Annual Comprehensive Financial Report City of Owasso, Oklahoma Year Ended June 30, 2022



Annual Comprehensive Financial Report

City of Owasso, Oklahoma Year Ended June 30, 2022

> City Manager Warren Lehr

Assistant City Manager Chris Garrett

PREPARED BY:

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CITY OF OWASSO, OKLAHOMA ANNUAL COMPREHENSIVE FINANCIAL REPORT Year ended June 30, 2022

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INTRODUCTORY SECTION



DEPARTMENT OF FINANCE 200 South Main Owasso, Oklahoma 74055

December 20, 2022

Honorable Mayor, City Council, and Citizens of the City of Owasso, Oklahoma:

We are pleased to submit to you the Annual Comprehensive Financial Report (the Report) of the City of Owasso, Oklahoma (the City) for the year ended June 30, 2022. The Report is provided to give full disclosure of the financial position and fiscal activities of the City and its Trust Authorities.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. The Report has been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP), based upon a comprehensive framework of internal control that it has established for this purpose. The objective of a system of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Oklahoma state law, municipalities are required to publish a complete set of audited financial statements. This report fulfills that requirement for the year ended June 30, 2022. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

INDEPENDENT AUDITORS' REPORT

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants, BT&Co., P.A. After examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation, the independent firm concluded that there was a reasonable basis to render an unmodified opinion on the financial statements of each opinion unit that collectively comprise the City's basic financial statements, concluding that the basic financial statements are fairly presented in conformity with the accounting principles generally accepted in the United States of America (U.S. GAAP). The independent auditor's report can be found on the pages prior to the MD&A in the Financial Section of this report.

Grant awards did meet the threshold required for audit under the provisions of the Single Audit Act of 1996, as amended in the OMB Uniform Grant Guidance. Information related to this single audit is included in a separately issued single audit report. The single audit report can be found at https://www.cityofowasso.com/304/Finance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's discussion and analysis immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF OWASSO

The City of Owasso is located approximately 15 miles northeast of Tulsa, Oklahoma. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. It has an elevation of 700 feet above sea level. The average daily temperature is 61 degrees and the average annual rainfall is 39 inches. With its temperate climate, the City experiences all four seasons of the year. The City of Owasso is known as the "City of Character." Each month a positive character trait is displayed on banners in the community and is presented and discussed at City Council, City staff meetings, and various community meetings.

The City was originally settled in 1881 in Indian Territory, incorporated in 1904 and was chartered as a city in 1972. Owasso's population is projected, based on the Census, to be 38,732 people in 2021-22, representing a 1.3% increase over 2021. Owasso's municipal boundaries contain portions of Tulsa and Rogers Counties, with approximately 90% of the City's population residing in Tulsa County.

Under a Council-Manager form of government, the City Manager, serving as the chief executive of the City, is responsible for City operations. The City Council, the legislative branch of the government, consists of five members with a three-year elected term. Per City Ordinance No. 1015, Owasso has established five City Council Ward boundaries as required by State Statute in Title 11 Section 20-101. All five Council members are elected at large. Each Council member has an opportunity to be elected by Council vote as Mayor or Vice-Mayor for a two-year term.

MISSION, VISION, VALUES

Public service is about removing the obstacles standing in the way of people celebrating their lives. To achieve this, we must provide quality services that better the lives of the citizens of Owasso.

Our vision is to create a community where governmental services are dependable, efficient, and provided with excellence; where public servants are empowered to remove obstacles for citizens; and where departments are interdependent, united in a common purpose, creative, responsible, committed to positive change, focused on results, responsive to needs, and passionate about the individual's role to make a difference.

Our core values are creativity, accountability, responsiveness, teamwork, integrity, respectfulness, and excellence.

SERVICES

The City provides a full range of basic municipal services, including police and fire protection, ambulance service, street construction, parks, neighborhood revitalization, land use regulation, and other infrastructure, recreational activities, and cultural events. The following services are provided through an array of legally separate entities incorporated into this report as component units:

Service

Enterprise Fund

Water, sewer, and refuse Golf Economic Development Owasso Public Works Authority Owasso Public Golf Authority Owasso Economic Development Authority

BUDGETARY PROCESS AND CONTROLS

The City Manager prepares the annual proposed budget and presents it by June 1st to the City Council. The Council reviews, refines, changes, and adopts it according to the policies and priorities it wishes to see implemented. Governmental funds with legal annually appropriated budgets are as follows:

General Fund <u>Special Revenue Funds:</u> Half-Penny Sales Tax Fund Ambulance Service Fund E-911 Fund Cemetery Fund Emergency Siren Fund Juvenile Court Fund Hotel Tax Fund Stormwater Management Fund Federal Grants Fund Capital Project Funds: Vision Recapture Tax Fund Capital Improvements Fund Ambulance Capital Fund Tax Incremental Financing Fund Park Development Fund Capital Projects Grant Fund

<u>Debt Service Fund:</u> Sinking Fund

The City maintains a system of budgetary controls with the objective of maintaining compliance with the City Charter and the Oklahoma Municipal Budget Act. The legal level of budgetary control is the level at which expenditures cannot exceed appropriations. The level of control is by department within a fund. Expenditure categories are personal services, materials and supplies, other services, debt service, and capital outlay. Expenditures are cash outlays plus encumbrances. Encumbrances not liquidated within 90 days of year-end are closed and re-appropriated by Council for the following year and are classified as assigned fund balance in the General fund.

THE LOCAL ECONOMY AND FACTORS AFFECTING ECONOMIC CONDITIONS

Revenue Outlook

Sales and Use tax collections for FY 2021-22 increased by \$4.3 million or 9.8% totaling \$48.1 million compared to \$43.8 million in FY 2020-21. The FY 2021-22 increase is primarily attributable to a growing community, retailers who attracted shoppers from surrounding communities, and increased collections related to online sales.

Owasso's economic outlook is positive based on the following:

- 6.2% projected gain in sales tax base
- 15.1% projected gain in use tax base
- 1% projected population growth
- 2.5% Unemployment--below state and national average
- Increases in building permits

The City is expected to consistently rise and outpace both the state and Tulsa region on most economic measures throughout 2022-23.

Water rates were increased according to the five-year plan approved by Council in 2021. Consistent, planned increases were needed to fund increased labor and material costs and planned debt service for upgrades to the wastewater treatment plant, Coffee Creek Lift Station, and the Ranch Creek sewer interceptor.

The City of Owasso leadership, staff, and Economic Development team have prepared a strategic plan that will take our City far into the future. The City seeks to lay the foundation for a future in which Owasso attracts both residents and jobs, encourages sustainable living practices, and provides an array of amenities to those who live and work in the area.

Community Outlook:

Owasso's retail sector is among the strongest in the state. The current outlook suggests that Owasso's taxable retail sales and use taxes will continue to grow in 2022-23. Currently, Owasso is ranked twentieth in Oklahoma's largest retail markets.

Owasso's population continues to grow at a more modest growth rate. Double digit growth of recent years is not expected to return due to a decline in available undeveloped land within City limits. However, new developments in the county continue to contribute to growth in sales tax collections for Owasso.

There are currently nine hotels located in the City of Owasso. FY 2021-22 Hotel tax revenues increased 36% over FY 2020-2021. Owasso is not considered a tourist destination and thus has not been as affected by the pandemic as many larger cities. Also, Owasso has a number of significant street, stormwater, and wastewater projects in process which draw out of the area construction crews who require local lodging.

During fiscal year 2021-22, there were 252 residential building permits and 619 multi-family building permits issued. The combined construction value of these permits is \$111.4 million. With residential building permits at a ten-year high, the outlook for local construction is positive.

There were 28 commercial permits issued in fiscal year 2021-22 with a total construction value of \$45.1 million. The outlook for commercial development within the City is also positive.

Economic forecasting estimates a 2.9% increase in jobs located in Owasso.

DEBT

The City of Owasso has no outstanding General Obligation debt and, therefore, has not been bond rated in recent years. All current financing has been provided via the Owasso Public Works Authority.

LONG-TERM FINANCIAL PLANNING

The City utilizes a five-year Capital Improvement Program (CIP) and utilizes a citizen-involved CIP committee who makes recommendations to Council on funding priorities.

CAPITAL IMPROVEMENTS PLAN (CIP)

The Capital Improvement Committee was established in 1988 under Ordinance No. 395. The purpose of the committee is to develop, prioritize, and recommend the capital improvement needs of the City, creating a more planned process than had existed before it was established. Since that time, the City has developed and adopted several infrastructure master plans that help provide insight into the present and future needs of the City. The committee is comprised of 2 City Council members; 1 Owasso Economic Development Authority representative; 1 Planning Commissioner; 6 citizens at large; the City Manager; the Assistant City Manager; and the Finance Director. The Committee meets quarterly to discuss and plan for the City's capital needs primarily in Streets, Water, Sewer, Stormwater, Facilities, and Parks. However, capital needs extend beyond infrastructure and may include large equipment purchases that exceed the City's ability to provide through General and Half-Penny Funds revenues.

The process of adding projects to the list eligible for capital improvement funding is as follows (established by Resolution 2003-14):

Recommendation approved by the Capital Improvement Committee Public Hearing at Owasso City Council Meeting Consideration and action by the Owasso City Council (at least 2 weeks following the public hearing)

Additional information on history and process can be found at <u>http://cityofowasso.com/DocumentCenter/View/1045</u>

Current list of projects eligible for Capital Improvement funds <u>http://weblink.cityofowasso.com/WebLink8/0/doc/189147/Page1.aspx</u>

FINANCIAL POLICIES

The City has established an operating reserve in the General Fund to provide for revenue shortfalls or to meet unexpected increases in service delivery costs. Because the Half-Penny Sales Tax fund, approved in 2015, is also utilized for operational activities such as Police and Fire, the Council now targets combined General and Half-Penny Sales Tax funds' reserves to be between 10% and 15% of their combined revenues. For 2021-22, Council set the budgeted combined ending reserves at 30% of the General Fund and Half-Penny Sales Tax appropriated revenues net of sales tax transfers to the Owasso Public Works Authority. Reserves were intentionally budgeted above the normal target to allow for unexpected revenue losses related to the pandemic.

By City Ordinance, utility rates are evaluated and updated annually to ensure long-term viability.

The City of Owasso's investment policy is to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and comply with all state statutes governing the investment of public funds. The following investments are authorized by policy:

- Obligations of the United States government, its agencies and instrumentalities;
- 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, or fully insured certificates of deposit at banks, savings banks, savings and loan associations and credit unions located out of state;
- 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. Purchases of negotiable certificates of deposit shall not exceed ten percent (10%) of the surplus funds of the city or county which may be invested pursuant to this section;
- Prime bankers' acceptances which are eligible for purchase by the Federal Reserve System and which do not exceed 270 days' maturity;
- Prime commercial paper which shall not have a maturity that exceeds one hundred eighty (180) days nor represent more than ten percent (10%) of the outstanding paper of an issuing corporation;
- Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs a through e of this subsection; and
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of those items and those restrictions specified in paragraphs a through f of this subsection.

MAJOR TAX REVENUES

The City of Owasso collects a 2% sales tax for general operations.

Pursuant to Ordinance No. 763, the City levies a 1% sales tax for the purpose of providing revenues to finance or fund capital projects and related costs to include debt service on obligations issued to finance capital projects.

In January 2015, citizens of Owasso voted to increase the 3% sales tax to 3.50% effective April 1, 2015. The additional half penny is restricted by Ordinance to spending on police, fire, and street functions and is recorded as revenue within the Half-Penny Sales Tax Fund.

In January 2016, the City of Owasso voters also approved an increase in sales tax from 3.5% to 4.05% effective for seven years starting January 2017. The 0.55% increase is to be used exclusively for street improvements. This increase occurred at the same time a 0.6% Vision 2025 Tulsa County sales tax expired.

The City has for many years utilized sales tax rebates to incentivize major retailers to locate in Owasso. As a result of the increases in retail property, Owasso's sales tax revenues have been steadily growing.

Ad Valorem taxes are assessed and collected to fund judgments of \$25,000 or more. This is not a significant source of revenue for the City.

The City created a Redbud District (Tax Increment Financing District) to spur downtown revitalization/development. Beginning December 20, 2016, ad valorem taxes levied by other taxing jurisdictions have been apportioned to the City as related to increases in assessed valuation after that date within the TIF District. Property taxes related to the TIF District are not yet a significant tax source. In addition to the property taxes, TIF revenues are also comprised of 2% sales tax on businesses locating within the TIF District subsequent to the December 20, 2016, creation date.

The City also collects a 2% Franchise tax on utilities, a 5% hotel tax, and state-shared revenues taxed on telephones, alcoholic beverages, tobacco, and gasoline.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Owasso for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 6th consecutive year that the City of Owasso has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles 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's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department. Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report. We would like to express our appreciation to all who assisted in this effort.

We express our sincere appreciation and acknowledge the thorough, professional, and timely manner in which our independent auditor, BT&Co., P.A., conducted the audit.

Finally, we acknowledge the City Council who has consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.

Carly Novozinsky, Director of Finance

deresatimball

Teresa Kimball, Assistant Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Owasso Oklahoma

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christophen P. Morrill

Executive Director/CEO

CITY OF OWASSO, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

June 30, 2022

CITY COUNCIL MEMBERS

Kelly Lewis, Mayor

Alvin Fruga, Vice Mayor

Bill Bush

Lyndell Dunn

Doug Bonebrake

CITY MANAGER

Warren Lehr

ASSISTANT CITY MANAGER

Chris Garrett

DIRECTOR OF FINANCE

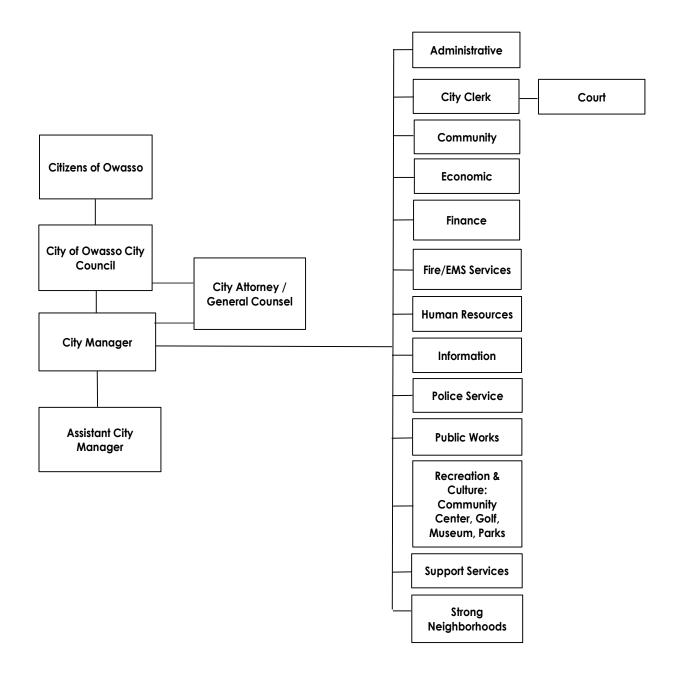
Carly Novozinsky

ASSISTANT DIRECTOR OF FINANCE

Teresa Kimball



ORGANIZATION CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council City of Owasso, Oklahoma

Report on the Audit of the Financial Statements

Opinions

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 of Owasso, Oklahoma (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditors' 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.

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 within one year after the date that the financial statements are issued or available to be issued.

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An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Auditors' 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 auditors' 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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing 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 schedules 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 GAAS. In our opinion, the accompanying supplementary information is 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 auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City's internal control over financial reporting and compliance.

BT+ 60., P.A.

December 20, 2022 Topeka, Kansas

Our discussion and analysis of the City of Owasso's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL AND ACTIVITY HIGHLIGHTS

- For the fiscal year ended June 30, 2022, the City's total net position increased by \$27.7 million or 11.8% from the prior year. This was due primarily to the increase in operating grants, and increased sales and use tax revenues resulting from a growing community and new retailers.
- During the year, the City's expenses for governmental activities totaled \$42.2 million and were funded by program revenues of \$15.3 million and further funded with taxes and other general revenues (net of transfers) that totaled \$48 million.
- Total program revenues in the City's business-type activities exceeded expenses by approximately \$1.7 million. This increase in net position was due primarily to increased usage rates and pandemic related capital project delays. The trust authority recognized the need to increase revenues to eliminate the operating loss and adopted a rate structure with 5% to 6% annual rate increases for five-years beginning October 01, 2016. The five-year plan successfully enabled the City to address operating deficits in utility operations. In April 2021, the City approved utility rate increases for an additional five years to fund needed infrastructure improvements to serve a growing population.
- At June 30, 2022, the General Fund reported a total fund balance of \$15.7 million, an increase of \$0.2 million from the prior year due to conservative budgeting of sales and use tax revenues.
- For budgetary reporting purposes, the General Fund reported total resources equal to 106.4% of budget, and expenditures which were 87.8% of budget.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Owasso (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for three categories of activities--governmental, business type, and discretely presented component units. The government-wide financial statements present the complete financial picture of the City from the economic resources management focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt.)

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

REPORTING THE CITY AS A WHOLE--Continued

The Statement of Net Position and the Statement of Activities—Continued

These two government-wide 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 nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

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

Governmental activities - Most of the City's basic services are reported here, including the police, fire, general administration, streets and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Business-type activities - The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, and golf course activities are reported here.

Discretely-presented component units - These account for the activities of the City's reporting entity that do not meet the criteria for blending. The activities of the Owasso Economic Development Authority are presented here.

The financial Statements also include notes that explain some of the information in the statements and provide more detailed data.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS--Continued

Fund Financial Statements--Continued

Governmental funds - Most of the City's basic services are reported in governmental funds. Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net position. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

Fiduciary funds - When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or other parties. The City is responsible for ensuring that the assets to be reported in these funds are used for their intended purpose. The City does not have any fiduciary activities in FY 2020-21 or FY 2021-22.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION

The City's combined net position increased from \$235.0 million to \$262.7 million between fiscal years 2020-21 and 2021-22. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$21.1 million primarily due to growing sales and use taxes, public safety grants, and delays in capital spending due to COVID-19.

The net position for Business-type activities increased by \$6.6 million primarily due to City transfers to the Trust Authority and growing sales tax collections. For FY 2021-22, the Business-type Activities show a negative unrestricted net position due to debt issued for Governmental capital assets, primarily street improvements and public safety facilities.

NET POSITION--Continued

A comparative, condensed presentation of net position follows (reported in thousands).

	Govern Activ	mental vities	Busines Activ	<i>,</i> ,	To	Total Percentage <u>Change</u>	
	<u>2021</u>	<u>2022</u>	2021	2022	<u>2021</u>	2022	<u>2021-2022</u>
Current and other assets Capital assets, net Total assets	\$51,593 <u>169,642</u> <u>\$221,235</u>	\$ 78,105 <u>170,206</u> <u>\$ 248,311</u>	\$ 43,376 <u>67,841</u> <u>\$ 111,217</u>	\$ 29,534 <u>84,963</u> <u>\$ 114,497</u>	\$ 94,969 237,483 <u>\$ 332,452</u>	\$ 107,639 255,169 \$ 362,808	13.3% 7.4% 9.1%
Deferred outflows of resources	<u>\$ 9,193</u>	<u>\$ 7,821</u>	<u>\$ 666</u>	<u>\$ 476</u>	<u>\$ </u>	<u>\$ 8,297</u>	-15.8%
Long-term debt outstanding Other liabilities Total liabilities	\$ 25,698 2,685 \$ 28,383	\$ 14,883 3,924 \$ 18,807	\$ 74,029 3,074 \$ 77,103	\$ 67,967 <u>4,775</u> <u>\$ 72,742</u>	\$ 99,727 <u>5,759</u> <u>\$ 105,486</u>	\$ 82,850 <u>8,699</u> \$ 91,549	-16.9% 51.1% -13.2%
Deferred inflows of resources	<u>\$ 1,581</u>	<u>\$ 15,719</u>	<u>\$ 273</u>	<u>\$ 1,165</u>	<u>\$ 1,854</u>	<u>\$ 16,884</u>	810.7%
Net position Net investment in capital assets Restricted Unrestricted Total net position	\$ 169,642 25,583 <u>5,239</u> <u>\$ 200,464</u>	\$ 169,811 39,907 <u>11,888</u> <u>\$ 221,606</u>	\$ 52,758 1,387 (19,638) \$ 34,507	\$ 53,640 1,715 (14,289) \$ 41,066	\$ 195,794 26,183 <u>12,994</u> <u>\$ 234,971</u>	\$ 198,556 41,622 <u>22,494</u> <u>\$ 262,672</u>	1.4% 59.0% 73.1% 11.8%

A significant portion of net position consists of net investment in capital assets, e.g., land, building, improvements, equipment (net of related debt) and, as such, is not available for future spending. The increase in net investment in capital assets is largely due to street improvements and other capital projects.

CHANGES IN NET POSITION

For the year ended June 30, 2022, the change in net position of the primary government (reported in thousands) is shown below. Note that the increase to the net position of Governmental Activities is primarily due to public safety grant funding and conservative budgeting of sales and use taxes.

CHANGES IN NET POSITION--Continued

The increase in Governmental expenses is primarily due to changes in capital assets. The increase in Business-Type Activities expense is primarily due to cost increases.

	Govern Activ		Busines Activ	s-Type vities	То	Total Percent Dtal Chang	
	2021	2022	2021	2022	2021	2022	2021-2022
EXPENSES							
General government	\$ 4,834	\$ 9,006	\$-	\$-	\$ 4,834	\$ 9,006	86.3%
Public safety	24,915	21,839	-	-	24,915	21,839	-12.3%
Community development	842	842	-	-	842	842	0.0%
Recreation and culture	1,901	1,965	-	-	1,901	1,965	3.4%
Economic development	471	449	-	-	471	449	-4.7%
Public works	8,482	8,105	-	-	8,482	8,105	-4.4%
Water	-	-	7,106	7,082	7,106	7,082	-0.3%
Wastewater	-	-	5,416	5,646	5,416	5,646	4.2%
Sanitation	-	-	1,921	1,889	1,921	1,889	-1.7%
Recycle center	-	-	293	256	293	256	-12.6%
Economic development	-	-	359	473	359	473	31.8%
Golf	-	-	1,526	1,684	1,526	1,684	10.4%
TOTAL EXPENSES	41,445	42,206	16,621	17,030	58,066	59,236	2.0%
PROGRAM REVENUES							
Charges for services	5,493	5,676	17,074	17,467	22,567	23,143	2.6%
Operating grants and							
contributions	6,196	6,700	-	-	6,196	6,700	8.1%
Capital grants and							
contributions	799	2,965	405	1,231	1,204	4,196	248.5%
Total program revenues	12,488	15,341	17,479	18,698	29,967	34,039	13.6%
NET REVENUES (EXPENSES)	(28,957)	(26,865)	858	1,668	(28,099)	(25,197)	-10.3%
General revenues							
Salestaxes	39,586	43,553	-	-	39,586	43,553	10.0%
Usetaxes	4,239	4,581	-	-	4,239	4,581	8.1%
Franchise and public service taxes	1,110	1,285	-	-	1,110	1,285	15.8%
Hoteltaxes	467	636	-	-	467	636	36.2%
Intergovernmental	772	870	-	-	772	870	12.7%
Investment income	174	35	34	44	208	79	-62.0%
Miscellaneous	547	1,894			547	1,894	246.3%
TOTAL GENERAL REVENUES	46,895	52,854	34	44	46,929	52,898	12.7%
Changes before transfers Transfers	17,938 (4,903)	25,989 (4,847)	892 4,903	1,712 4,847	18,830	27,701	47.1% 0.0%
CHANGE IN NET POSITION	13,035	21,142	5,795	6,559	18,830	27,701	47.1%
NET POSITION, BEGINNING	187,429	200,464	28,712	34,507	216,141	234,971	8.7%
NET POSITION, ENDING	\$ 200,464	\$ 221,606	\$ 34,507	\$ 41,066	\$ 234,971	\$ 262,672	11.8%

Governmental Fund Balances

General Fund – The fund balance increase is primarily due to tax collections exceeding budget projections due to conservative budgeting of revenues.

Vision Recapture Tax Fund – Sales tax revenues of 0.55% began in this fund on January 1, 2017. Revenues are restricted to street projects. Currently, many projects to be funded by the Vision Recapture sales tax are in design and rights-of-way purchases, resulting in an accumulation of fund balance until projects are ready to begin construction.

Half-Penny Sales Tax Fund – In January 2015, citizens of Owasso voted to increase the 3% sales tax to 3.50% effective April 1, 2015. The additional half penny is restricted by Ordinance to spending on police, fire, and streets, and is recorded as revenue within the Half-Penny Sales Tax Fund. The fund balance increase is due to sales tax collections exceeding budget projections.

Capital Improvements Fund – Funding for the Capital Improvements Fund comes from a 1% sales tax restricted for capital expenditures. The increase in fund balance is primarily due to delays in capital projects due to the pandemic, as well as sales tax collections exceeding budget projections.

Other Governmental Funds – The fund balance increase is largely due to project delays, as well as hotel tax collections exceeding budget projections.

Governmental Fund Balances (Reported in Thousands) As of June 30 Year End

Governmental Funds	2021	2022		ange in Fund alance
General	\$ 15,491	\$ 15,682	\$	191
Vision Recapture Tax	10,817	16,150		5,333
Half-Penny Sales Tax	6,528	9,109		2,581
Capital Improvements	6,012	12,047		6,035
Other Governmental	 5,860	 9,213		3,353
Total Governmental Fund				
Balances	\$ 44,708	\$ 62,201	\$	17,493

Major Fund Budgetary Statement Highlights

General Fund – The original FY 2021-22 budget included a 1.5% decrease in tax revenues. Actual tax revenues came in above the original budget by 14.5%. The sales tax revenue and transfer budgets were revised mid-year to reflect the additional sales tax revenue.

Grant and other governmental revenue budgets were also revised as new grants were awarded. Approximately \$0.5 million in public safety grants (partially awarded after the budget was adopted) are reflected in the Final budget. Court fines and costs were under budget largely due to suspension of court due to the COVID-19 pandemic at the beginning of the fiscal year. Court fines were also down due to a Supreme Court decision transferring Native American prosecution to the respective tribe.

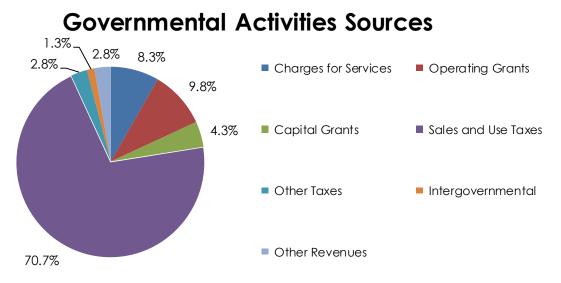
Major Fund Budgetary Statement Highlights--Continued

The June 30, 2022, General Fund year-end fund balance was 40% of annual revenues, net of transfers to the Owasso Public Works Authority (OPWA).

GOVERNMENTAL ACTIVITIES

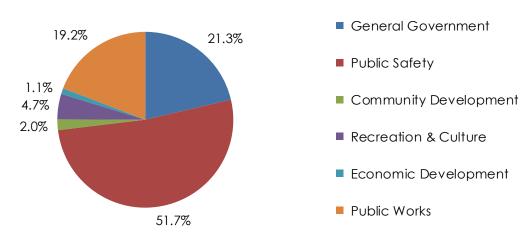
To aid in the understanding of the Statement of Activities on page 2 of the Basic Financial Statements, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

For the year ended June 30, 2022, the City's governmental activities revenues were funded as follows:



GOVERNMENTAL ACTIVITIES--Continued

Uses of governmental activities in 2021-22 were as follows:



Governmental Activities Uses

For the year ended June 30, 2022, expenses for governmental activities totaled \$42.2 million, an increase from prior year of \$0.8 million. Governmental transfers to business-type activities totaled \$4.8 million primarily due to a General fund transfer to subsidize the Golf Course and the transfer of sales tax revenue pledged for debt service for debt issued by the Owasso Public Works Authority to finance City capital projects. Of the total expenses, taxpayers and other general revenues funded \$48.0 million. Grants and other contributions that directly benefited programs funded \$9.7 million, and charges for services totaled \$5.7 million.

GOVERNMENTAL ACTIVITIES SOURCES AND USES

	(ges for Services, Capital and perating Grants	al Expense Services	Net Revenue (Expense) of Services		
General government	\$	2,910,278	\$ 9,005,514	\$ (6,095,236)		
Public safety		5,660,207	21,839,963	(16,179,756)		
Community development		451,202	841,744	(390,542)		
Recreation and culture		246,001	1,965,209	(1,719,208)		
Economic development		12,396	449,102	(436,706)		
Public works		6,061,090	 8,104,919	(2,043,829)		
TOTAL	\$	15,341,174	\$ 42,206,451	\$ (26,865,277)		

BUSINESS-TYPE ACTIVITIES

Net Revenue (Expense) of Business-Type Activities for the year ended June 30, 2022 was as follows:

BUSINESS-TYPE ACTIVITIES SOURCES AND USES

	Cha	rges for Services,		Net Revenue			
		Capital and	Tot	al Expense	(Expense)	
	Ор	erating Grants	0	f Services	of Service		
Water	\$	8,167,128	\$	7,081,813	\$	1,085,315	
Wastewater		6,936,501		5,645,719		1,290,782	
Sanitation		2,557,530		1,889,401		668,129	
Recycle center		68,845		256,040		(187,195)	
Economic development		-		473,406		(473,406)	
Golf		967,854		1,684,014		(716,160)	
TOTAL	\$	18,697,858	\$	17,030,393	\$	1,667,465	

In reviewing the business-type activities net revenue (expense) from operations, it should be noted that total water, wastewater, sanitation, and recycling activities reported a combined net gain of \$2.9 million for the year ended June 30, 2022 compared to a \$1.9 million net gain in FY 2020-21. It is important to note that Council adopted a five-year rate increase plan in 2021 designed to bring these functions into a positive net revenue position and to fund needed wastewater capital projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the City had \$255 million invested in capital assets, net of depreciation (See table below). This represents a net increase of \$17.7 million or 7.5% over last year. Significant capital assets added this year include construction in progress on the Wastewater Treatment Plant of \$13.1 million, improvements to the Coffee Creek Lift Station of \$4.2 million, and construction in progress on various street projects of \$5.4 million, as well as contributed capital of \$4.2 million.

	C	City of Owasso	Capital Assets				
	(Net of ac	cumulated dep	oreciation/amo	ortization)			
	Govern	imental	Busines	s-Type			
	Activ	vities	Acti	vities	Total		
	2021	2022	2021	2022	2021	2022	
Land	\$ 18,749,066	\$ 14,748,272	\$ 322,519	\$ 322,619	\$ 19,071,585	\$ 15,070,891	
Buildings	21,423,472	20,260,318	804,490	759,696	22,227,962	21,020,014	
Improv ements	19,046,808	18,333,203	1,399,254	1,360,289	20,446,062	19,693,492	
Utilities	-	-	58,189,716	57,161,268	58,189,716	57,161,268	
Machinery & Equipment	6,728,042	6,179,830	3,033,787	3,152,272	9,761,829	9,332,102	
Infrastructure	64,895,637	65,225,397	-	-	64,895,637	65,225,397	
Construction in Progress	38,799,522	45,314,734	4,091,548	22,206,715	42,891,070	67,521,449	
Right-to-Use Leased Machinery & Equipment		144,637				144,637	
Totals	\$169,642,547	\$170,206,391	\$67,841,314	\$84,962,859	\$237,483,861	\$255,169,250	

See Note 3.D to the financial statements for more detail on the City's capital assets and changes therein.

Long-Term Debt

At year-end, the City had \$82.8 million in long-term liabilities which represents a \$16.9 million, or 16.9%, decrease from the prior year. The largest decrease was attributed to the \$11.6 million decrease in net pension liability. Because no new debt was issued during the fiscal year, normal debt service payments resulted in a \$5.7 million decrease in notes payable, net.

Long-Term Debt--Continued

The City's long-term debt by type of debt is as follows:

												Total
		Governmental Activities 2021 2022 \$ - \$ 174,924 2,365,186 2,458,883 2,458,883 1,646,541 1,500,443 761,459 679,053 20,924,427 10,069,982 - - - - - - - - - - - - - -		ntal	Busine	ss-T	уре					Percentage
		Acti	vitie	s	Acti	vitie	es		То	lal		Change
		2021		2022	2021		2022		2021		2022	2021-2022
Leases		\$-	\$	174,924	\$-	\$	-	\$	-	\$	174,924	100.0%
Accrued absences		2,365,186		2,458,883	178,157		191,359		2,543,343		2,650,242	4.2%
Total OPEB liability		1,646,541		1,500,443	360,303		328,020		2,006,844		1,828,463	-8.9%
Claims liability		761,459		679,053	155,741		177,147		917,200		856,200	-6.7%
Net pension liability		20,924,427		10,069,982	761,237		-		21,685,664		10,069,982	-53.6%
Financed purchases		-		-	218,529		514,107		218,529		514,107	135.3%
Deposits subject to refund		-		-	786,676		839,026		786,676		839,026	6.7%
Notes payable, net		-		-	38,288,442		37,025,980		38,288,442		37,025,980	-3.3%
Revenue notes payable				-	33,280,000		28,891,000		33,280,000		28,891,000	-13.2%
	TOTALS	<u>\$ 25,697,613</u>	\$	14,883,285	<u>\$ 74,029,085</u>	<u>\$</u>	67,966,639	<u>\$</u>	99,726,698	\$	82,849,924	-16.9%

See Note 3.F. to the financial statements for more detailed information on the City's long-term debt and changes therein.

NEXT YEAR'S BUDGET AND RATES

The budget for fiscal year 2022-2023 was adopted by the City of Owasso City Council on June 21, 2022 and went into effect on July 1, 2022. The adopted budget conservatively included a 2.1% increase in sales tax collections. Year-to-date FY 2022-23 combined sales and use tax collections are 8.3% higher than FY 2021-22. The FY 2022-23 budget also included step increases for all union employees, as well as, cost of living increases and potential merit increases for civilian staff.

The budget further includes a \$1 million transfer to the Owasso Public Golf Authority from the General Fund for the purpose of subsidizing operations. While General fund budgetary information is included in this report, persons interested in more in-depth budgetary information can find the full budget document at <u>www.cityofowasso.com/304/finance</u>.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors a general overview of the City's finances and 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 200 S. Main, P. O. Box 180, Owasso, Oklahoma 74055-0180 or phone (918) 376-1500.

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BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

CITY OF OWASSO, OKLAHOMA

June 30, 2022

		Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Total	Economic Development Authority
ASSETS Cash and cash equivalents	\$ 46,414,444	\$ 9,558,605	\$ 55,973,049	\$ 9,477
Restricted cash	۶ 40,414,444	\$ 7,538,805 13,900,717	⁵ 33,773,047 13,900,717	φ 7,4//
Investments	16,347,237	3,366,555	19,713,792	-
Accounts receivable, net of allowance	1,307,039	1,897,099	3,204,138	-
Court fine receivable, net of allowance	12,643	-	12,643	-
Other receivables	175,417	37,146	212,563	-
Internal balances	(242,132)	242,132	/	-
Due from other governments	6,717,739		6,717,739	-
Prepaid items	47,992	9,062	57,054	-
Inventory	-	49,500	49,500	-
Net pension asset	7,049,737	472,445	7,522,182	-
Land held for resale	275,000	-	275,000	-
Capital assets:				
Land and construction in progress	60,063,006	22,529,334	82,592,340	-
Other capital assets, net of depreciation	110,143,385	62,433,525	172,576,910	-
TOTAL ASSETS	248,311,507	114,496,120	362,807,627	9,477
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - OPEB	96,294	20,138	116,432	-
Deferred outflows - pension	7,724,305	455,959	8,180,264	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,820,599	476,097	8,296,696	
IOTAL DEFERRED OUTFLOWS OF RESOURCES	7,020,377	4/6,07/	0,270,070	
LIABILITIES				
Accounts payable	1,791,792	2,895,764	4,687,556	-
Accrued payroll liabilities	713,993	138,656	852,649	-
Accrued interest payable	-	434,789	434,789	-
Contracts and retainage payable	220,900	1,041,508	1,262,408	-
Unearned revenues	1,126,661	70,371	1,197,032	-
Other liabilities	70,124	193,676	263,800	-
Long-term liabilities, including net pension liability:				
Due within one year	1,531,295	6,642,880	8,174,175	-
Due in more than one year	13,351,990	61,323,759	74,675,749	-
TOTAL LIABILITIES	18,806,755	72,741,403	91,548,158	
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on debt refunding	-	179,300	179.300	-
Deferred inflows -OPEB	525,172	115,906	641,078	_
Deferred inflows - pension	15,194,072	869,970	16.064.042	
TOTAL DEFERRED INFLOWS OF RESOURCES	15,719,244	1,165,176	16,884,420	
IOTAL DEFERRED INFLOWS OF RESOURCES	13,717,244	1,103,170	10,004,420	
NET POSITION				
Net investment in capital assets	169,810,567	53,640,030	198,555,717	-
Restricted for:				
Debt service	-	1,715,243	1,715,243	-
Economic development	2,062,682	-	2,062,682	9,477
Public safety	7,082,440	-	7,082,440	-
Public works	2,756,777	-	2,756,777	-
Capital projects	27,922,204	-	27,922,204	-
Other purposes	82,960	-	82,960	-
Unrestricted	11,888,477	(14,289,635)	22,493,722	
TOTAL NET POSITION	\$ 221,606,107	<u>\$ 41,065,638</u>	\$ 262,671,745	<u>\$ 9,477</u>

See accompanying notes to the basic financial statements.

STATEMENT OF ACTIVITIES

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

				Program Revenues		Net (Expense) Re	evenue and Changes in Ne	et Position	Component Unit
				Operating	Capital	F	Primary Government		Economic
			Charges for	Grants and	Grants and	Governmental	Business-Type		Development
Function	s/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Authority
Primary Government:									
Governmental activities:									
General government		\$ 9,005,514				\$ (6,095,236) \$	- \$	(6,095,236)	\$-
Public safety		21,839,963	2,654,617	3,005,590		(16,179,756)		(16,179,756)	-
Community development	nt	841,744				(390,542)	-	(390,542)	-
Recreation and culture		1,965,209				(1,719,208)		(1,719,208)	-
Economic development		449,102			-	(436,706)	-	(436,706)	-
Public works		8,104,919	9 1,834,835	5 1,260,799	2,965,456	(2,043,829)		(2,043,829)	
	TOTAL GOVERNMENTAL ACTIVITIES	42,206,45	1 5,676,027	7 6,699,691	2,965,456	(26,865,277)	<u> </u>	(26,865,277)	
Business-type activities:									
Water		7,081,813	8,062,053	- 3	105,075	-	1,085,315	1,085,315	-
Wastewater		5,645,719	5,810,301	-	1,126,200	-	1,290,782	1,290,782	-
Sanitation		1,889,401	2,557,530) -	-	-	668,129	668,129	-
Recycle center		256,040	68,845	5 -	-	-	(187,195)	(187,195)	-
Economic development		473,406	5		-	-	(473,406)	(473,406)	-
Golf		1,684,014	4 967,854	4 -		-	(716,160)	(716,160)	-
	TOTAL BUSINESS-TYPE ACTIVITIES	17,030,393	3 17,466,583	3	1,231,275		1,667,465	1,667,465	
	Total primary government	\$ 59,236,84	4 \$ 23,142,610	0 \$ 6,699,691	\$ 4,196,731	(26,865,277)	1,667,465	(25,197,812)	<u> </u>
Component Unit:									
Economic development		<u>\$</u>	- <u>\$</u>	<u>-</u> <u>\$</u>	<u>\$</u>				
		General Revenues:							
		Taxes:							
		Sales taxes				43,553,027	-	43,553,027	-
		Use taxes				4,581,026	-	4,581,026	-
		Franchise and publi	c service taxes			1,285,259	-	1,285,259	-
		Hotel taxes				635,526	-	635,526	-
		Intergovernmental				870,290	-	870,290	-
		Investment income				34,694	44,291	78,985	38
		Miscellaneous				1,894,072	-	1,894,072	-
		Transfers-Internal activ	rity			(4,846,957)	4,846,957	-	
		Total general reve	nues and transfers			48,006,937	4,891,248	52,898,185	38_
		Change in net p	osition			21,141,660	6,558,713	27,700,373	38_
		Net position-beginning	a of year			200,464,447	34,506,925	234,971,372	9,439
		nor position-pedirighting	3 01 9001			200,404,44/	57,300,723	207,771,072	7,437
		Net position-end of ye	ar			\$ 221,606,107 \$	41,065,638 \$	262,671,745	<u>\$ 9,477</u>

See accompanying notes to the basic financial statements.

BALANCE SHEET -- GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2022

	General Fund	Vison Recapture Tax Fund	Half-Penny Sales Tax Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS		10110		Tond	10103	101103
Cash and cash equivalents	\$ 9,141,577	\$ 11,842,714	\$ 6,688,815	\$ 8,307,033	\$ 7,284,048	\$ 43,264,187
Investments	3,219,678	4,171,021	2,355,811	2,925,749	2,565,453	15,237,712
Prepaid items	-	-	7,231	-	10,623	17,854
Receivables:						
Accounts receivable, net of allowance	29,640	-	18,260	-	1,229,560	1,277,460
Due from other funds	37,084	-	-	1,153,445	-	1,190,529
Due from other governments	5,055,733	788,096	727,396	-	146,514	6,717,739
Court fines receivable, net of allowance	12,643	-	-	-	-	12,643
Other receivables	172,341	-	-	-	-	172,341
Land held for resale	-	-	-	275,000	-	275,000
TOTAL ASSETS	\$ 17,668,696	\$ 16,801,831	\$ 9,797,513	\$ 12,661,227	\$ 11,236,198	\$ 68,165,465
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 204,139	\$ 542,276	\$ 230,690	\$ 502,678	\$ 218,547	\$ 1,698,330
Accrued payroll liabilities	211,629	φ 0.2,2, 0	453,441	-	38,862	703,932
Due to other funds	1,443,003	-	4,809	-	79,721	1,527,533
Retainage payable	-	109,256	-	111,644	-	220,900
Unearned revenue	31,729	-	-	-	1,094,778	1,126,507
Other liabilities	70,124	-	-	-	-	70,124
TOTAL LIABILITIES		651,532	688,940	614,322	1,431,908	5,347,326
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - charges for services	25,635	-	-	-	591,678	617,313
FUND BALANCES						
Nonspendable:						
Prepaid items	-	-	7,231	-	10,623	17,854
Land held for resale	-	-	-	275,000	-	275,000
Restricted for:						
Economic development	50	-	-	-	2,062,632	2,062,682
Public safety	53,364	-	6,344,565	-	684,511	7,082,440
Public works	-	-	2,756,777	-	-	2,756,777
Capital projects	-	16,150,299	-	11,771,905	-	27,922,204
Other	70,756	-	-	-	12,204	82,960
Committed:						
Public safety	-	-	-	-	2,178,384	2,178,384
Stormwater management	-	-	-	-	3,668,798	3,668,798
Capital projects	-	-	-	-	595,460	595,460
Assigned:						
General government	266,546	-	-	-	-	266,546
Public safety	2,728	-	-	-	-	2,728
Recreation and culture	28,210	-	-	-	-	28,210
Public works	7,364	-	-	-	-	7,364
Capital projects	496,901	-	-	-	-	496,901
Unassigned	14,756,518					14,756,518
TOTAL FUND BALANCES	15,682,437	16,150,299	9,108,573	12,046,905	9,212,612	62,200,826
TOTAL LIABILITIES, DEFERRED INFLOWS OF	:					

See accompanying notes to the basic financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

CITY OF OWASSO, OKLAHOMA

June 30, 2022

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position		
Total fund balances- governmental funds	\$	62,200,826
Amounts reported for governmental activities in the Statement of Net Position		
are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation and amortization		
of \$99,120,811, and net of capital assets of Internal Service Funds of \$188,397		170,017,994
		170,017,774
Certain assets are not available to pay for current fund liabilities and, therefore, are		
either deferred or not reported in the funds:		
Accounts receivable		617,313
Net pension asset		7,009,260
Internal service funds are used by management to charge the costs of certain activities,		
such as insurance, to individual funds. The assets and liabilities of the internal service		
fund are included in governmental activities in the Statement of Net Position.		
Net position of the Internal Service Fund		4,619,991
Internal service fund interfund balance resulting from net revenues		
reported in business-type activities		(833,238)
Certain long-term liabilities and related deferred inflows and outflows of resources are not due		
and payable from current financial resources and, therefore, are not reported in the funds:		
Leases payable		(174,924)
Accrued compensated absences, net of Internal Service Funds of \$17,318		(2,441,565)
Total OPEB liability, and related deferred inflows of resources and deferred outflows of resources,		
net of Internal Service Funds of \$22,727		(1,906,595)
Net pension liability		(10,069,982)
Deferred inflows of resources related to pensions, net of Internal Service Funds of \$67,206		(15,126,866)
Deferred outflows of resources related to pensions, net of Internal Service Funds of \$30,412		7,693,893
Net position of governmental activities	<u>\$</u>	221,606,107

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		General Fund	Re	Vison capture Tax Fund		Half-Penny Sales Tax Fund		Capital rovement Fund	Go	Other overnmental Funds	Gc	Total vernmental Funds
REVENUES	¢	20.004.000	¢	F 010 007	¢	F 070 707	¢		¢	1 107 / 50	¢	50 407 00 /
Taxes Intergovernmental	\$	38,004,992 3,763,384	¢	5,910,907	\$	5,373,737	Þ	- 102,450	\$	1,137,650 3,296,481	¢	50,427,286 7,176,670
5		3,763,364 850,574		-		14,355		102,430		4,356,229		5,206,803
Charges for services Fines and forfeitures		199,788		-		-		-		4,336,229		200,827
Licenses and permits		422,863		-		-		-		105,982		528,845
Investment income		422,003		50,779		-		(147,902)		26,434		15,273
Miscellaneous		290,512		117,721		32,262 25,582		1,195,887		40,057		1,669,759
TOTAL REVENUES		43,585,813		6,079,407	_	5,445,936		1,150,435		8,963,872		65,225,463
EXPENDITURES Current:												
General government		4.616.789								57,273		4,674,062
Public safety		16.737.038		-		2.316.196		-		3.087.904		4,074,082
Community development		879,380		-		2,010,170		-		3,007,704		879,380
Culture and recreation		1,493,404		-		-		-		-		1,493,404
Economic development		203,372		-		-		-		280,388		483,760
Public works		1,432,531		-		1,443,012		-		433,617		3,309,160
Capital outlay		778,929		746,070		229,013		- 5,449,848		2,859,432		10,063,292
TOTAL EXPENDITURES		26,141,443		746,070		3,988,221		5,449,848		6,718,614		43,044,196
Excess (deficiency) of revenues												
over expenditures		17,444,370		5,333,337	_	1,457,715		(4,299,413)		2,245,258		22,181,267
OTHER FINANCING SOURCES (USES)												
Leases (as lessee)		119,697		-		38.792		-		-		158,489
Transfers in		21,255,003		-		1,084,515		10,334,639		2,058,627		34,732,784
Transfers out		(38,627,911)		-						(951,830)		(39,579,741)
TOTAL OTHER FINANCING SOURCES (USES)		(17,253,211)		-	_	1,123,307		10,334,639		1,106,797		(4,688,468)
NET CHANGE IN FUND BALANCES		191,159		5,333,337		2,581,022		6,035,226		3,352,055		17,492,799
FUND BALANCES - BEGINNING OF YEAR		15,491,278		10,816,962		6,527,551		6,011,679		5,860,557		44,708,027
FUND BALANCES - END OF YEAR	\$	15,682,437	\$	16,150,299	\$	9,108,573	\$	12,046,905	<u>\$</u>	9,212,612	<u>\$</u>	62,200,826

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities:		
Net change in fund balances- total governmental funds	\$	17,492,799
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets: Capital asset purchases capitalized		10,062,645
Depreciation and amortization expense Loss on disposal of capital assets		(8,469,331) (4,000,795) (2,407,481)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: Contributed assets Change in deferred inflow related to court bonds Change in deferred inflow related to ambulance billings		2,965,456 5,690 97,528
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Leases issued		3,068,674
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: Leases Accrued compensated absences, net of Internal Service Funds \$(2,794) Total other post-employment benefit liability, net of Internal Service Funds \$(2,512) Pension (revenues) expenses		15,280 (90,903) (75,194) 2,599,616 2,448,799
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. Total change in net position of the internal service fund Net revenues of internal service funds reported in business-type activities		879,349 (181,991) 697,358
Change in net position of governmental activities	<u>\$</u>	21,141,660

STATEMENT OF NET POSITION -- PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2022

Number Public Works Public Corl Service SERD Authority Authority Total First SERD Cath and cath equivalents \$ 2.290,018 1.426,077 1.936,077 1.			Owasso		Owasso			Interno
SER Control Control <thcontrol< th=""> <thcontrol< th=""> <thcontr< th=""><th></th><th>_</th><th>Public Works</th><th>_</th><th>Public Golf</th><th>_</th><th>Total</th><th>Service</th></thcontr<></thcontrol<></thcontrol<>		_	Public Works	_	Public Golf	_	Total	Service
Cath and cath equivalents \$ 8.88.109 \$ 476.072 \$ 8.77.107 \$ 9.77.107 1.3963 Restricted cath and cath equivalents 1.324.4277 - 1.324.4207 - 1.324.4277 - 1.324.4277 - 1.324.4277 - 1.324.4277 - 1.324.4277 - 1.324.4277 - 1.324.4277 </th <th>SSETS</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>	SSETS							
Investments 2008.118 106.369 31.246.277 1.3246.277 Account sneekvide, ned of allowance 1.369.382 3.344 3.344 3.344 Account sneekvide, ned of allowance 1.369.382 3.344 3.344 3.344 Account sneekvide, ned of allowance 1.402.882 3.344 3.344 3.344 Peopolitileries 1.402.882 3.344 3.344 3.344 3.344 Peopolitileries 1.402.882 3.344 3.345 3.344 3.345 3.345 3.344 3.345 3.344 3.345 3.344 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345 3.345<	URRENT ASSETS							
Restricted cath and cath equivalents 13,24,277 - 13,24,277 - 13,24,277 Accounts recolvables 1,287,382 - 1,287,382 3,7 3,7 Other recelvables 1,22,285 3,7 3,		\$		\$		\$		
Account receivable, net of allowance 1,89,382 - - 1,89,382 3.2 Other receivables - - 3.6,344 3.6,344 3.6 Due from other funds 1,82,885 - - 1,200 3.6,344 Prepard items - - 2,725,171 7,24,805 2,83,11,474 5,44,00 Statistical casts - - 3,34,444 3,14,475 5,44,00 - 6,45,4,40 - 6,45,4,40 - 6,45,4,40 - 6,46,4,40 5,11,102,118 2,22,20,30 - 1,102,118 2,22,20,30 - 2,21,162 1,11,45,75,44 5,11,102,118 2,22,21,42 1,11,45,75,44 5,11,127 2,32,20,112 1,11,45,75,44 5,11,127 2,32,21,42 1,11,45,75,44 5,11,127 2,32,21,42 1,11,45,75,44 5,11,127 2,32,21,42 1,11,45,75,44 5,11,25,75 1,11,27,118 2,22,71,87 5,11,25,41 5,11,25,41 5,14,27,21 5,32,72,72 9,31,12,44 1,3,33,15 1,21,34,45 1,1,3,33,15 1,21,24,24 1,2					168,589			1,398,9
Other celevables . 36.344 35					-			27 /
Due from other funds 1.482,885 - 1.482,885 4.482,885 - 1.482,885 49.500 38.66 Inventory TOTAL CURRENT ASSETS 2.275,117 7.34.305 2.49,194,72 4.492,900 Securitized care 2.276,117 7.34.305 2.49,194,72 4.492,900 Securitized care 2.236,815 1.018 4.61,846 51.1 Contraction of equivalents 3.306,468 10.18 4.61,846 51.1 Contraction of equivalents 2.236,815 1.06,031 2.22,22,233.41 5.001,82 2.29,132 6.60,071,182 2.29,132 6.60,071,182 2.29,132 6.60,071,182 2.29,132 6.60,071,182 2.29,133 6.60,071,182 2.29,133 6.60,071,182 2.29,133 1.16,141 5.37,252 5.00,162 5.03,123 2.29,133 1.16,141 5.37,253 5.00,162 5.03,123 1.29,137 \$ 1.17,143,133 5.37,253 5.00,162 5.03,123 1.21,25,514 1.21,55,514 1.24,243,133 1.25,514 1.24,243,133 1.15,55,14 1.24,243,133 1.15,55,514			1,007,302		36 344			
Prepriod letters - 1.200 342.00 Inventory TOTAL CURRENT ASSETS 22.728.171 734.305 28.519.472 5.459.0 SNCURRENT ASSETS 22.728.171 734.305 28.519.472 5.459.0 SNCURRENT ASSETS 23.06.486 81.018 - 654.440 - 654.440 Interpretion costs 23.06.486 81.018 - 654.440 - 22.553.300 64.233.525 1116.218 22.255.330 64.233.525 112.62.128 2.85.072.185 2.357.04 4.40.292 3.4 1.1 <td< td=""><td></td><td></td><td>1.482.885</td><td></td><td></td><td></td><td></td><td></td></td<>			1.482.885					
Inventory 74500 74500 74500 TOTAL CURRENT ASSETS 227,281,177 774.305 28,519.476 5.469.0 Cath and cath equivalents 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,440 524,450,322 525,030 624,332,522 525,030 624,332,522 525,030 624,332,521 528,522 525,030 624,332,521 528,522 525,030 624,332,521 528,522 525,030 624,332,521 528,522 53,523 511,122,513 51,92,924 51,11,122,511 51,414,13 53,725,7 50,162 53,92,92 53,92,923 53,92,923 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 53,92,92 54,92,92 53,92,92 53,92,92 54,92,92 53,9					1,200			
TOTAL CURRENT ASSETS 27.285.171 7.34.305 28.19.472 5.489.4 ONCURRENT ASSETS Staticited costs 634.440 - 634.440 51.1 Other depreciable copital constitution 330.886 81.018 451.486 51.1 Other depreciable copital constitution 1014. NONCURRENT ASSETS 232.86.815 106.019 64.35.302 64.35.302 Other depreciable copital constitution 1014. NONCURRENT ASSETS 232.01.340 2.771.832 66.077.183 232.22 TOTAL DEFERRED OUTROWS OF RESOURCES 114.198.461 5.497.2 5.877.2 80.162 5.477.2 5.97.2 Efferred outflow- OFB 5 11.61.11 5.77.67 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.80.162 5.47.2 5.97.2 5.97.2 5.97.2 5.97.2 5.97.2 5.97.2 5.97.2			-					
RestRicted casets 634.440 - 634.440 - 634.440 Net period caset 330,866 81.0131 223.384.15 51.00.511 223.384.15 Other depreciable capital casets, net .			27,785,171	_				5,459,
Cath and cath equivalents 434,440 - 454,440 Net pension soft 320,868 810.16 441,866 51.1 Other depreciable capital cases, net 52,883,252 22,303.00 624,3252 186.0 Other depreciable capital cases, net 57,883,252 2,352,142 \$111,072,517 \$3,526,142 \$114,578,661 \$5,697,255 FERRED OUTFLOWS OF RESOURCES Deferred outflows - Pension 371,616 7,6497 446,022 32,32 Deferred outflows - Pension 371,616 7,6497 446,022 32,32 REVENT LABLINES 387,757 \$0,162 \$125,451 \$2,871,379 \$117,7 Accounts polyable \$2,745,728 \$125,451 \$2,871,379 \$117,2 \$117,2 Accound provible \$1,986 \$1,163,80 \$117,2 \$117,2 \$117,2 \$117,2 Accound provible \$1,986 \$1,163,80 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2 \$117,2	oncurrent assets							
Net period asset 380,868 81,014 441,886 51,1 Conter deprecipite copital assets, net 59,883,223 2,550,300 42,433,223 186,2 TOTAL NONCURRENT ASSES 59,883,223 2,271,837 84,079,186 239,2 TOTAL ASSES 111,072,512 3,326,142 \$114,578,461 \$,56,972 SERRED OUTFLOWS OF RESOURCES 3,17,14 3,7737 \$10,142 \$4,47,917 \$9,983 Deferred outflows - OFEB \$16,141 3,7737 \$10,124 \$4,47,917 \$9,929 Accounts payable \$2,274,528 \$125,451 \$2,871,377 \$117,7 \$117,7 Accounts payable \$2,744,528 \$3,1747 \$117,14 \$13,031 \$12,031 Accounts payable \$1,741 2,623,113 \$2,871,377 \$117,1 Accounts payable \$1,143,384 \$11,143,334 \$11,13,334 \$14,247,97 Unerd other funds \$11,135,394 \$11,13,394 \$11,13,334 \$11,13,334 Other labilities \$12,074,592 \$117,233 \$114,293,294 \$11,23,394	Restricted assets							
Land aconstruction in progress 22.338.815 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 22.537.334 140.319 22.537.334 140.319 22.537.334 140.319 22.537.334 23.537 23.537.57 2.537.57 <	Cash and cash equivalents		654,440		-			
Other depreciable capital assets, net TOTAL NONCURRENT ASSETS 92883.225 83.287.348 2.259.300 62.433.525 188.2 TOTAL NONCURRENT ASSETS 83.287.348 2.791.837 86.079.185 239.2 TOTAL NONCURRENT ASSETS 83.287.348 2.791.837 86.079.185 2.99.2 TOTAL NONCURRENT ASSETS 3.324.142 \$111.072.512 \$3.324.142 \$111.459.86.01 \$5.0692.1 TOTAL NONCURRENT ASSETS 3.97.414 \$7.409 448.025 3.83.1 Deferred outflows - OPB8 \$16,141 \$7.409 448.025 3.83.1 Assetted outflows - OPB8 \$2.745.928 \$125.451 \$2.871.379 \$117.7 Accound payroll kobilities \$9.869 36.162 \$447.99 \$12.6 Contracts and retainage payroble \$1.041.508 \$1.041.508 \$1.041.508 \$1.041.508 Unearmed revenue \$1.155.504 \$1.155.504 \$1.155.504 \$1.155.504 \$1.165.504 \$1.165.504 Current portion of noncurrent liabilities: \$1.64.41 \$2.353.15.978 \$1.170.382 \$1.165.504 \$1.185.504 Curren								51,
TOTAL NONCURRENT ASSTS 83.287.348 2.771.837 86.072.185 2.232. TOTAL ASSETS 111.072.512 \$ 3.526.142 \$ 114.598.661 \$ 5.6992. EFERED OUTFLOWS OF RESOURCES 321.614 \$ 7.6.409 448.025 3.83. Deferred outflows - OPEB \$ 16.141 \$ 7.6.409 448.025 3.83. Satures AND NET POSITION 321.614 7.6.409 448.025 3.87.757 \$ 10.162.5451 \$ 2.871.377 \$ 117.7 \$ 117.7 \$ 3.92.7 Satures AND NET POSITION URRENT LASSITIS \$ 2.745.728 \$ 125.451 \$ 2.871.377 \$ 117.7 Accounts poyloble \$ 2.745.728 \$ 125.451 \$ 2.871.377 \$ 117.7 Macross to other trans 1.041.303 10.44.789 - 1.44.789 - 112.44.789 - 112.44.789 - 112.44.789 - 11.71.382 - 1.71.788 117.7								
TOTAL ASSETS 111.072.512 \$ 3.526.142 111.4598.661 \$ 5.6922 EFERED OUTFLOWS OF RESOURCES 371.614 \$ 3.733 \$ 19.894 \$ 1 Deferred outflows - OPE8 \$ 16.141 \$ 3.733 \$ 19.894 \$ 1 Deferred outflows - OPE8 371.614 \$ 3.733 \$ 19.894 \$ 1 Address - OPE8 \$ 16.141 \$ 3.733 \$ 19.894 \$ 1 Address - OPE8 \$ 2.745.292 \$ 12.451 \$ 2.871.377 \$ 117.0 Accound poryoble 1.01.508 - - 7.0331 7.0331 12.0 Unear derivance poryoble 1.01.508 - - 7.0331 7.0331 7.0331 7.0331 7.0331 7.0331 7.0331 7.0352 19.876 6 19.171 1 10.856 - 19.171 10.856 - 19.171 10.1569 -<								-
EFERED OUTFLOWS OF RESOURCES 5 16,141 \$ 3,753 \$ 19,894 \$ 1, 24,000 Deferred outflows - pension 371,616 76,407 448,025 383, 383,737 \$ 80,162 \$ 446,7919 \$ 39, 39, 39, 39, 39, 39, 39, 39, 39, 39, 39, 39, 39,	TOTAL NONCURRENT ASSETS		83,287,348		2,791,837		86,079,185	239,
Deferred outflow - OPEB \$ 14.141 \$ 3.75.3 \$ 19.894 \$ 1. Deferred outflows - pension 307.031 76.409 448.025 382 382 Accured poynoline 327.33 \$ 19.894 \$ 1. 371.416 76.409 448.025 382 Assumption 327.37 \$ 107.41 Deferred outflows - pension 327.37 \$ 117.71 382 <t< td=""><td>TOTAL ASSETS</td><td>\$</td><td>111,072,519</td><td>\$</td><td>3,526,142</td><td>\$</td><td>114,598,661</td><td><u>\$ 5,699,</u></td></t<>	TOTAL ASSETS	\$	111,072,519	\$	3,526,142	\$	114,598,661	<u>\$ 5,699,</u>
Deferred outflows - pension 371.616 76.409 448.025 93.2 BiLITES AND NET POSITION 382.757 \$ 80.162 \$ 467.919 \$ 39.2 BiLITES AND NET POSITION 2.745.928 \$ 125.451 \$ 2.871.377 \$ 117.4 Account poyoble \$ 2.745.928 \$ 125.451 \$ 2.871.377 \$ 117.4 Account poyoble \$ 2.745.928 \$ 125.451 \$ 2.871.377 \$ 117.4 Account poyoble \$ 2.745.928 \$ 125.451 \$ 2.871.377 \$ 117.4 Account poyoble \$ 1.441.088 - 1.041.508 \$ 434.787 \$ - 1.041.508 Unermed revenue - 70.331 70.331 70.331 70.331 Due to other funds \$ 1.155.504 - 1.155.504 - 1.155.504 Current portion of noncurrent liabilities: - 89.171 89.171 89.171 Be.9.171 89.9.171 Deposits subject to refund 184.586 - 184.586 - 149.25 Accrued compensated obsences - - 2.449.000 - 2.449.0	eferred outflows of resources							
TOTAL DEFERRED OUTFLOWS OF RESOURCES 337.757 80.162 447.919 392 ABILITES AND NET POSITION Jamma Control (1990) 347.457.26 312.461 \$2.71.379 \$117.4 Accound psyable \$2.745.928 \$125.451 \$2.871.379 \$117.4 Accound psyable \$9.869 36.162 \$43.789 -434.789 Contracts and relatinge psyable 1.041.1508 -1.041.508 -1.041.508 Uneamed revenue - 70.331 70.331 70.331 Date to other funds 1.07.414 2.2232 193.676 -1.155.504 Current portion of noncurrent liabilities: - 89.171 89.171 89.171 Depoils subject to refund 1.84.586 -1.84.586 -1.84.586 -1.103.82 Notes psyable 1.710.382 -1.710.382 -1.710.382 -1.710.382 Correct control psyable 1.448.000 -44.482.000 -44.49.00 -44.49.00 Incurred but not reported claims - - - - - Total LUBRITIES - 24	Deferred outflows - OPEB	\$	16,141	\$	3,753	\$	19,894	\$1,
ABULITES AND NET POSITION URRENT LIABILITIES Accounds psycble \$ 2,745,928 \$ 125,451 \$ 2,871,379 \$ 1174 Accounds psycble \$ 98,869 36,162 136,031 12, Interest psycble \$ 434,789 - 434,789 - 434,789 Contracts and retainage psycble 1,041,508 - 70,331 T0,331 Due to other funds 1,155,504 - 1,155,504 - 1,155,504 Current portion of noncurrent liabilities: - 89,171 89,171 89,171 Deposits subject to refund 184,586 - 184,586 - 4482,000 Incurred but hort toported claims - - - 419, Accrued compensated absences 72,533 17,406 89,939 8, Financed purchases - - 444,900 - 444,920 Incurred but not reported claims - - 424,936 634,440 - 634,440 - 644,440 - 644,440 - 644,	Deferred outflows - pension		371,616		76,409		448,025	38,
URRENT LABILITIES \$ 2.745.928 \$ 125.451 \$ 2.871.379 \$ 117. Accrued payroll labilities 99.869 36.162 136.031 12. Interest payroll 1.041.508 - 444.789 - 444.789 Contracts and retainage payroble 1.041.508 - 10.41.508 - 10.41.508 Uncarred revenue - 70.331 70.331 - 1.35.504 - 1.155.504 - 1.155.504 - 1.155.504 - 1.155.504 - 1.162.866 Notes payroble - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 - 1.170.382 <	TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$	387,757	\$	80,162	\$	467,919	<u>\$ 39,</u>
Accounds poyable \$ 2.745,928 \$ 125,451 \$ 2.871,377 \$ 117, Accrued poyable 99,869 36,162 136,031 12, Inferest poyable 1,041,508 - 434,789 - 434,789 - 434,789 - 1,041,508 12, Uneamed revenue - 70,331 70,341 44,42,432	ABILITIES AND NET POSITION							
Accrued payroll itabilities 99,869 36,162 136,031 12, Interest payroble 434,789 - 434,789 - 434,789 Contracts and relainage payroble 1,041,508 - 1,041,508 Unsamed revenue Due to other funds 1,155,504 - 1,155,504 Current portion of noncurrent itabilities: Financed purchases - 89,171 89,171 Deposits subject to refund 184,586 - 89,777 89,171 Deposits subject to refund 184,586 - 1,171,0,382 Revenue note payroble 4,482,000 - 4,482,000 Incurred but not reported claims - 0, 419, Accrued compensated absences - 0, 419, Encoded purchases - 0, 419, Accrued compensated absences - 0, 424,936 Revenue note payroble - 24,409,000 - 24,409,000 Total CURRENT LIABILITIES - 0, 424,936 Revenue note payroble - 24,409,000 - 24,409,000 Total CORENT LIABILITIES - 0, 424,936 Accrued compensated absences - 0, -0, 436, Accrued compensated absences - 0, -0, -0, 436, Accrued compensated absences - 0, -0, -0, -0, -0, -0, -0, -0, -0, -0	URRENT LIABILITIES							
Interest payable 434,789 - 434,789 Contracts and retainage payable 1.041,508 - 70,331 70,331 Due to other funds 1.155,504 - 70,331 70,331 Due to other funds 1.155,504 - 71,355,504 Other liabilities 167,441 26,233 193,676 Current portion of noncurrent liabilities: - 89,171 89,171 Deposits subject to refund 184,586 - 184,586 Notes payable 1.710,382 - 1.710,382 Revenue note payable 4.482,000 - 4.482,000 Incurred but not reported claims - - - Accrued compensated absences 72,533 17,406 89,739 Sistis.598 - 35,315,598 - 35,315,598 ONCURRENT LIABILITIES - - - 424,936 Deposits subject to refund 654,440 - 64,440 Notes payable.net - - - - Incurred but not reported claims - - - - Cortact LABILITIES - 12,499,36 59,338 323,354 21,4 Incurred but not reported claims - <	Accounts payable	\$	2,745,928	\$	125,451	\$	2,871,379	\$ 117,
Contracts ord retainage payable 1.041.508 - 1.041.508 Unearmed revenue 70.331 70.331 70.331 Due to other funds 1.155.504 - 1.155.504 Current portion of noncurrent liabilities: 187.741 2.6235 193.676 Current portion of noncurrent liabilities: - 89.171 89.171 Deposits subject to refund 184.586 - 184.586 Notes payable 1.710.382 - 1.710.382 Revenue note payable 4.482.000 - 4.482.000 Incurred but not reported claims - - 4.482.000 Incurred purchases - - 4.49.24 Contract portioned payable, net 35.315.578 - 55.315.578 Poposits subject to refund 654.440 - - 436.400 Notes payable, net 35.315.578 - <td>Accrued payroll liabilities</td> <td></td> <td>99,869</td> <td></td> <td>36,162</td> <td></td> <td>136,031</td> <td>12,</td>	Accrued payroll liabilities		99,869		36,162		136,031	12,
Uncamped revenue - 70.331 70.331 Due to other funds 1,155.504 - 1,155.504 Other liabilities 167.441 26.235 193.676 Current portion of noncurrent liabilities: - 89,171 89,171 Deposits subject to refund 184.586 - 184.586 Notes payable 1,710.382 - 1,710.382 Revenue note payable 4,482.000 - 4,482.000 Incurred but not reported claims 72.533 17.406 89.939 6. CORRENT LIABILITIES 12.094.540 344.756 12.459.296 558. ONCURRENT LIABILITIES 12.094.540 - 424.936 424.936 Financed payable - 424.936 424.936 24.409.000 - 4.462.000 Notes payable, net 33.315.598 - 323.334 21.4 - 64.440 - 654.440 Notes payable, net 24.309.000 - - - 436.440 - 64.24.936 24.936 24.936 24.936 24.936 24.936 24.936 24.936					-			
Due to other funds 1.155.504 - 1.155.504 Other flabilities 167,441 26.235 193,676 Current portion of noncurrent liabilities: - 89,171 89,171 Deposits subject to refund 184,586 - 184,586 Notes payable 1.710,382 - 1,710,382 Revenue note payable 4.482,000 - 4.482,000 Incurred but not reported claims - - - COTAL CURRENT LIABILITIES 12.094,540 364,756 12.459,296 558. DONCURRENT LIABILITIES - - - - 424,936 Peopaits bubber to refund 654,440 - 654,440 - 654,440 Notes payable, net 35,315,598 - 323,534 21, Incurred but not reported claims - - - - 436, Accrued compensated absences - - - - - - - 436, Accrued compensated absences - -			1,041,508					
Other liabilities 167,411 26,235 193,676 Current portion of noncurrent liabilities: - 89,171 89,171 Deposits subject to refund 184,586 - 184,586 Notes payable 1,710,382 - 1710,382 Revenue note payable 4,482,000 - 4,482,000 Incurred but not reported claims - - - Accrued compensated absences 72,533 17,406 89,939 8, DNUKENT LIABILITIES 12,094,540 364,756 12,459,296 558. ONCURRENT LIABILITIES - 424,936 424,936 654,440 - 654,440 Notes payable, net 35,315,598 - 35,315,598 - 436, Revenue note payable 24,409,000 - 24,409,000 - 44,409,000 Total OPEB liability 263,996 59,338 325,331,598 - 436, Accrued compensated absences - - - - - - 436,					70,331			
Current portion of noncurrent liabilities: - 89,171 89,171 Deposits subject to refund 184,586 - 184,586 Notes payable 1,710,382 - 1,710,382 Revenue note payable 4,482,000 - 4,482,000 Incurred but not reported claims - - - - Accrued compensated absences 72,533 17,406 89,939 8, COLURRENT LABILITIES - - - - 424,936 Deposits subject to refund 654,440 - 654,440 - 654,440 Notes payable - 424,936 323,15,598 - 323,15,598 - 323,15,598 - 323,15,598 - 436, Accrued compensated absences - - - - 436, Accrued compensated absences - - - - 436, Accrued compensated absences - - - 436, Accrued compensated absences - - <t< td=""><td></td><td></td><td></td><td></td><td>-</td><td></td><td></td><td></td></t<>					-			
Financed purchases - 89,171 99,171 Deposits subject to refund 184,586 - 184,586 Notes payable 1,710,382 - 1,710,382 Revenue note payable 4,482,000 - 4,482,000 Accrued compensated absences 72,533 17,406 89,939 8. TOTAL CURRENT LIABILITIES 12,094,540 364,756 12,459,296 558. DNCURRENT LIABILITIES 12,094,540 - 654,440 - 654,440 Notes payable, net 35,315,598 - 35,315,598 - 32,334 21,4 Incurred burch reproted claims - - - - - 436, Accrued compensated absences - 19,227 101,420 9, - Total NONCURRENT LIABILITIES 572,819,367 \$ 73,688,224 \$ 1,025,1 Total LIABILITIES 72,819,367 \$ - - 436, Deferred inflow - OPEB <td< td=""><td></td><td></td><td>167,441</td><td></td><td>26,235</td><td></td><td>193,676</td><td></td></td<>			167,441		26,235		193,676	
Deposits subject to refund 184,864 - 184,864 Notes payable 1.710,382 - 1.710,382 Revenue note payable 4.482,000 - 4.482,000 Incurred but not reported claims - - - 419, Accrued compensated absences 72,533 17.406 89,939 8. DONCURRENT LIABILITIES 12,094,540 364,756 12,459,296 558. DONCURRENT LIABILITIES - - 424,936 424,936 - Personal subject to refund 654,440 - 4654,440 - - 444,936 Notes payable, net 35,315,598 - 35,315,598 - 323,534 21,0 Incurred but not reported claims - - - 436, Accrued compensated absences 81,793 19,627 101,420 9, TOTAL NONCURRENT LIABILITIES 5 73,688,224 \$ 1,025,5 FERRED INFLOWS OF RESOURCES 81,793 19,627 101,420 9, Deferred in					00 171		00 171	
Notes payable 1.710.382 - 1.710.382 Revenue note payable 4.482.000 - 4.482.000 Incurred but not reported claims - - - 419. Accrued compensated absences 72.533 17.406 89.939 8. TOTAL CURRENT LIABILITIES 12.094,540 364.756 12.459.296 558. DNCURRENT LIABILITIES 12.094,540 364.756 12.459.296 558. DEposits subject to refund 654.440 - 654.440 - 654.440 Notes payable . 24.409.000 - 24.409.000 - - - - - - 436. Accrued compensated absences . . . - - - - - - - 436. Accrued compensated absences <td< td=""><td></td><td></td><td>184 586</td><td></td><td>07,171</td><td></td><td></td><td></td></td<>			184 586		07,171			
Revenue note payable 4,482,000 - 4,482,000 Incurred but not reported claims - - - - - 419,1 Accrued compensated absences TOTAL CURRENT LIABILITIES 12,094,540 364,756 12,459,296 558. DNCURRENT LIABILITIES - - 424,936 424,936 - 654,440 - 654,440 - 654,440 - 654,440 - 453,15,598 - 35,315,598 - 35,315,598 - 35,315,598 - 35,315,598 - 35,315,598 - 436,400,000 - 44,409,000 - 446,736 424,936 436,756 12,409,000 - 44,67,356 12,125,928 446,7,366 436,756 12,125,928 446,7,366 436,756 10,420 9,758 323,534 21,1 - 436,756 12,128,928 446,7,366 12,128,928 446,7,366 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 12,128,928 446,7,366 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Incurred but not reported claims - 112,094,540 364,756 12,459,296 558. DONCURRENT LIABILITIES - - - 424,936 424,936 - 35,15,578 Revenue note payable - 24,409,000 - 24,409,000 - 24,409,000 - 24,409,000 - 24,409,000 - - - 436, - - - 436, - - - 436, - - 436, - - - 436, - - - 4								
Accrued compensated absences 72,533 17,406 89,939 8, TOTAL CURRENT LIABILITIES 12,094,540 364,756 12,459,296 558. DNCURRENT LIABILITIES - 424,936 424,936 424,936 Deposits buject to refund 654,440 - 654,440 - Notes payable, net 35,315,598 - 32,315,598 - Total OPED liability 263,996 55,533 323,354 21,49,000 Incurred but not reported claims - - - 436, Accrued compensated absences 81,793 19,627 101,420 9, Accrued compensated absences 81,793 19,627 101,420 9, Total NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467,35 Deferred gain on debt refunding \$ 179,300 \$ - \$ 1074,208 \$ Deferred inflow - OPEB 94,029 20,189 114,218 8, B 21,06,712 \$ 53,640,030 \$ <td< td=""><td></td><td></td><td>-</td><td></td><td>-</td><td></td><td>-</td><td>419,</td></td<>			-		-		-	419,
TOTAL CURRENT LIABILITIES 12.094,540 364.756 12.459.296 558. DNCURRENT LIABILITIES - 424,936 424,936 424,936 424,936 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 654,440 - 424,936 12,409,000 - 24,409,000 - 24,409,000 - 24,409,000 - 436,15,598 323,534 21,1 Incurred but not reported claims - - 436,173 10,120 9, - 436,173 10,227 101,420 9, - 446,73 Accrued compensated absences 81,793 19,627 101,420 9, - 467,257 504,101 61,228,928 467,257 - 1025,558 - 1025,558 - 1025,558 - 1025,558 - 1025,558 - 1025,558 - 1042,059,728 1025,558			72,533		17,406		89,939	
Financed purchases - 424,936 424,936 Deposits subject to refund 654,440 - 654,440 Notes payable, net 35,315,598 - 35,315,598 Revenue note payable 24,409,000 - 24,409,000 Total OPEB liability 263,996 59,538 323,534 21,4 Incurred but not reported claims - - - 436, Accrued compensated absences 81,793 19,627 101,420 9, TOTAL NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467,336 Deferred gain on debt refunding \$ 72,819,367 \$ 868,857 \$ 73,688,224 \$ 1,025,57 Deferred gain on debt refunding \$ 179,300 \$ - \$ \$ 1,125,928 844,23 Deferred inflow - OPEB 94,029 20,189 114,218 8, 84,44 - \$ 53,640,030 \$ 1,83,93 \$ 2,196,712 \$ \$ 53,640,030 \$ 188,38 \$ 2,196,712 \$ \$ 53,640,030 <t< td=""><td></td><td></td><td></td><td>_</td><td></td><td></td><td></td><td></td></t<>				_				
Deposits subject to refund 654,440 - 654,440 Notes payable, net 35,315,598 - 35,315,598 Revenue note payable 24,409,000 - 24,409,000 Total OPEB liability 263,996 59,538 323,534 21,7 Incured but not reported claims - - - 436, Accrued compensated absences 81,793 19,627 101,420 9, TOTAL NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467,3 TOTAL LIABILITIES 72,819,367 \$ 868,857 \$ 73,688,224 \$ 1,025,3 FERRED INFLOWS OF RESOURCES TOTAL LIABILITIES \$ 72,819,367 \$ 66,868,57 \$ 73,688,224 \$ 1,025,33 Deferred inflow - OPEB \$ 94,029 20,189 114,218 8 84,33 \$ 1,279,300 \$ - \$ 1,24,318 84,33 \$ 2,196,712 \$ 5,640,030 \$ 188,36,33,43,318 \$ 2,196,712 </td <td>ONCURRENT LIABILITIES</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	ONCURRENT LIABILITIES							
Notes payable, net 35,315,598 - 35,315,598 Revenue note payable 24,409,000 - 24,409,000 Total OPEB liability 263,996 59,538 323,534 21,7 Incurred but not reported claims - - - 436, Accrued compensated absences 81,793 19,627 101,420 9, TOTAL NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467, TOTAL LIABILITIES 72,819,367 \$ 868,857 \$ 7,3,688,224 \$ 1,025,7 Deferred gain on debt refunding \$ 179,300 \$ - \$ 114,218 8, Deferred inflow - OPEB 94,029 20,189 114,218 8, 84,2 Total DEFERRED INFLOWS OF RESOURCES 704,787 147,651 852,438 84,2 Total DEFERRED INFLOWS OF RESOURCES 978,116 167,840 \$ 1,145,956 \$ 92,1 Total DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 167,840 \$ 1,843,318 \$ 2,196,712 \$ \$ 3,640,030 \$			-		424,936			
Revenue note payable 24,409,000 - 24,409,000 Total OPEB liability 263,996 59,538 323,534 21,4 Incurred but not reported cloims - - - 436,6 Accrued compensated absences 81,793 19,627 101,420 9,7 TOTAL NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467,3 TOTAL LIABILITIES 72,819,367 \$ 868,857 \$ 73,688,224 \$ 1,025,5 Deferred gain on debt refunding \$ 179,300 \$ - \$ 114,218 8, Deferred inflow - OPEB 94,029 20,189 114,218 8, 84.4 TOTAL DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 147,651 852,438 84.4 TOTAL DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 1,145,956 \$ 92,4 ET POSITION Intervestment in capital assets \$ 51,443,318 \$ 2,196,712 \$ 53,640,030 \$ 188,8,8 Restricted for:<					-			
Total OPEB liability 263,996 59,538 323,534 21,4 Incurred but not reported claims - - 436, Accrued compensated absences 81,793 19,627 101,420 9, TOTAL NONCURRENT LIABILITIES 60,724,827 504,101 61,228,928 467, TOTAL LIABILITIES 72,819,367 \$ 868,857 \$ 73,688,224 \$ 1,025,928 EFERRED INFLOWS OF RESOURCES 5 20,189 114,218 8, Deferred inflow - OPEB 94,029 20,189 114,218 8, Deferred inflow - pension 704,787 147,651 852,438 84, TOTAL DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 1,475,43 84, Deferred inflow - operation 704,787 147,651 852,438 84, TOTAL DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 1,476,51 852,438 84, TOTAL DEFERRED INFLOWS OF RESOURCES \$ 978,116 \$ 1,715,243 8, TOTAL DEFERRED INFLOWS OF RESOURCES \$ 3,1,43,318 \$ 2,196,712 \$ 53,640,030 \$ 188, Restricted for: 1,715,243 - 1,715,243 - 1					-			
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Deferred gain on debt refunding \$ 179,300 \$ - \$ 179,300 \$ Deferred inflow - OPEB 94,029 20,189 114,218 8, Deferred inflow - oPEB 704,787 147,651 852,438 84,2 TOTAL DEFERRED INFLOWS OF RESOURCES 978,116 \$ 167,840 \$ 1,145,956 \$ 9,2,4 ET POSITION Net investment in capital assets \$ 51,443,318 \$ 2,196,712 \$ 53,640,030 \$ 188.3 Restricted for: 0.515,243 - 1,715,243 - 1,715,243 - 1,715,243 - 1,715,243 - 1,715,243 - 4,431,2 Unrestricted (deficit)	EFERRED INFLOWS OF RESOURCES							
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TOTAL NET POSITION \$ 37,662,793 \$ 2,569,607 \$ 40,232,400 \$ 4,619,								4,431,
		\$		\$	2 549 407	¢		\$ 4 410
ome amounts reported for business-type activities in the Statement of Net Position are different because certain internal				<u>₽</u>		<u>.</u>	-10,232,400	Ψ 4,017,

Total business-type activities net position per Government-Wide financial statements

\$ 41,065,638

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -- PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		Enterprise Funds		
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	Internal Service Funds
OPERATING REVENUES				101103
Charges for services:				
Water	\$ 7,757,544	\$ -	\$ 7,757,544	\$-
Wastewater	5,810,301	-	5,810,301	-
Refuse	2,557,530	-	2,557,530	-
Recycle	68,845	-	68,845	-
Penalties/late charges	209,429	-	209,429	-
Golf	-	967,304	967,304	-
Internal service charges for services	-	-	-	8,595,219
Other	95,080	550	95,630	39,073
TOTAL OPERATING REVENUES	16,498,729	967,854	17,466,583	8,634,292
OPERATING EXPENSES				
Utility billing	478,251	-	478,251	-
Administration	1,150,163	-	1,150,163	1,592,029
Water	4,377,606	-	4,377,606	-
Wastewater treatment plant	1,464,877	-	1,464,877	-
Wastewater collection	935,107	-	935,107	-
Refuse collections	1,245,524	-	1,245,524	-
Recycle center	188,646	-	188,646	-
TIF/economic development	473,406	-	473,406	-
Golf Claime evenence	-	1,516,120	1,516,120	-
Claims expense	-	-	-	5,484,336 672,152
City garage Depreciation	3,197,889	- 198,108	3,395,997	25.846
Other	39,492	170,100	39,492	23,040
TOTAL OPERATING EXPENSES	13,550,961	1,714,228	15,265,189	7,774,363
OPERATING INCOME (LOSS)	2,947,768	(746,374)	2,201,394	859,929
NONOPERATING REVENUES (EXPENSES)				
Investment income	44,045	246	44,291	19,420
Interest expense	(1,947,195)		(1,947,195)	
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,903,150)	246	(1,902,904)	19,420
Net income (loss) before contributions and transfers	1,044,618	(746,128)	298,490	879,349
Capital contributions	1,231,275	-	1,231,275	-
Transfers in - required	32,580,350	-	32,580,350	-
Transfers in - other	450,103	1,040,000	1,490,103	-
Transfers out	(29,223,496)		(29,223,496)	
CHANGE IN NET POSITION	6,082,850	293,872	6,376,722	879,349
NET POSITION - BEGINNING	31,579,943	2,275,735	33,855,678	3,740,642
NET POSITION - ENDING	\$ 37,662,793	\$ 2,569,607	\$ 40,232,400	<u>\$ 4,619,991</u>
Change in net position per above Some amounts reported for business-type activities in the Statement c	of Activities are different		6,376,722	
because the net revenue of certain internal service funds is reported			181,991	
Change in Business-Type Activities Net Position per Government-Wide	e Financial Statements		\$ 6,558,713	•

STATEMENT OF CASH FLOWS -- PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		Enterprise Funds					
	Р	Owasso Public Works	P	Owasso ublic Golf			Internal Service
		Authority		Authority		Total	Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$	16,194,572	\$	1,010,735	\$	17,205,307	\$ 8,555,043
Payments to suppliers		(5,777,242)		(803,039)		(6,580,281)	(7,297,575)
Payments to employees		(3,656,485)		(995,519)		(4,652,004)	(460,528)
Receipts of customer meter deposits		215,197		-		215,197	-
Customer meter deposits refunded or applied		(162,847)		-		(162,847)	-
Other receipts (payments)		142,394		550		142,944	 48,314
NET CASH FROM							
OPERATING ACTIVITIES		6,955,589		(787,273)		6,168,316	 845,254
CASH FLOWS FROM NONCAPITAL							
FINANCING ACTIVITIES							
Transfers from other funds		33,030,453		1,040,000		34,070,453	-
Transfers to other funds		(29,223,496)		-		(29,223,496)	 _
NET CASH FROM							
NONCAPITAL FINANCING ACTIVITIES		3,806,957		1,040,000		4,846,957	
CASH FLOWS FROM CAPITAL AND							
RELATED FINANCING ACTIVITIES							
Payments on financed purchases		-		(57,942)		(57,942)	-
Acquisition and construction of capital assets		(17,992,476)		(77,620)		(18,070,096)	-
Principal paid on capital debt		(5,552,735)		-		(5,552,735)	-
Interest paid on capital debt		(2,038,870)		-		(2,038,870)	 -
NET CASH FROM CAPITAL AND							
RELATED FINANCING ACTIVITIES		(25,584,081)		(135,562)		(25,719,643)	 <u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchases of investments		(2,128,713)		(122,419)		(2,251,132)	(1,006,294)
Investment income received		44,045		246		44,291	 19,420
NET CASH FROM							
INVESTING ACTIVITIES		(2,084,668)		(122,173)		(2,206,841)	 (986,874)
NET INCREASE (DECREASE)							
IN CASH AND CASH EQUIVALENTS		(16,906,203)		(5,008)		(16,911,211)	(141,620)
BALANCES - BEGINNING OF YEAR		39,065,029		483,680		39,548,709	 4,113,701
BALANCES - END OF YEAR	<u>\$</u>	22,158,826	\$	478,672	\$	22,637,498	\$ 3,972,081
							 (Continued)

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS -- Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

			Enter	prise Funds				
	Owasso Public Works Authority			Owasso				Internal
				ublic Golf Authority		Total		Service Funds
RECONCILIATION OF OPERATING INCOME		7.0momy	/					101103
(LOSS) TO NET CASH FROM								
OPERATING ACTIVITIES								
Operating income (loss)	\$	2,947,768	\$	(746,374)	\$	2,201,394	\$	859,929
Adjustments to reconcile operating income (loss)				. ,				
to net cash from operating activities:								
Depreciation expense		3,197,889		198,108		3,395,997		25,846
Change in assets and liabilities:								
Accounts receivables, net		(140,232)		-		(140,232)		(37,295)
Other receivables		-		(26,900)		(26,900)		(2,881)
Inventory		-		20,843		20,843		-
Prepaid		-		-		-		1,593
Due from other funds		(124,850)		-		(124,850)		9,241
OPEB		14,181		2,967		17,148		1,320
Pension		(149,129)		(31,297)		(180,426)		(17,957)
Accounts payable		889,554		(264,142)		625,412		60,766
Accrued payroll liabilities		12,423		10,029		22,452		2,816
Estimated liability for claims		-		-		-		(61,000)
Customer meter deposits payable		52,350		-		52,350		-
Due to other funds		142,811		-		142,811		-
Unearned revenue		-		70,331		70,331		82
Other liabilities		104,380		(25,596)		78,784		-
Accrued compensated absences		8,444		4,758		13,202		2,794
NET CASH FROM								
OPERATING ACTIVITIES	<u>\$</u>	6,955,589	\$	(787,273)	<u>\$</u>	6,168,316	\$	845,254
NONCASH ACTIVITIES								
Contributed capital assets	<u>\$</u>	1,231,275	<u>\$</u>	-	\$	1,231,275	\$	
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT								
OF NET POSITION								
Cash and cash equivalents - current	\$	8,258,109	\$	478,672	\$	8,736,781	\$	3,972,081
Cash and cash equivalents - restricted current		13,246,277		-		13,246,277		-
Cash and cash equivalents - restricted noncurrent		654,440		-		654,440		
TOTAL CASH AND CASH EQUIVALENTS	\$	22,158,826	\$	478,672	\$	22,637,498	\$	3,972,081
							(Concluded)

NOTES TO BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

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CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared as required by generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

1. A--Financial Reporting Entity

The City of Owasso is organized under the laws of the State of Oklahoma and is governed by a five-member elected board. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government and its component units. Blended component units, although legally separate entities, are in substance part of the government's operations.

The City's financial reporting entity is comprised of the following:

Primary government:	City of Owasso
Blended Component Units:	Owasso Public Works Authority
	Owasso Public Golf Authority
Discretely Presented Component Unit:	Owasso Economic Development Authority

In determining the financial reporting entity, the City complies with the provisions of all relevant GASB Standards and includes all component units for which the City is financially accountable.

Each of these component units is a Public Trust established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, the City has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

<u>Blended Component Units</u>: Blended component units are entities that meet the component unit criteria described above and are, in substance, part of the City's operations, even though they are legally separate entities. These component units' funds are blended into those of the City's by appropriate fund category to comprise the primary government presentation.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1. A--Financial Reporting Entity--Continued

The component units that are blended into the primary governments' fund categories are presented below:

<u>Component Unit</u>	Brief Description/Inclusion Criteria	Included Funds
Owasso Public	Created January 10, 1973, to finance, develop, and	OPWA
Works Authority	operate the water, wastewater, and refuse disposal facilities. The current City Council serves as entire	Enterprise
	governing body (Trustees) of the OPWA, and management of the City has operational responsibility for	Fund
	the OPWA. Any issuances of debt would require a	
	three-quarters approval of the City Council.	

Owasso Public Created August 8, 1989, to acquire, construct, own, Golf Authority maintain, equip, operate, and conduct a golf course and incidental facilities. The current City Council serves as entire governing body (Trustees) of OPGA, and management of the City has operational responsibility for the OPGA. Any issuances of debt would require a three-quarters approval of the City Council.

Discretely Presented Component Units: Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but these entities do not meet the criteria for blending. Since these component units are not as closely associated with the primary government as are blended component units, they are reported in discretely presented columns on the government-wide financial statements labeled "Component Units." The City has one component unit that is discretely presented in the City's report as described below:

Owasso	Created October 21, 1987, to promote and encourage
Economic	development of industry and commerce on behalf of the
Development	City. The OEDA governing body is comprised of seven
Authority	members: one council member of the Beneficiary, one
(OEDA)	board member of the Chamber of Commerce, and five
	appointed members. Any issuances of debt would
	require a two-thirds approval of the City Council.

The discretely presented and the blended component units of the City do not issue separately audited financial statements.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.B--Basis of Presentation

<u>Government-Wide Financial Statements</u>: The statement of net position and statement of activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

<u>Fund Financial Statements</u>: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, deferred inflows and outflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c) A fund that does not meet the criteria of (a) and (b) but which management has determined is of such significance to be reported as a major fund.

The funds of the financial reporting entity are described below:

GOVERNMENTAL FUNDS:

<u>General Fund</u>: The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

<u>Special Revenue Funds</u>: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for certain purposes. The reporting entity includes the following special revenue funds:

<u>Major Fund</u>

Brief Description

Half-Penny Sales Tax FundAccounts for half-penny sales tax revenue. Funds are restricted
to operational or capital expenditures for Police, Fire, and
Streets functions. Fire and Police each receive 35% of the
revenue and Streets receives 30% of the revenue.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.B--Basis of Presentation--Continued

<u>Nonmajor</u>	Funds		Brief Description	
		_		

- Ambulance Service FundAccounts for the revenue received from ambulancesubscriptions and billings. Allocated revenue is 85% of receiptsfor ambulance billings and subscriptions.
- Emergency 911 Fund Accounts for the revenue received from the emergency service fee on telephone bills. Funds are used to pay monthly service charges for the 911 system. Remaining funds may be used for any other emergency communications need.
- Cemetery Care Fund Accounts for 12.5% of revenue from cemetery service fees (lot sales and interments). These funds may only be used for capital improvements to the cemetery.
- Emergency Siren Fund Accounts for the per acre fees received when new subdivisions are platted as required by subdivision regulations. Funds are used for the acquisition and/or purchase of emergency sirens.
- Juvenile Court Fund Accounts for fines generated as a result of prosecution of juveniles under the "Agreement for Municipal Court Jurisdiction Concerning Juveniles." Funds are used for local programs that address problems of juvenile crime.
- Hotel Tax Fund Accounts for a 3% hotel tax to be used in economic development and promotion of tourism and a 2% hotel tax designated to fund the Owasso Strong Neighborhoods Initiative.
- Stormwater ManagementEstablished by ordinance to account for revenues derivedFundfrom the storm water system service charge. Funds are used for
expenses attributable to storm water management services.
- Federal Grants FundAccounts for large Federal grants received by the City.
Currently, the fund includes revenue and expenses related to
the Coronavirus State and Local Fiscal Recovery Funds
program, a part of the American Rescue Plan Act.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

Major Funds

1.B--Basis of Presentation--Continued

<u>Capital Project Funds</u>: Capital Project Funds are used to account for resources restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

Brief Description

Major Torias								
Vision Recapture Tax Fund	Accounts for 55/100th's sales tax revenue. Funds are							
	restricted to capital expenditures for street projects approved							
	by the citizens of Owasso in January 2016.							

- Capital Improvement Fund Accounts for the funds remaining from the one-cent capital improvements sales tax after payment of principal and interest on debt to fund capital projects. The expenditure items in this budget are based on priorities and recommendations established by the capital improvements committee and approved by the City Council.
- Nonmajor Funds Brief Description
- Ambulance Capital Fund Accounts for the fifteen percent (15%) of revenue from ambulance billings and subscriptions. Expenditures are for ambulance capital outlay for ambulance service.
- Tax Incremental Financing Fund (TIF) Accounts for TIF tax revenues generated within the Owasso Increment District No. 1 (Redbud District). TIF revenues are comprised of 2% sales tax on businesses locating within the TIF district after December 20, 2016, and property taxes related to increases in the property tax base within the TIF District subsequent to the December 20, 2016, creation date. Funds are restricted to capital expenditures within the Redbud District.
- Park Development Fund Accounts for revenue received from building permit charges required by ordinance as in-lieu-of payments in subdivisions that do not donate park property. Funds are used for improvements to and development of the park system.
- Capital Project Grant Fund Accounts for grant revenue from state and federal grants. Funds are used for capital improvements as specified in grant contracts.

<u>Debt Service Fund</u>: The debt service fund accounts for ad-valorem taxes levied by the City for use in retiring judgments and their related interest expense. Issuance of General Obligation debt requires voter approval. The City neither has any outstanding General Obligation debt nor voter approval to issue General Obligation debt.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.B--Basis of Presentation--Continued

<u>Proprietary Funds</u>: Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used primarily to account for governmental activities provided and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues and expenses, such as charges for services and costs, and depreciation on capital assets, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues and expenses of the proprietary funds include such items as investment earnings, interest expense and subsidies. The reporting entity includes the following enterprise funds and internal service funds:

Enterprise Funds:

<u>Funds</u>	Brief Description
Owasso Public Works Authority	Accounts for activities of the public trust in providing water, wastewater and refuse disposal services to the public.
Owasso Public Golf Authority	Accounts for activities of the public trust in providing recreational golf activities to the public.
Internal Service Funds:	
<u>Funds</u>	Brief Description
City Garage Fund	Accounts for the financing of goods and services provided by one department to other departments of the City. The City garage invoices for vehicle parts and services used by other departments.
Workers' Comp Self-Insurance Fund	Accounts for the funds reserved for the payment of expenses and administration for workers' compensation benefits for all City employees. Expenditures from this fund are approved by the City Council but, by ordinance, are not subject to limitations on spending amounts as are other City purchases.
General Liability Self-Insurance Fund	Accounts for the funds reserved for payments of expenses of property claims and for collision repairs to City vehicles. The City carries only liability insurance on City vehicles.
Healthcare Services Self-Insurance Fund	Accounts for the funds reserved for the payment of expenses and administration for healthcare benefits for all City employees. The Plan is administered by a third-party administrator.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.C--Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

<u>Measurement Focus</u>: On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item 2, below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- 1. All governmental fund types and similar component units utilize a "current financial resources" measurement focus. Only current financial assets, liabilities and deferred inflows and outflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- 2. Proprietary fund types and similar component units utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, liabilities and deferred inflows and outflows (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

<u>Basis of Accounting</u>: In the government-wide statement of net position and statement of activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (defined by the City as 180 days after year-end for intergovernmental grants and 60 days after year-end for other receivables) to pay current liabilities. Sales and use taxes, franchise taxes, hotel taxes, grants, court fines, and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, pension and OPEB costs, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and financed purchases are reported as other financing sources.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

1.C--Measurement Focus and Basis of Accounting--Continued

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset is used.

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

<u>Cash and Cash Equivalents</u>: Cash and cash equivalents include all demand, savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less at the date of purchase.

<u>Restricted Cash:</u> Includes revenue bond, customer deposits and promissory note trust account investments in open-ended mutual fund shares reported at the funds' amortized cost.

<u>Investments:</u> Investments include certificates of deposit or short-term investments with an original maturity of three months to one year at the date of purchase. Investment income reflected in the proprietary statements is considered non-operating income.

<u>Receivables</u>: Material receivables in governmental funds include revenue accruals such as sales tax, use tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reported as deferred inflows of resources at the fund level. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Material receivables in proprietary funds 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 for governmental and proprietary funds are based upon historical trends and the periodic aging of accounts receivable. Court receivables are reported net of \$339,555 for allowance for doubtful accounts.

<u>Inventories</u>: The City has chosen to record consumable materials and supplies as expenditures in the governmental funds at the time of purchase, and year-end inventory on-hand is not material; therefore, no balances for inventory on-hand are reported on the balance sheet for such funds. However, in the Owasso Public Golf Authority, the golf pro shop and food/beverage inventory is recorded as an asset when purchased and expensed when consumed. Such inventory is valued at the lower of cost or market. No inventory is kept on hand for the Owasso Public Works Authority.

Land Held for Resale: Land donated to the City, which is held for resale, is recorded at the value assigned by a professional appraisal, and carried at lower of cost or market. The value of the land held for resale by the City at year end amounts to \$275,000. The land is recorded as an asset in both the government-wide statement of net position (governmental activities) and in the governmental funds balance sheet.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

<u>Capital Assets</u>: The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide and Proprietary Fund Statements: In the government-wide and proprietary fund financial statements, property, plant, and equipment are accounted for as capital assets. The City's capitalization threshold is \$5,000. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their acquisition value at the date of donation, and right-to-use lease assets, the measurement of which is discussed in note 3.E. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002 are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the assets or extend the assets' useful lives are not capitalized.

Depreciation and amortization of all exhaustible capital assets are recorded as operating expenses in the proprietary fund financial statements and allocated expenses in the government-wide statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Other improvements	10-50 years
Infrastructure	15-50 years
Equipment and vehicles	5-10 years

Governmental Fund Financial Statements: In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures. Depreciation and amortization are not recognized.

<u>Restricted Assets</u>: Restricted assets include current and non-current assets of enterprise funds and business-type activities that are legally restricted as to their use based on repayment obligations.

<u>Leases</u>: The City is a lessee for leases of machinery and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Long-Term Debt: Accounting treatment of long-term liabilities varies depending upon the source of repayment, the measurement focus applied and whether the liability is reported in the government-wide or fund financial statements.

Government-Wide Statements: All long-term liabilities to be repaid from governmental activities, business-type activities, proprietary fund, and component unit resources are reported as liabilities incurred at the time of recognition. The long-term liabilities consist primarily of accrued compensated absences, financed purchases payable, pension and other post-employment benefit liabilities, deposits subject to refund, notes payable, and revenue bonds payable. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Fund Financial Statements: Long-term liabilities of governmental funds, with the exception of deposits subject to refund, are not reported in the fund financial statements. The debt proceeds and premiums are reported as other financing sources. Discounts are reported as other financing uses. Bond issuance costs are expended as incurred, and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

<u>Compensated Absences</u>: After a six-month probationary period, all regular full-time and qualified part-time employees are granted vacation benefits in amounts from 60 hours to 190 hours per year depending upon employment classification and tenure with the City, with a maximum accumulation of 290 hours. After a twelve-month probationary period, police officers are granted vacation benefits in amounts from 96 hours to 216 hours per year depending upon tenure with the

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

City, with a maximum accumulation of 500 hours. Firefighters accrue 144 vacation hours a year during the first year of employment; after a twelve-month probationary period, firefighters are granted vacation benefits in amounts from 264 hours to 408 hours per year depending upon tenure with the City, with a maximum accumulation of 528 hours. All vacation benefits accumulate pro rata on a bi-weekly basis. Accumulated vacation leave vests, and the City is obligated to make payment even if the employee terminates.

Regular full-time employees accrue 96 hours of sick leave per year, up to a maximum of 1,000 hours. Qualified part-time employees accrue sick leave based on numbers of hours worked per week, up to a maximum of 725 hours. Police officers accrue 111 hours of sick leave per year, up to a maximum of 1,105 hours. Firefighters accrue 216 hours of sick leave per year, up to a maximum of 1,440 hours. Sick leave benefits accumulate pro rata on a bi-weekly basis. However, sick leave is not paid upon termination for nonunion employees. Police and Fire union employees receive 15% of their accumulated sick leave balance upon retirement with a 90-day notice to the City.

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as a liability incurred using the vesting method, in which leave amounts for both employees who currently are eligible to receive separation payments and other employees who are expected to become eligible in the future to receive such payments upon separation are included. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. For the governmental activities, the compensated absences liability is generally liquidated by the general fund.

Governmental funds report only the matured compensated absences payable to terminated employees.

<u>Deferred Outflows/Inflows of Resources</u>: In addition to assets, the statement of financial 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 future periods and, as such, will not be recognized as an outflow of resources (expense/expenditure) until then. Both the entity-wide and proprietary fund statements of net position include the following items that are reported as deferred outflows of resources: deferred charges on the pension liability and deferred charges on OPEB liability.

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. Both the entity-wide and proprietary fund statements of net position include deferred charges on the pension and OPEB liabilities and the deferred gain on debt refunding that are reported as deferred inflows. A deferred gain on refunding results from the difference in the carrying value of refunded debt and

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflow/inflow of resources occur in relation to pension net liability and OPEB liability when contributions are made subsequent to the measurement date, when investment earnings come in higher or lower than anticipated, when there is a change in the City's proportionate share, when there is a change in assumptions, and when experience varies from actuarial assumptions.

The governmental fund balance sheet also includes unavailable revenue, which is reported as a deferred inflow of resources only under the modified accrual basis of accounting. The unavailable revenue from charges for services, such as court fines and ambulance receivable not collected within sixty days of fiscal year-end, is deferred and recognized as an inflow of resources until the period in which the amounts become available.

Equity Classifications:

Government-Wide and Proprietary Fund Financial Statements: Equity is classified as net position and displayed in three components:

- a) <u>Net investment in capital assets</u> Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bond, mortgages, notes or other borrowings, and unspent bond proceeds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The classification of a borrowing as capital-related is made separately for each column reported on the government-wide statement of net position, so debt might be classified as capital-related for one column but not for another. A portion of the City's enterprise fund debt is being used for the acquisition of capital assets in governmental activities. As a result, the capital assets and the related borrowings are reported in different activity columns, but within the same primary government total column.
- b) <u>Restricted net position</u> Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c) <u>Unrestricted net position</u> All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy first to use restricted resources prior to the use of unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Additionally, the City first uses committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made. These categories are discussed further below.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.D--Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance--Continued

Governmental Fund Financial Statements: Governmental fund equity is classified as fund balance. Fund balances of the government funds are classified as follows:

- a) <u>Restricted</u> Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- b) <u>Committed</u> Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the City through formal action of the highest level of decision-making authority (ordinance). Only Council action can remove the commitment.
- c) <u>Assigned</u> Includes fund balance amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Intent can be stipulated either through the governing body or by the City Manager to whom the authority has been given by City council action.
- d) <u>Unassigned</u> Includes the residual balance, including negative residual balances, of the general fund that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that can have a positive unassigned balance.

1.E--Internal and Interfund Balances and Activities

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

Government-Wide Financial Statements: Interfund activity and balances, 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 receivables 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 as interfund transfers in the fund financial statements 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 (the City, OPWA, and OPGA) and the discretely-presented component unit (the Owasso Economic Development Authority) are reported as if they were external transactions.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.E--Internal and Interfund Balances and Activities--Continued

Fund Financial Statements: Interfund activity, if any, within and among the governmental, proprietary, and fiduciary 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. Interfund loans with repayment periods longer than one year are considered long term advances while the current portion of interfund payables are repayable within one year.
- 2. Interfund services sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- 3. Interfund reimbursements repayments from funds responsible for certain expenditures/ expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
- 4. Interfund transfers flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1. F--Revenues, Expenditures, and Expenses

<u>Sales Tax</u>: In January 2015, citizens of Owasso voted to increase the 3% sales tax to 3.50% effective April 1, 2015. The additional half penny is restricted by Ordinance to spending on police, fire, and street functions and is recorded as revenue within the Half-Penny Sales Tax Fund. In January 2016, citizens of Owasso voted to increase the 3.50% sales tax to 4.05% effective January 1, 2017 for 7 years. The additional 0.55% is restricted to street capital projects. The City of Owasso implemented a Tax Incremental Financing (TIF) District effective December 20, 2016. Two percent of the total 4.05% in sales taxes collected by new businesses locating within the TIF district after December 20, 2016, are recorded in the TIF fund and are restricted to TIF projects.

Sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Oklahoma Tax Commission. The original 3% sales tax (excluding taxes restricted to TIF projects as described above) is recorded as revenue within the General Fund. Upon receipt, the General Fund distributes the 3% as follows:

- 3 cents, less amounts specific to the TIF District, are transferred to the OPWA as required by revenue bond indentures; with
 - 1 cent used to retire principal and interest on OPWA debt issued to finance Capital Improvement Fund projects with any remaining sales tax transferred to Capital Improvement Fund, followed by
 - 2 cents less all other infrastructure payback agreements is transferred back to the General Fund from the OPWA for operations

Sales tax resulting from sales occurring prior to year-end and received by the City after year-end has been accrued and is included under the caption *Due from Other Governments* because they represent taxes on sales occurring during the reporting period.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1. F--Revenues, Expenditures, and Expenses--Continued

<u>Property Tax</u>: Under State law, 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 for any court-assessed judgments. For the current year, the City only levied and collected property taxes for court-assessed judgments. Beginning December 20, 2016, taxes levied by other taxing jurisdictions will be apportioned to the City as related to increases in assessed valuation after that date within the TIF District. For FY 2022, this is not a significant source of revenue for the City.

<u>Program Revenues</u>: 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	Cemetery lot sales and internments, zoning fees, other fees, licenses, and permits
Public safety	Fine and forfeiture revenue, court costs and fees, police and fire reports; operating and capital grants include U.S. Department of Justice and Federal Emergency Management Agency grants
Community developmen	t Community development fees
Recreation and culture	Park development fees and community center user fees
Economic development	Surcharge for economic development
Public works	Surcharge for streets; operating and capital grants, and contributions from the U.S. Department of Housing and Urban Development, motor fuel and commercial vehicle revenues, and capital contributions from outside sources; stormwater system service charges

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Expenditures/Expenses: In the government-wide statement of activities, 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 proprietary fund financial statements, expenses are reported by object or activity. Certain indirect costs are included in the program expense reported for individual functions and activities.

1.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.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

1.H--Pensions and Other Post-Employment Benefits

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OFPRS), Oklahoma Police Pension & Retirement System (OPPRS), and Oklahoma Municipal Retirement Fund (OkMRF), and additions to/deductions from OFPRS, OPPRS and OkMRF's fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OkMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

The liability, as determined by an independent actuarial study, of Other Post-Employment Benefits is related to the health benefits for retired employees.

NOTE 2--STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

2.A--Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at fair value. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations, surety bonds, or certain letters of credit.

As required by 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., the City's uninsured deposits were sufficiently collateralized in accordance with these provisions for the year ended June 30, 2022.

Investments of the City are limited by state law to the following:

- a) Direct obligations of the U.S. Government, its agencies, and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged. Agency securities are not explicitly guaranteed by the U.S. Government, however, there is an implicit guarantee on these securities.
- b) Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c) With certain limitations, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper, and repurchase agreements with certain limitations.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

2.A--Deposits and Investments Laws and Regulations--Continued

- d) County, municipal, or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
- e) Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f) Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c., and d.

Public trusts created under O.S. Title 60, are restricted by policy to the above noted investment limitations.

2.B--Debt Restrictions and Covenants

<u>General Long-Term Debt</u>: As required by the Oklahoma State Constitution, the City, (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. For the year ended June 30, 2022, no such debt was incurred by the City.

<u>Revenue Bond and Promissory Note Debt</u>: The various bond and note indentures relating to the revenue bond and promissory note issuances of the OPWA contain a number of restrictions or covenants that are financial related.

These include covenants, such as a required flow of funds through special accounts, and revenue bond debt service coverage requirements. The following schedule presents a brief summary of the most significant requirements and the OPWA's level of compliance thereon as of June 30, 2022.

- a. Revenue Bond Coverage:
 - 1. Net operating revenue for OPWA and OPGA plus pledged sales tax must generate an amount annually equal to 125% of annual principal and interest requirements on the 2002A, 2009B, 2009C, 2011, 2013 SRF OWRB Note, and 2019 OWRB Note.

Net revenues available, including sales tax transferred, amounted to \$38,791,372. The annual principal and interest on the bonds and any subordinate debt amounted to \$7,997,349. Actual coverage was 343%.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

2.C--Fund Equity/Net Position Restrictions

<u>Deficit Prohibition</u>: Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). For the year ended June 30, 2022, the City had no deficit fund balances.

NOTE 3--DETAIL NOTES--TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A--Deposit and Investment Risks

Primary Government: The City, including its blended component units, held the following deposits and investments at June 30, 2022:

			Investme	ent M	aturities
	Carrying	(in	Year	s)	
	Value	Rating	Less than 1		1 - 5
Deposits					
Demand deposits	\$ 56,799,972	n/a	\$ n/a	\$	n/a
Petty cash and change funds	12,103	n/a	n/a		n/a
Investments					
U.S. Treasury obligations	14,966,538	AA+	14,966,538	3	-
Certificates of deposit	4,747,254	n/a	4,747,254	1	-
Money market mutual funds	13,061,691	AAAm	13,061,691		-
Total Cash and Cash Equivalents and Investme	nts <u>\$ 89,587,558</u>		\$ 32,775,483	3 \$	-
Reconciliation to Statement of Net Position					
Cash and cash equivalents	\$ 55,973,049				
Restricted cash	13,900,717				
Investments	19,713,792				
	\$ 89,587,558				

<u>Investments</u>: The City uses a pooled investment concept for all its funds, with the exception of restricted funds in connection with debt securities, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The money market mutual fund investments of less than one year, above, are classified as cash equivalents in the statement of net position. These money market investments are measured at amortized cost as opposed to their fair value. The U.S. Treasury obligations are measured at fair value.

<u>Investment Credit Risk</u>: The City's investment policy limits investments to those allowed in state law applicable to municipalities. These investment limitations are described in Note 2.A. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

3.A--Deposit and Investment Risks--Continued

securities as determined by nationally recognized statistical rating organizations (rating agencies) as of the year end. Unless there is information to the contrary, obligations of the U.S. government explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. As of June 30, 2022, the City's investments were registered in the City's name and held by a counter-party.

As noted in the schedule of deposits and investments on the previous page, at June 30, 2022, the City's investment in U.S. Treasury obligations was rated AA+ by Standard and Poor's, and the City's investment in money market mutual funds was rated AAAm by Standard and Poor's.

<u>Investment Interest Rate Risk</u>: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments. The City has no formal policy related to specific deposit or investment interest rate risk.

<u>Concentration of Investment Credit Risk</u>: 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. At June 30, 2022, the City's investments were not subject to concentration of credit risk as defined above.

<u>Fair Value Measurements</u>: The City uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

	in Act for Ide	ted Prices ive Markets ntical Assets evel 1)	Oth	Significant her Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
U.S. Treasury Obligations Certificates of Deposit	\$	-	\$	14,966,538 4,747,254	\$ -	\$ 14,966,538 4,747,254
	\$	-	\$	19,713,792	\$ _	\$ 19,713,792

As of June 30, 2022, all of the City's investments are valued using Level 2 inputs. The value is determined using quoted prices for similar assets or liabilities in active markets.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

3.A--Deposit and Investment Risks--Continued

<u>Custodial Credit Risk</u>: Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name the City's name. Certificates of deposit are collateralized at 100% of the amount that is not federally insured. As of June 30, 2022, the City had no deposits exposed to custodial credit risk.

The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than fair value, at least at a level of 100% of the uninsured deposits and accrued interest thereon, registered in the City's name, and held by its third-party agent. The investment policy also limits acceptable collateral to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by federal 12 U.S.C.A., Section 1823 (e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

The bank balances of the City's deposits totaled \$62,039,093 at June 30, 2022. The difference between the carrying amount of deposits and the bank balance is due to outstanding checks and deposits. As of June 30, 2022, the City was not exposed to custodial credit risk as all of the City's deposits were collateralized.

Discrete Component Unit: Total bank deposits of \$9,477 of the discretely presented component unit were insured with Federal Deposit Insurance Corporation Insurance. Total carrying value of the deposits was \$9,477.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.B--Accounts Receivable

	Governmental Activities									
			Н	alf-Penny		Other		Internal		
	G	eneral		Sales Tax	G	overnment		Service		
	Fund		Fund Fund		Funds		Funds			Total
Taxes	\$	-	\$	-	\$	62,821	\$	-	\$	62,821
Franchise fees		147,880		-		-		-		147,880
Municipal court fines		352,198		-		-		-		352,198
False alarm fines		51,815		-		-		-		51,815
Occupation tax		24,450		-		-		-		24,450
Utility billings		-		-		203,100		-		203,100
Emergency service billings		-		-		1,363,695		-		1,363,695
Misc. accounts receivable		11		18,260		-		32,654		50,925
Allowance for uncollectible accounts		(361,730)		-		(400,056)		-		(761,786)
Accounts receivables, net	\$	214,624	\$	18,260	\$	1,229,560	\$	32,654	\$	1,495,098

Accounts receivable outstanding at June 30, 2022 consists of the following:

	Business-Type Activities								
	Owasso	Owasso	Internal						
	Public Works	Public Golf	Service						
	Authority	Authority	Funds	Total					
Utility billings	\$ 2,626,048	\$-	\$ -	\$ 2,626,048					
Misc. accounts receivable	-	36,344	8,519	44,863					
Allowance for uncollectible accounts	(736,666)			(736,666)					
Accounts receivable, net	<u>\$ 1,889,382</u>	\$ 36,344	<u>\$ 8,519</u>	<u>\$ 1,934,245</u>					

3.C--Restricted Assets

The amounts reported as restricted assets of the business-type activities are comprised of cash and investments held by the trustee bank on behalf of the Public Trusts (Authorities) related to their required revenue bond and promissory note accounts as described in Note 2.B and deposits held for refund.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.C--Restricted Assets--Continued

The restricted assets as of June 30, 2022 were as follows:

Restricted Cash and Cash Equivalents		Amount
2009B Revenue Note Account:	Debt Service Account	\$ 367,499
2009C Revenue Note Account:	Debt Service Account	126,873
2011 Promissory Note Account:	Debt Service Account	97,210
2013 RC Promissory Note Account:	Debt Service Account	105,369
2016 Revenue Note Trustee Account:	Debt Service Account	234,086
2018 Revenue Note Trustee Account:	Debt Service Account	103,616
2019 Promissory Note Trustee Accounts:	Construction Service Account Debt Service Account	7,350,332 584,779
2020 Revenue Note Trustee Accounts:	Construction Service Account Debt Service Account	3,996,117 95,810
Deposits held for refund		839,026
	TOTAL RESTRICTED ASSETS	<u>\$ 13,900,717</u>

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.D--Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	June 30, 2021	Additions/	Reductions/ Transfers	June 30, 2022
Governmental activities:				
Non-depreciable:				
Land	\$ 18,749,066		\$ (4,000,794)	\$ 14,748,272
Construction in progress	38,799,522		(2,583,130)	45,314,734
Total non-depreciable assets at historical cost	57,548,588	9,098,342	(6,583,924)	60,063,006
Depreciable:				
Buildings	28,144,090		-	28,157,644
Improvements	28,567,258		-	29,248,763
Machinery and equipment	19,311,546		(1,041,093)	19,133,610
	128,055,289			132,851,471
Total depreciable assets at historical cost	204,078,183	6,354,398	(1,041,093)	209,391,488
Less: accumulated depreciation:				
Buildings	(6,720,618		-	(7,897,326)
Improvements	(9,520,450		-	(10,915,560)
Machinery and equipment	(12,583,504		1,041,093	(12,953,780)
Infrastructure	(63,159,652		-	(67,626,074)
Total accumulated depreciation	(91,984,224) (8,449,609)	1,041,093	(99,392,740)
Net depreciable assets	112,093,959	(2,095,211)	<u>-</u>	109,998,748
Amortized:				
Right-to-use leased machinery and equipment		190,204		190,204
Less: accumulated amortization: Right-to-use leased machinery and equipment		(45,567)	_	(45,567)
				(10,007)
Net amortized assets		144,637		144,637
Governmental activities capital assets, net	<u>\$ 169,642,547</u>	<u>\$ 7,147,768</u>	<u>\$ (6,583,924)</u>	<u>\$ 170,206,391</u>
Business-type activities:				
Non-depreciable:				
Land	\$ 322,519		\$ -	\$ 322,619
Construction in progress	4,091,548		(539,309)	22,206,715
Total non-depreciable assets at historical cost	4,414,067	18,654,576	(539,309)	22,529,334
Depreciable:				
Buildings	2,811,746		-	2,811,746
Improvements	3,897,921	76,177	-	3,974,098
Machinery and equipment	6,646,261	586,576	(225,901)	7,006,936
Infrastructure	105,975,592		(005.001)	107,727,783
Total depreciable assets at historical cost	119,331,520	2,414,944	(225,901)	121,520,563
Less: accumulated depreciation:				
Buildings	(2,007,256		-	(2,052,050)
Improvements	(2,498,667		-	(2,613,809)
Machinery and equipment Infrastructure	(3,612,474 (47,785,876		213,232	(3,854,664)
Total accumulated depreciation	(55,904,273		213,232	(50,566,515) (59,087,038)
Net depreciable assets	63,427,247	(981,053)	(12,669)	62,433,525
Business-type activities capital assets, net	\$ 67,841,314	\$ 17,673,523	\$ (551,978)	\$ 84,962,859
	Ψ 07,011,011	φ,0,0,0 <u>2</u> 0	- (001,770)	<u>+ 01,702,007</u>

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.D--Capital Assets--Continued

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:

General government Public safety Community development Culture and recreation	\$ 539,811 2,407,430 11,805 527,993
Public works	4,936,724
Sub-total In addition, depreciation on capital assets held by the City's internal service funds is charged to the various	8,423,763
functions based on their usage of the assets	25,846
Total Governmental Activities Depreciation Expense	\$ 8,449,609
Amortization expense charged to governmental activities:	
General government	\$ 45,567
Depreciation expense charged to business-type activities:	
Water	\$ 1,069,028
Refuse	203,806
Wastewater	1,916,437
Recycle center	8,618
Golf course	198,108
Total Business-Type Activities Depreciation Expense	<u>\$ 3,395,997</u>

Financed Purchases

On November 26, 2019, OPGA entered into a lease-purchase agreement with TCF National Bank for equipment to be used at the Bailey Ranch Golf Course. The lease was recorded as a financed purchase with the addition of machinery in the amount of \$284,915, an interest rate of 3.69% and a term of 60 months. Payments for principal and interest are due monthly. The net book value of the assets acquired under this agreement is \$193,335 as of June 30, 2022.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.D--Capital Assets--Continued

	z
2023 \$ 57,432 \$ 5,056 \$ 62,48)
2024 59,588 2,901 62,48	7
2025 46,154 713 46,86	7
Total \$ 163,174 \$ 8,670 \$ 171,84	4

The minimum lease payments due under the lease are as follows:

On June 1, 2022, OPGA entered into a lease-purchase agreement with Yamaha Motor Finance Corporation for equipment to be used at the Bailey Ranch Golf Course. The lease was recorded as a financed purchase with the addition of machinery in the amount of \$353,520, an interest rate of 4.20% and a term of 48 months. Payments for principal and interest are due monthly. The net book value of the assets acquired under this agreement is \$346,155 as of June 30, 2022.

The minimum lease payments due under the lease are as follows:

	<u>P</u>	rincipal	<u>lr</u>	<u>nterest</u>	<u>Total</u>
2023	\$	31,739	\$	13,751	\$ 45,490
2024		33,061		12,429	45,490
2025		34,437		11,053	45,490
2026		251,696		8,873	 260,569
Total	\$	350,933	\$	46,106	\$ 397,039

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

3.E—Leases

The City, as a lessee, has entered into lease agreements involving machinery and equipment as summarized below:

Lease Obligations Payable		2022
In fiscal year 2020, the City entered into one 60-month and one 48-month lease as a lessee for the use of copiers. Initial lease liabilities were recorded in the amount of \$9,934. The City is required to make monthly fixed payments of \$160 and \$106. The leases have interest rates of 3.69% and 4.20%. The value of the right-to-use assets as of June 30, 2022 is \$7,005 with accumulated amortization of \$8,783.	\$	7,063
In fiscal year 2021, the City entered into a 60-month lease as a lessee for the use of a copier. An initial lease liability was recorded in the amount of \$21,781. The City is required to make monthly fixed payments of \$424. The lease has an interest rate of 3.69%. The value of the right-to-use asset as of June 30, 2022 is \$17,142 with accumulated amortization of \$4,640.		17,424
In fiscal year 2022, the City entered into seven 48-month leases as a lessee for the use of vehicles. Initial lease liabilities were recorded in the amount of \$130,065. The City is required to make monthly fixed payments ranging from \$327 - \$525. The leases have interest rates ranging from 4.44% - 6.23%. The value of the right-to-use assets as of June 30, 2022 is \$97,549 with accumulated amortization of \$32,516.		125,661
In fiscal year 2022, the City entered into a 63-month lease as a lessee for the use of a postage machine. An initial lease liability was recorded in the amount of \$21,174. The City is required to make monthly fixed payments of \$370. The lease has an interest rate of 3.69%. The value of the right-to-use asset as of June 30, 2022 is \$17,141 with accumulated amortization of \$4,033.		18,081
In fiscal year 2022, the City entered into a 60-month lease as a lessee for the use of a copier. An initial lease liability was recorded in the amount of \$7,250. The City is required to make monthly fixed payments of \$133. The lease has an interest rate of 3.69%. The value of the right-to-use asset as of June 30, 2022 is \$5,800 with accumulated amortization of \$1,450.		6,695
TOTAL LEASE OBLIGATIONS PAYABLE	<u>\$</u>	174,924

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.E—Leases--Continued

Principal and Interest Requirements to Maturity									
	Governmental Activities								
Fiscal Year	Prin	cipal Payments	Inte	erest Payments	Total Payments				
2023	\$	42,884	\$	7,685	\$	50,569			
2024		44,292		5,532		49,824			
2025		45,824		3,307		49,131			
2026		39,174		1,035		40,209			
2027		2,750		28		2,778			
Total	\$	174,924	\$	17,587	\$	192,511			
Iotal	\$	1/4,924	\$	17,587	\$	192,511			

3.F--Long Term Debt

<u>Business-Type Activities Long-Term Debt</u>: As of June 30, 2022, the long-term debt payable from enterprise fund resources consisted of the following:

Notes Payable:

2002A OWRB Note Payable, dated December 30, 2002, original amount of \$886,418 with an administration	
fee of 0.5%, semiannual installments of principal and administration fee, final maturity August 15, 2022	\$ 22,161
2009B OWRB Note Payable, dated December 8, 2009, original amount	
of \$10,795,000 with an interest rate of 1.78% plus administration fee of 0.5%; semiannual	
installments of principal, interest and adminstration fee; final maturity September 15, 2031	5,561,814
2009C OWRB Note Payable, dated December 8, 2009, original amount	
of \$4,510,000 with an interest rate of 1.75% plus administration fee of 0.5%; semiannual	
installments of principal, interest and adminstration fee; final maturity March 15, 2031	2,217,470
2011 Interim Series OWRB Note Payable, dated November 17, 2011, original amount	
of \$3,115,000 with an interest rate of 2.11% plus administration fee of 0.5%; semiannual	
installments of principal, interest and adminstration fee; final maturity September 15, 2032	1,572,223
2013 Series CWSRF Promissory Note, dated December 2013, original amount not to exceed \$3,425,000, fixed interest	
rate of 1.78% plus admin. fee of 0.5% semiannual installments of principal and interest, final maturity March 15, 2026	1,157,020
2019C OWRB Note Payable, dated July 30, 2019, original amount of \$23,805,000 with a variable interest rate	
and semiannual installments of principal and interest; final maturity October 1, 2049	 23,805,000
Total Notes Payable	\$ 34,335,688
Current portion	\$ 1,611,656
Non-current portion	 32,724,032
Net notes payable	\$ 34,335,688

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.F--Long Term Debt--Continued

Revenue Notes Payable:

Series 2016 Sales Tax Revenue Note Payable dated November 15, 2016, issued by Owasso Public		
Works Authority, secured by pledge of sales tax revenues only, original amount of		
\$21,265,000 with an annual interest rate of 1.94%, semiannual principal payments varying from		
\$275,000 to \$1,395,000 due each June 1 and December 1 with final maturity December 1, 2026	\$	12,050,000
Series 2018 Sales Tax Revenue Note Payable dated May 24, 2018, issued by Owasso Public		
Works Authority, secured by pledge of sales tax revenues only, original amount of		
\$9,800,000 with an annual interest rate of 2.80%, semiannual principal payments varying from		
\$425,000 to \$975,000 due each June 1 and December 1 with final maturity June 1, 2028		6,630,000
Series 2020 Sales Tax Revenue Note Payable dated April 30, 2020, issued by Owasso Public Works Authority,		
secured by pledge of sales tax revenues only, original amount of \$12,000,000 with an annual interest		
rate of 2.15%, semiannual principal varying from \$425,000 to \$560,000 due each June 1 and		
December 1 with a final maturity date of June 1, 2032		10,211,000
Total Revenue Notes Payable	\$	28,891,000
	Ψ	20,071,000
Current portion	\$	4,482,000
	Ψ	
Noncurrent portion		24,409,000
Net revenue notes payable	\$	28,891,000

<u>Changes in Long-Term Debt</u>: The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance June 30, 2021		Additions		Deductions		Balance June 30, 2022		Due within one year	
Governmental Activities:										
Leases - direct obligation	\$	-	\$	190,204	\$	(15,280)	\$	174,924	\$	42,884
Total OPEB liability		1,646,541		201,372		(347,470)		1,500,443		-
Net pension liability		20,924,427		14,816,363		(25,670,808)		10,069,982		-
Risk management claims liability		761,459		4,319,320		(4,401,726)		679,053		332,736
Accrued compensated absences		2,365,186		1,847,763		(1,754,066)		2,458,883		1,155,675
Total Governmental Activities	<u>\$</u>	25,697,613	<u>\$</u>	21,375,022	\$	(32,189,350)	\$	14,883,285	<u>\$</u>	1,531,295
Business-Type Activities:										
Financed purchases - direct										
obligation	\$	218,529	\$	353,520	\$	(57,942)	\$	514,107	\$	89,171
Deposits subject to refund		786,676		215,197		(162,847)		839,026		184,586
Notes payable		35,499,422		-		(1,163,734)		34,335,688		1,611,656
Plus premium on notes payable		2,789,020		-		(98,728)		2,690,292		98,726
Revenue notes payable		33,280,000		-		(4,389,000)		28,891,000	4	4,482,000
Total OPEB liability		360,303		44,497		(76,780)		328,020		-
Net pension liability		761,237		801,698		(1,562,935)		-		-
Risk management claims liability		155,741		1,160,830		(1,139,424)		177,147		86,802
Accrued compensated absences		178,157		176,954		(163,752)		191,359		89,939
Total Business-Type Activities	<u>\$</u>	74,029,085	\$	2,752,696	\$	(8,815,142)	\$	67,966,639	<u>\$ (</u>	6,642,880

YEAR ENDED JUNE 30, 2022

3.F--Long Term Debt--Continued

For the governmental activities, the total OPEB liability, accrued compensated absences liability, and net pension liability are generally liquidated by the general fund. Leases are generally liquidated by the general fund and the half penny sales tax fund.

<u>Debt Service Requirements to Maturity - Primary Government</u>: The annual debt service requirements to maturity for long-term debt as of June 30, 2022 are as follows:

	Business-Type Activities						
	Revenue No	ote Payable	Notes F	ayable 🛛			
Year Ending June 30,	Principal	Interest	Principal	Interest			
2023	\$ 4,482,000	\$ 614,774	\$ 1,611,656	\$ 1,288,919			
2024	4,581,000	516,948	1,634,732	1,239,832			
2025	4,681,000	416,984	1,687,105	1,185,555			
2026	4,784,000	314,812	1,744,693	1,127,616			
2027	3,479,000	210,357	1,496,891	1,069,241			
2028-2032	6,884,000	356,586	7,730,491	4,476,601			
2033-2037	-	-	3,920,120	3,364,099			
2038-2042	-	-	4,710,000	2,468,678			
2043-2047	-	-	5,760,000	1,409,743			
2048-2050			4,040,000	248,297			
	\$ 28,891,000	\$ 2,430,461	<u>\$ 34,335,688</u>	<u>\$ 17,878,581</u>			

<u>Pledged Revenues</u>: The City has pledged proceeds from a 2% sales tax, along with revenues from water, wastewater, sanitation, and golf, to repay the 2002A, 2009B, 2009C, 2011, 2013, and 2019 SRF OWRB notes payable. The notes are payable through 2049 and were used to finance various OPWA projects. The total principal and interest payable for the remainder of the term of the notes is \$52,214,269. Pledged revenue received in the current year totaled \$38,791,372. Debt service payments of \$2,525,774, for the current year were 7% of pledged revenue.

The City has also pledged proceeds from a 1% sales tax to repay the 2016, 2018, and 2020 Sales Tax Revenue notes. The notes are payable through 2032 and were used to finance an OPWA project as well as the new Fire Station, Police Station Remodel, and other street and stormwater projects. The total principal and interest payable for the remainder of the term of the notes is \$31,321,461. Pledged revenue received in the current year totaled \$10,662,395. Debt service payments of \$5,091,474 for the current year were 48% of pledged revenue.

YEAR ENDED JUNE 30, 2022

3.G--Interfund Balances and Activities

Due to/from balances at June 30, 2022 consist of elimination of short-term negative pooled cash, sales tax per debt indentures, capital improvements, debt service, TIF revenues to OPWA and garage billings. Interfund receivables and payables at June 30, 2022 consist of the following:

					Due From			
				Н	alf-Penny	Nor	nmajor Govt'l.	
Due To	 Total	Ge	eneral Fund	Sale	es Tax Fund		Funds	 OPWA
Governmental Funds:								
Major funds								
General Fund	\$ 37,084	\$	-	\$	-	\$	37,084	\$ -
Capital improvement fund	 1,153,445		-		-		-	 1,153,445
Total Governmental Funds	 1,190,529		-		-		37,084	 1,153,445
Enterprise Funds:								
Major funds								
OPWA	 1,482,885		1,441,502		-		41,383	 -
Total Enterprise Funds	 1,482,885		1,441,502		-		41,383	 -
Internal Service Funds								
City Garage	9,623		1,501		4,809		1,254	 2,059
Total Internal Service Funds	 9,623		1,501	_	4,809		1,254	 2,059
Total Primary Government	\$ 2,683,037	\$	1,443,003	\$	4,809	\$	79,721	\$ 1,155,504

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

3.G--Interfund Balances and Activities--Continued

Interfund transfers are performed to subsidize Owasso Public Golf Authority operations, for pledged sales tax per debt indentures for OPWA, for general fund and capital improvement fund operations after paybacks, for general fund sales taxes due to streets, TIF revenues to OPWA and for debt service. Interfund transfers for the year ended June 30, 2022 consist of the following:

			Transfer From							
				Nonmajor Govt'l						
Transfer To		Total	Ge	eneral Fund		Funds	OPWA			
Governmental Funds:										
Major Funds										
General Fund	\$	21,255,003	\$	-	\$	-	\$	21,255,003		
Half-Penny Sales Tax Fund		1,084,515		1,084,515		-		-		
Capital Improvement Fund		10,334,639		2,366,146		-		7,968,493		
Nonmajor Govt'l Funds		2,058,627		2,058,627		-		-		
Total Government Funds		34,732,784		5,509,288		-		29,223,496		
Enterprise Funds:										
Major Funds										
OPWA		33,030,453		32,078,623		951,830		-		
OPGA		1,040,000		1,040,000		-		-		
Total Enterprise Funds		34,070,453		33,118,623		951,830		-		
Total Primary Government	\$	68,803,237	\$	38,627,911	\$	951,830	\$	29,223,496		

NOTE 4--OTHER NOTES

4.A--Employee Pension Plans

The City participates in four employee pension systems as follows:

Name of Plan/System	Type of Plan
Oklahoma Firefighters Pension and Retirement	Cost-Sharing Multiple Employers' Public
System	Employee Retirement System – Defined
	Benefit Plan
Oklahoma Police Pension and Retirement	Cost-Sharing Multiple Employers' Public
System	Employee Retirement System – Defined
	Benefit Plan
Oklahoma Municipal Retirement Fund (OkMRF)	Agent Multiple Employer Defined Benefit Plan
Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF)	Agent Multiple Employer Defined Contribution Plan

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

					Net Pension		
	Defe	rred Outflows	C	eferred Inflows	 Asset (Liability)	Pe	ension Expense
Firefighters Pension System	\$	5,910,544	\$	(8,594,706)	\$ (10,069,982)	\$	1,419,731
Police Pension System		761,686		(4,602,457)	5,961,488		(586,733)
Oklahoma Municipal Retirement Fund Plan		1,508,034		(2,866,879)	 1,560,694		251,700
Totals	\$	8,180,264	\$	(16,064,042)	\$ (2,547,800)	\$	1,084,698
Reconciliation to government-wide financial statements:							
Governmental	\$	7,724,305	\$	(15,194,072)	\$ (3,020,245)	\$	1,008,597
Business-type		455,959		(869,970)	 472,445		76,101
Total deferred outflows of resources	\$	8,180,264	\$	(16,064,042)	\$ (2,547,800)	\$	1,084,698

Oklahoma Firefighters Pension & Retirement System (OFPRS)

<u>Plan Description</u> - The City of Owasso, as the employer, participates in the Firefighters Pension & Retirement System - a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension and Retirement System (OFPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OFPRS. OFPRS issues a publicly available financial report that can be obtained at <u>www.ok.gov/fprs</u>.

<u>Benefits Provided</u> - OFPRS provides retirement, disability, and death benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 50% of the employee's final average compensation for employees who have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more of service.

Benefits for members hired after November 1, 2013 are determined as 55% of the employee's final average compensation for employees who have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more of service.

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 30 months. For volunteer firefighters, the not-in-line-of-duty disability is also limited to only those with less than 20 years of service. For volunteer firefighters, the in-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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Firefighters Pension & Retirement System (OFPRS)--Continued

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.

<u>OFPRS Contributions</u> - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. FY 2022 contributions to the pension plan from the City were \$720,892 and are reflected as deferred outflows of resources. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of \$1,607,788, which are reflected as revenue and expense in the governmental funds. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to <u>Pensions</u> - At June 30, 2022, the City reported a liability of \$10,069,982 for its proportionate share of the OFPRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 1.529076% (up from 1.446865% in FY 2021).

For the year ended June 30, 2022, the City recognized a pension expense of \$1,419,731. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Defer of	Deferred Inflows of Resources			
Differences between expected and actual experience	\$	3,652,155	\$	(176,846)	
Net difference between projected and actual earnings on pension plan investments		-		(8,005,205)	
Changes in proportion		1,537,497		(189,303)	
Change in assumptions		-		(223,352)	
City contributions subsequent to the measurement date Total	\$	720,892 5,910,544	\$	- (8,594,706)	

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Firefighters Pension & Retirement System (OFPRS)--Continued

The \$720,892 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ŀ	Amortization
Year ended June 30:		Expense
2023	\$	(294,995)
2024		(487,455)
2025		(811,558)
2026		(1,811,046)
Total	\$	(3,405,054)

<u>Actuarial Assumptions</u> - The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5%
Investment rate of return:	7.5% net of pension plan investment expenses

Mortality rates for active members were based on Pub-2010 Public Safety Table with generational mortality improvement using MP-2018. Mortality rates for retired members were based on Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018. Mortality rates for disabled members were based on Pub-2010 Public Safety Disabled Table set forward two years.

The actuarial assumptions used in the July 1, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2013 to July 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Fixed income	20%	3.53%
Domestic equity	42%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	13%	5.67%

Oklahoma Firefighters Pension & Retirement System (OFPRS)--Continued

<u>Discount Rate</u> - 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 a percentage of the insurance premium, as established by statute. Prior to July 1, 2020, OFPRS was allocated 36% of the statewide insurance premium tax. The State of Oklahoma recently passed legislation that changed the allocation to 25.2% as of September 1, 2020; 36.0% as of July 1, 2021; 37.8% as of July 1, 2022; and 36.0% as of July 1, 2027. In addition, OFPRS is scheduled to receive \$40,625 each year from July 1, 2020 through June 30, 2027. 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.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u> - The following presents the net pension liability of the City 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:

	19	% Decrease	Current Discount Rate (7.5%)		1	% Increase
		(6.5%)			(8.5%)	
Employer's net pension liability	\$	(15,736,433)	\$	(10,069,982)	\$	(5,326,004)

<u>Pension Plan Fiduciary Net Position</u> - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OFPRS which can be located at <u>www.ok.gov/fprs</u>.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Police Pension and Retirement System (OPPRS)

<u>Plan Description</u> - The City of Owasso, 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). The plan covers substantially all persons employed as full-time police officers working more than 25 hours per week or any person undergoing police training to become a permanent police officer with a police department of a participating Oklahoma employer or State agency, with ages not less than 21 nor more than 45 when accepted for membership. 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 <u>opprs.ok.gov</u>.

<u>Benefits Provided</u> - 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 may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service.

This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date. Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Police Pension and Retirement System (OPPRS)--Continued

<u>OPPRS Contributions</u> - The contribution requirements of the Plan are at an established rate determined by the Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% of their annual pay. Municipalities are required to contribute 13% of the employees' annual pay. FY 2022 contributions to the pension plan from the City were \$583,421 and are reflected as deferred outflows of resources. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$497,686 which are reflected as revenue and expense in the governmental fund statements. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Assets, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$5,961,488 for its proportionate share of the OPPRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 1.2427% (up from 1.1739% in FY 2021).

For the year ended June 30, 2022, the City recognized a pension expense of \$(586,733). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
Differences between expected and actual experience	\$	85,593	\$	(235,302)		
Net difference between projected and actual earnings on pension plan investments		-		(4,348,699)		
Changes in proportion		2,017		(18,456)		
Changes in assumptions		90,655		-		
City contributions subsequent to the measurement date Total	\$	583,421 761,686	\$	- (4,602,457)		

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Police Pension and Retirement System (OPPRS)--Continued

The \$583,421 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 asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Amortization
Year ended June 30:	Expense
2023	\$ (997,357)
2024	(876,323)
2025	(1,106,992)
2026	(1,453,130)
2027	9,610
Total	\$ (4,424,192)

<u>Actuarial Assumptions</u> - The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.5% to 12.0%
Investment rate of return:	7.5% net of pension plan investment expense
Mortality Rates:	Active employees (pre-retirement): RP-2000 Combined Blue Collar Healthy Employees (generational using Scale AA) with age set back four years
	Active employees (post-retirement) and nondisabled pensioners: RP-2000 Combined Blue Collar Healthy Employees (generational using Scale AA)
	Disabled pensioners: RP-2000 Combined Blue Collar Healthy Employees with age set forward four years (no generational Improvement)

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Police Pension and Retirement System (OPPRS)--Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Fixed income	20%	3.22%
Domestic equity	35%	4.55%
International equity	15%	8.50%
Real estate	15%	7.97%
Private equity	15%	9.36%

<u>Discount Rate</u> - 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.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Police Pension and Retirement System (OPPRS)--Continued

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

	1% Decrease		Current Discount		19	% Increase	
		(6.5%)	R	Rate (7.5%)		(8.5%)	
Employer's net pension asset	\$	2,235,738	\$	5,961,488	\$	9,111,888	

<u>Pension Plan Fiduciary Net Position</u> - 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 <u>opprs.ok.gov</u>.

Oklahoma Municipal Retirement Fund Defined Benefit Plan

<u>Plan Description</u> - Effective July 1, 1972, the City began contributing to the City of Owasso and Owasso Public Works Authority Plan and Trust in the form of the Oklahoma Municipal Retirement System Master Defined Benefit Plan and Trust (OkMRF), an agent multiple-employer defined benefit plan, for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The City currently participates in the Plan AA OkMRF plan. Administration of the City's individual plan rests with the City Council. The overall operations of OkMRF are supervised by a nine-member Board of Trustees elected by the participating municipalities. JP Morgan Chase Bank, N.A. of Oklahoma City acts as administrator and securities custodian. OkMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 1001 NW 63rd Street, Suite 260, Oklahoma City, Oklahoma 73116.

<u>Summary of Significant Accounting Policies</u> - For purposes of measuring the net pension asset, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's plan and additions to/deductions 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 plan's fiduciary net position is available in the separately issued OkMRF financial report.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

Eligibility Factors and Benefit Provisions -

Provisions	OkMRF Plan
a. Eligible to Participate	All regular, full-time employees except police, firefighters, and other employees covered under an approved system.
b. Period Required to Vest	5 years of credited service
c. Eligibility for Distribution	 Normal retirement at age 65 with 5 years of service or age 62 with 30 years of service Early retirement at age 55 with 5 years of service Disability retirement upon disability with 5 years of service Death benefit with 5 years of service
d. Benefit Determination Base	Final average salary-the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
- Normal Retirement	2.625% of final average salary multiplied by credited years of service
- Early Retirement	The accrued benefit payable starting at a normal retirement age, or the accrued benefit reduced by 5% per year for commencement prior to retirement age
- Disability Retirement	Same as normal retirement
- Death Benefit	50% of employee's accrued benefit, but terminate upon spouse re-marriage
- Prior to 5 Years Service	Return of employee contributions with accrued interest
f. Benefit Authorization	Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a monthly lifetime annuity with 5 years certain

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

Employees Covered by Benefit Terms -

Active Participants	157
Retired Participants in Payment Status	37
Survivors in Payment Status	6
Disabled Participants	3
Deferred Vested Former Employees	26
Total	229

<u>Contribution Requirements</u> - The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Tile 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 9.47% of covered payroll. Employees are required to contribute 4.26% of their annual pay. FY 2022 contributions to the pension plan from the City were \$858,532.

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

Actuarial Assumptions -

Date of Last Actuarial Valuation	July 1, 2021
a. Actuarial Cost Method	Entry age normal cost method
b. Rate of Return on Investments	7.50%
c. Projected Salary Increase	Ranges between 4.5% and 7.5%
d. Post Retirement Cost-of-Living Increase	N/A
e. Inflation Rate	2.75% Inflation is included in projected salary increase.
f. Mortality Table	PubG-2010 with projected mortality improvement
g. Percent of Married Employees	100%
h. Spouse Age Difference	3 years (female spouses younger)
i. 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
j. Date of Last Experience Study	September 2017 for fiscal years 2012 through 2016

<u>Discount Rate</u> – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.5% since the plan's 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

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 allocation as of July 1, 2021, are summarized in the following table:

	Target Allocation	Real Return	Weighted Return
Large cap stocks	25%	5.80%	1.45%
Small/mid cap stocks	10%	6.40%	0.64%
Long/short equity	10%	5.00%	0.50%
International stocks	20%	6.20%	1.24%
Fixed income bonds	30%	2.30%	0.69%
Real estate	5%	4.60%	0.23%
	100%		
		Average Real Return	4.75%
		Inflation	2.75%
	Long-	term expected return	7.50%

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

<u>Changes in Net Pension (Asset) Liability</u> - The total pension liability was determined based on an actuarial valuation performed as of July 1, 2021, 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. The following table reports the components of changes in net pension (asset) liability:

	Total Pension Liability (a)		Liability Position		Net Pension (Asset) Liability (a) - (b)	
Balance at June 30, 2021	\$	22,481,079	\$	19,967,706	\$	2,513,373
Changes for the year:						
Service cost		903,089		-		903,089
Interest cost		1,662,055		-		1,662,055
Differences between expected and actual experience		40,430		-		40,430
Contributions - employer		-		759,669		(759,669)
Contributions - employee		-		363,208		(363,208)
Net investment income		-		5,598,152		(5,598,152)
Benefit payments, including refunds		(652,474)		(652,474)		-
Administrative expense		-		(41,388)		41,388
Net changes		1,953,100		6,027,167		(4,074,067)
Balance at June 30, 2022	\$	24,434,179	\$	25,994,873	\$	(1,560,694)

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

	1% Decrease		Curi	rent Discount	1	% Increase
		(6.5%)	R	ate (7.5%)		(8.5%)
Employer's net pension (asset) liability	\$	1,989,495	\$	(1,560,694)	\$	(4,461,588)

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement Fund Defined Benefit Plan--Continued

Pension Assets, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2022, the City reported a net pension asset of \$1,560,694 for the OkMRF pension. The net pension asset was measured as of July 1, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. For the year ended June 30, 2022, the City recognized pension expense of \$251,700. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources		
Differences between expected and actual experience	\$	375,316	\$	(14,097)	
Change of assumptions		274,186		-	
Net difference between projected and actual earnings on pension plan investments		-		(2,852,782)	
City contributions subsequent to the measurement date Total	\$	858,532 1,508,034	\$	- (2,866,879)	

The \$858,532 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 asset in the year ended June 30, 2023. Other amounts reported deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Amortization
Year ended June 30:	Expense
2023	\$ (364,812)
2024	(512,598)
2025	(564,760)
2026	(778,409)
2027	3,202
Total	\$ (2,217,377)

<u>Pension Plan Fiduciary Net Position</u> - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OkMRF; which can be located at <u>www.okmrf.org</u>.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued CITY OF OWASSO, OKLAHOMA YEAR ENDED JUNE 30, 2022

4.A--Employee Pension Plans--Continued

Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF)

<u>Plan Description</u> - The City has also provided a defined contribution plan and trust known as the City of Owasso Plan and Trust in the form of the Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JP Morgan Chase Bank, N.A. The defined contribution plan is available to all full-time employees. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon hire and may make contributions to the plan.

<u>OMRF Contributions</u> - Based upon employee contributions, the City's contributions vary from 0%-1% of covered payroll. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 40% after two years and then 20% per year for the next three years. The employee is fully vested after 5 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to the City. The authority to establish and amend the provisions of the plan rests with the City Council.

For the year ended June 30, 2022, the following amounts related to the defined contribution plan:

Employee contributions	\$239,507
City contributions	\$119,753

Employees have the option to make additional contributions to an ICMARC administered tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 457.

4.B--Other Post-Employment Benefits

<u>Plan Description</u> - The City of Owasso Retiree Health Plan, "Plan" a single-employer, health care plan provides OPEB for non-public safety employees retired after age 55 with 5 years of service and public safety employees retired with 20 years of service without regard to age and their eligible children and spouse. The Plan is administered by the City of Owasso (City) and the City has the authority to establish or amend the Plan provisions or contribution. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan does not issue a stand-alone financial report.

<u>Benefits Provided: Health, Dental, and Vision Benefits</u> - The City provides healthcare benefits for retirees and their dependents. The retiree pays 100% of the applicable coverage contribution rate. The contribution rate for non-Medicare-eligible retirees is the current active employee COBRA contribution rate. Medical benefits are provided through a self-funded plan administered by Aetna. A non-subsidized Medicare supplement is provided by the City for retirees 65 and older with the full premium paid by the retiree.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.B--Other Post-Employment Benefits--Continued

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	4
Active employees not yet receiving benefits	272
Total	276

<u>Total OPEB Liability</u> - The City of Owasso total OPEB liability of \$1,828,463 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date. Other postemployment liabilities attributable to governmental activities are generally liquidated by the General Fund.

<u>Actuarial Methods and Assumptions</u> - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

a. Inflation	2.50%
b. Salary Increases	3.50%
c. Discount Rate -	3.54%
Based on Bond Buyer GO Bond 20 Index	
d. Healthcare Cost Trend Rate	4.50%
e. Retirees' Share of Benefit-Related Costs	48.85%
f. Mortality Rates - RPH-2014 Total Table	

with Projection MP-2021

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the twelve-month period ending June 30, 2022.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.B--Other Post-Employment Benefits--Continued

Changes in the Total OPEB Liability -

	T	otal OPEB Liability
Balance as of July 1, 2021	\$	2,006,844
Changes for the year:		
Service Cost		199,061
Interest		46,808
Differences between expected and		
actual experience		(79,296)
Changes in assumptions or other inputs		(267,193)
Benefit payments		(77,761)
Net changes		(178,381)
Balance as of June 30, 2022	\$	1,828,463

<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u> - The following presents the total OPEB liability of the City of Owasso, as well as what the City's approximate total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB Liability	\$ 2,017,933	\$ 1,828,463	\$ 1,658,672

<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates</u> - The following presents the total OPEB liability of the City of Owasso, 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 (3.5%) or 1-percentage-point higher (5.5%) than the current trend rate:

		Health Care						
		Cost Trend						
	1% Decrease	Rate	1% Increase					
	3.50%	4.50%	5.50%					
Total OPEB Liability	\$ 1,600,145	\$ 1,828,463	\$ 2,101,339					

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.B--Other Post-Employment Benefits--Continued

<u>OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to</u> <u>OPEB</u> - For the year ended June 30, 2022 the City of Owasso recognized OPEB expense of \$170,791. At June 30, 2022, the City of Owasso had the following deferred outflows and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources		lr	Deferred Inflows of esources
Differences between expected and actual experience	\$	\$ -		(403,215)
Changes in assumptions/inputs		116,432		(237,863)
Total	\$	116,432	\$	(641,078)

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

	Amortization
Year Ending June 30,	Expense
2023	\$ (75,078)
2024	(75,078)
2025	(75,078)
2026	(75,078)
2027	(75,078)
Thereafter	(149,256)
Total	\$ (524,646)

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.C--Risk Management

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

Type of Loss	Method Managed	Risk of Loss Retained
General Liability: - Torts - Errors and omissions - Police liability - Vehicle	Self-insured effective November 2003.	Entire risk of loss retained in self-insurance fund.
Physical Property: - Theft - Damage to assets - Natural disasters	Property is fully insured by commercial carrier.	\$25,000 deductible
Workers' Compensation: - Employee injuries	Self-insured within limits of Oklahoma workers' compensation laws.	Specific retention of \$1,000,000 for Police and Fire and \$750,000 for all other per accident or disease with employer liability of \$1,000,000 per accident or disease.
Health: - Medical - Dental - Vision	Self-insured effective July 2004	Stop loss of \$140,000 per employee per plan year. Third party administrator is AETNA.

<u>Claims Liability Analysis</u>: The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Government Accounting Standards Board (GASB) Statement 10, which requires state and local governmental entities, other than public entity risk pools, to report an estimated loss from a claim as an expenditure/ expense and as a liability if both of these conditions are met:

- a. Information available before the financial statements are issued indicates that it is probable that an asset had been impaired or a liability had been incurred at the date of the financial statements. It is implicit in this condition that it must be probable that one or more future events will also occur, confirming the fact of the loss.
- b. The amount of the loss can be reasonably estimated.

YEAR ENDED JUNE 30, 2022

4.C--Risk Management--Continued

For the risk management internal service self-insurance funds, changes in the claims liability for the City from July 1, 2020 to June 30, 2022 are as follows:

					C	General		
	V	Vorkers'			Li	ability /		Total
	Com	pensations	Healthcare		Property		Internal Service	
Claims liability and related payables, July 1, 2020	\$	679,000	\$	390,600	\$	-	\$	1,069,600
Claims incurred and changes in estimates		23,954		4,766,300		70,724		4,860,978
Claims paid		(175,954)		(4,766,700)		(70,724)		(5,013,378)
Claims liability and related payables, June 30, 2021	\$	527,000	\$	390,200	\$	-	\$	917,200
Claims incurred and changes in estimates		27,644		5,337,086		81,393		5,446,123
Claims paid		(101,644)		(5,324,086)		(81,393)		(5,507,123)
Claims liability and related payables, June 30, 2022	\$	453,000	\$	403,200	\$	-	\$	856,200

The City has elected to retain significant retained earnings in the internal service self-insurance funds as a reserve for catastrophes.

The City maintains a stop-loss policy for plans to limit risk associated with the self-insured plans. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or prior year.

4.D--Commitments and Contingencies

<u>Commitments</u>: The City of Owasso and OPWA Trust Authority (OPWA), under the auspices of Title 62, Chapter 9 of the Oklahoma Statutes, have economic development sales tax payback agreements with two entities for rebate of all or a portion of the two-cent General fund sales tax generated on sales at the properties identified by the respective agreements. Taxes eligible for rebate are recorded as revenue in the General fund as earned and further reflected as transfers to the OPWA. Rebate-eligible sales tax is recognized as expenses by the OPWA as incurred (earned by the recipient). Both agreements required the construction and operation of a new business within the City limits. In return, both became eligible for a refund of all or a portion of sales tax revenue generated at their respective places of business up to a maximum reimbursement amount as outlined in the agreements. In addition, the City has Tax Incremental Financing (TIF) Agreements with two entities. The entities will receive a rebate on the ad valorem tax assessed by the TIF. The sales tax payback combines with the ad valorem rebate, to be paid annually, until the agreement is fulfilled. As of June 30, 2022, the contract amount related to OPWA payback agreements totaled \$1.2 million. Some of the agreements expire after a period of time, whether or not the business has reached the maximum rebate amount specified in the agreement or has been reimbursed for any of the cost of infrastructure. All obligations of the City for infrastructure improvements in relation to the agreements have been met. A breakdown of tax abatements by recipient is prohibited by State statute due to required confidentiality of sales tax collections by vendor.

YEAR ENDED JUNE 30, 2022

4.D--Commitments and Contingencies--Continued

The City has various construction contracts at year-end. A substantial amount of these commitments are for infrastructure. At June 30, 2022, the City had some significant outstanding commitments on contracts in excess of \$1,000,000. The total contract amounts were approximately \$45.0 million, and the remaining balance on those contracts totaled approximately \$25.6 million, as of June 30, 2022. A breakdown of the outstanding encumbrances follows:

Fund	Encumbrances		
General	\$	808,744	
Half-Penny Sales Tax		987,887	
Vision Recapture Tax		10,861,597	
Capital Improvement		2,726,433	
Nonmajor Governmental		486,306	
OPWA		9,757,235	
Internal Service Funds		15,557	
Total Encumbrances	\$	25,643,759	

Contingencies:

<u>Grant Program Involvement</u>: In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability of reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation: The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include an accrual for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City. This statutory taxing ability is not available to the City's public trusts (Authorities).

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

4.D--Commitments and Contingencies--Continued

<u>Debt</u>: On November 7, 2017, the OPWA approved Resolution 2017-02 authorizing the issuance, execution and delivery of a \$7 million Revenue Anticipation Note dated November 8, 2017, at an annual percentage rate of 2% for a period of seven years for the purpose of funding \$7 million of Capital Improvements projects for the City of Owasso. The Owasso City Council approved on November 7, 2017, Resolution 2017-20 authorizing the City Treasurer to invest up to \$7 million in the Revenue Anticipation Note (RAN) issued by the OPWA. As of June 30, 2022, the City had not drawn down any of the funds.

NOTE 5--FUTURE ACCOUNTING PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements, which will be effective to the City in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the City's consideration of the impact of these pronouncements are described below:

- GASB Statement No. 91, Conduit Debt Obligations This statement establishes accounting requirements for conduit debt obligations by issuers. The objectives of this Statement are to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement will become effective for the City in the fiscal year ended June 30, 2023. The City does not believe this pronouncement will have a material impact on its basic financial statements.
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements – This statement improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This Statement will become effective for the City in the fiscal year ended June 30, 2023.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. This Statement will become effective for the City in the fiscal year ended June 30, 2023.
- GASB Statement No. 99, Omnibus 2022 This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement will become effective for the City in the fiscal year ended June 30, 2023.

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2022

NOTE 5--FUTURE ACCOUNTING PRONOUNCEMENTS—Continued

- GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for the City in the fiscal year ended June 30, 2024.
- GASB Statement No. 101, Compensated Absences This statement better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the City in the fiscal year ended June 30, 2025.

NOTE 6--SUBSEQUENT EVENTS

On March 11, 2021, the American Rescue Plan Act (ARPA) was enacted to, amongst other provisions, provide immediate relief to American workers affected by the pandemic. In October 2022, the City received an additional \$ 3,242,570 in ARPA funding.

The City has evaluated subsequent events through the date of the independent auditors' report which is the date the financial statements are available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	2018		2019		2020	2021		2022
Total OPEB liability:		_		_		 	-	
Service cost	\$ 118,303	\$	122,893	\$	140,710	\$ 175,547	\$	199,061
Interest cost	72,235		72,774		65,702	47,018		46,808
Differences between expected and actual experience	-		(279,153)		(80,039)	(154,841)		(79,296)
Changes of assumption or other inputs	-		12,869		149,091	12,530		(267,193)
Benefit payments	(48,875)		(67,805)		(69,258)	(50,721)		(77,761)
Net change in total pension liability	 141,663		(138,422)		206,206	 29,533		(178,381)
Total OPEB liability - beginning	 1,767,864		1,909,527		1,771,105	 1,977,311		2,006,844
Total pension liability - ending	\$ 1,909,527	\$	1,771,105	\$	1,977,311	\$ 2,006,844	\$	1,828,463
Covered payroll Total OPEB liability as a percentage	\$ 14,835,673	\$	5,652,240	\$	16,553,403	\$ 17,921,347	\$	18,541,430
of covered payroll	12.87%		11.32%		11.95%	11.20%		9.86%

Notes to Schedule:

Information for prior years is unavailable

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:								
Service cost	\$ 732,538	\$ 782,979	\$ 809,432	\$ 834,995	\$ 837,281	\$ 910,445	\$ 938,128	\$ 1,027,562
Interest cost	2,854,335	3,066,398	3,301,439	3,502,356	3,603,282	3,906,369	4,158,683	4,511,156
Changes in benefit terms	-	-	-	-	(1,866,517)	-	-	-
Differences between expected and actual experience	362,191	15,675	261,921	2,315,764	1,622,827	(363,613)	1,559,544	2,863,599
Assumption changes	-	-	-	-	-	(459,234)	-	-
Benefit payments, including refunds	(2,160,153)	(2,335,746)	(2,609,519)	(2,718,822)	(3,182,021)	(3,354,828)	(3,603,345)	(6,262,042)
Statutory interest catchup	-	-	-	-	-	-	-	(973,261)
Change in apportionment	-	1,075,941	1,715,001	944,717	(2,359,287)	3,039,529	2,821,630	3,373,172
Other	-	1	-	-	-	-	-	-
Net change in total pension liability	1,788,911	2,605,248	3,478,274	4,879,010	(1,344,435)	3,678,668	5,874,640	4,540,186
Total pension liability - beginning	38,405,347	40,194,258	42,799,506	46.277.780	51,156,790	49.812.355	53,491,023	59,365,663
Total pension liability - ending (a)	\$ 40,194,258	\$ 42,799,506	\$ 46,277,780	\$ 51,156,790	\$ 49,812,355	\$ 53,491,023	\$ 59,365,663	\$ 63,905,849
Plan fiduciary net position:								
Contributions - employer	\$ 465,751	\$ 489,432	\$ 521,148	\$ 540,373	\$ 539,357	\$ 595,016	\$ 650,206	\$ 695,422
Contributions - non-employer	991,261	1,167,377	1,228,720	1,204,047	1,299,645	1,397,732	1,498,831	1,115,062
Contributions - employee	274,871	311,058	326,468	342,697	337,907	375,854	413,866	437,842
Net investment income	4,182,134	1,492,144	189,489	4,109,435	3,758,598	2,602,403	1,589,405	13,983,924
Benefit payments, including refunds of employee contributions	(2,160,153)	(2,335,746)	(2,609,519)	(2,718,822)	(3,182,021)	(3,354,828)	(3,603,345)	(6,262,042)
Administrative expense	(24,401)	(25,963)	(26,540)	(32,425)	(27,181)	(30,165)	(31,203)	(33,553)
Change in proportionate share of plan	-	732,914	1,170,807	612,802	(1,571,610)	2,149,807	2,055,571	2,360,409
Other	(15,837)	7,991	186	-	(613)	1,175	(349)	(2,732)
Net change in plan fiduciary net position	3,713,626	1,839,207	800,759	4,058,107	1,154,082	3,736,994	2,572,982	12,294,332
Plan fiduciary net position - beginning	23,665,778	27,379,404	29,218,611	30,019,370	34,077,477	35,231,559	38,968,553	41,541,535
Plan fiduciary net position - ending (b)	\$ 27,379,404	\$ 29,218,611	\$ 30,019,370	\$ 34,077,477	\$ 35,231,559	\$ 38,968,553	\$ 41,541,535	\$ 53,835,867
Plan's net pension (asset) liability - ending (a) - (b)	\$ 12,814,854	\$ 13,580,895	\$ 16,258,410	\$ 17,079,313	\$ 14,580,796	\$ 14,522,470	\$ 17,824,128	\$ 10,069,982

Notes to Schedule:

Information for prior years is unavailable

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	
City's proportion of the net pension liability	1.246158%	1.279517%	1.330786%	1.357954%	1.295327%	1.374368%	1.446865%	1.529076%	
City's proportionate share of the net pension liability	\$ 12,814,854	\$ 13,580,895	\$ 16,258,410	\$ 17,079,313	\$ 14,580,796	\$ 14,522,470	\$ 17,824,128	\$ 10,069,982	
City's covered payroll	\$ 3,292,364	\$ 3,365,832	\$ 3,639,341	\$ 3,764,707	\$ 3,961,245	\$ 4,443,878	\$ 4,843,678	\$ 5,036,128	
City's proportionate share of the net pension liability as a percentage of its covered payroll	389%	403%	447%	454%	368%	327%	368%	200%	
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%	

Notes to Schedule:

The schedule is as of the measurement date, which is one year in arrears. Information for prior years is unavailable

SCHEDULE OF CONTRIBUTIONS

Information for prior years is unavailable

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 471,216	\$ 509,508	\$ 526,923	\$ 554,574	\$ 622,143	\$ 678,115	\$ 705,058	\$ 719,217
Contributions in relation to the statutorily required contribution	471,216	509,508	526,923	554,574	622,143	678,115	705,058	719,217
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 3,365,832	\$ 3,639,341	\$ 3,764,707	\$ 3,961,245	\$ 4,443,878	\$ 4,843,678	\$ 5,036,128	\$ 5,119,128
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.05%
Notes to Schedule:								

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2022

The information presented in the required supplementary schedule was determined as part of the respective actuarial valuations.

Actuarial valuation:

Frequency	Annual
Cost Method	Entry age normal
Amortization	The amortization method uses a level dollar of payroll
Assumptions:	7.5% per year
Long-term rate of return	2.75% to 10.50%
Salary increases	2.75% per year
Inflation rate	Normal retirement age is 50, or the date at which the
Retirement age	participant would achieve 22 years of service, if later
Mortality	Pub-2010 Public Safety Table with generational mortality improvement using MP-2018

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:								
Service cost	\$ 476,284	\$ 578,125	\$ 616,955	\$ 706,987	\$ 710,070	\$ 732,276	\$ 801,056	\$ 879,132
Interest cost	1,430,030	1,738,220	1,735,169	1,921,514	1,976,717	2,068,294	2,229,537	2,458,569
Change in benefit terms	-	-	-	-	24,397	-	513,181	-
Differences between expected and actual experience	(163,948)	(135,169)	6,267	(470,940)	(148,515)	49,853	(176,143)	71,170
Assumption changes	-	-	-	-	285,706	-	-	-
Benefit payments, including refunds	(1,070,714)	(1,500,502)	(1,457,133)	(1,616,259)	(1,575,608)	(1,757,701)	(1,915,719)	(2,488,183)
Change in apportionment		3,550,598	(178,081)	1,661,373	174,801	37,662	1,134,903	1,882,863
Net change in total pension liability	671,652	4,231,272	723,177	2,202,675	1,447,568	1,130,384	2,586,815	2,803,551
Total pension liability - beginning	19,126,136	19,797,788	24,029,060	24,752,237	26,954,912	28,402,480	29,532,864	32,119,679
Total pension liability - ending (a)	\$ 19,797,788	\$ 24,029,060	\$ 24,752,237	\$26,954,912	\$ 28,402,480	\$ 29,532,864	\$ 32,119,679	\$ 34,923,230
Plan fiduciary net position: Contributions - employer	\$ 326,569	\$ 389,133	\$ 402,984	\$ 434,836	\$ 453,108	\$ 476,532	\$ 511,106	\$ 559,053
Contributions - employer Contributions - non-employer	۶ 326,369 281,316	ە 307,133 375,832	\$ 402,764 377,514	р 434,036 384,547	\$ 453,108 440,610	\$ 476,532 447,197	\$ 511,106 473,022	\$
Contributions - non-employee Contributions - employee	198.723	242,157	250.033	268,262	279.384	295,874	473,022 320,592	347,288
Net investment income	2,648,002	789,513		2,719,133	2,319,321	275,674	655,129	9,570,511
Benefit payments, including refunds of employee contributions	(1,070,714)	(1,500,502)	(221,831) (1,457,133)	(1,616,259)	(1,575,608)	(1,757,701)	(1,915,719)	(2,488,183)
Administrative expense	(16,720)	(1,500,502)	(19,246)	(1,010,237)	(19,429)	(1,757,701)	(23,384)	(24,606)
Change in proportionate share of plan	(10,720)	3,604,818	(177,762)	1,553,326	174,241	38,377	1,137,677	1,803,833
Other	(7,375)	5,455	2,050	1,354			8,061	(7,227)
Net change in plan fiduciary net position	2,359,801	3.885.766	(843,391)	3,726,142	2.071.627	664.773	1,166,484	10,113,202
Plan fiduciary net position - beginning	17,740,314	20,100,115	23,985,881	23,142,490	26,868,632	28,940,259	29,605,032	30,771,516
Plan fiduciary net position - ending (b)	\$ 20,100,115	\$ 23,985,881	\$ 23,142,490	\$ 26,868,632	\$ 28,940,259	\$ 29,605,032	\$ 30,771,516	\$ 40,884,718
, , , , , , , , , , , , , , , , , , , ,								
Plan's net pension (asset) liability - ending (a) - (b)	\$ (302,327)	\$ 43,179	\$ 1,609,747	\$ 86,280	\$ (537,779)	\$ (72,168)	\$ 1,348,163	\$ (5,961,488)

Notes to Schedule:

Information for prior years is unavailable

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	201	15	2016			2017		2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	89.	.7941%		1.0590%		1.0511%		1.1217%	1.1290%	1.1305%	1.1739%	1.2427%
City's proportionate share of the net pension liability (asset)	\$ (30	02,327)	\$	43,179	\$	1,609,747	\$	86,280	\$ (537,779)	\$ (72,168)	\$ 1,348,163	\$ (5,961,488)
City's covered payroll	\$ 2,41	19,274	\$	2,694,629	\$	3,039,381	\$ (3,420,202	\$ 3,450,171	\$ 3,676,122	\$ 3,932,727	\$ 4,298,661
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(1	2.50%)		1.60%		52.96%		2.52%	(15.59%)	(1.96%)	34.28%	(138.68%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	1(01.53%		99.82%		93.50%		99.68%	101.89%	100.24%	95.80%	117.07%

Notes to Schedule:

The schedule is as of the measurement date, which is one year in arrears. Information for prior years is unavailable

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	 2015	 2016	 2017 2		2018		2019		2020		2021		2022
Statutorily required contribution	\$ 350,280	\$ 395,119	\$ 444,625	\$	448,521	\$	477,895	\$	511,254	\$	558,825	\$	581,877
Contributions in relation to the statutorily required contribution	 350,280	 395,119	444,625		448,521		477,895		511,254		558,825		581,877
Contribution deticiency (excess)	\$ -	\$ -	\$ -	\$	-	\$	-	\$	-	\$		\$	-
City's covered payroll	\$ 2,694,629	\$ 3,039,381	\$ 3,420,202	\$	3,450,171	\$	3,676,122	\$	3,932,727	\$	4,298,661	\$	4,475,964
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%		13.00%		13.00%		13.00%		13.00%		13.00%

Notes to Schedule:

Information for prior years is unavailable

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2022

The information presented in the required supplementary schedule was determined as part of the respective actuarial valuations.

Actuarial valuation:

Frequency Cost Method	Annual Entry age actuarial
Amortization	The unfunded actuarial accrued liability is amortized as a level dollar amount over a 5-year open period. Surplus, if any, is amortized as a level dollar amount over a 30-year open period.
Assumptions:	,
Long-term rate of return	7.5% per year
Salary increases	3.5% to 12.0%
Inflation rate	2.75% per year
Retirement age	Normal retirement age is 50, or the date at which the
	participant would achieve twenty years of service, if later
Mortality	RP-2000 Combined Blue Collar Healthy, with age set back four years as well as other adjustments based on different membership groups

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

OKLAHOMA MUNICIPAL RETIREMENT FUND - DEFINED BENEFIT PLAN

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability:								
Service cost	\$ 534,626	\$ 605,712	\$ 646,982	\$ 689,531	\$ 782,936	\$ 809,757	\$ 841,741	\$ 903,089
Interest cost	872,238	906,999	997,554	1,101,384	1,232,116	1,344,588	1,501,016	1,662,055
Differences between expected and actual experience	-	45,301	67,568	345,800	(45,777)	32,299	419,861	40,430
Benefit Payments, including refunds	(449,007)	(397,469)	(381,350)	(363,033)	(468,902)	(470,431)	(579,704)	(652,474)
Other	2	-	-	-	-	-	-	-
Assumption changes	-	-	-	495,217	-	423,147	-	-
Net change in total pension liability	957,859	1,160,543	1,330,754	2,268,899	1,500,373	2,139,360	2,182,914	1,953,100
Total pension liability - beginning	10,940,377	11,898,236	13.058.779	14,389,533	16,658,432	18,158,805	20.298.165	22,481,079
Total pension liability - beginning	\$ 11,898,236	\$ 13,058,779	\$ 14,389,533	\$ 16,658,432	\$ 18,158,805	\$ 20,298,165	\$ 22,481,079	\$ 24,434,179
Total persion liability - enaing (a)	φ 11,070,230	\$13,030,777	\$ 14,007,000	\$ 10,030,432	φ 10,130,003	\$ 20,270,105	\$ 22,401,077	φ 24,4 <u>3</u> 4,177
Plan fiduciary net position:								
Contributions - employer	\$ 403,770	\$ 428,631	\$ 450,846	\$ 495,503	\$ 543,455	\$ 649,774	\$ 687,855	\$ 759,669
Contributions - employee	235,624	255,463	270,890	296,884	316,274	322,615	345,957	363,208
Net investment income	1,741,201	353,284	126,963	1,695,510	1,158,441	1,213,430	794,207	5,598,152
Benefit payments, including refunds of employee contributions	(449,007)	(397,469)	(381,350)	(363,033)	(468,902)	(470,431)	(579,704)	(652,474)
Administrative expense	(25,772)	(26,057)	(26,092)	(29,536)	(32,749)	(35,763)	(39,381)	(41,388)
Net change in plan fiduciary net position	1,905,816	613,852	441,257	2,095,328	1,516,519	1,679,625	1,208,934	6,027,167
Plan fiduciary net position - beginning	10,506,375	12,412,191	13,026,043	13,467,300	15,562,628	17,079,147	18,758,772	19,967,706
Plan fiduciary net position - ending (b)	\$ 12,412,191	\$ 13,026,043	\$ 13,467,300	\$ 15,562,628	\$ 17,079,147	\$ 18,758,772	\$ 19,967,706	\$ 25,994,873
Plan's net pension (asset) liability - ending (a) - (b)	\$ (513,955)	\$ 32,736	\$ 922,233	\$ 1,095,804	\$ 1,079,658	\$ 1,539,393	\$ 2,513,373	\$ (1,560,694)

Notes to Schedule:

The schedule is as of the measurement date, which is one year in arrears. Information for prior years is unavailable

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA MUNICIPAL RETIREMENT FUND

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportionate share of the net pension liability (asset)	\$ (513,955)	\$ 32,736	\$ 922,233	\$ 1,095,804	\$ 1,079,658	\$ 1,539,393	\$ 2,513,373	\$ (1,560,694)
City's covered payroll	\$ 5,653,136	\$ 5,955,951	\$ 6,329,343	\$ 7,002,962	\$ 7,316,302	\$ 7,573,133	\$ 8,121,058	\$ 8,526,026
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(9.09%)	0.55%	14.57%	15.65%	14.76%	20.33%	30.95%	(18.31%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.32%	99.75%	93.59%	93.42%	94.05%	92.42%	88.82%	106.39%

Notes to Schedule:

The schedule is as of the measurement date, which is one year in arrears. Information for prior years is unavailable

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA MUNICIPAL RETIREMENT FUND

Last 10 Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarily determined contribution	\$ 659,426	\$ 639,394	\$ 684,094	\$ 721,736	\$ 792,387	\$ 859,729	\$ 972,389	\$1,033,812	\$1,122,877	\$1,238,565
Employer contributions	440,076	403,770	428,631	450,846	495,503	543,455	649,774	687,855	759,669	854,277
Employee contributions	219,350	235,624	255,463	270,890	296,884	316,274	322,615	345,957	363,208	384,288
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$-	\$ -
City's covered payroll	\$ 5,325,723	\$5,653,136	\$5,955,951	\$6,329,343	\$7,002,962	\$7,316,302	\$7,573,133	\$8,121,058	\$8,526,026	\$9,020,865
Contributions as a percentage of covered payroll	12.38%	5 11.31%	11.49%	11.40%	11.32%	11.75%	12.84%	12.73%	13.17%	13.73%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA MUNICIPAL RETIREMENT FUND

For the fiscal year ended June 30, 2022

The information presented in the required supplementary schedule was determined as part of the respective actuarial valuations.

Actuarial valuation:

Frequency Cost Method	Annual Entry age normal
Amortization	The amortization method uses a level percentage of payroll over a closed 30-year period.
Assumptions:	
Long-term rate of return	7.5% per year
Salary increases	Range of 4.5% to 7.5% per year
Inflation rate	2.75% per year
Retirement age	Normal retirement age is 65 with 5 or more years of vesting service or age 62 with 30 or more years of vesting service.
Mortality	PubG-2010 with project mortality improvement based on employee's year of birth

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGET COMPARISON SCHEUDLE

CITY OF OWASSO

JUNE 30, 2022

<u>Budgetary Accounting</u>: The annual operating budgets are prepared and presented on a budgetary basis of accounting, which differs from the modified accrual basis. Under the budgetary basis, certain revenues are recognized when received rather than when measurable and available.

Per City Ordinance, the City utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at year-end; therefore, encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, as the City will provide for supplemental appropriations in the following budget year.

<u>Budget Law</u>: The City prepares its annual operating budget under the provisions of the 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 Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. The adopted budget is filed with the Office of State Auditor and Inspector within 30 days of the start of the year.

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund.

All supplemental appropriations require City Council approval. The City Manager may transfer appropriations between departments without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

In accordance with Title 60 of the Oklahoma State Statutes, the OPWA, the OPGA, and the OEDA 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 level of control.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

	 Budgeted A	nts	Budgetary Basis Actual	Variance with Final Budget Positive			
	 Original		Final	 Amounts		(Negative)	
Beginning Budgetary Fund Balance	\$ 9,886,757	\$	12,174,163	\$ 12,174,163	\$	-	
Resources (Inflows):							
TAXES							
Sales Tax	\$ 27,633,637	\$	31,699,637	\$ 31,647,008	\$	(52,629)	
Use Tax	4,000,000		4,000,000	4,526,850		526,850	
Franchise Tax	1,156,064		1,156,064	1,280,228		124,164	
Occupation Tax	 32,760		32,760	 65,017		32,257	
total taxes	32,822,461		36,888,461	37,519,103		630,642	
INTERGOVERNMENTAL							
Alcoholic beverage tax	94,042		94,042	113,372		19,330	
Motor vehicle license	255,221		255,221	299,982		44,761	
Gas excise tax	58,364		58,364	68,163		9,799	
Cigarette/tobacco tax	362,585		362,585	343,419		(19,166)	
Grant and other intergovernmental revenue	 3,611,138		758,729	 768,936		10,207	
TOTAL INTERGOVERNMENTAL	4,381,350		1,528,941	1,593,872		64,931	
CHARGES FOR SERVICES	743,162		764,001	831,792		67,791	
FINES AND FORFEITURES	219,100		219,100	206,711		(12,389)	
BUILDINGS AND OTHER							
LICENSES AND PERMITS	223,879		223,879	422,863		198,984	
INVESTMENT INCOME	37,848		37,848	53,701		15,853	
MISCELLANEOUS	107,236		199,265	290,517		91,252	
OTHER FINANCING SOURCES							
Transfers from other funds	18,322,425		18,322,425	20,967,521		2,645,096	
TOTAL OTHER FINANCING SOURCES	 18,322,425		18,322,425	 20,967,521	_	2,645,096	
Total Resources (Inflows)	 56,857,461		58,183,920	 61,886,080		3,702,160	
Amount available for appropriation	\$ 66,744,218	\$	70,358,083	\$ 74,060,243	\$	3,702,160	
						(Continued)	

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		Budgeted	Amounts	Budgetary Basis Actual	Variance with Final Budget Positive
Charges to Appropriations (Outflows): GENERAL GOVERNMENT		Original	Final	Amounts	<u>(Negative)</u>
CITY MANAGER	\$	924,500	\$ 934,500	\$ 907,142	\$ 27,358
FINANCE		959,305	919,805	898,213	21,592
MUNICIPAL COURT		339,667	420,718	302,706	118,012
INFORMATION TECHNOLOGY		1,767,537	1,939,367	978,057	961,310
GENERAL GOVERNMENT		461,600	676,600	573,999	102,601
SUPPORT SERVICES		669,350	922,354	472,948	449,406
HUMAN RESOURCES		488,508	621,947	472,358	149,589
TOTAL GENERAL GO	vernment <u>\$</u>	5,610,467	<u>\$ 6,435,291</u>	<u>\$ 4,605,423</u>	<u>\$ 1,829,868</u> (Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Charges to Appropriations (Outflows): PUBLIC SAFETY			Budgetec Original	I Am	ounts Final		Budgetary Basis Actual Amounts	Fi	riance with nal Budget Positive Negative)
POLICE SERVICES		\$	8,179,691	\$	9,055,570	\$	8,533,551	\$	522,019
EMERGENCY COMMUNICATIONS			2,078,048		258,852		248,756		10,096
ANIMAL CONTROL			292,167		298,167		241,599		56,568
FIRE/AMBULANCE SERVICES			5,928,328		5,950,164		5,913,802		36,362
EMERGENCY MANAGEMENT OPERATION	15		132,148		133,402		129,129		4,273
	TOTAL PUBLIC SAFETY	<u>\$</u>	16,610,382	\$	15,696,155	<u>\$</u>	15,066,837	<u>\$</u> (C	629,318 Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Charges to Appropriations (C PUBLIC WORKS	Dutflows):		Budgeted Amounts Original Finc		ounts Final		Budgetary Basis Actual Amounts	F	ariance with inal Budget Positive (Negative)
STREETS		\$	1,084,515	\$	-	\$	-	\$	-
ENGINEERING			916,638		930,270		865,772		64,498
CEMETERY			146,259		157,517		120,762		36,755
STORMWATER			592,326		618,055		496,863		121,192
	TOTAL PUBLIC WORKS	<u>\$</u>	2,739,738	<u>\$</u>	1,705,842	<u>\$</u>	1,483,397	<u>\$</u> (222,445 Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

	Budgeted	d Amounts	Budgetary Basis Actual	Variance with Final Budget Positive
Charges to Appropriations (Outflows): CULTURE AND RECREATION	<u>Original</u>	Final	Amounts	<u>(Negative)</u>
CULTURE AND RECREATION	\$ 673,197	\$ 782,645	\$ 601,898	\$ 180,747
COMMUNITY CENTER	400,107	494,268	406,841	87,427
PARK MAINTENANCE	723,346	783,293	584,013	199,280
HISTORICAL MUSEUM	35,444	35,444	26,570	8,874
TOTAL CULTURE AND RECREATION	<u>\$ 1,832,094</u>	<u>\$ 2,095,650</u>	<u>\$ 1,619,322</u>	<u>\$ 476,328</u>
ECONOMIC DEVELOPMENT	<u>\$ 221,357</u>	<u>\$ 218,657</u>	<u>\$ 190,130</u>	<u>\$ 28,527</u>
STRONG NEIGHBORHOODS	<u>\$ 18,202</u>	<u>\$ 18,202</u>	<u>\$ 13,242</u>	<u>\$ 4,960</u>
COMMUNITY DEVELOPMENT	<u>\$ 934,638</u>	<u>\$ 923,638</u>	<u>\$ 886,717</u>	<u>\$ 36,921</u>
OTHER FINANCING USES Transfers to other funds TOTAL OTHER FINANCING USES	<u> </u>	<u>43,573,821</u> <u>\$43,573,821</u>	<u>38,196,296</u> <u>38,196,296</u>	<u>5,377,525</u> <u>5,377,525</u>
Total Charges to Appropriations	<u>\$61,540,515</u>	<u>\$ 70,667,256</u>	<u>\$ 62,061,364</u>	<u>\$ 8,605,892</u>
Ending Budgetary Fund Balance	<u>\$ </u>	<u>\$ (309,173</u>)	<u>\$11,998,879</u>	<u>12,308,052</u> (Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Reconciliation of the General Fund Balance Sheet to the Budgetary Comparison Schedule - General Fund	
Fund balance - general fund	\$ 15,682,437
Receivables not recognized for budgetary basis	
Sales Tax Receivable	(4,276,492)
Use Tax Receivable	(582,907)
Other Tax Receivable	(132,866)
Franchise Tax Receivable	(147,880)
Court Fines Receivable net of uncollectible	(12,643)
False Alarm Fines Receivable net of uncollectible	(29,640)
Plus receipts not recognized as revenue for GAAP	57,368
Plus GAAP expenditure accruals not recognized for budgetary basis	 1,441,502

Fund balance - budgetary basis

<u>\$ 11,998,879</u>

(Concluded)

MAJOR SPECIAL REVENUE FUND

Major Special Revenue Fund

Half-Penny Sales Tax Fund: Accounts for half-penny sales tax revenue. Funds are restricted to operational or capital expenditures for Police, Fire, and Streets functions.

BUDGETARY COMPARISON SCHEDULE -- HALF-PENNY SALES TAX FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

HALF-PENNY SALES TAX FUND

HALF-FENNT SALES TAX FUND									
						Budgetary		ariance with	
		Budgeted	d Amoi	unts	Basis Actual		ŀ	inal Budget Positive	
		Original		Final		Amounts		(Negative)	
Beginning Budgetary Fund Balance	\$	3,554,169	\$	5,883,235	\$	5,883,235	\$	-	
Resources (Inflows):									
SALES TAX		4,628,395		4,628,395		5,301,511		673,116	
MISCELLANEOUS		-		28,180		39,942		11,762	
INVESTMENT INCOME OTHER FINANCING SOURCES		59,913		59,913		32,262		(27,651)	
Transfers from other funds		1,084,515		1,084,515		1,084,515			
Total Resources (Inflows)		5,772,823		5,801,003		6,458,230		657,227	
Amount Available for Appropriation	<u>\$</u>	9,326,992	<u>\$</u>	11,684,238	\$	12,341,465	\$	657,227	
Charges to Appropriations (Outflows):									
Public Safety									
Fire	\$	2,021,420	\$	2,089,818	\$	1,480,419	\$	609,399	
Police		1,299,851		1,490,036		871,716		618,320	
Public Works									
Streets		1,550,598		2,802,550		1,622,788		1,179,762	
Total Charges to Appropriations (Outflows)	\$	4,871,869	<u>\$</u>	6,382,404	\$	3,974,923	\$	2,407,481	
Ending Budgetary Fund Balance	\$	4,455,123	\$	5,301,836	\$	8,366,542	\$	3,064,706	
								Continued)	

(Continued)

BUDGETARY COMPARISON SCHEDULE -- HALF-PENNY SALES TAX FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Reconciliation of the Half-Penny Sales Tax Fund Balance Sheet to the Budgetary Comparison Schedule - Half-Penny Sales Tax Fund		
Fund balance - half-penny sales tax fund	\$	9,108,573
Receivables not recognized for budgetary basis		
Sales Tax Receivable		(716,540)
Miscellaneous Receivable		(18,260)
Prepaid Fees		(7,231)
Fund balance - budgetary basis	<u>\$</u>	8,366,542
		ncioaeaj

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

<u>Special Revenue Funds</u>: Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for certain purposes. The reporting entity includes the following special revenue funds:

- Ambulance Service Fund Accounts for the revenue received from ambulance subscriptions and billings. Allocated revenue is 85% of receipts for ambulance billings and subscriptions.
- **Emergency 911 Fund** Accounts for the revenue received from the emergency service fee on telephone bills. Funds are used to pay monthly service charges for the 911 system. Remaining funds may be used for any other emergency communications need.
- **Cemetery Care Fund** Accounts for 12.5% of revenue from cemetery service fees (lot sales and interments). These funds may only be used for capital improvements to the cemetery.
- Emergency Siren Fund Accounts for the per acre fees received when new subdivisions are platted as required by subdivision regulations. Funds are used for the acquisition and/or purchase of emergency sirens.
- Juvenile Court Fund Accounts for fines generated as a result of prosecution of juveniles under the "Agreement for Municipal Court Jurisdiction Concerning Juveniles." Funds are used for local programs that address problems of juvenile crime.
- Hotel Tax Fund Accounts for a 3% hotel tax to be used in economic development and promotion of tourism and a 2% hotel tax designated to fund the Owasso Strong Neighborhoods Initiative.
- Stormwater Management Fund Accounts for revenues derived from the stormwater system service charge. Funds are used for expenses attributable to stormwater management services.
- Federal Grants Fund Accounts for large Federal grants received by the City. Currently, the fund includes revenue and expenses related to the Coronavirus State and Local Fiscal Recovery Funds program, a part of the American Rescue Plan Act.

<u>Capital Project Funds</u>: Capital Project Funds are used to account for resources restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

- Ambulance Capital Fund Accounts for the fifteen percent (15%) of revenue from ambulance billings and subscriptions. Expenditures are for ambulance capital outlay for ambulance service.
- Tax Incremental Financing Fund Accounts for two cent sales tax revenue from businesses opened on or after December 20, 2016, located within the Redbud District (TIF) as well as property tax generated from increased valuation within the TIF.
- **Park Development Fund** Accounts for revenue received from building permit charges required by ordinance as in-lieu-of payments in subdivisions that do not donate park property. Funds are used for improvements to and development of the park system.
- **Capital Project Grant Fund** Accounts for grant revenue from state and federal grants. Funds are used for capital improvements as specified in grant contracts.

<u>Debt Service Fund</u>: The Debt Service Fund accounts for ad-valorem taxes levied by the City for use in retiring judgments and their related interest expense. Issuance of General Obligation debt requires voter approval. The City neither has any outstanding General Obligation debt nor voter approval to issue General Obligation debt.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2022

	SPECIAL REVENUE FUNDS																	
	,	Ambulance Service Fund	E	mergency 911 Fund		Cemetery Care Fund	Emergency Siren Fund		Siren		Siren			Hotel Tax Fund		itormwater anagement Fund		Federal Grants Fund
ASSETS																		
Cash and cash equivalents	\$	633,734	\$	506,385	\$	7,614	\$	779,260	\$	15,504	\$	1,483,845	\$	2,610,571	\$	809,227		
Investments		223,202		178,349		2,681		274,457		5,461		522,612		919,447		285,011		
Prepaid items		10,623		-		-		-		-		-		-		-		
Accounts receivable, net		948,164		-		-		-		-		62,821		203,100		-		
Due from other governments				26,963		-		_	_	-		-				_		
TOTAL ASSE	rs <u>\$</u>	1,815,723	\$	711,697	\$	10,295	\$	1,053,717	\$	20,965	\$	2,069,278	<u>\$</u>	3,733,118	\$	1,094,238		
LIABILITIES																		
Accounts payable	\$	86,404	\$	20,862	\$	-	\$	-	\$	-	\$	1,912	\$	58,038	\$	-		
Accrued payroll liabilities		557		27,289		-		-		-		4,734		6,282		-		
Due to other funds		1,254		-		-		-		-		-		-		-		
Unearned revenue		540		-		-		-		-		-		-		1,094,238		
TOTAL LIABILITIE	S	88,755	_	48,151			_					6,646	_	64,320		1,094,238		
DEFERRED INFLOWS OF RESOURCES																		
Unavailable revenue - charges for services		591,678								-		-	—					
FUND BALANCES																		
Nonspendable - prepaid items		10,623		-		-		-		-		-		-		-		
Restricted		-		663,546		10,295		-		20,965		2,062,632		-		-		
Committed		1,124,667						1,053,717				_		3,668,798		_		
TOTAL FUND BALANCE	S	1,135,290		663,546		10,295		1,053,717		20,965		2,062,632	_	3,668,798				
TOTAL LIABILITES, DEFERRED INFLOWS O	F																	
RESOURCES, AND FUND BALANCE	s <u>\$</u>	1,815,723	\$	711,697	<u>\$</u>	10,295	<u>\$</u>	1,053,717	\$	20,965	\$	2,069,278	<u>\$</u>	3,733,118	\$	1,094,238		
															(Cc	ontinued)		

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2022

		CAPITAL PROJECTS FUNDS									Nonmajor	
	_	Ambulance Capital Fund	Tax	x Incremental Financing Fund		Park Development Fund	Capital Project Grant Fund			Debt Service Fund	Go	Fund Totals
ASSETS												
Cash and cash equivalents	\$	272,584	\$	7,636	\$	156,335	\$	-	\$	1,353	\$	7,284,048
Investments Draw side its and		96,004		2,690		55,062		-		477		2,565,453
Prepaid items Accounts receivable, net		- 15,475		-		-		-		-		10,623 1,229,560
Due from other governments		13,473		- 31,057		-		- 88,415		- 79		1,229,380
TOTAL AS	SETS <u>\$</u>	384,063	\$	41,383	\$	211,397	\$	88,415	\$	1,909	\$	11,236,198
LIABILITIES												
Accounts payable	\$	-	\$	-	\$	-	\$	51,331	\$	_	\$	218,547
Accrued payroll liabilities	Ŷ	-	Ψ	-	Ŷ	-	Ψ	-	Ψ	-	Ψ	38,862
Due to other funds		-		41,383		-		37,084		-		79,721
Unearned revenue		-		-		-		-		-		1,094,778
TOTAL LIABIL	ITIES			41,383				88,415				1,431,908
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue - charges for services	_	-	_			-		-				591,678
fund balances												
Nonspendable - prepaid items		-		-		-		-		-		10,623
Restricted		-		-		-		-		1,909		2,759,347
Committed	_	384,063		-		211,397		-		-		6,442,642
TOTAL FUND BALAN	ICES _	384,063				211,397		-		1,909		9,212,612
TOTAL LIABILITES, DEFERRED INFLOWS	OF											
RESOURCES, AND FUND BALAN	ices <u>\$</u>	384,063	\$	41,383	\$	211,397	\$	88,415	\$	1,909	\$	11,236,198
											(Co	oncluded)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

			SPECIAL REVENUE FUNDS											
		Ambulance Emergency Service 911 <u>Fund</u> Fund		Cemetery Care Fund	Emergency Siren Fund	Juvenile Court Fund	Hotel Tax Fund	Stormwater Management Fund	Federal Grants Fund					
REVENUES														
Taxes		\$ -		\$ -	\$ -	\$ -	\$ 635,526	\$ -	\$ -					
Intergovernmental		307,867	309,881	-	-	-	-	-	2,133,131					
Charges for services		1,978,978	-	1,913	-	-		2,038,191	-					
Fines and forfeitures		-	-	-	-	1,039	-	-	-					
Licenses and permits		-	-	-	3,232	-	-	-	-					
Investment income		2,440 ·	3,047	37 -	204	81 ·	7,292	11,456	-					
Miscellaneous		57				·								
	TOTAL REVENUES	2,289,342	312,928	1,950	3,436	1,120	642,818	2,049,647	2,133,131					
EXPENDITURES														
Current:														
General government		-	-	-	-		-	-	57,273					
Public safety		1,923,768	1,158,073		-	-	-	-	-					
Economic development		-	-	-	-	- 1	280,388	-	-					
Public works		-	-	-	-	-	- 1	100,017	-					
Capital outlay		=						252,943	2,075,858					
	TOTAL EXPENDITURES	1,923,768	1,158,073				280,388	686,560	2,133,131					
Revenues over (under) expendit	ures	365,574	(845,145)	1,950	3,436	1,120	362,430	1,363,087	-					
OTHER FINANCING SOURCES (USI	ES)													
Transfers in		-	1,058,627	-	1,000,000	-	-	-	-					
Transfers out														
TOTAL OTHER FINANC	CING SOURCES (USES)		1,058,627		1,000,000									
NET CHANG	GE IN FUND BALANCES	365,574	213,482	1,950	1,003,436	1,120	362,430	1,363,087	-					
FUND BALANCES - BEGINNING OI	F YEAR	769,716	450,064	8,345	50,281	19,845	1,700,202	2,305,711						
FUND BALANCES - END OF YEAR		\$ 1,135,290	\$ 663,546	\$ 10,295	\$ 1,053,717	\$ 20,965	\$ 2,062,632	\$ 3,668,798	\$-					
									(Continued)					

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		CAPITAL PRO			Nonmajor	
	Ambulance Capital Fund	Tax Incremental Financing Fund	Park Development Fund	Capital Project Grant Fund	Debt Service Fund	Governmental Fund Totals
REVENUES:						
Taxes	\$ -	\$ 501,330	\$-	\$ -	\$ 794	\$ 1,137,650
Intergovernmental	-	-	-	545,602	-	3,296,481
Charges for services	337,147	-	-	-	-	4,356,229
Fines and forfeitures	-	-	-	-	-	1,039
Licenses and permits	-	-	102,750	-	-	105,982
Investment income	798	397	676	-	6	26,434
Miscellaneous	40,000					40,057
TOTAL REVENUES	377,945	501,727	103,426	545,602	800	8,963,872
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	57,273
Public safety	6,063	-	-	-	-	3,087,904
Economic development	-	-	-	-	-	280,388
Public works	-	-	-	-	-	433,617
Capital outlay	428,362	-	6,770	95,499	-	2,859,432
TOTAL EXPENDITURES	434,425		6,770	95,499		6,718,614
Revenues over (under) expenditures	(56,480)	501,727	96,656	450,103	800	2,245,258
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	2,058,627
Transfers out		(501,727)		(450,103)		(951,830)
total other financing sources (uses)		(501,727)		(450,103)		1,106,797
NET CHANGE IN FUND BALANCES	(56,480)	-	96,656	-	800	3,352,055
FUND BALANCES - BEGINNING OF YEAR	440,543		114,741		1,109	5,860,557
FUND BALANCES - END OF YEAR	\$ 384,063	<u>\$</u>	<u>\$ 211,397</u>	<u>\$ </u>	<u>\$ 1,909</u>	<u>\$ 9,212,612</u>
						(Concluded)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

AMBULANCE SERVICE FUND

		Budgetec	l Amc	ounts	Budgetary Basis Actual		Variance with Final Budget Positive	
		Original		Final	 Amounts	(Negative)		
Beginning Budgetary Fund Balance	\$	351,064	\$	483,461	\$ 483,461	\$		
Resources (Inflows):								
CHARGES FOR SERVICES INTERGOVERNMENTAL MISCELLANEOUS		1,827,501 - 179,313		1,827,501 - 179,313	1,909,287 307,867 57		81,786 307,867 (179,256)	
INVESTMENT INCOME		2,238		2,238	 2,440		202	
Total Resources (Inflows)		2,009,052		2,009,052	 2,219,651		210,599	
Amount Available for Appropriation	<u>\$</u>	2,360,116	\$	2,492,513	\$ 2,703,112	\$	210,599	
Charges to Appropriations (Outflows):								
Public Safety	\$	2,114,480	<u>\$</u>	2,114,478	\$ 1,934,389	<u>\$</u>	180,089	
Total Charges to Appropriations (Outflows)	\$	2,114,480	<u>\$</u>	2,114,478	\$ 1,934,389	<u>\$</u>	180,089	
Ending Budgetary Fund Balance	<u>\$</u>	245,636	<u>\$</u>	378,035	\$ 768,723	<u>\$</u>	390,688	
							(Continued)	

(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

EMERGENCY 911 FUND

		Budgeted	d Amo	unts	Budgetary Basis Actual			Variance with Final Budget Positive	
		Original		Final		Amounts	(Negative)		
Beginning Budgetary Fund Balance	<u>\$</u>	382,830	\$	423,679	<u>\$</u>	423,679	\$		
Resources (Inflows):									
CHARGES FOR SERVICES MISCELLANEOUS		323,163		323,163		309,303		(13,860)	
INVESTMENT INCOME		1,820		1,820		3,047		1,227	
OTHER FINANCING SOURCES Transfers from other funds				1,969,627		1,058,627		(911,000)	
Total Resources (Inflows)		324,983		2,294,610		1,370,977		(923,633)	
Amount Available for Appropriation	<u>\$</u>	707,813	\$	2,718,289	<u>\$</u>	1,794,656	\$	(923,633)	
Charges to Appropriations (Outflows):									
Public Safety	\$	302,800	<u>\$</u>	2,282,148	\$	1,158,073	\$	1,124,075	
Total Charges to Appropriations (Outflows)	<u>\$</u>	302,800	<u>\$</u>	2,282,148	<u>\$</u>	1,158,073	\$	1,124,075	
Ending Budgetary Fund Balance	<u>\$</u>	405,013	<u>\$</u>	436,141	<u>\$</u>	636,583	<u>\$</u>	200,442	

(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

CEMETERY CARE FUND

						Budgetary Basis		Variance with Final Budget
		Budgetec	l Amo	ounts		Actual		Positive
		Original		Final		Amounts		(Negative)
Beginning Budgetary Fund Balance	<u>\$</u>	5,846	\$	8,345	<u>\$</u>	8,345	\$	<u> </u>
Resources (Inflows):								
CHARGES FOR SERVICES INVESTMENT INCOME		800 30		800 30		1,913 37		1,113 7
Total Resources (Inflows)		830		830		1,950		1,120
Amount Available for Appropriation	<u>\$</u>	6,676	<u>\$</u>	9,175	<u>\$</u>	10,295	<u>\$</u>	1,120
Charges to Appropriations (Outflows):								
Public Works	<u>\$</u>	1,850	\$	1,850	<u>\$</u>	-	<u>\$</u>	1,850
Total Charges to Appropriations (Outflows)	<u>\$</u>	1,850	\$	1,850	<u>\$</u>	-	\$	1,850
Ending Budgetary Fund Balance	<u>\$</u>	4,826	\$	7,325	<u>\$</u>	10,295	<u>\$</u>	2,970
								(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

EMERGENCY SIREN FUND

EMERGENCT SIKEN FUND	 Budgetec	d Amo	unts Final		Budgetary Basis Actual Amounts		Variance with Final Budget Positive (Negative)
	 onginai		TITO		7111001113		(Regarive)
Beginning Budgetary Fund Balance	\$ 33,522	<u>\$</u>	50,281	<u>\$</u>	50,281	\$	<u> </u>
Resources (Inflows):							
CHARGES FOR SERVICES INVESTMENT INCOME	1,557 174		1,557 174		3,232 204		1,675 30
OTHER FINANCING SOURCES Transfers from other funds	 				1,000,000		1,000,000
Total Resources (Inflows)	 1,731		1,731		1,003,436		1,001,705
Amount Available for Appropriation	\$ 35,253	<u>\$</u>	52,012	\$	1,053,717	\$	1,001,705
Charges to Appropriations (Outflows):							
Public Safety	\$ 10,000	\$	10,000	\$		\$	10,000
Total Charges to Appropriations (Outflows)	\$ 10,000	<u>\$</u>	10,000	\$		<u>\$</u>	10,000
Ending Budgetary Fund Balance	\$ 25,253	\$	42,012	\$	1,053,717	\$	1,011,705
							(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

JUVENILE COURT FUND

						Budgetary Basis		/ariance with Final Budget	
		Budgeted	d Amo	ounts		Actual	Positive		
	Original			Final		Amounts		(Negative)	
Beginning Budgetary Fund Balance	<u>\$</u>	10,009	\$	19,845	\$	19,845	\$		
Resources (Inflows):									
CHARGES FOR SERVICES		2,246		2,246		1,039		(1,207)	
INVESTMENT INCOME		86		86		81		(5)	
Total Resources (Inflows)		2,332	. <u> </u>	2,332		1,120		(1,212)	
Amount Available for Appropriation	\$	12,341	\$	22,177	\$	20,965	<u>\$</u>	(1,212)	
Charges to Appropriations (Outflows):									
General Government	<u>\$</u>	10,000	<u>\$</u>	10,000	<u>\$</u>		\$	10,000	
Total Charges to Appropriations (Outflows)	\$	10,000	<u>\$</u>	10,000	\$	-	\$	10,000	
Ending Budgetary Fund Balance	\$	2,341	\$	12,177	\$	20,965	<u>\$</u>	8,788	
								(Continued)	

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

HOTEL TAX FUND

						Budgetary Basis		Variance with Final Budget
		Budgeted	d Amo	ounts		Actual		Positive
		Original		Final	·	Amounts		(Negative)
Beginning Budgetary Fund Balance	<u>\$</u>	1,514,735	<u>\$</u>	1,641,208	<u>\$</u>	1,641,208	<u>\$</u>	
Resources (Inflows):								
HOTEL TAX		381,575		381,575		631,697		250,122
MISCELLANEOUS		-		4,000		-		(4,000)
INVESTMENT INCOME		6,800		2,800		7,292		4,492
Total Resources (Inflows)		388,375		388,375		638,989		250,614
Amount Available for Appropriation	\$	1,903,110	\$	2,029,583	\$	2,280,197	\$	250,614
Charges to Appropriations (Outflows):								
ECONOMIC DEVELOPMENT	\$	153,402	\$	303,402	\$	85,676	\$	217,726
STRONG NEIGHBORHOOD INITIATIVE		190,217		203,483		194,712		8,771
Total Charges to Appropriations (Outflows)	\$	343,619	\$	506,885	\$	280,388	\$	226,497
Ending Budgetary Fund Balance	<u>\$</u>	1,559,491	\$	1,522,698	<u>\$</u>	1,999,809	\$	477,111
								(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

STORMWATER MANAGEMENT FUND

						Budgetary Basis		Variance with Final Budget	
		Budgeted	d Am	nounts		Actual	Positive		
	Original			Final		Amounts		(Negative)	
Beginning Budgetary Fund Balance	<u>\$</u>	949,977	<u>\$</u>	2,362,288	<u>\$</u>	2,362,288	<u>\$</u>		
Resources (Inflows):									
CHARGES FOR SERVICES		1,580,954		1,580,954		2,037,023		456,069	
INVESTMENT INCOME		14,830		14,830		11,456		(3,374)	
Total Resources (Inflows)		1,595,784		1,595,784		2,048,479		452,695	
Amount Available for Appropriation	<u>\$</u>	2,545,761	<u>\$</u>	3,958,072	<u>\$</u>	4,410,767	<u>\$</u>	452,695	
Charges to Appropriations (Outflows):									
Public Works	\$	1,719,934	\$	3,135,256	\$	945,069	\$	2,190,187	
Total Charges to Appropriations (Outflows)	\$	1,719,934	\$	3,135,256	\$	945,069	\$	2,190,187	
Ending Budgetary Fund Balance	\$	825,827	\$	822,816	\$	3,465,698	\$	2,642,882	
								(Continued)	

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

FEDERAL GRANTS FUND

	Budgeted Amounts Original Final				Budgetary Basis Actual Amounts			Variance with Final Budget Positive (Negative)
	Oligino			ТПО		AITIOUTIIS		Ineguiver
Beginning Budgetary Fund Balance	<u>\$</u>		\$		\$		\$	
Resources (Inflows):								
INTERGOVERNMENTAL		-		3,227,368		3,227,368		
Amount Available for Appropriation	<u>\$</u>		<u>\$</u>	3,227,368	<u>\$</u>	3,227,368	\$	
Charges to Appropriations (Outflows):								
Public Works	\$		<u>\$</u>	3,227,368	\$	2,133,131	\$	1,094,237
Total Charges to Appropriations (Outflows)	<u>\$</u>	-	<u>\$</u>	3,227,368	<u>\$</u>	2,133,131	\$	1,094,237
Ending Budgetary Fund Balance	<u>\$</u>	-	\$	-	<u>\$</u>	1,094,237	\$	1,094,237
								(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

AMBULANCE CAPITAL FUND

	Budgeted Amounts Original Final				Budgetary Basis Actual Amounts		Variance with Final Budget Positive (Negative)	
Beginning Budgetary Fund Balance	<u>\$</u>	324,753	\$	425,206	<u>\$</u>	425,206	<u>\$</u>	
Resources (Inflows):								
CHARGES FOR SERVICES MISCELLANEOUS INVESTMENT INCOME		332,053 - 1,460		332,053 - 1,460		337,009 40,000 798		4,956 40,000 (662)
Total Resources (Inflows)		333,513		333,513		377,807		44,294
Amount Available for Appropriation	<u>\$</u>	658,266	\$	758,719	\$	803,013	\$	44,294
Charges to Appropriations (Outflows):								
Public Safety	\$	534,360	\$	534,360	\$	434,425	\$	99,935
Total Charges to Appropriations (Outflows)	\$	534,360	\$	534,360	\$	434,425	\$	99,935
Ending Budgetary Fund Balance	<u>\$</u>	123,906	\$	224,359	<u>\$</u>	368,588	<u>\$</u>	144,229 (Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

TAX INCREMENTAL FINANCING FUND

						Budgetary Basis		Variance with Final Budget
		Budgetec	Amoun	nts		Actual	Positive	
		Original	Final		Amounts		(Negative)	
Beginning Budgetary Fund Balance	<u>\$</u>	-	<u>\$</u>	33,641	<u>\$</u>	33,641	<u>\$</u>	-
Resources (Inflows):								
SALES TAX		136,733		202,733		188,782		(13,951)
		244,248		318,248		308,517		(9,731)
INVESTMENT INCOME		30		30		397		367
Total Resources (Inflows)		381,011		521,011		497,696		(23,315)
Amount Available for Appropriation	\$	381,011	<u>\$</u>	554,652	\$	531,337	\$	(23,315)
Charges to Appropriations (Outflows):								
Other Uses								
Transfers Out	\$	381,011.00	\$	521,011	\$	521,011	\$	-
Total Charges to Appropriations (Outflows)	<u>\$</u>	381,011	\$	521,011	<u>\$</u>	521,011	<u>\$</u>	
Ending Budgetary Fund Balance	<u>\$</u>		<u>\$</u>	33,641	\$	10,326	<u>\$</u>	(23,315)
								(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

PARK DEVELOPMENT FUND

PARK DEVELOPMENT FUND	Budgeted Amounts Original Final				Budgetary Basis Actual Amounts		Variance with Final Budget Positive (Negative)	
Beginning Budgetary Fund Balance	\$	38,850	\$	114,741	\$	114,741	<u>\$</u>	
Resources (Inflows):								
LICENSES & PERMITS INVESTMENT INCOME		35,000 328		35,000 328		102,750 676		67,750 348
Total Resources (Inflows)		35,328		35,328		103,426		68,098
Amount Available for Appropriation	\$	74,178	\$	150,069	\$	218,167	\$	68,098
Charges to Appropriations (Outflows):								
Capital Outlay	\$	55,000	\$	61,770	\$	6,770	\$	55,000
Total Charges to Appropriations (Outflows)	<u>\$</u>	55,000	\$	61,770	\$	6,770	\$	55,000
Ending Budgetary Fund Balance	\$	19,178	<u>\$</u>	88,299	\$	211,397	\$	123,098 (Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

CAPITAL PROJECT GRANT FUND

	Budgeted Amounts				Budgetary Basis Actual			Variance with Final Budget Positive
	(Original		Final		Amounts		(Negative)
Beginning Budgetary Fund Balance	\$		\$		\$		<u>\$</u>	
Resources (Inflows):								
INTERGOVERNMENTAL		150,000		1,392,223		545,602		(846,621)
Amount Available for Appropriation	\$	1 50,000	\$	1,392,223	\$	545,602	\$	(846,621)
Charges to Appropriations (Outflows):								
Capital Outlay	\$	150,000	\$	1,392,223	\$	545,602	\$	846,621
Total Charges to Appropriations (Outflows)	<u>\$</u>	150,000	\$	1,392,223	\$	545,602	<u>\$</u>	846,621
Ending Budgetary Fund Balance	<u>\$</u>	-	\$	-	\$	-	\$	
								(Continued)

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

DEBT SERVICE FUND

DEBI SERVICE FUND								
						Budgetary		Variance with
		Budgeted	1 Amo	unto		Basis Actual		Final Budget Positive
		Driginal	a Anto	Final	Actual		(Negative)	
		nginai		TING		Amooms		Inegaliver
Beginning Budgetary Fund Balance	<u>\$</u>	-	\$	996	\$	996	\$	
Resources (Inflows):								
AD VALOREM TAXES		50,000		50,000		828		(49,172)
INTEREST		-				6		6
Total Resources (Inflows)		50,000		50,000		834		(49,166)
Amount Available for Appropriation	<u>\$</u>	50,000	\$	50,996	\$	1,830	\$	(49,166)
Charges to Appropriations (Outflows):								
Other Uses								
Transfers Out	\$	50,000	\$	50,000	\$		\$	50,000
Total Charges to Appropriations (Outflows)	<u>\$</u>	50,000	\$	50,000	\$		\$	50,000
Ending Budgetary Fund Balance	<u>\$</u>	-	\$	996	\$	1,830	\$	834
								(Concluded)

MAJOR CAPITAL PROJECT FUNDS

Major Capital Project Funds

Vision Recapture Tax Fund: Accounts for 55/100th's sales tax revenue. Funds are restricted to capital expenditures for street projects approved by the Citizens of Owasso in January 2016.

Capital Improvement Fund: Accounts for the funds remaining from the one-cent capital improvements sales tax after payment of principal and interest on debt to fund capital projects. The expenditure items in this budget are based on priorities and recommendations established by the capital improvements committee and approved by the City Council.

BUDGETARY COMPARISON SCHEDULE -- MAJOR CAPITAL PROJECT FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

VISION RECAPTURE TAX FUND

						Budgetary Basis	Variance with Final Budget
		Budgetec	d Am		•	Actual	Positive
		Original		Final		Amounts	 (Negative)
Beginning Budgetary Fund Balance	<u>\$</u>	2,216,083	\$	10,108,213	\$	10,108,213	\$
VISION RECAPTURE SALES TAX		5,091,235		5,091,235		5,831,560	740,325
INVESTMENT INCOME		44,000		44,000		50,779	6,779
MISCELLANEOUS OTHER FINANCING SOURCES		-		-		117,722	117,722
Transfers from other funds		2,100,000		2,100,000		-	 -
Total Resources (Inflows)		7,235,235		7,235,235		6,000,061	 (1,235,174)
Amount available for appropriation	\$	9,451,318	\$	17,343,448	\$	16,108,274	\$ (1,235,174)
Charges to Appropriations (Outflows):							
Capital Outlay	<u>\$</u>	9,409,318	\$	17,147,810	\$	636,815	\$ 16,510,995
Other Uses							
Transfers Out		42,000		-		-	 -
Total Other Uses		42,000					
Total Charges to Appropriations	\$	9,451,318	<u>\$</u>	17,147,810	<u>\$</u>	636,815	\$ 16,510,995
Ending Budgetary Fund Balance	<u>\$</u>		<u>\$</u>	195,638	<u>\$</u>	15,471,459	 15,275,821
							(Continued)

BUDGETARY COMPARISON SCHEDULE -- VISION RECAPTURE FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Reconciliation of the Vision Recapture Fund Balance Sheet to the Budgetary Comparison Schedule - Vision Recapture Fund		
Fund balance - vision recapture fund	\$	16,150,299
Receivables not recognized for budgetary basis Taxes Receivable		(788,096)
Plus payables not recognized as expense for GAAP		109,256
Fund balance - budgetary basis	<u>\$</u> (C	<u>15,471,459</u> oncluded)

BUDGETARY COMPARISON SCHEDULE -- MAJOR CAPITAL PROJECT FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

CAPITAL IMPROVEMENTS FUND

						Budgetary Basis		Variance with Final Budget
		Budgeted	d Amo	unts		Actual		Positive
		Original		Final	·	Amounts		(Negative)
Beginning Budgetary Fund Balance	<u>\$</u>	2,379	<u>\$</u>	5,040,429	<u>\$</u>	5,040,429	<u>\$</u>	
INVESTMENT INCOME		11,402		11,402		35,378		23,976
MISCELLANEOUS OTHER FINANCING SOURCES		1,175,500		1,175,500		1,298,338		122,838
Transfers from other funds		5,886,647		12,560,967		10,187,672		(2,373,295)
Total Resources (Inflows)		7,073,549		13,747,869		11,521,388		(2,226,481)
Amount available for appropriation	\$	7,075,928	\$	18,788,298	\$	16,561,817	\$	(2,226,481)
Charges to Appropriations (Outflows):								
Capital Outlay	\$	7,075,928	\$	18,479,286	\$	5,476,132	\$	13,003,154
Total Charges to Appropriations	\$	7,075,928	<u>\$</u>	18,479,286	<u>\$</u>	5,476,132	\$	13,003,154
Ending Budgetary Fund Balance	\$	-	\$	309,012	\$	11,085,685	\$	10,776,673
								(Continued)

BUDGETARY COMPARISON SCHEDULE -- CAPITAL IMPROVEMENTS FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Reconciliation of the Capital Improvements Fund Balance Sheet to the Budgetary Comparison Schedule - Capital Improvements Fund		
Fund balance - capital improvements fund	\$	12,046,905
Assets not recognized for budgetary basis Land held for resale		(275,000)
Receivables not recognized for budgetary basis Taxes receivable		(797,864)
Plus payables not recognized as expense for GAAP		111,644
Fund balance - budgetary basis	<u>\$</u> (C	11,085,685 oncluded)

INTERNAL SERVICE FUNDS

Internal Service Funds

- **City Garage Fund** Accounts for the financing of goods and services provided by one department to other departments of the City. The city garage bills for vehicle parts and services used by other departments.
- Workers' Comp Self-Insurance Accounts for the funds reserved for the payment of expenses and administration for workers' compensation benefits for all City employees. Expenditures from this fund are approved by the City Council but, by ordinance, are not subject to limitations on spending amounts as are other City purchases.
- General Liability Self-Insurance Accounts for the funds reserved for payments of expenses of property claims and for collision repairs to city vehicles. The City carries only liability insurance on City vehicles.
- Healthcare Services Self-Insurance Accounts for the funds reserved for the payment of expenses and administration for healthcare benefits for all City employees. Plan is administered by a third-party administrator.

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2022

June 30, 2022			11	VTERNAL SER	VIC	e funds				
		City Garage Fund		Workers' Comp Fund		General Liability Fund	ŀ	Healthcare Services Fund	Se	Internal rvice Funds Totals
ASSETS										
CURRENT ASSETS										
Cash and cash equivalents	\$	86,553	\$	1,078,077	\$	322,241	\$	2,485,210	\$	3,972,081
Investments		30,484		379,700		113,494		875,295		1,398,973
Accounts receivable, net of allowance		37,295		-		-		-		37,295
Other receivables		-		-		-		3,878		3,878
Due from other funds		9,623		-		-		-		9,623
Prepaid items		-		-		-		38,000		38,000
TOTAL CURRENT ASSETS		163,955		1,457,777		435,735		3,402,383		5,459,850
NONCURRENT ASSETS										
Net pension asset		55,715		(4,679)		-		-		51,036
Other depreciable capital assets, net		188,397		-		-		-		188,397
TOTAL NONCURRENT ASSETS		244,112		(4,679)		-		-		239,433
TOTAL ASSETS		408,067		1,453,098		435,735		3,402,383		5,699,283
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows - OPEB		1,181		-		-		-		1,181
Deferred outflows - pension		35,451		2,895		-		-		38,346
TOTAL DEFERRED OUTFLOWS OF RESOURCES		36,632		2,895		-		-		39,527
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts payable		11,865		12,370		18,861		74,749		117,845
Accrued payroll liabilities		12,686		-		-		-		12,686
Unearned revenue		-		-		-		194		194
Current portion of noncurrent liabilities:		-		-		-		-		-
Incurred but not reported claims		-		221,970		-		197,568		419,538
Accrued compensated absences		8,139		-		-		-		8,139
TOTAL CURRENT LIABILITIES		32,690		234,340		18,861		272,511		558,402
NONCURRENT LIABILITIES										
Total OPEB liability		21,681		-		-		-		21,681
Incurred but not reported claims		-		231,030		-		205,632		436,662
Accrued compensated absence		9,179		-		-		-		9,179
TOTAL NONCURRENT LIABILITIES		30,860	_	231,030	_	-	_	205,632		467,522
TOTAL LIABILITIES		63,550		465,370		18,861		478,143		1,025,924
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows - OPEB		8,157		-		-		-		8,157
Deferred inflows - pension		84,728		10		-		-		84,738
TOTAL DEFERRED INFLOWS OF RESOURCES		92,885		10		-		-		92,895
NET POSITION										
Net investment in capital assets		188,397		-		-		-		188,397
Unrestricted		99,867		990,613		416,874		2,924,240		4,431,594
TOTAL NET POSITION	<u>\$</u>	288,264	<u>\$</u>	990,613	<u>\$</u>	416,874	<u>\$</u>	2,924,240	\$	4,619,991

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

			INTERNAL SERVICE FUNDS												
		City Garage Fund		Workers' Comp Fund	General Liability Fund	Healthcare Services Fund		Internal vice Funds Totals							
OPERATING REVENUES								101010							
Charges for services:															
Internal service cha	arges for services	\$ 672,055	5\$	562,516	\$ 400,000	\$ 6,960,648	\$	8,595,219							
Other		132	2	4,575	31,866	2,500		39,073							
	TOTAL OPERATING REVENUES	672,187	,	567,091	431,866	6,963,148		8,634,292							
OPERATING EXPENSES Administration			-	149,797	242,378	1,199,854		1,592,029							
Claims expense		(70.150	-	49,667	81,631	5,353,038		5,484,336							
City garage		672,152 25,846		-	-	-		672,152							
Depreciation		· · · · · · · · · · · · · · · · · · ·		-				25,846							
	TOTAL OPERATING EXPENSES	697,998	<u> </u>	199,464	324,009	6,552,892		7,774,363							
	OPERATING INCOME (LOSS)	(25,811)	367,627	107,857	410,256		859,929							
NONOPERATING REVENUES	5														
Investment income		500)	4,953	1,535	12,432		19,420							
TC	DTAL NONOPERATING REVENUES	500)	4,953	1,535	12,432		19,420							
	CHANGE IN NET POSITION	(25,311)	372,580	109,392	422,688		879,349							
NET POSITION - BEGINNING		313,575	<u> </u>	618,033	307,482	2,501,552		3,740,642							
NET POSITION - ENDING	\$ 288,264	\$	990,613	<u>\$ 416,874</u>	\$ 2,924,240	\$	4,619,991								

COMBINING STATEMENT OF CASH FLOWS -- INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

	City Garage Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	Internal Service Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 634,760	\$ 562,516	\$ 400,000	\$ 6,957,767	\$ 8,555,043
Payments to suppliers	(254,183)	(247,142)	(309,423)	(6,486,827)	(7,297,575)
Payments to employees	(438,505)	(22,023)	-	-	(460,528)
Other receipts (payments)	9,373	4,575	31,866	2,500	48,314
NET CASH FROM OPERATING ACTIVITIES	(48,555)	297,926	122,443	473,440	845,254
	(10,000)				
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(16,098)	(279,064)	(86,328)	(624,804)	(1,006,294)
Investment income received	500	4,953	1,535	12,432	19,420
NET CASH FROM INVESTING ACTIVITIES	(15,598)	(274,111)	(84,793)	(612,372)	(986,874)
NET INCREASE (DECREASE) IN CASH AND CASH FOULVALENTS	(64,153)	23,815	37,650	(138,932)	(141,620)
	(,	()	(,
BALANCES - BEGINNING OF YEAR	150,706	1,054,262	284,591	2,624,142	4,113,701
BALANCES - END OF YEAR	<u>\$ 86,553</u>	<u>\$ 1,078,077</u>	<u>\$ 322,241</u>	<u>\$ 2,485,210</u>	<u>\$ 3,972,081</u> (Continued)

COMBINING STATEMENT OF CASH FLOWS -- INTERNAL SERVICE FUNDS -- Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

		City Garage Fund	(/orkers' Comp Fund	-	General Liability Fund	ealthcare Services Fund		nternal vice Funds Totals
RECONCILIATION OF OPERATING INCOME									
(LOSS) TO NET CASH FROM									
OPERATING ACTIVITIES									
Operating income (loss)	\$	(25,811)	\$	367,627	\$	107,857	\$ 410,256	\$	859,929
Adjustments to reconcile operating income (loss)									
to net cash from operating activities:									
Depreciation expense		25,846		-		-	-		25,846
Change in assets and liabilities:									
Accounts receivables, net		(37,295)		-		-	-		(37,295)
Other receivables		-		-		-	(2,881)		(2,881)
Prepaid		-		-		-	1,593		1,593
Due from other funds		9,241		-		-	-		9,241
OPEB		1,320		-		-	-		1,320
Pension		(17,957)		-		-	-		(17,957)
Accounts payable		(9,509)		4,299		14,586	51,390		60,766
Accrued payroll liabilities		2,816		-		-	-		2,816
Unearned revenue		-		-		-	82		82
Estimated liability for claims		-		(74,000)		-	13,000		(61,000)
Accrued compensated absences		2,794		-		-	 -		2,794
NET CASH FROM									
OPERATING ACTIVITIES	<u>\$</u>	(48,555)	<u>\$</u>	297,926	\$	122,443	\$ 473,440	<u>\$</u>	845,254

(Concluded)

BUDGETARY COMPARISON SCHEDULE -- INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

CITY GARAGE FUND

						Budgetary Basis		Variance with Final Budget	
		Budgetec	l Am	ounts		Actual		Positive	
	Original			Final		Amounts	(Negative)		
Beginning Budgetary Fund Balance	<u>\$</u>	74,431	<u>\$</u>	152,713	<u>\$</u>	152,713	<u>\$</u>		
Resources (Inflows):									
CHARGES FOR SERVICES INVESTMENT INCOME		625,935 678		625,935 678		634,760 129		8,825 (549)	
MISCELLANEOUS INCOME				-		500		500	
Total Resources (Inflows)		626,613		626,613		635,389		8,776	
Amount available for appropriation	<u>\$</u>	701,044	<u>\$</u>	779,326	<u>\$</u>	788,102	<u>\$</u>	8,776	
Charges to Appropriations (Outflows):									
City Garage	<u>\$</u>	662,161	\$	706,861	\$	685,996	\$	20,865	
Total Charges to Appropriations	<u>\$</u>	662,161	<u>\$</u>	706,861	<u>\$</u>	685,996	<u>\$</u>	20,865	
Ending Budgetary Fund Balance	\$	38,883	<u>\$</u>	72,465	\$	102,106	\$	29,641	

(Continued)

BUDGETARY COMPARISON SCHEDULE -- INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

SELF INSURANCE FUNDS

		Budgetec	l Am	ounts		Budgetary Basis Actual		Variance with Final Budget Positive
	Original			Final		Amounts		(Negative)
Beginning Budgetary Fund Balance	\$ 3,242,037		<u>\$</u>	4,346,434	\$	4,346,434	<u>\$</u>	
Resources (Inflows):								
CHARGES FOR SERVICES INVESTMENT INCOME MISCELLANEOUS INCOME OTHER FINANCING SOURCES Transfers from other funds Total Resources (Inflows)		8,080,455 18,788 31,100 <u>150,000</u> 8,280,343		8,080,455 18,788 31,100 <u>153,879</u> 8,284,222		7,923,265 18,920 38,942 - 7,981,127		(157,190) 132 7,842 (153,879) (303,095)
Amount available for appropriation	<u>\$</u>	11,522,380	\$	12,630,656	\$	12,327,561	\$	(303,095)
Charges to Appropriations (Outflows):								
Self Insurance	\$	7,995,230	\$	8,112,054	\$	7,140,320	\$	971,734
Total Charges to Appropriations	<u>\$</u>	7,995,230	<u>\$</u>	8,112,054	\$	7,140,320	\$	971,734
Ending Budgetary Fund Balance	<u>\$</u>	3,527,150	<u>\$</u>	4,518,602	<u>\$</u>	5,187,241	<u>\$</u>	668,639

(Concluded)

STATISTICAL SECTION -UNAUDITED

CITY OF OWASSO, OKLAHOMA STATISTICAL SECTION

This part of the City's Annual 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. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess all revenue sources and the government's most significant local revenue source, sales tax.

Debt Capacity

This schedule includes information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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

This schedule contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF OWASSO, OKLAHOMA NET POSITION BY COMPONENT (LAST TEN YEARS) (accrual basis of accounting) (amounts expressed in thousands)

		<u>2013</u>		<u>2014</u>		<u>2015*</u>		<u>2016</u>		<u>2017</u> **		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>
Governmental activities																				
Net investment in capital assets	\$	83,643	\$	94,166	\$	93,777	\$	104,330	\$	111,988	\$	128,471	\$	148,938	\$	162,940	\$	169,642	\$	169,811
Restricted		3,849		4,396		8,464		10,690		15,050		16,434		22,866		22,256		25,583		39,907
Unrestricted		5,115		5,994		(8,700)		(5,533)		(6,607)		(4,829)		23		2,233		5,239		11,888
Net position	<u>\$</u>	92,607	\$	104,556	\$	93,541	\$	109,487	\$	120,431	\$	140,076	\$	171,827	<u>\$</u>	187,429	\$	200,464	<u>\$</u>	221,606
Unrestricted as a Percent of Revenues		19.5%		15.3%		-28.5%		-12.7%		-15.7%		-9.2%		0.0%		4.2%		9.6%		18.8%
Business-type activities																				
Net investment in capital assets	\$	33,394	\$	38,518	\$	41,943	\$	44,329	\$	46,728	\$	40,053	\$	25,672	\$	50,943	\$	52,758	\$	53,640
Restricted		2,334		2,942		2,318		2,093		1,565		1,308		899		1,097		1,387		1,715
Unrestricted		146		(117)		(1,240)		(1,992)		(2,904)		(1,037)		1,311		(23,328)		(19,638)		(14,290)
Net position	<u>\$</u>	35,874	<u>\$</u>	41,343	<u>\$</u>	43,021	<u>\$</u>	44,430	<u>\$</u>	45,389	<u>\$</u>	40,324	<u>\$</u>	27,882	<u>\$</u>	28,712	<u>\$</u>	34,507	<u>\$</u>	41,065
Unrestricted as a Percent of Revenues		0.9%		-0.6%		-7.8%		-11.8%		-17.2%		-9.6%		41.3%		-127.7%		-87.6%		-60.6%
Primary government																				
Net investment in capital assets	\$	117,037	\$	132,684	\$	135,720	\$	148,659	\$	158,716	\$	168,524	\$	174,610	\$	187,486	\$	195,794	\$	198,556
Restricted		6,183		7,338		10,782		12,783		16,615		17,742		23,765		23,353		26,970		41,622
Unrestricted		5,261		5,877		(9,940)		(7,525)		(9,511)		(5,866)		1,334		5,302		12,207		22,494
Net position	<u>\$</u>	128,481	<u>\$</u>	145,899	\$	136,562	\$	153,917	<u>\$</u>	165,820	\$	180,400	\$	199,709	<u>\$</u>	216,141	<u>\$</u>	234,971	<u>\$</u>	262,672
Unrestricted as a Percent of Revenues		12.6%		9.9%		-21.4%		-12.4%		-16.1%		-9.3%		2.0%		7.3%		15.9%		25.9%

Source: Respective Fiscal Years' Financial Statements - Statement of Net Position

The level of total unrestricted net position is an indication of the amount of unexpended and available resources the City has at a point in time to fund

emergencies, shortfalls, or other unexpected needs.

*Implementation of GASB 68, Accounting and Financial Reporting For Pensions, resulted in the recording of a \$12.8 million net pension liability in the Governmental activities

statements in FY 2015. Prior years have not been restated.

**Implementation of GASB 75, Accounting and Financial Reporting For Postemployment Benefits, resulted in a 2017 prior period adjustment increasing the net OPEB liability

by \$0.5 million in the Governmental activities, and by \$0.1 million in the Business-type activities. Years prior to FYE 2017 not restated.

CITY OF OWASSO, OKLAHOMA **CHANGES IN NET POSITION**

(LAST TEN YEARS) (accrual basis of accounting)

(amounts expressed in thousands)

		2013		2014		2015		2016		2017
Expenses										
Governmental Activities:										
General government	\$	4,952	\$	5,019	\$	5,128	\$	4,192	\$	4,636
Public safety		13,503		14,690		13,901		15,492		17,430
Community development ***		-		-		-		-		858
Recreation and culture		949		1,185		1,129		1,250		1,494
Economic development		324		835		328		324		367
Public works		3,672		5,521		5,681	_	6,292		6,329
Total governmental activities expenses		23,400		27,250		26,167	_	27,550		31,114
Business-type activities:										
Water		5,616		6,760		6,382		7,470		7,370
Wastewater		3,319		4,809		4,954		5,088		5,247
Sanitation		1,333		1,613		1,541		1,588		1,697
Recycle center		361		220		167		115		200
Economic development		-		-		-		-		-
Golf course		1,051		1,229		1,143	_	1,283		1,447
Total business-type activities expenses		11,680		14,631		14,187	_	15,544		15,961
Total primary government expenses	\$	35,080	\$	41,881	\$	40,354	\$	43,094	\$	47,075
Program Revenue	-									
Governmental activities:										
Charges for services										
General government	\$	500	\$	970	\$	627	\$	655	\$	514
Public safety	Ŷ	2,496	Ψ	2,962	Ψ	2,667	Ψ	2,885	Ψ	3,208
Community development ***		2,470		2,702		2,007		2,005		47
Recreation and culture		104		111		106		112		136
Economic development		8		9		100		11		18
Public works **		796		811		795		870		1,092
										509
Operating grants and contributions		2,060		1,754		1,753		3,446		4,741
Capital grants and contributions		1,786		12,850		1,042	-	6,889		
Total governmental activities program revenues		7,750		19,467		7,000		14,887		10,265
Business-type activities:										
Charges for services										
Water		5,340		5,384		5,222		5,763		6,260
Wastewater		3,468		3,720		3,750		4,002		4,323
Sanitation		1,752		1,789		1,823		1,910		2,003
Recycle center		33		35		29		23		39
Golf course		690		744		726		697		740
Capital grants and contributions		710		3,787		526	_	1,101		1,346
Total business-type activities program revenues	-	11,993	_	15,459	_	12,076	_	13,496	_	14,711
Total primary government program revenues	\$	19,743	\$	34,926	\$	19,076	\$	28,383	\$	24,976
Net (expense) revenue:										
Governmental activities		(15,650)		(7,783)		(19,167)		(12,663)		(20,849)
Business-type activities		313		828		(2,111)	_	(2,048)		(1,250)
Total primary government net (expenses) revenue	<u>\$</u>	(15,337)	\$	(6,955)	\$	(21,278)	\$	(14,711)	\$	(22,099)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Sales tax	\$	19,321	\$	21,254	\$	23,841	\$	28,421	\$	30,249
Use tax		708		800		968		1,128		1,246
Franchise and public service taxes		1,032		1,235		1,389		1,202		1,176
Cigarette/ tobacco tax **		245		247		276		n/a		n/a
Hotel taxes		334		386		412		402		382
Alcoholic beverage tax **		51		54		57		n/a		n/a
E-911 taxes **		217		216		210		n/a		n/a
Intergovernmental **		n/a		n/a		n/a		601		669
Investment income		40		34		30		30		35
Miscellaneous **		175		130		99		259		200
Transfers-internal activity		(3,615)		(4,624)		(3,777)		(3,434)		(2,164)
Total governmental activities		18,508		19,732		23,505		28,609		31,793
Business-type activities		. 2,000		,, 02		,000				2.,,,0
Investment income		22		17		22		22		45
Transfers-internal activity				4,624						
		3,615				3,777		3,434		2,164
Total business-type activities	-	3,637		4,641		3,799	_	3,456	-	2,209
Total primary government	<u>\$</u>	22,145	<u>\$</u>	24,373	<u>\$</u>	27,304	<u>\$</u>	32,065	<u>\$</u>	34,002
Changes in Net Position										
Governmental activities		2,858		11,949		4,338		15,946		10,944
Business-type activities		3,950		5,469		1,688	_	1,408		959
Total primary government	\$	6,808	\$	17,418	\$	6,026	\$	17,354	\$	11,903
	<u> </u>				-					ntinued)

Source: Respective Fiscal Years' Financial Statements - Statement of Activities ** Certain balances from the statements were combined for comparative purposes ***Prior to 2016 combined with General Government

(Continued)

CITY OF OWASSO, OKLAHOMA **CHANGES IN NET POSITION - continued**

(LAST TEN YEARS)

(accrual basis of accounting) (amounts expressed in thousands)

		2018		2019		2020		<u>2021</u>		2022
Expenses										
Governmental Activities:										
General government	\$	4,726	\$	4,415	\$	4,785	\$	4,834	\$	9,000
Public safety		19,473		17,527		22,805		24,915		21,840
Community development ***		818		744		752		842		842
Recreation and culture		1,560		1,617		1,882		1,901		1,965
Economic development		426		456		476		471		449
Public works		5,795		7,199		7,645		8,482		8,105
Total governmental activities expenses		32,798		31,958		38,345		41,445		42,207
Business-type activities:										
Water		7,403		6,909		7,909		7,106		7,082
Wastewater		5,174		5,338		5,533		5,416		5,64
Sanitation		1,695		1,790		1,938		1,921		1,889
Recycle center		1,073		1,770		233		293		25
		190		102		308		359		473
Economic development Golf course				1 200		1.517				
		1,453		1,399				1,527		1,68
Total business-type activities expenses	_	15,915	-	15,618	-	17,438	-	16,622	-	17,03
Total primary government expenses	\$	48,713	\$	47,576	\$	55,783	\$	58,067	\$	59,23
Program Revenue										
Governmental activities:										
Charges for services										
General government	\$	946	\$	678	\$	603	\$	593	\$	59
Public safety		2,816		3,058		2,903		2,561		2,65
Community development ***		50		55		38		330		45
Recreation and culture		139		94		93		103		12
Economic development		18		19		16		14		1
Public works **		1,233		1,433		1,620		1,892		1,83
Operating grants and contributions		2,884		2,947		3,587		6,196		6,70
Capital grants and contributions		2,337		2,308		2,915		799		2,96
		10,423		10,592		11,775		12,488		15,34
Total governmental activities program revenues		10,423		10,592		11,//5		12,488		15,34
Business-type activities:										
Charges for services										
Water		6,591		6,427		6,782		7,888		8,06
Wastewater		4,578		4,776		4,946		5,775		5,810
Sanitation		2,127		2,281		2,356		2,577		2,55
Recycle center		36		19		17		33		6
Golf course		761		733		837		801		96
Capital grants and contributions		427	_	804		2,107		405		1,23
Total business-type activities program revenues		14,520		15,040		17,045		17,479		18,69
Total primary government program revenues	\$	24,943	\$	25,632	\$	28,820	\$	29,967	\$	34,03
Net (expense) revenue:					-				-	
Governmental activities		(22,375)		(21,366)		(26,570)		(28,957)		(26,86
Business-type activities		(1,395)		(21,000) (578)		(393)		857		1,66
	\$	(23,770)	¢	(21,944)	\$	(26,963)	\$	(28,100)	¢	(25,19
Total primary government net (expenses) revenue	<u>₽</u>	[23,770]	<u>₽</u>	(21,744)	<u>₽</u>	[20,703]	<u>₽</u>	[20,100]	₽	[23,17
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Sales tax	\$		\$	34,973	\$	36,600	\$	39,587	\$	43,55
Use tax		1,650		2,423		3,175		4,239		4,58
Franchise and public service taxes		1,193		1,198		1,179		1,110		1,28
Cigarette/ tobacco tax **		n/a		n/a		n/a		n/a		n/
Hotel taxes		409		472		430		467		63
Alcoholic beverage tax **		n/a		n/a		n/a		n/a		n/
E-911 taxes **		n/a		n/a		n/a		n/a		n/
Intergovernmental **		722		666		723		772		87
Investment income		161		540		468		174		3
Miscellaneous **		269		662		467		547		1,89
Transfers-internal activity		3,864		12,183		(870)		(4,903)		(4,84
Total governmental activities		42,020		53,117		42,172		41,993		48,00
Business-type activities										
		194		319		353		34		4
Investment income				(12,183)		870		4,903		4,84
		(3,864)	-	(12)100)						
Investment income Transfers-internal activity										
Investment income Transfers-internal activity Total business-type activities	•	(3,670)	¢	(11,864)	\$	1,223	\$	4,937	\$	4,89
Investment income Transfers-internal activity Total business-type activities Total primary government	\$		\$		\$		\$		\$	4,89
Investment income Transfers-internal activity Total business-type activities Total primary government Changes in Net Position	\$	(3,670) 38,350	\$	(11,864) 41,253	\$	1,223 43,395	\$	4,937 46,930	\$	4,89 52,89
Investment income Transfers-internal activity Total business-type activities Total primary government Changes in Net Position Governmental activities	\$	(3,670) 38,350 19,645	\$	(11,864) 41,253 31,751	\$	1,223 43,395 15,602	\$	4,937 46,930 13,036	\$	4,89 52,89 21,14
Investment income Transfers-internal activity Total business-type activities Total primary government Changes in Net Position	\$	(3,670) 38,350	\$	(11,864) 41,253	\$	1,223 43,395	\$	4,937 46,930	\$	4,89 52,898 21,14 6,558 27,700

Source: Respective Fiscal Years' Financial Statements - Statement of Activities

** Certain balances from the statements were combined for comparative purposes ***Prior to 2016 combined with General Government

(Concluded)

CITY OF OWASSO, OKLAHOMA CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

(LAST TEN YEARS)

(modified accrual basis of accounting) (amounts expressed in thousands)

		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>
Revenues										
Taxes	\$	21,060	\$	23,157	\$	26,046	\$	31,154	\$	33,052
Intergovernmental	·	3,201		2,959		1,886		2,023	·	4,307
Charges for services		2,919		3,127		3,140		3,126		3,251
Fines and forfeitures		615		637		717		773		603
Licenses and permits		319		287		323		474		271
Investment income		35		30		20		21		25
Miscellaneous		175		137		105		259		232
Total Governmental Revenue	<u>\$</u>	28,324	\$	30,334	\$	32,237	<u>\$</u>	37,830	<u>\$</u>	41,741
Expenditures										
Current:										
General government	\$	4,342	\$	4,603	\$	4,805	\$	3,933	\$	4,027
Public safety		12,545		13,422		12,546		13,978		16,392
Community development *		-		-		-		701		825
Recreation and culture		638		701		764		839		1,052
Economic development		323		858		328		325		357
Public works **		1,054		1,265		1,698		1,904		2,397
Capital outlay		5,224		3,961		4,267		9,803		9,759
Debt service - principal		21				-				-
Total Governmental Expenditures	<u>\$</u>	24,147	\$	24,810	\$	24,408	<u>\$</u>	31,483	<u>\$</u>	34,809
Excess (deficiency) of revenues										
over expenditures	<u>\$</u>	4,177	<u>\$</u>	5,524	<u>\$</u>	7,829	<u>\$</u>	6,347	<u>\$</u>	6,932
Other Financing Sources (Uses)										
Leases (as lessee)		-		-		-		-		-
Transfers in		16,285		17,150		20,056		22,882		25,177
Transfers out		(19,900)		(21,770)		(23,833)		(26,316)		(27,340)
Total Other Financing Sources (Uses)		(3,615)		(4,620)		(3,777)		(3,434)		(2,163)
Net Change in Fund Balances		562		904		4,052		2,913		4,769
Fund Balance - Beginning of Year		10,013		10,575		11,479		15,531		18,444
Fund Balance - End of Year	\$	10,575	\$	11,479	\$	15,531	\$	18,444	\$	23,213
Debt Service as a percentage of										
noncapital expenditures		<u>0.11%</u>		<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>
										ontinued)

Source: Respective Fiscal Years' Financial Statements -

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Governmental Funds

* Prior to 2016 combined with General Government

** Certain balances from the statements were combined for comparative purposes

CITY OF OWASSO, OKLAHOMA CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS - continued

(LAST TEN YEARS)

(modified accrual basis of accounting) (amounts expressed in thousands)

		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>
Revenues										
Taxes	\$	37,005	\$	39,147	\$	41,724	\$	45,685	\$	50,427
Intergovernmental		5,097		5,816		4,436		7,142		7,176
Charges for services		3,948		4,022		4,170		4,672		5,207
Fines and forfeitures		461		335		298		234		201
Licenses and permits		281		216		286		440		529
Investment income		145		479		431		154		15
Miscellaneous		773		847		209		291		1,670
Total Governmental Revenue	\$	47,710	<u>\$</u>	50,862	\$	51,554	\$	58,618	<u>\$</u>	65,225
Expenditures										
Current:										
General government	\$	4,150	\$	3,761	\$	4,121	\$	4,159	\$	4,674
Public safety		18,312		18,635		19,934		20,825		22,142
Community development *		795		724		713		824		879
Recreation and culture		1,103		1,091		1,269		1,305		1,493
Economic development		420		451		455		468		484
Public works **		1,470		2,749		2,935		3,525		3,309
Capital outlay		22,121		27,091		18,923		15,167		10,063
Debt service - principal				-				-		-
Total Governmental Expenditures	<u>\$</u>	48,371	\$	54,502	<u>\$</u>	48,350	<u>\$</u>	46,273	<u>\$</u>	43,044
Excess (deficiency) of revenues										
over expenditures	<u>\$</u>	(661)	<u>\$</u>	(3,640)	<u>\$</u>	3,204	<u>\$</u>	12,345	<u>\$</u>	22,181
Other Financing Sources (Uses)										
Leases (as lessee)		-		-		-		-		159
Transfers in		30,792		40,132		28,633		28,637		34,733
Transfers out		(26,955)		(27,949)		(29,503)		(33,540)		(39,580)
Total Other Financing Sources (Uses)		3,837		12,183		(870)		(4,903)		(4,688)
Net Change in Fund Balances		3,176		8,543		2,334		7,442		17,493
Fund Balance - Beginning of Year		23,213		26,389		34,932		37,266		44,708
Fund Balance - End of Year	<u>\$</u>	26,389	\$	34,932	\$	37,266	<u>\$</u>	44,708	\$	62,201
Debt Service as a percentage of										
noncapital expenditures		<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>		<u>0.00%</u>	100	<u>0.00%</u> ncluded)
		t -							,00	licioacaj

Source: Respective Fiscal Years' Financial Statements -

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Governmental Funds

* Prior to 2016 combined with General Government ** Certain balances from the statements were combined for comparative purposes

CITY OF OWASSO, OKLAHOMA FUND BALANCE OF GOVERNMENTAL FUNDS (LAST TEN YEARS) (modified accrual basis of accounting)

(amounts expressed in thousands)

		<u>2013</u>	<u>2014</u>		<u>2015</u>	2	2016		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>	<u>2021</u>		<u>2022</u>
General Fund						_												
Nonspendable	\$	-	\$ -	\$	-	\$	1,542	\$	911	\$	1,074	\$	1,429	\$	1,124	\$ -	\$	-
Restricted for:																		
Public safety		-	-		9		10		-		-		-		71	34		53
Other		-	-		4		-		64		45		72		8	12		71
Assigned		411	412	2	641		322		295		322		1,006		1,396	1,371		801
Unassigned		3,552	4,178	3	4,390		3,857		4,406		5,351		6,344		8,098	 14,074		14,757
Total General Fund Balance		3,963	4,590	<u> </u>	5,044		5,731		5,676		6,792		8,851		10,697	 15,491		15,682
Other Governmental Funds																		
Nonspendable	\$	-	\$-	\$	-	\$	-	\$	-	\$	-	\$	458	\$	458	\$ -	\$	293
Restricted for:																		
Culture and recreation		761	408	8	609		814		-		-		-		-	-		-
Economic development *		-	-		-		-		983		1,131		1,334		1,502	1,700		2,063
Public safety		297	270	0	839		1,540		2,090		3,049		4,184		5,357	5,333		7,029
Public works		-	-		-		-		1,744		1,844		2,088		1,874	1,665		2,757
Capital projects		2,784	3,713	3	6,628		6,363		10,166		10,362		14,726		13,437	16,829		27,922
Other		6	(6	254		1,731		4		3		4		6	9		12
Committed:																		
Public safety		338	287	7	349		942		552		456		330		396	820		2,178
Culture and recreation		205	-		-		232		-		-		-		-	-		-
Stormwater management		1,260	1,110	6	1,195		1,091		1,367		1,917		2,488		3,160	2,306		3,669
Capital projects		961	1,089	2	613		-		631		835		469		379	 555		596
Total Fund Balance		6,612	6,889	?	10,487		12,713		17,537		19,597		26,081		26,569	 29,217		46,519
Total Governmental Fund Balance	<u>\$</u>	10,575	<u>\$ 11,479</u>	<u> </u>	15,531	\$	18,444	<u>\$</u>	23,213	<u>\$</u>	26,389	<u>\$</u>	34,932	<u>\$</u>	37,266	\$ 44,708	<u>\$</u>	62,201

Source: Respective Fiscal Years' Financial Statements - Balance Sheet Governmental Funds

* Prior to FY 2017, this amount was reflected in "Other"

CITY OF OWASSO, OKLAHOMA DIRECT AND OVERLAPPING SALES TAX RATES - AVERAGE (LAST TEN YEARS)

YEAR	* City of Owasso	Tulsa County	Rogers County	State of Oklahoma	Total - Tulsa County	Total - Rogers County
2022	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2021	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2020	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2019	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2018	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2017****	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
2016	3.500%	0.917%	1.833%	4.500%	8.917%	9.833%
2015***	3.500%	0.917%	1.833%	4.500%	8.917%	9.833%
2014**	3.000%	0.917%	1.833%	4.500%	8.417%	9.333%
2013	3.000%	0.850%	1.750%	4.500%	8.350%	9.250%

Sources: Oklahoma Tax Commission

- * The 1% processing/admin fee paid to the State of Oklahoma out of the City revenue was reduced to 0.5% in July 2016
- ** Tulsa County increase became effective July 2014
- *** Half-Penny increase approved by voters began April 01, 2015
- **** 55/100's Vision Tax Recapture increase approved by voters began January 1, 2017

CITY OF OWASSO, OKLAHOMA GOVERNMENTAL-ACTIVITIES TAX REVENUES BY SOURCE (LAST TEN YEARS

(accrual basis of accounting) (amounts expressed in thousands)

Year	Sc	ales Tax	U:	se Tax	 nchise & ic Service Tax	Hot	el Tax	 Total
2022	\$	43,553	\$	4,581	\$ 1,285	\$	636	\$ 50,055
2021		39,586		4,239	1,110		467	45,402
2020		36,599		3,175	1,179		430	41,383
2019		34,973		2,423	1,198		472	39,066
2018		33,752		1,650	1,193		410	37,005
2017		30,249		1,245	1,176		382	33,052
2016		28,421		1,129	1,202		402	31,154
2015		23,841		968	1,237		412	26,458
2014		21,254		800	1,235		386	23,675
2013		19,321		708	1,032		334	21,395

Source: Respective Fiscal Years' Financial Statements - Government Wide Statement of Activities

CITY OF OWASSO, OKLAHOMA PRINCIPAL SALES TAX REMITTERS CURRENT YEAR AND NINE YEARS AGO June 30, 2022

				:	* 2022				•	** 2013	
NAICS CODE	Sales Tax Remitter	Am	ount Remitted	Re	evenue Base	Percentage of Total Revenue Base	Ame	ount Remitted	Re	evenue Base	Percentage of Total Revenue Base
44-45	Retail Trade	\$	27,516,423	\$	308,583,862	69%	\$	15,095,363	\$	177,175,622	72%
72	Accommodation/Food Services		6,493,446		72,820,971	16%		3,064,320		35,966,197	15%
22	Utilities		1,594,694		17,883,750	4%		757,476		8,890,563	4%
42	Wholesale Trade		1,719,704		19,285,679	4%		614,371		7,210,927	3%
51	Information		624,774		7,006,549	2%		531,098		6,233,545	3%
	All Other		1,759,920		19,736,683	4%		998,881		11,723,955	5%
		\$	39,708,961	\$	445,317,494	100.00%	\$	21,061,509	\$	247,200,809	100.00%

Sources: Oklahoma Tax Commission

* Gross Amount Reported Prior to Pmt of 0.5% Retention to OTC

** Gross Amount Reported Prior to Pmt of 1% Retention to OTC

CITY OF OWASSO, OKLAHOMA PROGRAM REVENUE BY FUNCTION/PROGRAM

(LAST TEN YEARS) (accrual basis of accounting)

(amounts expressed in thousands)

	<u>2013</u>	<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>
Program Revenue *								
Governmental activities:								
Charges for services								
General government	\$ 500	\$ 970	\$	627	\$	655	\$	514
Public safety	2,496	2,962		2,667		2,885		3,208
Community development *	-	-		-		19		47
Recreation and culture	104	111		106		112		136
Economic development	8	9		10		11		18
Public works **	796	811		795		870		1,092
Operating grants and contributions	2,060	1,754		1,753		3,446		509
Capital grants and contributions	 1,786	 12,850		1,042		6,889		4,741
Total governmental activities program revenues	\$ 7,750	\$ 19,467	<u>\$</u>	7,000	<u>\$</u>	14,887	\$	10,265
Business-type activities:								
Charges for services								
Water	\$ 5,340	\$ 5,384	\$	5,222	\$	5,763	\$	6,260
Wastewater	3,468	3,720		3,750		4,002		4,323
Sanitation	1,752	1,789		1,823		1,910		2,003
Recycle center	33	35		29		23		39
Golf course	690	744		726		697		740
Capital grants and contributions	 710	 3,787		526		1,101		1,346
Total business-type activities program revenues	\$ 11,993	\$ 15,459	\$	12,076	\$	13,496	<u>\$</u>	14,711
Total primary government program revenues	\$ 19,743	\$ 34,926	\$	19,076	\$	28,383	\$	24,976
							('	Continued)

(Continued)

Source: Respective Fiscal Years' Financial Statements - Statement of Activities

* Prior to 2016 combined with General Government

** Certain balances from the statements were combined for comparative purposes

CITY OF OWASSO, OKLAHOMA PROGRAM REVENUE BY FUNCTION/PROGRAM - continued (LAST TEN YEARS) (accrual basis of accounting)

(amounts expressed in thousands)

		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>		<u>2022</u>
Program Revenue *										
Governmental activities:										
Charges for services										
General government	\$	946	\$	678	\$	603	\$	593	\$	596
Public safety		2,816		3,058		2,904		2,561		2,655
Community development *		50		55		38		330		451
Recreation and culture		139		94		93		103		127
Economic development		18		19		16		14		12
Public works **		1,233		1,433		1,620		1,892		1,835
Operating grants and contributions		2,884		2,947		3,587		6,196		6,700
Capital grants and contributions		2,337		2,308		2,914		799		2,965
Total governmental activities program revenues	\$	10,423	\$	10,592	\$	11,775	<u>\$</u>	12,488	<u>\$</u>	15,341
Business-type activities:										
Charges for services										
Water	\$	6,591	\$	6,427	\$	6,782	\$	7,888	\$	8,062
Wastewater		4,578		4,776		4,946		5,775		5,810
Sanitation		2,127		2,281		2,356		2,577		2,558
Recycle center		36		19		17		33		69
Golf course		761		733		837		801		968
Capital grants and contributions		427		804		2,107		405		1,231
Total business-type activities program revenues	<u>\$</u>	14,520	<u>\$</u>	15,040	<u>\$</u>	17,045	<u>\$</u>	17,479	<u>\$</u>	18,698
Total primary government program revenues	<u>\$</u>	24,943	\$	25,632	\$	28,820	\$	29,967	\$	34,039
									(C	Concluded)

(Concluded)

Source: Respective Fiscal Years' Financial Statements - Statement of Activities

* Prior to 2016 combined with General Government

** Certain balances from the statements were combined for comparative purposes

CITY OF OWASSO, OKLAHOMA RATIO OF OUTSTANDING DEBT TO REVENUE LAST TEN YEARS June 30, 2022

			Busines	ss-Type Activit	ies Debt								
YEAR	Notes Payable	Premium on Notes Payable	Revenue Notes, Net	Financed Purchases	Total Outstanding Bond, Note, & Financed Purchases Debt	Less Bond Reserves	Total Net Outstanding Debt	Total Government & Trust Authority Revenue	Net Outstanding Debt as Percentage of Revenue	Outstanding Debt as Percentage of Assets	Outstanding Debt per Capita	Outstanding Debt as a Percentage of Median Household Income	Total Government & Trust Assets
2022	\$ 34,335,688	\$ 2,690,292	\$ 28,891,000	\$ 514,107	\$ 66,431,087	\$ 13,900,717	\$ 52,530,370	\$ 86,937,217	60.4%	18.3%	359	0.14%	\$ 362,807,627
2021	35,499,422	2,789,020	33,280,000	218,529	71,786,971	32,469,142	39,317,829	76,896,775	51.1%	21.6%	1,028	0.18%	332,451,921
2020	36,685,343	2,887,746	37,555,000	271,882	77,399,971	38,201,015	39,198,956	72,215,360	54.3%	24.3%	1,053	0.19%	317,999,205
2019	14,036,785	1,557	28,880,000	25,087	42,943,429	4,500,228	38,443,201	66,885,838	57.5%	16.3%	1,042	0.19%	263,731,329
2018	15,355,331	4,671	31,750,000	83,930	47,193,932	21,982,431	25,211,501	63,292,246	39.8%	18.7%	689	0.28%	251,911,280
2017	17,315,725	7,784	24,964,153	140,894	42,428,556	22,383,445	20,045,111	58,979,233	34.0%	18.4%	552	0.34%	230,509,522
2016	19,669,794	378	6,257,519	196,039	26,123,730	2,850,473	23,273,257	60,449,413	38.5%	13.0%	645	0.28%	201,060,034
2015	21,591,979	19,818	8,252,519	249,422	30,113,738	3,114,459	26,999,279	46,380,086	58.2%	15.9%	777	0.24%	189,145,344
2014	22,553,577	43,480	10,857,519	-	33,454,576	3,748,143	29,662,953	59,799,381	49.6%	17.8%	873	0.22%	187,773,741
2013	24,653,054	67,141	11,127,519	-	35,847,714	3,175,866	32,604,707	41,887,866	77.8%	20.9%	999	0.20%	170,909,526

Source: City of Owasso audited annual financial statements

Note: No general obligation debt was outstanding during this ten year period.

CITY OF OWASSO, OKLAHOMA COMPUTATION OF LEGAL DEBT MARGIN DEBT TO REVENUE June 30, 2022

	2013	2014		2015	2016	2017	2018	2019	2020	2021	2022
Net Assessed Valuation (1) Debt Limit (2)	\$ 226,513 22,651	\$ 230,0 23,0	•	236,009 23,601	\$ 247,875 24,788	•	•	•	\$ 296,993 29,699	\$ 305,223 30,522	\$ 320,767 32,077
Total net debt subject to limit (3)	-	-		-	-	-	-	-	-	-	-
Total debt margin	\$ 22,651	\$ 23,0	09 \$	23,601	\$ 24,788	\$ 26,129	\$ 27,466	\$ 28,435	\$ 29,699	\$ 30,522	\$ 32,077
Total net debt applicable to the limit as a percentage of debt limit	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%

Source:

(1) Tulsa County Assessor & Rogers County Assessor - Net Assessed Valuation

(2) Article 10, Section 26, Oklahoma Constitution - 10% of Net Assessed Valuation

(3) Article 10, Section 27, Oklahoma Constitution

CITY OF OWASSO, OKLAHOMA COMPUTATION OF DIRECT AND OVERLAPPING DEBT June 30, 2022

Governmental Unit	Ou	Net Debt tstanding (1)	Estimated Percentage Applicable to City of Owasso (2)	App	mated Share licable to City of Owasso
Debt repaid with property taxes					
Counties:					
Tulsa County	\$	97,045,128	4.5%	\$	4,327,618
Rogers County		-	2.9%		-
					4,327,618
Independent School District:					
Owasso (V-18)		48,980,000	100%		48,980,000
					48,980,000
City Direct Debt		-	100%		-
Total Direct and Overlapping Debt				\$	53,307,618

Source: Tulsa County & Rogers County Assessor's Offices

Current year information not yet available

(1) Net general bonded debt.

(2) Percentage based on net assessed value of property.

SCHEDULE OF DEBT SERVICE COVERAGE REQUIREMENTS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2022

Gross Revenue Available for Debt Service:		OPWA	 OPGA	2013 \$	2002A, 2009B, 2009C, 2011 SRF OWRB and 2019C Loan Issues
Charges for services:					
Water charges	\$	7,757,544	\$ -	\$	7,757,544
Wastewater charges		5,810,301	-		5,810,301
Sanitation		2,557,530	-		2,557,530
Penalties		209,429	-		209,429
Recycle		68,845	-		68,845
Other		95,080	-		95,080
Golf course		-	967,854		967,854
Sales tax pledged and transferred		21,324,789	 		21,324,789
Total Gross Revenues Available		37,823,518	 967,854		38,791,372
Operating Expenses:					
Utility billing		478,251	-		478,251
Administration		1,150,163	-		1,150,163
Water		4,377,606	-		4,377,606
Wastewater treatment plant and collection		2,399,984	-		2,399,984
Refuse		1,434,170	-		1,434,170
Golf course operations			 1,516,121		1,516,121
Total Operating Expenses		9,840,174	 1,516,121		11,356,295
Net Revenues Available for Debt Service	<u>\$</u>	27,983,344	\$ (548,267)	<u>\$</u>	27,435,077
Total Debt Service Requirements				<u>\$</u>	7,997,349
Computed Coverage					<u>343</u> %
Coverage Requirement					<u>125</u> %

- Note 1: The above gross revenue and operating expenses only include the activities of the Authorities related to water, wastewater, refuse services, and golf course operations (golf excluded on OWRB note issue coverage see Note 3 below), excluding depreciation and bad debt expense.
- Note 2: The coverage requirements on the OWRB notes are calculated using maximum annual debt service on these notes and any subordinate debt.
- Note 3: Golf course revenues of the Owasso Public Golf Authority have been included as "Gross Revenue Available" for Debt Service in the 2002A, 2009B, 2009C, 2011, 2013 SRF OWRB and 2019 Loan issues

CITY OF OWASSO, OKLAHOMA PLEDGED REVENUE BOND COVERAGE

Last Ten Years

			Net OPWA Revenues	Debt Service Req	irements	
<u>YEAR</u>	<u>Gross</u> <u>Revenue</u>	<u>Direct</u> Expenses	Available for Debt Service	<u>Total Debt</u> <u>Service</u>	<u>Coverage</u>	
2022	\$ 38,791,372	\$ 11,356,295	\$ 27,435,077	\$ 7,997,349	343.05%	
2021	36,385,422	11,070,875	25,314,547	8,004,858	316.24%	
2020	32,427,535	11,261,421	21,166,114	7,997,358	264.66%	
2019	31,315,966	10,245,678	21,070,288	1,525,658	1381.06%	
2018	30,612,151	10,315,965	20,296,186	2,310,011	878.62%	
2017	29,388,217	9,743,869	19,644,348	2,967,131	662.07%	
2016	28,550,722	9,789,946	18,760,776	3,948,560	475.13%	
2015	26,839,010	8,216,984	18,622,026	3,778,906	492.79%	
2014	25,773,170	8,132,642	17,640,528	5,757,634	306.39%	
2013	24,098,802	7,993,489	16,105,313	4,738,783	339.86%	

Source: Respective Years' Financial Statements

Note: No General Fund debt was outstanding during the past 10 years.

CITY OF OWASSO, OKLAHOMA DEMOGRAPHIC AND ECONOMIC INFORMATION CHANGE IN POPULATION LAST TEN YEARS JUNE 30, 2022

Fiscal Year	Population *	Yearly Change	Median Age ***	Median Household Income ****		
2022	38,732	1.29%	Not Available	Not Available		
2021	38,240	2.68%	34.00	\$ 71,055		
2020	37,241	0.93%	33.50	72,443		
2019	36,897	0.78%	32.90	72,930		
2018	36,610	0.90%	35.90	69,886		
2017	36,283	0.57%	33.50	67,340		
2016	36,079	3.83%	34.50	65,550		
2015	34,747	2.31%	35.10	65,881 **		
2014	33,962	4.10%	34.30	65,550		
2013	32,624	3.29%	34.40	64,711		

* Source: US Census Bureau

** Amount adjusted from prior year due to new data

*** Source: City of Owasso Economic Development Department

CITY OF OWASSO, OKLAHOMA PRINCIPAL EMPLOYERS JUNE 30, 2022

2021						2012			
Employer	Type of Business	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment		
Saint Francis Health System	Health Care	10,528	1	1.06%	5,500	4	0.55%		
Ascension St. John	Health Care	6,650	2	0.67%	6,000	3	0.60%		
Hillcrest Healthcare System	Health Care	6,310	3	0.63%	2,500	8	0.25%		
Tulsa Public Schools	Public Schools	5,931	4	0.60%	6,500	2	0.65%		
American Airlines	Aircraft Maintenance	5,400	5	0.54%	7,000	1	0.70%		
City of Tulsa	City Government	3,628	6	0.36%	4,000	5	0.40%		
Macy's Fulfillment Center	Consumer Fulfillment Center	3,200	7	0.32%	N/A	N/A	N/A		
Alliance Holdings Group, LP	Coal Mining	2,438	8	0.24%	N/A	N/A	N/A		
Broken Arrow Public Schools	Public Schools	2,379	9	0.24%	2,500	8	0.25%		
Bank of Oklahoma	Banking	2,288	10	0.23%	2,500	8	0.25%		
Tulsa Community College	Community College	2,230	11	0.22%	2,500	8	0.25%		
Cherokee Nation Businesses	Business Services	1,906	12	0.19%	N/A	N/A	N/A		
Union Public School District	Public Schools	1,900	13	0.19%	2,500	8	0.25%		
Spirit Aerosystems Inc		N/A	N/A	N/A	3,000	6	0.30%		
Caprock Pipeline Company		N/A	N/A	N/A	3,000	6	0.30%		
Baker Hughes Oilfield Operations		N/A	N/A	N/A	2,500	8	0.25%		
		54,788		5.50%	50,000		5.02%		

Source: Tulsa Regional Chamber Economic Profile Note: Information is based on the calendar year.

CITY OF OWASSO, OKLAHOMA Bank Deposits LAST TEN YEARS

	Owasso Bank	
Year	Deposits	Growth
2021	\$ 1,133,600,000	8.50%
2020	1,044,800,000	25.23%
2019	834,300,000	3.05%
2018	809,600,000	12.41%
2017	720,200,000	6.97%
2016	673,300,000	1.52%
2015	663,200,000	7.30%
2014	618,100,000	2.18%
2013	604,900,000	4.01%

Source: RegionTrack 2022 Owasso Economic Outlook Information based on a calendar year 2022 not yet available

CITY OF OWASSO, OKLAHOMA BUILDING PERMIT HISTORY LAST TEN YEARS JUNE 30, 2022

Year Commercial Permits		Commercial Value		Residential Permits	Residential Value		Multi-Family Permits*	Multi-Family Value*	
2022	28	\$	45,106,322	252	\$	31,905,795	619	\$	79,494,792
2021	12		24,545,580	203		27,132,933	80		6,039,000
2020	8		29,196,000	110		19,696,734	-		-
2019	12		24,435,600	74		8,772,766	73		6,283,600
2018	11		57,518,741	141		19,196,270	18		1,289,590
2017	15		20,660,955	182		25,942,995	23		1,007,673
2016	9		6,458,000	243		49,324,936	-		-
2015	18		44,663,400	238		30,724,439	-		-
2014	11		10,287,590	245		33,435,260	-		-
2013	9		11,945,140	222		30,306,105	-		-

* New category in 2017, prior years are included in Residential totals Source: City of Owasso Community Development Information is based on a fiscal year.

CITY OF OWASSO, OKLAHOMA PUBLIC SCHOOL INFORMATION LAST TEN YEARS JUNE 30, 2022

Year	Est. Enrollment Age 4-17	Number of Elementary Schools	Est. Percent of High School Graduates
2022	9,656	10	Not Available
2021	9,035	10	Not Available
2020	9,782	9	94.0%
2019	9,629	9	92.0%
2018	9,730	8	98.5%
2017	9,737	8	99.0%
2016	9,678	8	96.0%
2015	9,651	8	98.0%
2014	9,578	8	98.0%
2013	9,445	8	95.0%

Source: Annual Reports submitted by the Owasso Public School district to the Oklahoma State Department of Education

CITY OF OWASSO, OKLAHOMA UNEMPLOYMENT RATE LAST TEN YEARS JUNE 30, 2022

Year	Unemployment Rate - Owasso	Unemployment Rate - Oklahoma	Unemployment Rate - United States
2022	2.50%	3.30%	3.70%
2021	3.50%	4.30%	5.80%
2020	5.60%	6.10%	6.90%
2019	2.90%	3.20%	3.60%
2018	2.70%	3.50%	3.70%
2017	3.90%	4.50%	4.20%
2016	3.90%	5.10%	4.90%
2015	3.20%	4.30%	5.10%
2014	3.30%	4.30%	6.20%
2013	4.00%	5.20%	7.30%

Source: Bureau of Labor Statistics and Owasso Economic Outlook

CITY OF OWASSO, OKLAHOMA SELECTED OPERATING INDICATORS BY FUNCTION/PROGRAM LAST NINE YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety & Protection										
Police										
1. Number of Police Officers	48	49	55	56	56	57	59	60	60	60
2. Number of Police Officers per 1000 residents	1.52	1.50	1.62	1.61	1.55	1.57	1.60	1.61	1.57	1.55
3. Percent increase (decrease) in number of reactive calls *	-3.11%	1.21%	8.26%	-0.03%	4.55%	0.80%	3.45%	-13.08%	-3.07%	Not Available*
4. Percent increase (decrease) in number of proactive calls *	-9.41%	75.71%	27.61%	63.18%	26.50%	39.66%	26.31%	-10.84%	1.36%	Not Available*
5. Percent increase (decrease) in number of personal crimes *	-1.49%	-12.12%	-29.31%	60.98%	19.70%	5.06%	0.00%	-2.41%	-23.46%	Not Available*
6. Percent increase (decrease) in number of total crimes *	-8.40%	-30.48%	-28.52%	-95.26%	6.64%	14.85%	0.02%	-9.15%	-12.70%	Not Available*

Reactive Call - when a citizen calls the Police Department and requests an Officer's assistance

Proactive Call - when an Officer initiates an activity on their own. For example, traffic stops and security checks in neighborhoods or businesses

* Information gathered based on a calendar year. Current year data is estimated and adjusted to actuals in the following year.

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020**	2021	2022
Fire										
1. Number of Fire Stations	3	3	3	3	3	3	4	4	4	4
2. Number of Firefighters	54	54	54	55	55	55	67	67	67	67
3. Percent increase (decrease) in number of ambulance calls *	3.11%	-2.71%	5.94%	5.65%	0.86%	2.84%	8.76%	5.16%	10.33%	Not Available*
4. Percent increase (decrease) in number of fire calls *	-6.74%	-18.59%	3.59%	9.32%	9.95%	6.28%	7.43%	-0.19%	-1.42%	Not Available*

* Information gathered based on a calendar year

**Information restated based on new data

CITY OF OWASSO, OKLAHOMA SELECTED OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022**
Owasso Historical Museum *										
1. Regular Attendance	1,394	1,693	1,361	875	344	391	435	Not Available	Not Available	Not Available
2. Gathering on Main Attendance	598	940	863	566	312	440	569	Not Available	Not Available	Not Available
3. Annual Memorial Day Flower Sales Attendance	New Measure	New Measure	New Measure	234	216	259	109	Not Available	Not Available	Not Available
Owasso Community Center*										
1. Community Partners	New Measure	New Measure	New Measure	11	11	13	15	16	23	Not Available
2. Senior Attendance	1,986	16,470	18,582	18,990	20,283	22,331	25,398	16,531	Not Available	Not Available
Owasso Strong Neighborhood Initiative *										
1. Neighborhood Grant Investment										
Number of Grants	5	9	7	10	9	9	15	10	13	8
Grant Amount	\$ 3,950.00	\$ 5,319.86	\$ 5,707.54	\$ 8,218.50	\$ 7,840.00	\$ 7,150.00	\$ 16,013.00	\$ 15,447.51	\$ 26,076.61	\$ 20,825.60
Neighborhood Funding	6,028.37	13,302.93	15,356.46	24,586.65	20,463.00	26,333.69	34,926.02	49,424.62	86,539.44	46,878.12
Total Investment in Owasso Neighborhoods	\$ 9,978.37	\$ 18,622.79	\$ 21,064.00	\$ 32,805.15	\$ 28,303.00	\$ 33,483.69	\$ 50,939.02	\$ 64,872.13	\$ 112,616.05	\$ 67,703.72
2. Volunteer Program Volume/ # of People										
City Volunteer Program	227	373	285	331	196	137	167	55	65	33
Owasso Cares Program	382	449	509	385	223	261	336	0	112	126
Keep Owasso Clean Program	New Measure	New Measure	218	301	287	281	143	50	184	36
Total Volunteer Program Volume	609	822	1,012	1,017	706	679	646	105	361	195
3. Volunteer Program Hours										
City Volunteer Program	836.75	2,016.50	511.10	839.30	362.00	279.00	424.70	89.00	146.00	138.50
Owasso Cares Program	1,140.00	1,348.00	1,620.00	1,348.00	719.00	850.00	1,101.50	-	382.00	388.00
Keep Owasso Clean Program	New Measure	New Measure	445.50	562.00	514.00	488.00	286.00	93.00	315.00	67.00
Total Volunteer Program Hours	1,976.75	3,364.50	2,576.60	2,749.30	1,595.00	1,617.00	1,812.20	182.00	843.00	593.50
4. Volunteer Program Value ***			-							
City Volunteer Program	\$ 15,295.79	\$ 36,861.62	\$ 10,671.77	\$ 18,002.99	\$ 7,992.96	\$ 6,169.15	\$ 9,746.87	\$ 2,042.55	\$ 3,466.04	\$ 3,372.48
Owasso Cares Program	20,839.20	26,641.44	33,825.60	28,914.60	15,875.52	18,768.00	25,279.43	-	9,068.68	9,947.80
Keep Owasso Clean Program	New Measure	New Measure	8,654.76	12,054.90	11,338.08	10,764.00	6,563.70	2,134.35	7,478.10	1,631.45
Total Volunteer Program Value	\$ 36,134.99	\$ 63,503.06	\$ 53,152.13	\$ 58,972.49	\$ 35,206.56	\$ 35,701.15	\$ 41,590.00	\$ 4,176.90	\$ 20,012.82	\$ 14,951.73

* Information gathered based on a calendar year

**Information through November 2022

*** Value calculated based on Independent Sector Website for Oklahoma: https://www.independentsector.org/resource/the-value-of-volunteer-time/

CITY OF OWASSO, OKLAHOMA SELECTED OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022**
Police Volunteers & Reserves										
1. Volunteer Program Volume/ # of People										
Police Volunteer Program	288	158	98	54	57	27	65	9	-	-
Police Reserve Program	279	307	134	129	144	118	62	83	88	71
Total Volunteer Program Volume	567	465	232	183	201	145	127	92	88	71
2. Volunteer Program Hours										
Police Volunteer Program	1,016.50	620.25	384.60	352.70	188.30	100.90	372.40	28.30	-	-
Police Reserve Program	1,357.00	1,450.75	733.20	738.80	831.20	579.90	185.70	378.70	356.98	329.00
Total Volunteer Program Hours	2,373.50	2,071.00	1,117.80	1,091.50	1,019.50	680.80	558.10	407.00	356.98	329.00
3. Volunteer Program Value ***										
Police Volunteer Program	\$ 18,581.62	\$ 11,338.17	\$ 8,030.45	\$ 7,565.42	\$ 4,157.66	\$ 2,227.87	\$ 8,546.58	\$ 649.49	\$-	\$ -
Police Reserve Program	24,805.96	26,519.71	15,309.22	15,847.26	18,352.90	12,804.19	4,261.82	8,691.17	8,473.99	8,011.15
Total Volunteer Program Value	\$ 43,387.58	\$ 37,857.88	\$ 23,339.67	\$ 23,412.68	\$ 22,510.56	\$ 15,032.06	\$ 12,808.40	\$ 9,340.66	\$ 8,473.99	\$ 8,011.15
Community Center										
 Volunteer Program Volume/ # of People 										
Seniors	370	459	430	369	384	363	284	183	116	168
Office Volunteers	12	16	13	1						
Total Volunteer Program Volume	382	475	443	370	384	363	284	183	116	168
2. Volunteer Program Hours										
Seniors	6,607	6,944	6,771	5,308	6,672	5,707	5,060	2,669	2,281	2,983
Office Volunteers	1,563	979	356	49	-					
Total Volunteer Program Hours	8,170	7,923	7,127	5,357	6,672	5,707	5,060	2,669	2,281	2,983
3. Volunteer Program Value ***										
Seniors	120,362	126,941	141,374	113,863	147,297	126,011	116,127	61,254	54,151	72,636
Office Volunteers	28,563	17,887	7,433	1,051						
Total Volunteer Program Value	148,924	144,828	148,807	114,914	147,297	126,011	116,127	61,254	54,151	72,636
Other Volunteer Programs										
1. Volunteer Program Hours										
Emergency Operations Volunteers	-	-	-	-	-	-	87	5	-	-
Animal Shelter Volunteers	-	-	-	-	-	-	12	-	-	
Total Volunteer Program Hours							99	5		
2. Volunteer Program Value ***										
Emergency Operations Volunteers	-	-	-	-	-	-	1,996.65	114.75	-	-
Animal Shelter Volunteers							275.40			
Total Volunteer Program Value							2,272.05	114.75		
Total Value of all Volunteer Programs										
1. Volunteer Program Volume/ # of People	1,558	1,762	1,687	1,570	1,291	1,187	1,057	380	565	434
2. Volunteer Program Hours	12,520	13,358	10,821	9,198	9,287	8,005	7,529	3,263	3,481	3,906
3. Volunteer Program Value ***	\$ 228,447.00	\$ 246,188.81	\$ 225,298.97	\$ 197,298.83	\$ 205,014.12	176,744	172,797	74,886	82,638	95,599

* Information gathered based on a calendar year

**Information through November 2022

*** Value calculated based on Independent Sector Website for Oklahoma: https://www.independentsector.org/resource/the-value-of-volunteer-time/

CITY OF OWASSO, OKLAHOMA CITY EMPLOYEES BY FUNCTION LAST TEN YEARS

Municipal Court						2018	2019	2020	2021	2022
	3	3	3	3	3	3	3	3	3	3
Managerial	7	8	7	7	7	7	6	61/4	61/4	61/4
Finance	61/2	6 1/2	7	7	7	7	7	8	8	8
Human Resources	4 2/3	4 1/6	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	41/2	4 1/2	4 1/4
Information Technology	41/3	5 1/3	5	5	5	5	5	6	6	6
Support Services	4 1/2	4 1/2	4 1/2	5	5	5	5	5	5	5
Total General Government	30	31 1/2	31	31 1/2	31 1/2	31 1/2	30 1/2	32 3/4	32 3/4	32 1/2
Total Community Development	6	6	6	7 1/2	7 1/2	8	8	8	8	8 1/4
Total City Garage	2 1/2	2 1/2	2 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	4 1/2	4 1/2
Engineering	6	61/2	6 1/2	7 1/2	7	7	7	7 1/2	7 1/2	7 1/2
Cemetery	0	0	0	1	1 1/2	1 1/2	1 1/2	11/2	1 1/2	1 1/2
Streets	51/3	6 1/3	6 1/3	7 1/3	9 1/3	10 1/3	11 1/3	12 1/3	12 1/3	13 1/3
Stormwater *	81/3	9 1/3	9 1/3	8 1/3	9 1/3	9 1/3	10 1/3	11 1/3	11 1/3	11 1/3
Total Public Works	19 2/3	22 1/6	22 1/6	24 1/6	27 1/6	28 1/6	30 1/6	32 2/3	32 2/3	33 2/3
Police Services	52	51	52	61	61 1/2	61 1/2	64	66 1/2	72 1/2	72 1/2
Police Communications	13	13	13	14	14	14	14	15	15	15
Animal Control	2	2	2 1/2	2 1/2	21/2	21/2	2 1/2	2 1/2	2 1/2	3
Fire Services	54	54	54	55	55	55	67	67 1/2	67 1/2	67 1/2
Ambulance Services	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2
Emergency Preparedness	2	1	1	1	1	1	1	1	1	1
Total Public Safety	123 1/2	121 1/2	123	134	134 1/2	134 1/2	149	153	159	159 1/2
Total Recreation and Culture	11 1/2	11 1/2	12	13	15	16 1/2	17 1/2	18	18	18
Total Economic Development	2	2	2 1/2	2 1/2	2 1/2	2 1/2	3	3 1/4	3 1/4	3 1/4
Total Water	15 5/6	16 5/6	16 5/6	16 5/6	16 1/3	16 1/3	18 1/3	18 1/3	18 1/3	18 1/3
Total Wastewater	12 2/3	14 2/3	14 2/3	13 2/3	13 1/6	14 1/6	14 1/6	15 1/6	15 2/3	15 2/3
Total Sanitation	8 1/3	8 1/3	8 1/3	8 1/3	9 1/3	9 1/3	9 1/3	9 1/3	9 1/3	9 1/3
Total Recycle Center	1 1/2	1 1/2	1 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Total Golf Course	15 1/2	15 1/2	15 1/2	16 1/2	16 1/2	16 1/2	16 1/2	17 1/2	18 1/2	18 1/2
TOTAL EMPLOYEES	249	254	256	274	279 1/2	283 1/2	302 1/2	314	322 1/2	324

* This includes both the General Fund & Stormwater Fund Employees

Source: Prior years budget books

Fractions indicate split funding or part-time employees

CITY OF OWASSO UTILITY AUTHORITY WATER AND SEWER RATES

(Last Ten Years) (Residential - Inside City Limits)

		Wo	ater			wer		
Fiscal Year	Monthly Base Rate		-	Rate per 1,000 Gallons		thly Base Rate	Rate per 1,00 Gallons	
2022	\$	13.08	\$	7.81	\$	10.51	\$	4.58
2021		12.82		7.66		9.53		4.15
2020		12.60		7.22		9.08		3.95
2019		12.38		6.78		8.65		3.76
2018		12.16		6.34		8.24		3.58
2017		11.94		5.90		7.84		3.41
2016		11.94		5.46		7.47		3.25
2015		11.50		5.02		6.97		2.95
2014		11.29		4.81		6.97		2.95
2013		11.01		4.44		6.97		2.95

Source: City Ordinance

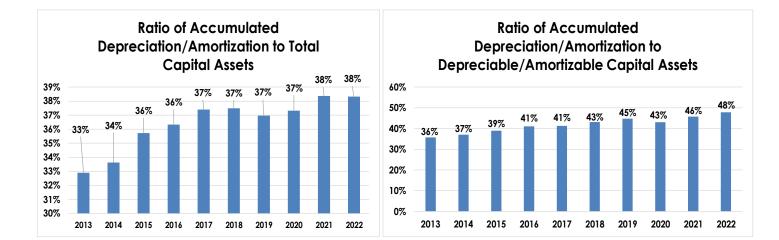
CITY OF OWASSO UTILITY AUTHORITY WATER REVENUE BY CUSTOMER TYPE (Last Ten Years)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Residential	\$ 3.521.324	\$ 3 534 658	\$ 3,377,415	\$ 3 706 866	\$ 3 727 114	\$ 3,710,379	\$ 3,597,217	\$ 3,922,391	\$ 4,550,780	\$ 4,510,236
Commercial	1,193,618	1,270,976	1,323,475	1,472,681	1,938,004	2,092,634	2,020,572	2,141,421	2,498,273	2,757,031
Other	347,516	284,487	247,846	336,234	314,529	445,520	488,504	384,308	583,923	490,277
Total	\$ 5,062,458	\$ 5,090,121	\$ 4,948,736	\$ 5,515,781	\$ 5,979,647	\$ 6,248,534	\$ 6,106,293	\$ 6,448,120	\$ 7,632,976	\$ 7,757,544
	+ -//	+ -,	+ .,	+ -///-	+ -,,	+ -/	+ -/	+ -,,.=-	+ .,	+ . , ,

Source: City of Owasso Utility Billing Department

CITY OF OWASSO, OKLAHOMA CAPITAL ASSET CONDITION (LAST TEN YEARS)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Capital Asset Cost	\$227,627,680	\$250,183,492	\$257,543,293	\$274,467,491	\$288,836,198	\$312,998,531	\$340,831,713	\$365,430,180	\$385,372,360	\$413,694,595
Non-Depreciable/Amortizable Capital Assets	18,108,223	23,170,857	21,452,471	31,418,724	27,339,598	41,107,740	59,330,743	48,502,464	61,962,655	82,592,340
Total Depreciable/Amortizable Capital Assets	\$209,519,457	\$227,012,635	\$236,090,822	\$243,048,767	\$261,496,600	\$271,890,791	\$281,500,970	\$316,927,716	\$323,409,705	\$331,102,255
Accumulated Depreciation/Amortization	\$ 74,877,280	\$ 84,132,412	\$91,998,891	\$ 99,731,554	\$ 108,013,523	\$ 117,329,739	\$ 126,024,353	\$ 136,400,388	\$ 147,888,499	\$ 158,525,345
Ratio of Accumulated Depreciation/Amortization to Total Capital Assets	339	% 34%	36%	36%	37%	37%	37%	37%	38%	38%
Ratio of Accumulated Depreciation/Amortization to Depreciable/Amortizable Capital Assets	369	37%	39%	41%	41%	43%	45%	43%	46%	48%



CITY OF OWASSO, OKLAHOMA APPENDIX OF ABBREVIATIONS (Occasionally used throughout this report)

City	City of Owasso, Oklahoma
ALN	Assistance Listing Number
CDBG	Community Development Block Grant
CWSRF	Clean Water State Revolving Fund
EMSA	Emergency Medical Services Authority
FPRS	Oklahoma Firefighter's Pension and Retirement System
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	The Government Finance Officers Association of the U.S. and Canada
GO	General Obligation (bonds)
ICMA-RC	457 Deferred Compensation Plan
IRC	Internal Revenue Code
MSA	Metropolitan Statistical Area (of Tulsa)
OEDA	Owasso Economic Development Authority
OkmRF	Oklahoma Muncipal Retirement Fund
OPEB	Other Post Employment Benefits
OPGA	Owasso Public Golf Authority
OPPRS	Oklahoma Police Pension and Retirement System
OPWA	Owasso Public Works Authority
OSNI	Owasso Strong Neighborhood Initiative
OWRB	Oklahoma Water Resources Board
RAN	Revenue Anticipation Note
SRF	State Revolving Fund
UAAL	Unfunded Actuarial Accrued Liability

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REAL People • REAL Character • REAL Community

Annual Comprehensive Financial Report City of Owasso, Oklahoma

Year Ended June 30, 2022



Certified Public Accountants

CITY OF OWASSO, OKLAHOMA

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES YEAR ENDED JUNE 30, 2022

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES

Year Ended June 30, 2022

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INDEPENDENT AUDITORS' 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

The Honorable Mayor and Members of the City Council City of Owasso, 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 the City of Owasso, Oklahoma (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2022.

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 weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT+ Co., P.A.

December 20, 2022 Topeka, Kansas



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

The Honorable Mayor and Members of the City Council City of Owasso, Oklahoma:

Report on Compliance for the Major Federal Program

Opinion on the Major Program

We have audited the City of Owasso, Oklahoma's (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 the City's major federal program for the year ended June 30, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); 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 Auditors' 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 the 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.

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Auditors' 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 GAAS, 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 the major federal program as a whole. In performing an audit in accordance with GAAS, 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.

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 combination of deficiencies, in internal control over compliance requirement of a federal program 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 of deficiencies, in internal control over compliance with a type of compliance with a type of compliance to 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 Auditors' 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 City as of and for the year ended June 30, 2022, and have issued our report thereon dated December 20, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

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 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 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 account and other records used to prepare the financial statements or to the 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 financial statements as a whole.

BT+ Co., P.A.

December 20, 2022 Topeka, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Assistance Listing Number	Expenditures
U.S. Department of Housing and Urban Development: CDBG - Entitlement Grants Cluster: Passed through Oklahoma Department of Commerce: Community Development Block Grant - FY20 Community Development Block Grant - FY21	CDBG B-20-UC-40-0001 CDBG B-21-UC-40-0001	14.218 14.218	\$ 177,800 272,303
Total CDBG - Entitlement Grants Cluster			450,103
Total U.S. Department of Housing and Urban Development			450,103
U.S. Department of Justice: Oklahoma Internet Crimes Against Children Task Force Bulletproof Vest Partnership Grant FY2020 Bulletproof Vest Partnership Grant FY2021 Public Safety Partnership and Community Policing Grants Justice Assistance Grant	None FY2020 BPV FY2021 BPV 2020UMWX0161 JAG-LLE-2021-Owasso CI-00021	16.543 16.607 16.607 16.710 16.738	3,355 231 5,478 205,325 7,500
Total U.S. Department of Justice			221,889
U.S. Department of Transportation: Passed through the Oklahoma Highway Safety Office: Highway Safety Cluster: State and Community Highway Safety - FY21 (OT) State and Community Highway Safety - FY22 (OT)	PT-21-03-22-16 PT-21-03-22-17	20.600 20.600	10,469 65,443
Total Highway Safety Cluster			75,912
Total U.S. Department of Transportation			75,912
U.S. Department of the Treasury: Passed through State of Oklahoma: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	None	21.027	2,133,131
U.S. Department of Homeland Security: Winter Storm '21 - Emergency Water Extrication	FEMA-DR-4587	97.036	76,891
COVID-19 - Assistance to Firefighters Grants - COVID 19 Supplemental Fire Department - SAFER Grant	DHS-20-GPD-044-00-99 EMW-2017-FH-00156	97.044 97.083	12,684 129,344
Total U.S. Department of Homeland Security			218,919
Total expenditures of federal awards			\$ 3,099,954

See accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Owasso, Oklahoma (the City) under programs of the federal government for the year ended June 30, 2022. The City's reporting entity is defined in Note 1 to the City's basic financial statements. The information in the Schedule 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 Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position, or, where applicable, cash flows of the City.

2 - <u>Summary of Significant Accounting Policies</u>

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements. The expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2022

Section I – Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified		
Internal control over financial reporting:			
Material weaknesses identified	None		
Significant deficiencies identified that are not considered to be material weaknesses	None reported		
Noncompliance material to financial statements noted	None		
Federal Awards			
Type of auditors' report issued on compliance for major programs	Unmodified		
Internal control over major programs:			
Material weaknesses identified	None		
Significant deficiencies identified that are not considered to be material weaknesses	None reported		
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)	None		
Identification of major programs:			
	<u>Name of Federal Program</u> oronavirus State and Local Fiscal Recovery Funds		
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000		
Auditee qualified as a low-risk auditee	Yes		

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

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