



City of  
**CATOOSA,**  
**OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

**THE CITY OF CATOOSA, OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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As of and for the Year Ended June 30, 2023**

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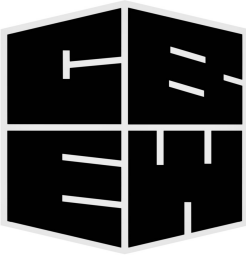
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## **INDEPENDENT AUDITOR'S REPORT**

December 4, 2023

Honorable Board of City Council Members  
City of Catoosa  
Catoosa, Oklahoma

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Catoosa, Oklahoma, (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 of Catoosa, Oklahoma, 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 of Catoosa, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension exhibits on pages 9 – 19 and 56 – 59 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.

***Other 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 statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, on our consideration of the City of Catoosa, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Catoosa, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Catoosa, Oklahoma's internal control over financial reporting and compliance.

***CBEW Professional Group, LLP***

CBEW Professional Group, LLP  
Certified Public Accountants



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**MANAGEMENT DISCUSSION AND ANALYSIS**

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Our discussion and analysis of the City of Catoosa’s financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City’s financial statements, which follow this section.

***FINANCIAL HIGHLIGHTS***

- For the fiscal year ended June 30, 2023, the City’s total net position increased by \$2,720,286 or 8.6% from the prior year.
- During the year, the City’s expenses for governmental activities were \$10 million and were funded by program revenues of \$1.2 million and further funded with taxes and other general revenues that totaled \$13.2 million.
- The City’s business-type activities net position decreased by \$1,622,668 million or 38.2% from the prior year.
- At June 30, 2023, the General Fund reported an unassigned fund balance of \$7,346,594.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of \$1,606,789 or 21%, while expenditures were under the final appropriations by \$5,799,723 or 43%.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

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

**About the City**

The City of Catoosa is an incorporated municipality with a population of approximately 7,440 located in northeastern 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 six-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

***The City’s Financial Reporting Entity***

This annual report includes all activities for which the City Council of the City of Catoosa is fiscally responsible. These activities are operated within several separate legal entities that are reported together to make up the City’s financial reporting entity.

The City’s financial reporting entity includes the City of Catoosa, three blended component units.

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**Primary Government:**

**The City of Catoosa** – incorporated municipality that operates the public safety, streets and highways, parks and recreation, and administrative activities as a home rule charter city

**Blended Component Units:**

**Catoosa Public Works Authority (CPWA)** – public trust that operates the water, sewage disposal, and storm water services of the City.

**Catoosa Economic Development Authority (CEDA)** – public trust created to promote economic development in Catoosa.

**Catoosa Industrial Authority (CIA)** – public trust created to institute, furnish, provide, and supply services and facilities for the promotion and development of the economy, the conservation and implementation of the public welfare and protection and promotion of the public health to the city.

**Using This Annual Report**

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City’s financial position 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)

The City’s various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management’s Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City’s financial condition and changes therein.
- **Footnotes** - that elaborate on the City’s accounting principles used in the preparation of the financial statements and further explain financial statement elements.
- **Supplemental Information** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information, and capital assets and long-term debt information.

**Reporting the City as a Whole**

**The Statement of Net Position and the Statement of Activities**

One of the most frequently asked questions about the City’s finances is, “Has the City’s overall financial condition improved, declined or remained steady over the past year?” The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and

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deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in them from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities, and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

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

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

**Reporting the City's Most Significant Funds**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, 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 money.

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

*Proprietary funds* - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City's enterprise funds are essentially the same as the business-type activities we

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report in the government-wide statements but provide more detail and additional information, such as cash flows.

***A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE***

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$34,302,853 at the close of the most recent fiscal year.

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Current assets	\$ 38,799	\$ 41,759	-7%	\$ (2,397)	\$ (707)	239%	\$ 36,402	\$ 41,052	-11%
Capital assets, net	20,511	14,435	42%	5,980	6,133	-2%	26,491	20,568	29%
Other non-current assets	197	-	100%	-	-	0%	197	-	100%
<b>Total assets</b>	<b>59,507</b>	<b>56,194</b>	<b>6%</b>	<b>3,583</b>	<b>5,426</b>	<b>-34%</b>	<b>63,090</b>	<b>61,620</b>	<b>2%</b>
<b>Deferred outflows</b>	<b>1,414</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>1,414</b>	<b>-</b>	<b>100%</b>
Current liabilities	5,710	1,851	208%	622	662	-6%	6,332	2,513	152%
Non-current liabilities	23,460	26,087	-10%	334	514	-35%	23,794	26,601	-11%
<b>Total liabilities</b>	<b>29,170</b>	<b>27,938</b>	<b>4%</b>	<b>956</b>	<b>1,176</b>	<b>-19%</b>	<b>30,126</b>	<b>29,114</b>	<b>3%</b>
<b>Deferred inflows</b>	<b>75</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>75</b>	<b>-</b>	<b>100%</b>
Net position									
Net investment capital assets	15,496	12,283	26%	5,980	6,133	-2%	21,476	18,416	17%
Restricted	10,474	10,975	-5%	-	749	-100%	10,474	11,724	-11%
Unrestricted (deficit)	5,706	4,998	-14%	(3,353)	(2,632)	27%	2,353	2,366	-1%
<b>Total net position</b>	<b>\$ 31,676</b>	<b>\$ 28,256</b>	<b>12%</b>	<b>\$ 2,627</b>	<b>\$ 4,250</b>	<b>-38%</b>	<b>\$ 34,303</b>	<b>\$ 32,506</b>	<b>6%</b>

\* prior year amounts not restated for MD&A purposes

The largest portion of the City's net position reflects its net investment capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. For 2023, the net investment in capital assets amounted to \$21,475,590. 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 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. A major portion of the City's net position, \$10,474,355, also represents resources that are subject to external restrictions on how they may be used.

Explanations of significant changes displayed in Table 1 are as follows:

*Governmental Activities:*

Capital assets net – increased \$6.3 million (29%) mainly due to an increase of \$6.3 million in construction in progress due mainly to the construction of the new public safety complex.

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Current liabilities – increased \$2.9 million (159%) due to an increase in accounts payable and an increase in current portion of note payable.

*Business-Type Activities:*

Current assets – decreased \$1.4 million (239%) mainly due to a decrease in cash and cash equivalents.

Total liabilities – decreased \$220 thousand (19%) mainly due to a decrease in notes payable and a decrease in accrued compensation.

**Changes in Net Position**

For the year ended June 30, 2023, net position of the primary government changed as follows:

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
<b>Revenues</b>									
Charges for service	\$ 200	\$ 202	-1%	\$ 2,932	\$ 2,258	30%	\$ 3,132	\$ 2,460	27%
Operating grants and contributions	642	749	-14%	-	-	0%	642	749	-14%
Capital grants and contributions	329	-	100%	-	-	0%	329	-	100%
Taxes	12,767	10,936	17%	-	-	0%	12,767	10,936	17%
Investment income	344	249	38%	38	44	-14%	382	293	30%
Miscellaneous	115	28	311%	10	18	-44%	125	46	172%
<b>Total revenues</b>	<b>14,397</b>	<b>12,164</b>	<b>18%</b>	<b>2,980</b>	<b>2,320</b>	<b>28%</b>	<b>17,377</b>	<b>14,484</b>	<b>20%</b>
<b>Expenses</b>									
General government	3,611	4,541	-20%	-	-	-	3,611	4,541	-20%
Public safety	3,958	3,059	29%	-	-	-	3,958	3,059	29%
Streets	874	991	-12%	-	-	-	874	991	-12%
Culture and recreation	607	550	10%	-	-	-	607	550	10%
Economic development	-	-	0%	1,125	-	-	1,125	-	100%
Interest on debt	984	-	100%	-	-	-	984	-	100%
Water	-	-	-	1,402	1,008	39%	1,402	1,008	39%
Sewer	-	-	-	2,022	2,572	-21%	2,022	2,572	-21%
Storm Water	-	-	-	74	72	3%	74	72	3%
Economic development	-	-	-	-	36	-100%	-	36	-100%
<b>Total expenses</b>	<b>10,034</b>	<b>9,141</b>	<b>10%</b>	<b>4,623</b>	<b>3,688</b>	<b>25%</b>	<b>14,657</b>	<b>12,829</b>	<b>14%</b>
Excess (deficiency) before transfers	4,363	3,023	-44%	(1,643)	(1,368)	20%	2,720	1,655	64%
Transfers	(20)	(98)	-80%	20	98	-80%	-	-	-
<b>Change in net position</b>	<b>\$ 4,343</b>	<b>\$ 2,925</b>	<b>48%</b>	<b>\$ (1,623)</b>	<b>\$ (1,270)</b>	<b>28%</b>	<b>\$ 2,720</b>	<b>\$ 1,655</b>	<b>64%</b>

\* prior year amounts not restated for MD&A purposes

Explanations of significant changes in Table 2 are as follows:

*Governmental Activities:*

Public safety- increase \$0.9 million (29%) due to an increase in pension expenses.

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General government- decrease \$.9 million (20%) due to a decrease in operational expenses.

Capital grants and contributions – increase of \$0.3 million (100%) due to an increase in culture and recreation grants received in the current year.

*Business-Type Activities:*

Charges for services increased \$0.7 million (30%) mainly due to an increase in sewer and economic development revenues.

Economic development expenses– increase of \$1.1 million (100%) due to a one time economic and development incentive payment.

Water expenses – increase of \$0.4 million (39%) due to an increase in operating expenses.

**Governmental Activities**

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

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2023	2022		2023	2022	
General government	\$ 3,611	\$ 4,541	-20%	\$ (3,329)	\$ (3,769)	-12%
Public safety	3,959	3,059	29%	(3,429)	(2,909)	18%
Streets	874	991	-12%	(874)	(991)	-12%
Culture, parks and recreation	607	550	10%	(248)	(521)	-52%
Interest on long-term debt	984	-	100%	(984)	-	100%
<b>Total</b>	<u>\$ 10,034</u>	<u>\$ 9,141</u>	10%	<u>\$ (8,864)</u>	<u>\$ (8,190)</u>	8%

For the year ended June 30, 2023 total expenses for governmental activities amounted to approximately \$10 million which was an increase from the prior year of 10%. See Table 2 above for explanations of changes.



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**Business-type Activities**

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

	<b>Total Expense of Services</b>		<b>% Inc. Dec.</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. Dec.</b>
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
	Water	\$ 1,402		\$ 1,008	39%	
Sewer	2,022	2,571	-21%	(75)	(1,103)	-93%
Storm water	74	72	3%	17	38	-55%
Economic Development	1,125	-	100%	(877)	-	100%
<b>Total</b>	<b><u>\$ 4,623</u></b>	<b><u>\$ 3,651</u></b>	<b>27%</b>	<b><u>\$ (1,691)</u></b>	<b><u>\$ (1,427)</u></b>	<b>19%</b>

The City's business-type activities include economic and development and utility services for water, sewer, and storm water.

***A FINANCIAL ANALYSIS OF THE CITY'S FUNDS***

As the City completed its 2023 fiscal year, the governmental funds reported a combined fund balance of \$36 million or a 5% decrease of \$1,899,151 from the prior year. The enterprise funds reported combined net position of \$2.7 million or a 38% decrease from 2022.

**Fund Balance/Net Position**

Governmental Funds		Proprietary Funds	
Restricted	\$ 27,682,810	Net investment in capital assets	\$ 5,979,770
Committed	53,550	Unrestricted (deficit)	(3,352,451)
Assigned	57,951		
Unassigned	<u>7,334,239</u>		
<b>Total Fund Balance</b>	<b><u>\$ 35,128,550</u></b>	<b>Total Net Position</b>	<b><u>\$ 2,627,319</u></b>

**General Fund Budgetary Highlights**

For budgetary reporting purposes, the General Fund reported revenues over estimates of \$1,606,789 or 21%, while expenditures were under the final appropriations by \$5,799,723 or 43%.

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***CAPITAL ASSET AND DEBT ADMINISTRATION***

**Capital Assets**

At the end of June 30, 2023, the City had \$26.5 million invested in capital assets, net of depreciation, including buildings and improvements, machinery and equipment, infrastructure, and storm water improvements. (See table below). This represents a net increase of \$5.9 million or 28.8% from the prior year.

**TABLE 5  
Capital Assets  
(In Thousands)  
(Net of accumulated depreciation)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,323	\$ 1,216	\$ -	\$ -	1,323	\$ 1,216
Buildings and improvements	3,773	3,889	-	-	3,773	3,889
Machinery and Equipment	4,108	4,143	638	654	4,746	4,797
Infrastructure	5,004	5,119	795	841	5,799	5,960
Stormwater improvements	-	-	105	108	105	108
Construction in progress	6,303	-	458	425	6,761	425
<b>Totals</b>	<b>\$ 20,511</b>	<b>\$ 14,367</b>	<b>\$ 1,996</b>	<b>\$ 2,028</b>	<b>\$ 22,507</b>	<b>\$ 16,395</b>

This year's more significant capital asset additions placed into service included:

Land	\$65,000
2022 Chevy Silverado 3500	\$58,495
2022 Ford F150 Police Responder Crew	\$50,678
2023 Ford Police interceptor Utility AWD	\$44,891

See Note 6 to the financial statements for more detail information on the City's capital assets and changes therein.

**Long- Term Debt**

At year-end, the City had \$22.9 million in long-term debt outstanding which represents a \$0.5 million decrease, or 2%, from the prior year. The City's changes in long-term debt by type of debt are as follows:

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**TABLE 6  
Long-Term Debt  
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accrued absences	\$ 200	\$ 154	\$ 28	\$ 20	\$ 228	\$ 174
General obligation bonds	20,500	20,500	-	-	20,500	20,500
Notes Payable- Direct borrowing	1,724	2,152	435	532	2,159	2,684
<b>Totals</b>	<b>\$ 22,424</b>	<b>\$ 22,806</b>	<b>\$ 463</b>	<b>\$ 552</b>	<b>\$ 22,887</b>	<b>\$ 23,358</b>

See Note 8 to the financial statements for more detail information on the City’s long-term debt and changes therein.

**Economic Factors and New Year’s Budget**

In the City of Catoosa, economic factors have played a significant role in shaping the new year's budget. The City's primary source of government revenue, sales tax, exhibited growth compared to the previous year. This positive trajectory closely aligns with the broader economic trends observed at the national and state levels. The city's role as a suburban hub of Tulsa has contributed to increased revenues, and the long-term economic forecast for Catoosa is optimistic.

Furthermore, the city is experiencing a notable increase in business, commercial, and residential construction activities within its limits. These developments are expected to further bolster the City's revenue, enabling it to expand and enhance services for its residents in the coming year. Catoosa is poised for economic growth and the provision of comprehensive services, reflecting a positive outlook for the City's budget in the new year.

**Contacting the City’s Financial Management**

This report is designed to provide our citizens, taxpayers, customers and creditors with an understanding of the City’s finances and to demonstrate the City’s accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the City of Catoosa at 918-266-2505.

**CITY OF CATOOSA, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

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

**Statement of Net Position– June 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and equivalents	\$ 30,650,247	\$ 1,051,698	\$ 31,701,945
Investments	2,120,761	186,480	2,307,241
Interest receivable	-	1,878	1,878
Accounts receivable, net	8,045	356,095	364,140
Tax receivable, net	1,430,253	435,000	1,865,253
Fines receivable, net	157,741	-	157,741
Other receivables	3,986	-	3,986
Internal balances	4,427,909	(4,427,909)	-
Net pension asset	196,763	-	196,763
Capital Assets			
Land and construction in progress	7,626,020	486,330	8,112,350
Other capital assets, net of depreciation	12,885,411	5,493,440	18,378,851
<b>Total assets</b>	<b>59,507,136</b>	<b>3,583,012</b>	<b>63,090,148</b>
<b>DEFERRED OUTFLOWS:</b>			
Deferred amounts related to pensions	1,413,545	-	1,413,545
Total deferred outflows of resources	1,413,545	-	1,413,545
<b>LIABILITIES</b>			
Accounts payable	2,435,761	386,974	2,822,735
Accrued payroll	152,409	22,719	175,128
Claims liability	18,612	-	18,612
Unearned revenue	916,156	-	916,156
Accrued interest payable	74,375	1,878	76,253
Accrued compensated absences	180,208	25,297	205,505
Due to depositors	-	81,014	81,014
Unamortized bond premium	624,948	-	624,948
Long-term liabilities			
Due within one year	1,307,589	103,811	1,411,400
Due in more than one year	23,459,884	334,000	23,793,884
<b>Total liabilities</b>	<b>29,169,942</b>	<b>955,693</b>	<b>30,125,635</b>
<b>DEFERRED INFLOWS:</b>			
Deferred amounts related to pensions	75,205	-	75,205
Total deferred inflows of resources	75,205	-	75,205
<b>NET POSITION:</b>			
Net investment in capital assets	15,495,820	5,979,770	21,475,590
Net Position:			
Restricted	10,474,355	-	10,474,355
Unrestricted (deficit)	5,705,359	(3,352,451)	2,352,908
<b>Total net position</b>	<b>\$ 31,675,534</b>	<b>\$ 2,627,319</b>	<b>\$ 34,302,853</b>

See accompanying notes to the basic financial statements.

**CITY OF CATOOSA, OKLAHOMA**  
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**Statement of Activities –Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Primary government</b>							
Governmental Activities							
General Government	\$ 3,610,704	\$ 76,018	\$ 206,000	\$ -	\$ (3,328,686)	\$ -	\$ (3,328,686)
Public Safety	3,958,285	110,677	418,999	-	(3,428,609)	-	(3,428,609)
Culture and Recreation	606,723	12,580	16,847	329,178	(248,118)	-	(248,118)
Streets	873,967	-	-	-	(873,967)	-	(873,967)
Interest on long-term Debt	984,374	-	-	-	(984,374)	-	(984,374)
Total governmental activities	<u>10,034,053</u>	<u>199,275</u>	<u>641,846</u>	<u>329,178</u>	<u>(8,863,754)</u>	<u>-</u>	<u>(8,863,754)</u>
Business-type activities							
Water	1,402,002	645,761	-	-	-	(756,241)	(756,241)
Sewer	2,022,147	1,947,634	-	-	-	(74,513)	(74,513)
Storm Water	73,377	90,229	-	-	-	16,852	16,852
Economic Development	1,125,055	248,407	-	-	-	(876,648)	-
Total business-type activities	<u>4,622,581</u>	<u>2,932,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,690,550)</u>	<u>(1,690,550)</u>
Total primary government	<u>\$ 14,656,634</u>	<u>\$ 3,131,306</u>	<u>\$ 641,846</u>	<u>\$ 329,178</u>	<u>(8,863,754)</u>	<u>(1,690,550)</u>	<u>(10,554,304)</u>
<b>General revenues:</b>							
Taxes:							
Sales tax					8,792,302	-	8,792,302
Use tax					1,447,876	-	1,447,876
Property tax					1,361,934	-	1,361,934
Cigarette tax					60,190	-	60,190
Alcoholic beverage					78,637	-	78,637
Gasoline tax					13,122	-	13,122
Motor vehicle tax					54,019	-	54,019
Franchise tax					431,167	-	431,167
Hotel/motel tax					528,289	-	528,289
Gain on asset sale					27,686	-	27,686
Investment income					344,226	37,974	382,200
Miscellaneous					87,260	9,908	97,168
Transfers - internal activity					(20,000)	20,000	-
Total general revenues and transfers					<u>13,206,708</u>	<u>67,882</u>	<u>13,274,590</u>
Change in net position					4,342,954	(1,622,668)	2,720,286
Net position - beginning, restated					27,332,580	4,249,987	31,582,567
Net position - ending					<u>\$ 31,675,534</u>	<u>\$ 2,627,319</u>	<u>\$ 34,302,853</u>

See accompanying notes to the basic financial statements.

**CITY OF CATOOSA, OKLAHOMA  
ANNUAL FINANCIAL REPORT  
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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

**CITY OF CATOOSA, OKLAHOMA**  
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**Governmental Funds Balance Sheet - June 30, 2023**

**Catoosa**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<b>General Fund</b>	<b>Fire Department Fund</b>	<b>GO Bond Construction Fund</b>	<b>PWA Operation Maintenance Fund</b>	<b>Recreationa l Services Fund</b>	<b>ARPA Grant Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,497,028	\$ 1,177,538	\$ 17,230,022	\$ 4,437,265	\$ 726,570	\$ 918,670	\$ 1,663,154	\$ 30,650,247
Investments	1,569,772	-	-	550,989	-	-	-	2,120,761
Receivables:								
Grant receivables	-	-	-	-	-	-	8,045	8,045
Taxes receivable	988,871	176,553	-	176,553	88,276	-	-	1,430,253
Fines receivable	157,741	-	-	-	-	-	-	157,741
Due from other funds	967,149	-	-	3,477,602	-	-	-	4,444,751
Other receivables	3,986	-	-	-	-	-	-	3,986
Total assets	<u>\$ 8,184,547</u>	<u>\$ 1,354,091</u>	<u>\$ 17,230,022</u>	<u>\$ 8,642,409</u>	<u>\$ 814,846</u>	<u>\$ 918,670</u>	<u>\$ 1,671,199</u>	<u>\$ 38,815,784</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 515,612	\$ 11,785	\$ 1,921,907	\$ -	\$ 1,103	\$ -	\$ -	\$ 2,450,407
Accrued payroll	112,449	37,499	-	-	6,427	-	-	156,375
Unearned revenue	-	-	-	-	-	916,156	-	916,156
Due to other funds	16,842	-	-	-	-	-	-	16,842
Total liabilities	<u>644,903</u>	<u>49,284</u>	<u>1,921,907</u>	<u>-</u>	<u>7,530</u>	<u>916,156</u>	<u>-</u>	<u>3,539,780</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	147,454	-	-	-	-	-	-	147,454
Fund balances:								
Restricted	-	1,304,807	15,308,115	8,642,409	807,316	-	1,620,163	27,682,810
Committed	-	-	-	-	-	2,514	51,036	53,550
Assigned	57,951	-	-	-	-	-	-	57,951
Unassigned	7,334,239	-	-	-	-	-	-	7,334,239
Total fund balances	<u>7,392,190</u>	<u>1,304,807</u>	<u>15,308,115</u>	<u>8,642,409</u>	<u>807,316</u>	<u>2,514</u>	<u>1,671,199</u>	<u>35,128,550</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,184,547</u>	<u>\$ 1,354,091</u>	<u>\$ 17,230,022</u>	<u>\$ 8,642,409</u>	<u>\$ 814,846</u>	<u>\$ 918,670</u>	<u>\$ 1,671,199</u>	<u>\$ 38,815,784</u>

See accompanying notes to the basic financial statements.



**CITY OF CATOOSA, OKLAHOMA**  
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**Governmental Funds Statement of Changes in Fund Balances – Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>GO Bond Construction Fund</u>	<u>PWA Operation Maintenance Fund</u>	<u>Recreational Services Fund</u>	<u>ARPA Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>								
Taxes	\$ 8,024,640	\$ 1,352,662	\$ -	\$ 1,352,662	\$ 676,330	\$ -	\$ 1,360,907	\$ 12,767,201
Intergovernmental	226,203	220,535	-	-	329,178	206,000	26,899	1,008,815
Charges for services	33,050	-	-	-	-	-	2,650	35,700
Fines and forfeitures	29,750	-	-	-	-	-	7,734	37,484
Licenses and permits	76,018	-	-	-	-	-	-	76,018
Investment income	122,164	15,482	168,539	12,142	15,944	1,789	8,166	344,226
Miscellaneous	52,559	7,288	-	-	12,580	-	27,592	100,019
Total revenues	<u>8,564,384</u>	<u>1,595,967</u>	<u>168,539</u>	<u>1,364,804</u>	<u>1,034,032</u>	<u>207,789</u>	<u>1,433,948</u>	<u>14,369,463</u>
<b>EXPENDITURES</b>								
Current:								
General government	3,288,852	-	-	-	-	-	1,087	3,289,939
Public Safety	2,355,721	1,401,020	-	-	-	-	16,248	3,772,989
Highways and roads	727,108	-	-	-	-	-	-	727,108
Culture and recreation	118,902	-	-	-	249,032	-	-	367,934
Capital Outlay	732,103	73,858	4,917,206	-	1,381,312	12,000	16,878	7,133,357
Debt Service:								
Principal	286,065	-	-	-	142,130	-	-	428,195
Interest and other charges	17,466	-	-	-	25,922	-	892,650	936,038
Total expenditures	<u>7,526,217</u>	<u>1,474,878</u>	<u>4,917,206</u>	<u>-</u>	<u>1,798,396</u>	<u>12,000</u>	<u>926,863</u>	<u>16,655,560</u>
Excess (deficiency) of revenues over expenditures	1,038,167	121,089	(4,748,667)	1,364,804	(764,364)	195,789	507,085	(2,286,097)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	124,000	44,000	-	-	6,000	-	455,659	629,659
Transfers out	(455,659)	-	-	-	-	(194,000)	-	(649,659)
Total other financing sources and uses	<u>(331,659)</u>	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>(194,000)</u>	<u>455,659</u>	<u>(20,000)</u>
Net change in fund balances	706,508	165,089	(4,748,667)	1,364,804	(758,364)	1,789	962,744	(2,306,097)
Fund balances - beginning, restated	6,685,682	1,139,718	20,056,782	7,277,605	1,565,680	725	708,455	37,434,647
Fund balances - ending	<u>\$ 7,392,190</u>	<u>\$ 1,304,807</u>	<u>\$15,308,115</u>	<u>\$ 8,642,409</u>	<u>\$ 807,316</u>	<u>\$ 2,514</u>	<u>\$ 1,671,199</u>	<u>\$ 35,128,550</u>

See accompanying notes to the basic financial statements.

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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Total fund balance, governmental funds	\$	35,128,550
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		20,511,431
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Certain other assets and long-term elements are not available to pay current period expenditures and are either deferred or not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Net pension asset		196,763
Pension related deferred outflows		1,413,545
Unavailable revenues		147,454

Some liabilities are not due and payable in the current period and they, along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:

Net pension liability		(2,523,383)
Pension related deferred inflows		(75,205)
Notes Payable		(22,923,389)
Accrued compensated absences		(200,232)

Net Position of Governmental Activities in the Statement of Net Position	\$	31,675,534
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See accompanying notes to the basic financial statements.

**CITY OF CATOOSA, OKLAHOMA**  
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**Changes in Fund Balances – Changes in Net Position Reconciliation:**

Net change in fund balances - total governmental funds:	\$	(2,306,097)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized		6,796,749
Depreciation expense		(720,242)
<p>In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as expenditures. This amount represents the difference between pension contributions and calculated pension expense.</p>		
		176,854
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>		
Change in unavailable revenue		61,861
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:</p>		
Note payable principal payments		379,859
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Change in accrued compensated absences		(46,030)
Change in net position of governmental activities	<u>\$</u>	<u>4,342,954</u>

See accompanying notes to the basic financial statements.

**CITY OF CATOOSA, OKLAHOMA  
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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS**

**CITY OF CATOOSA, OKLAHOMA**  
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**Proprietary Funds Statement of Net Position - June 30, 2023**

	Enterprise Funds			Total
	Catoosa Public Works Authority	Catoosa Industrial Authority	Catoosa Economic Development Authority	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 796,221	\$ 12,094	\$ 243,383	\$ 1,051,698
Investments	105,466	-	-	105,466
Investments, restricted	81,014	-	-	81,014
Accounts receivable, net	356,095	-	436,878	792,973
Total current assets	<u>1,338,796</u>	<u>12,094</u>	<u>680,261</u>	<u>2,031,151</u>
Non-current assets:				
Capital assets:				
Land, construction in progress	486,330	-	-	486,330
Other capital assets, net of accumulated depreciation	5,493,440	-	-	5,493,440
Total non-current assets	<u>5,979,770</u>	<u>-</u>	<u>-</u>	<u>5,979,770</u>
Total assets	<u>7,318,566</u>	<u>12,094</u>	<u>680,261</u>	<u>8,010,921</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	261,750	-	125,224	386,974
Accrued payroll payable	22,719	-	-	22,719
Due to other funds	3,460,760	967,149	-	4,427,909
Accrued interest payable	-	-	1,878	1,878
Accrued compensated absences	2,811	-	-	2,811
Notes payable	-	-	101,000	101,000
Total current liabilities	<u>3,748,040</u>	<u>967,149</u>	<u>228,102</u>	<u>4,943,291</u>
Non-current liabilities:				
Accrued compensated absences	25,297	-	-	25,297
Due to depositors	81,014	-	-	81,014
Notes payable, net	-	-	334,000	334,000
Total non-current liabilities	<u>106,311</u>	<u>-</u>	<u>334,000</u>	<u>440,311</u>
Total liabilities	<u>3,854,351</u>	<u>967,149</u>	<u>562,102</u>	<u>5,383,602</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,979,770	-	-	5,979,770
Unrestricted (deficit)	(2,515,555)	(955,055)	118,159	(3,352,451)
Total net position	<u>\$ 3,464,215</u>	<u>\$ (955,055)</u>	<u>\$ 118,159</u>	<u>\$ 2,627,319</u>

See accompanying notes to the basic financial statements.

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**Proprietary Funds Statement of Changes in Net Position - Year Ended June 30, 2023**

	<u>Enterprise Funds</u>			<u>Total</u>
	<u>Catoosa Public Works Authority</u>	<u>Catoosa Industrial Authority</u>	<u>Catoosa Economic Development Authority</u>	
<b>REVENUES</b>				
Charges for services	\$ 2,683,624	\$ -	\$ -	\$ 2,683,624
Miscellaneous	-	-	132,681	132,681
Total operating revenues	<u>2,683,624</u>	<u>-</u>	<u>132,681</u>	<u>2,816,305</u>
<b>OPERATING EXPENSES</b>				
General and administrative	4,437	-	-	4,437
Purchased utilities	2,640,233	-	-	2,640,233
Personal services	403,750	-	-	403,750
Plant and distribution expense	156,667	-	-	156,667
Other expenses	14,308	967,149	130,767	1,112,224
Insurance claims and expense	-	-	-	-
Capital outlay	-	-	-	-
Depreciation expense	278,131	-	-	278,131
Total operating expenses	<u>3,497,526</u>	<u>967,149</u>	<u>130,767</u>	<u>4,595,442</u>
Operating income (loss)	<u>(813,902)</u>	<u>(967,149)</u>	<u>1,914</u>	<u>(1,779,137)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	37,734	1	239	37,974
Miscellaneous revenue	9,908	-	115,726	125,634
Interest expense and fiscal charges	-	-	(27,139)	(27,139)
Total non-operating revenue (expenses)	<u>47,642</u>	<u>1</u>	<u>88,826</u>	<u>136,469</u>
Income (loss) before transfers	<u>(766,260)</u>	<u>(967,148)</u>	<u>90,740</u>	<u>(1,642,668)</u>
Transfers in	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Change in net position	<u>(746,260)</u>	<u>(967,148)</u>	<u>90,740</u>	<u>(1,622,668)</u>
Total net position - beginning	4,210,475	12,093	27,419	4,249,987
Total net position - ending	<u>\$ 3,464,215</u>	<u>\$ (955,055)</u>	<u>\$ 118,159</u>	<u>\$ 2,627,319</u>

See accompanying notes to the basic financial statements.

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

	<b>Enterprise Funds</b>			<b>Total</b>
	<b>Catoosa Industrial Authority</b>	<b>Catoosa Economic Development Authority</b>	<b>Catoosa Public Works Authority</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ -	\$ 229,782	\$ 2,775,696	\$ 3,005,478
Payments to suppliers	-	(7,840)	(3,081,260)	(3,089,100)
Payments to employees	(967,149)	-	(395,500)	(1,362,649)
Payments to other funds	967,149	-	3,460,760	4,427,909
Receipts of customer meter deposits	-	-	(9,695)	(9,695)
Refunds of customer meter deposits	-	-	11,285	11,285
<b>Net cash provided by operating activities</b>	<b>-</b>	<b>221,942</b>	<b>2,761,286</b>	<b>2,983,228</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	-	20,000	20,000
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	-	-	(124,990)	(124,990)
Principal paid on debt	-	(97,000)	-	(97,000)
Interest and fiscal agent fees paid on debt	-	(25,261)	-	(25,261)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(122,261)</b>	<b>(124,990)</b>	<b>(247,251)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale (Purchase) of investments	-	-	(870)	(870)
Interest and dividends	1	239	37,734	37,974
<b>Net cash provided by investing activities</b>	<b>1</b>	<b>239</b>	<b>36,864</b>	<b>37,104</b>
<b>Net increase in cash and cash equivalents</b>	<b>1</b>	<b>99,920</b>	<b>2,693,160</b>	<b>2,793,081</b>
<b>Balances - beginning of year</b>	<b>12,093</b>	<b>143,463</b>	<b>(1,896,939)</b>	<b>(1,741,383)</b>
<b>Balances - end of year</b>	<b>\$ 12,094</b>	<b>\$ 243,383</b>	<b>\$ 796,221</b>	<b>\$ 1,051,698</b>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 12,094	\$ 243,383	\$ 796,221	\$ 1,051,698
Total cash and cash equivalents, end of year	<u>\$ 12,094</u>	<u>\$ 243,383</u>	<u>\$ 796,221</u>	<u>\$ 1,051,698</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (967,149)	\$ 1,914	\$ (813,902)	\$ (1,779,137)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	-	-	278,131	278,131
Miscellaneous Income	-	115,726	9,908	125,634
Change in assets and liabilities:				
Receivables, net	-	(18,625)	82,164	63,539
Accounts payable	-	122,927	(265,615)	(142,688)
Due to other funds	967,149	-	3,460,760	4,427,909
Refundable deposits	-	-	1,590	1,590
Accrued compensated absences	-	-	8,250	8,250
<b>Net cash provided by operating activities</b>	<b>\$ -</b>	<b>\$ 221,942</b>	<b>\$ 2,761,286</b>	<b>\$ 2,983,228</b>

See accompanying notes to the basic financial statements.

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**FOOTNOTES TO BASIC FINANCIAL STATEMENTS**



## **Footnotes to the Basic Financial Statements:**

### **1. Financial Reporting Entity**

In determining the financial reporting entity, the City uses the integrated approach as prescribed by Governmental Accounting Standards Board Statements No. 14 “The Financial Reporting Entity”, and Statement No. 61, “*The Financial Reporting Entity: Omnibus*”, and includes all component units for which the City is financially accountable/fiscally responsible. The City’s financial reporting entity primary government presentation includes the City of Catoosa and the certain component units as follows:

**The City of Catoosa** – that operates the public safety, health and welfare, streets and highways, culture and recreation, and administrative activities.

The City of Catoosa is an incorporated municipality with a population of approximately 7,440 located in northeastern 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 SIX-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

**Blended Component Units** (separate legal entities for which the City Council is fiscally responsible, and for which the City Council members serve as the trustees/governing body of the entity):

**Catoosa Public Works Authority (CPWA)** – public trust that operates the water, sewage disposal, and storm water services of the City.

**Catoosa Economic Development Authority (CEDA)** – public trust created to promote economic development in Catoosa.

**Catoosa Industrial Authority (CIA)** – public trust created to institute, furnish, provide and supply services and facilities for the promotion and development of the economy, the conservation and implementation of the public welfare and protection and promotion of the public health to the city.

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 Authorities. 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. 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.

### **2. 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

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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:**

In the Statement of Net Position and the Statement of Activities, we divide the City into 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 it cover all or most of the cost of these services it provides. The City's airport, water, sewer, electric and sanitation systems activities are reported here.

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 left at year-end that are available for spending. 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. 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 you 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** – It is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in the other funds. For reporting purposes, the General Fund includes the activities of the Cleet Assessment account, A&D account, Retirement account, and Library contribution account.
- **PWA Operation and Maintenance** – Primarily used for the construction of utility related assets. Funds can also be used for the operation and maintenance of the Authority's systems.

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- Fire Department Fund – Primary funding for Fire Department with a .5 cent sales tax as its revenue source.
- Recreational Services Fund – A .25 cent sales tax is used to fund the operation of the City’s Library, Community Center, and future Recreational Center.
- GO Bond Construction Fund – Accounts for bond proceeds and will fund the construction of public safety facilities.
- ARPA Grant Fund – Accounts for the collection of spending of the Federal American Rescue Plant Act Covid-19 relief funds.

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

Special Revenue Funds:

- Cemetery Fund – Accounts for cemetery revenue restricted by State law for cemetery capital improvements.
- Technology Fund – Fees collected with police fines to be used for drug and alcohol enforcement.
- Police Training Fund – Accounts for police fine revenues and expenditures dedicated to provide for Police Department training and related supplies and equipment.
- Fire Department Special Fund – Grants revenues and collected fees associated with the Fire Department are accounted for in this fund, along with associated Fire Department expenditures.
- 911 Enhancement Fund – Collects wireless 911 fees to be used to maintain emergency 911 equipment and services.
- CDBG Grand Fund – Accounts for specific grant activity when such grants are available.
- Go Bond Sinking Fund – Accounts for the collection of taxes to be used to extinguish Go Bond Debt.

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

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

***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.

The City's proprietary funds include the following:

**Enterprise Funds**

**Major Funds:**

- Catoosa Public Works Authority – Accounts for activities of providing water and wastewater services to the public. See below for pertinent information pertaining to this fund including dedication of revenues.
- Catoosa Economic Development Authority – accounts for economic development activities, including issuance of TIF bonds to attract new retail and industrial development.
- Catoosa Industrial Authority – Accounts for activities related to encouraging industrial development in and around the Catoosa area.

The Catoosa Public Works Authority was created in 1965 and operates as a public trust. On January 19, 1965, the City of Catoosa, Oklahoma accepted beneficial interest in the trust pursuant to resolution. The Authority's major operations consist of providing water and sewage disposal and storm water management to the citizens of the City of Catoosa, Oklahoma. The trustees of the Authority consist of the acting members of the governing body of the City of Catoosa. The Catoosa Economic Development Authority has been dormant for many years but has recently been activated to assist with a TTF funding district for commercial economic development purposes.

**3. Cash and Cash Equivalents, 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 consist of long-term certificates of deposits and government money market funds. Certificates of deposit are reported at cost.

**Deposits and Investments Risks**

The City of Catoosa primary government and 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:

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Type	Carrying Value	Credit Rating	Hierarchy
Deposits:			
Demand deposits	\$ 14,016,527	N/A	N/A
Investments:			
Time deposits	2,201,775	N/A	N/A
Federated Hermes Gov Oblig Tax Managed	68	AAAm(1)	Level 1
ICS (CDARS)	17,685,350	N/A	N/A
Sub-Total	<u>\$ 33,903,720</u>		
<b>Reconciliation to Financial Statements:</b>			
Cash and cash equivalents	\$ 31,701,945		
Investments	2,307,241		
	<u>\$ 34,009,186</u>		

GASB Statement No. 72, *Fair Value Measurement and Application*, established a hierarchy 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.

*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 least at a level of 100% 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 approved by the board of directors or loan committee.

At June 30, 2023, the City was not exposed to custodial credit risk.

*Investment Credit Risk* – The City’s investment policy limits investments, excluding retirement trust fund investments, 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.

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Investment credit risk is the risk that an issuer or other counterpart 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 discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

**Restricted Cash and Investments**

The amounts reported as restricted assets of the Enterprise Funds on the Statement of Net Position are comprised of amounts held by the Catoosa Public Works Authority related to refundable meter deposits and other accounts with restricted uses. The restricted assets as of June 30, 2023, are as follows:

Cash and cash equivalents:		
Cash Restricted for Refundable deposits	\$	81,014
	<u>\$</u>	<u>81,014</u>

**4. Receivables**

In the government-wide statements, receivables consist of all revenues earned at period-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, police fines, and hotel/motel tax.

Business-type activities and the proprietary type fund consist of revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
<b>Governmental Activities:</b>			
Taxes	1,430,253	\$ -	\$ 1,430,253
Court fines	1,051,609	(893,868)	157,741
Grants receivable	8,045	-	8,045
Other	3,986	-	3,986
Total Governmental Activities	\$ 2,493,893	\$ (893,868)	\$ 1,600,025
<b>Business-Type Activities:</b>			
Melton Truck TIF receivable	435,000	-	435,000
Utilities	456,616	(100,521)	356,095
	\$ 891,616	\$ (100,521)	\$ 791,095

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**5. Capital Assets and Depreciation**

**Capital Assets:**

For the primary government and component units, capital assets are reported at actual or estimated historical cost, net of accumulated depreciation where applicable. Donated capital assets are reported at the acquisition value at date of donation. The capitalization threshold is capital assets with a cost of \$1,000 or more.

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

	Restated Balance at July 1, 2022	Additions	Transfers/ Deductions	Balance at June 30, 2023
<b>PRIMARY GOVERNMENT:</b>				
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 1,216,154	\$ 106,710	\$ -	\$ 1,322,864
Construction in progress	-	6,303,156	-	6,303,156
Total capital assets not being depreciated	<u>1,216,154</u>	<u>6,409,866</u>	<u>-</u>	<u>7,626,020</u>
Other capital assets:				
Buildings and improvements	5,474,740	-	-	5,474,740
Machinery and Equipment	7,150,891	383,085	-	7,533,976
Insfrastucture	5,579,819	3,798	-	5,583,617
Total other capital assets at historical cost	<u>18,205,450</u>	<u>386,883</u>	<u>-</u>	<u>18,592,333</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,585,919)	(115,607)	-	(1,701,526)
Machinery and equipment	(3,008,345)	(417,569)	-	(3,425,914)
Insfrastucture	(460,764)	(118,718)	-	(579,482)
Total accumulated depreciation	<u>(5,055,028)</u>	<u>(651,894)</u>	<u>-</u>	<u>(5,706,922)</u>
Other capital assets, net	<u>13,150,422</u>	<u>(265,011)</u>	<u>-</u>	<u>12,885,411</u>
Governmental activities capital assets, net	<u>\$ 14,366,576</u>	<u>\$ 6,144,855</u>	<u>\$ -</u>	<u>\$ 20,511,431</u>
	Restated Balance at July 1, 2022	Additions	Transfers/ Deductions	Balance at June 30, 2023
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 425,180	\$ 33,084	\$ -	\$ 458,264
Construction in progress	-	28,066	-	28,066
Total capital assets not being depreciated	<u>425,180</u>	<u>61,150</u>	<u>-</u>	<u>486,330</u>
Other capital assets:				
Buildings	143,482	-	-	143,482
Stormwater improvements	819,306	-	-	819,306
Machinery and equipment	1,536,401	58,498	40,000	1,634,899
Insfrastucture	7,848,835	-	-	7,848,835
Total other capital assets at historical cost	<u>10,348,024</u>	<u>58,498</u>	<u>40,000</u>	<u>10,446,522</u>
Less accumulated depreciation for:				
Buildings	(35,392)	(2,870)	-	(38,262)
Stormwater improvements	(165,160)	(16,386)	-	(181,546)
Machinery and equipment	(695,346)	(104,936)	(40,000)	(840,282)
Insfrastucture	(3,739,053)	(153,939)	-	(3,892,992)
Total accumulated depreciation	<u>(4,634,951)</u>	<u>(278,131)</u>	<u>(40,000)</u>	<u>(4,953,082)</u>
Other capital assets, net	<u>5,713,073</u>	<u>(219,633)</u>	<u>-</u>	<u>5,493,440</u>
Business-type activities capital assets, net	<u>\$ 6,138,253</u>	<u>\$ (158,483)</u>	<u>\$ -</u>	<u>\$ 5,979,770</u>

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Depreciation:

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 25-50 years
- Improvements other than buildings 20-50 years
- Stormwater improvements 15-50 years
- Infrastructure 15-50 years
- Machinery and equipment 3–10 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. Depreciation expense has been allocated as follows:

**Governmental Activities:**

General Government	\$ 90,371
Public Safety	339,885
Highways and road	138,533
Culture and Recreation	83,105
Total	\$ 651,894

**Business-Type Activities:**

PWA	\$ 235,155
Storm Water	42,976
Total	\$ 278,131

**6. Internal and Interfund Balances and Transfers**

**Internal and Interfund Balances:**

The City’s policy is to eliminate interfund receivable and payables between funds in the Statement of Net Position to avoid the grossing up of balances. Only the residual balances due between governmental and business-type activities are reported as internal balances and then offset in the total column.

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
General Fund	Catoosa Industrial Authority	\$ 967,149	CIA incentive payment
PWA Operations / Maintenance	Catoosa Public Works Authority	3,460,760	To cover negative balance in pooled cash
Catoosa Public Works Authority	General Fund	5,972	To cover negative balance in pooled cash
Catoosa Public Works Authority	General Fund	10,870	To cover negative balance in pooled cash
Total		\$ 4,444,751	

	Due From Other Funds	Due To Other Funds	Net Internal Balances
Reconciliation to Fund Financial Statements:			
Governmental Funds	\$ 4,444,751	\$ (16,842)	\$ 4,427,909
Proprietary Funds	-	(4,427,909)	(4,427,909)
Total	\$ 4,444,751	\$ (4,444,751)	\$ -



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**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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Nature of Interfund Transfer</u>
General Fund	ARPA	\$ 124,000	Operating subsidy
GO Bond Sinking Fund	General Fund	455,659	To correct balance
Fire Department Fund	ARPA	44,000	Operating subsidy
Recreational Services Fund	ARPA	6,000	Operating subsidy
Catoosa Public Work Authority	ARPA	20,000	Operating subsidy
		<u>\$ 649,659</u>	

<b>Reconciliation to fund financial statements:</b>	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>	<u>Net Transfers</u>
Governmental Funds	\$ 455,659	\$ -	\$ 455,659
Enterprise Funds	20,000	-	20,000
Totals	<u>\$ 475,659</u>	<u>\$ -</u>	<u>\$ 475,659</u>

**7. Long-Term Debt**

The City’s long-term debt consists of G.O. bonds and notes payable, and accrued compensated absences.

For the year ended June 30, 2023, the City’s long-term debt balances changed as follows:

**Primary Government:**

<u>Type of Debt</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 20,500,000	\$ -	\$ -	\$ 20,500,000	\$ 850,000
Notes Payable - direct borrowings	2,152,261	-	428,195	1,724,066	437,565
Accrued Compensated Absences	154,202	46,030	-	200,232	20,024
Total Governmental Activities	<u>\$ 22,806,463</u>	<u>\$ 46,030</u>	<u>\$ 428,195</u>	<u>\$ 22,424,298</u>	<u>\$ 1,307,589</u>
Plus: Net pension liability				2,523,383	-
				<u>\$ 24,947,681</u>	<u>\$ 1,307,589</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ -	
Due in more than one year				1,307,589	
				<u>\$ 1,307,589</u>	

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<u>Type of Debt</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Notes Payable - Direct borrowings	\$ 532,000	\$ -	\$ 97,000	\$ 435,000	\$ 101,000
Accrued Compensated Absences	<u>19,858</u>	<u>8,250</u>	<u>-</u>	<u>28,108</u>	<u>2,811</u>
Total Business-Type Activities	<u>\$ 551,858</u>	<u>\$ 8,250</u>	<u>\$ 97,000</u>	<u>\$ 463,108</u>	<u>\$ 103,811</u>
Reconciliation to Statement of Net Position:					
Due within one year				\$ -	
Due in more than one year				<u>103,811</u>	
				<u>\$ 103,811</u>	

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

**GO Bond Payable –**

2022A GO Bond for \$20,500,000 with interest of 4.1% for the construction of police and fire Facilities. Debt service payments are due semi-annually through June 2047. Bonds are secured by ad valorem or property taxes levied annually.	<u>\$20,500,000</u>
Current portion	\$850,000
Non-current portion	<u>19,650,000</u>
	<u>\$20,500,000</u>

**Notes Payable – Direct Borrowings:**

\$1,500,000 note payable for the purchase of Blue Whale landmark, matures March 2030 with a stated interest rate of 2.30%. If the City defaults, the collateralized Land will be returned to the lender.	1,049,769
\$1,799,286 Notes payable for the purchase of police radio equipment, matures August 2025 with a stated interest rate of 2.1%. If the City defaults, the collateralized equipment will be returned to the lender.	674,297
Total Notes Payable	<u>\$1,724,066</u>
Current portion	\$437,565
Non-current portion	<u>1,286,501</u>
	<u>\$1,724,066</u>

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

**Note Payable Direct Borrowings –**

\$1,100,000 2014A TIF Series, for the Catoosa Economic Development Authority. with interest at 5.18%. Debt service payments are due annually through June 2027	<u>\$435,000</u>
Total Notes Payable – Direct Borrowings	<u>\$435,000</u>
Current portion	\$101,000
Non-current portion	<u>334,000</u>
	<u>\$435,000</u>

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

<b>Governmental-Type Activities</b>				
Year Ending June 30,	GO Bonds Payable		Notes Payable - Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 850,000	\$ 892,500	\$ 437,565	\$ 33,977
2025	850,000	850,000	447,140	24,402
2026	850,000	807,500	236,115	16,101
2027	850,000	765,000	155,813	12,239
2028	850,000	722,500	159,435	8,617
2029-2033	4,250,000	3,000,500	287,998	6,111
2034-2038	4,250,000	2,125,000	-	-
2039-2043	4,250,000	1,271,812	-	-
2044-2047	3,500,000	378,250	-	-
Total	\$ 20,500,000	\$ 10,813,062	\$ 1,724,066	\$ 101,447

<b>Business-Type Activities</b>		
Year Ending June 30,	Notes Payable-Direct Borrowings	
	Principal	Interest
2024	\$ 101,000	\$ 22,533
2025	106,000	17,301
2026	112,000	11,810
2027	116,000	6,009
Total	\$ 435,000	\$ 57,653

**Pledge of Future Revenues**

*Pledged Sales Tax* – The City has pledged 3.25 cents (or 100%) of future sales tax. Two cents of the sales tax was voted by the citizens for general operations, .50 cent is legally restricted by a vote of the citizens for the purpose of constructing, operating, maintaining and making capital improvements to the public works authority, .50 cents for the purpose of the operation, maintenance and capital improvements to the Catoosa fire department, and .25 cents for the purpose of constructing, equipping, furnishing and to provide for the continuing operation, of the Catoosa Civic Center.

**8. Net Position and Fund Balances**

Government-wide 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.
- 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.

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- 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 restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

*Fund Balance:*

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 – included 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.
- 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 (city manager) 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.

The City’s policy for the use of fund balance amounts require that committed amounts would be reduced first followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 57,951	\$ 7,334,239	\$ 7,392,190
911 Enhancement Fund	41,993	-	-	-	41,993
CDBG Grant Fund	18,897	-	-	-	18,897
Cemetery Fund	54,454	-	-	-	54,454
Technology Fund	20,504	-	-	-	20,504
Fire Department Special Fund	83,347	-	-	-	83,347
Police Training Fund	-	51,036	-	-	51,036
GO Bond Sinking Fund	1,400,968	-	-	-	1,400,968
ARPA Grant Fund	-	2,514	-	-	2,514
Fire Department Fund	1,304,807	-	-	-	1,304,807
GO Bond Construction Fund	15,308,115	-	-	-	15,308,115
PWA Operation Maintenance Fund	8,642,409	-	-	-	8,642,409
Recreational Service Fund	807,316	-	-	-	807,316
<b>TOTAL FUND BALANCE</b>	<b>27,682,810</b>	<b>53,550</b>	<b>57,951</b>	<b>7,334,239</b>	<b>35,128,550</b>

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*Prior Period Adjustments:*

The following adjustments to beginning fund balance/net position were:

	Government-Wide		Governmental Funds			
	Governmental Activities	General Fund	Fire Department Fund	PWA Operation Maintenance Fund	Recreational Services Fund	ARPA Grant Fund
<b>Statement of Activities:</b>						
Beginning net position as previously reported	\$28,255,661	\$6,885,380	\$1,195,995	\$7,333,882	\$1,593,818	\$509,935
Adjustment for overstatement of tax receivables	(413,871)	(273,179)	(56,277)	(56,277)	(28,138)	-
Adjustment for understatement of unearned	(509,210)	-	-	-	-	(509,210)
Beginning net position, restated	<u>\$27,332,580</u>	<u>\$6,612,201</u>	<u>\$1,139,718</u>	<u>\$7,277,605</u>	<u>\$1,565,680</u>	<u>\$725</u>

**9. Revenues**

**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, Court, Civil Defense, fire run charges, police sentinel charges for services, restricted operating grants, 911 revenue, court and restricted capital grants
- Streets – Commercial vehicle and gasoline excise tax shared by the State
- Culture, recreation, and library –pool fees, library fees, fishing permits, recreation fees, operating and capital grants
- General Government – license and permits, fines, cemetery revenue, and operating grants
- Economic Development – rents, operating grants

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

**Sales Tax Revenue:**

Sales tax revenue represents a 3.25 cents tax on each dollar of taxable sales of which is collected by the Oklahoma Tax Commission and remitted to the City. The sales tax is deposited 2 cents in the general fund and .5 cents in the Public Works Authority and Fire Department Fund. The tax commission receives the sales tax approximately one month after collection by vendors.

**Use Tax Revenue:**

The City levies 3.25 cents use tax on personal property purchased outside the city limits but stored, used, or consumed within the city. The use tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission, which is one month after the tax is received from the vendors. The use taxes are allocated entirely to the General Fund.

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**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. The City's property taxes are billed and collected by the County and remitted to 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 taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2023, the City collected \$1,361,934 in property tax.

**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 through the purchase of commercial insurance with varying deductibles. These deductibles are well below materiality levels for the City. During the last four years no claims have been settled for amounts in excess of insurance coverage.

**11. Retirement Plan Participation**

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

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost sharing plan
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
- Oklahoma Municipal Retirement Fund (OkMRF) – agent multiple-employer defined contribution plan
- Single Employer Pension Plan through First Financial Securities of America- defined Contribution plan

The following is a summary of the deferred outflows, deferred inflows and net pension liability by the various plans as of June 30, 2023:

	Governmental	Business Type	Total
Deferred Outflows:			
Police Pension	\$ 507,946	\$ -	\$ 507,946
Fire Pension	905,599	-	905,599
Total	\$ 1,413,545	\$ -	\$ 1,413,545
Deferred Inflows:			
Police Pension	\$ 46,377	\$ -	\$ 46,377
Fire Pension	28,828	-	28,828
Total	\$ 75,205	\$ -	\$ 75,205
Net Pension Liability:			
Fire Pension	\$ 2,523,383	\$ -	\$ 2,523,383
Total	\$ 2,523,383	\$ -	\$ 2,523,383
Net Pension Asset:			
Police Pension	\$ 196,763	\$ -	\$ 196,763
Total	\$ 196,763	\$ -	\$ 196,763

**Oklahoma Municipal Retirement Plan (OkMRF) – Defined Contribution Plan**

The City provided a defined contribution plan in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OkMRF). The defined contribution plan is available to the city manager and the chief of police. Employees are eligible to participate after 90 days of employment and must make contributions to the plan, based upon employee contributions under the pick-up option, at a rate of 5% of covered payroll. These picked-up contributions are made by the employer and paid in lieu of contributions by the employee. Additionally, the employer intends to make contributions to the plan in varying amounts each year. The City’s contributions for each employee (and interest allocated to the employee’s account) are vested after 10 years of employment. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall decrease the required employer contributions. The authority to establish and amend the provisions of the plan rest with the City Council.

For the year ended June 30, 2023, the following amounts related to the defined contribution plan:

Employee contributions made \$12,833  
Employer contributions made \$39,289

**City Employee Pension Plan – Defined Contribution Plans**

The City has adopted a Code Section 457 Retirement Plan for all city employees not covered by other plans. Under this plan, which is a defined contributions plan, the employees may elect to contribute up to the lesser of \$7,500 or 25% of compensation annually. The employer contributes 12% of covered payroll annually. Employees have a 100% nonforfeitable interest in the contributions. The vesting schedule for the City contributions to the plan is 0% to 6 years of service and 100% after 7 years. However, employees are fully vested at age 65 or upon death or disability regardless of the number of years of service. The contributions to the plan by employees and the city were \$50,679 and \$69,914 respectively

**Oklahoma Firefighter’s Pension – Statewide Cost Sharing Plan**

**Plan description** - The City of Catoosa, 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](http://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.

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- 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 determined 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 \$135,818. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$220,535 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$197,670. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the City reported a liability of \$2,523,383 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 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 .192958%.

For the year ended June 30, 2023, the City recognized pension expense of 394,103. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 323,934	\$ 12,739
Changes of assumptions	-	16,089
Net difference between projected and actual earnings on pension plan investments	293,244	-
Changes in proportion	130,309	-
Contributions during the measurement date	22,294	-
Contributions subsequent to the measurement date	135,818	-
<b>Total</b>	<b>\$ 905,599</b>	<b>\$ 28,828</b>

In the year ending June 30, 2023, \$135,818 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 subsequent year. 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	\$ 200,067
2025	171,355
2026	79,725
2027	289,806
<b>Total</b>	<b>\$ 740,953</b>

**Actuarial Assumptions-** The total pension liability was determined by an actuarial valuation as of July 1, 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 scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

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, 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:

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<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.

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 3,251,570	\$ 2,523,383	\$ 1,914,285

**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](http://www.ok.gov/fprs).

### **Oklahoma Police Pension – Statewide Cost Sharing Plan**

**Plan description** - The City of Catoosa, 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](http://www.ok.gov/OPPRS)

**Benefits provided** - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

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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 determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent 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 \$186,881. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$109,225 during the calendar year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$97,773. These on-behalf payments did not meet the criteria of a special funding situation.

**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 \$196,763 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 July 1, 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 proportion was .245365%.

For the year ended June 30, 2023, the City recognized pension expense of \$47,185. 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	\$ 96,515	\$ 21,433
Changes of assumptions	6,850	-
Net difference between projected and actual earnings on pension plan investments	192,001	-
Changes in proportion	-	24,944
Contributions during measurement date	25,699	-
Contributions subsequent to the measurement date	186,881	-
Total	\$ 507,946	\$ 46,377

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In the year ending June 30, 2023, \$186,881 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 addition to the net pension liability (asset) in the subsequent year. 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	\$	61,944
	2025		16,390
	2026		(52,111)
	2027		236,014
	2028		12,451
	Total	\$	<u>274,688</u>

***Actuarial Assumptions***-The total pension asset was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private Equity	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 (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 570,081	\$ (196,763)	\$ (844,935)

**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](http://www.ok.gov/OPPRS) .

## **12. Commitments and Contingencies**

### **Litigation**

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

### **Grant Programs**

The City of Catoosa participates in various federal or state grant/loan programs from year to year. In 2023, the City's involvement in federal and state award programs was relatively immaterial. 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2023**

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budget basis)	Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 6,003,518	\$ 6,003,518	\$ 5,629,004	\$ (374,514)
<b>Resources (Inflows):</b>				
Taxes	6,963,308	6,963,308	7,754,452	791,144
Licenses and permits	92,098	92,098	76,018	(16,080)
Fines and forfeitures	46,276	46,276	64,039	17,763
Investment income	83,889	83,889	97,930	14,041
Miscellaneous	83,394	83,394	278,742	195,348
Intergovernmental	219,445	219,445	824,019	604,574
<b>Total Resources (Inflows)</b>	<u>7,488,410</u>	<u>7,488,410</u>	<u>9,095,200</u>	<u>1,606,790</u>
<b>Amounts available for appropriation</b>	<u>13,491,928</u>	<u>13,491,928</u>	<u>14,724,204</u>	<u>1,232,276</u>
<b>Charges to Appropriations (Outflows):</b>				
General Government	1,395,150	1,395,150	1,312,547	82,603
Police	2,258,950	2,258,950	2,156,857	102,093
Community Development	780,400	780,400	714,340	66,060
Street and Parks	4,804,027	4,804,027	1,056,949	3,747,078
Technology	125,300	125,300	117,516	7,784
Economic Development	2,250,500	2,250,500	1,990,436	260,064
Emergency Management	141,100	141,100	74,629	66,471
Museum	111,050	111,050	112,485	(1,435)
Animal Control	176,060	176,060	156,445	19,615
Emergency Reserve	1,449,391	1,449,391	-	1,449,391
<b>Total Charges to Appropriations</b>	<u>13,491,928</u>	<u>13,491,928</u>	<u>7,692,204</u>	<u>5,799,724</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,032,000</u>	<u>\$ 7,032,000</u>

See accompanying notes to this schedule.



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**Schedule Footnotes to Budgetary Comparison:**

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on a non-GAAP basis that report revenues on a cash basis, and expenditures in the period the invoice is received, except for payroll expenditures that are recorded when paid. 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 unassigned budgetary fund balance. This presentation of unassigned 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 within a fund require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
  
3. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedule below:

	<u>General Fund</u>
<b>Sources/Inflows of resources</b>	
Actual amounts (budgetary basis) "total resources" from the budgetary comparison schedule	\$ 9,095,199
Differences - budget to GAAP:	
Revenue recognized as inflows of budgetary resources but are not revenues for financial reporting purposes.	(641,884)
State payments made on-behalf of police pension not considered a budgetary resources	109,225
Transfer in General fund	124,000
Revenues from combined accounts:	
Cleet Fund	29
A&D Fund	397
Retirement Fund	1,068
Library Contribution Fund	350
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 8,688,384
<b>Uses/Outflows of appropriations</b>	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedule	\$ 7,692,204
Differences - budget to GAAP:	
expenses recognized as outflows of budgetary resources	
but are not uses for financial reporting purposes.	(304,942)
State payments made on-behalf of police pension not considered a	109,225
Transfer out General fund	455,659
Expenditures from combined accounts:	
Cleet Fund	12,384
Retirement Fund	10,515
Library Contribution Fund	6,830
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 7,981,875

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**Pension Information**

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY OF CATOOSA'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>
City's proportion of the net pension liability	0.095800%	0.103959%	0.1014410%	0.1055551%	0.1055551%	0.162106%	0.171590%	0.175697%	0.192958%
City's proportionate share of the net pension liability	\$ 985,153	\$ 1,103,429	\$ 1,239,317	\$ 1,327,542	\$ 1,294,672	\$ 1,712,922	\$ 2,113,830	\$ 1,157,085	\$ 2,523,383
City's covered-employee payroll	\$ 271,479	\$ 284,034	\$ 283,050	\$ 337,799	\$ 494,473	\$ 534,316	\$ 590,375	\$ 615,128	\$ 754,549
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	363%	388%	438%	393%	262%	321%	358%	188%	334%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	68.12%	69.49%

\*The amounts present 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.

**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>
Statutorially required contribution	\$ 38,007	\$ 39,765	\$ 39,627	\$ 47,289	\$ 83,865	\$ 99,529	\$ 112,171	\$ 117,257	\$ 135,818
Contributions in relation to the statutorially required contribution	\$ 38,007	\$ 39,765	\$ 39,627	\$ 47,289	\$ 83,865	\$ 99,529	\$ 112,171	\$ 117,257	\$ 135,818
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 271,479	\$ 284,034	\$ 283,050	\$ 337,779	\$ 494,473	\$ 536,431	\$ 590,375	\$ 615,128	\$ 754,549
Contributions as a percentage of covered-employee payroll	14%	14%	14%	14%	17%	19%	19%	19%	18%

**Notes to Schedule:**

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

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**Schedules of Required Supplementary Information**

**SCHEDULE OF THE CITY OF CATOOSA PORTIONATE 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>
City's proportion of the net pension liability (asset)	0.2071%	0.2071%	0.1989%	0.2161%	0.2130%	0.2078%	0.2231%	0.2212%	0.2454%
City's proportionate share of the net pension liability (asset)	\$ (69,736)	\$ 8,466	\$ 304,673	\$ 16,621	\$ (101,471)	\$ (13,263)	\$ 256,175	\$(1,060,939)	\$ (196,763)
City's covered-employee payroll	\$ 585,651	\$ 608,170	\$ 646,692	\$ 650,648	\$ 672,461	\$ 757,280	\$ 803,255	\$ 849,346	\$ 1,118,021
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.91%	1.39%	47.11%	2.55%	15.09%	1.75%	-31.89%	124.91%	17.60%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.8%	117.07%	102.74%

\*The amounts present 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.

**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>
Statutorially required contribution	\$ 76,134	\$ 79,062	\$ 84,070	\$ 84,584	\$ 107,594	\$ 119,728	\$ 128,286	\$ 144,351	\$ 186,881
Contributions in relation to the statutorially required contribution	\$ 76,134	\$ 79,062	\$ 84,070	\$ 84,584	\$ 107,594	\$ 119,728	\$ 128,286	\$ 144,351	\$ 186,881
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 585,651	\$ 608,170	\$ 646,692	\$ 650,648	\$ 672,461	\$ 757,280	\$ 803,254	\$ 849,346	\$ 1,118,021
Contributions as a percentage of covered-employee payroll	13%	13%	13%	13%	16%	16%	16%	17%	17%

**Notes to Schedule:**

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

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**OTHER SUPPLEMENTARY INFORMATION**

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

	<u>General Fund</u>	<u>Cleet Assesment Account</u>	<u>A&amp;D Account</u>	<u>Retirement Account</u>	<u>Library Contribution Account</u>	<u>Total General Fund</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,487,577	\$ -	\$ 631	\$ -	\$ 8,820	\$ 4,497,028
Investments	1,515,300	-	-	54,472	-	1,569,772
Receivables:						
Due from other funds	967,149	-	-	-	-	967,149
Taxes receivable, net	988,871	-	-	-	-	988,871
Fines receivable, net	157,741	-	-	-	-	157,741
Other receivables	3,986	-	-	-	-	3,986
Total assets	<u>\$ 8,120,624</u>	<u>\$ -</u>	<u>\$ 631</u>	<u>\$ 54,472</u>	<u>\$ 8,820</u>	<u>\$ 8,184,547</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 514,127	\$ 1,485	\$ -	\$ -	\$ -	\$ 515,612
Accrued payroll	112,449	-	-	-	-	112,449
Due to other funds	-	10,870	-	5,972	-	16,842
Total liabilities	<u>626,576</u>	<u>12,355</u>	<u>-</u>	<u>5,972</u>	<u>-</u>	<u>644,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	<u>147,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,454</u>
Fund balances:						
Assigned	-	-	631	48,500	8,820	57,951
Unassigned (deficit)	7,346,594	(12,355)	-	-	-	7,334,239
Total fund balances	<u>7,346,594</u>	<u>(12,355)</u>	<u>631</u>	<u>48,500</u>	<u>8,820</u>	<u>7,392,190</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,120,624</u>	<u>\$ -</u>	<u>\$ 631</u>	<u>\$ 54,472</u>	<u>\$ 8,820</u>	<u>\$ 8,184,547</u>

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

	<u>General Fund</u>	<u>Cleet Assesment Account</u>	<u>A&amp;D Account</u>	<u>Retirement Account</u>	<u>Library Contribution Account</u>	<u>Total General Fund</u>
<b>REVENUES</b>						
Taxes	\$ 8,024,640	\$ -	\$ -	\$ -	\$ -	\$ 8,024,640
Intergovernmental	226,203	-	-	-	-	226,203
Charges for services	33,050	-	-	-	-	33,050
Fines and forfeitures	29,750	-	-	-	-	29,750
Licenses and permits	76,018	-	-	-	-	76,018
Investment income	120,320	29	397	1,068	350	122,164
Miscellaneous	52,559	-	-	-	-	52,559
Total revenues	<u>8,562,540</u>	<u>29</u>	<u>397</u>	<u>1,068</u>	<u>350</u>	<u>8,564,384</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,276,468	12,384	-	-	-	3,288,852
Public safety	2,345,206	-	-	10,515	-	2,355,721
Public works and streets	727,108	-	-	-	-	727,108
Culture and recreation	112,072	-	-	-	6,830	118,902
Capital Outlay	732,103	-	-	-	-	732,103
Debt Service:						
Principal	286,065	-	-	-	-	286,065
Interest and fiscal charges	17,466	-	-	-	-	17,466
Total expenditures	<u>7,496,488</u>	<u>12,384</u>	<u>-</u>	<u>10,515</u>	<u>6,830</u>	<u>7,526,217</u>
Excess (deficiency) of revenues over expenditures	<u>1,066,052</u>	<u>(12,355)</u>	<u>397</u>	<u>(9,447)</u>	<u>(6,480)</u>	<u>1,038,167</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	124,000	-	-	-	-	124,000
Transfers out	(455,659)	-	-	-	-	(455,659)
Total other financing sources and uses	<u>(331,659)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(331,659)</u>
Net change in fund balances	734,393	(12,355)	397	(9,447)	(6,480)	706,508
Fund balances - beginning, restated	6,612,201	-	234	57,947	15,300	6,685,682
Fund balances - ending	<u>\$ 7,346,594</u>	<u>\$ (12,355)</u>	<u>\$ 631</u>	<u>\$ 48,500</u>	<u>\$ 8,820</u>	<u>\$ 7,392,190</u>

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**Combining Balance Sheet - Non-Major Governmental Funds - June 30, 2023**

	<u>Special Revenue Fund</u>				<u>Debt Service Fund</u>			<u>TOTALS</u>
	<u>911 Enhancement Fund</u>	<u>CDBG Grant Fund</u>	<u>Cemetery Fund</u>	<u>Technology Fund</u>	<u>Fire Department Special Fund</u>	<u>Police Training Fund</u>	<u>GO Bond Sinking Fund</u>	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 41,993	\$ 10,852	\$ 54,454	\$ 20,504	\$ 83,347	\$ 51,036	\$ 1,400,968	\$ 1,663,154
Grant receivable	-	8,045	-	-	-	-	-	8,045
Total assets	<u>\$ 41,993</u>	<u>\$ 18,897</u>	<u>\$ 54,454</u>	<u>\$ 20,504</u>	<u>\$ 83,347</u>	<u>\$ 51,036</u>	<u>\$ 1,400,968</u>	<u>\$ 1,671,199</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted	41,993	18,897	54,454	20,504	83,347	-	1,400,968	1,620,163
Committed	-	-	-	-	-	51,036	-	51,036
Total fund balances	<u>41,993</u>	<u>18,897</u>	<u>54,454</u>	<u>20,504</u>	<u>83,347</u>	<u>51,036</u>	<u>1,400,968</u>	<u>1,671,199</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,993</u>	<u>\$ 18,897</u>	<u>\$ 54,454</u>	<u>\$ 20,504</u>	<u>\$ 83,347</u>	<u>\$ 51,036</u>	<u>\$ 1,400,968</u>	<u>\$ 1,671,199</u>

**CITY OF CATOOSA, OKLAHOMA**  
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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – Year Ended June 30, 2023**

	<u>Special Revenue Fund</u>					<u>Debt Service Fund</u>		<u>TOTALS</u>
	<u>911 Enhancement Fund</u>	<u>CDBG Grant Fund</u>	<u>Cemetery Fund</u>	<u>Technology Fund</u>	<u>Fire Department Special Fund</u>	<u>Police Training Fund</u>	<u>GO Bond Sinking Fund</u>	
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,360,907	\$ 1,360,907
Intergovernmental	-	16,847	-	-	10,052	-	-	26,899
Charges for services	-	-	2,650	-	-	-	-	2,650
Fines and forfeitures	-	-	-	-	-	7,734	-	7,734
Investment income	426	-	629	1,192	857	774	4,288	8,166
Miscellaneous	335	-	-	12,724	-	14,533	-	27,592
Total revenues	<u>761</u>	<u>16,847</u>	<u>3,279</u>	<u>13,916</u>	<u>10,909</u>	<u>23,041</u>	<u>1,365,195</u>	<u>1,433,948</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	1,087	-	-	-	1,087
Public safety	-	-	-	-	181	16,067	-	16,248
Capital Outlay	-	-	-	16,878	-	-	-	16,878
Debt Service								
Interest and fiscal charges	-	-	-	-	-	-	892,650	892,650
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,965</u>	<u>181</u>	<u>16,067</u>	<u>892,650</u>	<u>926,863</u>
Revenues over (under) expenditures	761	16,847	3,279	(4,049)	10,728	6,974	472,545	507,085
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	455,659	455,659
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455,659</u>	<u>455,659</u>
Net change in fund balances	761	16,847	3,279	(4,049)	10,728	6,974	928,204	962,744
Fund balances - beginning, restated	41,232	2,050	51,175	24,553	72,619	44,062	472,764	708,455
Fund balances - ending	<u>\$ 41,993</u>	<u>\$ 18,897</u>	<u>\$ 54,454</u>	<u>\$ 20,504</u>	<u>\$ 83,347</u>	<u>\$ 51,036</u>	<u>\$ 1,400,968</u>	<u>\$ 1,671,199</u>



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

**Combining Schedule of Net Position – Catoosa Public Works Authority Accounts – June 30, 2023**

<u>Catoosa Public Works Authority Accounts</u>			
	<u>Catoosa Public Works Authority</u>	<u>Storm Water Management</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 32,000	\$ 764,221	\$ 796,221
Investments	105,466	-	105,466
Investments restricted	81,014	-	81,014
Accounts receivable, net	343,523	12,572	356,095
Total current assets	562,003	776,793	1,338,796
Non-current assets:			
Capital assets:			
Land, construction in progress, and water rights	470,450	15,880	486,330
Other capital assets, net of accumulated depreciation	4,699,963	793,477	5,493,440
Total non-current assets	5,170,413	809,357	5,979,770
Total assets	5,732,416	1,586,150	7,318,566
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	261,750	-	261,750
Accrued payroll payable	22,719	-	22,719
Due to other funds	3,460,760	-	3,460,760
Accrued compensated absences	2,811	-	2,811
Total current liabilities	3,748,040	-	3,748,040
Non-current liabilities:			
Accrued compensated absences	25,297	-	25,297
Due to depositors	81,014	-	81,014
Total non-current liabilities	106,311	-	106,311
Total liabilities	3,854,351	-	3,854,351
<b>NET POSITION</b>			
Net investment in capital assets	5,170,413	809,357	5,979,770
Unrestricted (deficit)	(3,292,348)	776,793	(2,515,555)
Total net position	\$ 1,878,065	\$ 1,586,150	\$ 3,464,215

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

**Combining Schedule of Revenues, Expenses and Changes in Net Position – Catoosa Public Works Authority Accounts - Year Ended June 30, 2023**

	<b>Catoosa Public Works Authority Accounts</b>		
	<b>Catoosa Public Works Authority</b>	<b>Storm Water Management</b>	<b>Total</b>
<b>REVENUES</b>			
Charges for services	\$ 2,593,395	\$ 90,229	\$ 2,683,624
Total operating revenues	<u>2,593,395</u>	<u>90,229</u>	<u>2,683,624</u>
<b>OPERATING EXPENSES</b>			
General and administrative	4,437	-	4,437
Purchased utilities	2,640,233	-	2,640,233
Personal services	403,750	-	403,750
Plant and distribution expense	126,267	30,400	156,667
Other expenses	14,308	-	14,308
Depreciation expense	235,154	42,977	278,131
Total operating expenses	<u>3,424,149</u>	<u>73,377</u>	<u>3,497,526</u>
Operating income (loss)	<u>(830,754)</u>	<u>16,852</u>	<u>(813,902)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	29,888	7,846	37,734
Miscellaneous	9,908	-	9,908
Total non-operating revenue (expenses)	<u>39,796</u>	<u>7,846</u>	<u>47,642</u>
Income (loss) before transfers	<u>(790,958)</u>	<u>24,698</u>	<u>(766,260)</u>
Transfers in	20,000	-	20,000
Change in net position	<u>(770,958)</u>	<u>24,698</u>	<u>(746,260)</u>
Total net position - beginning	2,649,023	1,561,452	4,210,475
Total net position - ending	<u>\$ 1,878,065</u>	<u>\$ 1,586,150</u>	<u>\$ 3,464,215</u>

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

**Combining Schedule of Cash Flows – Catoosa Public Works Authority - Year Ended June 30, 2023**

	<u>Catoosa Public Works Authority</u>	<u>Storm Water Management</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,686,027	\$ 89,669	\$ 2,775,696
Payments to suppliers	(3,043,330)	(37,930)	(3,081,260)
Payments to employees	(395,500)	-	(395,500)
Payments to other funds	3,460,760	-	3,460,760
Receipts of customer meter deposits	(9,695)	-	(9,695)
Refunds of customer meter deposits	11,285	-	11,285
<b>Net cash provided by operating activities</b>	<u>2,709,547</u>	<u>51,739</u>	<u>2,761,286</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	20,000	-	20,000
<b>Net cash provided by noncapital financing activities</b>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	(124,990)	-	(124,990)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(124,990)</u>	<u>-</u>	<u>(124,990)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale (Purchase) of investments	(870)	-	(870)
Interest and dividends	29,888	7,846	37,734
<b>Net cash provided by investing activities</b>	<u>29,018</u>	<u>7,846</u>	<u>36,864</u>
<b>Net increase in cash and cash equivalents</b>	2,633,575	59,585	2,693,160
<b>Balances - beginning of year</b>	<u>(2,601,575)</u>	<u>704,636</u>	<u>(1,896,939)</u>
<b>Balances - end of year</b>	<u>\$ 32,000</u>	<u>\$ 764,221</u>	<u>\$ 796,221</u>
<b>Reconciliation to Statement of Net Position:</b>			
Cash and cash equivalents	\$ 32,000	\$ 764,221	\$ 796,221
Total cash and cash equivalents, end of year	<u>\$ 32,000</u>	<u>\$ 764,221</u>	<u>\$ 796,221</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (830,754)	\$ 16,852	(813,902)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	235,154	42,977	278,131
Miscellaneous Income	9,908	-	9,908
Change in assets and liabilities:			
Receivables, net	82,724	(560)	82,164
Accounts payable	(258,085)	(7,530)	(265,615)
Due to other funds	3,460,760	-	3,460,760
Refundable deposits	1,590	-	1,590
Accrued compensated absences	8,250	-	8,250
<b>Net cash provided by operating activities</b>	<u>\$ 2,709,547</u>	<u>\$ 51,739</u>	<u>\$ 2,761,286</u>

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

**Schedule of Federal and State Awards –Year Ended June 30, 2023**

City of Catoosa, Oklahoma  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2023

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant ID. Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<b><u>State of Oklahoma Department of Libraries</u></b>				
ARPA Libraries	45.310	N/A	1,015	1,015
<b>Total Oklahoma Department of Libraries</b>			<b>1,015</b>	<b>1,015</b>
<b><u>U.S Department of Justice</u></b>				
Passed through Distric Attorney's Council JAG Grant 2022	16.738	JAGLLE 2022	8,045	8,045
<b>Total U.S Department of Justice</b>			<b>8,045</b>	<b>8,045</b>
<b><u>US Department of the Treasury</u></b>				
American Rescue Plan	21.027	N/A	1,220,135	206,000
<b>US Department of the Treasury</b>			<b>1,220,135</b>	<b>206,000</b>
<b>Total Federal Awards</b>			<b>\$ 1,229,195</b>	<b>\$ 215,060</b>

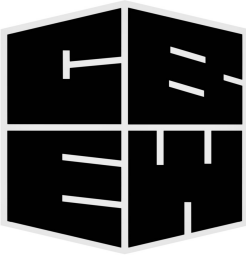
City of Catoosa, Oklahoma  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
Year Ended June 30, 2022

<u>State Grantor/ Pass-through Grantor/Program Title</u>	<u>Grant ID. Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
<b>STATE AWARDS:</b>			
<b><u>Oklahoma Department of Libraries:</u></b>			
State aid	2022 State Aid	\$ 10,053	\$ 670
State aid	2023 State Aid	6,504	6,504
<b>Total Oklahoma Department of Libraries</b>		<b>\$ 16,557</b>	<b>\$ 7,174</b>
<b><u>Oklahoma Department of Agriculture:</u></b>			
FY 23 Fire Grant	80/20 Grant	\$ 10,053	\$ 10,053
<b><u>Oklahoma Humanities:</u></b>			
Let's Talk about it	N/A	\$ 1,283	\$ 1,283
<b>Total State Awards</b>		<b>\$ 27,893</b>	<b>\$ 18,510</b>

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

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**INTERNAL CONTROL AND COMPLIANCE**



**CBEW**  
**Professional**  
**Group, LLP**  
Certified Public Accountants

CHARLES E. CROOKS, CPA  
TRISHA J. RIEMAN, CPA  
GABRIELLE M. CONCHOLA, CPA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

December 4, 2023

Honorable Board of City Council Members  
City of Catoosa  
Catoosa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Catoosa, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Catoosa, Oklahoma's basic financial statements, and have issued our report thereon dated December 4, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

***CBEW Professional Group, LLP***

CBEW Professional Group, LLP  
Certified Public Accountants