absences	1,071	45,232	15,813	(6,835)	3,501	-	(18,261)	-	-	12,249	52,770
Deferred inflows OPEB	436,963	463,496	219,941	-	37,458	-	118,552	-	-	144,006	1,416,396
Net cash provided by (used in) operating activities	\$ 2,865,818	\$ 4,242,921	\$ 2,704,481	\$ (907,216)	\$ (55,958)	\$ (257,213)	\$ 249,754	\$ (11,001)	\$ (8,567)	\$ 701,616	\$ 9,924,635
Noncash activities:											
Contributed capital assets - from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,679	\$ 33,679

CITY OF MIDWEST CITY, OKLAHOMA
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Combining Statement of Net Position— Internal Service Funds – June 30, 2023

	<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>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,052,349	\$ 606,528	\$ 666,358	\$ 845,617	\$ 4,047,983	\$ 3,846,416	\$ 11,065,251
Investments	-	-	-	-	134,797	330,059	464,856
Receivables:							
Accounts receivable	-	513	2,063	36,053	654,755	19,104	712,488
Accrued interest receivable	-	-	-	-	-	1,355	1,355
Due from other funds	3	5,827	-	-	-	-	5,830
Inventories	-	85,343	-	-	-	-	85,343
Total current assets	<u>1,052,352</u>	<u>698,211</u>	<u>668,421</u>	<u>881,670</u>	<u>4,837,535</u>	<u>4,196,934</u>	<u>12,335,123</u>
Non-current assets:							
Capital Assets:							
Depreciable, net of accumulated depreciation	148,181	637,425	65,725	-	-	-	851,331
Total non-current assets	<u>148,181</u>	<u>637,425</u>	<u>65,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>851,331</u>
Total assets	<u>1,200,533</u>	<u>1,335,636</u>	<u>734,146</u>	<u>881,670</u>	<u>4,837,535</u>	<u>4,196,934</u>	<u>13,186,454</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred amount related to OPEB	271,325	180,296	20,597	108,151	-	-	580,369
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	4,117	164,971	20	9,594	157,206	2,177	338,085
Claims liability	-	-	-	128,700	483,799	346,600	959,099
Wages payable	31,224	27,635	674	6,871	-	-	66,404
Due to other funds	-	-	540,226	-	-	-	540,226
Accrued compensated absences	69,830	38,776	175	17,843	-	-	126,624
Total current liabilities	<u>105,171</u>	<u>231,382</u>	<u>541,095</u>	<u>163,008</u>	<u>641,005</u>	<u>348,777</u>	<u>2,030,438</u>
Non-current liabilities:							
Accrued compensated absences	139,660	77,552	350	35,687	-	-	253,249
Total OPEB liability	665,287	680,722	39,577	114,773	-	-	1,500,359
Claims liability	-	-	-	214,300	-	782,500	996,800
Total non-current liabilities	<u>804,947</u>	<u>758,274</u>	<u>39,927</u>	<u>364,760</u>	<u>-</u>	<u>782,500</u>	<u>2,750,408</u>
Total liabilities	<u>910,118</u>	<u>989,656</u>	<u>581,022</u>	<u>527,768</u>	<u>641,005</u>	<u>1,131,277</u>	<u>4,780,846</u>
DEFERRED INFLOW OF RESOURCES							
Deferred amount related to OPEB	216,662	236,462	17,943	138,523	-	-	609,590
NET POSITION							
Net investment in capital assets	148,181	637,425	65,725	-	-	-	851,331
Unrestricted (deficit)	196,897	(347,611)	90,053	323,530	4,196,530	3,065,657	7,525,056
Total net position	<u>\$ 345,078</u>	<u>\$ 289,814</u>	<u>\$ 155,778</u>	<u>\$ 323,530</u>	<u>\$ 4,196,530</u>	<u>\$ 3,065,657</u>	<u>\$ 8,376,387</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds – Year Ended June 30, 2023

	Public Works Administration	Fleet Services Fund	Surplus Property Fund	Risk Management Fund	L & H Benefits Fund	Worker's Comp Fund	Totals
OPERATING REVENUES							
Charges for services	\$ 1,316,036	\$ 2,883,047	\$ 53,723	\$ 991,357	\$ 6,666,468	\$ 765,320	\$ 12,675,951
Miscellaneous	235	2	-	178,579	844,777	19,104	1,042,697
Total operating revenues	<u>1,316,271</u>	<u>2,883,049</u>	<u>53,723</u>	<u>1,169,936</u>	<u>7,511,245</u>	<u>784,424</u>	<u>13,718,648</u>
OPERATING EXPENSES							
Personal services	1,116,566	1,032,467	43,823	225,771	-	-	2,418,627
Materials and supplies	8,106	1,874,607	651	2,951	-	-	1,886,315
Other services and charges	42,609	110,073	8,136	400,651	63,766	-	625,235
Insurance claims and expenses	-	-	-	603,261	6,769,141	490,784	7,863,186
Depreciation and amortization	9,384	53,705	3,704	-	-	-	66,793
Total operating expenses	<u>1,176,665</u>	<u>3,070,852</u>	<u>56,314</u>	<u>1,232,634</u>	<u>6,832,907</u>	<u>490,784</u>	<u>12,860,156</u>
Operating income (loss)	<u>139,606</u>	<u>(187,803)</u>	<u>(2,591)</u>	<u>(62,698)</u>	<u>678,338</u>	<u>293,640</u>	<u>858,492</u>
NON-OPERATING REVENUES							
Investment income	17,762	11,673	11,800	12,191	55,813	64,149	173,388
Total non-operating revenue	<u>17,762</u>	<u>11,673</u>	<u>11,800</u>	<u>12,191</u>	<u>55,813</u>	<u>64,149</u>	<u>173,388</u>
Income (loss) before transfers	<u>157,368</u>	<u>(176,130)</u>	<u>9,209</u>	<u>(50,507)</u>	<u>734,151</u>	<u>357,789</u>	<u>1,031,880</u>
Transfers out	(5,000)	-	-	-	-	-	(5,000)
Change in net position	<u>152,368</u>	<u>(176,130)</u>	<u>9,209</u>	<u>(50,507)</u>	<u>734,151</u>	<u>357,789</u>	<u>1,026,880</u>
Total net position - beginning	192,710	465,944	146,569	374,037	3,462,379	2,707,868	7,349,507
Total net position - ending	<u>\$ 345,078</u>	<u>\$ 289,814</u>	<u>\$ 155,778</u>	<u>\$ 323,530</u>	<u>\$ 4,196,530</u>	<u>\$ 3,065,657</u>	<u>\$ 8,376,387</u>

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Combining Statement of Cash Flows – Internal Service Funds – Year Ended June 30, 2023

	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	\$ 1,316,271	\$ 2,883,049	\$ 54,121	\$ 1,164,411	\$ 7,401,680	\$ 765,320	\$ 13,584,852
Payments to suppliers	(52,586)	(1,907,881)	(8,813)	(394,395)	(63,766)	-	(2,427,441)
Payments to employees	(1,078,909)	(1,046,669)	(50,396)	(228,249)	-	-	(2,404,223)
Claims and benefits paid	-	-	-	(783,261)	(6,700,301)	(549,649)	(8,033,211)
Payment from (to) other funds	-	-	66,463	-	-	-	66,463
Net cash provided by (used in) operating activities	184,776	(71,501)	61,375	(241,494)	637,613	215,671	786,440
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating transfers out	(5,000)	-	-	-	-	-	(5,000)
Net cash provided by noncapital financing activities	(5,000)	-	-	-	-	-	(5,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital assets purchased	(7,850)	(39,821)	-	-	-	-	(47,671)
Net cash provided by (used in) capital and related financing activities	(7,850)	(39,821)	-	-	-	-	(47,671)
CASH FLOWS FROM INVESTING ACTIVITIES							
Sale (Purchase) of investments	119,776	-	-	151,003	375,350	239,834	885,963
Interest and dividends	17,762	11,673	11,800	12,191	57,251	64,400	175,077
Net cash provided by investing activities	137,538	11,673	11,800	163,194	432,601	304,234	1,061,040
Net increase in cash and cash equivalents	309,464	(99,649)	73,175	(78,300)	1,070,214	519,905	1,794,809
Balances - beginning of year	742,885	706,177	593,183	923,917	2,977,769	3,326,511	9,270,442
Balances - end of year	\$ 1,052,349	\$ 606,528	\$ 666,358	\$ 845,617	\$ 4,047,983	\$ 3,846,416	\$ 11,065,251
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	\$ 1,052,349	\$ 606,528	\$ 666,358	\$ 845,617	\$ 4,047,983	\$ 3,846,416	\$ 11,065,251
Total cash and cash equivalents	\$ 1,052,349	\$ 606,528	\$ 666,358	\$ 845,617	\$ 4,047,983	\$ 3,846,416	\$ 11,065,251
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 139,606	\$ (187,803)	\$ (2,591)	\$ (62,698)	\$ 678,338	\$ 293,640	\$ 858,492
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	9,384	53,705	3,704	-	-	-	66,793
Change in assets, liabilities, and deferrals:							
Receivables, net	-	-	398	(5,525)	(109,565)	(19,104)	(133,796)
Due from other funds	-	-	-	-	-	-	-
Inventories	-	6,774	-	-	-	-	6,774
Deferred outflows OPEB	9,203	40,830	676	34,154	-	-	84,863
Accounts payable	(1,871)	70,025	(26)	9,207	(27,599)	1,035	50,771
Claims liability	-	-	-	(180,000)	96,439	(59,900)	(143,461)
Due to employees	(32,615)	(32,234)	(1,667)	(6,787)	-	-	(73,303)
Due to other funds	-	-	66,463	-	-	-	66,463
Total OPEB liability	(75,678)	(226,756)	(3,229)	(30,766)	-	-	(336,429)
Accrued compensated absences	26,830	(780)	(7,329)	1,844	-	-	20,565
Deferred inflows OPEB	109,917	204,738	4,976	(923)	-	-	318,708
Net cash provided by (used in) operating activities	\$ 184,776	\$ (71,501)	\$ 61,375	\$ (241,494)	\$ 637,613	\$ 215,671	\$ 786,440

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Debt Service Coverage Schedule - Year Ended June 30, 2023

DEBT SERVICE COVERAGE:

	2019 Revenue Bonds 2020 Refunding Note
GROSS REVENUE AVAILABLE:	
Water revenue	\$ 8,676,325
Wastewater revenue	11,381,174
Pledged sales tax	16,918,623
Investment income	412,818
Total Gross Revenue Available	37,388,940
OPERATING EXPENSES:	
Total Operating Expenses	12,886,782
Net Revenue Available for Debt Service	\$ 24,502,158
Average Annual Debt Service	
2019 Revenue Bonds	\$ 1,792,126
2020 Refunding Note	4,461,416
	\$ 6,253,542
Computed Coverage	392%
Coverage Requirement	125%

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

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

STATISTICAL INFORMATION

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

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>
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
2022-23	12,011,790	37,820,239	8,702,558	772,167	4,137,911	6,412,853	8,313,352	78,170,870

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Governmental Revenues By Source
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Intergov- ernmental</u>	<u>Licenses & Permits</u>	<u>Charges for Services</u>	<u>Fines & Forfeitures</u>	<u>Investment Income</u>	<u>Misc Revenues</u>	<u>Total</u>
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
2022-23	63,616,130	11,218,348	788,466	6,406,097	1,250,603	16,425,064	1,512,972	101,217,680

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

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

**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	
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%
2023	390,308,775	39,983,202	13,370,502	22,329,024	421,333,455	3,830,304,136	11%

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

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

<u>Fiscal Year</u>	<u>City Sinking Fund</u>	<u>MWC Schools</u>	<u>Rose State College</u>	<u>Oklahoma County</u>	<u>Total Midwest City Resident</u>	<u>Choctaw Schools</u>	<u>Total Midwest City Resident</u>	<u>OKC Schools</u>	<u>Total Midwest City Resident</u>
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
2023	9.95	67.38	17.79	22.99	118.11	78.17	128.9	65.33	116.03

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

Computation of Legal Debt Margin
June 30, 2020

Net assessed valuation	\$421,333,455
Debt limit (a)	\$42,133,346
Applicable bonds outstanding	\$33,509,700
Inapplicable bonds outstanding (b)	\$19,680,300
Legal debt margin	 \$8,623,646

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Government Expenditures</u>
2013-14	\$ 1,400,000	\$ 304,167	\$ 1,704,167	\$ 47,244,796	3.61%
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%
2022-23	2,210,000	1,508,623	3,718,623	78,170,870	4.76%

(1) Excludes bond issuance and other costs

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

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>
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
2022-23	58,409	421,333,455	53,190,000	2,993,933	50,196,067	11.91%	859

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

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>
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
2022-23	37,388,940	12,886,782	24,502,158	6,254,542	3.92

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

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

<u>Fiscal Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>		<u>Total Construction</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
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	14	8,755,000	88	20,621,218	29,376,218
2022-23	23	22,879,000	135	27,537,295	50,416,295

**CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

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
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Fire Protection

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

Public Works

Water storage capacity (millions of gallons)	9.65
Miles of water lines	301.29
Miles of sanitary sewer lines	291.96

CITY OF MIDWEST CITY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023

Miscellaneous Statistics, Continued
June 30, 2021

City Employees

<u>Fiscal Year</u>	<u>Full Time Government</u>
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
2022-23	485

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

<u>Fiscal Year</u>	<u>Annual Usage</u>	<u>Average Daily Usage</u>
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
2022-23	1,965,251,000	5,384,249