

# Annual Comprehensive Financial Report

For the Fiscal Year that ended June 30, 2023



**CITY OF SHAWNEE, OKLAHOMA**

**Annual Comprehensive Financial Report  
And Accompanying Independent Auditor's Report**

**For the Fiscal Year Ended  
June 30, 2023**

Prepared by:  
Department of Finance

Lindsey McNabb-Fox  
Finance Director

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**CITY OF SHAWNEE, OKLAHOMA**  
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# **INTRODUCTION SECTION**





September 11, 2024

To the Citizens of Shawnee, Honorable Mayor and Members of the Shawnee City Commission:

In accordance with State Statutes and the Charter of the City of Shawnee, Oklahoma ("City"), we are pleased to present the 2022-2023 Annual Comprehensive Financial Report (ACFR) to the Mayor and City Commission and the people of Shawnee. The ACFR provides a formal report on the status of the City's financial position and results of operations for the past fiscal year ended June 30, 2023. The report has been prepared in accordance with the requirements of the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of the City's various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

Management assumed full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse, and to compile sufficiently reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reliable assurance that the financials will be free from material misstatement. To the best of our knowledge and beliefs, this financial report is complete and accurate in all material respects.

The City's financial statements have been audited by Arledge & Associates, P.C., certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements are free from material misstatement. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2023. The independent auditor's report is presented as the first component of the financial section of the ACFR.

Management's Discussion and Analysis required by GASB includes summarized financial information about the City, an analysis of the past year's operations of general government and major enterprise activities, and an overview of the City's current and future economic picture as well as its major initiatives and financial accomplishments for the year.

The Financial Section includes the City's independent auditor's report expressing an opinion as to the accuracy and fairness of the financial statements, and the accompanying footnotes to the financial statements. The combined and individual fund financial statements present financial data of each separate fund of the City. The footnotes provide certain other information summarized in the financial statements. The notes are an integral part of the financial statements and provide additional information which is essential to an accurate understanding of the City's financial condition.

## **GOVERNMENTAL STRUCTURE**

The City of Shawnee operates as a Council-Manager form of government as defined by Oklahoma State Statutes. The governing body of the City consists of a mayor, who shall be elected from the City

at large; and six (6) commissioners from prescribed wards. The City Commission also serves as trustees of the Shawnee Municipal Authority and Shawnee Airport Authority. The City Commission appoints the City Manager, who is the chief executive officer of the City, the City Treasurer, who is the chief financial officer of the City, the Municipal Court Judge, and the City Attorney.

## **PROFILE OF THE CITY**

The City of Shawnee is in Pottawatomie County approximately 40 miles east of Oklahoma City, Oklahoma. The City was incorporated in 1894 and encompasses 41 square miles. The City is a full-service municipality provides many municipal services for the health and well-being of its citizens, including public safety, encompassing fire, police, and emergency management, water, sewer and sanitation services, street construction and maintenance, parks, lake and recreational facilities, planning, community development, code enforcement, and general administration.

The City Commission is required by State Statutes to adopt a budget no later than seven days prior to the first day of the fiscal year (July 1). The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, by department. Supplemental appropriations require City Commission approval and must be filed with the Office of the State Auditor and Inspector. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. For financial reporting purposes, all funds, agencies, boards, commissions, and authorities for which the City Commission has financial accountability are included in this report. Financial accountability is determined by several different factors including fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits, and separate legal entities. After careful evaluation of these factors, the City has included in this financial report the Shawnee Municipal Authority, Shawnee Airport Authority, all funds of the City, and the Shawnee Civic and Cultural Development Authority which is a discretely presented component unit of the City.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

In 2022, the City Commission adopted a new Budgeting and Financial Policy which states that the General Fund shall maintain operating reserves in the General Fund of between 14-20% of budgeted expenditures. All other funds that support personnel and other ongoing expenditures have a reserves target level of 5-20%. Impacted by the April 19, 2023, tornado event, the estimated operating reserves as of June 30, 2023, used for budgetary purposes, were 7.4% for the General Fund, 4.6% for the Shawnee Municipal Authority, and 13.6% for the Shawnee Airport Authority.

In June 2018, Shawnee citizens voted to enact a half-cent sales tax for capital improvements related to parks and facilities, roadways, and public safety to enhance the City's core services and quality of life. The tax will be collected until September 2028 and, based on the latest projections, is expected to generate approximately \$34 million for the projects. In FY 2023, significant projects utilizing this dedicated half-cent sales tax included the pre-order of a fire engine, reconstruction of the Kidspace Park and construction of sidewalks along the streets of Independence, Kickapoo and MacArthur.

The Shawnee Municipal Authority continued the implementation of its capital improvements, including repair and replacement of segments of its water delivery and wastewater collection systems, as well as the continued construction of the new water treatment plant and the wastewater treatment plant project.

## **ECONOMIC CONDITION AND OUTLOOK**

The City's top priority is to provide the highest level of public services possible. Like other Oklahoma municipalities, long-term municipal finance is a concern as the principal revenue source is sales taxes which can fluctuate based on the state of the economy and consumer spending. For FY 2023,

approximately 63% of the General Fund revenues were provided by sales and use tax. The City depends significantly on sales and use tax to fund all general government operations. A broad analysis of the current and future expenditure needs of the City must be considered when appropriating revenues to maintain and build operating reserves in the event of economic fluctuations that could impact sales tax.

In FY 2023, overall economic conditions remained stable. During FY 2023, the City saw an increase in sales tax collections of approximately 5% from prior year, and use tax collections increase of approximately 10% from prior year. Budgeting conservatively, the original FY 2024 sales tax projection was based on an average of historical collections over the last three years, which the City is expected to exceed by over 5%.

The City's FY 2024 budget estimates for General Fund revenues are approximately \$32.2 million. Additionally, the Shawnee Municipal Authority utility revenues are projected at approximately \$103.3 million. The City Commission approves annually appropriated budgets for the combined General Fund accounts, special revenue funds, proprietary funds, and debt service fund. The budgets are approved for each fund by department and expenditure category. For additional information, please see the notes to the financial statements.


#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022. To be awarded the Certificate of Achievement, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine eligibility for the current report. The preparation of the Annual Comprehensive Financial Report was made possible by the staff dedication of the Finance Department. Management applauds the Mayor, City Commissioners, and the department directors for their cooperation and outstanding assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

  
Andrea Weckmueller-Behringer  
City Manager

  
Lindsey McNabb-Fox  
Finance Director

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**City of Shawnee, Oklahoma**

**List of Principal Officials**

**June 30, 2024**

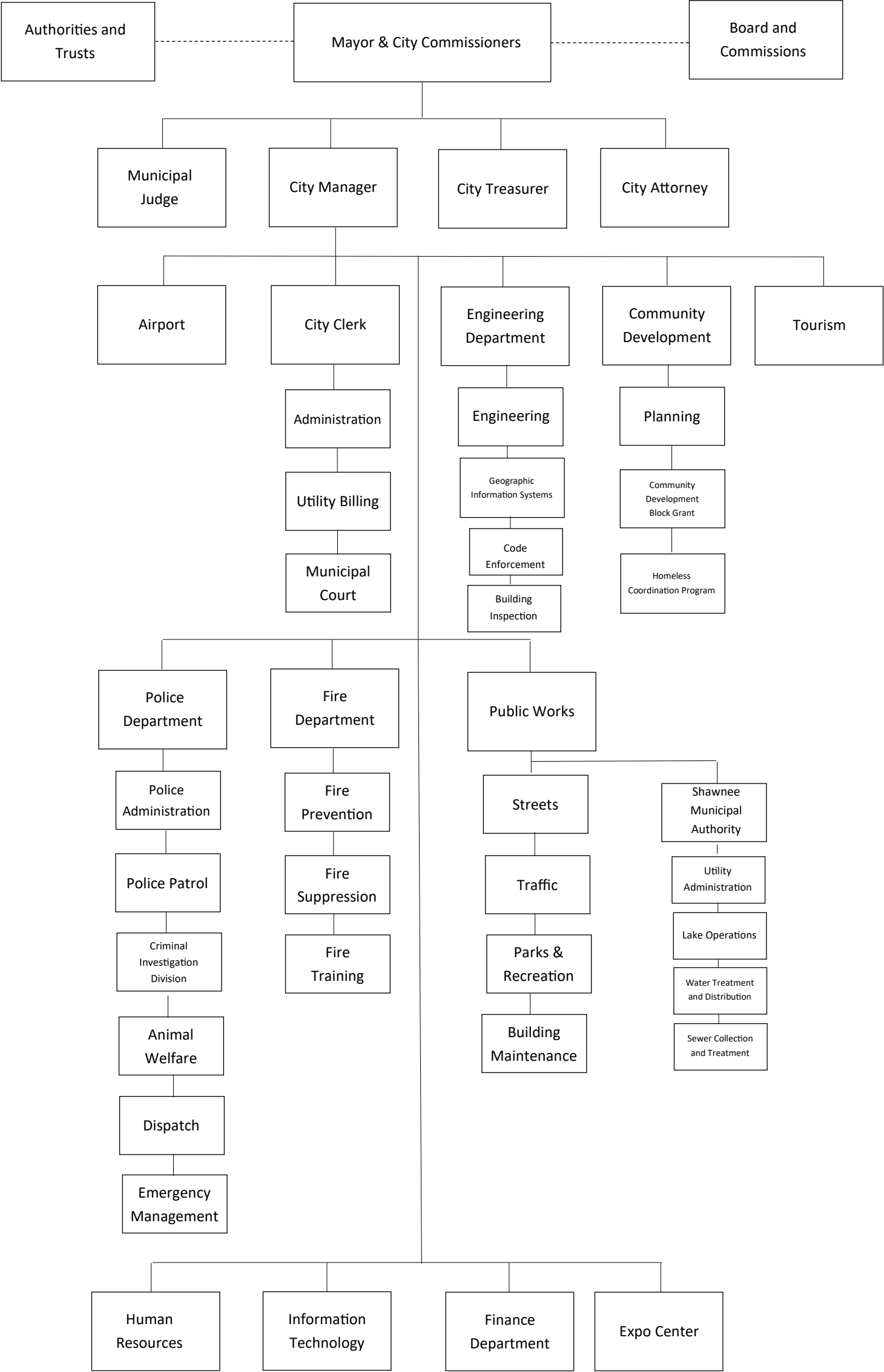
**Mayor and City Commission**

Ed Bolt	Mayor
Daniel Matthews	Commissioner
Cami Engles	Commissioner
Darren Rutherford	Commissioner
Lauren Richter	Commissioner
Mark Sehorn	Commissioner
Yannah Fraizer	Commissioner

**Administration**

Andrea Weckmueller-Behringer	City Manager
Lindsay McNabb-Fox	Finance Director/Treasurer
Lisa Lasyone	City Clerk
Mason Wilson	Police Chief
Tony Wittmann	Fire Chief
Jennifer Greenland	Human Resource Director
Rian Harkins	Community Development Director
Seth Barkhimer	Director of Engineering
Brad Schmidt	Public Works Director
Bonnie Wilson	Airport Manager
Stacy Cramer-Moore	Tourism Director

# City of Shawnee Organization Chart







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Shawnee  
Oklahoma**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Shawnee, Oklahoma (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Change in Accounting Principle**

As discussed in Note II.D.5 to the financial statements, in 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

### **Emphasis of Matter**

As discussed in Note II.D.5 to the financial statements, the City has recorded a prior period adjustment to the financials relating to the adoption in new accounting guidance referred to in the Change in Accounting Principle paragraph. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

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

### Supplementary Information

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



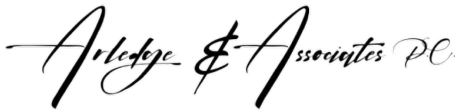
## Other Information

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma  
September 11, 2024



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As Management of the City of Shawnee, we offer readers this narrative overview and analysis of the financial activities of the City of Shawnee for the fiscal year ended June 30, 2023. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$7,617,306 or 7.1% from the prior year and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2023, by \$114.4 million (net position).
- Of the \$114.4 million in total net position, \$105.7 million is the net investment in capital assets. Another \$19.8 million is restricted for capital projects, debt service, economic development, public safety, and other. The remaining unrestricted net position for governmental activities is a deficit of approximately \$9.4 million, while unrestricted net position of the business-type activities is a deficit \$1.7 million. The deficit, in large part, is caused by GASB Statements 68 and 71 related to employer pension accounting and GASB Statement 75 related to other post-employment benefits.
- At June 30, 2023, the City's governmental funds reported total combined ending fund balances of \$38.8 million. Of this amount, \$27.4 million is restricted by outside sources and enabling legislation, leaving \$11.4 million as unassigned fund balance.
- At June 30, 2023, enterprise funds reported \$44.1 million of total net position. \$45.8 million is the net investment in capital assets, and \$0.1 million is restricted for debt service, leaving \$1.7 million in unrestricted deficit net position.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Shawnee (City), the Shawnee Municipal Authority (SMA), Shawnee Airport Authority (SAA), the Shawnee Urban Renewal Authority (accounted for in the CDBG fund) and one discretely presented component unit. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type, along with the discretely presented component unit, the Shawnee Civic and Cultural Authority (SCCDA or Expo).

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. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Government-wide financial statements also report the City's operations in more detail than the fund level statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure), along with deferred outflows, as well as all liabilities (including long-term debt), along with deferred inflows.

### **Reporting the City as a Whole - Statement of Net Position and Statement of Activities**

This discussion and analysis is intended to serve as an introduction to the City of Shawnee's basic financial statements. 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 financial questions. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – 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 non-financial 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 of the City.

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the public safety, street improvements, community planning and development, civic and cultural activities, and economic development. Sales and use taxes, franchise fees, fines, and state and federal grants finance most of these activities. The Shawnee Urban Renewal Authority is included within the financial statements as a part of Other Governmental Funds within a grouping of Special Revenue Funds titled CDBG & Home Grant Funds. All of the activity of the Shawnee Urban Renewal Authority is in the CDBG & Home Grant Funds and the Shawnee Urban Renewal Authority (a blended component unit) does not have any of its own assets or liabilities.
- **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, sewer, sanitation, and airport services are reported here. The Shawnee Municipal Authority and the Shawnee Airport Authority are enterprise funds and are blended component units of the City.
- **Discretely presented component unit** - This component unit, the Shawnee Civic and Cultural Development Authority, accounts for activities of the City's reporting entity that do not meet the criteria for blending.

### **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. The City of Shawnee, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management 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. All of the funds of the City of Shawnee can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources

available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. 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 the Governmental Fund financial statements.

*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.

- *Enterprise funds* are one type of proprietary funds and are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has two enterprise funds -- the Shawnee Municipal Authority and the Shawnee Airport Authority -- to account for its water, sewer, sanitation, and airport operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- *Internal service funds* are another type of proprietary fund used to account for services provided to other departments on a cost reimbursement basis. The City has one internal service fund – the Self-Insured Workers’ Compensation Fund -- to account for its workers’ compensation costs. The revenues and expenditures reported in this internal service fund are included with governmental activities at the government-wide level of reporting.

### Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to gain an understanding of the data provided in the government-wide and fund financial statements.

### Other Information

The City has included other information (OI), on pages 1-3, the letter of transmittal and the 10-year statistical tables beginning on page 116. The Required Supplementary Information (RSI) section, starting on page 81, reports the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – and the related Notes to the Required Supplementary Information on Budgetary Accounting and Control for the fiscal year ended June 30, 2023. Also reported here is actuarial information related to the City’s defined benefit pension plan, the City’s Other Postemployment Benefits (OPEB) and the city’s cost sharing pension plans schedules.

Other Supplementary Information (SI) is provided on pages 92-113. Other Supplementary Information contains combining schedules on the general fund and combining statements and schedules of other governmental funds.

### THE CITY AS A WHOLE

For the year ended June 30, 2023, net position for the governmental activities and business-type activities increased \$7,617,306. The results indicate the City’s financial condition improved over the prior year.

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SHAWNEE, OKLAHOMA  
JUNE 30, 2023**

Following is a summary of net position for the City of Shawnee as of June 30, 2023 and June 30, 2022:

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

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Current assets	\$ 52,258	\$ 60,338	-13%	\$ 6,711	\$ 8,255	-19%	\$ 58,969	\$ 68,593	-14%
Capital assets, net	64,752	58,083	11%	99,671	60,660	64%	164,423	118,743	38%
<b>Total assets</b>	<u>117,010</u>	<u>118,421</u>	-1%	<u>106,382</u>	<u>68,915</u>	54%	<u>223,392</u>	<u>187,336</u>	19%
<b>Deferred outflows</b>	<u>10,559</u>	<u>5,958</u>	77%	<u>1,793</u>	<u>449</u>	299%	<u>12,352</u>	<u>6,407</u>	93%
Current liabilities	11,432	13,442	-15%	7,422	5,397	38%	18,854	18,839	0%
Non-current liabilities	42,855	32,321	33%	55,947	16,405	241%	98,802	48,726	103%
<b>Total liabilities</b>	<u>54,287</u>	<u>45,763</u>	19%	<u>63,369</u>	<u>21,802</u>	191%	<u>117,656</u>	<u>67,565</u>	74%
<b>Deferred inflows</b>	<u>3,028</u>	<u>16,848</u>	-82%	<u>655</u>	<u>2,543</u>	-74%	<u>3,683</u>	<u>19,391</u>	-81%
Net position									
Net investment capital assets	59,963	58,645	2%	45,759	42,971	6%	105,722	101,616	4%
Restricted	19,692	16,602	19%	131	2,090	-94%	19,823	18,692	6%
Unrestricted (deficit)	(9,401)	(13,479)	-30%	(1,739)	(42)	4040%	(11,140)	(13,521)	-18%
<b>Total net position</b>	<u>\$ 70,254</u>	<u>\$ 61,768</u>	14%	<u>\$ 44,151</u>	<u>\$ 45,019</u>	-2%	<u>\$ 114,405</u>	<u>\$ 106,787</u>	7%

As shown in Table 1 above, the largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$105.7 million. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$19.8 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors. The total remaining unrestricted net position is a deficit amount, with the governmental unrestricted net position having a deficit balance of \$9.4 million, a 30% decrease in the size of the deficit of the prior year, primarily due to a decrease in deferred inflows. The business-type activities has negative unrestricted net position of \$1.7 million, a 4,040% increase in the size of the deficit of the prior year, primarily due to an increase in non-current liabilities.

### Changes in Net Position:

Table 2 summarizes the City's changes in net position for fiscal year 2023 compared to fiscal year 2022.

**MANAGEMENT'S DISCUSSION & ANALYSIS  
CITY OF SHAWNEE, OKLAHOMA  
JUNE 30, 2023**

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

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
<b>Revenues</b>									
Charges for service	\$ 1,660	\$ 1,427	16%	\$ 16,596	\$ 16,196	2%	\$ 18,256	\$ 17,623	4%
Operating grants and contributions	4,258	3,540	20%	7	-	100%	4,265	3,540	20%
Capital grants and contributions	2,329	85	2640%	1,103	909	21%	3,432	994	245%
Taxes	34,403	31,979	8%	-	-	-	34,403	31,979	8%
Intergovernmental revenue	1,195	424	182%	-	-	-	1,195	424	182%
Investment income	1,050	22	4673%	28	26	8%	1,078	48	2146%
Miscellaneous	681	402	69%	98	120	-18%	779	522	49%
<b>Total revenues</b>	<u>45,576</u>	<u>37,879</u>	20%	<u>17,832</u>	<u>17,251</u>	3%	<u>63,408</u>	<u>55,130</u>	15%
<b>Expenses</b>									
General government	9,921	4,126	140%	-	-	-	9,921	4,126	140%
Public safety	19,425	15,209	28%	-	-	-	19,425	15,209	28%
Streets	6,584	5,666	16%	-	-	-	6,584	5,666	16%
Culture and recreation	2,507	2,156	16%	-	-	-	2,507	2,156	16%
Community development	37	96	-61%	-	-	-	37	96	-61%
Economic development	2,749	2,013	37%	-	-	-	2,749	2,013	37%
Interest	343	431	-20%	-	-	-	343	431	-20%
Water	-	-	-	6,464	4,421	46%	6,464	4,421	46%
Wastewater	-	-	-	3,173	3,266	-3%	3,173	3,266	-3%
Sanitation	-	-	-	3,205	3,582	-11%	3,205	3,582	-11%
Airport	-	-	-	1,312	1,194	10%	1,312	1,194	10%
Lake	-	-	-	70	152	-54%	70	152	-54%
<b>Total expenses</b>	<u>41,566</u>	<u>29,697</u>	40%	<u>14,224</u>	<u>12,615</u>	13%	<u>55,790</u>	<u>42,312</u>	32%
Excess (deficiency) before transfers	4,010	8,182	-51%	3,608	4,636	-22%	7,618	12,818	-41%
Transfers	<u>4,476</u>	<u>1,199</u>	273%	<u>(4,476)</u>	<u>(1,199)</u>	-273%	<u>-</u>	<u>-</u>	-
<b>Change in net position</b>	<u>8,486</u>	<u>9,381</u>	-10%	<u>(868)</u>	<u>3,437</u>	125%	<u>7,618</u>	<u>12,818</u>	-41%
<b>Beginning net position</b>	<u>61,768</u>	<u>52,387</u>	18%	<u>45,019</u>	<u>41,582</u>	8%	<u>106,787</u>	<u>93,969</u>	14%
<b>Ending net position</b>	<u>\$ 70,254</u>	<u>\$ 61,768</u>	14%	<u>\$ 44,151</u>	<u>\$ 45,019</u>	-2%	<u>\$ 114,405</u>	<u>\$ 106,787</u>	7%

### Governmental Activities

The City's governmental activities (as shown in Table 2 above) increased net position by \$8.5 million, representing a 10% decrease in the change in net position of the prior year. The current year decrease in the change is due primarily to an increase in general government expenses.

Fiscal year 2022-2023 tax revenues totaled \$34.4 million compared to \$32.0 million in fiscal year 2021-2022.

Capital grants and contributions increased 2,640% from the prior year, as the City received a donation from Avedis and grants from ODOT and OWRB during the fiscal year.

### Business-type Activities

Operational net revenues of the business-type activities showed a decrease in the change in net position of the prior year. Utility revenue collections remained consistent, while expenses showed a slight increase. The vast majority of the decrease in the current year change in net position is related to a significant increase in transfers to other activities.

Tables 3 and 4 summarize the total cost of providing services from governmental activities and business-type activities for fiscal years 2023 and 2022.

**TABLE 3**  
**Net Revenue (Expense) of Governmental 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>	
General government	\$ 9,921	\$ 4,126	140%	\$ (7,305)	\$ (1,954)	274%
Public safety	19,425	15,209	28%	(16,824)	(13,217)	27%
Streets	6,584	5,666	16%	(5,518)	(5,326)	4%
Culture, parks and recreation	2,507	2,156	16%	(2,174)	(1,851)	17%
Community development	37	96	-61%	696	103	576%
Economic development	2,749	2,013	37%	(1,852)	(1,969)	-6%
Interest on long-term debt	343	431	-20%	(343)	(431)	-20%
<b>Total</b>	<u>\$ 41,566</u>	<u>\$ 29,697</u>	40%	<u>\$ (33,320)</u>	<u>\$ (24,645)</u>	35%

Total costs of services provided by governmental activities totaled \$41.6 million and \$29.7 million for fiscal years 2023 and 2022, respectively.

Total costs of services provided by business-type activities totaled \$14.2 million for fiscal year 2023 and \$12.6 million for fiscal year 2022.

**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	\$ 6,464	\$ 4,421	46%	\$ 1,993	\$ 4,156	-52%
Wastewater	3,173	3,266	-3%	2,153	1,566	37%
Sanitation	3,205	3,582	-11%	(50)	(599)	-92%
Airport	1,312	1,194	10%	(580)	(522)	11%
Lake	70	152	-54%	(34)	(110)	-69%
<b>Total</b>	<u>\$ 14,224</u>	<u>\$ 12,615</u>	13%	<u>\$ 3,482</u>	<u>\$ 4,491</u>	-22%

## 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 \$38.8 million. The enterprise funds reported combined net position of \$44.1 million. The fund balance constraints and net position restrictions are listed below:

### Governmental Funds:

#### Fund Balance:

Restricted	<u>\$27,400,887</u>
------------	---------------------

### Proprietary Funds:

#### Net Position Restrictions:

Debt service	<u>\$130,752</u>
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### Other Fund Highlights Include:

- For the year ended June 30, 2023, the General Fund's total fund balance increased by \$235,903. This increase is primarily the result of an increase in sales tax.
- General fund fire department total expenditures include \$1,352,676, while police department total expenditures include \$542,402, for pension payments made on behalf of the City by the State. The total amount of \$1,895,078 of the on-behalf payments has been included as both revenue and expenditures of the City for the year ended June 30, 2023.
- The Street Improvement Fund's total fund balance decreased by \$1.1 million due to an increase in transfers to other funds.
- The Capital Improvement Fund's total fund balance increased by \$1.0 million related to increases in sales taxes and miscellaneous revenue.
- The 2018 Capital Improvement Fund is used to account for the proceeds of a \$10 million Sales Tax Revenue Note and a \$16.9 million Sales Tax Revenue Note. The fund ended the year with \$13.0 million in fund balance after \$9.0 million in capital outlay expenditures during the fiscal year.
- The Shawnee Municipal Authority reported a net income of \$3,182,615 before contributed capital, transfers in, and transfers out.

### General Fund Budgetary Highlights

Fiscal year 2023 General Fund revenues of \$24.4 million were \$1.4 million above budgeted revenues. Revenues were above budget due mostly to licenses and permits, investment earnings, and miscellaneous revenues coming in above budget.

Fiscal year 2023 General Fund expenditures were 8.1% below budgeted expenditures due to the city implementing conservative measures.

## CAPITAL ASSETS & DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2023, the City had \$164.4 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges, net of accumulated depreciation. This represents a net increase of \$45.5 million from last year.

Below are details regarding the change in the City's capital assets for the year ending June 30, 2023.<sup>1</sup>

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	Restated				Restated	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 3,638	\$ 3,638	\$ 1,482	\$ 1,482	5,120	\$ 5,120
Buildings	13,065	13,573	4,499	4,754	17,564	18,327
Machinery, furniture and equipment	6,799	7,113	1,396	1,442	8,195	8,555
Lease machinery, furniture and equipment	83	125	518	448	601	573
Subscription asset	41	82	94	141	135	223
Infrastructure	32,515	32,898	22,654	24,761	55,169	57,659
Water rights	-	-	12,968	12,968	12,968	12,968
Construction in progress	8,611	736	56,060	14,805	64,671	15,541
<b>Totals</b>	<u>\$ 64,752</u>	<u>\$ 58,165</u>	<u>\$ 99,671</u>	<u>\$ 60,801</u>	<u>\$ 164,423</u>	<u>\$ 118,966</u>

This year's more significant capital asset additions include various water, wastewater and street improvement projects as well as upgrades to various city buildings. The most significant additions were related to street improvements, exposition center roof, purchase of equipment, water treatment plant and the wastewater project.

### Debt Administration

At year-end, the City had \$76.3 million in long-term debt outstanding, which represents a \$32.2 million increase from the prior year. The overall increase is due to the payment of scheduled principal payments on debt outstanding, offset by new debt issues and implementation of the GASB 96 subscriptions standard. The City issued \$39.4 million in new notes payable during the fiscal year. These debts are further detailed below as follows:<sup>2</sup>

<sup>1</sup> For more detailed information on capital asset activity please refer to page 47-49 Note II.D. Capital Assets

<sup>2</sup> For more detailed information on long-term debt activity please refer to page 49-55, Note II.E. Long-Term Debt



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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
		Restated		Restated		Restated
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accrued absences	\$ 2,503	\$ 2,410	\$ 224	\$ 223	\$ 2,727	\$ 2,633
Notes payable	16,926	20,146	53,304	17,668	70,230	37,814
Claims and judgments payable	2,651	2,907	529	453	3,180	3,360
Subscription obligations	41	82	78	141	119	223
Lease liability	83	124	-	-	83	124
<b>Totals</b>	<u>\$ 22,204</u>	<u>\$ 25,669</u>	<u>\$ 54,135</u>	<u>\$ 18,485</u>	<u>\$ 76,339</u>	<u>\$ 44,154</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

On April 19, 2023, Shawnee was hit by an EF-2 Tornado that devastated neighborhoods and businesses alike. The path of the tornado tracked down Kickapoo Street, the busiest corridor in the city, impacting more than half of our sales tax base. Many businesses did not reopen and several homes were not rebuilt, greatly impacting our sales tax collections at the end of FY-2023 and continuing into FY-2024. Due to the impact of the tornado, revenues were projected conservatively for the FY-2024 budget.

During FY-2023, sales taxes, the primary revenue source of the general government, increased by approximately 5% from FY-2022. Likewise, use taxes also had an increase of approximately 10% over FY-2022. The FY-2023 General Fund budget is a 7.7% increase from the FY-2023 budget.

Total FY-2024 General Fund revenues are estimated at \$32.2 million, including \$5.4 million in transfers from other funds. As noted above, sales tax and use tax collections, representing approximately 62% percent of the total General Fund revenues, are continuing the trend of running above budgeted projections as of June 2024.

Total FY-2024 Shawnee Municipal Authority utility revenues are projected at \$103.3 million with approximately \$79 million budgeted for water and wastewater treatment plant upgrades and related engineering services. The water treatment plant project was complete in October 2023 and the Wastewater Treatment Plant project is projected to finish sometime in early 2026.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 16 W 9th, Shawnee, Oklahoma or phone at (405) 878-1610.

## **BASIC FINANCIAL STATEMENTS**

**City of Shawnee, Oklahoma**  
**Statement of Net Position**  
**June 30, 2023**

				<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-type</u>		<u>Civic &amp; Cultural</u>
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Development</u>
				<u>Authority</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 43,151,084	\$ 5,921,979	\$ 49,073,063	\$ 162,722
Investments	508,370	137,027	645,397	-
Interest receivable	4,662	-	4,662	-
Accounts receivable, net of allowance	619,441	1,950,503	2,569,944	-
Notes receivable, net of allowance	278,811	-	278,811	-
Internal balances	1,334,554	(1,334,554)	-	-
Due from other governmental agencies	5,319,817	8,280	5,328,097	-
Inventories	-	27,734	27,734	-
Prepaid items	563	-	563	-
Net pension asset	1,040,991	-	1,040,991	-
Capital assets:				
Land, construction in progress, and water rights	12,249,110	70,510,117	82,759,227	-
Other capital assets, net of depreciation	52,502,907	29,160,748	81,663,655	3,313,812
Total Assets	<u>117,010,310</u>	<u>106,381,834</u>	<u>223,392,144</u>	<u>3,476,534</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred amounts on refunding	-	-	-	-
Deferred amounts related to pensions	9,126,301	1,324,581	10,450,882	-
Deferred amounts related to OPEB	1,432,906	467,931	1,900,837	-
Total deferred outflow of resources	<u>10,559,207</u>	<u>1,792,512</u>	<u>12,351,719</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	5,615,488	5,751,227	11,366,715	18,000
Accrued interest payable	26,547	215,828	242,375	-
Due to depositors	-	1,454,475	1,454,475	-
Due to bondholders	10,457	-	10,457	-
Unearned revenue	5,779,866	-	5,779,866	-
Long-term liabilities				
Due within one year	4,262,088	2,598,180	6,860,268	-
Due in more than one year	38,593,208	53,348,463	91,941,671	-
Total liabilities	<u>54,287,654</u>	<u>63,368,173</u>	<u>117,655,827</u>	<u>18,000</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to pensions	870,521	-	870,521	-
Deferred amounts related to OPEB	2,157,641	655,148	2,812,789	-
Total deferred inflow of resources	<u>3,028,162</u>	<u>655,148</u>	<u>3,683,310</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	59,962,708	45,759,433	105,722,141	3,313,812
Restricted for:				
Debt service	329,975	130,752	460,727	-
Public safety	477,945	-	477,945	-
Capital projects	15,497,858	-	15,497,858	-
Economic development	2,118,534	-	2,118,534	-
Pension asset	847,482	-	847,482	-
Other	420,155	-	420,155	-
Unrestricted (deficit)	(9,400,956)	(1,739,160)	(11,140,116)	144,722
Total net position	<u>\$ 70,253,701</u>	<u>\$ 44,151,025</u>	<u>\$ 114,404,726</u>	<u>\$ 3,458,534</u>

The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Statement of Activities**  
**Year Ended June 30, 2023**

		<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>				<u>Component Unit</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Civic &amp; Cultural Development Authority</u>
<b>Primary government</b>								
Governmental Activities								
General government	\$ 9,920,640	\$ 601,503	\$ 424,524	\$ 1,589,404	\$ (7,305,209)	\$ -	\$ (7,305,209)	\$ -
Public safety	19,425,113	711,966	1,889,780	-	(16,823,367)	-	(16,823,367)	-
Streets	6,584,350	40,501	286,363	739,346	(5,518,140)	-	(5,518,140)	-
Culture and recreation	2,506,864	247,522	85,529	-	(2,173,813)	-	(2,173,813)	-
Community development	37,337	21,637	711,765	-	696,065	-	696,065	-
Economic development	2,749,017	36,705	860,490	-	(1,851,822)	-	(1,851,822)	-
Interest on long-term debt	343,322	-	-	-	(343,322)	-	(343,322)	-
Total governmental activities	41,566,643	1,659,834	4,258,451	2,328,750	(33,319,608)	-	(33,319,608)	-
Business-type activities:								
Water	6,463,778	8,449,326	7,150	-	-	1,992,698	1,992,698	-
Wastewater	3,173,072	4,335,645	-	990,025	-	2,152,598	2,152,598	-
Sanitation	3,205,472	3,155,831	-	-	-	(49,641)	(49,641)	-
Airport	1,311,963	619,224	-	113,169	-	(579,570)	(579,570)	-
Lake	69,953	35,935	-	-	-	(34,018)	(34,018)	-
Line Maintenance	-	-	-	-	-	-	-	-
Meter Operations	-	-	-	-	-	-	-	-
Total business-type activities	14,224,238	16,595,961	7,150	1,103,194	-	3,482,067	3,482,067	-
Total primary government	\$ 55,790,881	\$ 18,255,795	\$ 4,265,601	\$ 3,431,944	(33,319,608)	3,482,067	(29,837,541)	-
<b>Component Unit</b>								
Civic & Cultural Development	\$ 821,247	\$ 693,130	\$ 12,457	\$ -	-	-	-	(115,660)
<b>General revenues:</b>								
Taxes:								
Sales and use taxes					31,258,292	-	31,258,292	-
Franchise taxes and public service taxes					1,970,660	-	1,970,660	-
Hotel/motel taxes					547,323	-	547,323	-
Property tax					279,087	-	279,087	-
Other					347,275	-	347,275	-
Intergovernmental revenue not restricted to specific programs					1,195,233	-	1,195,233	-
Unrestricted investment earnings					1,050,009	28,230	1,078,239	226
Miscellaneous					680,925	97,813	778,738	-
Transfers					4,476,262	(4,476,262)	-	-
Total general revenues and transfers					41,805,066	(4,350,219)	37,454,847	226
Change in net position					8,485,458	(868,152)	7,617,306	(115,434)
Net position - beginning					61,768,243	45,019,177	106,787,420	3,573,968
Net position - ending					\$ 70,253,701	\$ 44,151,025	\$ 114,404,726	\$ 3,458,534

The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Balance Sheet – Governmental Funds**  
**June 30, 2023**

	General Fund	American Rescue Plan Fund	Capital Improvement Fund	Street Improvement Fund	2018 Capital Improvement Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,161,114	\$ 7,534,416	\$ 3,429,672	\$ 2,118,850	\$ 13,549,339	\$ 5,809,114	\$ 3,243,967	\$ 42,846,472
Investments	480	-	422,802	85,088	-	-	-	508,370
Interest receivable	2,657	-	513	606	653	-	233	4,662
Receivable from other governments	45,550	417,561	-	102,379	-	-	129,517	695,007
Due from other funds	1,896,226	-	65,000	3,968,793	-	-	8,866	5,938,885
Taxes receivable, net	2,833,856	-	449,211	507,172	579,625	-	300,674	4,670,538
Court fines receivable, net	228,514	-	-	-	-	-	-	228,514
Other receivables	247,294	-	-	-	-	7,120	369,596	624,010
Prepaid items	503	-	-	-	-	-	60	563
Total assets	<u>\$ 12,416,194</u>	<u>\$ 7,951,977</u>	<u>\$ 4,367,198</u>	<u>\$ 6,782,888</u>	<u>\$ 14,129,617</u>	<u>\$ 5,816,234</u>	<u>\$ 4,052,913</u>	<u>\$ 55,517,021</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 1,026,603	\$ 227,072	\$ 245,364	\$ 211,079	\$ 615,701	\$ 2,350,840	\$ 163,508	\$ 4,840,167
Accrued payroll payable	417,022	-	-	-	-	1,892	-	418,914
Due to other funds	2,642,412	-	1,604,878	-	470,813	-	339,372	5,057,475
Due to bondholders	9,411	-	-	-	-	-	-	9,411
Unearned revenue	162,500	5,756,116	-	-	-	-	278,811	6,197,427
Total liabilities	<u>4,257,948</u>	<u>5,983,188</u>	<u>1,850,242</u>	<u>211,079</u>	<u>1,086,514</u>	<u>2,352,732</u>	<u>781,691</u>	<u>16,523,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	<u>169,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,931</u>
Fund balances:								
Restricted	-	1,968,789	2,516,956	6,571,809	13,043,103	-	3,300,230	27,400,887
Assigned	1,951,924	-	-	-	-	-	-	1,951,924
Unassigned (deficit)	6,036,391	-	-	-	-	3,463,502	(29,008)	9,470,885
Total fund balances	<u>7,988,315</u>	<u>1,968,789</u>	<u>2,516,956</u>	<u>6,571,809</u>	<u>13,043,103</u>	<u>3,463,502</u>	<u>3,271,222</u>	<u>38,823,696</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 12,416,194</u>	<u>\$ 7,951,977</u>	<u>\$ 4,367,198</u>	<u>\$ 6,782,888</u>	<u>\$ 14,129,617</u>	<u>\$ 5,816,234</u>	<u>\$ 4,052,913</u>	<u>\$ 55,517,021</u>

The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

Total fund balance, governmental funds	\$	38,823,696
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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.		64,752,017
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Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.		587,492
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Deferred outflows and the net pension asset are not available to pay current period expenditures and therefore are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Net pension asset		1,040,991
Pension related deferred outflows		9,126,301
OPEB related deferred outflows		1,432,906

Some liabilities are not due and payable in the current period, and 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:

Interest payable		(26,547)
Retainage payable		(355,670)
Pension related deferred inflows		(870,521)
OPEB related deferred inflows		(2,157,641)
Total OPEB liability		(3,809,273)
Net pension liability		(16,842,047)
Accrued compensated absences		(2,503,232)
Note payable		(16,925,364)
Lease obligations payable		(83,147)
SBITA obligations payable		(40,944)

Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are reported in governmental activities:

Internal service fund net position		(1,895,316)
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Net Position of Governmental Activities in the Statement of Net Position	\$	70,253,701
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The accompanying notes are an integral part of these financial statements.

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

	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>Capital Improvement Fund</u>	<u>Street Improvement Fund</u>	<u>2018 Capital Improvement Fund</u>	<u>Grant Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>								
Taxes	\$ 21,246,536	\$ -	\$ 3,022,268	\$ 3,412,238	\$ 3,899,700	\$ -	\$ 3,058,327	\$ 34,639,069
Intergovernmental	2,608,263	793,844	-	1,136,010	-	71,086	1,630,505	6,239,708
Licenses and permits	772,743	-	-	-	-	-	-	772,743
Charges for services	284,344	-	-	-	-	-	4,138	288,482
Fees and fines	439,398	-	-	-	-	-	9,426	448,824
Investment earnings	231,950	252,125	27,873	6,017	530,546	-	1,498	1,050,009
Miscellaneous	895,592	-	766,833	23,485	179	-	160,448	1,846,537
Total revenues	<u>26,478,826</u>	<u>1,045,969</u>	<u>3,816,974</u>	<u>4,577,750</u>	<u>4,430,425</u>	<u>71,086</u>	<u>4,864,342</u>	<u>45,285,372</u>
<b>EXPENDITURES</b>								
Current:								
General government	4,412,297	-	-	-	-	4,512,561	956,904	9,881,762
Engineering	321,833	-	-	-	-	-	-	321,833
Equipment and building maintenance	298,907	-	-	-	-	-	-	298,907
Police	9,292,825	-	-	-	-	95,023	-	9,387,848
Fire	7,833,436	-	-	-	-	-	1,727	7,835,163
Municipal court	407,350	-	-	-	-	-	-	407,350
Emergency management	800,314	-	-	-	-	-	-	800,314
Streets	1,460,633	-	-	-	-	-	545,705	2,006,338
Parks and recreation	1,402,431	-	-	-	-	-	-	1,402,431
Culture and recreation	209,727	-	-	-	-	-	-	209,727
E911	635,319	-	-	-	-	-	241,662	876,981
Cemetery	255,603	-	-	-	-	-	97	255,700
Library	90,689	-	-	-	-	-	-	90,689
Economic development	1,136,559	-	-	-	-	-	1,503,207	2,639,766
Capital Outlay	22,140	1,211,405	1,647,521	2,255,070	9,016,692	-	48,732	14,201,560
Debt Service:								
Principal	41,104	-	628,166	127,441	2,790,000	-	-	3,586,711
Interest and other charges	-	-	21,744	12,116	329,459	-	-	363,319
Total expenditures	<u>28,621,167</u>	<u>1,211,405</u>	<u>2,297,431</u>	<u>2,394,627</u>	<u>12,136,151</u>	<u>4,607,584</u>	<u>3,298,034</u>	<u>54,566,399</u>
Excess (deficiency) of revenues over expenditures	<u>(2,142,341)</u>	<u>(165,436)</u>	<u>1,519,543</u>	<u>2,183,123</u>	<u>(7,705,726)</u>	<u>(4,536,498)</u>	<u>1,566,308</u>	<u>(9,281,027)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of long-term debt	-	-	-	298,914	-	-	-	298,914
Transfers in	4,855,244	-	-	-	-	8,000,000	252,000	13,107,244
Transfers out	(2,477,000)	-	(500,000)	(3,600,000)	-	-	(995,244)	(7,572,244)
Total other financing sources and uses	<u>2,378,244</u>	<u>-</u>	<u>(500,000)</u>	<u>(3,301,086)</u>	<u>-</u>	<u>8,000,000</u>	<u>(743,244)</u>	<u>5,833,914</u>
Net change in fund balances	235,903	(165,436)	1,019,543	(1,117,963)	(7,705,726)	3,463,502	823,064	(3,447,113)
Fund balances - beginning	7,752,412	2,134,225	1,497,413	7,689,772	20,748,829	-	2,448,158	42,270,809
Fund balances - ending	<u>\$ 7,988,315</u>	<u>\$ 1,968,789</u>	<u>\$ 2,516,956</u>	<u>\$ 6,571,809</u>	<u>\$ 13,043,103</u>	<u>\$ 3,463,502</u>	<u>\$ 3,271,222</u>	<u>\$ 38,823,696</u>

The accompanying notes are an integral part of these financial statements.



**City of Shawnee, Oklahoma**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2023**

Net change in fund balances - total governmental funds: \$ (3,447,113)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital asset purchases capitalized	11,993,963
Depreciation expense	(5,751,479)
Book value of disposed capital assets	(37,995)
Capital assets donated	8,346
Capital assets transferred from business type activities	18,206

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 pension expenditures. This amount represents the difference between pension contributions and calculated pension expense. 1,512,881

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in unavailable revenue	447,475
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Debt 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:

Change in accrued compensated absences	(92,961)
Change in total OPEB liability	262,554
Principal paid on long-term debt	3,519,725
Proceeds from issuance of debt	(298,914)
Lease obligation principal payments	40,925
SBITA obligation principal payments	41,104

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:

Change in accrued interest payable	4,954
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Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:

Total change in net position of governmental activities - proprietary funds	263,787
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Change in net position of governmental activities	\$ 8,485,458
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The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2023**

	<b>Enterprise Funds</b>			
	<b>Shawnee Municipal Authority</b>	<b>Shawnee Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,854,314	\$ 695,018	\$ 4,549,332	\$ 304,612
Investments	137,027	-	137,027	-
Restricted:				
Cash and cash equivalents	1,372,647	-	1,372,647	-
Due from other funds	953,897	-	953,897	453,144
Accounts receivable, net	1,936,777	11,554	1,948,331	-
Receivables from other governments	-	8,280	8,280	-
Assessments receivable	2,114	-	2,114	-
Other receivables	58	-	58	-
Inventories	-	27,734	27,734	-
Total current assets	<u>8,256,834</u>	<u>742,586</u>	<u>8,999,420</u>	<u>757,756</u>
Non-current assets:				
Restricted:				
Capital assets:				
Land, construction in progress, and water rights	69,959,756	550,361	70,510,117	-
Other capital assets, net of accumulated depreciation	24,850,317	4,310,431	29,160,748	-
Total non-current assets	<u>94,810,073</u>	<u>4,860,792</u>	<u>99,670,865</u>	-
Total assets	<u>103,066,907</u>	<u>5,603,378</u>	<u>108,670,285</u>	<u>757,756</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred amounts related to pensions	1,324,581	-	1,324,581	-
Deferred amounts related to OPEB	467,931	-	467,931	-
Total deferred outflows of resources	<u>1,792,512</u>	<u>-</u>	<u>1,792,512</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	4,772,572	26,512	4,799,084	1,783
Salaries payable	943,485	8,658	952,143	-
Accrued interest payable	215,828	-	215,828	-
Due to other funds	1,536,560	751,891	2,288,451	-
Deposits	223,170	5,518	228,688	-
Deposits subject to refund	245,157	-	245,157	-
Compensated absences	40,637	4,107	44,744	-
Lease obligations	218,554	23,667	242,221	-
Subscription obligations	78,047	-	78,047	-
Claims and judgments	-	-	-	365,554
Notes payable	2,233,168	-	2,233,168	-
Total current liabilities	<u>10,507,178</u>	<u>820,353</u>	<u>11,327,531</u>	<u>367,337</u>
Non-current liabilities:				
Compensated absences, net of current portion	162,545	16,426	178,971	-
Lease obligations	212,268	74,523	286,791	-
Deposits subject to refund	980,630	-	980,630	-
Claims and judgments, net of current portion	-	-	-	2,285,735
Net pension liability	947,355	-	947,355	-
Total OPEB liability	864,141	-	864,141	-
Notes payable, net of current portion	51,071,205	-	51,071,205	-
Total non-current liabilities	<u>54,238,144</u>	<u>90,949</u>	<u>54,329,093</u>	<u>2,285,735</u>
Total liabilities	<u>64,745,322</u>	<u>911,302</u>	<u>65,656,624</u>	<u>2,653,072</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to OPEB	655,148	-	655,148	-
Total deferred inflows of resources	<u>655,148</u>	<u>-</u>	<u>655,148</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	40,996,829	4,762,604	45,759,433	-
Restricted for debt service	130,752	-	130,752	-
Unrestricted (deficit)	(1,668,632)	(70,528)	(1,739,160)	(1,895,316)
Total net position	<u>\$ 39,458,949</u>	<u>\$ 4,692,076</u>	<u>\$ 44,151,025</u>	<u>\$ (1,895,316)</u>

The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds**  
**Year Ended June 30, 2023**

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
<b>REVENUES</b>				
Water	\$ 8,161,236	\$ -	\$ 8,161,236	\$ -
Sewer	4,165,015	-	4,165,015	-
Sanitation	3,042,800	-	3,042,800	-
Rents and royalties	-	322,545	322,545	-
Fuel Sales	-	296,150	296,150	-
Lake	35,935	-	35,935	-
Charges for services				452,809
Miscellaneous	571,751	529	572,280	-
Total operating revenues	<u>15,976,737</u>	<u>619,224</u>	<u>16,595,961</u>	<u>452,809</u>
<b>OPERATING EXPENSES</b>				
General government	781,684	-	781,684	-
Lake	34,212	-	34,212	-
Water	4,690,373	-	4,690,373	-
Wastewater	1,467,474	-	1,467,474	-
Sanitation	1,488,539	-	1,488,539	-
Airport	-	820,290	820,290	-
Claims expense	-	-	-	190,790
Depreciation and amortization	2,794,829	472,387	3,267,216	-
Total operating expenses	<u>11,257,111</u>	<u>1,292,677</u>	<u>12,549,788</u>	<u>190,790</u>
Operating income (loss)	<u>4,719,626</u>	<u>(673,453)</u>	<u>4,046,173</u>	<u>262,019</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	28,230	-	28,230	-
Miscellaneous revenue	82,773	15,040	97,813	1,768
Gain (loss) on capital asset disposal	-	(16,857)	(16,857)	-
Grants and contributions	7,150	-	7,150	-
Interest expense and fiscal agent charges	(1,655,164)	(2,429)	(1,657,593)	-
Total non-operating revenue (expenses)	<u>(1,537,011)</u>	<u>(4,246)</u>	<u>(1,541,257)</u>	<u>1,768</u>
Net income (loss) before contributions and transfers	<u>3,182,615</u>	<u>(677,699)</u>	<u>2,504,916</u>	<u>263,787</u>
Capital grants and contributions	990,025	113,169	1,103,194	-
Capital contributions from governmental activities	1,076,944	-	1,076,944	-
Transfers in	1,100,000	225,000	1,325,000	-
Transfers out	(6,878,206)	-	(6,878,206)	-
Change in net position	<u>(528,622)</u>	<u>(339,530)</u>	<u>(868,152)</u>	<u>263,787</u>
Total net position - beginning	39,987,571	5,031,606	45,019,177	(2,159,103)
Total net position - ending	<u>\$ 39,458,949</u>	<u>\$ 4,692,076</u>	<u>\$ 44,151,025</u>	<u>\$ (1,895,316)</u>

The accompanying notes are an integral part of these financial statements.

**City of Shawnee, Oklahoma**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended June 30, 2023**

	<b>Enterprise Funds</b>			
	<b>Shawnee Municipal Authority</b>	<b>Shawnee Airport Authority</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 16,064,387	\$ 629,759	\$ 16,694,146	\$ 454,577
Payments to employees	(2,339,598)	(262,513)	(2,602,111)	-
Payments to suppliers	(2,223,000)	(535,118)	(2,758,118)	-
Claims and judgments paid	-	-	-	(452,581)
Receipts of customer meter deposits	250,080	-	250,080	-
Refunds of customer meter deposits	(213,630)	-	(213,630)	-
<b>Net cash provided by (used in) operating activities</b>	<b>11,538,239</b>	<b>(167,872)</b>	<b>11,370,367</b>	<b>1,996</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	1,100,000	225,000	1,325,000	-
Transfers to other funds	(6,878,206)	-	(6,878,206)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(5,778,206)</b>	<b>225,000</b>	<b>(5,553,206)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(40,768,058)	(138,186)	(40,906,244)	-
Purchase of subscriptions	(140,729)	-	(140,729)	-
Purchase of intangible equipment	(171,326)	-	(171,326)	-
Proceeds of capital grants	2,074,119	113,169	2,187,288	-
Capital contributions	(1,076,944)	-	(1,076,944)	-
Proceeds from debt	39,104,360	-	39,104,360	-
Principal paid on debt	(3,467,621)	98,190	(3,369,431)	-
Interest and fiscal agent fees paid on debt	(1,570,176)	(2,429)	(1,572,605)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(6,016,375)</b>	<b>70,744</b>	<b>(5,945,631)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	1,332,450	-	1,332,450	-
Interest and dividends	28,230	-	28,230	-
<b>Net cash provided by (used in) investing activities</b>	<b>1,360,680</b>	<b>-</b>	<b>1,360,680</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,104,338</b>	<b>127,872</b>	<b>1,232,210</b>	<b>1,996</b>
<b>Balances - beginning of year</b>	<b>4,122,623</b>	<b>567,146</b>	<b>4,689,769</b>	<b>302,616</b>
<b>Balances - end of year</b>	<b>\$ 5,226,961</b>	<b>\$ 695,018</b>	<b>\$ 5,921,979</b>	<b>\$ 304,612</b>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ 3,854,314	\$ 695,018	\$ 4,549,332	\$ 304,612
Restricted cash and cash equivalents - current	1,372,647	-	1,372,647	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 5,226,961</b>	<b>\$ 695,018</b>	<b>\$ 5,921,979</b>	<b>\$ 304,612</b>
<b>Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:</b>				
Operating income (loss)	\$ 4,719,626	\$ (673,453)	\$ 4,046,173	\$ 262,019
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	2,548,667	472,387	3,021,054	-
Amortization expense	246,162	-	246,162	-
Miscellaneous revenue	82,773	15,040	97,813	1,768
Change in assets, liabilities and deferrals:				
Due from other governments	-	(4,790)	(4,790)	-
Accounts receivable	2,531	(4,505)	(1,974)	-
Other receivable	(58)	-	(58)	-
Inventory	-	14,738	14,738	-
Deferred inflows related to pension	(1,863,394)	-	(1,863,394)	-
Net pension asset	1,436,569	-	1,436,569	-
Deferred outflows related to OPEB	(191,756)	-	(191,756)	-
Accounts payable	3,699,586	10,719	3,710,305	(6,323)
Accrued payroll payable	849,675	591	850,266	-
Lease obligations	(22,367)	-	(22,367)	-
Deposits subject to refund	38,854	-	38,854	-
Claims and judgments liability	-	-	-	(255,468)
Net pension liability	947,355	-	947,355	-
Total OPEB liability	166,550	-	166,550	-
Subscription obligations	78,047	-	78,047	-
Accrued compensated absences	(746)	1,401	655	-
Deferred inflows related to OPEB	(24,857)	-	(24,857)	-
Deferred outflows related to pension	(1,174,978)	-	(1,174,978)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 11,538,239</b>	<b>\$ (167,872)</b>	<b>\$ 11,370,367</b>	<b>\$ 1,996</b>
<b>Noncash activities:</b>				
Principal forgiven on capital debt	\$ 990,025	\$ -	\$ 990,025	\$ -
Fair value of intangible lease assets	171,326	121,537	292,863	-
Assets contributed by governmental activities	1,076,944	-	1,076,944	-
	<b>\$ 2,238,295</b>	<b>\$ 121,537</b>	<b>\$ 2,359,832</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

## I. Organization

The City of Shawnee, Oklahoma, (the City) operates under a Council-Manager form of government under Title 11 of the *Oklahoma Statutes*. The City provides the following services to its citizens: public safety (police and fire), streets and highways, sanitation, social services, culture and recreation, public improvements, utilities, planning and zoning, and general administrative services.

## II. Summary of significant accounting policies

### A. Reporting entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operation. The City's financial statements include one discretely presented component unit, which is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City's primary government.

**Blended component units.** The Shawnee Municipal Authority (SMA) was created November 11, 1968, to finance, develop, and operate the water, sewer, and solid waste activities. The current City Commission serves as its entire governing body (trustees) of the SMA and management of the city has operational responsibility of the SMA. Any issuance of debt would require a two-thirds approval of the City Commission. SMA is reported as an enterprise fund.

The Shawnee Airport Authority (SAA) was created March 18, 1974, to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control, and regulate air transportation facilities. The current City Commission serves as its entire governing body (trustees) of the SAA and management of the city has operational responsibility of the SAA. Any issuance of debt would require a two-thirds approval of the City Commission. SAA is reported as an enterprise fund.

The Shawnee Urban Renewal Authority (SURA) is included within the financial statements as a part of Other Governmental Funds within a grouping of Special Revenue Funds titled CDBG & Home Grant Funds. The SURA provides services that exclusively benefit the City of Shawnee. All of the activity of the Shawnee Urban Renewal Authority is in the CDBG & Home Grant Funds and the Shawnee Urban Renewal Authority does not have any of its own assets or liabilities and management of the city has operational responsibility of authority. Any issuance of debt would require a two-thirds approval of the City Commission.

Separate financial statements have not been prepared for the blended component units.

**Discretely presented component unit.** Shawnee Civic & Cultural Development Authority (SCCDA) was created January 5, 1976, to acquire by lease and to operate, regulate and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carry out an authority or proper function of the City of Shawnee, the beneficiary of the SCCDA. The governing body consists of seven members; the City Manager of the City of Shawnee, four (4) citizens representing the general public to be selected by the Governing Board of the Beneficiary, and two (2) residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County and approved by the SCCDA Trustees. The SCCDA does not have the same

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Board nor does it provide services exclusively to the City of Shawnee. However, any issuance of debt requires a two-thirds approval of the City Commission. The management of the primary government has operational responsibility for the component unit. If the SCCDA was not included in the financial statements of the City of Shawnee, the accompanying financial statements would be misleading and incomplete.

The SCCDA issued separate audited financial statements, which are available by contacting that entity at (405) 275-7020.

The SCCDA has adopted a December 31 year-end to better represent its business cycle. Accordingly, the financial information contained in these financial statements for the SCCDA is as of December 31, 2022 and for the year then ended.

**Related organizations.** These organizations have a close association with the City of Shawnee; however, the relationship does not meet the requirements for inclusion in the City of Shawnee's Annual Financial Report. Separate financial statements for these entities can be obtained by contacting the entities as indicated:

Shawnee Industrial Authority	(405) 273-7490
Shawnee Economic Development	(405) 273-7490

## **B. Government-wide and fund financial statements**

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Combined and/or individual financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial

statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for reimbursement type grants that are recorded as revenues when the related expenditures are recognized. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

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

The City reports the following fund types:

General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

Capital Project Funds are used to account for resources restricted or the acquisition or construction of specific capital projects for items.

Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-type activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues of the proprietary funds include such items as investment earnings, interest expense and subsidies.

The funds of the financial reporting entity are described below:

**The City reports the following major governmental funds:**

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The most significant operating revenue is sales tax. For reporting purposes the General Fund includes the activities of the following accounts: Revolving Oil and Gas account, Spay and Neuter account, Aquatic Center account, Library Account, and Sister Cities account.

- American Rescue Plan Fund accounts for the proceeds received from the federal governments American Rescue Plan. The funds major funding source is grant revenue.
- The Street Improvement Fund accounts for the construction or major reconstruction of street projects, economic development or debt service. The funds major funding source is sales tax.
- The Capital Improvement Fund accounts for the purchase of capital equipment and construction of facilities, economic development, or debt service. The funds major funding source is sales tax.
- The 2018 Capital Improvement Fund accounts for the addition half-cent sales tax that was passed in June 2018. The proceeds are to be used for capital improvements, specifically public safety, parks and public facilities and streets.
- The Grant Fund accounts for grant revenue and expenses.

**The City reports the following major proprietary funds:**

- The Shawnee Municipal Authority accounts for the City's water, sewer, and sanitation operations. The funds major funding source is user charges.
- The Shawnee Airport Authority accounts for the City's airport operations. The funds major funding source is user charges.

**The City also reports the following proprietary fund:**

- Internal service fund accounts for workers' compensation insurance services provided to other departments or agencies of the City on a cost reimbursement basis.

**Included in the aggregated other governmental fund totals are the following funds:**

- The Street and Alley Fund accounts for the operation and maintenance of local streets and thoroughfares through dedicated taxes.
- The E-911 Fund accounts for the operations and maintenance of the City's 911 emergency services through dedicated taxes.
- The Economic Development Fund accounts for the promotion of economic development through dedicated taxes.
- The Hotel/Motel Fund accounts for the collection of the City's hotel/motel surcharge, used to encourage, promote and foster tourism.
- The Police Sales Tax Fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for police officers.
- The Fire Sales Tax Fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for firefighters.



- The CDBG & HOME Grant Funds account for federal funds received by the City and expenditures related to the operation of these grants.
- The Cemetery Care Fund accounts for the continuing care and maintenance as well as future capital investments of the City owned cemetery funded with fees restricted by external sources.
- The Gifts & Contributions Fund accounts for monies donated for various park projects, economic development, civic events, police, and fire donations.
- The Tax Increment Finance Fund accounts for ad valorem taxes paid to the City on properties located in the Shawnee Downtown Revitalization Area and Increment District to be used for economic development projects within that District.
- The Drug Forfeiture Fund accounts for funds received from Pottawatomie County drug enforcement activities to help fund City drug-related law enforcement efforts.
- The HUD Fund accounts for the pass through grant from ODOC for mortgage/rental assistance, utility assistance, nutrition assistance, and mental health support.
- The Emergency Shelter Fund accounts for a pass through grant from HUD via ODOC for homeless assistance-emergency shelter, street outreach, and rapid re-housing.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include, 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance**

***1. Deposits and investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury; time deposits with financial institutions, if such deposits are fully insured by federal depository insurance or pledged collateral; and debt securities issued by the State of Oklahoma, an Oklahoma County, school district, or municipality. A copy of the City of Shawnee's investment policy may be obtained by contacting the City of Shawnee, Post Office Box 1448, Shawnee, Oklahoma 74802-1448.

Investments for the City, as well as for its component units, are reported at fair value.

## ***2. Receivable and payable***

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

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

## ***3. Restricted assets***

Certain proceeds of the Shawnee Municipal Authority's enterprise fund promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The projects fund account is used to report those proceeds that are restricted for use in construction. The debt service fund account is used to segregate resources accumulated for debt service payments over the next 12 months. The debt service reserve account is used to report resources set aside to make up potential future deficiencies in the debt services account.

## ***4. Inventories and Prepays***

The Airport Authority (SAA) maintains a fuel inventory for aircraft. Inventory is valued at cost.

Prepays are payments to vendors that benefit future reporting periods and are reported on the consumption basis.

## 5. *SBITAs*

Implementation of New Accounting Guidance – On June 15, 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, “Subscription-Based Information Technology Arrangements” (SBITAs), which establishes accounting and financial reporting standards for subscription-based information technology arrangements. The new standard established a subscription-based asset and related liability on the statement of financial position for all applicable information technology arrangements. The accounting standard went into effect for reporting periods beginning after June 15, 2022. This City has implemented and adopted GASB Statement No. 96. See Note 3 relating to the adoption of the new SBITA standard.

Implementation of GASB Statement No. 96 resulted in a restatement of \$82,048 and \$140,729 of both capital assets and long term obligations in governmental activities and business-type activities, respectively.

## 6. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Subscription based information technology arrangements are valued at the present value of future payments plus capitalizable implementation costs. SBITA assets are amortized over the shorter of useful life or the term of the associated contract. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	20-50
Infrastructure	20-100
Furniture, equipment, and vehicles	3-10

## 7. *Compensated absences*

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Full-time employees with at least one year of service earn vacation of ten to twenty days per year depending on years of service completed. A maximum of ten to thirty days may be carried over from one benefit year into another, depending on years of service completed.

Sick leave may be accumulated up to a maximum of 120 days. Accumulated sick leave is paid to employees only upon retirement at a rate of one day's pay for every three day's accumulated sick leave, up to a maximum of 40 days. A liability for these amounts is reported in governmental funds when they have matured as a result of employee resignations and retirements. The General Fund, the Hotel/Motel Fund and the CDBG Grant Fund are used to liquidate compensated absences in the governmental activities.

#### **8. Long-term obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net Position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount.

#### **9. Deferred Outflow/Inflows of Resources:**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government reports the following deferred outflows. Deferred amounts on refunding reported in the government-wide statement of net position and the proprietary fund statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the new debt or the remaining life of the refunded debt. The city also reports deferred outflows related to pension and OPEB contributions subsequent to the measurement date, the change in proportion, and the difference between expected and actual plan experience.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as in inflow of resources (revenues) until that time. The government reports deferred inflows related to pension accounting and OPEB accounting for the net difference between projected and actual earnings on pension plan investments, the change in proportion, changes in assumptions, and deferred differences between expected and actual plan experience.

#### **10. Fund equity**

##### *Government-Wide and Proprietary Fund Financial Statements:*

Net Position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds,

mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

b. *Restricted Net Position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

c. *Unrestricted Net Position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

*Governmental Fund Financial Statements:*

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

a. Nonspendable – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) 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 which must be approved or rescinded by a vote of the City Council.

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, motion or resolution, or by management decision when the city council has authorize management (city manager) to make the decision. Assignments for transfers and interest income for 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 general fund is the only fund that reports a positive unassigned fund balance.

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

## E. REVENUES, EXPENDITURES AND EXPENSES

### *Sales Tax*

The City levies a three and a half cent sales tax on taxable sales within the city. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. One and one-half cent is legally restricted by the voters. Sales tax is recorded as follows:

- Two-cents recorded in the General Fund for operations
- .3875 recorded in the Capital Improvement Fund restricted by ordinance for capital improvements, economic development or debt service
- .4375 recorded in the Street Improvement Fund and restricted by ordinance for capital improvements, economic development or debt service
- .0500 recorded in the Economic Development Fund and restricted by ordinance for capital improvements, economic development or debt service
- .0625 recorded in the Police Sales Tax Fund and restricted for police operations
- .0625 recorded in the Fire Sales Tax Fund and restricted for fire operations
- .5000 recorded in the 2018 Capital Improvement Fund and restricted for capital improvements or debt service

### *Property Tax*

Under State statutes, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. For the year ended June 30, 2023, the City did not levy a tax.

### *Program Revenues*

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

General government	Licenses and permits and state operating and capital grants
Public safety	Fines and forfeitures, court cost and fees, fire protection fees, animal control fees, and operating and capital grants
Streets	Permits, motor fuel and commercial vehicle revenue, capital and operating grants
Culture and recreation	Lake permits, park and recreation fees, state operating and capital grants
Community development	Zoning charges and Community Development Block Grants
Economic development	Rental fees and grants

*Pledge of Future Revenues*

Sales Tax Pledge - The City has pledged seven-eighths of one penny (or .875%) of future sales tax revenues to repay the \$3,565,000 Series 2016 Sales Tax Revenue Note. Proceeds from the notes provided financing for capital assets. The notes are payable from pledged sales tax revenues. The note is payable through fiscal year 2024. The total principal and interest payable for the remainder of the life of this note is \$280,884. Pledged sales taxes received in the current year were \$6,734,834. Debt service payments of \$549,499 for the current fiscal year were 8% of pledged sales taxes.

Sales Tax Pledge - The City levied a new sales tax beginning October 1, 2018 of one-half percent (.50%). The City has pledged the future sales tax revenues to repay the \$10,000,000 and \$16,875,000 Series 2018 Sales Tax Revenue Note and the 2020 Sales Tax Revenue Notes, respectively. Proceeds from the notes provided financing for capital improvements. The notes are payable from pledged sales tax revenues through fiscal year 2029. The total principal and interest payable for the remainder of the life of the note is \$17,141,924. Pledged sales taxes received in the current year were \$3,848,477. Debt service payments of \$3,119,459 for the current fiscal year were 81% of pledged sales taxes.

Utility Revenues Pledge - The City has also pledged future gross water and wastewater revenues to repay \$1,485,000 of the 2010A OWRB Note Payable, \$12,070,000 of the 2013 OWRB Note Payable, \$5,410,000 of the 2016 Municipal Authority Revenue Note, \$5,380,000 of the 2019 OWRB Note Payable, \$37,920,000 of the 2019A OWRB Note Payable, \$13,500,000 of the 2021 OWRB Note Payable, and \$17,460,000 of the 2021 OWRB Note Payable. Proceeds from the notes provided financing for utility system capital assets. The notes are payable through fiscal year 2031, 2023, 2031, 2031, 2052, 2053, and 2053, respectively. The total principal and interest payable for the remainder of the life of these notes is \$143,910,627. The notes are payable from the above-mentioned utility revenues. The debt service payments on the notes this year were \$2,865,921 which was 23% of pledged utility revenues of \$12,326,251.

*Expenditures and Expenses*

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

**F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES**

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

*Fund Financial Statements:*

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

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.

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

*Government-Wide Financial Statements:*

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

1. *Internal balances* – amounts reported in the fund financial statements as interfund receivable and payables are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. *Internal activities* - amounts reported in the fund financial statements as interfund transfers are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds is not eliminated in the statement of activities.
3. *Primary government and component unit activity and balances* - resource flows between the primary government and the discretely presented component units are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

**G. USE OF ESTIMATES**

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

**III. Detailed Notes On All Funds**

**A. Deposits and investments** – The City held the following deposits/investments at June 30, 2023:

**PRIMARY GOVERNMENT:**



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**Schedule of Deposits and Investments by Type**

Type	Fair Value	Credit Rating	Maturities in Years		
			On Demand	Less Than One	1 - 5
Demand accounts	\$ 33,955,585	n/a	\$ 33,955,585	\$ -	\$ -
Time deposits	1,685,712	n/a	-	-	1,685,712
Money market mutual fund	14,072,082	AAAm	-	14,072,082	-
Sub-total	49,713,379		<u>\$ 33,955,585</u>	<u>\$ 14,072,082</u>	<u>\$ 1,685,712</u>
Cash on hand	5,081				
Total Investments and Deposits	<u>\$ 49,718,460</u>				
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	\$ 49,073,063				
Investments	645,397				
	<u>\$ 49,718,460</u>				

GASB Statement No. 72, *Fair Value Measurement and Application*, established a fair value hierarchy for investments. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023: Money Market Mutual Funds of \$14,072,082 are valued using quoted market prices (Level 1 input).

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City requires that all deposits be collateralized by either FDIC insurance or pledged collateral. At June 30, 2023 the City was not exposed to custodial credit risk as defined above.

*Interest Rate Risk.* The City of Shawnee's formal investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investment maturities limit policy is as follows:

- The portfolio, as a whole, shall have an average maturity of not more than two (2) years, unless specifically otherwise designated by the Treasurer.
- Banker's acceptances shall not exceed one hundred (180) days to maturity.

The City complied with this policy in all material respects.

*Credit Risk.* The City of Shawnee's policy limits investments to the following: a) obligations of the U.S. Government, its agencies or instrumentalities; b) collateralized or insured certificates of deposit and other evidences of deposit at banks, savings banks, savings and loan associations and credit unions located in this state; c) negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings bank, a savings and loan association, or a state licensed branch of a foreign bank; d) prime bankers' acceptances which are eligible for purchase by the Federal Reserve System; e) prime commercial paper; f) investment grade obligations of state and local governments, including certain highly rated obligations of state- beneficiary public trusts; g) repurchase agreements; and h) money market funds regulated by the Securities and Exchange Commission which investments consist of

NOTES TO FINANCIAL STATEMENTS  
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those items and those restrictions specified in the investment policy of the City of Shawnee, Oklahoma. The City complied with this policy in all material respects.

*Concentration of Credit Risk.* Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this consideration.

The City places the following limit on the amount it may invest in any one issuer:

- With the exception of U.S. Treasury securities and authorized money market mutual funds, no more than 50% of the of City's total investment portfolio will be invested in a single security type or with a single financial institution. Individual securities shall be limited as follows:

<u>Type of Investment</u>	<u>Percentage of Cash Available for Investment Not to Exceed</u>
Negotiable certificates of deposit	50%
Bankers' acceptances	50%
Commercial paper	50%
Obligations of state and local government	50%

The City complied with this policy in all material respects.

**COMPONENT UNIT:**

The SCCDA was not exposed to custodial credit risk at December 31, 2023. The \$162,722 of cash and cash equivalents was invested in cash deposits and interest-bearing certificate of deposit fully insured by Federal Depository Insurance (FDIC) or direct obligations of the U.S. government. The SCCDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no limit placed on the amount it may invest in any one issuer and is exposed to concentration of credit risk by being 100% invested in money market funds.

**B. Receivables**

Receivables as of June 30, 2023, including the applicable allowances for uncollectible accounts are as follows:

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 4,726,552	\$ -	\$ 4,726,552
Due from other governments	758,666	-	758,666
Court fines	2,285,139	(2,056,625)	228,514
Other	504,337	-	504,337
Total Governmental Activities	<u>\$ 8,274,694</u>	<u>\$ (2,056,625)</u>	<u>\$ 6,218,069</u>
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 619,441
Due from other governmental agencies			5,319,817
Notes receivable, net			278,811
Total			<u>\$ 6,218,069</u>
Business-Type Activities:			
Utilities	<u>\$ 3,859,481</u>	<u>\$ (1,908,978)</u>	<u>\$ 1,950,503</u>

### **Opioid Settlement Funds**

In June 2022, drug manufacturer distributors reached a \$308 billion-dollar nationwide settlement related to opioid lawsuit(s). These funds will be disbursed to each litigating party over an 18-year period according to an allocation agreement reached with all participating states.

Oklahoma's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

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

The City as a litigating party received \$87,572 as part of this settlement in fiscal year 2023. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023.

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

### **C. Restricted assets**

The amounts reported as restricted assets of the business-type activities are comprised of assets held by the trustee bank on behalf of the Shawnee Municipal Authority related to their required revenue note and bond accounts, as well as deposits held for refund.

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

<u>Type of Restricted Assets</u>	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	
Due to Depositors	\$ 1,225,787	\$ -	\$ 1,225,787
Trustee Accounts:			
OWRB 2010 Debt Service Account	36,795	-	36,795
SMA 2016 Debt Service Account	110,065	-	110,065
Total Restricted Assets	<u>\$ 1,372,647</u>	<u>\$ -</u>	<u>\$ 1,372,647</u>

**D. Capital Assets**

The following is a summary of changes in capital assets during fiscal year 2023 for the primary government:

**PRIMARY GOVERNMENT:**

	Restated Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
<b><i>Governmental activities:</i></b>				
Capital assets not being depreciated:				
Land	\$ 3,638,460	\$ -	\$ -	\$ 3,638,460
Construction in progress	735,684	8,016,336	141,370	8,610,650
Total capital assets not being depreciated	<u>4,374,144</u>	<u>8,016,336</u>	<u>141,370</u>	<u>12,249,110</u>
Depreciable assets:				
Buildings	27,059,784	326,649	164,782	27,221,651
Machinery, furniture and equipment	22,747,538	1,120,248	232,845	23,634,941
Infrastructure	74,593,694	3,069,214	-	77,662,908
Total depreciable assets	<u>124,401,016</u>	<u>4,516,111</u>	<u>397,627</u>	<u>128,519,500</u>
Less accumulated depreciation:				
Buildings	13,486,791	813,974	144,534	14,156,231
Machinery, furniture and equipment	15,633,911	1,417,529	215,100	16,836,340
Infrastructure	41,696,154	3,452,194	-	45,148,348
Total accumulated depreciation	<u>70,816,856</u>	<u>5,683,697</u>	<u>359,634</u>	<u>76,140,919</u>
Lease assets:				
Machinery, furniture and equipment	166,606	-	-	166,606
Less accumulated amortization for:				
Machinery, furniture and equipment	41,652	41,652	-	83,304
Subscription assets:				
Subscription assets	82,048	-	-	82,048
Less accumulated amortization for:				
Subscription asset	-	41,024	-	41,024
Other capital, lease, and subscription assets, net	<u>53,791,162</u>	<u>(1,250,262)</u>	<u>37,993</u>	<u>52,502,907</u>
Governmental activities capital assets, net	<u>\$ 58,165,306</u>	<u>\$ 6,766,074</u>	<u>\$ 179,363</u>	<u>\$ 64,752,017</u>

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

	Restated Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,481,715	\$ -	\$ -	\$ 1,481,715
Water rights	12,967,959	-	-	12,967,959
Construction in progress	14,805,306	41,255,137	-	56,060,443
Total capital assets not being depreciated	29,254,980	41,255,137	-	70,510,117
Other capital assets:				
Buildings	17,383,264	218,162	-	17,601,426
Machinery, furniture and equipment	8,854,988	295,408	115,185	9,035,211
Utility property	69,604,144	111,150	-	69,715,294
Total other capital assets at historical cost	95,842,396	624,720	115,185	96,351,931
Less accumulated depreciation for:				
Buildings	12,629,284	472,899	-	13,102,183
Machinery, furniture and equipment	7,412,722	306,546	80,122	7,639,146
Utility property	44,843,766	2,217,302	-	47,061,068
Total accumulated depreciation	64,885,772	2,996,747	80,122	67,802,397
Lease assets:				
Machinery, furniture and equipment	492,302	292,863	-	785,165
Less accumulated amortization for:				
Machinery, furniture and equipment	44,211	223,559	-	267,770
Subscription assets:				
Subscription assets	140,729	-	-	140,729
Less accumulated amortization for:				
Subscription asset	-	46,910	-	46,910
Other capital, lease, and subscription assets, net	31,545,444	(2,349,633)	35,063	29,160,748
Business-type activities capital assets, net	<u>\$ 60,800,424</u>	<u>\$ 38,905,504</u>	<u>\$ 35,063</u>	<u>\$ 99,670,865</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Depreciation:

General government	\$ 82,348
Culture and recreation	782,302
Community development	33,718
Public safety	1,121,496
Public works	3,663,833
	<u>5,683,697</u>

Amortization:

Amortization on leased assets:	
Machinery, furniture and equipment	41,652
Amortization on subscription assets:	
Subscription assets	41,024
	<u>\$ 5,766,373</u>

Business-Type Activities:

Depreciation:

Water	\$ 1,462,256
Wastewater	1,094,902
Sanitation	154,711
Administration	309
Lake	35,741
Airport	472,387
	<u>3,220,306</u>

Amortization:

Amortization on subscription assets:	
Subscription assets	46,910
	<u>\$ 3,267,216</u>

**COMPONENT UNIT:**

	Balance, January 1, 2022	Increases	Decreases	Balance, December 31, 2023
<b>Shawnee Civic and Cultural Development Authority:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,647,755	\$ -	\$ -	\$ 9,647,755
Equipment	2,494,528	-	-	2,494,528
Total capital assets, being depreciated	12,142,283	-	-	12,142,283
Less accumulated depreciation	(8,582,194)	(246,277)	-	(8,828,471)
Governmental activities capital assets, net	<u>\$ 3,560,089</u>	<u>\$ (246,277)</u>	<u>\$ -</u>	<u>\$ 3,313,812</u>

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

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**E. Long-term debt**

Long-term liabilities of the City of Shawnee as of June 30, 2023, are summarized as follows:

**Governmental activities**

Notes payable (direct placements/direct borrowings) :

\$3,565,000 2016 Sales Tax Revenue Note, to a financial institution, dated December 21, 2016, payable semi-annually each June and December, interest at 2.140%, through December 1, 2023. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. \$ 275,000

\$10,000,000 2018 Sales Tax Revenue Note, to a financial institution, dated December 12, 2018, payable semi-annually each June and December, interest at 2.90%, through December 12, 2028. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. 4,695,000

\$16,875,000 2020 Sales Tax Revenue Note, to a financial institution, dated September 1, 2020 payable semi-annually each June and December, interest at 1.35%, through December 12, 2028. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. 11,555,000

\$298,800 street sweeper note payable, to a financial institution, dated January 27, 2021 payable quarterly each January, April, July and October, interest at 4.00%, through October 27, 2024. 132,801

\$298,914 street sweeper note payable, to a Welch State Bank, dated February 21, 2023 payable in monthly installments with an annual interest at 4.41% through February 21, 2026. 267,563

Total notes payable		\$ 16,925,364
Current portion		\$ 3,312,356
Noncurrent portion		13,613,008
Total notes payable		\$ 16,925,364

Accrued compensated absences. The general fund has typically been used to liquidate this liability. \$ 2,503,232

Current portion		\$ 500,646
Noncurrent portion		2,002,586
		\$ 2,503,232

Claims and judgments payable. The general fund has typically been used to liquidate this liability. \$ 2,651,289

Current portion		\$ 365,554
Noncurrent portion		2,285,735
		\$ 2,651,289

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

Lease obligations. The general fund has typically been used to liquidate this liability.

\$	83,147
Current portion	\$ 42,588
Noncurrent portion	40,559
\$	83,147

Subscription obligations. The City has entered into subscription-based information technology arrangements involving software related to budgeting and planning for a term of 3 years. The general fund has typically been used to liquidate this liability.

\$	40,944
Current portion	\$ 40,944
Noncurrent portion	-
\$	40,944

**Business-type activities**

Notes payable (direct placements/direct borrowings) :

\$5,410,000 2016 Municipal Authority Revenue Note, dated June 8, 2016, payable in semiannual installments of \$150,000 to \$215,000, interest at 2.35%, final maturity April 2031. The Shawnee Municipal Authority typically has been used to liquidate this liability.

\$ 3,145,000

\$1,485,000 2010A Promissory Note to Oklahoma Water Resources Board, dated October 14, 2010, payable in semiannual installments of approximately \$39,489, including principal and interest at 2.76%. The Shawnee Municipal Authority typically pays this liability.

562,501

\$5,380,000 2019 Promissory Note to Oklahoma Water Resources Board, dated May 28, 2019, payable in semiannual installments of approximately \$179,000, Interest from 3.895% to 2.35% through April 2031. The note is secured with pledged revenues from the Shawnee Municipal Authority.

3,243,506

\$37,920,000 2019A Promissory Note to Oklahoma Water Resources Board, dated September 19, 2019, payable in semiannual installments of approximately \$172,000 to \$2,078,000, Interest of 1.58% through September 2051. The note is secured with pledged revenues from the Shawnee Municipal Authority. The SMA has drawn \$574,300 of the note as of June 30.

20,257,419

\$13,500,000 2021 Promissory Note to Oklahoma Water Resources Board, dated June 24, 2021, payable in semiannual installments of approximately \$198,000 to \$253,000, interest of 1.65% through March 2053. The note is secured with pledged revenues from the Shawnee Municipal Authority. The SMA has drawn \$208,000 of the note as of June 30.

12,022,500

\$17,460,00 2021 Promissory Note to Oklahoma Water Resources Board, dated May 28, 2021, payable in semiannual installments of approximately \$291,000, interest of 1.98% through March 2053. The note is secured with pledged revenues from the Shawnee Municipal Authority. The SMA has drawn \$6,303,078 of the note as of June 30.

14,073,447

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

\$65,635,000 2022 Promissory Note to Oklahoma Water Resources Board, dated 8/31/2022, payable in semiannual installments of approximately \$100,000 to \$1,621,000 with interest of 2.69% through September 2055. The note is secured with pledged revenues from the Shawnee Municipal Authority. The SMA has drawn \$990,025 of the note as of June 30.

Total notes payable	-	\$ 53,304,373
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Current portion	\$ 2,233,168	
Noncurrent portion	51,071,205	
Total notes payable	\$ 53,304,373	

Accrued compensated absences. The Shawnee Municipal and Airport Authorities have typically been used to liquidate this liability.	\$ 223,715	
Current portion	\$ 44,744	
Noncurrent portion	178,971	
	\$ 223,715	

Lease obligations. The Shawnee Municipal and Airport Authorities have typically been used to liquidate this liability.	\$ 529,012	
Current portion	\$ 242,221	
Noncurrent portion	286,791	
	\$ 529,012	

Subscription obligations. The City has entered into subscription-based information technology arrangements involving software related to managed cloud services for a term of 3 years. The Shawnee Municipal Authority has typically been used to liquidate this liability.	\$ 78,047	
Current portion	\$ 78,047	
Noncurrent portion	-	
	\$ 78,047	

The 2013, 2016, 2018, and 2021 Sales Tax Revenue Notes are secured by pledged sales tax and contain the following remedies in the event of default: 1) suit for specific performance of any or all covenants of the Authority contained in the Note Indentures, the sales tax agreements or the notes; 2) deposit the sales tax revenue directly with the bank; 3) acceleration of the payment of principal and interest; or 4) file suit to enforce or enjoin action or inaction of parties under provisions of the agreement.

Notes of the Shawnee Municipal Authority Enterprise Fund are secured with pledged revenues and contain the following remedies in the event of default: 1) suit for specific performance of any or all covenants of the Authority contained in the Note Indentures or the notes; 2) acceleration of the payment of principal and interest; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action or inaction of parties under provisions of the agreement.



**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

Long-term liability transactions for the year ended June 30, 2023 and changes therein were as follows:

<u>Type of Debt</u>	<u>Restated 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>					
Notes payable (direct placements/direct borrowings)	\$ 20,146,175	\$ 298,914	\$ 3,519,725	\$ 16,925,364	\$ 3,312,356
Claims and judgments	2,906,757	190,791	446,259	2,651,289	365,554
Lease obligations	124,072	-	40,925	83,147	42,588
Accrued compensated absences	2,410,271	2,092,291	1,999,330	2,503,232	500,646
Subscription obligations	82,048	-	41,104	40,944	40,944
Total Governmental Activities	<u>\$ 25,669,323</u>	<u>\$ 2,581,996</u>	<u>\$ 6,047,343</u>	<u>\$ 22,203,976</u>	<u>\$ 4,262,088</u>
		Add: Total OPEB liability		3,809,273	
		Add: Net Pension liability		16,842,047	
				<u>\$ 42,855,296</u>	
<b>Business-Type Activities:</b>					
Notes payable (direct placements/direct borrowings)	\$ 17,667,635	\$ 39,104,360	\$ 3,467,622	\$ 53,304,373	\$ 2,233,168
Lease liability	453,189	292,861	217,038	529,012	242,221
Accrued compensated absences	223,060	211,006	210,351	223,715	44,744
Subscription obligations	140,729	-	62,682	78,047	78,047
Total Business-Type Activities	<u>\$ 18,484,613</u>	<u>\$ 39,608,227</u>	<u>\$ 3,957,693</u>	<u>\$ 54,135,147</u>	<u>\$ 2,598,180</u>
		Add: Total OPEB liability		864,141	
		Add: Net Pension liability		947,355	
				<u>\$ 55,946,643</u>	
Total Long-Term Debt	<u>\$ 44,153,936</u>	<u>\$ 42,190,223</u>	<u>\$ 10,005,036</u>	<u>\$ 98,801,939</u>	<u>\$ 6,860,268</u>

Annual debt service requirements to maturity for long-term debt are as follows:

Fiscal Year Ending June 30	Governmental Activities					
	Notes Payable (direct placements/direct borrowings)		Lease Obligations		Subscription Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,312,356	\$ 296,192	\$ 42,588	\$ 2,544	\$ 40,944	\$ 161
2025	3,018,131	237,440	40,559	814	-	-
2026	3,009,877	177,853	-	-	-	-
2027	2,995,000	123,612	-	-	-	-
2028	3,045,000	69,371	-	-	-	-
2029	1,545,000	13,994	-	-	-	-
	<u>\$ 16,925,364</u>	<u>\$ 918,462</u>	<u>\$ 83,147</u>	<u>\$ 3,358</u>	<u>\$ 40,944</u>	<u>\$ 161</u>

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

Fiscal Year Ending June 30	Business-Type Activities					
	Notes Payable (direct placements/direct borrowings)		Lease Obligations		Subscription Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,233,168	\$ 1,857,776	\$ 242,221	\$ 18,790	\$ 78,047	\$ 453
2025	2,256,748	1,783,618	212,899	7,745	-	-
2026	2,378,202	1,736,458	48,446	1,566	-	-
2027	2,499,736	1,688,721	25,446	334	-	-
2028	3,819,184	1,640,436	-	-	-	-
2029-2033	20,128,503	23,137,421	-	-	-	-
2034-2038	21,971,571	19,387,810	-	-	-	-
2039-2043	24,182,223	15,119,122	-	-	-	-
2044-2048	26,855,488	10,299,197	-	-	-	-
2049-2053	26,731,677	4,930,322	-	-	-	-
2054-2056	7,885,000	642,238	-	-	-	-
Amount to be drawn	(87,637,127)	-	-	-	-	-
	<u>\$ 53,304,373</u>	<u>\$ 82,223,119</u>	<u>\$ 529,012</u>	<u>\$ 28,435</u>	<u>\$ 78,047</u>	<u>\$ 453</u>

### **Water Agreement**

The Shawnee Municipal Authority (SMA) entered into an agreement with the Pottawatomie County Development Authority (PCDA) for the development of the North Deer Creek Reservoir Project (Reservoir) in which the PCDA issued bonds totaling \$18,180,000 for the construction of the Reservoir. SMA issued its Utility Revenue Note, Series 1990B in the amount of \$18,180,000 to the PCDA. (These notes were defeased during the 1993 fiscal year with the issuance of the SMA Utility Revenue Note, Series 1993A in the amount of \$21,165,000.) During the 2003 fiscal year, the 1993 notes were defeased in the amount of \$18,850,000. During fiscal 2013 the SMA issued the 2013A OWRB Note payable to refund the outstanding notes.

SMA acquired a contractual interest in the water of the reservoir by issuing their Series 1990B Note. They issued the note totaling \$18,180,000 and received restricted funds back from PCDA to establish a reserve fund totaling \$1,263,881. The net amount of the note face value less the reserve fund, which totals \$16,916,119, represented SMA's investment in the water contract with PCDA and a trustee Bank. During a prior fiscal year, the SMA received \$3,948,160 in surplus bond proceeds remaining in the PCDA trust funds to be used for SMA utility system improvements. These proceeds have been accounted for as a reduction in the investment in the water contract with PCDA to \$12,967,959.

The term of the water agreement shall be for a period of one hundred (100) years from its effective date and may be extended by written agreement of the parties. Upon the expiration of the term of this agreement and any extension thereof, PCDA shall by quit claim deed and bill of sale, convey to each party, an undivided fractional interest in the facilities and all personal property titled in PCDA that is used in the operation of the facilities except PCDA's files and records.

Due to the long-term nature of this agreement, and the infinite economic life of the water rights, the SMA's investment in the water rights contract is not being amortized.

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

**F. Interfund receivables, payables, and transfers**

The composition of interfund balances as of June 30, 2023 is as follows:

Due To	Due From						Total Due To
	General Fund	Major -CIF Fund	Major -Street Fund	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ -	\$ 1,518,165	\$ -	\$ 953,897	\$ 170,350	\$ 2,642,412
2018 Capital Improvement Fund	470,813	-	-	-	-	-	470,813
Capital Improvement Fund	-	-	1,600,855	4,023	-	-	1,604,878
Street Improvement Fund	-	-	-	4,843	-	-	4,843
Nonmajor Governmental Funds	171,647	-	162,882	-	-	-	334,529
Enterprise Funds	1,253,766	65,000	686,891	-	-	282,794	2,288,451
Total Due From	\$ 1,896,226	\$ 65,000	\$ 3,968,793	\$ 8,866	\$ 953,897	\$ 453,144	\$ 7,345,926

Interfund transactions are used for varying reasons including, but not limited to, offset negative pooled cash and posting corrections. Interfund transactions between funds and the reason for those transactions are as follows:

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
Worker's Comp Fund	General Fund	\$ 170,350	Self insurance funding
Worker's Comp Fund	SPWA	282,794	Self insurance funding
General Fund	SMA	1,253,766	Negative pooled cash
General Fund	2018 Capital Improvement Fund	470,813	Negative pooled cash
General Fund	Street & Alley Fund	170	Posting correction
CDBG Home Grants Fund	Street Improvement Fund	16,361	Posting correction
Street Improvement Fund	CDBG Home Grants Fund	4,843	Posting correction
General Fund	CDBG Home Grants	132,137	Posting correction
General Fund	Emergency Shelter	39,340	Negative pooled cash
SMA	General	953,897	Posting correction
Gifts and Contributions	Capital Improvement	4,023	Posting correction
Street Improvement Fund	Capital Improvement	1,600,855	Negative pooled cash
Street Improvement Fund	CDBG Home Grants	146,521	Negative pooled cash
Street Improvement Fund	Shawnee Airport Authority	686,891	Negative pooled cash
Street Improvement Fund	General	1,518,165	Negative pooled cash
Capital Improvement Fund	Shawnee Airport Authority	65,000	Federal grant match on future projects
		<u>\$ 7,345,926</u>	

**Reconciliation to Fund Financial Statements:**

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 5,938,885	\$ 5,057,475	\$ 881,410
Proprietary Funds	953,897	2,288,451	(1,334,554)
Internal Service Funds	453,144	-	453,144
	<u>\$ 7,345,926</u>	<u>\$ 7,345,926</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

Transfers for the year ended June 30, 2023, consisted of the following:

Transfers Out	Transfers In						Total Transfer Out
	General Fund	Major -CIF Fund	Major -Street Fund	Grant Fund	Nonmajor Governmental Funds	Enterprise Funds	
General Fund	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 252,000	\$ 225,000	\$ 2,477,000
Street Improvement Fund	-	-	-	3,000,000	-	600,000	3,600,000
Capital Improvement Fund	-	-	-	-	-	500,000	500,000
Nonmajor Governmental Funds	995,244	-	-	-	-	-	995,244
Enterprise Funds	3,860,000	-	-	3,000,000	-	-	6,860,000
Total Transfer In	\$ 4,855,244	\$ -	\$ -	\$ 8,000,000	\$ 252,000	\$ 1,325,000	\$ 14,432,244

Transfers are used for varying reasons including but not limited to operational subsidies, capital funding, and debt service. Transfers between funds and the reason for those transfers are as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
SMA	General	\$ 3,860,000	Operating subsidy
Police Tax Fund	General	476,372	Restricted sales tax transfer
Fire Tax Fund	General	476,372	Restricted sales tax transfer
General	Grant	2,000,000	Operating transfer
Street Improvement Fund	Grant	3,000,000	Operating transfer
SMA	Grant	3,000,000	Operating transfer
General	Street and Alley	252,000	Budgeted transfer
Economic Development	Sister Cities Fund	42,500	Interfund transfer
Capital Improvement	SMA	500,000	Budgeted transfer
Street Improvement Fund	SMA	600,000	Budgeted transfer
General	SAA	225,000	Operating subsidy
Total		\$ 14,432,244	

**Reconciliation to Fund Financial Statements:**

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 13,107,244	\$ (7,572,244)	\$ 5,535,000
Proprietary Funds	1,325,000	(6,878,206)	(5,553,206)
	\$ 14,432,244	\$ (14,450,450)	\$ (18,206)

**Reconciliation to Statement of Activities:**

Net transfers	\$ 5,535,000
Transfer of capital assets to governmental activities	18,206
Transfer of capital assets from governmental activities	(1,076,944)
Transfers - internal activity	\$ 4,476,262

**G. Net Position/Fund Equity**

*Government-Wide and Proprietary Fund Financial Statements*

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 is available.

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
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The following table shows the net position restricted for other purposes shown on the Statement of Net Position:

Fund	Restricted By	Amount
<b>Governmental Activities:</b>		
Tax Increment Financing Fund	Enabling legislation	\$ 930,279
Pension Asset	Enabling legislation	847,482
		<u>1,777,761</u>
Cemetery Fund	Statutory requirements	188,606
E911 Fund	Statutory requirements	317,262
Drug Forfeiture Fund	Statutory requirements	15,591
		<u>521,459</u>
CDBG Fund	External sources	301,129
Gifts and Contributions	External sources	143,977
Police Sales Tax Fund	External sources	72,546
Fire Sales Tax Fund	External sources	72,546
Hotel/Motel Fund	External sources	605,000
Economic Development Fund	External sources	282,126
Street Improvement Fund	External sources	6,571,809
2018 Capital Improvement Fund	External sources	369,381
Capital Improvement Fund	External sources	2,516,956
2023 Capital Improvement Fund	External sources	283,596
Debt Service Fund	External sources	329,975
American Rescue Plan Fund	External sources	5,756,116
Opiod Settlement Fund		87,572
		<u>17,392,729</u>
Total Governmental Restricted		<u>\$ 19,691,949</u>

*Reconciliation to Statement of Net Position:*

Restricted for:

Debt Service	\$ 329,975
Public Safety	477,945
Capital Projects	15,497,858
Economic Development	2,118,534
Pension Asset	847,482
Other	420,155
Total Governmental Restricted	<u>\$ 19,691,949</u>

**Business Type Activities:**

Debt Service Reserves	Enabling legislation	<u>\$ 130,752</u>
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**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
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*Governmental Fund Financial Statements:*

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

It is the City's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City's policy for the use of fund balance amounts require that restricted amounts would be reduced first, followed by committed amounts, 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 on the Governmental Funds Balance Sheet.

	General Fund	American Rescue Plan Fund	Street Improvement Fund	Capital Improvement Fund	2018 Capital Improvement Fund	Grant Fund	Other Governmental Funds	Total
Fund Balance:								
Restricted for:								
Street improvements	\$ -	\$ -	\$ 6,571,809	\$ -	\$ -	\$ -	\$ -	\$ 6,571,809
Fire operations	-	-	-	-	-	-	72,546	72,546
Police operations	-	-	-	-	-	-	389,808	389,808
Debt service	-	-	-	-	-	-	930,279	930,279
Capital improvements	-	1,968,789	-	2,516,956	13,043,103	-	283,596	17,812,444
Culture and rec programs	-	-	-	-	-	-	143,977	143,977
Cemetery improvements	-	-	-	-	-	-	188,606	188,606
Police - drug programs	-	-	-	-	-	-	103,163	103,163
Economic development	-	-	-	-	-	-	1,188,255	1,188,255
Sub-total restricted	-	1,968,789	6,571,809	2,516,956	13,043,103	-	3,300,230	27,400,887
Assigned for:								
Subsequent year's budget	1,951,924	-	-	-	-	-	-	1,951,924
Sub-total assigned	1,951,924	-	-	-	-	-	-	1,951,924
Unassigned (deficit)	6,036,391	-	-	-	-	3,463,502	(29,008)	9,470,885
TOTAL FUND BALANCE	\$ 7,988,315	\$ 1,968,789	\$ 6,571,809	\$ 2,516,956	\$ 13,043,103	\$ 3,463,502	\$ 3,271,222	\$ 38,823,696

## H. Postemployment Healthcare Plan

*Plan Description.* The City sponsors Medical, Rx, Dental, Vision and Life insurance to qualifying retirees and their dependents under the age of 65 (for health benefits) and for life insurance that elect to make required premium benefit payments on a monthly basis. Coverage is provided through fully-insured arrangements that collectively operate as a substantive single-employer defined benefit plan. A substantive plan is one in which the plan terms are understood by the employer and the plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. Qualifying retirees are those employees who are eligible for immediate disability or retirement benefits under the Oklahoma Police Pension and Retirement System, Oklahoma Firefighter's Pension and Retirement System, or the Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma. Retirees may continue coverage with the City by paying the carrier premium rate. Authority to establish and amend benefit provisions rests with the City Commission. Benefits are paid from general operating assets of the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
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**Benefits provided** - The plan covers all current retirees of the City who elected postretirement medical, RX, dental, vision or life insurance coverage through the City's plan, and future retirees of the City's fully insured plans. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The retiree retains coverage with the City, by making an election upon retirement.

The amount of benefit payments during fiscal year June 30, 2023 were \$409,000.

**Employees Covered by Benefit Terms**

Active Employees	251
Inactive or beneficiaries receiving benefits	<u>110</u>
Total	<u>361</u>

**Total OPEB Liability** – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2023, which is also the measurement date.

**Actuarial Assumptions**- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2023, using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 2.6% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates

<u>Year</u>	<u>Rate</u>
2024	6.25%
2025	6.00%
2026	5.75%
2027	5.50%
2028	5.25%
2029	5.00%
2030	4.75%
2031	4.50%
2032+	4.50%

**Changes in Total OPEB Liability** –

Balances at Beginning of Year	\$ <u>4,607,772</u>
<b>Changes for the Year:</b>	
Service cost	191,847
Interest expense	179,210
Difference between expected and actual experience	111,265
Change in assumptions	(7,680)
Benefit Payments	<u>(409,000)</u>
<b>Net Changes</b>	<u>65,642</u>
<b>Balances End of Year</b>	<u>\$ 4,673,414</u>

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

**OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended June 30, 2023, the City recognized OPEB expense of \$156,383. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,010	\$ 1,320,991
Changes of assumptions	1,223,338	1,016,041
Change in porportion	402,234	402,236
City benefit payments during the measurement date	64,255	73,521
Total	<u>\$ 1,900,837</u>	<u>\$ 2,812,789</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows:

**Year Ended June 30:**

2024	\$ (214,674)
2025	(214,674)
2026	(209,159)
2027	(159,607)
2028	(202,509)
Thereafter	88,671
	<u>\$ (911,952)</u>

**Sensitivity of the City's total OPEB liability to changes in the discount rate-** The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current discount rate:

	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Employers' total OPEB liability	5,202,215	4,673,414	4,219,172

**Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates** - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.09 percent decreasing to 3.87 percent) or 1-percentage-point higher (7.09 percent decreasing to 5.87 percent) than the current healthcare cost trend rates:

	1% Decrease (5.09% decreasing to 3.87%)	Current Discount Rate (6.09% decreasing to 4.87%)	1% Increase (7.09% decreasing to 5.87%)
Employers' total OPEB liability	\$ 4,321,352	\$ 4,673,414	\$ 5,096,188



#### IV. Other Information

##### A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has insurance for the major risks such as property and general liability, and is self-insured for workers' compensation and unemployment, with applicable excess loss coverage for workers' compensation. A third party worker's compensation administrator is used to evaluate claims and estimate the City's liability for outstanding claims not assumed by the issuer. The City is self-insured up to \$750,000 per occurrence and \$1,000,000 in the aggregate, and has obtained overlying insurance coverage for claims in excess of these amounts. Commercial insurance is used to cover general liability claims and the risk of loss to buildings and mobile equipment. Judgments against the City may be paid by a property tax assessment over a three-year period. Claims have not exceeded coverage in the past three years.

##### Claims Liability Analysis

The claims liabilities related to the above noted risk of loss that is retained is determined in accordance with Generally Accepted Accounting Principles, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance workers' compensation fund, changes in the claims liability for the City from July 1, 2021 to June 30, 2023, are as follows:

##### CLAIMS LIABILITY ANALYSIS

Claims liability, June 30, 2021	\$ 2,906,757
Claims and changes in estimates	394,324
Claims payments	<u>(394,324)</u>
Claims liability, June 30, 2022	\$ 2,906,757
Claims and changes in estimates	190,791
Claims payments	<u>(446,259)</u>
Claims liability, June 30, 2023	<u><u>\$ 2,651,289</u></u>

##### B. Commitments and contingent liabilities

##### *Grant Program Involvement*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

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***Litigation***

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

***Asset Retirement Obligations***

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2023, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in a subsequent fiscal year.

**Construction Commitments**

The City/SMA had the following construction commitments at June 30, 2023:

<b>Fund/Project</b>	<b>Balance Remaining at June 30, 2023</b>
Marie Drive Waterline Replacement	\$ 68,300
45th Street Transportation Project	95,345
Kickapoo Street Sidewalk	97,941
Main Street Bridge Project	18,839
Kidspace	60,684
Woodland Veterans Park	1,483,947
Storm Water Project-Airport	9,200
Water System Improvements-Park Street	52,658
Santa Fe Depot	12,774
Waterline Replacement -Alice, Fay, Edwards & Pesotum Street	117,789
Water System Improvements - Independence	91,660
Sanitary Sewer Pipe Bursting	16,900
Waterline Improvements-Thompson Heights Addition	93,250
Highland Street Sidewalk	892,057
Water Treatment Plant Expansion	680,195
Wastewater Treatment System Improvements	75,150,779
Clearpond Culvert Replacement	94,010

### **C. Tax Abatements**

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a developer to receive rebated sales tax in varying amounts. To be eligible for this program, the project area should be occupied by occupants operating a retail store of a requisite quality which are new businesses. The sales tax rebate period varies with each agreement.

Due to confidentiality laws in Oklahoma statutes Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2023:

A fuel station entered into a sales tax rebate agreement on November 22, 2016, for a convenience store project. The sales tax rebate is for 1.5% of taxable sales on the second building constructed in the project up to a maximum of \$785,000 in sales tax. This sales tax rebate period is for seven years. The developer is also eligible for a sales tax rebate on construction materials purchased within city limits in conjunction with the construction of the Service Station (building 1). Rebated sales tax in fiscal year 2023 was \$33,527.

A new sales tax rebate agreement was approved on March 20, 2023, with Brady's Properties for the construction of a retail development designated as Shawnee Marketplace Phase 2. The proposed agreement would provide for a partial rebate of sales taxes generated exclusively by the proposed Burlington and Five Below stores. The sales tax rebate would encompass two percent (2%) of taxable sales for four (4) years and then 1.5% for an additional four (4) years, with a cap of \$780,613. The term of the rebate agreement would be set for no more than eight (8) years commencing thirty (30) days after the first reported sales by either store. This agreement would terminate when the sales tax rebate has been paid in full or at the end of the eight (8) year period, whichever would occur first. No sales tax was rebated in fiscal year 2023.

### **D. Employee retirement systems and pensions plans**

The City of Shawnee participates in the Oklahoma State Police Pension and Retirement System and the Oklahoma State Firefighters' Pension and Retirement System, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the State of Oklahoma. Additionally, for other City employees not covered by the other plans, the City of Shawnee maintains the Oklahoma Municipal Retirement Fund, an agent multiple employer defined benefit pension plan. For the year ended June 30, 2023 the following amounts were reported for each pension plan:

NOTES TO FINANCIAL STATEMENTS  
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	Governmental	Business Type	Total
Deferred Outflows:			
Police Pension	\$ 2,167,756	\$ -	\$ 2,167,756
Fire Pension	5,050,588	-	5,050,588
OMRF	1,907,957	1,324,581	3,232,538
Total	<u>\$ 9,126,301</u>	<u>\$ 1,324,581</u>	<u>\$ 10,450,882</u>
Deferred Inflows:			
Police Pension	\$ 193,510	\$ -	\$ 193,510
Fire Pension	677,011	-	677,011
Total	<u>\$ 870,521</u>	<u>\$ -</u>	<u>\$ 870,521</u>
Net Pension Asset:			
Police Pension	\$ 1,040,991	\$ -	\$ 1,040,991
Total	<u>\$ 1,040,991</u>	<u>\$ -</u>	<u>\$ 1,040,991</u>
Net Pension Liability:			
Fire Pension	\$ 15,477,456	\$ -	\$ 15,477,456
OMRF	1,364,591	947,355	2,311,946
Total	<u>\$ 16,842,047</u>	<u>\$ 947,355</u>	<u>\$ 17,789,402</u>
Pension Expense (Benefit):			
Police Pension	\$ 236,767	\$ -	\$ 236,767
Fire Pension	2,161,870	-	2,161,870
OMRF	(819,806)	(569,143)	(1,388,949)
Total	<u>\$ 1,578,831</u>	<u>\$ (569,143)</u>	<u>\$ 1,009,688</u>

The General Fund, Police Sales Tax Fund, and Fire Sales Tax Fund are used to liquidate pension liabilities of the Governmental Activities.

**Oklahoma State Police Pension and Retirement System (OPPRS)**

**Plan description** - The City of Shawnee, 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.

NOTES TO FINANCIAL STATEMENTS  
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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 \$595,155. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$542,402 during the calendar year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$517,275. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2023, the City reported a net pension asset of \$1,040,991 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 1.2981%.

For the year ended June 30, 2023, the City recognized pension expense of \$236,768. 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	\$ 510,618	\$ 113,391
Changes of assumptions	36,242	-
Net difference between projected and actual earnings on pension plan investments	1,015,796	-
Changes in proportion and differences between City contributions and proportionate share of contributions	7,907	68,179
City contributions during measurement date	2,038	11,940
City contributions subsequent to the measurement date	595,155	-
Total	<u>\$ 2,167,756</u>	<u>\$ 193,510</u>

NOTES TO FINANCIAL STATEMENTS  
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The \$595,155 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension liability (asset) in the year ended June 30, 2024. Other 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	\$	312,778
2025		71,887
2026		(293,339)
2027		1,231,908
2028		55,857
	<u>\$</u>	<u>1,379,091</u>

**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: 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

**NOTES TO FINANCIAL STATEMENTS  
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are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ 3,016,000	\$ (1,040,991)	\$ (4,470,192)

**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).

**Oklahoma State Firefighters' Pension and Retirement System (OFPRS)**

**Plan description** - The City of Shawnee, 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.
- Hired After November 1, 2013  
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in the line of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

**Contributions** - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$602,588. The State of Oklahoma also made



NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

on-behalf contributions to FPRS in the amount of \$1,352,676 which is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$1,212,434. 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 \$15,477,456 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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 1.11835%.

For the year ended June 30, 2023, the City recognized pension expense of \$2,161,870. 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	\$ 1,986,888	\$ 78,134
Changes of assumptions	-	98,681
Net difference between projected and actual earnings on pension plan investments	1,798,647	-
Changes in proportion and differences between City contributions and proportionate share of contributions	637,390	494,349
City Contributions during the measurement period	25,075	5,847
City contributions subsequent to the measurement date	602,588	-
Total	<u>\$ 5,050,588</u>	<u>\$ 677,011</u>

The \$602,588 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other 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	\$ 897,961
2025	792,762
2026	347,673
2027	1,732,593
	<u>\$ 3,770,989</u>

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

**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 following:

- Active members—Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.
- Retired members—Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018.
- Disabled members—Pub-2010 Public Safety Disabled Table set forward 2 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, 2013, to June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

**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:

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 19,943,895	\$ 15,477,456	\$ 11,741,497

**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 Municipal Retirement Fund (OkMRF) Employee Retirement System of Shawnee, Oklahoma**

**Plan Description** – The City contributes to an agent multiple employer defined benefit retirement plan, the Oklahoma Municipal Retirement Fund Employee Retirement System of Shawnee, Oklahoma (the Plan), which covers employees not covered by other plans, hired prior to July 1, 2013. The Plan operates as a trust maintained by the Oklahoma Municipal Retirement Fund (OkMRF). The OkMRF board of trustees retains BankOne as custodian to hold the Plan's assets which are invested by various professional managers. OkMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 100 N., Broadway, Oklahoma City, OK 73102 or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

**Summary of Significant Accounting Policies** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deduction from the City's fiduciary net position have been determined on the same basis as they are reported by OkMRF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value based on published market prices. Detailed information about the OkMRF plans' fiduciary net position is available in the separately issued OkMRF financial report.

**Eligibility Factors and Benefit Provisions** - All regular, full-time City employees not covered by other plans are required to participate in the Plan. Benefits vest after seven years of service. Employees, who retire at age 65 with completion of seven years of service, are entitled to an annual retirement benefit, payable monthly in an amount equal to 2.625% of final average compensation multiplied by the number of years of credited service. Final average compensation is defined as the average of the five highest consecutive annual salaries out of the last ten calendar years of service.

An employee is eligible for an early retirement benefit once he has attained age 55 and has completed seven years of service. The amount of benefit is determined based on the final average salary and credited service as of the date of termination. If benefit payments are to begin before age 65, the amount of benefit will be actuarially reduced. A late retirement benefit is computed in the same manner as a normal retirement based on average salary and credited service as of the termination of employment.

A participant who becomes totally and permanently disabled after completion of seven years of service will be entitled to a disability benefit based on average salary and service as of the date of disability but without actuarial reduction for payments beginning prior to normal retirement age.

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

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Employee contributions are returned with accrued interest if their employment is terminated prior to completion of seven years of service. A death benefit is payable after seven years of service based on 50% of the employee's accrued benefit. This benefit is payable for life or until remarriage of the surviving spouse.

The plan was frozen on September 1, 2013. All participants who elected to cease participation in the Plan by making a one-time election to participate in the City of Shawnee Defined Contribution Plan ceased accrual of Service for purposes of calculating pension benefits under the Plan. Any such Plan participant who was an active participant prior to July 1, 2013, may continue to earn years of service for vesting purposes and satisfying modified Rule of 80 after August 31, 2013, under this Plan but will not continue to earn years of service for calculating pension benefits under the Plan. Plan participants who elected to cease participation in the plan by making a one-time election to participate in the City of Shawnee Defined Contribution Plan will have their benefit calculation for average monthly compensation by using compensation through August 31, 2013. New hires beginning on July 1, 2013, participate in a Defined Contribution Plan.

**Contribution Requirements** – The City Commission has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. For the year ended June 30, 2023, employees were required to contribute 4.25% of annual compensation while the City contributed 24.01%, the actuarially required contribution rate. Contributions to the Plan for the year ended June 30, 2023, for employees and employer were \$44,179 and \$249,582, respectively. For the year ended June 30, 2023, the City's covered payroll was \$1,039,499. Covered payroll refers to all compensation paid by the City of Shawnee to active employees covered by the Plan on which contributions are based.

**Actuarial Assumptions**

Date of Last Actuarial Valuation	July 1, 2022
Actuarial Cost Method	Entry age normal
Rate of return on investments and Discount Rate	7.25% compounded annually
Projected salary increases	Varies between 7.472% and 4% based upon age
Post Retirement Cost-of-Living Increase	None
Inflation rate	2.75% per annum
Percentage of married employees	100%
Mortality rates – before and after retirement	UP 1994, with projected mortality improvement
Spouse age difference	3 years (female spouses younger)
Turnover	Select and ultimate rates. Ultimate rates are age-related as shown: Additional rates per thousand are added during the first 5 years: Year 1: 225 Year 2: 140 Year 3: 100 Year 4: 70 Year 5: 40
Date of last experience study	September 2012 for fiscal years 2007 through 2011

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

**Discount Rate** – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.50% since the plan’s net fiduciary position is projected to be sufficient to make projected benefit payments.

The City has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, the sufficiency of pension plan assets was made without a separate projection of cash flows.

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 (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2022 are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	0.64%
Long/short equity MSCI ACWI	10%	5.00%	0.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	0.69%
Real estate NCREIF	5%	4.60%	0.23%
Cash equivalents 3 month Treasury	0%	0.00%	0.00%
TOTAL	100%		
Average Real Return			4.75%
Inflation			2.75%
Long-term expected return			7.50%

**Changes in Net Pension Liability (Asset)** – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2022 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2022 and the City’s report ending date of June 30, 2023, that would have had a significant impact on the net pension liability (asset). The following table reports the components of changes in net pension liability (asset):

**NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances Beginning of Year</b>	<u>\$ 39,893,502</u>	<u>\$ 43,613,806</u>	<u>\$ (3,720,304)</u>
<b>Changes for the Year:</b>			
Service cost	136,477	-	136,477
Interest expense	2,890,451	-	2,890,451
Experience losses	76,617	-	76,617
Changes of assumptions	(1,899,606)	-	(1,899,606)
Contributions--City	-	387,415	(387,415)
Contributions--members	-	44,269	(44,269)
Net investment income	-	(5,184,942)	5,184,942
Benefits paid	(2,758,170)	(2,758,170)	-
Plan administrative expenses	-	(75,053)	75,053
<b>Net Changes</b>	<u>(1,554,231)</u>	<u>(7,586,481)</u>	<u>6,032,250</u>
<b>Balances End of Year</b>	<u>\$ 38,339,271</u>	<u>\$ 36,027,325</u>	<u>\$ 2,311,946</u>

**Sensitivity of the net pension liability (asset) to changes in the discount rate** - The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ 6,370,187	\$ 2,311,946	\$ (1,112,066)

The City reported (\$1,388,949) in pension expense (benefit) of the year ended June 30, 2023. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,982,956
City contributions subsequent to the measurement date	249,582
<b>Total</b>	<u>\$ 3,232,538</u>

NOTES TO FINANCIAL STATEMENTS  
CITY OF SHAWNEE, OKLAHOMA  
YEAR ENDED JUNE 30, 2023

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The \$249,582 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Any amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$	554,259
2024		500,856
2025		254,332
2026		1,673,509
	\$	<u>2,982,956</u>

**Oklahoma Municipal Retirement Fund Defined Contribution Plan (the Plan, original plan prior to July 1, 2013 as amended)**

**Plan Description** – The City has also provided a defined contribution plan and trust known as the City of Shawnee Plan and Trust (the Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The defined contribution plan is available to all full-time employees except those participating in the state of Oklahoma fire or police program. Separately audited financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the Plan plus investment earnings.

**Funding Policy** – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 4.25%. Employees are allowed to contribute in excess of the 4.25%; however, these contributions are not pre-tax. Beginning July 1, 2013, by City ordinance, the City, as the employer, is required to make variable contributions to the Plan, based on employee's years of service. Employer contributions for employees hired prior to July 1, 2013 were as follows: zero to five years of service 5%, five to ten years of service 10%, and ten or more years of service 15%. Employer contributions for employees hired after July 1, 2013 were as follows: zero to five years of service 3%, five to ten years of service 6%, and ten or more years of service 9%. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2023, for employees who were hired prior to July 1, 2013 employee and employer were \$40,144 and \$138,827, respectively on covered wages of \$944,581. Contributions for employees hired after July 1, 2013 employee and employer were \$217,527 and \$188,173, respectively on covered wages of \$5,118,288.

**Oklahoma Municipal Retirement Fund Defined Contribution Department Head and City Manager Plan (the DH Plan)**

**CMO and DH Plan Description** – Effective May 1, 2008, the City has also provided a defined contribution plan and trust known as the City of Shawnee Department Head and City Manager Retirement Plan and Trust (the DH Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The DH Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The DH Plan is available to all full-time employees defined as Department Head or City Manager except those participating in the state of Oklahoma fire or police program. Separate audited GAAP – basis financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the DH Plan plus investment earnings.

**Funding Policy** – Benefits depend solely on amounts contributed to the DH Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 3.75% with the police and fire chief contributing 8%. Employees are allowed to contribute in excess of the 8%; however, these contributions are not pre-tax. By City ordinance, the City, as the employer, is required to make at least 5% contributions to the DH Plan and could be higher, based on availability of funds. The employee is fully vested upon employment. The authority to establish and amend the provisions of the DH Plan rests with the City Commission. Contributions to the DH Plan for the year ended June 30, 2023, for employees and employer were \$63,774 and \$70,204, on covered wages of \$1,404,073.

**Oklahoma Municipal Retirement Fund Defined Contribution Special Incentive Plan**

Effective July 1, 2013, the City has also provided a defined contribution plan and trust known as the City of Shawnee Special Incentive Plan (the Plan) in the form of The Oklahoma Municipal Retirement Fund Master Defined Contribution Plan (OMRF). The Plan is administered by JP Morgan Chase Bank of Oklahoma City, Oklahoma. The Plan is available to any employee in the position of Department Head or City Manager on July 1, 2013 except those participating in the state of Oklahoma fire or police program, or any person in the position of Fire Chief or Police Chief and who is covered under another retirement program. Separate audited GAAP – basis financial statements are not available.

OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. Benefits depend solely on amounts contributed to the Plan plus investment earnings.

**Funding Policy** – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees do not contribute to the plan. By City ordinance, the City, as the employer, is required to make a \$5,000 contribution for each of the five plan years during the period beginning July 1, 2013 and ending June 30, 2018, provided that the employee will be entitled to the employer contribution only if he or she was employed on the last day of the applicable plan year in the same or higher position as he/she had on the effective date of the plan. The employee is fully vested upon five years of service beginning on July 1, 2013, service prior to July 1, 2013 will not be counted. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2023, totaling \$0-.



**City of Shawnee 457 Deferred Compensation Plan (DC Plan)**

Plan Description – The City of Shawnee makes available to all full-time employees two Section 457 deferred compensation plans. The DC Plan was created in accordance with Section 457 of the *Internal Revenue Code*, and permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to the employee until retirement, termination, death, or unforeseeable emergency. Employees may choose investments offered by Mission Square Retirement (formerly ICMA-RC) or Nationwide Retirement Solutions, Inc. Separate audited GAAP – basis financial statements are not available.

Funding Policy – In FY23, DC Plan participants could contribute up to a maximum \$22,500 of eligible compensation. The City contributed \$7,851 to the DC Plan as employer contributions for the City Manager.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SHAWNEE, OKLAHOMA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
(BUDGETARY BASIS) BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 18,697,723	\$ 20,969,362	\$ 21,246,536	\$ 277,174
Licenses and permits	403,000	403,000	772,743	369,743
Intergovernmental	537,000	537,000	713,185	176,185
Charges for services	63,434	256,484	52,900	(203,584)
Fees and fines	420,000	420,000	438,122	18,122
Investment earnings	9,700	9,700	231,950	222,250
Miscellaneous	113,000	368,000	895,097	527,097
Total revenues	20,243,857	22,963,546	24,350,533	1,386,987
<b>EXPENDITURES</b>				
Departmental:				
<i>General Government:</i>				
City manager	1,254,843	1,393,829	813,107	580,722
City attorney	250,000	250,000	238,712	11,288
Human resources	407,852	542,352	518,283	24,069
City clerk	361,023	376,023	334,819	41,204
Finance	794,438	794,438	714,562	79,876
Municipal court	432,964	432,964	407,350	25,614
Information Technology	586,577	580,577	571,674	8,903
Planning and zoning	1,635,749	2,009,219	1,262,184	747,035
Engineering	318,671	325,926	321,833	4,093
Building maintenance	257,898	283,858	300,025	(16,167)
<i>Total General Government</i>	6,300,015	6,989,186	5,482,549	1,506,637
<i>Public Safety:</i>				
Police administration	669,178	673,618	625,591	48,027
Police Patrol	6,253,746	6,378,382	6,915,771	(537,389)
Disptach	756,072	756,072	635,319	120,753
Criminal investigations	1,210,839	1,215,809	931,904	283,905
Animal Welfare	228,333	279,793	274,963	4,830
Fire suppression	5,465,449	5,709,709	5,410,949	298,760
Fire prevention	750,149	755,799	795,049	(39,250)
Emergency Management	313,705	849,395	808,000	41,395
Fire Training	240,351	240,351	274,762	(34,411)
<i>Total Public Safety</i>	15,887,822	16,858,928	16,672,308	186,620
<i>Street:</i>				
Street	1,010,769	1,123,554	1,122,416	1,138
Traffic control	272,366	536,990	338,217	198,773
<i>Total Street</i>	1,283,135	1,660,544	1,460,633	199,911
<i>Culture and Recreation:</i>				
Recreation	76,751	178,734	208,669	(29,935)
Expo Center	696,500	1,284,250	1,136,559	147,691
Senior citizens	70,113	-	-	-
Community center	15,050	-	-	-
Cemetery	282,355	279,355	255,603	23,752
Parks	1,103,320	1,189,680	921,347	268,333
<i>Total Culture and Recreation</i>	2,244,089	2,932,019	2,522,178	409,841
Total Expenditures	25,715,061	28,440,677	26,137,668	2,303,009
Excess (deficiency) of revenues over expenditures	(5,471,204)	(5,477,131)	(1,787,135)	3,689,996
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,205,908	7,312,744	4,812,744	(2,500,000)
Transfers out	(723,500)	(2,899,270)	(2,899,270)	-
Total other financing sources and uses	4,482,408	4,413,474	1,913,474	(2,500,000)
Net change in fund balances	(988,796)	(1,063,657)	126,339	1,189,996
Fund balances - beginning	7,615,257	7,615,257	7,615,257	-
Fund balances - ending	\$ 6,626,461	\$ 6,551,600	\$ 7,741,596	\$ 1,189,996

**CITY OF SHAWNEE, OKLAHOMA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**BUDGETARY ACCOUNTING AND CONTROL**

**Budget Law**

The City prepares its annual operating budget under the provisions of the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"). In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted at regular Commission meetings to obtain taxpayer comments. Public hearings are held no later than 15 days prior to the beginning of the budget year.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is legally enacted through the passage of a resolution by the City Commission.
- d. Subsequent to City Commission enactment, the adopted budget is filed with the office of the State Auditor and Inspector.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. The budget had no departments over the legal limit.

**CITY OF SHAWNEE, OKLAHOMA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**ON BUDGETARY ACCOUNTING AND CONTROL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
**(Continued)**

All supplemental appropriations require the approval of the City Commission. All transfers of appropriation between departments also require the approval of the City Commission. The City prepared and adopted a legal annual budget for all governmental funds.

In accordance with Title 60 of the Oklahoma State Statutes, the Shawnee Municipal Authority, Shawnee Airport Authority, and the SCCDA are required to prepare an annual budget and submit a copy to the city as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal spending limit.

**Budgetary Accounting**

The annual operating budgets of the General Fund are prepared and presented on a modified accrual basis of accounting.

The following is a reconciliation of the difference in budget and actual:

	General Fund
Total revenue - budgetary basis	\$ 29,163,277
Total expenses - budgetary basis	(29,036,938)
Change in fund balance - budgetary basis	126,339
Add change in fund balance of accounts combined for reporting purposes:	
Spay and Neuter account	(918)
Aquatic center	73,671
Library account	(5,689)
Sister Cities	42,500
Change in fund balance - GAAP basis	<u>\$ 235,903</u>

The City utilizes encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. The City considers most all appropriations to lapse at year-end; any open purchase orders to be honored in the subsequent budget year are reappropriated in the next year's budget. As a result, encumbrances are not treated as the equivalent of expenditures in the budget and actual financial statements.

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedules of Required Supplementary Information**

**Schedule of the City of Shawnee Proportionate Share of the Net Pension Liability (Asset) –  
Oklahoma Police Pension & Retirement System  
Last Ten Fiscal Years\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	1.0829%	1.1417%	1.1244%	1.1495%	1.1880%	1.1515%	1.1431%	1.2346%	1.2981%
City's proportionate share of the net pension liability (asset)	\$ (364,603)	\$ 46,554	\$ 1,721,954	\$ 88,416	\$ (566,064)	\$ (73,514)	\$ 1,312,791	\$ (5,922,451)	\$ (1,040,991)
City's covered payroll	\$ 3,199,606	\$ 2,709,674	\$ 3,407,053	\$ 3,546,599	\$ 3,632,653	\$ 3,739,551	\$ 3,788,454	\$ 4,101,068	\$ 4,594,763
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.40%	1.72%	50.54%	2.49%	-15.58%	-1.97%	34.65%	-144.41%	-22.66%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

**Notes to Schedule:**

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

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of City Contributions  
Oklahoma Police Pension & Retirement System  
Last Ten 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	\$ 414,687	\$ 442,917	\$ 461,058	\$ 472,245	\$ 486,142	\$ 492,499	\$ 533,139	\$ 597,319	\$ 595,155
Contributions in relation to the statutorially required contribution	<u>414,687</u>	<u>446,667</u>	<u>461,015</u>	<u>472,245</u>	<u>487,579</u>	<u>498,047</u>	<u>536,359</u>	<u>600,390</u>	<u>595,155</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (3,750)</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ (1,437)</u>	<u>\$ (5,548)</u>	<u>\$ (3,220)</u>	<u>\$ (3,071)</u>	<u>\$ -</u>
City's covered payroll	\$ 2,709,674	\$ 3,407,053	\$ 3,546,599	\$ 3,632,653	\$ 3,739,551	\$ 3,788,454	\$ 4,101,068	\$ 4,594,763	\$ 4,568,130
Contributions as a percentage of covered payroll	15.30%	13.11%	13.00%	13.00%	13.04%	13.15%	13.08%	13.07%	13.03%

**Notes to Schedule:**

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

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of the City of Shawnee Proportionate Share of the Net Pension Liability – Oklahoma  
Fire Pension & Retirement System  
Last Ten Fiscal Years\***

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	1.121621%	1.148883%	1.178677%	1.229817%	1.222407%	1.154816%	1.156144%	1.102527%	1.183532%
City's proportionate share of the net pension liability	\$ 11,534,169	\$ 12,194,345	\$ 14,400,062	\$ 15,467,706	\$ 13,759,987	\$ 12,202,550	\$ 14,242,697	\$ 7,260,873	\$ 15,477,456
City's covered payroll	\$ 3,140,982	\$ 3,080,579	\$ 3,431,628	\$ 3,371,624	\$ 3,602,848	\$ 3,569,554	\$ 3,620,909	\$ 3,632,574	\$ 3,953,281
City's proportionate share of the net pension liability as a percentage of its covered payroll	367%	396%	420%	459%	382%	342%	393%	200%	392%
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%	84.24%	69.49%

**Notes to Schedule:**

\* Only nine fiscal years are presented because 10-year data is not yet available.  
The amounts present for each fiscal year were determined as of 6/30



**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of City Contributions  
Oklahoma Fire Pension & Retirement System  
Last Ten Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorily required contribution	\$ 439,463	\$ 480,428	\$ 472,027	\$ 504,398	\$ 499,737	\$ 506,928	\$ 508,560	\$ 553,459	\$ 602,594
Contributions in relation to the statutorily required contribution	<u>439,463</u>	<u>480,428</u>	<u>472,027</u>	<u>505,981</u>	<u>499,737</u>	<u>506,928</u>	<u>508,323</u>	<u>569,591</u>	<u>602,588</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,583)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ (16,132)</u>	<u>\$ 6</u>
City's covered payroll	\$ 3,080,579	\$ 3,431,628	\$ 3,371,624	\$ 3,602,848	\$ 3,569,554	\$ 3,620,909	\$ 3,632,574	\$ 3,953,281	\$ 4,343,067
Contributions as a percentage of covered payroll	14.27%	14.00%	14.00%	14.04%	14.00%	14.00%	13.99%	14.41%	13.87%

**Notes to Schedule:**

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

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Changes in Net Pension Liability and Related Ratios  
Oklahoma Municipal Retirement Fund  
Last Ten Fiscal Years\*

Schedule of Changes in Net Pension Liability and Related Ratios

	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total pension liability</b>									
Service cost	\$ 527,985	\$ 477,546	\$ 479,520	\$ 423,579	\$ 380,092	\$ 347,372	\$ 153,804	\$ 137,760	\$ 136,477
Interest	2,818,812	2,733,100	2,781,930	2,820,530	2,845,818	2,831,260	2,995,438	2,911,076	2,890,451
Changes of benefit terms	(1,902,290)	39,435	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(543,326)	(704,232)	98,897	(708,559)	956,055	(1,590,368)	(614,553)	76,617
Changes of assumptions	-	-	-	424,835	-	873,450	-	-	(1,899,606)
Benefit payments, including refunds of member contributions	(2,057,807)	(1,985,814)	(2,171,033)	(1,942,998)	(2,501,051)	(2,929,614)	(2,704,493)	(2,662,141)	(2,758,170)
<b>Net change in total pension liability</b>	(613,300)	720,941	386,185	1,824,843	16,300	2,078,523	(1,145,619)	(227,858)	(1,554,231)
<b>Total pension liability - beginning</b>	36,853,488	36,240,187	36,961,128	37,347,313	39,172,156	39,188,456	41,266,979	40,121,360	39,893,502
<b>Total pension liability - ending (a)</b>	<u>\$ 36,240,188</u>	<u>\$ 36,961,128</u>	<u>\$ 37,347,313</u>	<u>\$ 39,172,156</u>	<u>\$ 39,188,456</u>	<u>\$ 41,266,979</u>	<u>\$ 40,121,360</u>	<u>\$ 39,893,502</u>	<u>\$ 38,339,271</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 842,919	\$ 714,030	\$ 591,793	\$ 510,788	\$ 462,235	\$ 318,345	\$ 196,900	\$ 422,370	\$ 387,415
Contributions - member	139,787	167,474	150,337	141,609	130,099	87,108	54,704	50,433	44,269
Net investment income	5,094,596	974,198	280,077	4,119,111	2,656,445	2,440,556	1,465,500	9,724,029	(5,184,942)
Benefit payments, including refunds of member contributions	(2,057,807)	(1,985,814)	(2,171,033)	(1,942,998)	(2,501,051)	(2,929,614)	(2,704,493)	(2,662,141)	(2,758,170)
Administrative expense	(131,982)	(72,769)	(68,578)	(72,412)	(74,158)	(77,471)	(76,617)	(73,869)	(75,053)
Other	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	3,887,513	(202,881)	(1,217,404)	2,756,098	673,570	(161,076)	(1,064,006)	7,460,822	(7,586,481)
<b>Plan fiduciary net position - beginning</b>	31,481,172	35,368,684	35,165,803	33,948,399	36,704,496	37,378,066	37,216,990	36,152,984	43,613,806
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 35,368,685</u>	<u>\$ 35,165,803</u>	<u>\$ 33,948,399</u>	<u>\$ 36,704,497</u>	<u>\$ 37,378,066</u>	<u>\$ 37,216,990</u>	<u>\$ 36,152,984</u>	<u>\$ 43,613,806</u>	<u>\$ 36,027,325</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 871,503</u>	<u>\$ 1,795,325</u>	<u>\$ 3,398,914</u>	<u>\$ 2,467,659</u>	<u>\$ 1,810,390</u>	<u>\$ 4,049,989</u>	<u>\$ 3,968,376</u>	<u>\$ (3,720,304)</u>	<u>\$ 2,311,946</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	97.60%	95.14%	90.90%	93.70%	95.38%	90.19%	90.11%	109.33%	93.97%
<b>Covered payroll</b>	\$ 3,765,863	\$ 3,723,501	\$ 3,323,837	\$ 3,144,344	\$ 2,898,608	\$ 1,381,807	\$ 1,173,220	\$ 1,128,818	\$ 966,319
<b>Net pension liability as a percentage of covered payroll</b>	23.14%	48.22%	102.26%	78.48%	62.46%	293.09%	338.25%	-329.58%	239.25%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
ON PENSION PLAN FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Schedule of City Contributions  
Oklahoma Municipal Retirement Fund  
Last Ten Fiscal Years\***

**Schedule of Employer Contributions**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 688,665	\$ 617,158	\$ 532,419	\$ 462,235	\$ 278,433	\$ 196,552	\$ 447,635	\$ 387,023	\$ 249,582
Contributions in relation to the actuarially determined contribution	688,665	617,158	532,419	462,235	289,727	197,259	415,345	387,431	249,582
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,294)</u>	<u>\$ (707)</u>	<u>\$ 32,290</u>	<u>\$ (408)</u>	<u>\$ -</u>
Covered payroll	\$ 3,800,578	\$ 3,677,301	\$ 3,461,242	\$ 3,061,160	\$ 1,886,400	\$ 1,287,177	\$ 1,204,291	\$ 1,041,225	\$ 1,039,499
Contributions as a percentage of covered payroll	18.12%	16.78%	15.38%	15.10%	15.36%	15.32%	34.49%	37.21%	24.01%

**Notes to Schedule:**

1. Only nine fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2022
3. Actuarially determined contribution rate is calculated as of July 1, 2022  
July 2022 through June 2023 contributions were at a rate of 24.01%.
4. Methods and assumptions used to determine contribution rates:  
Actuarial cost method - Entry age normal  
Amortization method - Level percent of payroll, closed  
Remaining amortization period - 26 years  
Asset valuation method - Actuarial  
Smoothing period - 4 years  
Recognition method - Non-asymptotic  
Corridor - 70% - 130%  
Salary increases - 4.00% to 7.42% (varies by attained age)  
Investment rate of return - 7.25%

**CITY OF SHAWNEE, OKLAHOMA  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS  
JUNE 30, 2023**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Service cost	\$ 256,280	\$ 256,280	\$ 235,954	\$ 286,205	\$ 248,240	\$ 191,847
Interest	163,195	145,051	199,040	137,964	117,669	179,210
Difference between expected and actual experience	-	-	(19,915)	(2,012,531)	30,446	111,265
Changes in assumptions	(300,133)	105,976	425,305	361,406	(1,215,286)	(7,680)
Changes om benefit terms	-	-	1,569,912	-	-	-
Other changes	-	-	125,891	(508,384)	679,620	-
Benefit Payments	(190,000)	(190,000)	(332,000)	(190,000)	(417,000)	(409,000)
<b>Net change in total OPEB liability</b>	<b>(70,658)</b>	<b>317,307</b>	<b>2,204,187</b>	<b>(1,925,340)</b>	<b>(556,311)</b>	<b>65,642</b>
<b>Balances at Beginning of Year</b>	<u>4,638,587</u>	<u>4,567,929</u>	<u>4,885,236</u>	<u>7,089,423</u>	<u>5,164,083</u>	<u>4,607,772</u>
<b>Balances End of Year</b>	<u><b>\$ 4,567,929</b></u>	<u><b>\$ 4,885,236</b></u>	<u><b>\$ 7,089,423</b></u>	<u><b>\$ 5,164,083</b></u>	<u><b>\$ 4,607,772</b></u>	<u><b>\$ 4,673,414</b></u>
Covered employee payroll	\$ 13,471,000	\$ 14,434,000	\$ 13,938,784	\$ 13,938,784	\$ 13,964,843	\$ 13,964,843
Total OPEB liability as a percentage of covered employee payroll	33.90%	33.85%	50.86%	37.05%	33.00%	33.47%

**Notes to Schedule:**

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

No assets are accumulated in a qualifying trust for the OPEB plan.

## **SUPPLEMENTARY INFORMATION**

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – General Fund Accounts**  
**June 30, 2023**

	<b>General Fund</b>	<b>Revolving Oil &amp; Gas</b>	<b>Spay and Neuter</b>	<b>Aquatic Center</b>	<b>Library</b>	<b>Sister Cities</b>	<b>Total General Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 6,891,323	\$ -	\$ 8,097	\$ 214,514	\$ 4,359	\$ 42,821	\$ 7,161,114
Investments	480	-	-	-	-	-	480
Interest receivable	2,657	-	-	-	-	-	2,657
Receivable from other governments	45,550	-	-	-	-	-	45,550
Due from other funds	1,896,226	-	-	-	-	-	1,896,226
Taxes receivable, net	2,833,856	-	-	-	-	-	2,833,856
Court fines receivable, net	228,514	-	-	-	-	-	228,514
Other receivables	204,794	42,250	-	250	-	-	247,294
Prepaid items	503	-	-	-	-	-	503
Total assets	<u>12,103,903</u>	<u>42,250</u>	<u>8,097</u>	<u>214,764</u>	<u>4,359</u>	<u>42,821</u>	<u>12,416,194</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	961,031	-	-	60,991	4,581	-	1,026,603
Accrued payroll payable	417,022	-	-	-	-	-	417,022
Due to other funds	2,642,412	-	-	-	-	-	2,642,412
Due to bondholders	9,411	-	-	-	-	-	9,411
Unearned revenue	162,500	-	-	-	-	-	162,500
Total liabilities	<u>4,192,376</u>	<u>-</u>	<u>-</u>	<u>60,991</u>	<u>4,581</u>	<u>-</u>	<u>4,257,948</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	<u>169,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,931</u>
Fund balances:							
Assigned	1,951,924	-	-	-	-	-	1,951,924
Unassigned (deficit)	<u>5,789,672</u>	<u>42,250</u>	<u>8,097</u>	<u>153,773</u>	<u>(222)</u>	<u>42,821</u>	<u>6,036,391</u>
Total fund balances	<u>7,741,596</u>	<u>42,250</u>	<u>8,097</u>	<u>153,773</u>	<u>(222)</u>	<u>42,821</u>	<u>7,988,315</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,103,903</u>	<u>\$ 42,250</u>	<u>\$ 8,097</u>	<u>\$ 214,764</u>	<u>\$ 4,359</u>	<u>\$ 42,821</u>	<u>\$ 12,416,194</u>

**City of Shawnee, Oklahoma**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts**  
**Year Ended June 30, 2023**

	General Fund	Revolving Oil & Gas	Spay and Neuter	Aquatic Center	Library	Sister Cities	Total General Fund
<b>REVENUES</b>							
Taxes	\$ 21,246,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,246,536
Intergovernmental	2,608,263	-	-	-	-	-	2,608,263
Licenses and permits	772,743	-	-	-	-	-	772,743
Charges for services	52,900	-	-	231,444	-	-	284,344
Fees and fines	438,122	-	1,276	-	-	-	439,398
Investment earnings	231,950	-	-	-	-	-	231,950
Miscellaneous	895,097	-	-	495	-	-	895,592
Total revenues	<u>26,245,611</u>	<u>-</u>	<u>1,276</u>	<u>231,939</u>	<u>-</u>	<u>-</u>	<u>26,478,826</u>
<b>EXPENDITURES</b>							
Current:							
General government	4,412,297	-	-	-	-	-	4,412,297
Engineering	321,833	-	-	-	-	-	321,833
Equipment and building maintenance	298,907	-	-	-	-	-	298,907
Police	9,290,631	-	2,194	-	-	-	9,292,825
Fire	7,833,436	-	-	-	-	-	7,833,436
Municipal court	407,350	-	-	-	-	-	407,350
Emergency management	800,314	-	-	-	-	-	800,314
Streets	1,460,633	-	-	-	-	-	1,460,633
Parks and recreation	906,893	-	-	495,538	-	-	1,402,431
Culture and recreation	209,727	-	-	-	-	-	209,727
E911	635,319	-	-	-	-	-	635,319
Cemetery	255,603	-	-	-	-	-	255,603
Library	-	-	-	-	90,689	-	90,689
Economic development	1,136,559	-	-	-	-	-	1,136,559
Capital Outlay	22,140	-	-	-	-	-	22,140
Debt Service:							
Principal	41,104	-	-	-	-	-	41,104
Total expenditures	<u>28,032,746</u>	<u>-</u>	<u>2,194</u>	<u>495,538</u>	<u>90,689</u>	<u>-</u>	<u>28,621,167</u>
Excess (deficiency) of revenues over expenditures	<u>(1,787,135)</u>	<u>-</u>	<u>(918)</u>	<u>(263,599)</u>	<u>(90,689)</u>	<u>-</u>	<u>(2,142,341)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in - interaccount	-	-	-	337,270	85,000	-	422,270
Transfers out - interaccount	(422,270)	-	-	-	-	-	(422,270)
Transfers in	4,812,744	-	-	-	-	42,500	4,855,244
Transfers out	(2,477,000)	-	-	-	-	-	(2,477,000)
Total other financing sources and uses	<u>1,913,474</u>	<u>-</u>	<u>-</u>	<u>337,270</u>	<u>85,000</u>	<u>42,500</u>	<u>2,378,244</u>
Net change in fund balances	126,339	-	(918)	73,671	(5,689)	42,500	235,903
Fund balances - beginning	7,615,257	42,250	9,015	80,102	5,467	321	7,752,412
Fund balances - ending	<u>\$ 7,741,596</u>	<u>\$ 42,250</u>	<u>\$ 8,097</u>	<u>\$ 153,773</u>	<u>\$ (222)</u>	<u>\$ 42,821</u>	<u>\$ 7,988,315</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – General Fund Accounts**  
**Year Ended June 30, 2023**

	Revolving Oil & Gas Account				Spay and Neuter Account			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive
	Original	Final			Original	Final		
<b>REVENUES</b>								
Fees and fines	\$ -	\$ -	\$ -	\$ -	\$ 2,200	\$ 2,200	\$ 1,276	\$ (924)
Total revenues	-	-	-	-	2,200	2,200	1,276	(924)
<b>EXPENDITURES</b>								
Departmental:								
Animal Control	-	-	-	-	2,200	2,200	2,194	6
Total Expenditures	-	-	-	-	2,200	2,200	2,194	6
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(918)	(918)
Net change in fund balances	-	-	-	-	-	-	(918)	(918)
Fund balances - beginning	42,250	42,250	42,250	-	9,015	9,015	9,015	-
Fund balances - ending	\$ 42,250	\$ 42,250	\$ 42,250	\$ -	\$ 9,015	\$ 9,015	\$ 8,097	\$ (918)

(continued)



**City of Shawnee, Oklahoma**  
**Budget versus Actual – General Fund Accounts**  
**Year Ended June 30, 2023**

	Library Account				Aquatic Center Account			
	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 127,000	\$ 127,000	\$ 231,444	\$ 104,444
Miscellaneous	-	-	-	-	59,000	59,000	495	(58,505)
Total revenues	-	-	-	-	186,000	186,000	231,939	45,939
<b>EXPENDITURES</b>								
Departmental:								
Library	84,136	84,136	90,689	(6,553)	-	-	-	-
Parks and Recreation	-	-	-	-	437,369	523,139	495,538	27,601
Total Expenditures	84,136	84,136	90,689	(6,553)	437,369	523,139	495,538	27,601
Excess (deficiency) of revenues over expenditures	(84,136)	(84,136)	(90,689)	(6,553)	(251,369)	(337,139)	(263,599)	73,540
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	85,000	85,000	85,000	-	251,500	337,270	337,270	-
Total other financing sources and uses	85,000	85,000	85,000	-	251,500	337,270	337,270	-
Net change in fund balances	864	864	(5,689)	(6,553)	131	131	73,671	73,540
Fund balances - beginning	5,467	5,467	5,467	-	80,102	80,102	80,102	-
Fund balances - ending	\$ 6,331	\$ 6,331	\$ (222)	\$ (6,553)	\$ 80,233	\$ 80,233	\$ 153,773	\$ 73,540

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – General Fund Accounts**  
**Year Ended June 30, 2023**

	<u>Sister Cities Account</u>			<u>Variance with</u>
			<u>Actual Amounts,</u>	<u>Final Budget -</u>
	<u>Budgeted Amounts</u>		<u>Budgetary Basis</u>	<u>Positive</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Departmental:				
Parks and Recreation	42,500	42,500	-	42,500
Total Expenditures	42,500	42,500	-	42,500
Excess (deficiency) of revenues over expenditures	(42,500)	(42,500)	-	42,500
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	42,500	42,500	42,500	-
Total other financing sources and uses	42,500	42,500	42,500	-
Net change in fund balances	-	-	42,500	42,500
Fund balances - beginning	321	321	321	-
Fund balances - ending	\$ 321	\$ 321	\$ 42,821	\$ 42,500

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2023**

	<b>Street and Alley Fund</b>	<b>E-911 Fund</b>	<b>Economic Development Fund</b>	<b>Hotel/Motel Fund</b>	<b>Police Sales Tax Fund</b>	<b>Fire Sales Tax Fund</b>	<b>CDBG/Home Grants Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 325,694	\$ 224,116	\$ 623,826	\$ -	\$ -	\$ 403,531
Interest receivable	-	-	47	-	93	93	-
Receivable from other governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	4,843
Taxes receivable, net	-	24,144	57,963	59,034	72,453	72,453	-
Other receivables	30,153	-	-	-	-	-	339,443
Prepaid items	-	-	-	-	-	-	60
Total assets	<u>30,153</u>	<u>349,838</u>	<u>282,126</u>	<u>682,860</u>	<u>72,546</u>	<u>72,546</u>	<u>747,877</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	46,460	32,576	-	77,860	-	-	212
Due to other funds	170	-	-	-	-	-	167,725
Unearned revenue	-	-	-	-	-	-	278,811
Total liabilities	<u>46,630</u>	<u>32,576</u>	<u>-</u>	<u>77,860</u>	<u>-</u>	<u>-</u>	<u>446,748</u>
Fund balances:							
Restricted	-	317,262	282,126	605,000	72,546	72,546	301,129
Unassigned (deficit)	(16,477)	-	-	-	-	-	-
Total fund balances	<u>(16,477)</u>	<u>317,262</u>	<u>282,126</u>	<u>605,000</u>	<u>72,546</u>	<u>72,546</u>	<u>301,129</u>
Total liabilities and fund balances	<u>\$ 30,153</u>	<u>\$ 349,838</u>	<u>\$ 282,126</u>	<u>\$ 682,860</u>	<u>\$ 72,546</u>	<u>\$ 72,546</u>	<u>\$ 747,877</u>

(continued)

**City of Shawnee, Oklahoma**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
**June 30, 2023**

	Cemetery Care Fund	HUD	Gifts and Contribution Fund	Emergency Shelter	Tax Increment Financing Fund	Drug Forfeiture Fund	2023 Capital Improvement Fund	Opioid Settlement Fund	Total Other Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 188,606	\$ 2,380	\$ 139,954	\$ 33,449	\$ 915,652	\$ 15,591	\$ 283,596	\$ 87,572	\$ 3,243,967
Interest receivable	-	-	-	-	-	-	-	-	233
Receivable from other governments	-	129,517	-	-	-	-	-	-	129,517
Due from other funds	-	-	4,023	-	-	-	-	-	8,866
Taxes receivable, net	-	-	-	-	14,627	-	-	-	300,674
Other receivables	-	-	-	-	-	-	-	-	369,596
Prepaid items	-	-	-	-	-	-	-	-	60
Total assets	<u>188,606</u>	<u>131,897</u>	<u>143,977</u>	<u>33,449</u>	<u>930,279</u>	<u>15,591</u>	<u>283,596</u>	<u>87,572</u>	<u>4,052,913</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	-	4,021	-	2,379	-	-	-	-	163,508
Due to other funds	-	132,137	-	39,340	-	-	-	-	339,372
Unearned revenue	-	-	-	-	-	-	-	-	278,811
Total liabilities	<u>-</u>	<u>136,158</u>	<u>-</u>	<u>41,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,691</u>
Fund balances:									
Restricted	188,606	-	143,977	-	930,279	15,591	283,596	87,572	3,300,230
Unassigned (deficit)	-	(4,261)	-	(8,270)	-	-	-	-	(29,008)
Total fund balances	<u>188,606</u>	<u>(4,261)</u>	<u>143,977</u>	<u>(8,270)</u>	<u>930,279</u>	<u>15,591</u>	<u>283,596</u>	<u>87,572</u>	<u>3,271,222</u>
Total liabilities and fund balances	<u>\$ 188,606</u>	<u>\$ 131,897</u>	<u>\$ 143,977</u>	<u>\$ 33,449</u>	<u>\$ 930,279</u>	<u>\$ 15,591</u>	<u>\$ 283,596</u>	<u>\$ 87,572</u>	<u>\$ 4,052,913</u>

**City of Shawnee, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental**  
**Funds**  
**Year Ended June 30, 2023**

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
<b>REVENUES</b>							
Taxes	\$ 286,363	\$ 297,344	\$ 389,970	\$ 547,323	\$ 487,462	\$ 487,462	\$ -
Fees and fines	-	-	-	-	-	-	-
Intergovernmental	-	33,018	-	-	-	-	661,765
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	326	36	428	428	-
Miscellaneous	6,359	-	-	3,956	-	-	21,637
Total revenues	<u>292,722</u>	<u>330,362</u>	<u>390,296</u>	<u>551,315</u>	<u>487,890</u>	<u>487,890</u>	<u>683,402</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Streets	545,705	-	-	-	-	-	-
E-911	-	241,662	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-
Economic development	-	-	254,774	566,270	-	-	682,163
Capital Outlay	-	44,417	-	4,315	-	-	-
Total Expenditures	<u>545,705</u>	<u>286,079</u>	<u>254,774</u>	<u>570,585</u>	<u>-</u>	<u>-</u>	<u>682,163</u>
Excess (deficiency) of revenues over expenditures	<u>(252,983)</u>	<u>44,283</u>	<u>135,522</u>	<u>(19,270)</u>	<u>487,890</u>	<u>487,890</u>	<u>1,239</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	252,000	-	-	-	-	-	-
Transfers out	-	-	(42,500)	-	(476,372)	(476,372)	-
Total other financing sources and uses	<u>252,000</u>	<u>-</u>	<u>(42,500)</u>	<u>-</u>	<u>(476,372)</u>	<u>(476,372)</u>	<u>-</u>
Net change in fund balances	(983)	44,283	93,022	(19,270)	11,518	11,518	1,239
Fund balances - beginning	(15,494)	272,979	189,104	624,270	61,028	61,028	299,890
Fund balances - ending	<u>\$ (16,477)</u>	<u>\$ 317,262</u>	<u>\$ 282,126</u>	<u>\$ 605,000</u>	<u>\$ 72,546</u>	<u>\$ 72,546</u>	<u>\$ 301,129</u>

(continued)

**City of Shawnee, Oklahoma**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds**  
**Year Ended June 30, 2023**

	Cemetery Care Fund	HUD	Gifts and Contribution Fund	Emergency Shelter	Tax Increment Financing Fund	Drug Forfeiture Fund	2023 Capital Improvement Fund	Opioid Settlement Fund	Total Other Governmental Funds
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 279,087	\$ -	\$ 283,316	\$ -	\$ 3,058,327
Fees and fines	-	-	-	-	-	9,426	-	-	9,426
Intergovernmental	-	823,516	-	112,206	-	-	-	-	1,630,505
Charges for services	4,138	-	-	-	-	-	-	-	4,138
Investment earnings	-	-	-	-	-	-	280	-	1,498
Miscellaneous	3,694	-	37,079	151	-	-	-	87,572	160,448
Total revenues	<u>7,832</u>	<u>823,516</u>	<u>37,079</u>	<u>112,357</u>	<u>279,087</u>	<u>9,426</u>	<u>283,596</u>	<u>87,572</u>	<u>4,864,342</u>
<b>EXPENDITURES</b>									
Current:									
General government	-	828,165	-	115,725	13,014	-	-	-	956,904
Fire	-	-	1,727	-	-	-	-	-	1,727
Streets	-	-	-	-	-	-	-	-	545,705
Animal Control/E911	-	-	-	-	-	-	-	-	241,662
Cemetery	97	-	-	-	-	-	-	-	97
Economic development	-	-	-	-	-	-	-	-	1,503,207
Capital Outlay	-	-	-	-	-	-	-	-	48,732
Total Expenditures	<u>97</u>	<u>828,165</u>	<u>1,727</u>	<u>115,725</u>	<u>13,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,298,034</u>
Excess (deficiency) of revenues over expenditures	<u>7,735</u>	<u>(4,649)</u>	<u>35,352</u>	<u>(3,368)</u>	<u>266,073</u>	<u>9,426</u>	<u>283,596</u>	<u>87,572</u>	<u>1,566,308</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	-	252,000
Transfers out	-	-	-	-	-	-	-	-	(995,244)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(743,244)</u>
Net change in fund balances	7,735	(4,649)	35,352	(3,368)	266,073	9,426	283,596	87,572	823,064
Fund balances - beginning	180,871	388	108,625	(4,902)	664,206	6,165	-	-	2,448,158
Fund balances - ending	<u>\$ 188,606</u>	<u>\$ (4,261)</u>	<u>\$ 143,977</u>	<u>\$ (8,270)</u>	<u>\$ 930,279</u>	<u>\$ 15,591</u>	<u>\$ 283,596</u>	<u>\$ 87,572</u>	<u>\$ 3,271,222</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Street And Alley Fund				E-911 Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 283,900	\$ 283,900	\$ 286,363	\$ 2,463	\$ 280,000	\$ 295,000	\$ 297,344	\$ 2,344
Licenses and permits	2,000	2,000	-	(2,000)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	33,018	33,018
Miscellaneous	6,360	6,360	6,359	(1)	-	-	-	-
Total revenues	292,260	292,260	292,722	462	280,000	295,000	330,362	35,362
<b>EXPENDITURES</b>								
Departmental:								
Streets	453,900	543,900	545,705	(1,805)	-	-	-	-
Animal Control/911	-	-	-	-	279,849	286,799	241,662	45,137
Capial outlay	-	-	-	-	-	8,050	44,417	(36,367)
Total Expenditures	453,900	543,900	545,705	(1,805)	279,849	294,849	286,079	8,770
Excess (deficiency) of revenues over expenditures	(161,640)	(251,640)	(252,983)	(1,343)	151	151	44,283	44,132
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	162,000	252,000	252,000	-	-	-	-	-
Total other financing sources and uses	162,000	252,000	252,000	-	-	-	-	-
Net change in fund balances	360	360	(983)	(1,343)	151	151	44,283	44,132
Fund balances - beginning	(15,494)	(15,494)	(15,494)	-	272,979	272,979	272,979	-
Fund balances - ending	\$ (15,134)	\$ (15,134)	\$ (16,477)	\$ (1,343)	\$ 273,130	\$ 273,130	\$ 317,262	\$ 44,132

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Economic Development Fund				Hotel/Motel Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 338,364	\$ 338,364	\$ 389,970	\$ 51,606	\$ 475,000	\$ 475,000	\$ 547,323	\$ 72,323
Investment earnings	-	-	326	326	-	-	36	36
Miscellaneous	-	-	-	-	-	-	3,956	3,956
Total revenues	338,364	338,364	390,296	51,932	475,000	475,000	551,315	76,315
<b>EXPENDITURES</b>								
Departmental:								
Economic Development	295,000	295,000	254,774	40,226	595,532	621,217	566,270	54,947
Capital outaly	-	-	-	-	30,000	4,315	4,315	-
Total Expenditures	295,000	295,000	254,774	40,226	625,532	625,532	570,585	54,947
Excess (deficiency) of revenues over expenditures	43,364	43,364	135,522	92,158	(150,532)	(150,532)	(19,270)	131,262
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	(42,500)	(42,500)	(42,500)	-	-	-	-	-
Total other financing sources and uses	(42,500)	(42,500)	(42,500)	-	-	-	-	-
Net change in fund balances	864	864	93,022	92,158	(150,532)	(150,532)	(19,270)	131,262
Fund balances - beginning	189,104	189,104	189,104	-	624,270	624,270	624,270	-
Fund balances - ending	\$ 189,968	\$ 189,968	\$ 282,126	\$ 92,158	\$ 473,738	\$ 473,738	\$ 605,000	\$ 131,262

(continued)



**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Police Sales Tax Fund				Fire Sales Tax Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 422,954	\$ 476,372	\$ 487,462	\$ 11,090	\$ 422,954	\$ 476,372	\$ 487,462	\$ 11,090
Investment earnings	-	-	428	428	-	-	428	428
Total revenues	422,954	476,372	487,890	11,518	422,954	476,372	487,890	11,518
<b>EXPENDITURES</b>								
Departmental:								
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	422,954	476,372	487,890	11,518	422,954	476,372	487,890	11,518
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers out	(422,954)	(476,372)	(476,372)	-	(422,954)	(476,372)	(476,372)	-
Total other financing sources and uses	(422,954)	(476,372)	(476,372)	-	(422,954)	(476,372)	(476,372)	-
Net change in fund balances	-	-	11,518	11,518	-	-	11,518	11,518
Fund balances - beginning	61,028	61,028	61,028	-	61,028	61,028	61,028	-
Fund balances - ending	\$ 61,028	\$ 61,028	\$ 72,546	\$ 11,518	\$ 61,028	\$ 61,028	\$ 72,546	\$ 11,518

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	CDBG/Home Grants Fund				Cemetery Care Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Budget - Positive</u>	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Budget - Positive</u>
				<u>(Negative)</u>				<u>(Negative)</u>
<b>REVENUES</b>								
Intergovernmental	\$ 750,063	\$ 1,111,937	\$ 661,765	\$ (450,172)	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	4,000	4,000	4,138	138
Miscellaneous	13,200	13,200	21,637	8,437	-	-	3,694	3,694
Total revenues	763,263	1,125,137	683,402	(441,735)	4,000	4,000	7,832	3,832
<b>EXPENDITURES</b>								
Departmental:								
Economic Development	563,786	925,660	682,163	243,497	-	-	-	-
Cemetery	-	-	-	-	-	-	97	(97)
Total Expenditures	563,786	925,660	682,163	243,497	-	-	97	(97)
Excess (deficiency) of revenues over expenditures	199,477	199,477	1,239	(198,238)	4,000	4,000	7,735	3,735
Net change in fund balances	199,477	199,477	1,239	(198,238)	4,000	4,000	7,735	3,735
Fund balances - beginning	299,890	299,890	299,890	-	180,871	180,871	180,871	-
Fund balances - ending	\$ 499,367	\$ 499,367	\$ 301,129	\$ (198,238)	\$ 184,871	\$ 184,871	\$ 188,606	\$ 3,735

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Gifts and Contribution Fund				Tax Increment Financing Fund			
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Budget - Positive</u>	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Budget - Positive</u>
				<u>(Negative)</u>				<u>(Negative)</u>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	\$ 279,087	\$ 159,087
Miscellaneous	-	-	37,079	37,079	-	-	-	-
Total revenues	-	-	37,079	37,079	120,000	120,000	279,087	159,087
<b>EXPENDITURES</b>								
Departmental:								
General Government	-	-	-	-	-	-	13,014	(13,014)
Public Safety	-	2,000	1,727	273	-	-	-	-
Capital outlay	-	-	-	-	41,600	41,600	-	41,600
Total Expenditures	-	2,000	1,727	273	41,600	41,600	13,014	28,586
Excess (deficiency) of revenues over expenditures	-	(2,000)	35,352	37,352	78,400	78,400	266,073	187,673
Net change in fund balances	-	(2,000)	35,352	37,352	78,400	78,400	266,073	187,673
Fund balances - beginning	108,625	108,625	108,625	-	664,206	664,206	664,206	-
Fund balances - ending	<u>\$ 108,625</u>	<u>\$ 106,625</u>	<u>\$ 143,977</u>	<u>\$ 37,352</u>	<u>\$ 742,606</u>	<u>\$ 742,606</u>	<u>\$ 930,279</u>	<u>\$ 187,673</u>

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Drug Forfeiture Fund				HUD			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,112,013	\$ 1,112,013	\$ 823,516	\$ (288,497)
Fees and fines	-	-	9,426	9,426	-	-	-	-
Total revenues	-	-	9,426	9,426	1,112,013	1,112,013	823,516	(288,497)
<b>EXPENDITURES</b>								
Departmental:								
General government	-	-	-	-	1,112,013	1,112,013	828,165	283,848
Total Expenditures	-	-	-	-	1,112,013	1,112,013	828,165	283,848
Excess (deficiency) of revenues over expenditures	-	-	9,426	9,426	-	-	(4,649)	(4,649)
Net change in fund balances	-	-	9,426	9,426	-	-	(4,649)	(4,649)
Fund balances - beginning	6,165	6,165	6,165	-	388	388	388	-
Fund balances - ending	\$ 6,165	\$ 6,165	\$ 15,591	\$ 9,426	\$ 388	\$ 388	\$ (4,261)	\$ (4,649)

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Emergency Shelter				2023 Capital Improvement Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,316	\$ 283,316
Intergovernmental	70,000	120,000	112,206	(7,794)	-	-	-	-
Investment earnings	-	-	-	-	-	-	280	280
Miscellaneous	-	-	151	151	-	-	-	-
Total revenues	70,000	120,000	112,357	(7,643)	-	-	283,596	283,596
<b>EXPENDITURES</b>								
Departmental:								
General government	70,000	120,000	115,725	4,275	-	-	-	-
Total Expenditures	70,000	120,000	115,725	4,275	-	-	-	-
Total Expenditures	70,000	120,000	115,725	4,275	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	(3,368)	(3,368)	-	-	283,596	283,596
Net change in fund balances	-	-	(3,368)	(3,368)	-	-	283,596	283,596
Fund balances - beginning	(4,902)	(4,902)	(4,902)	-	-	-	-	-
Fund balances - ending	\$ (4,902)	\$ (4,902)	\$ (8,270)	\$ (3,368)	\$ -	\$ -	\$ 283,596	\$ 283,596

(continued)

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Nonmajor Funds**  
**Year Ended June 30, 2023**

	Opioid Settlement Fund		
	<u>Budgeted Amounts</u>		<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budget - Positive</u>
			<u>(Negative)</u>
<b>REVENUES</b>			
Miscellaneous	\$ -	\$ -	\$ 87,572
Total revenues	-	-	87,572
<b>EXPENDITURES</b>			
Departmental:			
General government	-	-	-
<i>Total Expenditures</i>	-	-	-
Total Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	87,572
Net change in fund balances	-	-	87,572
Fund balances - beginning	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 87,572

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – Street Improvement**  
**Year Ended June 30, 2023**

	<b>Street Improvement Fund</b>			<b><u>Variance with Final</u></b>
	<b><u>Budgeted Amounts</u></b>		<b><u>Actual Amounts,</u></b>	<b><u>Budget - Positive</u></b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Budgetary Basis</u></b>	<b><u>(Negative)</u></b>
<b>REVENUES</b>				
Taxes	\$ 2,960,682	\$ 3,231,042	\$ 3,412,238	\$ 181,196
Intergovernmental	800,000	800,000	1,136,010	336,010
Investment earnings	2,500	2,500	6,017	3,517
Miscellaneous	-	-	23,485	23,485
Total revenues	<u>3,763,182</u>	<u>4,033,542</u>	<u>4,577,750</u>	<u>544,208</u>
<b>EXPENDITURES</b>				
Departmental:				
Streets	<u>2,729,816</u>	<u>3,007,826</u>	<u>2,394,627</u>	<u>613,199</u>
Total Streets	<u>2,729,816</u>	<u>3,007,826</u>	<u>2,394,627</u>	<u>613,199</u>
Total Expenditures	<u>2,729,816</u>	<u>3,007,826</u>	<u>2,394,627</u>	<u>613,199</u>
Excess (deficiency) of revenues over expenditures	<u>1,033,366</u>	<u>1,025,716</u>	<u>2,183,123</u>	<u>1,157,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	-	-	298,914	298,914
Transfers out	<u>(600,000)</u>	<u>(3,600,000)</u>	<u>(3,600,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(600,000)</u>	<u>(3,600,000)</u>	<u>(3,301,086)</u>	<u>298,914</u>
Net change in fund balances	433,366	(2,574,284)	(1,117,963)	1,456,321
Fund balances - beginning	<u>7,689,772</u>	<u>7,689,772</u>	<u>7,689,772</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,123,138</u>	<u>\$ 5,115,488</u>	<u>\$ 6,571,809</u>	<u>\$ 1,456,321</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – Capital Improvement Fund**  
**Year Ended June 30, 2023**

	<b>Capital Improvement Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,622,318	\$ 2,781,496	\$ 3,022,268	\$ 240,772
Investment earnings	2,000	2,000	27,873	25,873
Miscellaneous	-	-	766,833	766,833
Total revenues	2,624,318	2,783,496	3,816,974	1,033,478
<b>EXPENDITURES</b>				
Departmental:				
Finance	2,000	2,000	-	2,000
Information Technology	308,800	-	-	-
Capital outlay	1,570,350	2,720,106	1,647,521	1,072,585
Debt service	550,999	614,812	649,910	(35,099)
Total Expenditures	2,432,149	3,336,918	2,297,431	1,039,487
Total Expenditures	2,432,149	3,336,918	2,297,431	1,039,487
Excess (deficiency) of revenues over expenditures	192,169	(553,422)	1,519,543	2,072,965
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources and uses	(500,000)	(500,000)	(500,000)	-
Net change in fund balances	(307,831)	(1,053,422)	1,019,543	2,072,965
Fund balances - beginning	1,497,413	1,497,413	1,497,413	-
Fund balances - ending	\$ 1,189,582	\$ 443,991	\$ 2,516,956	\$ 2,072,965



**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – 2018 Capital Improvement Fund**  
**Year Ended June 30, 2023**

<b>2018 Capital Improvement Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,383,636	\$ 3,583,636	\$ 3,899,700	\$ 316,064
Investment earnings	1,500	1,500	530,546	529,046
Miscellaneous	19,000,000	19,970,000	179	(19,969,821)
Total revenues	<u>22,385,136</u>	<u>23,555,136</u>	<u>4,430,425</u>	<u>(19,124,711)</u>
<b>EXPENDITURES</b>				
Departmental:				
Park and Recreation	164,000	164,000	-	164,000
Capital outlay	18,496,628	19,712,128	9,016,692	10,695,436
Debt service	3,123,459	3,123,459	3,119,459	4,000
Total Expenditures	<u>21,784,087</u>	<u>22,999,587</u>	<u>12,136,151</u>	<u>10,863,436</u>
Total Expenditures	<u>21,784,087</u>	<u>22,999,587</u>	<u>12,136,151</u>	<u>10,863,436</u>
Excess (deficiency) of revenues over expenditures	<u>601,049</u>	<u>555,549</u>	<u>(7,705,726)</u>	<u>(8,261,275)</u>
Net change in fund balances	601,049	555,549	(7,705,726)	(8,261,275)
Fund balances - beginning	20,748,829	20,748,829	20,748,829	-
Fund balances - ending	<u>\$ 21,349,878</u>	<u>\$ 21,304,378</u>	<u>\$ 13,043,103</u>	<u>\$ (8,261,275)</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – American Rescue Plan Fund**  
**Year Ended June 30, 2023**

<u>American Rescue Plan Fund</u>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget -</u> <u>Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 4,100,000	\$ 4,100,000	\$ 793,844	\$ (3,306,156)
Investment earnings	-	-	252,125	252,125
Total revenues	<u>4,100,000</u>	<u>4,100,000</u>	<u>1,045,969</u>	<u>(3,054,031)</u>
<b>EXPENDITURES</b>				
Departmental:				
Capital outlay	<u>3,115,250</u>	<u>3,115,250</u>	<u>1,211,405</u>	<u>1,903,845</u>
Total Expenditures	<u>3,115,250</u>	<u>3,115,250</u>	<u>1,211,405</u>	<u>1,903,845</u>
Total Expenditures	<u>3,115,250</u>	<u>3,115,250</u>	<u>1,211,405</u>	<u>1,903,845</u>
Excess (deficiency) of revenues over expenditures	<u>984,750</u>	<u>984,750</u>	<u>(165,436)</u>	<u>(1,150,186)</u>
Net change in fund balances	984,750	984,750	(165,436)	(1,150,186)
Fund balances - beginning	2,134,225	2,134,225	2,134,225	-
Fund balances - ending	<u>\$ 3,118,975</u>	<u>\$ 3,118,975</u>	<u>\$ 1,968,789</u>	<u>\$ (1,150,186)</u>

**City of Shawnee, Oklahoma**  
**Budget versus Actual – Major Capital Project Fund – American Rescue Plan Fund**  
**Year Ended June 30, 2023**

	<b>Grant Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts,</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Final Budget -</b>
				<b>Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 195,424	\$ 71,086	\$ (124,338)
Total revenues	-	195,424	71,086	(124,338)
<b>EXPENDITURES</b>				
Departmental:				
General government	-	8,000,000	4,512,561	3,487,439
Police		195,424	95,023	100,401
Total Expenditures	-	8,195,424	4,607,584	3,587,840
Total Expenditures	-	8,195,424	4,607,584	3,587,840
Excess (deficiency) of revenues over expenditures	-	(8,000,000)	(4,536,498)	3,463,502
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	8,000,000	8,000,000	-
Total other financing sources and uses	-	8,000,000	8,000,000	-
Net change in fund balances	-	-	3,463,502	3,463,502
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 3,463,502	\$ 3,463,502

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## **STATISTICAL SECTION**



## STATISTICAL SECTION

This part of the City of Shawnee's *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health

Such statistical information includes:

*FINANCIAL TRENDS* – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time

*REVENUE CAPACITY* – These schedules contain information to help the reader assess the city's most significant local revenue sources, gas and sales tax revenues.

*DEBT CAPACITY* – These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

*DEMOGRAPHIC AND ECONOMIC INFORMATION* – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place

*OPERATING INFORMATION* – These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

## **FINANCIAL TRENDS**



**CITY OF SHAWNEE, OKLAHOMA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Description</b>										
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 59,962,708	\$ 58,644,805	\$ 53,866,950	\$ 49,478,555	\$ 50,230,949	\$ 46,204,941	\$ 50,130,815	\$ 42,924,896	\$ 41,393,436	\$ 38,706,710
Restricted for (by):										
Capital Projects	15,497,858	13,585,795	7,814,617	9,394,885	7,625,200	5,489,701	8,289,801	8,813,042	8,036,373	7,580,368
Debt Service	329,975	542,157	500,961	258,764	415,847	207,587	379,861	112,213	74,769	140,460
Economic Development	2,118,534	1,775,226	1,404,766	885,198	546,262	444,008	852,575	644,796	969,384	946,696
Public Safety	477,945	401,200	356,665	406,328	227,327	158,093	192,686	137,251	156,884	656,521
Pension Asset	847,482	-	-	-	-	-	-	-	-	-
Other purposes	420,155	297,969	311,140	286,545	267,069	269,945	257,040	275,019	271,109	267,367
Unrestricted	(9,400,956)	(13,478,909)	(15,479,999)	(19,518,310)	(21,030,693)	(19,637,686)	(20,566,194)	(17,360,205)	(15,740,961)	(16,816,708)
Total Governmental Activities Net Position	70,253,701	61,768,243	48,775,100	41,191,965	38,281,961	33,136,589	39,536,584	35,547,012	35,160,994	31,481,414
<b>Business-type Activities:</b>										
Net investment in capital assets	45,759,433	42,971,590	40,092,683	40,068,042	40,904,699	41,647,640	42,194,834	40,438,633	40,268,422	38,355,889
Restricted for:										
Debt Service	130,752	2,089,763	2,379,196	2,329,383	2,343,067	2,563,339	2,470,269	2,578,084	2,611,396	2,533,205
Unrestricted	(1,739,160)	(42,176)	(890,155)	(2,081,721)	(999,491)	(2,504,186)	(2,709,448)	(1,172,742)	(597,374)	1,209,339
Total Business-type Activities Net Position	44,151,025	45,019,177	41,581,724	40,315,704	42,248,275	41,706,793	41,955,655	41,843,975	42,282,444	42,098,433
<b>Primary Government:</b>										
Net investment in capital assets	105,722,141	101,616,395	93,959,633	89,546,597	91,135,648	87,852,581	92,325,649	83,363,529	81,661,858	77,062,599
Restricted for:										
Capital Projects	15,497,858	13,585,795	7,814,617	9,394,885	7,625,200	5,489,701	8,289,801	8,813,042	8,036,373	7,580,368
Debt Service	460,727	2,631,920	2,880,157	2,588,147	2,758,914	2,770,926	2,850,130	2,690,297	2,686,165	2,673,665
Economic Development	2,118,534	1,775,226	1,404,766	885,198	546,262	444,008	852,575	644,796	969,384	946,696
Public Safety	477,945	401,200	356,665	406,328	227,327	158,093	192,686	137,251	156,884	656,521
Pension Asset	847,482	-	-	-	-	-	-	-	-	-
Other purposes	420,155	297,969	311,140	286,545	267,069	269,945	257,040	275,019	271,109	267,367
Unrestricted	(11,140,116)	(13,521,085)	(16,370,154)	(21,600,031)	(22,030,184)	(22,141,872)	(23,275,642)	(18,532,947)	(16,338,335)	(15,607,369)
Total Primary Government Net Position	\$ 114,404,726	\$ 106,787,420	\$ 90,356,824	\$ 81,507,669	\$ 80,530,236	\$ 74,843,382	\$ 81,492,239	\$ 77,390,987	\$ 77,443,438	\$ 73,579,847

**CITY OF SHAWNEE, OKLAHOMA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$9,920,640	\$4,125,300	\$4,375,584	\$5,141,777	\$4,330,793	\$3,911,602	\$4,463,197	\$4,508,182	\$3,456,722	\$2,988,475
Public Safety	19,425,113	15,209,123	18,764,114	18,139,108	15,758,461	18,346,950	17,191,910	15,415,142	14,474,658	13,751,434
Streets	6,584,350	5,666,302	5,511,233	5,188,779	3,814,430	4,596,100	4,271,930	4,407,895	3,233,282	3,469,889
Culture and Recreations	2,506,864	2,155,669	2,292,685	2,442,207	1,965,351	2,346,402	2,229,120	2,482,246	1,658,533	1,348,343
Community Development	37,337	95,999	375,677	557,841	560,022	849,031	552,420	601,559	613,123	702,356
Economic Development	2,749,017	2,012,963	1,594,503	1,576,372	1,304,607	1,545,652	1,285,974	1,348,482	1,235,834	1,287,972
Interest on long-term debt	343,322	431,157	401,373	298,082	415,794	127,734	120,009	-	-	-
Total governmental activities expenses	\$41,566,643	\$29,696,513	\$33,315,169	\$33,344,166	\$28,149,458	\$31,723,471	\$30,114,560	\$28,763,506	\$24,672,152	\$23,548,469
<i>Business-type activities:</i>										
Water operations	6,463,778	4,421,243	3,576,520	4,215,635	4,468,752	5,591,766	5,792,312	5,903,556	5,307,131	5,829,372
Wastewater operations	3,173,072	3,265,604	3,471,685	4,551,583	3,555,364	4,014,009	3,732,123	3,486,831	3,003,781	2,724,937
Sanitation operations	3,205,472	3,582,033	2,732,373	2,325,193	1,564,494	1,716,769	1,651,800	1,618,679	1,520,472	2,018,186
Administration	-	-	679,885	827,968	665,967	834,889	672,199	634,203	561,772	529,636
Airport	1,311,963	1,193,787	1,290,656	1,287,795	1,261,117	1,416,774	1,357,326	1,670,545	1,462,400	1,521,292
Lake	69,953	152,299	138,721	113,265	136,066	191,970	152,926	145,205	111,992	473,574
Total business-type activities expenses	14,224,238	12,614,966	11,889,840	13,321,439	11,651,760	13,766,177	13,358,686	13,459,019	11,967,548	13,096,997
Total primary government expenses	55,790,881	42,311,479	45,205,009	46,665,605	39,801,218	45,489,648	43,473,246	42,222,525	36,639,700	36,645,466
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services										
General Government	601,503	518,038	407,462	255,275	308,368	272,116	278,887	250,162	177,550	163,616
Public Safety	711,966	505,512	582,869	466,983	602,059	486,743	635,624	820,025	810,266	743,581
Streets	40,501	35,482	71,066	29,435	26,848	39,240	42,223	24,076	36,360	37,373
Culture and Recreations	247,522	250,748	293,654	273,893	351,033	301,536	310,277	236,330	42,010	43,338
Community Development	21,637	74,494	47,531	57,383	16,245	38,501	103,249	91,740	99,121	96,825
Economic Development	36,705	42,384	35,303	28,836	37,067	34,266	35,273	25,321	26,167	27,367
Operating Grants and Contributions	4,258,451	3,539,764	3,242,833	5,348,846	3,132,343	2,802,355	2,914,491	3,000,696	2,884,772	3,801,276
Capital Grants and Contributions	2,328,750	84,850	2,322,958	143,000	142,558	1,109,955	5,326,598	743,035	1,039,321	860,593
Total governmental activities program revenues	8,247,035	5,051,272	7,003,676	6,603,651	4,616,521	5,084,712	9,646,622	5,191,385	5,115,567	5,773,969
<i>Business-type Activities:</i>										
Water operations	8,449,326	8,241,018	8,197,495	7,617,507	7,020,949	6,783,572	6,770,307	6,790,882	6,726,479	7,047,846
Wastewater operations	4,335,645	4,296,313	4,073,904	3,808,289	3,721,186	3,773,089	3,762,947	3,821,499	3,889,446	3,952,233
Sanitation operations	3,155,831	2,982,682	2,783,660	2,385,452	2,286,832	2,264,895	2,251,610	2,230,252	2,187,365	1,926,114
Airport	619,224	634,855	427,390	469,298	571,367	504,412	559,345	560,835	498,744	583,745
Lake	35,935	42,698	35,671	33,463	27,280	96,997	85,443	166,069	138,350	92,583
Operating Grants and Contributions	7,150	-	1,908	6,411	-	4,300	-	5,300	6,600	7,124
Capital Grants and Contributions	1,103,194	908,734	774,281	13,764	550,701	74,277	1,618,038	794,229	71,041	396,650
Total business-type activities program revenues	17,706,305	17,106,300	16,294,309	14,334,184	14,178,315	13,501,542	15,047,690	14,369,066	13,518,025	14,006,295
Total primary government program revenues	25,953,340	22,157,572	23,297,985	20,937,835	18,794,836	18,586,254	24,694,312	19,560,451	18,633,592	19,780,264

**CITY OF SHAWNEE, OKLAHOMA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(continued)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (Expenses) Revenues</b>										
<i>Governmental Activities</i>	(\$33,319,608)	(\$24,645,241)	(\$26,311,493)	(\$26,740,515)	(\$23,532,937)	(\$26,638,759)	(\$20,467,938)	(\$23,572,121)	(\$19,556,585)	(\$17,774,500)
<i>Business-type Activities</i>	3,482,067	4,491,334	4,404,469	1,012,745	2,526,555	(264,635)	1,689,004	910,047	1,550,477	909,298
<b>Total Primary Government Net (Expenses)</b>	<b>(29,837,541)</b>	<b>(20,153,907)</b>	<b>(21,907,024)</b>	<b>(25,727,770)</b>	<b>(21,006,382)</b>	<b>(26,903,394)</b>	<b>(18,778,934)</b>	<b>(22,662,074)</b>	<b>(18,006,108)</b>	<b>(16,865,202)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental Activities:</i>										
Taxes:										
Sales and Use taxes	31,258,292	29,110,218	26,994,070	24,545,249	22,541,481	19,549,624	19,660,405	19,530,708	18,622,852	18,346,711
Franchise and public service taxes	1,970,660	1,725,216	1,457,288	1,422,490	1,482,916	1,703,963	1,553,935	1,543,454	1,698,127	1,626,635
Hotel/motel taxes	547,323	603,589	497,012	415,242	478,427	423,584	490,032	496,772	505,637	578,275
Property taxes	279,087	203,331	171,902	74,767	59,335	51,133	49,131	74,882	56,623	54,312
Other	347,275	336,892	334,458	-	973	25,055	54,317	27,323	26,830	23,687
Intergovernmental revenue	1,195,233	423,905	438,423	781,373	713,237	648,963	704,601	587,146	600,384	580,595
Investment Income	1,050,009	22,089	15,765	172,138	73,603	63,854	52,960	65,921	52,749	55,541
Miscellaneous	680,925	401,122	562,170	195,688	298,421	15,435	160,315	244,153	179,409	351,461
Transfers - Internal Activity	4,476,262	1,199,411	3,423,540	3,184,029	3,029,916	(273,186)	1,731,814	1,387,780	1,493,554	1,023,788
<b>Total Governmental Activities</b>	<b>41,805,066</b>	<b>34,025,773</b>	<b>33,894,628</b>	<b>30,790,976</b>	<b>28,678,309</b>	<b>22,208,425</b>	<b>24,457,510</b>	<b>23,958,139</b>	<b>23,236,165</b>	<b>22,641,005</b>
<i>Business-type Activities:</i>										
Investment Income	28,230	25,919	66,395	66,826	74,354	73,172	55,508	36,055	56,418	57,785
Miscellaneous	97,813	119,611	218,696	171,887	970,489	43,972	98,982	3,209	70,670	591,569
Transfers - Internal Activity	(4,476,262)	(1,199,411)	(3,423,540)	(3,184,029)	(3,029,916)	273,186	(1,731,814)	(1,387,780)	(1,493,554)	(1,023,788)
<b>Total Business-type Activities</b>	<b>(4,350,219)</b>	<b>(1,053,881)</b>	<b>(3,138,449)</b>	<b>(2,945,316)</b>	<b>(1,985,073)</b>	<b>390,330</b>	<b>(1,577,324)</b>	<b>(1,348,516)</b>	<b>(1,366,466)</b>	<b>(374,434)</b>
<b>Total Primary Government</b>	<b>37,454,847</b>	<b>32,971,892</b>	<b>30,756,179</b>	<b>27,845,660</b>	<b>26,693,236</b>	<b>22,598,755</b>	<b>22,880,186</b>	<b>22,609,623</b>	<b>21,869,699</b>	<b>22,266,571</b>
<b>Change in Net Position</b>										
<i>Governmental Activities</i>	8,485,458	9,380,532	7,583,135	4,050,461	5,145,372	(4,430,334)	3,989,572	386,018	3,679,580	4,866,505
<i>Business-type Activities</i>	(868,152)	3,437,453	1,266,020	(1,932,571)	541,482	125,695	111,680	(438,469)	184,011	534,864
<b>Total Primary Government</b>	<b>\$7,617,306</b>	<b>\$12,817,985</b>	<b>\$8,849,155</b>	<b>\$2,117,890</b>	<b>\$5,686,854</b>	<b>(\$4,304,639)</b>	<b>\$4,101,252</b>	<b>(\$52,451)</b>	<b>\$3,863,591</b>	<b>\$5,401,369</b>

**CITY OF SHAWNEE, OKLAHOMA  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Fund:</b>										
Nonspendable	\$ -	\$ 109,440	\$ 179,275	\$ 117,985	\$ 154,869	\$ 143,073	\$ 118,542	\$ 106,313	\$ 182,557	\$ 1,500
Restricted	-	8,473	22,877	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	338,351	326,388	337,128	305,382
Unreserved/Unassigned	7,988,315	7,634,499	6,867,115	941,490	(243,054)	(1,303,688)	2,321,252	4,767,436	5,758,830	6,472,218
Total General Fund	7,988,315	7,752,412	7,069,267	1,059,475	(88,185)	(1,160,615)	2,778,145	5,200,137	6,278,515	6,779,100
<b>Other Governmental Funds:</b>										
Nonspendable	-	-	-	-	-	10,586	20,479	48,976	38,367	-
Restricted	27,400,887	34,538,793	34,222,491	18,731,907	17,604,861	7,970,237	11,008,113	9,982,211	9,555,742	12,604,440
Assigned	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	3,434,494	(20,396)	(14,651)	-	(393,223)	(94,737)	(153,388)	(1,723,280)	(140,605)	(3,004)
Total Other Governmental Funds	30,835,381	34,518,397	34,207,840	18,731,907	17,211,638	7,886,086	10,875,204	8,307,907	9,453,504	12,601,436
Total Governmental Funds	\$38,823,696	\$42,270,809	\$41,277,107	\$19,791,382	\$17,123,453	\$6,725,471	\$13,653,349	\$13,508,044	\$15,732,019	\$19,380,536

**CITY OF SHAWNEE, OKLAHOMA**  
**CHANGES FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Taxes	\$34,639,069	\$32,234,532	\$29,757,326	\$27,112,510	\$25,217,144	\$22,315,774	\$22,384,463	\$22,190,229	\$21,453,412	\$21,160,794
Intergovernmental	6,239,708	3,478,911	7,087,895	2,655,059	2,806,329	3,576,360	3,512,796	3,190,305	3,799,115	2,699,312
Charges for services	288,482	485,238	652,625	608,344	283,027	233,014	551,788	456,508	189,682	169,761
Fines and forfeitures	448,824	294,068	553,996	398,662	704,527	563,851	653,067	783,726	268,603	225,719
Licenses and permits	772,743	432,621	358,431	229,050	537,397	509,854	255,978	214,645	685,403	655,468
Investment income	1,050,009	22,089	15,765	172,138	73,603	63,854	52,960	65,921	52,749	55,541
Miscellaneous	1,846,537	1,345,580	931,769	431,838	522,065	341,420	1,095,304	1,049,941	495,235	5,449,644
<b>Total Revenues</b>	<b>45,285,372</b>	<b>38,293,039</b>	<b>39,357,807</b>	<b>31,607,601</b>	<b>30,144,092</b>	<b>27,604,127</b>	<b>28,506,356</b>	<b>27,951,275</b>	<b>26,944,199</b>	<b>30,416,239</b>
<b>Expenditures:</b>										
Current:										
General Government	9,881,762	4,291,687	3,943,141	3,486,052	4,231,072	3,927,125	3,701,806	3,647,130	2,981,912	3,080,038
Engineering	321,833	370,505	216,897	282,428	394,315	488,407	472,231	443,180	384,817	415,147
Equipment and building maint.	298,907	478,996	455,598	352,395	428,006	484,007	489,256	505,625	459,714	438,176
Police	9,387,848	9,351,132	7,738,775	7,189,184	7,283,142	7,280,113	6,963,276	6,558,413	6,412,075	5,952,358
Fire	7,835,163	7,195,734	6,522,865	6,720,874	6,567,034	7,122,466	6,942,221	6,439,770	5,787,238	5,337,455
Municipal court	407,350	379,256	346,800	343,789	400,392	586,920	586,583	576,918	538,902	536,695
Emergency management	800,314	279,003	218,916	418,762	468,604	426,293	354,018	345,722	317,177	329,579
Streets	2,006,338	1,673,402	1,565,384	1,476,496	1,538,432	1,733,962	1,681,767	1,643,213	1,604,637	1,492,117
Parks and recreation	1,402,431	1,205,673	1,504,429	1,520,019	1,157,034	1,321,448	1,211,469	1,066,234	940,805	713,761
Culture and recreation	209,727	172,780	117,355	122,743	161,105	153,209	147,024	185,034	161,930	157,673
Animal control/E911	876,981	855,243	1,082,690	1,034,565	985,767	1,175,956	1,144,745	1,161,238	1,046,961	923,145
Cemetery	255,700	242,341	435,970	196,829	201,044	233,876	217,845	209,430	194,928	190,676
Library	90,689	125,463	100,753	90,657	91,294	101,563	88,960	86,566	95,372	88,424
Economic development	2,639,766	2,008,089	1,487,693	1,739,440	1,647,107	1,915,243	1,644,197	1,593,967	1,740,676	1,779,650
Capital outlay	14,201,560	6,657,827	8,937,247	4,321,501	4,459,483	5,962,579	6,839,201	6,049,430	8,457,080	6,662,187
Debt service:										
Principal retirement	3,586,711	3,414,006	3,103,888	2,985,285	2,574,631	1,206,383	1,048,789	620,844	925,193	389,365
Interest and fiscal charges	363,319	427,535	392,221	314,402	245,687	139,269	124,477	430,316	21,212	53,703
<b>Total Expenditures</b>	<b>54,566,399</b>	<b>39,128,672</b>	<b>38,170,622</b>	<b>32,595,421</b>	<b>32,834,149</b>	<b>34,258,819</b>	<b>33,657,865</b>	<b>31,563,030</b>	<b>32,070,629</b>	<b>28,540,149</b>
Excess of revenues over(under) expenditures	(9,281,027)	(835,633)	1,187,185	(987,820)	(2,690,057)	(6,654,692)	(5,151,509)	(3,611,755)	(5,126,430)	1,876,090
<b>Other Financing Sources (Uses):</b>										
Transfers in	13,107,244	4,069,901	6,006,786	4,330,041	5,303,579	4,435,888	3,037,868	3,701,191	3,170,107	2,928,664
Transfers out	(7,572,244)	(2,802,787)	(2,583,246)	(1,146,012)	(2,215,540)	(4,709,074)	(1,306,054)	(2,313,411)	(1,692,194)	(1,904,876)
Insurance of long-term debt	298,914	562,221	16,875,000	-	10,000,000	-	3,565,000	-	-	2,065,746
<b>Total Other Financing Sources (Uses)</b>	<b>5,833,914</b>	<b>1,829,335</b>	<b>20,298,540</b>	<b>3,184,029</b>	<b>13,088,039</b>	<b>(273,186)</b>	<b>5,296,814</b>	<b>1,387,780</b>	<b>1,477,913</b>	<b>3,089,534</b>
<b>Net change in fund balances</b>	<b>(\$3,447,113)</b>	<b>993,702</b>	<b>\$21,485,725</b>	<b>\$2,196,209</b>	<b>\$10,397,982</b>	<b>(\$6,927,878)</b>	<b>\$145,305</b>	<b>(\$2,223,975)</b>	<b>(\$3,648,517)</b>	<b>\$4,965,624</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	<b>8.52%</b>	<b>12.43%</b>	<b>11.67%</b>	<b>11.46%</b>	<b>9.85%</b>	<b>4.64%</b>	<b>4.33%</b>	<b>3.97%</b>	<b>3.97%</b>	<b>2.01%</b>

(1) This schedule reports using the modified accrual basis of accounting.

## **REVENUE CAPACITY**

**CITY OF SHAWNEE, OKLAHOMA  
TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Property Tax (2)</b>	<b>Sales Tax</b>	<b>Use Tax</b>	<b>Hotel/ Motel Tax</b>	<b>Alcoholic Beverage Tax</b>	<b>Franchise Taxes</b>	<b>Cigarette Tax</b>	<b>Other Taxes</b>	<b>Totals</b>
2023	\$ 279,087	\$ 27,581,217	\$ 3,677,075	\$ 547,323	\$ 218,923	\$ 1,970,660	\$ 182,466	\$ 347,275	\$ 34,804,026
2022	203,331	25,867,080	3,243,138	603,589	220,012	1,725,216	203,893	387,089	32,453,348
2021	171,902	24,334,925	2,659,145	497,012	215,071	1,457,288	223,352	403,715	29,962,410
2020	74,767	22,194,482	2,350,767	415,242	196,385	1,422,490	204,260	380,728	27,239,121
2019	60,424	20,356,811	1,772,979	481,194	161,993	1,483,257	173,971	602,704	25,093,333
2018	51,133	18,156,475	1,456,101	468,365	125,082	1,703,962	213,534	529,072	22,703,724
2017	49,131	18,131,600	1,528,805	490,032	123,110	1,553,935	220,827	360,664	22,458,104
2016	74,882	17,950,304	1,580,404	496,772	116,715	1,543,454	213,753	27,323	22,003,607
2015	46,623	17,312,309	1,310,543	506,637	118,209	1,698,127	203,841	26,830	21,223,119
2014	-	17,203,546	1,143,165	578,275	115,514	1,626,635	102,356	45,133	20,814,624

**CITY OF SHAWNEE, OKLAHOMA**  
**SALES & USE TAX RATES**  
**OF DIRECT AND OVERLAPPING GOVERNMENTS**  
**Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>SALES TAX RATES</b>										
General Fund	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
Capital Improvement Fund	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%
Street Improvement Fund	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%
Parks/Public Safety/Street Improvement Fund	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.0000%	0.0000%	0.0000%	0.0000%
2023 Capital Improvement Fund	0.5000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Economic Development Fund	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%
Police Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Fire Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Debt Service										
City of Shawnee Total (1)	4.0000%	3.5000%	3.5000%	3.5000%	3.5000%	3.5000%	3.0000%	3.0000%	3.0000%	3.0000%
Pottawatomie County (3)	1.4995%	1.4995%	1.4995%	1.4995%	1.4995%	1.4995%	1.4995%	1.0000%	1.0000%	1.0000%
State of Oklahoma (3)	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%
Total	9.9995%	9.4995%	9.4995%	9.4995%	9.4995%	9.4995%	8.9995%	8.5000%	8.5000%	8.5000%
<b>Use Tax Rates (3)</b>	4.0000%	3.5000%	3.5000%	3.5000%	3.5000%	3.5000%	3.0000%	3.0000%	3.0000%	3.0000%

(1) The source for City sales tax rate is the City Code.

(2) City sales tax increases must be approved by voters.

(3) The source for other sales tax rates is the State of Oklahoma Tax Commission. The Pottawatomie County 1.4495% sales tax rate



**CITY OF SHAWNEE, OKLAHOMA**  
**Sales Taxes Collected by Category**  
**Last Ten Fiscal Years**

<b>Group</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Agriculture, Forestry, Fishing and Hunting	\$ 163	\$ 4,606	\$ 17,990	\$ 17,604	\$ 823	\$ 508	\$ -	\$ -	\$ 71	\$ -
Mining, Quarrying, and Oil and Gas Extraction	98	112	110	3,912	10,693	389	-	-	840	-
Utilities	1,466,074	1,216,674	1,032,759	1,010,076	998,673	990,298	905,722	880,010	1,007,967	1,044,037
Construction	45,738	26,310	7,598	30,716	5,323	4,505	12,252	7,416	16,440	22,958
Manufacturing	348,544	310,104	288,177	366,652	241,579	313,305	397,362	268,594	342,461	210,527
Wholesale Trade	2,026,049	1,918,229	1,680,064	1,430,054	1,410,140	1,172,023	1,164,915	1,057,215	1,095,325	1,110,617
Retail Trade	16,466,099	15,635,564	15,230,050	13,780,076	12,761,944	11,010,658	11,074,640	11,091,922	10,477,678	10,683,826
Transportation and Warehousing	44,986	38,990	34,231	20,135	22,182	19,858	20,326	13,013	16,389	19,849
Information	599,134	619,067	579,373	557,209	659,093	623,525	659,099	719,841	700,499	641,849
Finance and Insurance	52,565	42,319	47,656	62,383	86,828	64,977	47,983	45,282	45,516	56,526
Real Estate and Rental and Leasing	384,386	290,300	299,975	286,894	236,620	272,369	270,509	221,888	222,174	196,723
Professional, Scientific, and Technical Services	44,454	40,626	37,879	29,176	35,789	30,473	41,226	42,697	33,472	53,242
Administrative and Support and Waste Management and Remediation Services	34,600	13,148	13,540	10,681	11,460	8,534	6,652	8,497	8,600	-
Educational Services	9,186	8,021	2,234	5,965	7,160	5,479	8,461	7,270	7,460	7,515
Health Care and Social Assistance	42,941	140,477	23,837	76,931	30,203	26,392	30,647	28,965	28,003	31,223
Arts, Entertainment, and Recreation	274,450	270,566	247,047	241,370	200,191	87,114	76,510	67,929	64,420	71,776
Accommodation and Food Services	5,080,833	4,899,262	4,455,812	3,915,062	3,734,655	3,256,976	3,159,022	3,097,518	3,021,167	2,950,196
Other Services (except Public Administration)	358,646	334,042	366,510	233,172	175,369	158,579	163,531	158,162	161,421	161,892
Public Administration	17,925	11,453	16,875	6,202	2,248	4,905	-	-	-	-
Unclassified	183,383	87,698	68,776	89,849	76,090	65,611	176,403	343,101	162,624	384,102
	<b>\$27,480,254</b>	<b>\$25,907,568</b>	<b>\$ 24,450,493</b>	<b>\$ 22,174,119</b>	<b>\$ 20,707,063</b>	<b>\$ 18,116,478</b>	<b>\$ 18,215,260</b>	<b>\$ 18,059,320</b>	<b>\$ 17,412,527</b>	<b>\$ 17,646,858</b>
Total Sales Taxes	\$27,480,254	\$25,907,568	\$ 24,450,493	\$ 22,174,119	\$ 20,707,063	\$ 18,116,478	\$ 18,215,260	\$ 18,059,320	\$ 17,412,527	\$ 17,646,858
Percent Change	6.07%	5.96%	10.27%	7.08%	14.30%	-0.54%	0.86%	3.71%	-1.33%	3.70%

The Oklahoma Tax Commission changed the way they are reporting it is now by NAICS CODES beginning in FY 2014  
We matched previous years as best that we could to match to the new codes descriptions.

**CITY OF SHAWNEE, OKLAHOMA**  
**Water and Sewer Rates**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Water Rate Per Gallons In City Limits					Sewer Rate in City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly Base Rate	More than 1,000
2023	\$ 24.94	\$ 4.69	\$ 4.80	\$ 4.94	\$ 5.05	\$ 16.26	\$ 3.60
2022	\$ 23.42	\$ 4.40	\$ 4.51	\$ 4.64	\$ 4.74	\$ 15.27	\$ 3.38
2021	\$ 22.74	\$ 4.27	\$ 4.38	\$ 4.50	\$ 4.60	\$ 14.83	\$ 3.28
2020	\$ 22.25	\$ 4.18	\$ 4.29	\$ 4.40	\$ 4.50	\$ 14.51	\$ 3.21
2019	\$ 22.25	\$ 4.18	\$ 4.29	\$ 4.40	\$ 4.50	\$ 14.51	\$ 3.21
2018	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2017	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2016	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2015	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2014	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
Fiscal Year Ended June 30	Water Rate Per Gallons Outside City Limits					Sewer Rate Outside City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly Base Rate	More than 1,000
2023	\$ 28.99	\$ 7.04	\$ 7.22	\$ 7.40	\$ 7.58	\$ 24.41	\$ 5.24
2022	\$ 27.22	\$ 6.61	\$ 6.78	\$ 6.95	\$ 7.12	\$ 22.92	\$ 4.92
2021	\$ 26.43	\$ 6.42	\$ 6.58	\$ 6.75	\$ 6.91	\$ 22.25	\$ 4.78
2020	\$ 25.86	\$ 6.28	\$ 6.44	\$ 6.60	\$ 6.76	\$ 21.77	\$ 4.68
2019	\$ 25.86	\$ 6.28	\$ 6.44	\$ 6.60	\$ 6.76	\$ 21.77	\$ 4.68
2018	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2017	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2016	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2015	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2014	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35

FY23 Rates per adopted fee schedule as of March 20, 2023.  
FY22 Rates per adopted fee schedule as of May 1, 2022  
FY21 Rates per adopted fee schedule as of August 1, 2020.  
FY19 Rates per adopted fee schedule as of March 1, 2019.  
FY13 Rates per City Ordinance #2484 dated August 12, 2012.  
All utility rates from City Ordinance.

**CITY OF SHAWNEE, OKLAHOMA**  
**Water Utility User Categories**  
**Last Ten Fiscal Years**

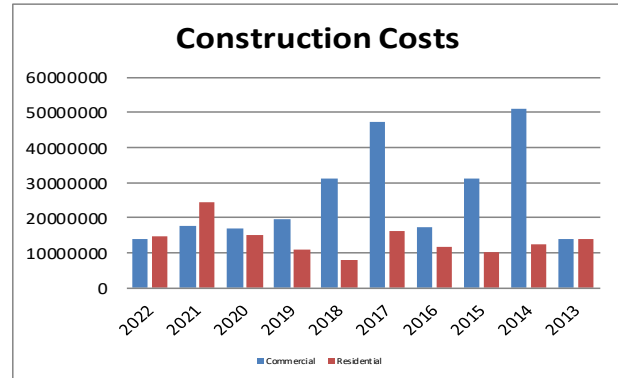
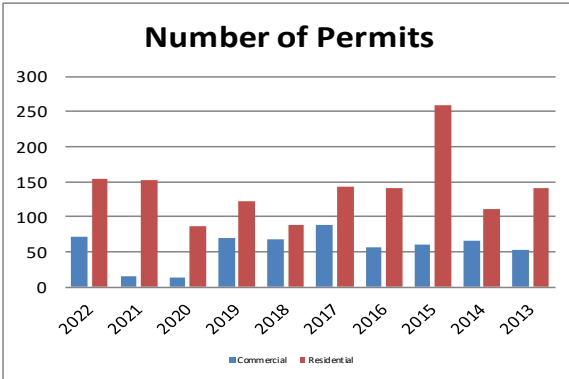
	<b>2023</b>		<b>2022</b>		<b>2021</b>		<b>2020</b>		<b>2019</b>	
	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales
<b>Type of Customer</b>										
Residential										
Builder	1,889,300	18,750	2,070,500	16,154	2,168,100	\$ 17,732	1,133,100	\$ 12,985	621,700	\$ 13,953
Residential	567,258,000	4,871,549	544,942,900	4,661,469	598,842,400	4,822,950	500,626,700	4,328,105	496,634,600	4,085,514
Residential Sprinkler	6,317,000	41,326	5,413,900	37,633	5,703,700	40,003	4,365,300	33,407	4,441,900	32,016
Commercial										
Commercial	393,930,300	2,153,546	397,191,200	2,116,526	432,460,305	2,264,627	374,679,961	1,971,134	450,698,281	2,182,531
Commercial Sprinkler	23,827,900	143,652	19,379,800	119,038	18,102,300	117,443	15,567,200	103,984	16,578,800	99,208
Schools	10,203,200	55,297	7,433,000	41,338	6,578,600	37,607	9,865,000	39,228	8,677,200	43,479
Schools Sprinkler	9,981,600	48,176	8,904,800	42,209	8,759,400	41,176	4,765,300	23,199	4,012,600	18,796
G Rate	17,853,600	86,102	15,896,000	75,072	18,041,000	83,754	6,680,800	32,892	3,380,300	16,797
Government	103,022,800	-	124,959,800	-	305,485,400	-	44,485,100	-	59,946,400	-
Total	<u>1,134,283,700</u>	<u>\$ 7,418,398</u>	<u>1,126,191,900</u>	<u>\$ 7,109,439</u>	<u>1,396,141,205</u>	<u>\$ 7,425,292</u>	<u>962,168,461</u>	<u>\$ 6,544,934</u>	<u>1,044,991,781</u>	<u>\$ 6,492,294</u>
Average Rate per Thousand		6.540%		6.313%		5.318%		6.802%		6.213%

	<b>2018</b>		<b>2017</b>		<b>2016</b>		<b>2015</b>		<b>2014</b>	
	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales	Consumption Gallons	Sales
<b>Type of Customer</b>										
Residential										
Builder	1,682,700	\$ 17,896	1,372,500	\$ 14,974	1,265,000	\$ 11,382	1,080,200	\$ 13,263	2,590,300	\$ 10,045
Residential	527,524,200	4,114,993	502,400,600	3,951,276	525,824,300	4,103,796	525,751,600	4,097,304	1,151,352,700	4,195,903
Residential Sprinkler	7,273,000	42,982	7,059,100	39,040	7,065,170	42,559	5,790,000	37,778	16,547,400	53,118
Commercial										
Commercial	420,378,713	2,010,921	415,199,350	1,972,588	461,629,130	2,162,858	444,395,900	2,097,682	1,169,695,000	1,502,194
Commercial Sprinkler	21,337,600	114,036	19,621,900	104,362	19,388,100	105,416	17,564,800	96,270	39,439,200	102,223
Schools	6,958,100	35,208	7,980,000	39,040	7,840,100	38,950	8,401,400	41,197	18,495,400	44,364
Schools Sprinkler	7,076,800	30,730	5,639,000	24,892	7,801,200	33,708	6,667,300	29,199	16,947,600	40,610
G Rate	3,227,600	15,643	1,619,500	8,616	2,305,500	11,550				1,875,814
Government	29,644,400	-	1,024,415,200	-	23,315,500	-	2,048,100	10,528	7,414,000	11,303
Total	<u>1,025,103,113</u>	<u>\$ 6,382,408</u>	<u>1,985,307,150</u>	<u>\$ 6,154,788</u>	<u>1,056,434,000</u>	<u>\$ 6,510,219</u>	<u>1,011,699,300</u>	<u>\$ 6,423,221</u>	<u>2,422,481,600</u>	<u>\$ 7,835,574</u>
Average Rate per Thousand		6.226%		3.100%		6.162%		6.349%		3.235%

Information from City of Shawnee Utility Billing Department.

2016 was the first year of the city's new aquatic facility causing an increase in government usage.

**CITY OF SHAWNEE, OKLAHOMA**  
**Construction Permits**  
**Last Ten Fiscal Years**



Commercial Construction (1)		
Year	Commercial Number of Permits	Commercial Construction Cost
2023	126	\$ 107,156,799
2022	72	\$ 14,064,982
2021	16	\$ 17,500,600
2020	14	\$ 16,931,776
2019	69	\$ 19,479,350
2018	68	\$ 31,090,857
2017	89	\$ 47,119,560
2016	57	\$ 17,215,614
2015	60	\$ 31,339,602
2014	66	\$ 51,016,380

Residential Construction (1)		
Residential Number of Permits	Residential Construction Cost	Average Cost
229	\$25,232,829	\$110,187
154	\$14,771,025	\$95,916
153	\$24,535,306	\$160,361
87	\$15,078,940	\$173,321
123	\$10,842,456	\$88,150
88	\$7,947,514	\$90,313
143	\$16,147,446	\$112,919
140	\$11,764,316	\$84,031
259	\$10,236,707	\$39,524
111	\$12,289,904	\$110,720

(1) The source of this information is the City of Shawnee Permits Department.

# **DEBT CAPACITY**

**CITY OF SHAWNEE, OKLAHOMA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES				
FISCAL YEAR	GENERAL OBLIGATION BONDS		NOTE PAYABLE	NOTE PAYABLE	BOND PREMIUM	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
2023	\$	-	\$ 16,925,364	\$ 53,304,373	\$ -	70,229,737	1.20%	2,208.27
2022		-	20,146,175	17,667,635	43,695	37,857,505	1.97%	1,198.93
2021		-	23,115,000	13,457,456	174,779	36,747,235	1.98%	1,171.15
2020		-	9,339,678	12,816,059	305,863	22,461,600	3.06%	714.52
2019		-	12,324,963	10,415,637	436,947	23,177,547	2.90%	737.34
2018		-	4,899,594	11,775,580	568,030	17,243,204	3.77%	551.15
2017		-	6,105,977	13,239,477	699,114	20,044,568	3.29%	641.34
2016		-	3,589,766	15,364,719	830,199	19,784,684	3.16%	638.73
2015		-	4,481,184	17,717,966	961,283	23,160,433	2.57%	710.28
2014		-	5,406,377	20,074,847	1,092,367	26,573,591	2.26%	822.64

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
See the Demographic Statistic for personal income and population data.

**CITY OF SHAWNEE, OKLAHOMA**  
**DEBT COVERAGE**  
**Last Ten Fiscal Years**

Fiscal Year				Net Revenue Available for Debt Service	Bond Indenture Requirement		
	Gross Revenue	Direct Operating Expenses (1)			Maximum Annual Debt Service	Calculated Coverage	Required Coverage
2023	\$ 12,926,232	\$ 6,157,847		6,768,385	\$ 4,016,786	1.69	1.25
2022	12,069,912	5,760,192		6,309,720	3,529,861	1.79	1.25
2021	11,015,711	5,445,293		5,570,418	2,372,627	2.35	1.25
2020	10,288,520	6,703,504		3,585,016	2,420,560	1.48	1.25
2019	10,742,135	4,639,697		6,102,438	1,888,569	3.23	1.25
2018	10,135,614	5,975,433		4,160,181	1,891,489	2.20	1.25
2017	10,085,537	5,909,641		4,175,896	2,578,213	1.62	1.25
2016	10,159,914	5,696,784		4,463,130	817,474	5.46	1.25
2015	10,141,490	4,891,570		5,249,920	1,257,658	4.17	1.25
2014	10,760,193	5,958,355		4,801,838	1,312,789	3.66	1.25

(1) Direct operating expenses exclude amortization, depreciation and bad debt expenses.

# **DEMOGRAPHIC AND ECONOMIC INFORMATION**



**CITY OF SHAWNEE, OKLAHOMA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population (3)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1)</b>	<b>Unemployment Rate (2)</b>
2023	31,803	845,228,331 \$	26,577	2.7
2022	31,576	747,025,008	23,658	3.1
2021	31,377	726,001,026	23,138	3.7
2020	31,436	687,065,216	21,856	7.1
2019	31,434	673,190,544	21,416	3.8
2018	31,232	650,343,936	20,823	4.4
2017	31,465	663,093,410	21,074	4.4
2016	31,286	658,977,018	21,063	5.0
2015	31,254	625,173,762	20,003	4.8
2014	30,975	596,113,875	19,245	4.8

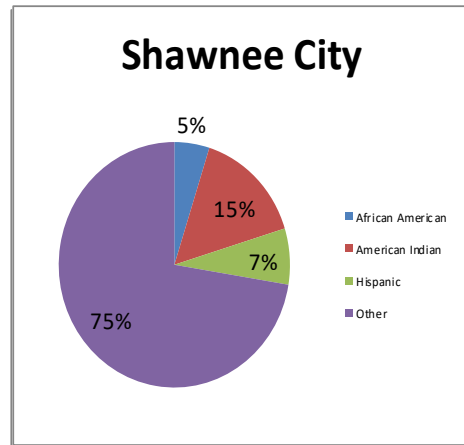
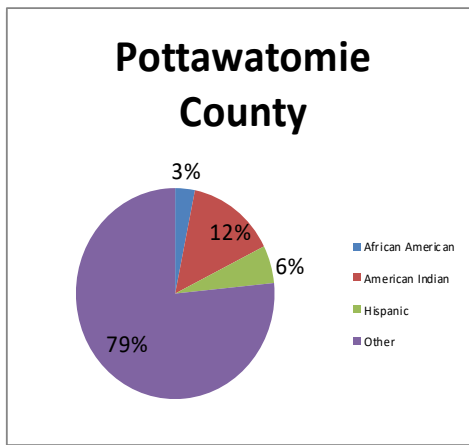
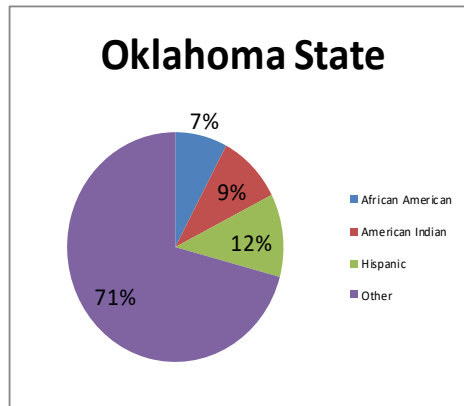
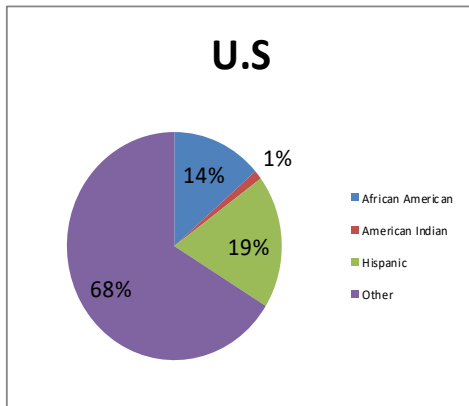
(1) Information obtained from the U.S. Census Bureau and the Oklahoma Department of Commerce.

(2) Information obtained from the Oklahoma Employment Security Commission, for the Oklahoma City metropolitan area

# CITY OF SHAWNEE, OKLAHOMA

## Ethnic Demographic Statistics

	Comparative Ethnic Percentage Population			
	U.S	Oklahoma State	Pottawatomie County	Shawnee City
African American	13.60%	7.80%	3.20%	4.90%
American Indian	1.30%	9.70%	14.40%	15.30%
Hispanic	18.90%	11.70%	5.80%	7.40%
Other	66.20%	70.80%	76.60%	72.40%
	100.00%	100.00%	100.00%	100.00%



Data provided by the U.S. Census Bureau, 2020: DEC Redistricting Data (PL 94-171)

**CITY OF SHAWNEE, OKLAHOMA**  
**PRINCIPAL EMPLOYERS**  
Current year and Ten years ago

	2023			2013		
	Employees	RANK	% of Total Employment	Employees	RANK	% of Total Employment
Citizens Potawatomi Nation*	2,350	1	37.98%	2,200	1	36.78%
SSM Health (St Anthony)	670	2	10.83%	497	3	8.31%
Georg Fischer	630	3	10.18%	414	5	6.92%
Shawnee Public Schools	529	4	8.55%	490	4	8.19%
Walmart	350	5	5.66%	400	6	6.69%
Oklahoma Baptist**	717	6	11.59%	352	7	5.89%
City of Shawnee	300	7	4.85%	-	-	-
Danfoss (formerly Eaton Corporation)	209	8	3.38%	352	8	5.89%
Exxon Mobil (Jindal Films)	163	9	2.63%	350	9	5.85%
Shawnee Milling	270	10	4.36%	-	-	-
Wolverine Tube	-	-	-	600	2	10.03%
Absentee Shawnee	-	-	-	326	10	5.45%
	<u>6,188</u>		<u>100.00%</u>	<u>5,981</u>		<u>100.00%</u>

Source: Shawnee Forward

\* Numbers include Firelake Grand Casino, Citizen Potawatomi Nation, and Firelake Entertainment.

\*\* Numbers include Oklahoma Baptist University and OBU Catering Service.

\*\*\* Numbers include Shawnee Middle School, Shawnee High School, Shawnee Learning Center, and Shawnee/Head Start Cooperative.

**CITY OF SHAWNEE, OKLAHOMA**  
**Full-Time Equivalent City Government Employees by Function / Program**  
**Last Ten Fiscal Years**  
**Full-Time Equivalent Employees as of June 30,**

<b>FUNCTION / PROGRAM</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government:										
Management Services	14.0	13.0	11.5	9.5	8.0	10.5	10.0	9.0	11.0	10.0
Finance	6.0	5.0	6.0	5.5	4.5	7.0	6.5	7.0	9.0	7.0
Planning	3.0	2.0	8.0	7.0	8.0	8.0	9.0	9.0	8.0	9.0
Other	10.0	9.5	8.0	6.5	18.5	10.5	10.5	11.0	13.0	13.0
Police:										
Officers	79.0	77.0	72.0	72.0	63.0	66.0	61.0	58.0	61.0	60.0
Civilians	16.5	15.5	19.5	21.5	19.0	22.0	24.0	27.0	25.0	27.0
Fire:										
Firefighters and Officers	56.0	51.0	52.0	50.0	51.0	54.0	53.0	54.0	53.0	54.0
Civilians	1.0	1.0	3.0	3.0	3.0	3.5	3.0	3.0	3.0	3.0
Other Public Works:										
Engineering	3.0	3.0	3.0	1.0	4.0	4.0	4.0	4.0	3.0	3.0
Other	36.0	34.0	28.0	29.0	22.0	26.0	24.0	26.0	24.0	26.0
Redevelopment	1.0	2.0	1.0	1.5	3.0	2.0	1.5	2.0	1.5	1.5
Parks and Recreation	20.5	31.0	38.0	38.5	73.0	52.5	59.0	43.0	37.5	21.0
Water	25.0	25.0	21.0	21.5	22.5	35.0	40.5	40.0	40.0	40.5
Wastewater	23.0	16.0	19.0	18.0	17.0	26.0	26.0	27.0	23.0	19.5
Total	<u>294.0</u>	<u>285.0</u>	<u>290.0</u>	<u>284.5</u>	<u>316.5</u>	<u>327.0</u>	<u>332.0</u>	<u>320.0</u>	<u>312.0</u>	<u>294.5</u>

Source: City of Shawnee Human Resources Department

**CITY OF SHAWNEE, OKLAHOMA**  
**Operating Assets by Function / Program**  
**Last Ten Fiscal Years**

FUNCTION / PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:									
Stations	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	1	1	1	2	2	2
Patrol Units	74	74	70	38	37	57	71	71	69
Gun Range	1	1	1	1	1	1	1	1	1
Fire:									
Stations	3	3	3	3	3	3	4	4	3
Engines/vehicles	20	20	20	22	18	18	18	18	18
Other Public Works:									
Streets (miles)	225	225	225	225	225	225	191	191	191
Highway Interstate (miles)	20	20	3	3	3	3	2.5	2.5	2.5
Traffic Signals	43	39	43	43	43	44	49	49	48
Culture and Recreation									
Acerage	137	137	137	137	137	137	137.36	137.36	137.36
Playgrounds	35	33	33	33	33	33	33	33	33
Baseball/Softball Diamonds	9	9	9	9	9	9	9	9	9
Community Centers	2	2	2	1	1	1	1	1	1
Municipal Pool	1	1	1	1	1	1	1	1	1
Splash Pads	2	2	2	2	2	2	2	2	2
Park and Recreation Reservations	8025	284	95	101	156	222	380	380	380
Municipal Airport									
Terminals	1	1	1	1	1	1	1	1	1
Feet of runway	5,997	5,997	6,000	6,000	6,000	6,000	6,000	6,000	6,000
T-Hangers	10	28	28	28	28	28	28	28	28
Box Hangers	6	7	7	7	7	6	4	4	4
Vehicles	4	4	4	4	5	5	3	3	3
Aircraft Tug	2	2	2	2	2	2	1	1	0
Weatherstation	1	1	1	1	1	1	1	1	1
Water:									
Water Mains (miles)	285	285	285	285	285	218	218	218	217
Fire Hydrants	1,708	1,708	1,550	1,550	1,550	1,404	1,374	1,374	1,415
Storage Capacity (thousands of gallons)	3,500	3,500	3.5m	3.5m	3.5m	2.5m	2.5m	2.5m	2.5m
Water Towers	5	5	4	4	4	4	3	3	3
Wastewater:									
Sanitary Sewers (miles)	186	186	200	200	200	220	220	220	200
Treatment Capacity (thousands of gallons)	6,000	6,000	1.3m	1.3m	1.3m	6m	6m	6m	6m
Manholes *	3,617	3,617	2,810	2,810	2,810	3,575	3,526	3,526	-
Plants	2	2	2	2	2	2	2	2	2

Information from City of Shawnee departments.

**CITY OF SHAWNEE, OKLAHOMA**  
**Operating Indicators**  
**Last Ten Fiscal Years**

FUNCTION / PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Aiport- **										
Takeoffs	2,555	4,591	1,443	1,000	9,182	3,120	9,445	8,640	8,456	-
Fuel Sales	41,172	68,279	56,668	49,395	70,170	56,802	74,923	73,378	51,141	-
Police:										
Physical Arrests	2,052	2,728	1,514	1,127	1,645	2,188	1,062	2,118	2,255	2,067
Total Parking and Traffic Citations	5,000	5,764	4,689	2,337	4,946	3,819	2,884	4,832	5,302	5,566
Fire:										
Emergency Responses	6,293	5,956	5,889	5,138	5,665	5,494	5,587	5,368	5,265	4,637
Fires Extinguished	382	363	305	291	156	271	288	256	214	301
Inspections	489	243	144	418	142	159	133	224	333	297
Culture and Recreation										
Attendance-Pool	29,981	31,417	22,196	19,102	28,899	32,445	41,242	34,904	28,588	-
Park and Recreation Reservations	8,025	284	95	101	156	222	268	240	380	392
Community Development										
Building Permits	355	226	169	101	192	199	232	197	319	177
Building Inspections	4,240	3,404	3,820	2,160	1,536	2,332	3,675	3,321	2,834	2,460
Streets:										
Street Resurfacing (Lane Blocks)	2	1	10	-	-	-	142	195	187	98
Potholes Repaired	646	1,512	1,209	830	950	1,000	3,900	3,900	2,925	3,900
Economic Development: ***										
Home loans	16	16	19	19	18	19	54	55	-	-
New loans	-	-	-	1	-	-	6	11	-	-
First time homebuyers	-	-	1	1	-	-	1	2	-	-
Water:										
New Connections	4	13	-	-	-	-	164	835	738	60
Water Main Breaks	62	80	136	59	75	84	69	107	70	117
Average Daily Consumption (thousands of gallons)	4,500	3,000	3.80	3.60	3.00	2.81	3	4,590	3,609	3,914
Peak Daily Consumption (thousands of gallons)	6,500	5,000	7.7	4.3	3.5	5,280	4,400	4,962	5,502	5,881
Wastewater:										
Average Daily Sewer Treament (thousands of gallons)*	2,280	2,160	3.6	3.4	3.77	3.69	4.04	3.39	2.24	2.819
Sanitation: ***										
Large polycarts	11,783	11,529	11,543	11,412	11,365	11,266	9,518	11,018	-	-
Small polycarts	820	765	760	712	650	607	592	536	-	-
Recycle bins	10,556	10,537	10,407	10,444	10,413	10,395	10,357	10,194	-	-

\* MGD Million gallons per day

\*\*Began record keeping in 2015, 2019 numbers included take offs and landings

\*\*\* Began tracking information in 2016

Information from City of Shawnee departments. Information has been provided for all functions that track operating data.

**CITY OF SHAWNEE, OKLAHOMA**  
**SINGLE AUDIT REPORTS**  
**AND SUPPLEMENTARY SCHEDULES**

**June 30, 2023**

**City of Shawnee, Oklahoma**

June 30, 2023

PAGE

**SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:**

**Reports related to financial statements of the reporting entity  
Required by GAO *Government Auditing Standards*:**

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 <i>Government Auditing Standards</i>	1
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**Reports related to Federal Assistance Programs Required by the Uniform Guidance:**

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9
Summary Schedule of Prior Audit Findings and Questioned Costs	11



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*

To the Honorable Mayor and Members of the City Council  
City of Shawnee, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Shawnee, Oklahoma (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 11, 2024. Our report on the financial statements includes a change in accounting principle paragraph for the adoption of GASB No. 96 and an emphasis-of-matter paragraph describing a prior period adjustment in Note II.D.5 to the financial statements.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

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## City of Shawnee's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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 communication is not suitable for any other purpose.

*Arledge & Associates PC*

Oklahoma City, Oklahoma  
September 11, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Shawnee, Oklahoma (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, Cost Principles, and *Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 11, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Arlidge & Associates PC*

Oklahoma City, Oklahoma  
September 11, 2024



**CITY OF SHAWNEE, OKLAHOMA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Federal Expenditures (\$)</i>
<b><i>CDBG - Entitlement Grants-Cluster</i></b>				
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants				
Community Development Block Grants/Entitlement Grants	14.218			\$ 652,037
Total Community Development Block Grants/Entitlement Grants				652,037
<i>Total Department of Housing and Urban Development</i>				652,037
<b><i>Total CDBG - Entitlement Grants-Cluster</i></b>				<b>652,037</b>
<b><i>Highway Safety Cluster-Cluster</i></b>				
Department of Transportation				
State and Community Highway Safety				
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office	PT23-03-33-17	29,849
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office	PT22-03-26-16	5,868
Total State and Community Highway Safety				35,717
<i>Total Department of Transportation</i>				35,717
<b><i>Total Highway Safety Cluster-Cluster</i></b>				<b>35,717</b>
<b><i>Drinking Water State Revolving Fund Cluster-Cluster</i></b>				
United States Environmental Protection Agency				
Drinking Water State Revolving Fund				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Oklahoma Water Resources Board	ORF-20-2016-DW	990,025
Total Drinking Water State Revolving Fund				990,025
<i>Total United States Environmental Protection Agency</i>				990,025
<b><i>Total Drinking Water State Revolving Fund Cluster-Cluster</i></b>				<b>990,025</b>
<b><i>Other Programs (Treated individually for major program determination)</i></b>				
Department of Housing and Urban Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Oklahoma Department of Commerce	B-20-DW-40-001/18222-001-CDBG-COVID	823,516
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				823,516
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	Oklahoma Department of Commerce	18475 ESGCR 20	112,206
Total Emergency Solutions Grant Program				112,206
<i>Total Department of Housing and Urban Development</i>				935,722
United States Department of Justice				
Public Safety Partnership and Community Policing Grants				
Public Safety Partnership and Community Policing Grants	16.710			133,911
Total Public Safety Partnership and Community Policing Grants				133,911
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program	16.738			21,824
Total Edward Byrne Memorial Justice Assistance Grant Program				21,824
<i>Total United States Department of Justice</i>				155,735
Department of Transportation				
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs				
Airport Improvement Program	20.106			113,169
Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs				113,169
<i>Total Department of Transportation</i>				113,169

Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Oklahoma Water Resources		793,844
		Board	ARP23-0015-DPG	
Coronavirus State and Local Fiscal Recovery Funds	21.027	Oklahoma Water Resources		274,271
		Board	ARP-23-0092-G	
Coronavirus State and Local Fiscal Recovery Funds	21.027			<u>143,290</u>
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS				<u>1,211,405</u>
Total Department of the Treasury				<u>1,211,405</u>
Department of Health and Human Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services				
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Central Oklahoma Economic Development District	Senior Fitness Program	2,509
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	Central Oklahoma Economic Development District	Senior Fitness Program	<u>18,180</u>
Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services				<u>20,689</u>
Total Department of Health and Human Services				<u>20,689</u>
Department of Homeland Security				
National Dam Safety Program				
National Dam Safety Program	97.041	Oklahoma Water Resources Board	EMW-021-GR-00165	<u>7,150</u>
Total National Dam Safety Program				<u>7,150</u>
Emergency Management Performance Grants				
Emergency Management Performance Grants	97.042	Oklahoma Department of Emergency Management	2022	22,500
Emergency Management Performance Grants	97.042	Oklahoma Department of Emergency Management	2021	12,500
Emergency Management Performance Grants	97.042	Oklahoma Department of Emergency Management	2022	800
Emergency Management Performance Grants	97.042	Oklahoma Department of Emergency Management	2022	<u>398</u>
Total Emergency Management Performance Grants				<u>36,198</u>
Total Department of Homeland Security				<u>43,348</u>
Total Other Programs (Treated individually for major program determination)				<u>2,480,068</u>
Total Expenditures of Federal Awards				<u><u>\$ 4,157,847</u></u>

The accompanying notes are an integral part of this schedule

## **CITY OF SHAWNEE, OKLAHOMA**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2023**

#### **NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

#### **NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The expenditures are recorded upon the disbursement of funds that meet federal award requirements.

#### **NOTE C – INDIRECT COST RATE**

The City does not have an indirect cost rate and had no indirect cost charged to the federal grants during the year ended June 30, 2023. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **NOTE D—SUBRECIPIENTS**

During the year ended June 30, 2023, the City did not provide federal awards to subrecipients.

#### **NOTE E—SUBSEQUENT EVENTS**

The City has evaluated the effects of all subsequent events through the date the SEFA was available to be issued, for potential recognition or disclosure in this SEFA. The City is not aware of any subsequent events which would require recognition or disclosure in the SEFA.



**CITY OF SHAWNEE, OKLAHOMA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**June 30, 2023**

**Section I--Summary of Auditor's Results**

*Financial statements*

Type of auditor's report issued on whether the financial statements  
were in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified?  
reported ☐ yes ☒ none

Noncompliance material to financial statements noted? ☒ yes ☐ no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified?  
reported ☐ yes ☒ none

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in  
accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

14.288

Community Development Block Grants/State's  
Program and Non-Entitlement Grants in Hawaii

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

## **CITY OF SHAWNEE, OKLAHOMA**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**June 30, 2023**

#### **Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards* and Uniform Guidance:**

##### **A. Internal Control Findings**

*There are no findings requiring reporting under this section.*

##### **B. Compliance Findings**

###### **2023-001 – Filing with the State Auditor and Federal Audit Clearinghouse**

**Criteria:** In order to comply with filing of reports with the Oklahoma State Auditor and Inspector (State Auditor), management needs to appropriately monitor the timing of the submission of the filing of the audit report within six months after the end of the fiscal year. Additionally, the Federal Audit Clearinghouse (FAC) submission should occur the earlier of nine months subsequent to year end or 30 days from report issuance.

**Condition:** The City did not submit its audit report to the State Auditor prior to the deadline of six months after the end of the fiscal year ending June 30, 2023. Additionally, the City did not submit its audit report to the FAC within nine months from year ending June 30, 2023.

**Cause and Effect:** A change in key personnel over the City's financial reporting and a natural disaster which occurred after year end resulted in a delayed financial reporting close out of fiscal year 2023. As a result, the City was not in compliance with its required deadline to provide the State Auditor and the FAC with its issued audit report within the established deadlines.

**Recommendation:** We recommend the internal controls for reporting with the State Auditor and FAC be reviewed to ensure that future filings are completed within the established deadlines.

**Management Response:** Management recognizes the need to submit its single audit reports to the State Auditor and FAC in accordance with the required deadlines in order to remain compliant with requirements. Management will make an effort to correct their timeliness and file within the appropriate deadlines going forward.

#### **Section III--Findings Required to be Reported in Accordance with the Uniform Guidance:**

##### **A. Internal Control**

*There are no findings requiring reporting under this section.*

##### **B. Compliance Findings**

*See finding 2023-001 above.*

**Questioned Costs:** *None*

**CITY OF SHAWNEE, OKLAHOMA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**June 30, 2023**

**Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:**

**A. Internal Control Findings**

*No findings to report under this section.*

**B. Compliance Findings**

*No findings to report under this section.*

**Section III--Findings Required to be Reported in Accordance with the Uniform Guidance:**

**A. Internal Control**

*No findings to report under this section.*

**B. Compliance Findings**

*No findings to report under this section.*



**Corrective Action Plan**  
**For the Year Ended June 30, 2023**

**2023-001 – Filing with the State Auditor and Federal Audit Clearinghouse**

**Condition:** The city did not submit its audit report to the State Auditor prior to the deadline of six months after the end of the fiscal year ending June 30, 2023. Additionally, the city did not submit its audit report to the FAC within nine months from the year ending June 30, 2023.

In conjunction with our FY2023 single audit, please see the City's corrective action plan below:

Management recognizes the need to submit its single audit reports to the State Auditor and FAC in accordance with the required deadlines to remain compliant with requirements. Management will make an effort to correct their timeliness and file within the appropriate deadlines going forward.

Expected completion date: 09/16/2024

Party Responsible: Kimberly Smith, Finance Director/Treasurer

Contact Information: [Kimberly.Smith@shawneeok.org](mailto:Kimberly.Smith@shawneeok.org)