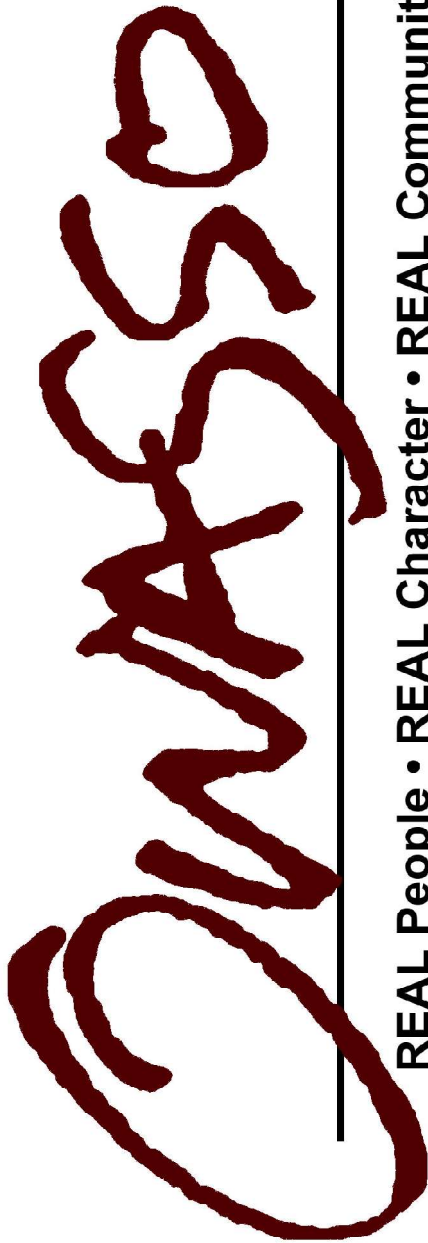




**Annual Comprehensive
Financial Report
City of Owasso, Oklahoma
Year Ended June 30, 2023**



REAL People • REAL Character • REAL Community

Annual Comprehensive Financial Report

City of Owasso, Oklahoma
Year Ended June 30, 2023

City Manager
Warren Lehr

Assistant City Manager
Chris Garrett

PREPARED BY:

Director of Finance
Carly Novozinsky

Assistant Director of Finance
Teresa Kimball

**CITY OF OWASSO, OKLAHOMA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year ended June 30, 2023**

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INTRODUCTORY SECTION



DEPARTMENT OF FINANCE
200 South Main
Owasso, Oklahoma 74055

December 19, 2023

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, 2023. 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, 2023. 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 auditors' 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 39,899 people in 2022-23, representing a 3.01% increase over 2022. 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:

<u>Service</u>	<u>Enterprise Fund</u>
Water, sewer, and refuse	Owasso Public Works Authority
Golf	Owasso Public Golf Authority
Economic Development	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>Capital Project Funds:</u>
<u>Special Revenue Funds:</u>	Vision Recapture Tax Fund
Half-Penny Sales Tax Fund	Capital Improvements Fund
Ambulance Service Fund	Ambulance Capital Fund
E-911 Fund	Tax Incremental Financing Fund
Cemetery Care Fund	Park Development Fund
Emergency Siren Fund	Capital Projects Grant Fund
Juvenile Court Fund	
Hotel Tax Fund	<u>Debt Service Fund:</u>
Stormwater Management Fund	Sinking Fund
Federal Grants Fund	
Opioid Settlement 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 2022-23 increased by \$3 million or 6.2% totaling \$51.1 million compared to \$48.1 million in FY 2021-22. The FY 2022-23 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:

- 3.7% projected gain in sales tax base
- 12.1% projected gain in use tax base
- 1% projected population growth
- Increases in multifamily building permits

The City is expected to consistently rise and outpace both the state and Tulsa region on most economic measures throughout 2023-24.

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 2023-24. Currently, Owasso is ranked the third largest retail market in Tulsa County.

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 multifamily developments in the city limits and 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 2022-23 hotel tax revenues increased 5.0% over FY 2021-22. 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 2022-23, there were 105 residential building permits and 53 multi-family building permits issued. The combined construction value of these permits is \$24.5 million. Over the past three fiscal years, over 750 multifamily building permits have been issued.

There were 17 commercial permits issued in fiscal year 2022-23 with a total construction value of \$29.2 million. The outlook for commercial development within the City is positive.

Job growth is projected to remain strong 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
<http://cityofowasso.com/DocumentCenter/View/1045>

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

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 2022-23, Council set the budgeted combined ending reserves at 25% of the General Fund and Half-Penny Sales Tax appropriated revenues net of sales tax transfers to the Owasso Public Works Authority. In recent years, 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. In August 2023, voters approved a renewal of the 0.55% sales tax, making the tax permanent.

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, 2022. This was the 7th 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



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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF OWASSO, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

June 30, 2023

CITY COUNCIL MEMBERS

Kelly Lewis, Mayor

Alvin Fruga, Vice Mayor

Dr. Paul Loving

Lyndell Dunn

Doug Bonebrake

CITY MANAGER

Warren Lehr

ASSISTANT CITY MANAGER

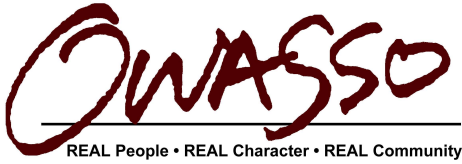
Chris Garrett

DIRECTOR OF FINANCE

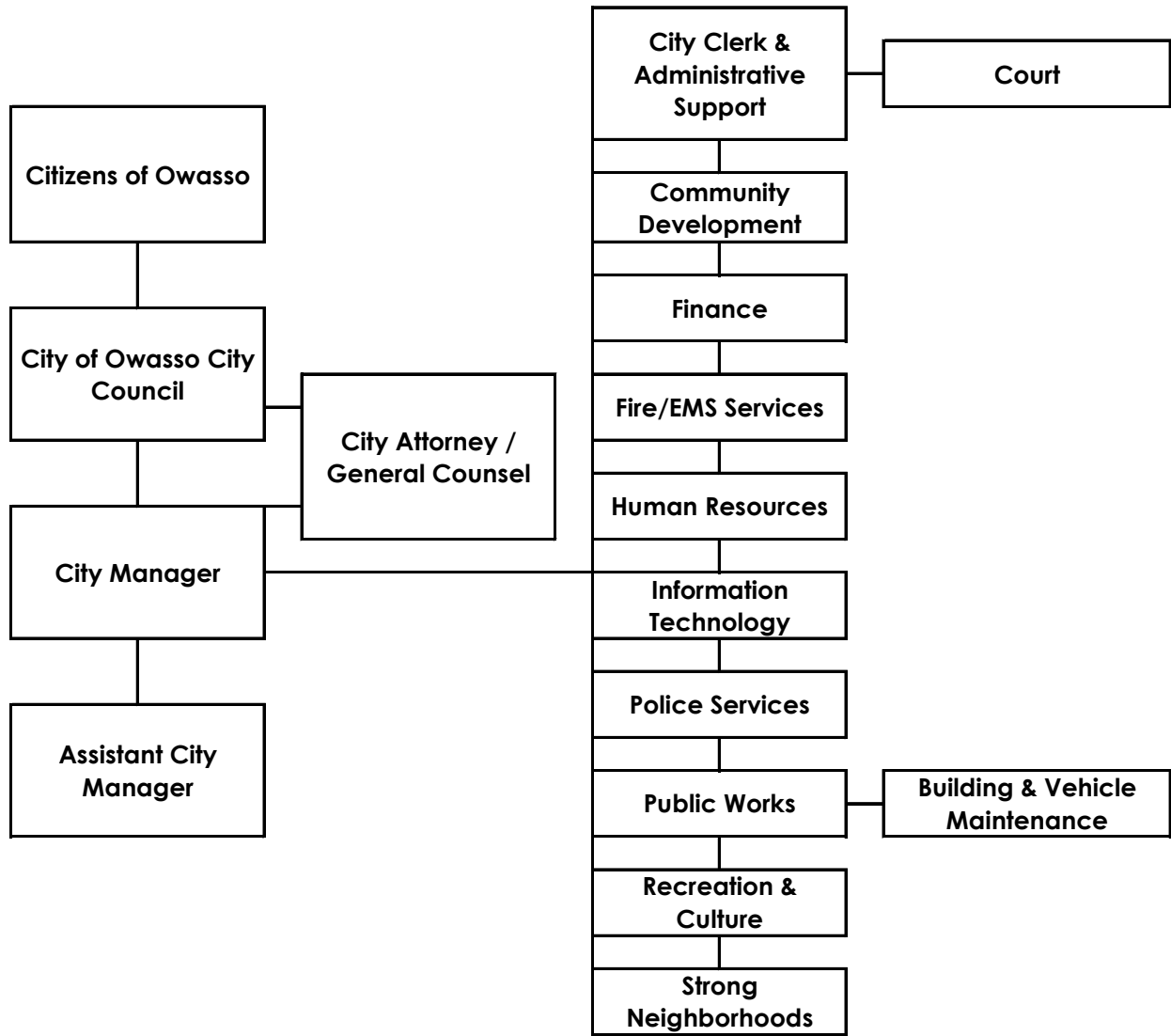
Carly Novozinsky

ASSISTANT DIRECTOR OF FINANCE

Teresa Kimball



ORGANIZATION CHART



A large, dark red, curved shape that starts at the top left and curves downwards and to the right, ending at the bottom left. It contains the text 'FINANCIAL SECTION' in white.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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.

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 and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and 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 19, 2023 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 + Co., P.A.

December 19, 2023
Topeka, Kansas

Management's Discussion and Analysis
City of Owasso, Oklahoma
June 30, 2023

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, 2023. 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, 2023, the City's total net position increased by \$26.8 million or 10.2% from the prior year. This was due primarily to the increase in sales and use tax revenues resulting from a growing community and new retailers, as well as an increase in investment income.
- During the year, the City's expenses for governmental activities totaled \$44.8 million and were funded by program revenues of \$13.1 million and further funded with taxes and other general revenues (net of transfers) that totaled \$53 million.
- Total program revenues in the City's business-type activities exceeded expenses by approximately \$1.5 million. This increase in net position was due primarily to increased usage rates and 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, 2023, the General Fund reported a total fund balance of \$20.7 million, an increase of \$5.0 million from the prior year due to conservative budgeting of sales and use tax revenues as well as an increase in grant funding.
- For budgetary reporting purposes, the General Fund reported total resources equal to 103.4% of budget, and expenditures which were 91.0% 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.

Management's Discussion and Analysis
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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.

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

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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 2021-22 or FY 2022-23.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION

The City's combined net position increased from \$262.7 million to \$289.4 million between fiscal years 2021-22 and 2022-23. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$21.4 million primarily due to growing sales and use taxes, public safety grants, and delays in capital spending.

The net position for Business-type activities increased by \$5.4 million primarily due to City transfers to the Trust Authority and growing sales tax collections. For FY 2022-23, 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.

Management's Discussion and Analysis
City of Owasso, Oklahoma
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A comparative, condensed presentation of net position follows (*reported in thousands*).

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022-2023</u>
Current and other assets	\$ 78,105	\$ 86,721	\$ 29,534	\$ 20,770	\$ 107,639	\$ 107,491	-0.1%
Capital assets, net	<u>170,206</u>	<u>182,004</u>	<u>84,963</u>	<u>91,894</u>	<u>255,169</u>	<u>273,898</u>	7.3%
Total assets	<u>248,311</u>	<u>268,725</u>	<u>114,497</u>	<u>112,664</u>	<u>362,808</u>	<u>381,389</u>	5.1%
Deferred outflows of resources	<u>7,821</u>	<u>11,328</u>	<u>476</u>	<u>1,020</u>	<u>8,297</u>	<u>12,348</u>	48.8%
Long-term debt outstanding	14,883	28,266	67,967	63,002	82,850	91,268	10.2%
Other liabilities	<u>3,924</u>	<u>7,382</u>	<u>4,775</u>	<u>3,778</u>	<u>8,699</u>	<u>11,160</u>	28.3%
Total liabilities	<u>18,807</u>	<u>35,648</u>	<u>72,742</u>	<u>66,780</u>	<u>91,549</u>	<u>102,428</u>	11.9%
Deferred inflows of resources	<u>15,719</u>	<u>1,405</u>	<u>1,165</u>	<u>462</u>	<u>16,884</u>	<u>1,867</u>	-88.9%
Net position							
Net investment in capital assets	169,811	180,140	53,640	54,524	198,556	210,255	5.9%
Restricted	39,907	45,168	1,715	1,791	41,622	46,959	12.8%
Unrestricted	<u>11,888</u>	<u>17,692</u>	<u>(14,289)</u>	<u>(9,873)</u>	<u>22,494</u>	<u>32,228</u>	43.3%
Total net position	<u>\$ 221,606</u>	<u>\$ 243,000</u>	<u>\$ 41,066</u>	<u>\$ 46,442</u>	<u>\$ 262,672</u>	<u>\$ 289,442</u>	10.2%

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, 2023, 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 grant funding, conservative budgeting of sales and use taxes, and an increase in investment income.

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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.

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-2023
EXPENSES							
General government	\$ 9,006	\$ 6,446	\$ -	\$ -	\$ 9,006	\$ 6,446	-28.4%
Public safety	21,839	26,011	-	-	21,839	26,011	19.1%
Community development	842	903	-	-	842	903	7.2%
Recreation and culture	1,965	2,198	-	-	1,965	2,198	11.9%
Economic development	449	461	-	-	449	461	2.7%
Public works	8,105	8,738	-	-	8,105	8,738	7.8%
Water	-	-	7,082	7,370	7,082	7,370	4.1%
Wastewater	-	-	5,646	5,889	5,646	5,889	4.3%
Sanitation	-	-	1,889	2,126	1,889	2,126	12.5%
Recycle center	-	-	256	358	256	358	39.8%
Economic development	-	-	473	403	473	403	-14.8%
Golf	-	-	1,684	2,109	1,684	2,109	25.2%
TOTAL EXPENSES	42,206	44,757	17,030	18,255	59,236	63,012	6.4%
PROGRAM REVENUES							
Charges for services	5,676	5,891	17,467	18,622	23,143	24,513	5.9%
Operating grants and contributions	6,700	6,696	-	-	6,700	6,696	-0.1%
Capital grants and contributions	2,965	528	1,231	1,094	4,196	1,622	-61.3%
Total program revenues	15,341	13,115	18,698	19,716	34,039	32,831	-3.5%
NET REVENUES (EXPENSES)	(26,865)	(31,642)	1,668	1,461	(25,197)	(30,181)	19.8%
General revenues							
Sales taxes	43,553	45,781	-	-	43,553	45,781	5.1%
Use taxes	4,581	5,280	-	-	4,581	5,280	15.3%
Franchise and public service taxes	1,285	1,506	-	-	1,285	1,506	17.2%
Hotel taxes	636	667	-	-	636	667	4.9%
Intergovernmental	870	752	-	-	870	752	-13.6%
Investment income	35	1,799	44	502	79	2,301	2812.7%
Miscellaneous	1,894	664	-	-	1,894	664	-64.9%
TOTAL GENERAL REVENUES	52,854	56,449	44	502	52,898	56,951	7.7%
Changes before transfers	25,989	24,807	1,712	1,963	27,701	26,770	-3.4%
Transfers	(4,847)	(3,413)	4,847	3,413	-	-	0.0%
CHANGE IN NET POSITION	21,142	21,394	6,559	5,376	27,701	26,770	-3.4%
NET POSITION, BEGINNING	200,464	221,606	34,507	41,066	234,971	262,672	11.8%
NET POSITION, ENDING	\$ 221,606	\$ 243,000	\$ 41,066	\$ 46,442	\$ 262,672	\$ 289,442	10.2%

Governmental Fund Balances

General Fund – The fund balance increase is primarily due to tax collections and Municipal Court fines 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, a large project to be funded by the Vision Recapture sales tax is in the design phase, resulting in an accumulation of fund balance until the project is 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.

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Capital Improvements Fund – Funding for the Capital Improvements Fund comes from a 1% sales tax restricted for capital expenditures. The decrease in fund balance is primarily due to spending on capital projects.

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	2022	2023	Change in Fund Balance
General	\$ 15,682	\$ 20,660	\$ 4,978
Vision Recapture Tax	16,150	19,658	3,508
Half-Penny Sales Tax	9,109	9,630	521
Capital Improvements	12,047	11,178	(869)
Other Governmental	9,213	11,814	2,601
Total Governmental Fund Balances	\$ 62,201	\$ 72,940	\$ 10,739

Major Fund Budgetary Statement Highlights

General Fund – The original FY 2022-23 budget included a 2.1% increase in tax revenues. Actual tax revenues came in above the original budget by 4.5%. 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 \$300,000 in public safety grants (partially awarded after the budget was adopted) are reflected in the Final budget. Court fines and costs were over budget due to an increase in the number of traffic tickets written in the year.

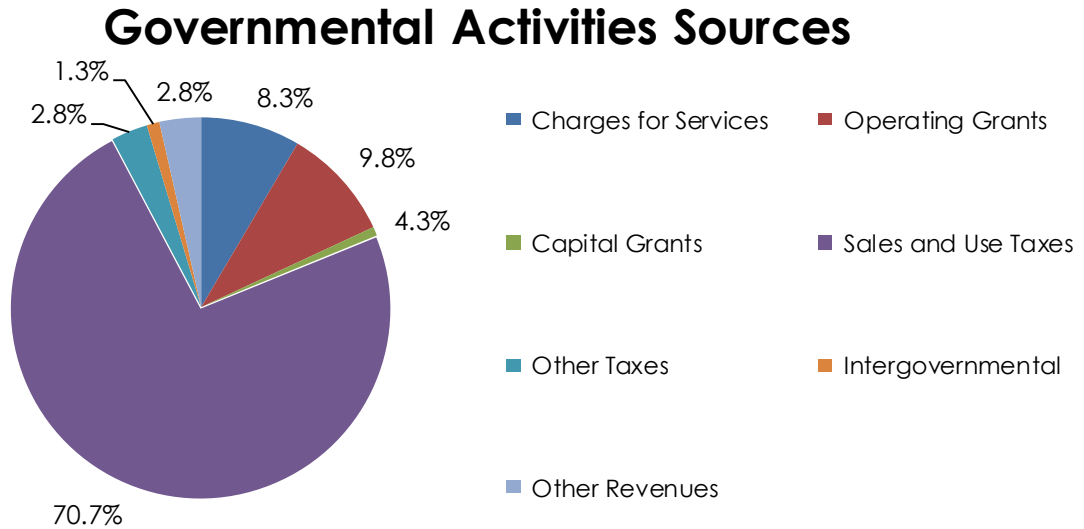
The June 30, 2023, General Fund year-end fund balance was 52% of annual revenues, net of transfers to the Owasso Public Works Authority (OPWA).

GOVERNMENTAL ACTIVITIES

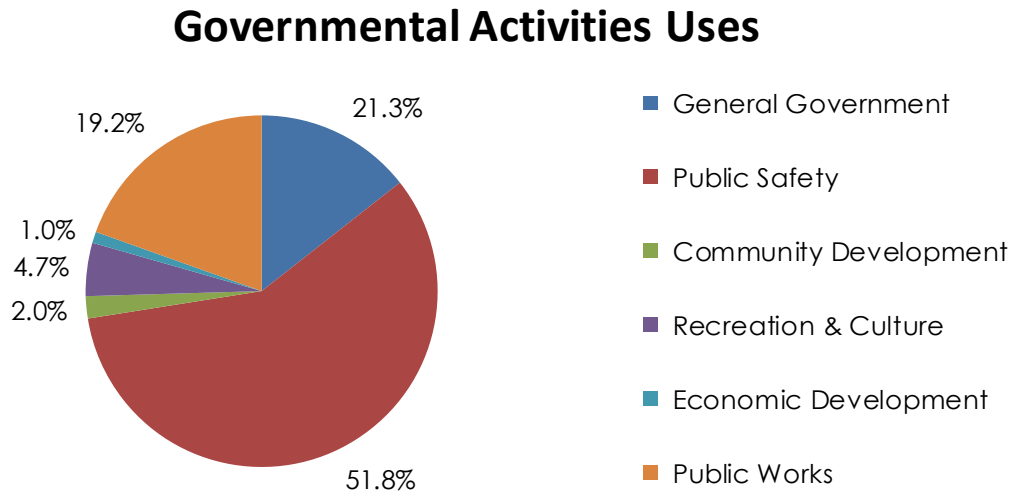
To aid in the understanding of the Statement of Activities on page 2 of the Basic Financial Statements, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will 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 or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

**Management's Discussion and Analysis
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For the year ended June 30, 2023, the City's governmental activities revenues were funded as follows:



Uses of governmental activities in 2022-23 were as follows:



GOVERNMENTAL ACTIVITIES--Continued

For the year ended June 30, 2023, expenses for governmental activities totaled \$44.8 million, an increase from prior year of \$2.6 million. Governmental transfers to business-type activities totaled \$3.4 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 \$53.0 million. Grants and other contributions that directly benefited programs funded \$7.2 million, and charges for services totaled \$5.9 million.

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City of Owasso, Oklahoma
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GOVERNMENTAL ACTIVITIES SOURCES AND USES

	Charges for Services, Operating and Capital Grants	Total Expense of Services	Net Revenue (Expense) of Services
Water	\$ 2,895	\$ 6,446	\$ (3,551)
Wastewater	6,051	26,011	(19,960)
Sanitation	301	903	(602)
Recycle center	990	2,198	(1,208)
Economic development	12	461	(449)
Golf	2,866	8,738	(5,872)
TOTAL	\$ 13,115	\$ 44,757	\$ (31,642)

BUSINESS-TYPE ACTIVITIES

Net Revenue (Expense) of Business-Type Activities for the year ended June 30, 2023 was as follows:

BUSINESS-TYPE ACTIVITIES SOURCES AND USES

	Charges for Services, Capital and Operating Grants	Total Expense of Services	Net Revenue (Expense) of Services
Water	\$ 9,317	\$ 7,370	\$ 1,947
Wastewater	6,431	5,889	542
Sanitation	2,688	2,126	562
Recycle center	33	358	(325)
Economic development	-	403	(403)
Golf	1,247	2,109	(862)
TOTAL	\$ 19,716	\$ 18,255	\$ 1,461

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, 2023 compared to a \$2.9 million net gain in FY 2021-22. 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.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the City had \$274 million invested in capital assets, net of depreciation (See table below). This represents a net increase of \$18.7 million or 7.3% over last year. Significant capital assets added this year include construction in progress on the Wastewater Treatment Plant of \$7.0 million, improvements to the Sports Park Detention Facility of \$4.7 million, and various street projects of \$5.4 million, as well as contributed capital of \$7.9 million.

	City of Owasso Capital Assets					
	(Net of accumulated depreciation/amortization)					
	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Land	\$ 14,748,272	\$ 16,644,217	\$ 322,619	\$ 546,850	\$ 15,070,891	\$ 17,191,067
Buildings	20,260,318	19,183,335	759,696	769,477	21,020,014	19,952,812
Improvements	18,333,203	21,014,529	1,360,289	1,249,056	19,693,492	22,263,585
Utilities	-	-	57,161,268	61,586,203	57,161,268	61,586,203
Machinery & Equipment	6,179,830	5,942,902	3,152,272	2,879,818	9,332,102	8,822,720
Infrastructure	65,225,397	73,785,527	-	-	65,225,397	73,785,527
Construction in Progress	45,314,734	44,247,582	22,206,715	24,571,913	67,521,449	68,819,495
Right-to-Use Leased Machinery & Equipment	144,637	647,707	-	230,105	144,637	877,812
Right-to-Use Subscription Asset	-	538,117	-	60,385	-	598,502
Totals	<u>\$ 170,206,391</u>	<u>\$ 182,003,916</u>	<u>\$ 84,962,859</u>	<u>\$ 91,893,807</u>	<u>\$ 255,169,250</u>	<u>\$ 273,897,723</u>

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 \$91.3 million in long-term liabilities which represents a \$8.4 million, or 10.2% increase from the prior year. The largest increase was attributed to the \$12.8 million increase in net pension liability. Because no new debt was issued during the fiscal year, normal debt service payments resulted in a \$6.2 million decrease in notes payable, net.

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

	Governmental		Business-Type		Total		Total
	Activities		Activities		Total		Percentage
	2022	2023	2022	2023	2022	2023	Change
Leases	\$ 174,924	\$ 805,509	\$ -	\$ 288,874	\$ 174,924	\$ 1,094,383	525.6%
Subscription liability	-	557,855	-	64,839	-	622,694	100.0%
Accrued absences	2,458,883	2,668,486	191,359	198,925	2,650,242	2,867,411	8.2%
Total OPEB liability	1,500,443	1,533,781	328,020	336,825	1,828,463	1,870,606	2.3%
Claims liability	679,053	668,506	177,147	236,894	856,200	905,400	5.7%
Net pension liability	10,069,982	22,031,916	-	795,517	10,069,982	22,827,433	126.7%
Financed purchases	-	-	514,107	479,661	514,107	479,661	-6.7%
Deposits subject to refund	-	-	839,026	875,786	839,026	875,786	4.4%
Notes payable, net	-	-	37,025,980	35,315,598	37,025,980	35,315,598	-4.6%
Revenue notes payable	-	-	28,891,000	24,409,000	28,891,000	24,409,000	-15.5%
TOTALS	\$ 14,883,285	\$ 28,266,053	\$ 67,966,639	\$ 63,001,919	\$ 82,849,924	\$ 91,267,972	10.2%

See Note 3.G. 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 2023-2024 was adopted by the City of Owasso City Council on June 20, 2023 and went into effect on July 1, 2023. The adopted budget conservatively included flat sales and use tax projections. Year-to-date FY 2023-24 combined sales and use tax collections are 0.3% higher than FY 2022-23. The FY 2023-24 budget also included step increases and negotiated increases for all union employees, as well as, cost of living increases and potential merit increases for civilian staff.

The budget further includes a \$900,000 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 www.cityofowasso.com/304/finance.

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.



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

CITY OF OWASSO, OKLAHOMA

June 30, 2023

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Economic Development Authority
ASSETS				
Cash and cash equivalents	\$ 44,982,796	\$ 9,038,249	\$ 54,021,045	\$ 9,720
Restricted cash	-	2,666,771	2,666,771	-
Investments	32,585,341	6,547,267	39,132,608	-
Accounts receivable, net of allowance	1,486,801	2,006,354	3,493,155	-
Court fine receivable, net of allowance	88,250	-	88,250	-
Other receivables	217,027	41,587	258,614	-
Internal balances	(379,571)	379,571	-	-
Due from other governments	6,707,225	-	6,707,225	-
Prepaid items	32,057	11,142	43,199	-
Inventory	-	79,535	79,535	-
Net pension asset	1,001,578	-	1,001,578	-
Capital assets:				
Land and construction in progress	60,891,799	25,118,763	86,010,562	-
Other capital assets, net of depreciation and amortization	121,112,117	66,775,044	187,887,161	-
TOTAL ASSETS	268,725,420	112,664,283	381,389,703	9,720
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - OPEB	94,947	19,920	114,867	-
Deferred outflows - pension	11,232,618	1,000,128	12,232,746	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,327,565	1,020,048	12,347,613	-
LIABILITIES				
Accounts payable	3,490,429	1,837,062	5,327,491	-
Accrued payroll liabilities	830,507	174,333	1,004,840	-
Accrued interest payable	-	412,231	412,231	-
Contracts and retainage payable	499,926	1,150,012	1,649,938	-
Unearned revenues	2,361,770	77,798	2,439,568	-
Other liabilities	199,129	126,951	326,080	-
Long-term liabilities, including net pension liability:				
Due within one year	2,209,375	6,974,534	9,183,909	-
Due in more than one year	26,056,678	56,027,385	82,084,063	-
TOTAL LIABILITIES	35,647,814	66,780,306	102,428,120	-
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on debt refunding	-	160,709	160,709	-
Deferred inflows -OPEB	527,685	117,005	644,690	-
Deferred inflows - pension	877,017	184,475	1,061,492	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,404,702	462,189	1,866,891	-
NET POSITION				
Net investment in capital assets	180,140,626	54,523,954	210,255,580	-
Restricted for:				
Pension	1,001,578	-	1,001,578	-
Debt service	2,206	1,790,985	1,793,191	-
General government	164,880	-	164,880	-
Public safety	7,613,203	-	7,613,203	-
Recreation and culture	58,264	-	58,264	-
Economic development	2,482,339	-	2,482,339	9,720
Public works	3,009,175	-	3,009,175	-
Capital projects	30,836,358	-	30,836,358	-
Unrestricted	17,691,840	(9,873,103)	32,227,737	-
TOTAL NET POSITION	\$ 243,000,469	\$ 46,441,836	\$ 289,442,305	\$ 9,720

See accompanying notes to the basic financial statements.

STATEMENT OF ACTIVITIES

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Economic Development Authority
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 6,445,888	\$ 787,749	\$ 2,107,451	\$ -	\$ (3,550,688)	\$ -	\$ (3,550,688)	\$ -
Public safety	26,010,945	2,712,266	3,338,839	-	(19,959,840)	-	(19,959,840)	-
Community development	902,861	300,878	-	-	(601,983)	-	(601,983)	-
Recreation and culture	2,198,152	96,847	892,879	-	(1,208,426)	-	(1,208,426)	-
Economic development	461,412	12,010	-	-	(449,402)	-	(449,402)	-
Public works	8,737,483	1,981,641	357,096	528,186	(5,870,560)	-	(5,870,560)	-
TOTAL GOVERNMENTAL ACTIVITIES	44,756,741	5,891,391	6,696,265	528,186	(31,640,899)	-	(31,640,899)	-
Business-type activities:								
Water	7,370,278	8,357,704	-	931,121	-	1,918,547	1,918,547	-
Wastewater	5,889,050	6,288,762	-	142,191	-	541,903	541,903	-
Sanitation	2,126,606	2,666,882	-	20,939	-	561,215	561,215	-
Recycle center	357,902	62,011	-	-	-	(295,891)	(295,891)	-
Economic development	403,305	-	-	-	-	(403,305)	(403,305)	-
Golf	2,108,619	1,246,750	-	-	-	(861,869)	(861,869)	-
TOTAL BUSINESS-TYPE ACTIVITIES	18,255,760	18,622,109	-	1,094,251	-	1,460,600	1,460,600	-
Total primary government	\$ 63,012,501	\$ 24,513,500	\$ 6,696,265	\$ 1,622,437	(31,640,899)	1,460,600	(30,180,299)	-
Component Unit:								
Economic development	\$ -	\$ -	\$ -	\$ -	-	-	-	-
General Revenues:								
Taxes:								
Sales taxes					45,781,320	-	45,781,320	-
Use taxes					5,280,493	-	5,280,493	-
Franchise and public service taxes					1,505,931	-	1,505,931	-
Hotel taxes					666,541	-	666,541	-
Intergovernmental					751,612	-	751,612	-
Investment income					1,798,580	502,237	2,300,817	243
Miscellaneous					664,145	-	664,145	-
Transfers - internal activity					(3,413,361)	3,413,361	-	-
Total general revenues and transfers					53,035,261	3,915,598	56,950,859	243
Change in net position					21,394,362	5,376,198	26,770,560	243
Net position-beginning of year					221,606,107	41,065,638	262,671,745	9,477
Net position-end of year					\$ 243,000,469	\$ 46,441,836	\$ 289,442,305	\$ 9,720

See accompanying notes to the basic financial statements.

BALANCE SHEET - - GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2023

	General Fund	Vison Recapture Tax Fund	Half-Penny Sales Tax Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 10,093,293	\$ 12,375,367	\$ 5,698,899	\$ 6,322,068	\$ 7,921,481	\$ 42,411,108
Investments	7,311,538	8,964,661	4,128,258	4,579,678	5,738,285	30,722,420
Prepaid items	4,000	-	-	-	-	4,000
Receivables:						
Accounts receivable, net of allowance	24,605	-	-	-	1,462,196	1,486,801
Due from other funds	-	-	-	807,284	-	807,284
Due from other governments	5,146,920	781,687	723,330	-	55,288	6,707,225
Court fines receivable, net of allowance	88,250	-	-	-	-	88,250
Other receivables	216,244	-	-	-	-	216,244
TOTAL ASSETS	22,884,850	22,121,715	10,550,487	11,709,030	15,177,250	82,443,332
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	358,262	2,021,054	398,310	474,250	137,893	3,389,769
Accrued payroll liabilities	248,275	-	522,527	-	44,295	815,097
Due to other funds	1,430,176	-	-	-	86,973	1,517,149
Retainage payable	-	443,127	-	56,799	-	499,926
Unearned revenue	32,927	-	-	-	2,324,634	2,357,561
Other liabilities	74,129	-	-	-	-	74,129
TOTAL LIABILITIES	2,143,769	2,464,181	920,837	531,049	2,593,795	8,653,631
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - charges for services	80,765	-	-	-	769,258	850,023
FUND BALANCES						
Nonspendable:						
Prepaid items	4,000	-	-	-	-	4,000
Restricted for:						
General government	-	-	-	-	164,880	164,880
Public safety	42,697	-	6,632,875	-	937,631	7,613,203
Recreation and culture	58,264	-	-	-	-	58,264
Economic development	50	-	-	-	2,482,289	2,482,339
Public works	-	-	2,996,775	-	12,400	3,009,175
Capital projects	-	19,657,534	-	11,177,981	843	30,836,358
Debt service	-	-	-	-	2,206	2,206
Committed:						
Public safety	-	-	-	-	2,846,633	2,846,633
Stormwater management	-	-	-	-	4,611,675	4,611,675
Capital projects	-	-	-	-	755,640	755,640
Assigned:						
General government	152,930	-	-	-	-	152,930
Public safety	193,308	-	-	-	-	193,308
Recreation and culture	59,446	-	-	-	-	59,446
Capital projects	2,000,000	-	-	-	-	2,000,000
Unassigned	18,149,621	-	-	-	-	18,149,621
TOTAL FUND BALANCES	20,660,316	19,657,534	9,629,650	11,177,981	11,814,197	72,939,678
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,884,850	\$ 22,121,715	\$ 10,550,487	\$ 11,709,030	\$ 15,177,250	\$ 82,443,332

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, 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total fund balances - governmental funds \$ 72,939,678

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 \$107,793,255 and net of capital assets of Internal Service Funds of \$186,353 181,817,563

Certain assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds:
Accounts receivable 850,023
Net pension asset 1,001,578

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 5,111,178
Internal service fund interfund balance resulting from net revenues reported in business-type activities (961,755)

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 (805,509)
SBITA payable, net of Internal Service Funds of \$7,832 (550,023)
Other liability (125,000)
Accrued compensated absences, net of Internal Service Funds of \$13,331 (2,655,155)
Total OPEB liability and related deferred inflows of resources and deferred outflows of resources, net of Internal Service Funds of \$21,518 (1,945,001)
Net pension liability and related deferred inflows of resources and deferred outflows of resources, net of Internal Service Funds of \$792 (11,677,108)

Net position of governmental activities \$ 243,000,469

See accompanying notes to the basic financial statements.

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

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	General Fund	Vison Recapture Tax Fund	Half-Penny Sales Tax Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 40,493,694	\$ 6,224,571	\$ 5,658,661	\$ -	\$ 1,201,924	\$ 53,578,850
Intergovernmental	3,528,719	-	89,113	-	3,917,266	7,535,098
Charges for services	784,533	-	-	5,770	4,157,431	4,947,734
Fines and forfeitures	417,975	-	-	-	220	418,195
Licenses and permits	331,822	-	-	-	68,373	400,195
Investment income	370,083	452,935	245,671	334,258	255,211	1,658,158
Miscellaneous	152,496	-	49,722	(8,792)	164,196	357,622
TOTAL REVENUES	46,079,322	6,677,506	6,043,167	331,236	9,764,621	68,895,852
EXPENDITURES						
Current:						
General government	4,844,958	-	-	-	5,875	4,850,833
Public safety	16,552,939	-	3,844,686	-	3,268,030	23,665,655
Community development	908,776	-	-	-	-	908,776
Recreation and culture	1,556,627	-	-	-	-	1,556,627
Economic development	157,728	-	-	-	303,542	461,270
Public works	1,552,893	-	1,551,654	-	532,763	3,637,310
Capital outlay	1,556,182	3,170,271	1,428,812	10,749,204	3,775,603	20,680,072
TOTAL EXPENDITURES	27,130,103	3,170,271	6,825,152	10,749,204	7,885,813	55,760,543
Revenues over (under) expenditures	18,949,219	3,507,235	(781,985)	(10,417,968)	1,878,808	13,135,309
OTHER FINANCING SOURCES (USES)						
Leases (as lessee)	562,968	-	168,547	-	-	731,515
SBITA	285,389	-	-	-	-	285,389
Transfers in	22,367,645	-	1,134,515	9,549,044	1,259,084	34,310,288
Transfers out	(37,187,342)	-	-	-	(536,307)	(37,723,649)
TOTAL OTHER FINANCING SOURCES (USES)	(13,971,340)	-	1,303,062	9,549,044	722,777	(2,396,457)
NET CHANGE IN FUND BALANCES	4,977,879	3,507,235	521,077	(868,924)	2,601,585	10,738,852
FUND BALANCE - BEGINNING OF YEAR	15,682,437	16,150,299	9,108,573	12,046,905	9,212,612	62,200,826
FUND BALANCE - END OF YEAR	\$ 20,660,316	\$ 19,657,534	\$ 9,629,650	\$ 11,177,981	\$ 11,814,197	\$ 72,939,678

See accompanying notes to the basic financial statements.

**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, 2023

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 \$ 10,738,852

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	20,715,078
Depreciation and amortization expense	(8,772,467)
Loss on disposal of capital assets	<u>(586,563)</u>
	<u>11,356,048</u>

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

Contributed assets	528,186
Change in deferred inflow related to court bonds	55,130
Change in deferred inflow related to ambulance billings	<u>177,580</u>
	<u>760,896</u>

Debt proceeds provide current financial resources to governmental funds,
but issuing debt increases long-term liabilities in the Statement of Net Position.

Leases issued	(731,515)
SBITAs issued	<u>(285,389)</u>
	<u>(1,016,904)</u>

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 and SBITAs	(248,367)
Other liability	(125,000)
Accrued compensated absences, net of Internal Service Funds of \$3,987	(213,590)
Total other post-employment benefit liability, net of Internal Service Funds of \$433	(38,406)
Pension (revenues) expenses	<u>(181,837)</u>
	<u>(807,200)</u>

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	491,187
Net revenues of internal service funds reported in business-type activities	<u>(128,517)</u>
	<u>362,670</u>

Change in net position of governmental activities \$ 21,394,362

See accompanying notes to the basic financial statements.

STATEMENT OF NET POSITION--PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2023

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 7,564,287	\$ 562,648	\$ 8,126,935	\$ 3,483,002
Investments	5,479,536	407,579	5,887,115	2,523,073
Restricted cash and cash equivalents	1,983,658	-	1,983,658	-
Accounts receivable, net of allowance	2,006,354	-	2,006,354	-
Other receivables	2,864	38,446	41,310	1,060
Due from other funds	1,517,149	-	1,517,149	-
Prepaid items	-	1,200	1,200	38,000
Inventory	-	79,535	79,535	-
TOTAL CURRENT ASSETS	18,553,848	1,089,408	19,643,256	6,045,135
NONCURRENT ASSETS				
Restricted assets				
Cash and cash equivalents	683,113	-	683,113	-
Land and construction in progress	24,953,244	165,519	25,118,763	-
Other capital assets, net of depreciation	64,383,553	2,391,491	66,775,044	186,353
TOTAL NONCURRENT ASSETS	90,019,910	2,557,010	92,576,920	186,353
TOTAL ASSETS	108,573,758	3,646,418	112,220,176	6,231,488
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - OPEB	15,916	3,699	19,615	1,165
Deferred outflows - pension	805,668	171,294	976,962	88,538
TOTAL DEFERRED OUTFLOWS	821,584	174,993	996,577	89,703
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	1,674,539	126,853	1,801,392	136,330
Accrued payroll liabilities	120,377	48,495	168,872	20,871
Interest payable	412,231	-	412,231	-
Contracts and retainage payable	1,150,012	-	1,150,012	-
Unearned revenue	-	76,306	76,306	5,701
Due to other funds	807,284	-	807,284	-
Other liabilities	93,551	33,400	126,951	-
Current portion of noncurrent liabilities:				
Financed purchases	-	102,991	102,991	-
Deposits subject to refund	192,673	-	192,673	-
Notes payable	1,733,458	-	1,733,458	-
Revenue note payable	4,581,000	-	4,581,000	-
SBITA obligation	21,933	3,460	25,393	6,618
Lease obligation	71,536	-	71,536	-
Incurred but not reported claims	-	-	-	658,356
Accrued compensated absences	71,994	21,501	93,495	6,266
TOTAL CURRENT LIABILITIES	10,930,588	413,006	11,343,594	834,142
NONCURRENT LIABILITIES				
Financed purchases	-	376,670	376,670	-
Deposits subject to refund	683,113	-	683,113	-
Notes payable, net	33,582,140	-	33,582,140	-
Revenue note payable	19,828,000	-	19,828,000	-
SBITA obligation	30,529	6,141	36,670	3,990
Lease obligation	217,338	-	217,338	-
Pension liability	636,666	141,418	778,084	66,629
Total OPEB liability	270,058	60,981	331,039	22,114
Incurred but not reported claims	-	-	-	247,044
Accrued compensated absences	81,185	24,245	105,430	7,065
TOTAL NONCURRENT LIABILITIES	55,329,029	609,455	55,938,484	346,842
TOTAL LIABILITIES	66,259,617	1,022,461	67,282,078	1,180,984
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on debt refunding	160,709	-	160,709	-
Deferred inflow - OPEB	94,548	20,313	114,861	8,194
Deferred inflow - pension	152,176	26,848	179,024	20,835
TOTAL DEFERRED INFLOWS	407,433	47,161	454,594	29,029
NET POSITION				
Net investment in capital assets	52,458,982	2,067,748	54,526,730	175,745
Restricted for:				
Debt service	1,790,985	-	1,790,985	-
Unrestricted (deficit)	(11,521,675)	684,041	(10,837,634)	4,935,433
TOTAL NET POSITION	\$ 42,728,292	\$ 2,751,789	\$ 45,480,081	\$ 5,111,178
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund balances are included with business-type activities and reported as interfund balances			961,755	
Total business-type activities net position per Government-Wide financial statements			<u>\$ 46,441,836</u>	

See accompanying notes to the basic financial statements.

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

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
OPERATING REVENUES				
Charges for services:				
Water	\$ 8,125,830	\$ -	\$ 8,125,830	\$ -
Wastewater	6,288,762	-	6,288,762	-
Refuse	2,666,882	-	2,666,882	-
Recycle	62,011	-	62,011	-
Penalties/late charges	231,874	-	231,874	-
Golf	-	1,246,750	1,246,750	-
Internal service charges for services	-	-	-	8,803,283
Other	-	-	-	258
TOTAL OPERATING REVENUES	17,375,359	1,246,750	18,622,109	8,803,541
OPERATING EXPENSES				
Utility billing	530,432	-	530,432	-
Administration	1,004,105	-	1,004,105	1,701,346
Water	4,749,976	-	4,749,976	-
Wastewater treatment plant	1,649,979	-	1,649,979	-
Wastewater collection	983,473	-	983,473	-
Refuse collections	1,467,568	-	1,467,568	-
Recycle center	265,858	-	265,858	-
TIF/ economic development	403,305	-	403,305	-
Golf	-	1,828,668	1,828,668	-
Claims expense	-	-	-	5,953,230
City garage	-	-	-	763,966
Depreciation and amortization	3,377,501	295,554	3,673,055	33,647
Other	61,377	-	61,377	-
TOTAL OPERATING EXPENSES	14,493,574	2,124,222	16,617,796	8,452,189
OPERATING INCOME (LOSS)	2,881,785	(877,472)	2,004,313	351,352
NONOPERATING REVENUES (EXPENSES)				
Investment income	482,281	19,956	502,237	140,426
Interest expense	(1,766,179)	(302)	(1,766,481)	(591)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,283,898)	19,654	(1,264,244)	139,835
Net income (loss) before contributions and transfers	1,597,887	(857,818)	740,069	491,187
Capital contributions	1,094,251	-	1,094,251	-
Transfers in - required	34,290,050	-	34,290,050	-
Transfers in- other	-	1,040,000	1,040,000	-
Transfers out	(31,916,689)	-	(31,916,689)	-
CHANGE IN NET POSITION	5,065,499	182,182	5,247,681	491,187
NET POSITION - BEGINNING	37,662,793	2,569,607	40,232,400	4,619,991
NET POSITION - ENDING	\$ 42,728,292	\$ 2,751,789	\$ 45,480,081	\$ 5,111,178
Change in net position per above			5,247,681	
Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business-type activities			128,517	
Change in Business-Type Activities Net Position per Government-Wide Financial Statements			<u>\$ 5,376,198</u>	

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS--PROPRIETARY FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 17,193,512	\$ 1,250,623	\$ 18,444,135	\$ 8,843,396
Payments to suppliers	(8,211,228)	(652,645)	(8,863,873)	(7,862,413)
Payments to employees	(3,931,709)	(1,168,076)	(5,099,785)	(474,683)
Receipts of customer meter deposits	208,589	-	208,589	-
Customer meter deposits refunded or applied	(171,829)	-	(171,829)	-
Other receipts (payments)	(381,849)	-	(381,849)	9,881
NET CASH FROM OPERATING ACTIVITIES	<u>4,705,486</u>	<u>(570,098)</u>	<u>4,135,388</u>	<u>516,181</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	34,290,050	1,040,000	35,330,050	-
Transfers to other funds	(31,916,689)	-	(31,916,689)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>2,373,361</u>	<u>1,040,000</u>	<u>3,413,361</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(8,987,600)	(69,100)	(9,056,700)	(14,649)
Payments on financed purchases	-	(94,188)	(94,188)	-
Payments on SBITA obligation	(21,139)	(3,302)	(24,441)	(6,937)
Payments on lease obligation	(17,933)	-	(17,933)	-
Payments on capital debt	(6,125,027)	-	(6,125,027)	-
NET CASH FROM RELATED FINANCING ACTIVITIES	<u>(15,151,699)</u>	<u>(166,590)</u>	<u>(15,318,289)</u>	<u>(21,586)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments	(4,337,197)	(238,990)	(4,576,187)	(1,124,100)
Investment income received	<u>482,281</u>	<u>19,654</u>	<u>501,935</u>	<u>140,426</u>
NET CASH FROM INVESTING ACTIVITIES	<u>(3,854,916)</u>	<u>(219,336)</u>	<u>(4,074,252)</u>	<u>(983,674)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,927,768)	83,976	(11,843,792)	(489,079)
BALANCES - BEGINNING OF YEAR	<u>22,158,826</u>	<u>478,672</u>	<u>22,637,498</u>	<u>3,972,081</u>
BALANCES - END OF YEAR	<u>\$ 10,231,058</u>	<u>\$ 562,648</u>	<u>\$ 10,793,706</u>	<u>\$ 3,483,002</u>

(Continued)

See accompanying notes to the basic financial statements.

STATEMENT OF CASH FLOWS--PROPRIETARY FUNDS--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Enterprise Funds			Internal Service Funds
	Owasso Public Works Authority	Owasso Public Golf Authority	Total	
RECONCILIATION OF OPERATING INCOME				
(LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,881,785	\$ (877,472)	\$ 2,004,313	\$ 351,352
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization expense	3,377,501	295,554	3,673,055	33,647
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable, net	(116,971)	-	(116,971)	37,295
Other receivables	(2,864)	(2,102)	(4,966)	2,818
Inventory	-	(30,035)	(30,035)	-
Due from other funds	(34,264)	-	(34,264)	9,623
Accounts payable	(1,071,389)	1,402	(1,069,987)	18,485
Accrued payroll liabilities	20,508	12,333	32,841	8,185
Unearned revenue	-	5,975	5,975	5,507
Due to other funds	(348,220)	-	(348,220)	-
Other liabilities	(73,890)	7,165	(66,725)	-
Deposits subject to refund	36,760	-	36,760	-
Pension	30,871	6,748	37,619	3,570
OPEB	6,806	1,621	8,427	486
Incurred but not reported claims	-	-	-	49,200
Accrued compensated absences	(1,147)	8,713	7,566	(3,987)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 4,705,486	\$ (570,098)	\$ 4,135,388	\$ 516,181
NONCASH ACTIVITIES				
Contributed capital assets	\$ 1,094,251	\$ -	\$ 1,094,251	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - current	\$ 7,564,287	\$ 562,648	\$ 8,126,935	\$ 3,483,002
Cash and cash equivalents - restricted current	1,983,658	-	1,983,658	-
Cash and cash equivalents - restricted noncurrent	683,113	-	683,113	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 10,231,058	\$ 562,648	\$ 10,793,706	\$ 3,483,002

(Concluded)

See accompanying notes to the basic financial statements.

**NOTES
TO BASIC
FINANCIAL
STATEMENTS**

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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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.

Blended Component Units: 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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

<u>Component Unit</u>	<u>Brief Description/Inclusion Criteria</u>	<u>Included Funds</u>
Owasso Public Works Authority	Created January 10, 1973, to finance, develop, and operate the water, wastewater, and refuse disposal facilities. The current City Council serves as entire governing body (Trustees) of the OPWA, and management of the City has operational responsibility for the OPWA. Any issuances of debt would require a three-quarters approval of the City Council.	OPWA Enterprise Fund
Owasso Public Golf Authority	Created August 8, 1989, to acquire, construct, own, 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.	OPGA Enterprise Fund

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 Economic Development Authority (OEDA)	Created October 21, 1987, to promote and encourage development of industry and commerce on behalf of the City. The OEDA governing body is comprised of seven members: one council member of the Beneficiary, one 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.
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The discretely presented and the blended component units of the City do not issue separately audited financial statements.

1.B--Basis of Presentation

Government-Wide Financial Statements: 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.

Fund Financial Statements: 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:

General Fund: 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.

Special Revenue Funds: 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>	<u>Brief Description</u>
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. Fire and Police each receive 35% of the revenue and Streets receives 30% of the revenue.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

<u>Nonmajor Funds</u>	<u>Brief Description</u>
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 storm water system service charge. Funds are used for expenses attributable to storm water 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.
Opioid Settlement Fund	Accounts for funds received from a settlement for pharmaceutical opioids which have harmed the City of Owasso and its citizens.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Capital Project Funds: 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:

<u>Major Funds</u>	<u>Brief Description</u>
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.
<u>Nonmajor Funds</u>	<u>Brief Description</u>
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.

Debt Service Fund: 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Proprietary Funds: 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>	<u>Brief Description</u>
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>	<u>Brief Description</u>
Vehicle Maintenance Fund	Accounts for the financing of goods and services provided by one department to other departments of the City. The vehicle maintenance department 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.

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.

Measurement Focus: 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.

Basis of Accounting: 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.

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

Cash and Cash Equivalents: 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.

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

Investments: 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.

Receivables: 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 \$813,521 for allowance for doubtful accounts.

Inventories: 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.

Capital Assets: 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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 and subscription assets, the measurement of which is discussed below. 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.

Restricted Assets: 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.

Leases: 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 statement of net position. 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 lease 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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 leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

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

Subscription-Based Information Technology Arrangements (SBITAs): The City has entered into various SBITAs. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription) in the statement of net position. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made before the subscription commencement date, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and certain variable and other payments that are reasonably certain of being required.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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 expensed 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.

Compensated Absences: 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, 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

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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.

Deferred Outflows/Inflows of Resources: 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 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) Net investment in capital assets - 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

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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) Restricted net position - 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) Unrestricted net position - 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.

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

- a) Restricted - 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) Committed - 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) Assigned - 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) Unassigned - 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.

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

Sales Tax: 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.

Property Tax: 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 did not levy property taxes. 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 2023, this is not a significant source of revenue for the City.

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

General government	Cemetery lot sales and internments, zoning fees, other fees, licenses, and permits
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NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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 development	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.

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

For purposes of measuring the net pension asset, 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, 2023.

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.
- 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

General Long-Term Debt: 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, 2023, no such debt was incurred by the City.

Revenue Bond and Promissory Note Debt: 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, 2023.

a. Revenue Bond Coverage:

- | | |
|--|--|
| <p>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 2009B, 2009C, 2011, 2013 SRF OWRB Note, and 2019 OWRB Note.</p> | <p>Net revenues available, including sales tax transferred, amounted to \$41,071,822. The annual principal and interest on the bonds and any subordinate debt amounted to \$7,972,512. Actual coverage was 359%.</p> |
|--|--|

2.C--Fund Equity/Net Position Restrictions

Deficit Prohibition: 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, 2023, 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, 2023:

	Carrying Value	Credit Rating	Investment Maturities (in Years)	
			Less than 1	1 - 5
Deposits				
Demand deposits	\$ 54,880,437	n/a	n/a	n/a
Petty cash and change funds	16,394	n/a	n/a	n/a
Investments				
U.S. Treasury obligations	37,098,466	AA+	\$ 37,098,466	\$ -
Certificates of deposit	2,034,142	n/a	2,034,142	-
Money market mutual funds	1,790,985	AAAm	1,790,985	-
Total Cash and Cash Equivalents and Investments	<u>\$ 95,820,424</u>		<u>\$ 40,923,593</u>	<u>\$ -</u>
Reconciliation to Statement of Net Position				
Cash and cash equivalents	\$ 54,021,045			
Restricted cash	2,666,771			
Investments	<u>39,132,608</u>			
	<u>\$ 95,820,424</u>			

Investments: 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.

Investment Credit Risk: 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, 2023

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, 2023, 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, 2023, 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.

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

Concentration of Investment Credit Risk: Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. At June 30, 2023, the City's investments were not subject to concentration of credit risk as defined above.

Fair Value Measurements: 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.

As of June 30, 2023, 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.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
U.S. Treasury Obligations	\$ -	\$ 37,098,466	\$ -	\$ 37,098,466
Certificates of Deposit	-	2,034,142	-	2,034,142
	<u>\$ -</u>	<u>\$ 39,132,608</u>	<u>\$ -</u>	<u>\$ 39,132,608</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Custodial Credit Risk: Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name. Certificates of deposit are collateralized at 100% of the amount that is not federally insured. As of June 30, 2023, 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 \$56,866,743 at June 30, 2023. The difference between the carrying amount of deposits and the bank balance is due to outstanding checks and deposits. As of June 30, 2023, 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 \$9,720 of the discretely presented component unit were insured with Federal Deposit Insurance Corporation Insurance. Total carrying value of the deposits was \$9,720.

3.B--Accounts Receivable

Accounts receivable outstanding at June 30, 2023 consists of the following:

	Governmental Activities			Total
	General Fund	Other Government Funds	Internal Service Funds	
Taxes	\$ -	\$ 74,784	\$ -	\$ 74,784
Franchise fees	199,009	-	-	199,009
Municipal court fines	901,771	-	-	901,771
False alarm fines	55,590	-	-	55,590
Occupation tax	17,158	-	-	17,158
Utility billings	-	222,747	-	222,747
Emergency service billings	-	1,745,347	-	1,745,347
Misc. accounts receivable	2,452	-	783	3,235
Allowance for uncollectible accounts	<u>(846,881)</u>	<u>(580,682)</u>	<u>-</u>	<u>(1,427,563)</u>
Accounts receivables, net	<u>\$ 329,099</u>	<u>\$ 1,462,196</u>	<u>\$ 783</u>	<u>\$ 1,792,078</u>

	Business-Type Activities			Total
	Owasso Public Works Authority	Owasso Public Golf Authority	Internal Service Funds	
Utility billings	\$ 2,751,856	\$ -	\$ -	\$ 2,751,856
Misc. accounts receivable	2,864	38,446	277	41,587
Allowance for uncollectible accounts	<u>(745,502)</u>	<u>-</u>	<u>-</u>	<u>(745,502)</u>
Accounts receivable, net	<u>\$ 2,009,218</u>	<u>\$ 38,446</u>	<u>\$ 277</u>	<u>\$ 2,047,941</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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

The restricted assets as of June 30, 2023 were as follows:

<u>Restricted Cash and Cash Equivalents</u>	<u>Amount</u>
2009B Revenue Note Account: Debt Service Account	\$ 377,790
2009C Revenue Note Account: Debt Service Account	130,374
2011 Promissory Note Account: Debt Service Account	99,938
2013 RC Promissory Note Account: Debt Service Account	108,200
2016 Revenue Note Trustee Account: Debt Service Account	259,440
2018 Revenue Note Trustee Account: Debt Service Account	107,554
2019 Promissory Note Trustee Accounts: Debt Service Account	600,026
2020 Revenue Note Trustee Accounts: Debt Service Account	107,663
Deposits held for refund	<u>875,786</u>
TOTAL RESTRICTED ASSETS	<u>\$ 2,666,771</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

3.D--Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	June 30, 2022	Additions	Transfers	Reductions	June 30, 2023
Governmental activities:					
Non-depreciable:					
Land	\$ 14,748,272	\$ 2,445,800	\$ -	\$ (549,855)	\$ 16,644,217
Construction in progress	45,314,734	18,931,183	-	(19,998,335)	44,247,582
Total non-depreciable assets at historical cost	<u>60,063,006</u>	<u>21,376,983</u>	<u>-</u>	<u>(20,548,190)</u>	<u>60,891,799</u>
Depreciable:					
Buildings	28,157,644	100,871	-	-	28,258,515
Improvements	29,248,763	4,201,316	-	-	33,450,079
Machinery and equipment	19,133,610	1,082,455	(6,798)	(422,152)	19,787,115
Infrastructure	132,851,471	13,194,345	-	-	146,045,816
Total depreciable assets at historical cost	<u>209,391,488</u>	<u>18,578,987</u>	<u>(6,798)</u>	<u>(422,152)</u>	<u>227,541,525</u>
Less: accumulated depreciation:					
Buildings	(7,897,326)	(1,177,854)	-	-	(9,075,180)
Improvements	(10,915,560)	(1,519,990)	-	-	(12,435,550)
Machinery and equipment	(12,953,780)	(1,317,680)	6,798	420,449	(13,844,213)
Infrastructure	(67,626,074)	(4,634,215)	-	-	(72,260,289)
Total accumulated depreciation	<u>(99,392,740)</u>	<u>(8,649,739)</u>	<u>6,798</u>	<u>420,449</u>	<u>(107,615,232)</u>
Net depreciable assets	<u>109,998,748</u>	<u>9,929,248</u>	<u>-</u>	<u>(1,703)</u>	<u>119,926,293</u>
Amortized:					
Right-to-use leased machinery and equipment	190,204	731,515	-	-	921,719
Right-to-use subscription assets	-	788,841	-	-	788,841
Total amortized	<u>190,204</u>	<u>1,520,356</u>	<u>-</u>	<u>-</u>	<u>1,710,560</u>
Less: accumulated amortization:					
Right-to-use leased machinery and equipment	(45,567)	(228,445)	-	-	(274,012)
Right-to-use subscription assets	-	(250,724)	-	-	(250,724)
Total accumulated amortization	<u>(45,567)</u>	<u>(479,169)</u>	<u>-</u>	<u>-</u>	<u>(524,736)</u>
Net amortized assets	<u>144,637</u>	<u>1,041,187</u>	<u>-</u>	<u>-</u>	<u>1,185,824</u>
Governmental activities capital assets, net	<u>\$ 170,206,391</u>	<u>\$ 32,347,418</u>	<u>\$ -</u>	<u>\$ (20,549,893)</u>	<u>\$ 182,003,916</u>
Business-type activities:					
Non-depreciable:					
Land	\$ 322,619	\$ 224,231	\$ -	\$ -	\$ 546,850
Construction in progress	22,206,715	8,957,298	-	(6,592,100)	24,571,913
Total non-depreciable assets at historical cost	<u>22,529,334</u>	<u>9,181,529</u>	<u>-</u>	<u>(6,592,100)</u>	<u>25,118,763</u>
Depreciable:					
Buildings	2,811,746	55,500	-	-	2,867,246
Improvements	3,974,098	8,600	-	-	3,982,698
Machinery and equipment	7,006,936	299,032	6,798	-	7,312,766
Infrastructure	107,727,783	7,297,998	-	(68,420)	114,957,361
Total depreciable assets at historical cost	<u>121,520,563</u>	<u>7,661,130</u>	<u>6,798</u>	<u>(68,420)</u>	<u>129,120,071</u>
Less: accumulated depreciation:					
Buildings	(2,052,050)	(45,719)	-	-	(2,097,769)
Improvements	(2,613,809)	(119,833)	-	-	(2,733,642)
Machinery and equipment	(3,854,664)	(571,486)	(6,798)	-	(4,432,948)
Infrastructure	(50,566,515)	(2,833,195)	-	28,552	(53,371,158)
Total accumulated depreciation	<u>(59,087,038)</u>	<u>(3,570,233)</u>	<u>(6,798)</u>	<u>28,552</u>	<u>(62,635,517)</u>
Net depreciable assets	<u>62,433,525</u>	<u>4,090,897</u>	<u>-</u>	<u>(39,868)</u>	<u>66,484,554</u>
Amortized:					
Right-to-use leased machinery and equipment	-	306,807	-	-	306,807
Right-to-use subscription assets	-	86,505	-	-	86,505
Total amortized	<u>-</u>	<u>393,312</u>	<u>-</u>	<u>-</u>	<u>393,312</u>
Less: accumulated amortization:					
Right-to-use leased machinery and equipment	-	(76,702)	-	-	(76,702)
Right-to-use subscription assets	-	(26,120)	-	-	(26,120)
Total accumulated amortization	<u>-</u>	<u>(102,822)</u>	<u>-</u>	<u>-</u>	<u>(102,822)</u>
Net amortized assets	<u>-</u>	<u>290,490</u>	<u>-</u>	<u>-</u>	<u>290,490</u>
Business-type activities capital assets, net	<u>\$ 84,962,859</u>	<u>\$ 13,562,916</u>	<u>\$ -</u>	<u>\$ (6,631,968)</u>	<u>\$ 91,893,807</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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

Depreciation expense charged to governmental activities:

General government	\$ 556,695
Public safety	2,375,335
Community development	11,090
Culture and recreation	642,496
Public works	<u>5,036,359</u>
Sub-total	8,621,975

In addition, depreciation on capital assets held by the City's internal service funds is charged to the various functions based on their usage of the assets	<u>27,764</u>
Total Governmental Activities Depreciation Expense	<u>\$ 8,649,739</u>

Amortization expense charged to governmental activities:

General government	<u>\$ 479,169</u>
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Depreciation expense charged to business-type activities:

Water	\$ 1,074,700
Refuse	203,806
Wastewater	1,991,858
Recycle center	8,618
Golf course	<u>291,251</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 3,570,233</u>

Amortization expense charged to business-type activities:

Water	\$ 46,915
Refuse	13,674
Wastewater	27,030
Recycle center	10,900
Golf course	<u>4,303</u>
Total Business-Type Activities Amortization Expense	<u>\$ 102,822</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 \$152,633 as of June 30, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,588	\$ 2,901	\$ 62,489
2025	46,154	713	46,867
Total	<u>\$ 105,742</u>	<u>\$ 3,614</u>	<u>\$ 109,356</u>

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 \$257,775 as of June 30, 2023.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 33,061	\$ 12,429	\$ 45,490
2025	34,437	11,053	45,490
2026	251,696	8,873	260,569
Total	<u>\$ 319,194</u>	<u>\$ 32,355</u>	<u>\$ 351,549</u>

In January 2023, OPGA entered into two additional lease-purchase agreements with Yamaha Motor Finance Corporation for equipment to be used at the Bailey Ranch Golf Course. The leases were recorded as financed purchases with the addition of machinery in the amount of \$59,742, interest rates of 4.20% and terms of 48 months. Payments for principal and interest are due monthly. The net book value of the assets acquired under this agreement is \$53,519 as of June 30, 2023.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,342	\$ 2,030	\$ 12,372
2025	10,770	1,603	12,373
2026	11,215	1,157	12,372
2027	22,398	406	22,804
Total	<u>\$ 54,725</u>	<u>\$ 5,196</u>	<u>\$ 59,921</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

3.E--Leases

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

<u>Governmental Activities - Lease Obligations Payable</u>	<u>2023</u>
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, 2023 is \$9,935 with accumulated amortization of \$5,856.	\$ 4,081
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, 2023 is \$21,781 with accumulated amortization of \$9,279.	12,903
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, 2023 is \$130,066 with accumulated amortization of \$65,033.	95,487
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, 2023 is \$21,174 with accumulated amortization of \$8,066.	14,241
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, 2023 is \$7,250 with accumulated amortization of \$2,900.	5,329
In fiscal year 2023, the City entered into twenty-four 48-month leases as a lessee for the use of vehicles. Initial lease liabilities were recorded in the amount of \$731,515. The City is required to make monthly fixed payments ranging from \$377 - \$1,042. The leases have interest rates ranging from 3.22% - 6.68%. The value of the right-to-use assets as of June 30, 2023 is \$731,513 with accumulated amortization of \$182,878.	<u>673,468</u>
TOTAL LEASE OBLIGATIONS PAYABLE	<u>\$ 805,509</u>

<u>Business-Type Activities - Lease Obligations Payable</u>	<u>2023</u>
In fiscal year 2023, the City entered into nine 48-month leases as a lessee for the use of vehicles. Initial lease liabilities were recorded in the amount of \$306,807. The City is required to make monthly fixed payments ranging from \$602 - \$974. The leases have interest rates ranging from 3.22% - 6.68%. The value of the right-to-use assets as of June 30, 2023 is \$306,807 with accumulated amortization of \$76,702.	<u>\$ 288,874</u>

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 216,205	\$ 36,186	\$ 252,391
2025	226,648	25,051	251,699
2026	229,414	13,362	242,776
2027	133,242	3,132	136,374
Total	<u>\$ 805,509</u>	<u>\$ 77,731</u>	<u>\$ 883,240</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 71,536	\$ 13,824	\$ 85,360
2025	75,430	9,930	85,360
2026	79,549	5,811	85,360
2027	62,359	1,554	63,913
Total	<u>\$ 288,874</u>	<u>\$ 31,119</u>	<u>\$ 319,993</u>

3.F--Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into SBITAs as summarized below:

Governmental Activities - SBITA Obligations Payable

2023

On October 1, 2022, the City entered into a 36 month subscription for the use of iWorQ Work Order Management Software. An initial subscription liability was recorded in the amount of \$70,352. As of June 30, 2023, the value of the subscription liability is \$53,585. The City is required to make annual fixed payments of \$25,000. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$70,352 with accumulated amortization of \$23,451. \$ 53,585

On September 1, 2022, the City entered into a 36 month subscription for the use of Motorola Advance Plus Services Software. An initial subscription liability was recorded in the amount of \$80,874. As of June 30, 2023, the value of the subscription liability is \$59,419. The City is required to make annual fixed payments of \$28,739. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$80,874 with accumulated amortization of \$26,958. 59,419

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

<p>On October 20, 2020, the City entered into a 60 month subscription for the use of Axon Body Camera Software. An initial subscription liability was recorded in the amount of \$248,867. As of June 30, 2023, the value of the subscription liability is \$175,442. The City is required to make annual fixed payments of \$81,375. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$248,867 with accumulated amortization of \$74,206.</p>	<p>\$ 175,442</p>
<p>On September 1, 2022, the City entered into a 36 month subscription for the use of Tyler Technology Incode Software. An initial subscription liability was recorded in the amount of \$131,800. As of June 30, 2023, the value of the subscription liability is \$96,836. The City is required to make annual fixed payments of \$46,836. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$131,800 with accumulated amortization of \$43,933.</p>	<p>96,836</p>
<p>On June 1, 2013, the City entered into a 144 month subscription for the use of AV Capture All Software. An initial subscription liability was recorded in the amount of \$8,458. As of June 30, 2023, the value of the subscription liability is \$5,621. The City is required to make annual fixed payments of \$3,000. The subscription has an interest rate of 2.28%. The value of the right to use asset as of June 30, 2023 is \$8,458 with accumulated amortization of \$2,622.</p>	<p>5,621</p>
<p>On October 1, 2018, the City entered into a 84 month subscription for the use of AutoCAD Software. An initial subscription liability was recorded in the amount of \$20,851. As of June 30, 2023, the value of the subscription liability is \$14,735. The City is required to make annual fixed payments of \$6,875. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$20,851 with accumulated amortization of \$5,947.</p>	<p>14,735</p>
<p>On December 1, 2019, the City entered into a 72 month subscription for the use of Enablepoint Software. An initial subscription liability was recorded in the amount of \$17,309. As of June 30, 2023, the value of the subscription liability is \$12,467. The City is required to make annual fixed payments of \$5,400. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$17,309 with accumulated amortization of \$4,837.</p>	<p>12,467</p>
<p>On June 1, 2022, the City entered into a 36 month subscription for the use of CivicRec Software. An initial subscription liability was recorded in the amount of \$24,460. As of June 30, 2023, the value of the subscription liability is \$16,408. The City is required to make annual fixed payments of \$8,925. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$24,460 with accumulated amortization of \$8,372.</p>	<p>16,408</p>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

On October 1, 2019, the City entered into a 72 month subscription for the use of CivicHR Software. An initial subscription liability was recorded in the amount of \$11,516. As of June 30, 2023, the value of the subscription liability is \$8,023. The City is required to make annual fixed payments of \$3,859. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$11,516 with accumulated amortization of \$3,457. \$ 8,023

On May 1, 2021, the City entered into a 48 month subscription for the use of ESO Reporting Software. An initial subscription liability was recorded in the amount of \$60,851. As of June 30, 2023, the value of the subscription liability is \$40,096. The City is required to make annual fixed payments of \$22,652. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$60,852 with accumulated amortization of \$21,030. 40,096

On July 1, 2022, the City entered into a 36 month subscription for the use of Trello Project Management Software. An initial subscription liability was recorded in the amount of \$2,364. As of June 30, 2023, the value of the subscription liability is \$1,609. The City is required to make annual fixed payments of \$840. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$2,364 with accumulated amortization of \$788. 1,609

On September 1, 2021, the City entered into a 48 month subscription for the use of Motorola Astro Software. An initial subscription liability was recorded in the amount of \$94,185. As of June 30, 2023, the value of the subscription liability is \$65,782. The City is required to make annual fixed payments of \$31,816. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$94,184 with accumulated amortization of \$29,240. 65,782

On February 1, 2017, the City entered into a 108 month subscription for the use of ManagerPlus Solutions Software. An initial subscription liability was recorded in the amount of \$16,954. As of June 30, 2023, the value of the subscription liability is \$10,608. The City is required to make annual fixed payments of \$6,937. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$16,954 with accumulated amortization of \$5,883. This subscription is in an internal service fund. The subscription asset is recorded in governmental activities, and the subscription liability is allocated between government-wide and business-type activities. 7,832

\$ 557,855

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Business-Type Activities - SBITA Obligations Payable

2023

On November 1, 2021, the City entered into a 60 month subscription for the use of Neptune 360 Data Software. An initial subscription liability was recorded in the amount of \$73,601. As of June 30, 2023, the value of the subscription liability is \$52,462. The City is required to make annual fixed payments of \$23,500. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$73,602 with accumulated amortization of \$21,817.

\$ 52,462

On December 1, 2022, the City entered into a 48 month subscription for the use of Cybergolf Software. An initial subscription liability was recorded in the amount of \$9,484. As of June 30, 2023, the value of the subscription liability is \$8,198. The City is required to make annual fixed payments of \$2,580. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$9,484 with accumulated amortization of \$2,371.

8,198

On January 1, 2020, the City entered into a 48 month subscription for the use of SmartShop Software. An initial subscription liability was recorded in the amount of \$2,623. As of June 30, 2023, the value of the subscription liability is \$890. The City is required to make annual fixed payments of \$1,800. The subscription has an interest rate of 3.69%. The value of the right to use asset as of June 30, 2023 is \$2,623 with accumulated amortization of \$1,671.

890

On July 1, 2021, the City entered into a 144 month subscription for the use of SPARKS Web Software. An initial subscription liability was recorded in the amount of \$796. As of June 30, 2023, the value of the subscription liability is \$513. The City is required to make annual fixed payments of \$299. The subscription has an interest rate of 2.28%. The value of the right to use asset as of June 30, 2023 is \$796 with accumulated amortization of \$261.

513

On February 1, 2017, the City entered into a 108 month subscription for the use of ManagerPlus Solutions Software. An initial subscription liability was recorded in the amount of \$16,954. As of June 30, 2023, the value of the subscription liability is \$10,608. The City is required to make annual fixed payments of \$6,937. The subscription has an interest rate of 4.2%. The value of the right to use asset as of June 30, 2023 is \$11,071 with accumulated amortization of \$5,883. This subscription is in an internal service fund. The subscription asset is recorded in governmental activities, and the subscription liability is allocated between government-wide and business-type activities.

2,776

\$ 64,839

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 252,881	\$ 17,506	\$ 270,387
2025	256,166	7,370	263,536
2026	48,808	297	49,105
Total	\$ 557,855	\$ 25,173	\$ 583,028

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 27,125	\$ 1,969	\$ 29,094
2025	26,399	965	27,364
2026	10,252	161	10,413
2027	1,063	11	1,074
Total	\$ 64,839	\$ 3,106	\$ 67,945

3.G--Long-Term Debt

Business-Type Activities Long-Term Debt: As of June 30, 2023, the long-term debt payable from enterprise fund resources consisted of the following:

Notes Payable:

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 administration fee; final maturity September 15, 2031	\$ 5,043,467
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 administration fee; final maturity March 15, 2031	1,997,454
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 administration fee; final maturity September 15, 2032	1,440,463
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	877,648
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	<u>23,365,000</u>
Total Notes Payable	<u>\$ 32,724,032</u>
Current portion	\$ 1,634,732
Non-current portion	<u>31,089,300</u>
Net notes payable	<u>\$ 32,724,032</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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	\$ 9,465,000
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	5,665,000
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	<u>9,279,000</u>
Total Revenue Notes Payable	<u>\$ 24,409,000</u>
Current portion	\$ 4,581,000
Noncurrent portion	<u>19,828,000</u>
Net revenue notes payable	<u>\$ 24,409,000</u>

Changes in Long-Term Debt: The following is a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due within one year
Governmental Activities:					
SBITAs - direct obligation	\$ -	\$ 784,405	\$ (226,550)	\$ 557,855	\$ 252,881
Leases - direct obligation	174,924	731,515	(100,930)	805,509	216,205
Total OPEB liability	1,500,443	190,001	(156,663)	1,533,781	-
Net pension liability	10,069,982	23,662,359	(11,700,425)	22,031,916	-
Risk management claims liability	679,053	4,392,513	(4,403,060)	668,506	486,100
Accrued compensated absences	<u>2,458,883</u>	<u>2,090,399</u>	<u>(1,880,796)</u>	<u>2,668,486</u>	<u>1,254,189</u>
Total Governmental Activities	<u>\$ 14,883,285</u>	<u>\$ 31,851,192</u>	<u>\$ (18,468,424)</u>	<u>\$ 28,266,053</u>	<u>\$ 2,209,375</u>
Business-Type Activities:					
Financed purchases - direct obligation	\$ 514,107	\$ 59,742	\$ (94,188)	\$ 479,661	\$ 102,991
Deposits subject to refund	839,026	208,589	(171,829)	875,786	192,673
Notes payable	34,335,688	-	(1,611,656)	32,724,032	1,634,732
Plus premium on notes payable	2,690,292	-	(98,726)	2,591,566	98,726
Revenue notes payable	28,891,000	-	(4,482,000)	24,409,000	4,581,000
SBITAs - direct obligation	-	90,941	(26,102)	64,839	27,125
Leases - direct obligation	-	306,807	(17,933)	288,874	71,536
Total OPEB liability	328,020	50,182	(41,377)	336,825	-
Net pension liability	-	1,893,348	(1,097,831)	795,517	-
Risk management claims liability	177,147	1,603,422	(1,543,675)	236,894	172,256
Accrued compensated absences	<u>191,359</u>	<u>209,763</u>	<u>(202,197)</u>	<u>198,925</u>	<u>93,495</u>
Total Business-Type Activities	<u>\$ 67,966,639</u>	<u>\$ 4,422,794</u>	<u>\$ (9,387,514)</u>	<u>\$ 63,001,919</u>	<u>\$ 6,974,534</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

For the governmental activities, SBITAs, 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.

Debt Service Requirements to Maturity - Primary Government: The annual debt service requirements to maturity for long-term debt as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	Business-Type Activities			
	<u>Revenue Note Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	2,554,000	144,715	1,553,822	1,014,229
2029-2033	4,330,000	211,872	6,966,789	4,199,184
2034-2038	-	-	3,995,000	3,198,533
2039-2043	-	-	4,910,000	2,268,208
2044-2048	-	-	5,990,000	1,175,702
2049-2050	-	-	2,745,000	111,563
	<u>\$ 24,409,000</u>	<u>\$ 1,815,688</u>	<u>\$ 32,724,032</u>	<u>\$ 16,589,663</u>

Pledged Revenues: The City has pledged proceeds from a 2% sales tax, along with revenues from water, wastewater, sanitation, and golf, to repay the 2009B, 2009C, 2011, 2013, and 2019C SRF OWRB notes payable. The notes are payable through 2050 and were used to finance various OPWA projects. The total principal and interest payable for the remainder of the term of the notes is \$49,313,695. Pledged revenue received in the current year totaled \$41,071,822. Debt service payments of \$2,886,119 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 \$26,224,688. Pledged revenue received in the current year totaled \$11,224,857. Debt service payments of \$5,088,673 for the current year were 45% of pledged revenue.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

3.H--Interfund Balances and Activities

Due to/from balances at June 30, 2023 consist of sales tax per debt indentures, capital improvements, TIF revenues to OPWA, and for debt service. Interfund receivables and payables at June 30, 2023 consist of the following:

Due To	Due From			
	Total	General Fund	Nonmajor Gov't'l. Funds	OPWA
Governmental Funds:				
Major Funds				
Capital Improvement Fund	\$ 807,284	\$ -	\$ -	\$ 807,284
Enterprise Funds:				
Major Funds				
OPWA	1,517,149	1,430,176	86,973	-
Total Primary Government	<u>\$ 2,324,433</u>	<u>\$ 1,430,176</u>	<u>\$ 86,973</u>	<u>\$ 807,284</u>

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, 2023 consist of the following:

Transfer To	Transfer From			
	Total	General Fund	Nonmajor Gov't'l Funds	OPWA
Governmental Funds:				
Major Funds				
General Fund	\$ 22,367,645	\$ -	\$ -	\$ 22,367,645
Half-Penny Sales Tax Fund	1,134,515	1,134,515	-	-
Capital Improvement Fund	9,549,044	-	-	9,549,044
Nonmajor Gov't'l Funds	1,259,084	1,259,084	-	-
Total Government Funds	<u>34,310,288</u>	<u>2,393,599</u>	<u>-</u>	<u>31,916,689</u>
Enterprise Funds:				
Major Funds				
OPWA	34,290,050	33,753,743	536,307	-
OPGA	1,040,000	1,040,000	-	-
Total Enterprise Funds	<u>35,330,050</u>	<u>34,793,743</u>	<u>536,307</u>	<u>-</u>
Total Primary Government	<u>\$ 69,640,338</u>	<u>\$ 37,187,342</u>	<u>\$ 536,307</u>	<u>\$ 31,916,689</u>

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 System	Cost-Sharing Multiple Employers' Public Employee Retirement System – Defined Benefit Plan
Oklahoma Police Pension and Retirement System	Cost-Sharing Multiple Employers' Public 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

	Deferred Outflows	Deferred Inflows	Net Pension Asset (Liability)	Pension Expense
Firefighters Pension System	\$ 6,837,463	\$ (292,292)	\$ (20,287,616)	\$ 3,324,491
Police Pension System	2,138,084	(129,260)	1,001,578	242,598
Oklahoma Municipal Retirement Fund Plan	3,257,199	(639,940)	(2,539,817)	1,004,265
Totals	<u>\$ 12,232,746</u>	<u>\$ (1,061,492)</u>	<u>\$ (21,825,855)</u>	<u>\$ 4,571,354</u>
Reconciliation to government-wide financial statements:				
Governmental	\$ 11,232,618	\$ (877,017)	\$ (21,030,338)	\$ 4,267,670
Business-type	1,000,128	(184,475)	(795,517)	303,684
Total deferred outflows of resources	<u>\$ 12,232,746</u>	<u>\$ (1,061,492)</u>	<u>\$ (21,825,855)</u>	<u>\$ 4,571,354</u>

Oklahoma Firefighters Pension & Retirement System (OFPRS)

Plan Description - 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 www.ok.gov/fprs.

Benefits Provided - 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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 60-month salary as opposed to 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 and is \$7.53 per year 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.

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.

OFPRS Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. FY 2023 contributions to the pension plan from the City were \$746,950 and are reflected as deferred outflows of resources. The State of Oklahoma also made on-behalf contributions to OFPRS in the amount of \$1,589,241, 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 Pensions - At June 30, 2023, the City reported a liability of \$20,287,616 for its proportionate share of the OFPRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 1.5513563% (up from 1.529076% in FY 2022).

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023, the City recognized a pension expense of \$3,324,491. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,604,384	\$ (102,417)
Net difference between projected and actual earnings on pension plan investments	2,357,639	-
Changes in proportion	1,128,490	(60,525)
Change in assumptions	-	(129,350)
City contributions subsequent to the measurement date	746,950	-
Total	<u>\$ 6,837,463</u>	<u>\$ (292,292)</u>

The \$746,950 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	Amortization Expense
2024	\$ 1,763,184
2025	1,435,765
2026	425,697
2027	<u>2,173,575</u>
Total	<u>\$ 5,798,221</u>

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

Inflation:	2.75%
Salary increases:	2.75% to 10.50%
Investment rate of return:	7.5% net of pension plan investment expenses

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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, 2022 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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.62%
Domestic equity	42%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	13%	5.08%

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - 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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	\$ 26,142,164	\$ 20,287,616	\$ 15,390,581

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

Oklahoma Police Pension and Retirement System (OPPRS)

Plan Description - 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 opprs.ok.gov.

Benefits Provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.

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

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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.

OPPRS Contributions - 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 2023 contributions to the pension plan from the City were \$634,591 and are reflected as deferred outflows of resources. The State of Oklahoma also made on-behalf contributions to OPRRS in the amount of \$497,692 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, 2023, the City reported an asset of \$1,001,578 for its proportionate share of the OPRRS net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 1.248975% (up from 1.2427% in FY 2022).

For the year ended June 30, 2023, the City recognized a pension expense of \$242,598. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 491,287	\$ (109,098)
Net difference between projected and actual earnings on pension plan investments	977,336	-
Changes in proportion	-	(20,162)
Changes in assumptions	34,870	-
City contributions subsequent to the measurement date	634,591	-
Total	<u>\$ 2,138,084</u>	<u>\$ (129,260)</u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

The \$634,591 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amortization Expense</u>
2024	\$ 308,387
2025	76,549
2026	(271,339)
2027	1,198,766
2028	61,870
Total	<u>\$ 1,374,233</u>

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2017.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.34%
Domestic equity	30%	4.69%
International equity	20%	8.34%
Real estate	15%	7.64%
Private equity	15%	9.66%

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - 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 one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's net pension asset	\$ 2,901,868	\$ 1,001,578	\$ 4,300,945

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPFRS; which can be located at opprs.ok.gov.

Oklahoma Municipal Retirement Fund Defined Benefit Plan

Plan Description - 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.

Summary of Significant Accounting Policies - For purposes of measuring the net pension liability, 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

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	<ul style="list-style-type: none"> - Normal retirement at age 62 with 30 years of service or age 65 with 5 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

Employees Covered by Benefit Terms -

Active Participants	157
Retired Participants in Payment Status	42
Survivors in Payment Status	6
Disabled Participants	3
Deferred Vested Former Employees	27
Total	235

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Contribution Requirements - 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. Title 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 8.86% of covered payroll. Employees are required to contribute 4.26% of their annual pay. FY 2023 contributions to the pension plan from the City were \$879,857.

Actuarial Assumptions -

Date of Last Actuarial Valuation	July 1, 2022
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

Discount Rate – 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, 2023

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, 2022 are summarized in the following table:

	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted Return</u>
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	<u>5%</u>	4.60%	0.23%
	100%		
		Average Real Return	4.75%
		Inflation	<u>2.75%</u>
		Long-term expected return	<u><u>7.50%</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Changes in Net Pension (Asset) Liability - The total pension liability was determined based on an actuarial valuation performed as of July 1, 2022, which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. The following table reports the components of changes in net pension (asset) liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance at June 30, 2022	\$ 24,434,179	\$ 25,994,873	\$ (1,560,694)
Changes for the year:			
Service cost	959,447	-	959,447
Interest cost	1,805,980	-	1,805,980
Differences between expected and actual experience	(625,160)	-	(625,160)
Assumption changes	(159,140)	-	(159,140)
Contributions - employer	-	854,254	(854,254)
Contributions - employee	-	384,288	(384,288)
Net investment income	-	(3,312,696)	3,312,696
Benefit payments, including refunds	(721,942)	(721,942)	-
Administrative expense	-	(45,230)	45,230
Net changes	1,259,185	(2,841,326)	4,100,511
Balance at June 30, 2023	\$ 25,693,364	\$ 23,153,547	\$ 2,539,817

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - 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 (asset) liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension (asset) liability	\$ 6,171,836	\$ 2,539,817	\$ (449,038)

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions - At June 30, 2023, the City reported a net pension liability of \$2,539,817 for the OkMRF pension. The net pension liability was measured as of July 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. For the year ended June 30, 2023, the City recognized pension expense of \$1,004,265. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 220,948	\$ (511,345)
Change of assumptions	115,403	(128,595)
Net difference between projected and actual earnings on pension plan investments	2,040,991	-
City contributions subsequent to the measurement date	<u>879,857</u>	<u>-</u>
Total	<u>\$ 3,257,199</u>	<u>\$ (639,940)</u>

The \$879,857 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, 2024. Other amounts reported deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amortization Expense</u>
2024	\$ 392,798
2025	340,638
2026	126,988
2027	908,599
2028	<u>(31,621)</u>
Total	<u>\$ 1,737,402</u>

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

Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF)

Plan Description - 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.

OMRF Contributions - 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, 2023, the following amounts related to the defined contribution plan:

Employee contributions	\$255,111
City contributions	\$127,555

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

Plan Description - 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.

Benefits Provided: Health, Dental, and Vision Benefits - 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Employees covered by benefit terms: At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	6
Active employees not yet receiving benefits	<u>274</u>
Total	<u><u>280</u></u>

Total OPEB Liability - The City of Owasso total OPEB liability of \$1,870,606 was measured as of June 30, 2023 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.

Actuarial Methods and Assumptions - The total OPEB liability in the June 30, 2023 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 - Based on S&P Municipal Bond 20 Year High Grade Rate Index	4.13%
d. Healthcare Cost Trend Rate	4.50%
e. Retirees' Share of Benefit-Related Costs	51.59%
f. Mortality Rates - RPH-2014 Total Table with Projection MP-2021	

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the twelve-month period ending June 30, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

Changes in the Total OPEB Liability -

	Total OPEB Liability
Balance as of July 1, 2022	\$ 1,828,463
Changes for the year:	
Service cost	151,646
Interest	68,550
Differences between expected and actual experience	19,987
Changes in assumptions or other inputs	(110,716)
Benefit payments	(87,324)
Net changes	<u>42,143</u>
Balance as of June 30, 2023	<u><u>\$ 1,870,606</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - 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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	\$ 2,062,554	\$ 1,870,606	\$ 1,698,675

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - 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 one percentage point lower or one percentage point higher than the current trend rate:

	1% Decrease 3.50%	Health Care Cost Trend Rate 4.50%	1% Increase 5.50%
Total OPEB Liability	\$ 1,642,982	\$ 1,870,606	\$ 2,141,623

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023 the City of Owasso recognized OPEB expense of \$135,206. At June 30, 2023, the City of Owasso had the following deferred outflows and deferred inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 17,788	\$ (337,621)
Changes in assumptions/inputs	97,079	(307,069)
Total	<u>\$ 114,867</u>	<u>\$ (644,690)</u>

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

<u>Year Ending June 30,</u>	<u>Amortization Expense</u>
2024	\$ (84,990)
2025	(84,990)
2026	(84,990)
2027	(84,990)
2028	(63,099)
Thereafter	(126,764)
Total	<u>\$ (529,823)</u>

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 (vehicles with purchase price > \$ 125,000 are fully insured)	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.

Claims Liability Analysis: The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

For the risk management internal service self-insurance funds, changes in the claims liability for the City from July 1, 2021 to June 30, 2023 are as follows:

	Workers' Compensations	Healthcare	General Liability / Property	Total Internal Service
Claims liability and related payables, July 1, 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	<u>(101,644)</u>	<u>(5,324,086)</u>	<u>(81,393)</u>	<u>(5,507,123)</u>
Claims liability and related payables, June 30, 2022	453,000	403,200	-	856,200
Claims incurred and changes in estimates	20,566	5,874,233	54,262	5,949,061
Claims paid	<u>(52,566)</u>	<u>(5,793,033)</u>	<u>(54,262)</u>	<u>(5,899,861)</u>
Claims liability and related payables, June 30, 2023	<u>\$ 421,000</u>	<u>\$ 484,400</u>	<u>\$ -</u>	<u>\$ 905,400</u>

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

Commitments: 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, 2023, the contract amount related to OPWA payback agreements totaled \$882,505. 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.

NOTES TO BASIC FINANCIAL STATEMENTS – Continued

CITY OF OWASSO, OKLAHOMA

YEAR ENDED JUNE 30, 2023

The City has various construction contracts at year-end. A substantial amount of these commitments are for infrastructure. At June 30, 2023, the City had some significant outstanding commitments on contracts in excess of \$1,000,000. The total contract amounts were approximately \$39.6 million, and the remaining balance on those contracts totaled approximately \$26.4 million, as of June 30, 2023. A breakdown of the outstanding encumbrances follows:

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 2,405,684
Half-Penny Sales Tax	775,908
Vision Recapture Tax	17,605,957
Capital Improvement	1,088,940
Nonmajor Governmental	1,394,953
OPWA	3,079,861
OPGA	6,000
Total Encumbrances	<u>\$ 26,357,303</u>

Contingencies:

Grant Program Involvement: 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 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.

Debt: 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, 2023, the City had not drawn down any of the funds.

NOTE 5--FUTURE ACCOUNTING PRONOUNCEMENTS

The GASB has issued 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. 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

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**

CITY OF OWASSO, OKLAHOMA

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	2023
Total OPEB liability:						
Service cost	\$ 118,303	\$ 122,893	\$ 140,710	\$ 175,547	\$ 199,061	\$ 151,646
Interest cost	72,235	72,774	65,702	47,018	46,808	68,550
Differences between expected and actual experience	-	(279,153)	(80,039)	(154,841)	(79,296)	19,987
Changes of assumption or other inputs	-	12,869	149,091	12,530	(267,193)	(110,716)
Benefit payments	(48,875)	(67,805)	(69,258)	(50,721)	(77,761)	(87,324)
Net change in total OPEB liability	141,663	(138,422)	206,206	29,533	(178,381)	42,143
Total OPEB liability - beginning	1,767,864	1,909,527	1,771,105	1,977,311	2,006,844	1,828,463
Total OPEB liability - ending	<u>\$ 1,909,527</u>	<u>\$ 1,771,105</u>	<u>\$ 1,977,311</u>	<u>\$ 2,006,844</u>	<u>\$ 1,828,463</u>	<u>\$ 1,870,606</u>
Covered-employee payroll	\$ 14,835,673	\$ 15,652,240	\$ 16,553,403	\$ 17,921,347	\$ 18,541,430	\$ 20,728,820
Total OPEB liability as a percentage of covered-employee payroll	12.87%	11.32%	11.95%	11.20%	9.86%	9.02%

Notes to Schedule:

Information for all 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.

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability:									
Service cost	\$ 732,538	\$ 782,979	\$ 809,432	\$ 834,995	\$ 837,281	\$ 910,445	\$ 938,128	\$ 1,027,562	\$ 1,033,550
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	4,760,823
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	639,081
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)	(4,785,857)
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	931,175
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	2,578,772
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	63,905,849
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	\$ 66,484,621
Plan fiduciary net position:									
Contributions - employer	\$ 465,751	\$ 489,432	\$ 521,148	\$ 540,373	\$ 539,357	\$ 595,016	\$ 650,206	\$ 695,422	\$ 718,892
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	1,589,241
Contributions - employee	274,871	311,058	326,468	342,697	337,907	375,854	413,866	437,842	452,739
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	(6,356,981)
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)	(4,785,857)
Administrative expense	(24,401)	(25,963)	(26,540)	(32,425)	(27,181)	(30,165)	(31,203)	(33,553)	(35,028)
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	774,347
Other	(15,837)	7,991	186	-	(613)	1,175	(349)	(2,732)	3,785
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	(7,638,862)
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	53,835,867
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	\$ 46,197,005
Plan's net pension 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	\$ 20,287,616

Notes to Schedule:

Information for all prior years is unavailable

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

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	2023
City's proportion of the net pension liability	1.246158%	1.279517%	1.330786%	1.357954%	1.295327%	1.374368%	1.446865%	1.529076%	1.551356%
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	\$ 20,287,616
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	\$ 5,119,128
City's proportionate share of the net pension liability as a percentage of its covered payroll	389%	403%	447%	454%	368%	327%	368%	200%	396%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%

Notes to Schedule:

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

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorily required contribution	\$ 471,216	\$ 509,508	\$ 526,923	\$ 554,574	\$ 622,143	\$ 678,115	\$ 705,058	\$ 719,217	\$ 743,132
Contributions in relation to the statutorily required contribution	<u>471,216</u>	<u>509,508</u>	<u>526,923</u>	<u>554,574</u>	<u>622,143</u>	<u>678,115</u>	<u>705,058</u>	<u>719,217</u>	<u>743,132</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 5,308,089
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.05%	14.00%

Notes to Schedule:

Information for all prior years is unavailable

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2023

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:	
Long-term rate of return	7.5% per year
Salary increases	2.75% to 10.50%
Inflation rate	2.75% per year
Retirement age	Normal retirement age is 50, or the date at which the participant would achieve 22 years of service, if later
Mortality	Pub-2010 Public Safety Table with generational mortality improvement using MP-2018

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability:									
Service cost	\$ 476,284	\$ 578,125	\$ 616,955	\$ 706,987	\$ 710,070	\$ 732,276	\$ 801,056	\$ 879,132	\$ 885,523
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	2,541,689
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	518,025
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)	(2,464,802)
Change in apportionment	-	3,550,598	(178,081)	1,661,373	174,801	37,662	1,134,903	1,882,863	176,001
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	1,656,436
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	34,923,230
Total pension liability - ending (a)	<u>\$ 19,797,788</u>	<u>\$ 24,029,060</u>	<u>\$ 24,752,237</u>	<u>\$ 26,954,912</u>	<u>\$ 28,402,480</u>	<u>\$ 29,532,864</u>	<u>\$ 32,119,679</u>	<u>\$ 34,923,230</u>	<u>\$ 36,579,666</u>
Plan fiduciary net position:									
Contributions - employer	\$ 326,569	\$ 389,133	\$ 402,984	\$ 434,836	\$ 453,108	\$ 476,532	\$ 511,106	\$ 559,053	\$ 581,586
Contributions - non-employer	281,316	375,832	377,514	384,547	440,610	447,197	473,022	352,533	497,692
Contributions - employee	198,723	242,157	250,033	268,262	279,384	295,874	320,592	347,288	363,402
Net investment income	2,648,002	789,513	(221,831)	2,719,133	2,319,321	1,185,645	655,129	9,570,511	(2,454,910)
Benefit payments, including refunds of employee contributions	(1,070,714)	(1,500,502)	(1,457,133)	(1,616,259)	(1,575,608)	(1,757,701)	(1,915,719)	(2,488,183)	(2,464,802)
Administrative expense	(16,720)	(20,640)	(19,246)	(19,057)	(19,429)	(21,151)	(23,384)	(24,606)	(26,978)
Change in proportionate share of plan	-	3,604,818	(177,762)	1,553,326	174,241	38,377	1,137,677	1,803,833	206,044
Other	(7,375)	5,455	2,050	1,354	-	-	8,061	(7,227)	(5,508)
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	(3,303,474)
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	40,884,718
Plan fiduciary net position - ending (b)	<u>\$ 20,100,115</u>	<u>\$ 23,985,881</u>	<u>\$ 23,142,490</u>	<u>\$ 26,868,632</u>	<u>\$ 28,940,259</u>	<u>\$ 29,605,032</u>	<u>\$ 30,771,516</u>	<u>\$ 40,884,718</u>	<u>\$ 37,581,244</u>
Plan's net pension (asset) liability - ending (a) - (b)	<u>\$ (302,327)</u>	<u>\$ 43,179</u>	<u>\$ 1,609,747</u>	<u>\$ 86,280</u>	<u>\$ (537,779)</u>	<u>\$ (72,168)</u>	<u>\$ 1,348,163</u>	<u>\$ (5,961,488)</u>	<u>\$ (1,001,578)</u>

Notes to Schedule:

Information for all prior years is unavailable

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

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

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	1.2490%
City's proportionate share of the net pension liability (asset)	\$ (302,327)	\$ 43,179	\$ 1,609,747	\$ 86,280	\$ (537,779)	\$ (72,168)	\$ 1,348,163	\$ (5,961,488)	\$ (1,001,578)
City's covered payroll	\$ 2,419,274	\$ 2,694,629	\$ 3,039,381	\$ 3,420,202	\$ 3,450,171	\$ 3,676,122	\$ 3,932,727	\$ 4,298,661	\$ 4,475,964
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(12.50%)	1.60%	52.96%	2.52%	(15.59%)	(1.96%)	34.28%	(138.68%)	(22.38%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

Notes to Schedule:

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

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Statutorily required contribution	\$ 350,280	\$ 395,119	\$ 444,625	\$ 448,521	\$ 477,895	\$ 511,254	\$ 558,825	\$ 581,877	\$ 631,116
Contributions in relation to the statutorily required contribution	<u>350,280</u>	<u>395,119</u>	<u>444,625</u>	<u>448,521</u>	<u>477,895</u>	<u>511,254</u>	<u>558,825</u>	<u>581,877</u>	<u>631,116</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 4,854,735
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

Information for all prior years is unavailable

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

For the fiscal year ended June 30, 2023

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 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

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

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	2023
Total pension liability:									
Service cost	\$ 534,626	\$ 605,712	\$ 646,982	\$ 689,531	\$ 782,936	\$ 809,757	\$ 841,741	\$ 903,089	\$ 959,447
Interest cost	872,238	906,999	997,554	1,101,384	1,232,116	1,344,588	1,501,016	1,662,055	1,805,980
Differences between expected and actual experience	-	45,301	67,568	345,800	(45,777)	32,299	419,861	40,430	(625,160)
Benefit Payments, including refunds	(449,007)	(397,469)	(381,350)	(363,033)	(468,902)	(470,431)	(579,704)	(652,474)	(721,942)
Other	2	-	-	-	-	-	-	-	-
Assumption changes	-	-	-	495,217	-	423,147	-	-	(159,140)
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	1,259,185
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	24,434,179
Total pension liability - ending (a)	<u>\$ 11,898,236</u>	<u>\$ 13,058,779</u>	<u>\$ 14,389,533</u>	<u>\$ 16,658,432</u>	<u>\$ 18,158,805</u>	<u>\$ 20,298,165</u>	<u>\$ 22,481,079</u>	<u>\$ 24,434,179</u>	<u>\$ 25,693,364</u>
Plan fiduciary net position:									
Contributions - employer	\$ 403,770	\$ 428,631	\$ 450,846	\$ 495,503	\$ 543,455	\$ 649,774	\$ 687,855	\$ 759,669	\$ 854,254
Contributions - employee	235,624	255,463	270,890	296,884	316,274	322,615	345,957	363,208	384,288
Net investment income	1,741,201	353,284	126,963	1,695,510	1,158,441	1,213,430	794,207	5,598,152	(3,312,696)
Benefit payments, including refunds of employee contributions	(449,007)	(397,469)	(381,350)	(363,033)	(468,902)	(470,431)	(579,704)	(652,474)	(721,942)
Administrative expense	(25,772)	(26,057)	(26,092)	(29,536)	(32,749)	(35,763)	(39,381)	(41,388)	(45,230)
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	(2,841,326)
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	25,994,873
Plan fiduciary net position - ending (b)	<u>\$ 12,412,191</u>	<u>\$ 13,026,043</u>	<u>\$ 13,467,300</u>	<u>\$ 15,562,628</u>	<u>\$ 17,079,147</u>	<u>\$ 18,758,772</u>	<u>\$ 19,967,706</u>	<u>\$ 25,994,873</u>	<u>\$ 23,153,547</u>
Plan's net pension (asset) liability - ending (a) - (b)	<u>\$ (513,955)</u>	<u>\$ 32,736</u>	<u>\$ 922,233</u>	<u>\$ 1,095,804</u>	<u>\$ 1,079,658</u>	<u>\$ 1,539,393</u>	<u>\$ 2,513,373</u>	<u>\$ (1,560,694)</u>	<u>\$ 2,539,817</u>

Notes to Schedule:

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

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

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	2023
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)	\$ 2,539,817
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	\$ 9,020,865
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%)	28.15%
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%	90.11%

Notes to Schedule:

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

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA
SCHEDULE OF CONTRIBUTIONS
OKLAHOMA MUNICIPAL RETIREMENT FUND
Last 10 Fiscal Years

	<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>	<u>2023</u>
Actuarially determined contribution	\$ 639,394	\$ 684,094	\$ 721,736	\$ 792,387	\$ 859,729	\$ 972,389	\$ 1,033,812	\$ 1,122,877	\$ 1,238,565	\$ 1,292,947
Employer contributions	403,770	428,631	450,846	495,503	543,455	649,774	687,855	759,669	854,277	873,134
Employee contributions	235,624	255,463	270,890	296,884	316,274	322,615	345,957	363,208	384,288	419,813
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 9,020,865	\$ 9,854,786
Contributions as a percentage of covered payroll	11.31%	11.49%	11.40%	11.32%	11.75%	12.84%	12.73%	13.17%	13.73%	13.12%

See independent auditors' report as it relates to required supplementary information.

CITY OF OWASSO, OKLAHOMA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA MUNICIPAL RETIREMENT FUND

For the fiscal year ended June 30, 2023

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 percentage of payroll over a closed 30-year period.
Assumptions:	
Long-term rate of return	7.5% per year
Salary increases	Range of 5.0% to 8.0% 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

See independent auditors' report as it relates to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULE**

CITY OF OWASSO

JUNE 30, 2023

Budgetary Accounting: 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.

Budget Law: 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.

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 8,598,175	\$ 11,998,879	\$ 11,998,879	\$ -
Resources (Inflows):				
TAXES				
Sales Tax	32,338,345	33,838,345	33,788,829	(49,516)
Use Tax	4,600,000	4,600,000	5,168,503	568,503
Franchise Tax	1,237,696	1,237,696	1,407,883	170,187
Occupation Tax	36,500	36,500	31,067	(5,433)
TOTAL TAXES	38,212,541	39,712,541	40,396,282	683,741
INTERGOVERNMENTAL				
Alcoholic beverage tax	112,000	112,000	120,795	8,795
Motor vehicle license	310,000	310,000	278,628	(31,372)
Gas excise tax	70,000	70,000	68,602	(1,398)
Cigarette/tobacco tax	353,933	353,933	312,622	(41,311)
Grant and other intergovernmental revenue	483,071	546,673	573,778	27,105
TOTAL INTERGOVERNMENTAL	1,329,004	1,392,606	1,354,425	(38,181)
CHARGES FOR SERVICES	778,257	771,157	792,903	21,746
FINES AND FORFEITURES	181,100	181,100	397,040	215,940
BUILDINGS AND OTHER LICENSES AND PERMITS	324,752	324,752	301,897	(22,855)
INVESTMENT INCOME	48,947	48,947	370,083	321,136
MISCELLANEOUS	85,717	177,573	150,120	(27,453)
OTHER FINANCING SOURCES				
Transfers from other funds	21,387,824	21,387,824	22,391,405	1,003,581
TOTAL OTHER FINANCING SOURCES	21,387,824	21,387,824	22,391,405	1,003,581
Total Resources (Inflows)	62,348,142	63,996,500	66,154,155	2,157,655
Amount available for appropriation	\$ 70,946,317	\$ 75,995,379	\$ 78,153,034	\$ 2,157,655

(Continued)

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
GENERAL GOVERNMENT				
CITY MANAGER	\$ 1,025,491	\$ 1,028,523	\$ 1,013,715	\$ 14,808
FINANCE	1,013,178	955,448	876,887	78,561
MUNICIPAL COURT	395,345	507,582	418,431	89,151
INFORMATION TECHNOLOGY	1,974,237	2,933,984	1,254,916	1,679,068
GENERAL GOVERNMENT	517,851	617,851	492,198	125,653
BUILDING MAINTENANCE	594,725	1,033,540	671,145	362,395
HUMAN RESOURCES	<u>550,285</u>	<u>561,341</u>	<u>552,608</u>	<u>8,733</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 6,071,112</u>	<u>\$ 7,638,269</u>	<u>\$ 5,279,900</u>	<u>\$ 2,358,369</u>

(Continued)

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		Budgetary	Variance with
	<u>Original</u>	<u>Final</u>	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
PUBLIC SAFETY				
POLICE SERVICES	\$ 7,939,691	\$ 8,420,422	\$ 8,179,474	\$ 240,948
EMERGENCY COMMUNICATIONS	272,647	318,205	163,067	155,138
ANIMAL CONTROL	320,642	337,577	317,432	20,145
FIRE/AMBULANCE SERVICES	5,780,000	5,787,652	5,784,152	3,500
EMERGENCY MANAGEMENT OPERATIONS	<u>147,432</u>	<u>150,024</u>	<u>115,044</u>	<u>34,980</u>
TOTAL PUBLIC SAFETY	<u>\$ 14,460,412</u>	<u>\$ 15,013,880</u>	<u>\$ 14,559,169</u>	<u>\$ 454,711</u>

(Continued)

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
PUBLIC WORKS				
STREETS	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
ENGINEERING	965,334	995,573	936,423	59,150
CEMETERY	270,587	278,330	68,577	209,753
STORMWATER	<u>626,996</u>	<u>637,870</u>	<u>551,309</u>	<u>86,561</u>
TOTAL PUBLIC WORKS	<u>\$ 1,862,917</u>	<u>\$ 3,911,773</u>	<u>\$ 1,556,309</u>	<u>\$ 2,355,464</u>

(Continued)

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		Budgetary	Variance with
	<u>Original</u>	<u>Final</u>	Basis Actual Amounts	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):				
CULTURE AND RECREATION				
RECREATION AND CULTURE	\$ 498,246	\$ 612,179	\$ 467,030	\$ 145,149
COMMUNITY CENTER	565,087	596,553	444,709	151,844
PARK MAINTENANCE	1,008,430	1,084,564	702,764	381,800
HISTORICAL MUSEUM	<u>37,232</u>	<u>38,622</u>	<u>31,440</u>	<u>7,182</u>
TOTAL CULTURE AND RECREATION	<u>2,108,995</u>	<u>2,331,918</u>	<u>1,645,943</u>	<u>685,975</u>
ECONOMIC DEVELOPMENT	<u>164,500</u>	<u>164,500</u>	<u>145,063</u>	<u>19,437</u>
STRONG NEIGHBORHOODS	<u>15,018</u>	<u>15,018</u>	<u>12,666</u>	<u>2,352</u>
COMMUNITY DEVELOPMENT	<u>1,016,507</u>	<u>1,034,403</u>	<u>913,373</u>	<u>121,030</u>
OTHER FINANCING USES				
Transfers to other funds	<u>36,637,429</u>	<u>37,271,944</u>	<u>37,222,428</u>	<u>49,516</u>
Total Charges to Appropriations	<u>62,336,890</u>	<u>67,381,705</u>	<u>61,334,851</u>	<u>6,046,854</u>
Ending Budgetary Fund Balance	<u>\$ 8,609,427</u>	<u>\$ 8,613,674</u>	<u>\$ 16,818,183</u>	<u>\$ 8,204,509</u>

(Continued)

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

Reconciliation of the General Fund Balance Sheet to the Budgetary
Comparison Schedule - General Fund

Fund balance - general fund	\$ 20,660,316
Receivables not recognized for budgetary basis	
Sales tax receivable	(4,241,406)
Use tax receivable	(694,898)
Other tax receivable	(133,833)
Franchise tax receivable	(199,009)
Court fines receivable, net of uncollectible	(88,250)
False alarm fines receivable, net of uncollectible	(22,230)
Miscellaneous receivable	(2,375)
Prepaid items	(4,000)
Plus receipts not recognized as revenue for GAAP	113,692
Plus GAAP expenditure accruals not recognized for budgetary basis	<u>1,430,176</u>
Fund balance - budgetary basis	<u>\$ 16,818,183</u>
	(Concluded)

See independent auditors' report as it relates to required supplementary information.

**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.

See independent auditors' report as it relates to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -- HALF-PENNY SALES TAX FUND

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

HALF-PENNY SALES TAX FUND

	Budgeted Amounts		Budgetary Basis	Variance with
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 5,117,071	\$ 8,366,542	\$ 8,366,542	\$ -
Resources (Inflows):				
SALES TAX	5,421,391	5,421,391	5,664,577	243,186
MISCELLANEOUS	-	95,931	138,833	42,902
INVESTMENT INCOME	28,499	28,499	245,671	217,172
OTHER FINANCING SOURCES				
Transfers from other funds	1,134,515	1,134,515	1,134,515	-
Total Resources (Inflows)	<u>6,584,405</u>	<u>6,680,336</u>	<u>7,183,596</u>	<u>503,260</u>
Amount available for appropriation	<u>11,701,476</u>	<u>15,046,878</u>	<u>15,550,138</u>	<u>503,260</u>
Charges to Appropriations (Outflows):				
Public Safety				
Fire	2,390,832	2,453,900	1,959,691	494,209
Police	2,296,548	2,761,639	2,023,486	738,153
Total Public Safety	4,687,380	5,215,539	3,983,177	1,232,362
Public Works				
Streets	2,692,329	4,669,790	2,660,641	2,009,149
Total Charges to Appropriations (Outflows)	<u>7,379,709</u>	<u>9,885,329</u>	<u>6,643,818</u>	<u>3,241,511</u>
Ending Budgetary Fund Balance	\$ <u>4,321,767</u>	\$ <u>5,161,551</u>	\$ <u>8,906,320</u>	\$ <u>3,744,769</u>

(Continued)

See independent auditors' report as it relates to required supplementary information.

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

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

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	\$	9,629,650
Receivables not recognized for budgetary basis		
Sales Tax Receivable		(710,626)
Miscellaneous Receivable		<u>(12,704)</u>
Fund balance - budgetary basis	\$	<u>8,906,320</u>
		(Concluded)

See independent auditors' report as it relates to required supplementary information.

**OTHER
SUPPLEMENTARY
INFORMATION**

**NONMAJOR
GOVERNMENTAL
FUNDS**

Nonmajor Governmental Funds

Special Revenue Funds: 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.
- **Opioid Settlement Fund** - Accounts for funds received from a settlement for pharmaceutical opioids which have harmed the City of Owasso and its citizens.

Capital Project Funds: 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.

Debt Service Fund: 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, 2023

		SPECIAL REVENUE FUNDS								
		Ambulance Service Fund	Emergency 911 Fund	Cemetery Care Fund	Emergency Siren Fund	Juvenile Court Fund	Hotel Tax Fund	Stormwater Management Fund	Federal Grants Fund	Opioid Settlement Fund
ASSETS										
	Cash and cash equivalents	\$ 839,236	\$ 548,944	\$ 7,191	\$ 627,198	\$ 9,181	\$ 1,399,779	\$ 2,579,231	\$ 1,347,564	\$ 95,616
	Investments	607,939	397,653	5,209	454,339	6,650	1,013,993	1,868,384	976,170	69,264
	Accounts receivable, net of allowance	1,149,301	-	-	-	-	74,784	222,747	-	-
	Due from other governments	-	31,215	-	-	-	-	-	-	-
	TOTAL ASSETS	<u>\$ 2,596,476</u>	<u>\$ 977,812</u>	<u>\$ 12,400</u>	<u>\$ 1,081,537</u>	<u>\$ 15,831</u>	<u>\$ 2,488,556</u>	<u>\$ 4,670,362</u>	<u>\$ 2,323,734</u>	<u>\$ 164,880</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
	Accounts payable	\$ 60,604	\$ 24,407	\$ -	\$ -	\$ -	\$ 726	\$ 52,156	\$ -	\$ -
	Accrued payroll liabilities	618	31,605	-	-	-	5,541	6,531	-	-
	Due to other funds	-	-	-	-	-	-	-	-	-
	Unearned revenue	900	-	-	-	-	-	-	2,323,734	-
	TOTAL LIABILITIES	<u>62,122</u>	<u>56,012</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,267</u>	<u>58,687</u>	<u>2,323,734</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES										
	Unavailable revenue - charges for services	<u>769,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES										
	Restricted	-	921,800	12,400	-	15,831	2,482,289	-	-	164,880
	Committed	1,765,096	-	-	1,081,537	-	-	4,611,675	-	-
	TOTAL FUND BALANCES	<u>1,765,096</u>	<u>921,800</u>	<u>12,400</u>	<u>1,081,537</u>	<u>15,831</u>	<u>2,482,289</u>	<u>4,611,675</u>	<u>-</u>	<u>164,880</u>
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,596,476</u>	<u>\$ 977,812</u>	<u>\$ 12,400</u>	<u>\$ 1,081,537</u>	<u>\$ 15,831</u>	<u>\$ 2,488,556</u>	<u>\$ 4,670,362</u>	<u>\$ 2,323,734</u>	<u>\$ 164,880</u>

(Continued)

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

June 30, 2023

	CAPITAL PROJECTS FUNDS					Nonmajor Governmental Fund Totals
	Ambulance Capital Fund	Tax Incremental Financing Fund	Park Development Fund	Capital Project Grant Fund	Debt Service Fund	
ASSETS						
Cash and cash equivalents	\$ 281,039	\$ 37,003	\$ 148,257	\$ -	\$ 1,242	\$ 7,921,481
Investments	203,584	26,804	107,396	-	900	5,738,285
Accounts receivable, net of allowance	15,364	-	-	-	-	1,462,196
Due from other governments	-	24,009	-	-	64	55,288
TOTAL ASSETS	\$ 499,987	\$ 87,816	\$ 255,653	\$ -	\$ 2,206	\$ 15,177,250
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,893
Accrued payroll liabilities	-	-	-	-	-	44,295
Due to other funds	-	86,973	-	-	-	86,973
Unearned revenue	-	-	-	-	-	2,324,634
TOTAL LIABILITIES	-	86,973	-	-	-	2,593,795
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - charges for services	-	-	-	-	-	769,258
FUND BALANCES						
Restricted	-	843	-	-	2,206	3,600,249
Committed	499,987	-	255,653	-	-	8,213,948
TOTAL FUND BALANCES	499,987	843	255,653	-	2,206	11,814,197
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 499,987	\$ 87,816	\$ 255,653	\$ -	\$ 2,206	\$ 15,177,250

(Concluded)

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

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

		SPECIAL REVENUE FUNDS								
		Ambulance Service Fund	Emergency 911 Fund	Cemetery Care Fund	Emergency Siren Fund	Juvenile Court Fund	Hotel Tax Fund	Stormwater Management Fund	Federal Grants Fund	Opioid Settlement Fund
REVENUES										
	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666,541	\$ -	\$ -	\$ -
	Intergovernmental	678,122	364,055	-	-	-	-	-	2,028,468	-
	Charges for services	2,047,058	-	1,819	-	-	-	1,751,634	-	-
	Fines and forfeitures	-	-	-	-	220	-	-	-	-
	Licenses and permits	-	-	-	2,523	-	-	-	-	-
	Investment income	29,378	21,104	286	25,297	521	56,512	99,899	-	1,480
	Miscellaneous	650	-	-	-	-	146	-	-	163,400
	TOTAL REVENUES	<u>2,755,208</u>	<u>385,159</u>	<u>2,105</u>	<u>27,820</u>	<u>741</u>	<u>723,199</u>	<u>1,851,533</u>	<u>2,028,468</u>	<u>164,880</u>
EXPENDITURES										
Current:										
	General government	-	-	-	-	5,875	-	-	-	-
	Public safety	1,969,355	1,296,006	-	-	-	-	-	-	-
	Economic development	-	-	-	-	-	303,542	-	-	-
	Public works	-	-	-	-	-	-	532,763	-	-
	Capital outlay	156,047	89,983	-	-	-	-	375,893	2,028,468	-
	TOTAL EXPENDITURES	<u>2,125,402</u>	<u>1,385,989</u>	<u>-</u>	<u>-</u>	<u>5,875</u>	<u>303,542</u>	<u>908,656</u>	<u>2,028,468</u>	<u>-</u>
	Revenues over (under) expenditures	629,806	(1,000,830)	2,105	27,820	(5,134)	419,657	942,877	-	164,880
OTHER FINANCING SOURCES (USES)										
	Transfers in	-	1,259,084	-	-	-	-	-	-	-
	Transfers out	-	-	-	-	-	-	-	-	-
	TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,259,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	NET CHANGE IN FUND BALANCES	629,806	258,254	2,105	27,820	(5,134)	419,657	942,877	-	164,880
	FUND BALANCES - BEGINNING OF YEAR	1,135,290	663,546	10,295	1,053,717	20,965	2,062,632	3,668,798	-	-
	FUND BALANCES - END OF YEAR	<u>\$ 1,765,096</u>	<u>\$ 921,800</u>	<u>\$ 12,400</u>	<u>\$ 1,081,537</u>	<u>\$ 15,831</u>	<u>\$ 2,482,289</u>	<u>\$ 4,611,675</u>	<u>\$ -</u>	<u>\$ 164,880</u>

(Continued)

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

NONMAJOR GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	CAPITAL PROJECTS FUNDS					Nonmajor
	Ambulance Capital Fund	Tax Incremental Financing Fund	Park Development Fund	Capital Project Grant Fund	Debt Service Fund	Governmental Fund Totals
REVENUES:						
Taxes	\$ -	\$ 535,137	\$ -	\$ -	\$ 246	\$ 1,201,924
Intergovernmental	-	-	-	846,621	-	3,917,266
Charges for services	356,920	-	-	-	-	4,157,431
Fines and forfeitures	-	-	-	-	-	220
Licenses and permits	-	-	65,850	-	-	68,373
Investment income	12,833	2,013	5,837	-	51	255,211
Miscellaneous	-	-	-	-	-	164,196
TOTAL REVENUES	<u>369,753</u>	<u>537,150</u>	<u>71,687</u>	<u>846,621</u>	<u>297</u>	<u>9,764,621</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	5,875
Public safety	2,669	-	-	-	-	3,268,030
Economic development	-	-	-	-	-	303,542
Public works	-	-	-	-	-	532,763
Capital outlay	251,160	-	27,431	846,621	-	3,775,603
TOTAL EXPENDITURES	<u>253,829</u>	<u>-</u>	<u>27,431</u>	<u>846,621</u>	<u>-</u>	<u>7,885,813</u>
Revenues over (under) expenditures	<u>115,924</u>	<u>537,150</u>	<u>44,256</u>	<u>-</u>	<u>297</u>	<u>1,878,808</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	1,259,084
Transfers out	-	(536,307)	-	-	-	(536,307)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(536,307)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>722,777</u>
NET CHANGE IN FUND BALANCES	115,924	843	44,256	-	297	2,601,585
FUND BALANCES - BEGINNING OF YEAR	<u>384,063</u>	<u>-</u>	<u>211,397</u>	<u>-</u>	<u>1,909</u>	<u>9,212,612</u>
FUND BALANCES - END OF YEAR	<u>\$ 499,987</u>	<u>\$ 843</u>	<u>\$ 255,653</u>	<u>\$ -</u>	<u>\$ 2,206</u>	<u>\$ 11,814,197</u>

(Concluded)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

AMBULANCE SERVICE FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 535,395	\$ 768,723	\$ 768,723	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	1,940,178	1,946,178	2,023,804	77,626
INTERGOVERNMENTAL	222,374	222,374	678,122	455,748
MISCELLANEOUS	-	-	650	650
INVESTMENT INCOME	2,219	2,219	29,378	27,159
Total Resources (Inflows)	<u>2,164,771</u>	<u>2,170,771</u>	<u>2,731,954</u>	<u>561,183</u>
Amount available for appropriation	<u>2,700,166</u>	<u>2,939,494</u>	<u>3,500,677</u>	<u>561,183</u>
Charges to Appropriations (Outflows):				
Public Safety	1,933,993	2,120,080	2,114,781	5,299
Ending Budgetary Fund Balance	<u>\$ 766,173</u>	<u>\$ 819,414</u>	<u>\$ 1,385,896</u>	<u>\$ 566,482</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

EMERGENCY 911 FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 420,522	\$ 636,583	\$ 636,583	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	313,400	313,400	-	(313,400)
INTERGOVERNMENTAL	-	42,951	359,804	316,853
INVESTMENT INCOME	3,180	3,180	21,104	17,924
OTHER FINANCING SOURCES				
Transfers from other funds	1,259,084	1,259,084	1,259,084	-
Total Resources (Inflows)	<u>1,575,664</u>	<u>1,618,615</u>	<u>1,639,992</u>	<u>21,377</u>
Amount available for appropriation	<u>1,996,186</u>	<u>2,255,198</u>	<u>2,276,575</u>	<u>21,377</u>
Charges to Appropriations (Outflows):				
Public Safety	1,582,628	1,702,842	1,385,989	316,853
Ending Budgetary Fund Balance	<u>\$ 413,558</u>	<u>\$ 552,356</u>	<u>\$ 890,586</u>	<u>\$ 338,230</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

CEMETERY CARE FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 7,579	\$ 10,295	\$ 10,295	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	1,050	1,050	1,819	769
INVESTMENT INCOME	33	33	286	253
Total Resources (Inflows)	<u>1,083</u>	<u>1,083</u>	<u>2,105</u>	<u>1,022</u>
Amount available for appropriation	<u>8,662</u>	<u>11,378</u>	<u>12,400</u>	<u>1,022</u>
Charges to Appropriations (Outflows):				
Public Works	1,850	1,850	-	1,850
Ending Budgetary Fund Balance	<u>\$ 6,812</u>	<u>\$ 9,528</u>	<u>\$ 12,400</u>	<u>\$ 2,872</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

EMERGENCY SIREN FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 1,042,418	\$ 1,053,717	\$ 1,053,717	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	1,950	1,950	2,523	573
INVESTMENT INCOME	187	187	25,297	25,110
Total Resources (Inflows)	<u>2,137</u>	<u>2,137</u>	<u>27,820</u>	<u>25,683</u>
Amount available for appropriation	<u>1,044,555</u>	<u>1,055,854</u>	<u>1,081,537</u>	<u>25,683</u>
Charges to Appropriations (Outflows):				
Public Safety	1,010,000	1,020,000	-	1,020,000
Ending Budgetary Fund Balance	<u>\$ 34,555</u>	<u>\$ 35,854</u>	<u>\$ 1,081,537</u>	<u>\$ 1,045,683</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

JUVENILE COURT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 10,488	\$ 20,965	\$ 20,965	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	600	600	220	(380)
INVESTMENT INCOME	73	73	521	448
Total Resources (Inflows)	673	673	741	68
Amount available for appropriation	11,161	21,638	21,706	68
Charges to Appropriations (Outflows):				
General Government	10,000	10,000	5,875	4,125
Ending Budgetary Fund Balance	\$ 1,161	\$ 11,638	\$ 15,831	\$ 4,193

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

HOTEL TAX FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 1,936,995	\$ 1,999,809	\$ 1,999,809	\$ -
Resources (Inflows):				
HOTEL TAX	595,260	595,260	654,581	59,321
MISCELLANEOUS	2,000	-	146	146
INVESTMENT INCOME	4,589	6,589	56,512	49,923
Total Resources (Inflows)	<u>601,849</u>	<u>601,849</u>	<u>711,239</u>	<u>109,390</u>
Amount available for appropriation	<u>2,538,844</u>	<u>2,601,658</u>	<u>2,711,048</u>	<u>109,390</u>
Charges to Appropriations (Outflows):				
ECONOMIC DEVELOPMENT	98,000	98,000	97,980	20
STRONG NEIGHBORHOOD INITIATIVE	218,528	220,427	205,562	14,865
Total Charges to Appropriations	<u>316,528</u>	<u>318,427</u>	<u>303,542</u>	<u>14,885</u>
Ending Budgetary Fund Balance	<u>\$ 2,222,316</u>	<u>\$ 2,283,231</u>	<u>\$ 2,407,506</u>	<u>\$ 124,275</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

STORMWATER MANAGEMENT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 1,267,730	\$ 3,465,698	\$ 3,465,698	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	1,686,860	1,686,860	1,739,953	53,093
INVESTMENT INCOME	9,697	9,697	99,899	90,202
Total Resources (Inflows)	<u>1,696,557</u>	<u>1,696,557</u>	<u>1,839,852</u>	<u>143,295</u>
Amount available for appropriation	<u>2,964,287</u>	<u>5,162,255</u>	<u>5,305,550</u>	<u>143,295</u>
Charges to Appropriations (Outflows):				
Public Works	1,608,997	3,799,185	908,656	2,890,529
Ending Budgetary Fund Balance	<u>\$ 1,355,290</u>	<u>\$ 1,363,070</u>	<u>\$ 4,396,894</u>	<u>\$ 3,033,824</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

FEDERAL GRANTS FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 3,173,096	\$ 1,094,237	\$ 1,094,237	\$ -
Resources (Inflows):				
INTERGOVERNMENTAL	3,107,369	3,107,369	3,257,965	150,596
Amount available for appropriation	6,280,465	4,201,606	4,352,202	150,596
Charges to Appropriations (Outflows):				
Public Works	6,280,465	6,279,965	2,028,468	4,251,497
Ending Budgetary Fund Balance	\$ -	\$ (2,078,359)	\$ 2,323,734	\$ 4,402,093

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

OPIOID SETTLEMENT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
MISCELLANEOUS	-	-	164,880	164,880
Amount available for appropriation	-	-	164,880	164,880
Charges to Appropriations (Outflows):				
General Government	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 164,880	\$ 164,880

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

AMBULANCE CAPITAL FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 378,136	\$ 368,588	\$ 368,588	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	347,679	347,679	357,115	9,436
MISCELLANEOUS	-	-	-	-
INVESTMENT INCOME	500	500	12,833	12,333
Total Resources (Inflows)	<u>348,179</u>	<u>348,179</u>	<u>369,948</u>	<u>21,769</u>
Amount available for appropriation	<u>726,315</u>	<u>716,767</u>	<u>738,536</u>	<u>21,769</u>
Charges to Appropriations (Outflows):				
Public Safety	514,883	514,883	253,829	261,054
Ending Budgetary Fund Balance	<u>\$ 211,432</u>	<u>\$ 201,884</u>	<u>\$ 484,707</u>	<u>\$ 282,823</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

TAX INCREMENTAL FINANCING FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 140,121	\$ 10,326	\$ 10,326	\$ -
Resources (Inflows):				
SALES TAX	190,000	190,000	191,299	1,299
AD VALOREM TAX	305,000	305,000	350,885	45,885
INVESTMENT INCOME	274	273	2,013	1,740
Total Resources (Inflows)	<u>495,274</u>	<u>495,273</u>	<u>544,197</u>	<u>48,924</u>
Amount available for appropriation	<u>635,395</u>	<u>505,599</u>	<u>554,523</u>	<u>48,924</u>
Charges to Appropriations (Outflows):				
Other Uses				
Transfers Out	635,171	635,171	490,716	144,455
Ending Budgetary Fund Balance	<u>\$ 224</u>	<u>\$ (129,572)</u>	<u>\$ 63,807</u>	<u>\$ 193,379</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

PARK DEVELOPMENT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 148,010	\$ 211,397	\$ 211,397	\$ -
Resources (Inflows):				
LICENSES & PERMITS	80,000	80,000	65,850	(14,150)
INVESTMENT INCOME	572	572	5,837	5,265
Total Resources (Inflows)	<u>80,572</u>	<u>80,572</u>	<u>71,687</u>	<u>(8,885)</u>
Amount available for appropriation	<u>228,582</u>	<u>291,969</u>	<u>283,084</u>	<u>(8,885)</u>
Charges to Appropriations (Outflows):				
Capital Outlay	88,000	88,000	27,431	60,569
Ending Budgetary Fund Balance	<u>\$ 140,582</u>	<u>\$ 203,969</u>	<u>\$ 255,653</u>	<u>\$ 51,684</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

CAPITAL PROJECT GRANT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
INTERGOVERNMENTAL	150,000	1,006,516	846,621	(159,895)
Amount available for appropriation	150,000	1,006,516	846,621	(159,895)
Charges to Appropriations (Outflows):				
Capital Outlay	150,000	1,006,516	846,621	159,895
Ending Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

DEBT SERVICE FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 978	\$ 1,830	\$ 1,830	\$ -
Resources (Inflows):				
AD VALOREM TAXES	200	200	261	61
INTEREST	-	-	51	51
Total Resources (Inflows)	<u>200</u>	<u>200</u>	<u>312</u>	<u>112</u>
Amount available for appropriation	<u>1,178</u>	<u>2,030</u>	<u>2,142</u>	<u>112</u>
Charges to Appropriations (Outflows):				
Other Uses				
Transfers Out	200	200	-	200
Ending Budgetary Fund Balance	<u>\$ 978</u>	<u>\$ 1,830</u>	<u>\$ 2,142</u>	<u>\$ 312</u>

(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, 2023

VISION RECAPTURE TAX FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 17,662	\$ 15,471,459	\$ 15,471,459	\$ -
Resources (Inflows):				
VISION RECAPTURE SALES TAX	5,963,530	5,963,530	6,230,980	267,450
INVESTMENT INCOME	45,149	45,149	452,935	407,786
OTHER FINANCING SOURCES				
Transfers from other funds	3,000,000	3,000,000	-	(3,000,000)
Total Resources (Inflows)	<u>9,008,679</u>	<u>9,008,679</u>	<u>6,683,915</u>	<u>(2,324,764)</u>
Amount available for appropriation	<u>9,026,341</u>	<u>24,480,138</u>	<u>22,155,374</u>	<u>(2,324,764)</u>
Charges to Appropriations (Outflows):				
Capital Outlay	8,900,000	24,371,458	2,836,400	21,535,058
Ending Budgetary Fund Balance	<u>\$ 126,341</u>	<u>\$ 108,680</u>	<u>\$ 19,318,974</u>	<u>\$ 19,210,294</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- VISION RECAPTURE FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

Reconciliation of the Vision Recapture Fund Balance Sheet to the Budgetary
Comparison Schedule - Vision Recapture Fund

Fund balance - vision recapture fund	\$ 19,657,534
Receivables not recognized for budgetary basis	
Taxes Receivable	(781,687)
Plus payables not recognized as expense for budgetary basis	<u>443,127</u>
Fund balance - budgetary basis	<u>\$ 19,318,974</u>
	(Concluded)

BUDGETARY COMPARISON SCHEDULE -- MAJOR CAPITAL PROJECT FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

CAPITAL IMPROVEMENT FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 2,066,336	\$ 11,085,685	\$ 11,085,685	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	-	-	5,770	5,770
INVESTMENT INCOME	29,721	29,721	334,258	304,537
MISCELLANEOUS	-	-	(8,792)	(8,792)
OTHER FINANCING SOURCES				-
Transfers from other funds	7,678,021	11,674,138	9,539,624	(2,134,514)
Total Resources (Inflows)	<u>7,707,742</u>	<u>11,703,859</u>	<u>9,870,860</u>	<u>(1,832,999)</u>
Amount available for appropriation	<u>9,774,078</u>	<u>22,789,544</u>	<u>20,956,545</u>	<u>(1,832,999)</u>
Charges to Appropriations (Outflows):				
Capital Outlay	9,760,816	22,766,269	10,804,049	11,962,220
Ending Budgetary Fund Balance	<u>\$ 13,262</u>	<u>\$ 23,275</u>	<u>\$ 10,152,496</u>	<u>\$ 10,129,221</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- CAPITAL IMPROVEMENT FUND--Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

Reconciliation of the Capital Improvement Fund Balance Sheet to the Budgetary
Comparison Schedule - Capital Improvement Fund

Fund balance -capital improvement fund	\$ 11,177,981
Receivables not recognized for budgetary basis	
Taxes receivable	(807,284)
Plus payables not recognized as expense for budgetary basis	56,799
Less receipts not recognized as revenue for budgetary basis	<u>(275,000)</u>
Fund balance - budgetary basis	<u>\$ 10,152,496</u>
	(Concluded)



**INTERNAL
SERVICE
FUNDS**

Internal Service Funds

- **Vehicle Maintenance Fund** - Accounts for the financing of goods and services provided by one department to other departments of the City. The vehicle maintenance department 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, 2023

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	Vehicle Maintenance Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 136,543	\$ 1,062,410	\$ 340,813	\$ 1,943,236	\$ 3,483,002
Investments	98,912	769,606	246,884	1,407,671	2,523,073
Other receivables	-	-	-	1,060	1,060
Prepaid items	-	-	-	38,000	38,000
TOTAL CURRENT ASSETS	<u>235,455</u>	<u>1,832,016</u>	<u>587,697</u>	<u>3,389,967</u>	<u>6,045,135</u>
NONCURRENT ASSETS					
Other depreciable capital assets, net	186,353	-	-	-	186,353
TOTAL ASSETS	<u>421,808</u>	<u>1,832,016</u>	<u>587,697</u>	<u>3,389,967</u>	<u>6,231,488</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - OPEB	1,165	-	-	-	1,165
Deferred outflows - pension	85,391	3,147	-	-	88,538
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>86,556</u>	<u>3,147</u>	<u>-</u>	<u>-</u>	<u>89,703</u>
LIABILITIES AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable	45,185	10,682	16,414	64,049	136,330
Accrued payroll liabilities	12,692	8,179	-	-	20,871
Unearned revenue	-	-	-	5,701	5,701
Current portion of noncurrent liabilities:					
SBITA obligation	6,618	-	-	-	6,618
Incurred but not reported claims	-	421,000	-	237,356	658,356
Accrued compensated absences	6,266	-	-	-	6,266
TOTAL CURRENT LIABILITIES	<u>70,761</u>	<u>439,861</u>	<u>16,414</u>	<u>307,106</u>	<u>834,142</u>
NONCURRENT LIABILITIES					
Net pension liability	61,359	5,270	-	-	66,629
Total OPEB liability	22,114	-	-	-	22,114
SBITA obligation	3,990	-	-	-	3,990
Incurred but not reported claims	-	-	-	247,044	247,044
Accrued compensated absences	7,065	-	-	-	7,065
TOTAL NONCURRENT LIABILITIES	<u>94,528</u>	<u>5,270</u>	<u>-</u>	<u>247,044</u>	<u>346,842</u>
TOTAL LIABILITIES	<u>165,289</u>	<u>445,131</u>	<u>16,414</u>	<u>554,150</u>	<u>1,180,984</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - OPEB	8,194	-	-	-	8,194
Deferred inflows - pension	21,146	(311)	-	-	20,835
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>29,340</u>	<u>(311)</u>	<u>-</u>	<u>-</u>	<u>29,029</u>
NET POSITION					
Net investment in capital assets	175,745	-	-	-	175,745
Unrestricted	137,990	1,390,343	571,283	2,835,817	4,935,433
TOTAL NET POSITION	<u>\$ 313,735</u>	<u>\$ 1,390,343</u>	<u>\$ 571,283</u>	<u>\$ 2,835,817</u>	<u>\$ 5,111,178</u>

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

INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	Vehicle Maintenance Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
OPERATING REVENUES					
Charges for services:					
Internal service charges for services	\$ 819,769	\$ 601,600	\$ 416,871	\$ 6,965,043	\$ 8,803,283
Other	246	-	-	12	258
TOTAL OPERATING REVENUES	<u>820,015</u>	<u>601,600</u>	<u>416,871</u>	<u>6,965,055</u>	<u>8,803,541</u>
OPERATING EXPENSES					
Administration	-	222,426	221,815	1,257,105	1,701,346
Claims expense	-	20,566	54,262	5,878,402	5,953,230
Vehicle maintenance	763,966	-	-	-	763,966
Depreciation and amortization	33,647	-	-	-	33,647
TOTAL OPERATING EXPENSES	<u>797,613</u>	<u>242,992</u>	<u>276,077</u>	<u>7,135,507</u>	<u>8,452,189</u>
OPERATING INCOME (LOSS)	<u>22,402</u>	<u>358,608</u>	<u>140,794</u>	<u>(170,452)</u>	<u>351,352</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	3,660	41,122	13,615	82,029	140,426
Interest expense	(591)	-	-	-	(591)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,069</u>	<u>41,122</u>	<u>13,615</u>	<u>82,029</u>	<u>139,835</u>
CHANGE IN NET POSITION	<u>25,471</u>	<u>399,730</u>	<u>154,409</u>	<u>(88,423)</u>	<u>491,187</u>
NET POSITION - BEGINNING	<u>288,264</u>	<u>990,613</u>	<u>416,874</u>	<u>2,924,240</u>	<u>4,619,991</u>
NET POSITION - ENDING	<u>\$ 313,735</u>	<u>\$ 1,390,343</u>	<u>\$ 571,283</u>	<u>\$ 2,835,817</u>	<u>\$ 5,111,178</u>

COMBINING STATEMENT OF CASH FLOWS--INTERNAL SERVICE FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	INTERNAL SERVICE FUNDS				
	Vehicle Maintenance Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	Internal Service Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 857,064	\$ 601,600	\$ 416,871	\$ 6,967,861	\$ 8,843,396
Payments to suppliers	(274,485)	(249,904)	(278,524)	(7,059,500)	(7,862,413)
Payments to employees	(456,104)	(18,579)	-	-	(474,683)
Other receipts	9,869	-	-	12	9,881
NET CASH FROM OPERATING ACTIVITIES	136,344	333,117	138,347	(91,627)	516,181
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(14,649)	-	-	-	(14,649)
Payments on SBITA obligation	(6,937)	-	-	-	(6,937)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(21,586)	-	-	-	(21,586)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(68,428)	(389,906)	(133,390)	(532,376)	(1,124,100)
Investment income received	3,660	41,122	13,615	82,029	140,426
NET CASH FROM INVESTING ACTIVITIES	(64,768)	(348,784)	(119,775)	(450,347)	(983,674)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	49,990	(15,667)	18,572	(541,974)	(489,079)
BALANCES - BEGINNING OF YEAR	86,553	1,078,077	322,241	2,485,210	3,972,081
BALANCES - END OF YEAR	\$ 136,543	\$ 1,062,410	\$ 340,813	\$ 1,943,236	\$ 3,483,002

(Continued)

STATEMENT OF CASH FLOWS--INTERNAL SERVICE FUNDS - Continued

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

	INTERNAL SERVICE FUNDS				Internal Service Funds Totals
	Vehicle Maintenance Fund	Workers' Comp Fund	General Liability Fund	Healthcare Services Fund	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 22,402	\$ 358,608	\$ 140,794	\$ (170,452)	\$ 351,352
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization expense	33,647	-	-	-	33,647
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Accounts receivable, net	37,295	-	-	-	37,295
Other receivables	-	-	-	2,818	2,818
Due from other funds	9,623	-	-	-	9,623
Accounts payable	33,320	(1,688)	(2,447)	(10,700)	18,485
Accrued payroll liabilities	6	8,179	-	-	8,185
Unearned revenue	-	-	-	5,507	5,507
Pension	3,552	18	-	-	3,570
OPEB	486	-	-	-	486
Incurred but not reported claims	-	(32,000)	-	81,200	49,200
Accrued compensated absences	(3,987)	-	-	-	(3,987)
NET CASH FROM OPERATING ACTIVITIES	\$ 136,344	\$ 333,117	\$ 138,347	\$ (91,627)	\$ 516,181

(Concluded)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

VEHICLE MAINTENANCE FUND

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 112,431	\$ 102,106	\$ 102,106	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	743,246	743,246	854,525	111,279
INVESTMENT INCOME	500	500	3,660	3,160
MISCELLANEOUS INCOME	-	-	2,785	2,785
Total Resources (Inflows)	<u>743,746</u>	<u>743,746</u>	<u>860,970</u>	<u>117,224</u>
Amount available for appropriation	<u>856,177</u>	<u>845,852</u>	<u>963,076</u>	<u>117,224</u>
Charges to Appropriations (Outflows):				
Vehicle Maintenance	<u>769,942</u>	<u>785,499</u>	<u>804,497</u>	<u>(18,998)</u>
Ending Budgetary Fund Balance	<u>\$ 86,235</u>	<u>\$ 60,353</u>	<u>\$ 158,579</u>	<u>\$ 98,226</u>

(Continued)

BUDGETARY COMPARISON SCHEDULE -- OTHER GOVERNMENTAL FUNDS

CITY OF OWASSO, OKLAHOMA

For the fiscal year ended June 30, 2023

SELF INSURANCE FUNDS

	Budgeted Amounts		Budgetary Basis Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 4,162,098	\$ 5,187,241	\$ 5,187,241	\$ -
Resources (Inflows):				
CHARGES FOR SERVICES	8,133,870	8,133,870	7,966,820	(167,050)
INVESTMENT INCOME	17,720	17,720	136,766	119,046
MISCELLANEOUS INCOME	30,000	30,000	17,735	(12,265)
OTHER FINANCING SOURCES				
Transfers from other funds	200	200	-	(200)
Total Resources (Inflows)	<u>8,181,790</u>	<u>8,181,790</u>	<u>8,121,321</u>	<u>(60,469)</u>
Amount available for appropriation	<u>12,343,888</u>	<u>13,369,031</u>	<u>13,308,562</u>	<u>(60,469)</u>
Charges to Appropriations (Outflows):				
Self Insurance	8,054,320	8,054,320	7,605,359	448,961
Ending Budgetary Fund Balance	<u>\$ 4,289,568</u>	<u>\$ 5,314,711</u>	<u>\$ 5,703,203</u>	<u>\$ 388,492</u>

(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>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>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 94,166	\$ 93,777	\$ 104,330	\$ 111,988	\$ 128,471	\$ 148,938	\$ 162,940	\$ 169,642	\$ 169,811	\$ 180,141
Restricted	4,396	8,464	10,690	15,050	16,434	22,866	22,256	25,583	39,907	45,168
Unrestricted	5,994	(8,700)	(5,533)	(6,607)	(4,829)	23	2,233	5,239	11,888	17,692
Net position	<u>\$ 104,556</u>	<u>\$ 93,541</u>	<u>\$ 109,487</u>	<u>\$ 120,431</u>	<u>\$ 140,076</u>	<u>\$ 171,827</u>	<u>\$ 187,429</u>	<u>\$ 200,464</u>	<u>\$ 221,606</u>	<u>\$ 243,001</u>
Unrestricted as a Percent of Revenues	15.3%	-28.5%	-12.7%	-15.7%	-9.2%	0.0%	4.2%	9.6%	18.8%	26.7%
Business-type activities										
Net investment in capital assets	\$ 38,518	\$ 41,943	\$ 44,329	\$ 46,728	\$ 40,053	\$ 25,672	\$ 50,943	\$ 52,758	\$ 53,640	\$ 54,524
Restricted	2,942	2,318	2,093	1,565	1,308	899	1,097	1,387	1,715	1,791
Unrestricted	(117)	(1,240)	(1,992)	(2,904)	(1,037)	1,311	(23,328)	(19,638)	(14,290)	(9,873)
Net position	<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</u>	<u>\$ 46,442</u>
Unrestricted as a Percent of Revenues	-0.6%	-7.8%	-11.8%	-17.2%	-9.6%	41.3%	-127.7%	-87.6%	-60.6%	-41.8%
Primary government										
Net investment in capital assets	\$ 132,684	\$ 135,720	\$ 148,659	\$ 158,716	\$ 168,524	\$ 174,610	\$ 187,486	\$ 195,794	\$ 198,556	\$ 210,256
Restricted	7,338	10,782	12,783	16,615	17,742	23,765	23,353	26,970	41,622	46,958
Unrestricted	5,877	(9,940)	(7,525)	(9,511)	(5,866)	1,334	5,302	12,207	22,494	32,228
Net position	<u>\$ 145,899</u>	<u>\$ 136,562</u>	<u>\$ 153,917</u>	<u>\$ 165,820</u>	<u>\$ 180,400</u>	<u>\$ 199,709</u>	<u>\$ 216,141</u>	<u>\$ 234,971</u>	<u>\$ 262,672</u>	<u>\$ 289,442</u>
Unrestricted as a Percent of Revenues	9.9%	-21.4%	-12.4%	-16.1%	-9.3%	2.0%	7.3%	15.9%	25.9%	35.9%

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)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses					
Governmental Activities:					
General government	\$ 5,019	\$ 5,128	\$ 4,192	\$ 4,636	\$ 4,726
Public safety	14,690	13,901	15,492	17,430	19,473
Community development ***	-	-	-	858	818
Recreation and culture	1,185	1,129	1,250	1,494	1,560
Economic development	835	328	324	367	426
Public works	5,521	5,681	6,292	6,329	5,795
Total governmental activities expenses	<u>27,250</u>	<u>26,167</u>	<u>27,550</u>	<u>31,114</u>	<u>32,798</u>
Business-type activities:					
Water	6,760	6,382	7,470	7,370	7,403
Wastewater	4,809	4,954	5,088	5,247	5,174
Sanitation	1,613	1,541	1,588	1,697	1,695
Recycle center	220	167	115	200	190
Economic development	-	-	-	-	-
Golf course	1,229	1,143	1,283	1,447	1,453
Total business-type activities expenses	<u>14,631</u>	<u>14,187</u>	<u>15,544</u>	<u>15,961</u>	<u>15,915</u>
Total primary government expenses	<u>\$ 41,881</u>	<u>\$ 40,354</u>	<u>\$ 43,094</u>	<u>\$ 47,075</u>	<u>\$ 48,713</u>
Program Revenue					
Governmental activities:					
Charges for services					
General government	\$ 970	\$ 627	\$ 655	\$ 514	\$ 946
Public safety	2,962	2,667	2,885	3,208	2,816
Community development ***	-	-	19	47	50
Recreation and culture	111	106	112	136	139
Economic development	9	10	11	18	18
Public works **	811	795	870	1,092	1,233
Operating grants and contributions	1,754	1,753	3,446	509	2,884
Capital grants and contributions	12,850	1,042	6,889	4,741	2,337
Total governmental activities program revenues	<u>19,467</u>	<u>7,000</u>	<u>14,887</u>	<u>10,265</u>	<u>10,423</u>
Business-type activities:					
Charges for services					
Water	5,384	5,222	5,763	6,260	6,591
Wastewater	3,720	3,750	4,002	4,323	4,578
Sanitation	1,789	1,823	1,910	2,003	2,127
Recycle center	35	29	23	39	36
Golf course	744	726	697	740	761
Capital grants and contributions	3,787	526	1,101	1,346	427
Total business-type activities program revenues	<u>15,459</u>	<u>12,076</u>	<u>13,496</u>	<u>14,711</u>	<u>14,520</u>
Total primary government program revenues	<u>\$ 34,926</u>	<u>\$ 19,076</u>	<u>\$ 28,383</u>	<u>\$ 24,976</u>	<u>\$ 24,943</u>
Net (expense) revenue:					
Governmental activities	\$ (7,783)	\$ (19,167)	\$ (12,663)	\$ (20,849)	\$ (22,375)
Business-type activities	828	(2,111)	(2,048)	(1,250)	(1,395)
Total primary government net (expenses) revenue	<u>\$ (6,955)</u>	<u>\$ (21,278)</u>	<u>\$ (14,711)</u>	<u>\$ (22,099)</u>	<u>\$ (23,770)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales taxes	\$ 21,254	\$ 23,841	\$ 28,421	\$ 30,249	\$ 33,752
Use taxes	800	968	1,128	1,246	1,650
Franchise and public service taxes	1,235	1,389	1,202	1,176	1,193
Cigarette/ tobacco tax **	247	276	n/a	n/a	n/a
Hotel taxes	386	412	402	382	409
Alcoholic beverage tax **	54	57	n/a	n/a	n/a
E-911 taxes **	216	210	n/a	n/a	n/a
Intergovernmental **	n/a	n/a	601	669	722
Investment income	34	30	30	35	161
Miscellaneous **	130	99	259	200	269
Transfers-internal activity	(4,624)	(3,777)	(3,434)	(2,164)	3,864
Total governmental activities	<u>19,732</u>	<u>23,505</u>	<u>28,609</u>	<u>31,793</u>	<u>42,020</u>
Business-type activities					
Investment income	17	22	22	45	194
Transfers-internal activity	4,624	3,777	3,434	2,164	(3,864)
Total business-type activities	<u>4,641</u>	<u>3,799</u>	<u>3,456</u>	<u>2,209</u>	<u>(3,670)</u>
Total primary government	<u>\$ 24,373</u>	<u>\$ 27,304</u>	<u>\$ 32,065</u>	<u>\$ 34,002</u>	<u>\$ 38,350</u>
Changes in Net Position					
Governmental activities	\$ 11,949	\$ 4,338	\$ 15,946	\$ 10,944	\$ 19,645
Business-type activities	5,469	1,688	1,408	959	(5,065)
Total primary government	<u>\$ 17,418</u>	<u>\$ 6,026</u>	<u>\$ 17,354</u>	<u>\$ 11,903</u>	<u>\$ 14,580</u>

(Continued)

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**

CITY OF OWASSO, OKLAHOMA
CHANGES IN NET POSITION - continued
(LAST TEN YEARS)
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenses					
Governmental Activities:					
General government	\$ 4,415	\$ 4,785	\$ 4,834	\$ 9,006	\$ 6,446
Public safety	17,527	22,805	24,915	21,840	26,011
Community development ***	744	752	842	842	903
Recreation and culture	1,617	1,882	1,901	1,965	2,198
Economic development	456	476	471	449	461
Public works	7,199	7,645	8,482	8,105	8,738
Total governmental activities expenses	<u>31,958</u>	<u>38,345</u>	<u>41,445</u>	<u>42,207</u>	<u>44,757</u>
Business-type activities:					
Water	6,909	7,909	7,106	7,082	7,370
Wastewater	5,338	5,533	5,416	5,646	5,889
Sanitation	1,790	1,938	1,921	1,889	2,127
Recycle center	182	233	293	256	358
Economic development	-	308	359	473	403
Golf course	1,399	1,517	1,527	1,684	2,109
Total business-type activities expenses	<u>15,618</u>	<u>17,438</u>	<u>16,622</u>	<u>17,030</u>	<u>18,256</u>
Total primary government expenses	<u>\$ 47,576</u>	<u>\$ 55,783</u>	<u>\$ 58,067</u>	<u>\$ 59,237</u>	<u>\$ 63,013</u>
Program Revenue					
Governmental activities:					
Charges for services					
General government	\$ 678	\$ 603	\$ 593	\$ 596	\$ 788
Public safety	3,058	2,903	2,561	2,655	2,712
Community development ***	55	38	330	451	301
Recreation and culture	94	93	103	127	97
Economic development	19	16	14	12	12
Public works **	1,433	1,620	1,892	1,835	1,982
Operating grants and contributions	2,947	3,587	6,196	6,700	6,696
Capital grants and contributions	2,308	2,915	799	2,965	528
Total governmental activities program revenues	<u>10,592</u>	<u>11,775</u>	<u>12,488</u>	<u>15,341</u>	<u>13,116</u>
Business-type activities:					
Charges for services					
Water	6,427	6,782	7,888	8,062	8,358
Wastewater	4,776	4,946	5,775	5,810	6,289
Sanitation	2,281	2,356	2,577	2,558	2,667
Recycle center	19	17	33	69	62
Golf course	733	837	801	968	1,247
Capital grants and contributions	804	2,107	405	1,231	1,094
Total business-type activities program revenues	<u>15,040</u>	<u>17,045</u>	<u>17,479</u>	<u>18,698</u>	<u>19,717</u>
Total primary government program revenues	<u>\$ 25,632</u>	<u>\$ 28,820</u>	<u>\$ 29,967</u>	<u>\$ 34,039</u>	<u>\$ 32,833</u>
Net (expense) revenue:					
Governmental activities	\$ (21,366)	\$ (26,570)	\$ (28,957)	\$ (26,865)	\$ (31,641)
Business-type activities	(578)	(393)	857	1,667	1,461
Total primary government net (expenses) revenue	<u>\$ (21,944)</u>	<u>\$ (26,963)</u>	<u>\$ (28,100)</u>	<u>\$ (25,198)</u>	<u>\$ (30,180)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales taxes	\$ 34,973	\$ 36,600	\$ 39,587	\$ 43,553	\$ 45,781
Use taxes	2,423	3,175	4,239	4,581	5,280
Franchise and public service taxes	1,198	1,179	1,110	1,285	1,506
Cigarette/ tobacco tax **	n/a	n/a	n/a	n/a	n/a
Hotel taxes	472	430	467	636	667
Alcoholic beverage tax **	n/a	n/a	n/a	n/a	n/a
E-911 taxes **	n/a	n/a	n/a	n/a	n/a
Intergovernmental **	666	723	772	870	752
Investment income	540	468	174	35	1,799
Miscellaneous **	662	467	547	1,894	664
Transfers-internal activity	12,183	(870)	(4,903)	(4,847)	(3,413)
Total governmental activities	<u>53,117</u>	<u>42,172</u>	<u>41,993</u>	<u>48,007</u>	<u>53,036</u>
Business-type activities					
Investment income	319	353	34	44	502
Transfers-internal activity	(12,183)	870	4,903	4,847	3,413
Total business-type activities	<u>(11,864)</u>	<u>1,223</u>	<u>4,937</u>	<u>4,891</u>	<u>3,915</u>
Total primary government	<u>\$ 41,253</u>	<u>\$ 43,395</u>	<u>\$ 46,930</u>	<u>\$ 52,898</u>	<u>\$ 56,951</u>
Changes in Net Position					
Governmental activities	\$ 31,751	\$ 15,602	\$ 13,036	\$ 21,142	\$ 21,394
Business-type activities	(12,442)	830	5,794	6,558	5,376
Total primary government	<u>\$ 19,309</u>	<u>\$ 16,432</u>	<u>\$ 18,830</u>	<u>\$ 27,700</u>	<u>\$ 26,770</u>

(Concluded)

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

CITY OF OWASSO, OKLAHOMA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
(LAST TEN YEARS)
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues					
Taxes	\$ 23,157	\$ 26,046	\$ 31,154	\$ 33,052	\$ 37,005
Intergovernmental	2,959	1,886	2,023	4,307	5,097
Charges for services	3,127	3,140	3,126	3,251	3,948
Fines and forfeitures	637	717	773	603	461
Licenses and permits	287	323	474	271	281
Investment income	30	20	21	25	145
Miscellaneous	<u>137</u>	<u>105</u>	<u>259</u>	<u>232</u>	<u>773</u>
Total Governmental Revenue	<u>30,334</u>	<u>32,237</u>	<u>37,830</u>	<u>41,741</u>	<u>47,710</u>
Expenditures					
Current:					
General government	4,603	4,805	3,933	4,027	4,150
Public safety	13,422	12,546	13,978	16,392	18,312
Community development *	-	-	701	825	795
Recreation and culture	701	764	839	1,052	1,103
Economic development	858	328	325	357	420
Public works **	1,265	1,698	1,904	2,397	1,470
Capital outlay	<u>3,961</u>	<u>4,267</u>	<u>9,803</u>	<u>9,759</u>	<u>22,121</u>
Total Governmental Expenditures	<u>24,810</u>	<u>24,408</u>	<u>31,483</u>	<u>34,809</u>	<u>48,371</u>
Excess (deficiency) of revenues over expenditures	<u>5,524</u>	<u>7,829</u>	<u>6,347</u>	<u>6,932</u>	<u>(661)</u>
Other Financing Sources (Uses)					
Leases (as lessee)	-	-	-	-	-
SBITA	-	-	-	-	-
Transfers in	17,150	20,056	22,882	25,177	30,792
Transfers out	<u>(21,770)</u>	<u>(23,833)</u>	<u>(26,316)</u>	<u>(27,340)</u>	<u>(26,955)</u>
Total Other Financing Sources (Uses)	<u>(4,620)</u>	<u>(3,777)</u>	<u>(3,434)</u>	<u>(2,163)</u>	<u>3,837</u>
Net Change in Fund Balances	904	4,052	2,913	4,769	3,176
Fund Balance - Beginning of Year	<u>10,575</u>	<u>11,479</u>	<u>15,531</u>	<u>18,444</u>	<u>23,213</u>
Fund Balance - End of Year	<u>\$ 11,479</u>	<u>\$ 15,531</u>	<u>\$ 18,444</u>	<u>\$ 23,213</u>	<u>\$ 26,389</u>
Debt Service as a percentage of noncapital expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(Continued)

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Taxes	\$ 39,147	\$ 41,724	\$ 45,685	\$ 50,427	\$ 53,579
Intergovernmental	5,816	4,436	7,142	7,176	7,535
Charges for services	4,022	4,170	4,672	5,207	4,948
Fines and forfeitures	335	298	234	201	418
Licenses and permits	216	286	440	529	400
Investment income	479	431	154	15	1,658
Miscellaneous	<u>847</u>	<u>209</u>	<u>291</u>	<u>1,670</u>	<u>358</u>
Total Governmental Revenue	<u>50,862</u>	<u>51,554</u>	<u>58,618</u>	<u>65,225</u>	<u>68,896</u>
Expenditures					
Current:					
General government	3,761	4,121	4,159	4,674	4,851
Public safety	18,635	19,934	20,825	22,142	23,666
Community development *	724	713	824	879	909
Recreation and culture	1,091	1,269	1,305	1,493	1,557
Economic development	451	455	468	484	461
Public works **	2,749	2,935	3,525	3,309	3,637
Capital outlay	<u>27,091</u>	<u>18,923</u>	<u>15,167</u>	<u>10,063</u>	<u>20,680</u>
Total Governmental Expenditures	<u>54,502</u>	<u>48,350</u>	<u>46,273</u>	<u>43,044</u>	<u>55,761</u>
Excess (deficiency) of revenues over expenditures	<u>(3,640)</u>	<u>3,204</u>	<u>12,345</u>	<u>22,181</u>	<u>13,135</u>
Other Financing Sources (Uses)					
Leases (as lessee)	-	-	-	158	732
SBITA	-	-	-	-	285
Transfers in	40,132	28,633	28,637	34,733	34,310
Transfers out	<u>(27,949)</u>	<u>(29,503)</u>	<u>(33,540)</u>	<u>(39,580)</u>	<u>(37,724)</u>
Total Other Financing Sources (Uses)	<u>12,183</u>	<u>(870)</u>	<u>(4,903)</u>	<u>(4,689)</u>	<u>(2,397)</u>
Net Change in Fund Balances	8,543	2,334	7,442	17,492	10,738
Fund Balance - Beginning of Year	<u>26,389</u>	<u>34,932</u>	<u>37,266</u>	<u>44,708</u>	<u>62,200</u>
Fund Balance - End of Year	<u>\$ 34,932</u>	<u>\$ 37,266</u>	<u>\$ 44,708</u>	<u>\$ 62,200</u>	<u>\$ 72,938</u>
Debt Service as a percentage of noncapital expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(Concluded)

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>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>	<u>2023</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ 1,542	\$ 911	\$ 1,074	\$ 1,429	\$ 1,124	\$ -	\$ -	\$ 4
Restricted for:										
Public safety	-	9	10	-	-	-	71	34	53	43
Recreation and culture **	-	-	-	-	-	-	-	-	-	58
Other	-	4	-	64	45	72	8	12	71	-
Assigned	412	641	322	295	322	1,006	1,396	1,371	801	2,406
Unassigned	<u>4,178</u>	<u>4,390</u>	<u>3,857</u>	<u>4,406</u>	<u>5,351</u>	<u>6,344</u>	<u>8,098</u>	<u>14,074</u>	<u>14,757</u>	<u>18,150</u>
Total General Fund	<u>4,590</u>	<u>5,044</u>	<u>5,731</u>	<u>5,676</u>	<u>6,792</u>	<u>8,851</u>	<u>10,697</u>	<u>15,491</u>	<u>15,682</u>	<u>20,661</u>
Other Governmental Funds										
Nonspendable	-	-	-	-	-	458	458	-	293	-
Restricted for:										
General government	-	-	-	-	-	-	-	-	-	165
Public safety	270	839	1,540	2,090	3,049	4,184	5,357	5,333	7,029	7,571
Recreation and culture	408	609	814	-	-	-	-	-	-	-
Economic development *	-	-	-	983	1,131	1,334	1,502	1,700	2,063	2,482
Public works	-	-	-	1,744	1,844	2,088	1,874	1,665	2,757	3,009
Capital projects	3,713	6,628	6,363	10,166	10,362	14,726	13,437	16,829	27,922	30,836
Debt service	-	-	-	-	-	-	-	-	-	2
Other	6	254	1,731	4	3	4	6	9	12	-
Committed:										
Public safety	287	349	942	552	456	330	396	820	2,178	2,847
Recreation and culture	-	-	232	-	-	-	-	-	-	-
Stormwater management	1,116	1,195	1,091	1,367	1,917	2,488	3,160	2,306	3,669	4,612
Capital projects	<u>1,089</u>	<u>613</u>	<u>-</u>	<u>631</u>	<u>835</u>	<u>469</u>	<u>379</u>	<u>555</u>	<u>596</u>	<u>756</u>
Total Other Governmental Funds	<u>6,889</u>	<u>10,487</u>	<u>12,713</u>	<u>17,537</u>	<u>19,597</u>	<u>26,081</u>	<u>26,569</u>	<u>29,217</u>	<u>46,519</u>	<u>52,280</u>
Total Governmental Fund Balance	<u>\$ 11,479</u>	<u>\$ 15,531</u>	<u>\$ 18,444</u>	<u>\$ 23,213</u>	<u>\$ 26,389</u>	<u>\$ 34,932</u>	<u>\$ 37,266</u>	<u>\$ 44,708</u>	<u>\$ 62,201</u>	<u>\$ 72,941</u>

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

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

** Prior to FY 2023, 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
2023	4.050%	0.367%	1.833%	4.500%	8.917%	10.383%
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%

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	Sales Tax	Use Tax	Franchise & Public Service Tax	Hotel Tax	Total
2023	\$ 45,781	\$ 5,280	\$ 1,506	\$ 667	\$ 53,234
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

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, 2023**

NAICS CODE	Sales Tax Remitter	* 2023			** 2014		
		Amount Remitted	Revenue Base	Percentage of Total Revenue Base	Amount Remitted	Revenue Base	Percentage of Total Revenue Base
44-45	Retail Trade	\$ 28,353,828	\$ 317,974,969	67%	\$ 15,417,897	\$ 180,961,232	72%
72	Accommodation/Food Services	6,827,165	76,563,474	16%	3,079,473	36,144,049	14%
22	Utilities	1,891,216	21,209,106	4%	802,520	9,419,249	4%
42	Wholesale Trade	2,072,959	23,247,269	5%	645,930	7,581,338	3%
51	Information	637,351	7,147,594	2%	408,831	4,798,486	2%
	All Other	2,409,789	27,024,661	6%	1,010,397	11,859,120	5%
		<u>\$ 42,192,308</u>	<u>\$ 473,167,074</u>	<u>100.00%</u>	<u>\$ 21,365,048</u>	<u>\$ 250,763,474</u>	<u>100.00%</u>

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Program Revenue *					
Governmental activities:					
Charges for services					
General government	\$ 970	\$ 627	\$ 655	\$ 514	\$ 946
Public safety	2,962	2,667	2,885	3,208	2,816
Community development *	-	-	19	47	50
Recreation and culture	111	106	112	136	139
Economic development	9	10	11	18	18
Public works **	811	795	870	1,092	1,233
Operating grants and contributions	1,754	1,753	3,446	509	2,884
Capital grants and contributions	<u>12,850</u>	<u>1,042</u>	<u>6,889</u>	<u>4,741</u>	<u>2,337</u>
Total governmental activities program revenues	<u>\$ 19,467</u>	<u>\$ 7,000</u>	<u>\$ 14,887</u>	<u>\$ 10,265</u>	<u>\$ 10,423</u>
Business-type activities:					
Charges for services					
Water	\$ 5,384	\$ 5,222	\$ 5,763	\$ 6,260	\$ 6,591
Wastewater	3,720	3,750	4,002	4,323	4,578
Sanitation	1,789	1,823	1,910	2,003	2,127
Recycle center	35	29	23	39	36
Golf course	744	726	697	740	761
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>3,787</u>	<u>526</u>	<u>1,101</u>	<u>1,346</u>	<u>427</u>
Total business-type activities program revenues	<u>\$ 15,459</u>	<u>\$ 12,076</u>	<u>\$ 13,496</u>	<u>\$ 14,711</u>	<u>\$ 14,520</u>
Total primary government program revenues	<u>\$ 34,926</u>	<u>\$ 19,076</u>	<u>\$ 28,383</u>	<u>\$ 24,976</u>	<u>\$ 24,943</u>

(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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Program Revenue *					
Governmental activities:					
Charges for services					
General government	\$ 678	\$ 603	\$ 593	\$ 596	\$ 788
Public safety	3,058	2,904	2,561	2,655	2,712
Community development *	55	38	330	451	301
Recreation and culture	94	93	103	127	97
Economic development	19	16	14	12	12
Public works **	1,433	1,620	1,892	1,835	1,982
Operating grants and contributions	2,947	3,587	6,196	6,700	6,696
Capital grants and contributions	<u>2,308</u>	<u>2,914</u>	<u>799</u>	<u>2,965</u>	<u>528</u>
Total governmental activities program revenues	<u>\$ 10,592</u>	<u>\$ 11,775</u>	<u>\$ 12,488</u>	<u>\$ 15,341</u>	<u>\$ 13,116</u>
Business-type activities:					
Charges for services					
Water	\$ 6,427	\$ 6,782	\$ 7,888	\$ 8,062	\$ 8,358
Wastewater	4,776	4,946	5,775	5,810	6,289
Sanitation	2,281	2,356	2,577	2,558	2,667
Recycle center	19	17	33	69	62
Golf course	733	837	801	968	1,247
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>804</u>	<u>2,107</u>	<u>405</u>	<u>1,231</u>	<u>1,094</u>
Total business-type activities program revenues	<u>\$ 15,040</u>	<u>\$ 17,045</u>	<u>\$ 17,479</u>	<u>\$ 18,698</u>	<u>\$ 19,717</u>
Total primary government program revenues	<u>\$ 25,632</u>	<u>\$ 28,820</u>	<u>\$ 29,967</u>	<u>\$ 34,039</u>	<u>\$ 32,833</u>

(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, 2023

YEAR	Governmental Activities Debt		Business-Type Activities Debt						Total Outstanding 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
	Leases ¹	SBITAs ²	Notes Payable	Premium on Notes Payable	Revenue Notes Payable	Financed Purchases	Leases ¹	SBITAs									
2023	\$ 805,509	\$ 557,855	\$ 32,724,032	\$ 2,591,566	\$ 24,409,000	\$ 479,661	\$ 288,874	\$ 64,839	\$ 61,921,336	\$ 1,790,985	\$ 60,130,351	\$ 89,783,061	67.0%	16.3%	\$ 45	0.12%	\$ 380,388,125
2022	174,924	-	34,335,688	2,690,293	28,891,000	514,107	-	-	66,606,012	1,715,243	64,890,769	86,937,217	74.6%	18.4%	44	0.11%	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%	1,015	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

Source: City of Owasso audited annual financial statements

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

1 - GASB 87 - Leases implemented in FY2022.

2 - GASB 96 - SBITAs implemented in FY2023.

CITY OF OWASSO, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
DEBT TO REVENUE
June 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Assessed Valuation (1)	\$ 230,085	\$ 236,009	\$ 247,875	\$ 261,285	\$ 274,662	\$ 284,351	\$ 296,993	\$ 305,223	\$ 320,767	\$ 327,749
Debt Limit (2)	23,009	23,601	24,788	26,129	27,466	28,435	29,699	30,522	32,077	32,775
Total net debt subject to limit (3)	-	-	-	-	-	-	-	-	-	-
Total debt margin	<u>\$ 23,009</u>	<u>\$ 23,601</u>	<u>\$ 24,788</u>	<u>\$ 26,129</u>	<u>\$ 27,466</u>	<u>\$ 28,435</u>	<u>\$ 29,699</u>	<u>\$ 30,522</u>	<u>\$ 32,077</u>	<u>\$ 32,775</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

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, 2023**

<u>Governmental Unit</u>	<u>Net Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable to City of Owasso (2)</u>	<u>Estimated Share Applicable to City of Owasso</u>
<u>Debt repaid with property taxes</u>			
Counties:			
Tulsa County	\$ 97,045,128	4.3%	\$ 4,209,609
Rogers County	-	3.4%	-
			<u>4,209,609</u>
Independent School District:			
Owasso (V-18)	48,980,000	100%	48,980,000
			<u>48,980,000</u>
City Direct Debt	-	100%	-
Total Direct and Overlapping Debt			<u><u>\$ 53,189,609</u></u>

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.

CITY OF OWASSO, OKLAHOMA
SCHEDULE OF DEBT SERVICE COVERAGE REQUIREMENTS
June 30, 2023

	OPWA	OPGA	2009B, 2009C, 2011, 2013 SRF OWRB and 2019C Loan Issues
Gross Revenue Available for Debt Service:			
Charges for services:			
Water	\$ 8,125,830	\$ -	\$ 8,125,830
Wastewater	6,288,762	-	6,288,762
Refuse	2,666,882	-	2,666,882
Recycle	62,011	-	62,011
Penalties/late charges	231,874	-	231,874
Golf course	-	1,246,750	1,246,750
Sales tax pledged and transferred	<u>22,449,713</u>	<u>-</u>	<u>22,449,713</u>
Total Gross Revenues Available	<u>39,825,072</u>	<u>1,246,750</u>	<u>41,071,822</u>
Operating Expenses:			
Utility billing	530,432	-	530,432
Administration	1,004,105	-	1,004,105
Water	4,749,976	-	4,749,976
Wastewater treatment plant and collection	2,633,452	-	2,633,452
Refuse collections and recycle center	1,733,426	-	1,733,426
Golf	<u>-</u>	<u>1,828,668</u>	<u>1,828,668</u>
Total Operating Expenses	<u>10,651,391</u>	<u>1,828,668</u>	<u>12,480,059</u>
Net Revenues Available for Debt Service	<u>\$ 29,173,681</u>	<u>\$ (581,918)</u>	<u>\$ 28,591,763</u>
Total Debt Service Requirements			<u>\$ 7,972,512</u>
Computed Coverage			<u>359%</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 2009B, 2009C, 2011, 2013 SRF OWRB and 2019 Loan issues

CITY OF OWASSO, OKLAHOMA
PLEDGED REVENUE BOND COVERAGE
 Last Ten Years

<u>YEAR</u>	<u>Gross Revenue</u>	<u>Direct Expenses</u>	<u>Net OPWA Revenues</u>		<u>Coverage</u>
			<u>Available for Debt Service</u>	<u>Total Debt Service</u>	
2023	\$ 41,071,822	\$ 12,480,059	\$ 28,591,763	\$ 7,972,512	358.63%
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%

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, 2023

Fiscal Year	Population *	Yearly Change	Median Age **	Median Household Income ***
2023	39,899	1.99%	34.00	Not Available
2022	39,119	1.00%	33.30	\$ 71,621
2021	38,732	4.00%	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

* Source: US Census Bureau

** Source: City of Owasso Economic Development Department

*** Obtained from Owasso Public Schools

**CITY OF OWASSO, OKLAHOMA
PRINCIPAL EMPLOYERS
JUNE 30, 2023**

2022					2013		
Employer	Type of Business	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Saint Francis Health System	Health Care	9,500	1	2.16%	8,000	1	1.87%
Hillcrest Healthcare System	Health Care	6,000	2	1.37%	6,000	6	1.40%
Tulsa Public Schools	Public Schools	6,000	3	1.37%	7,500	3	1.75%
Ascension St. John	Health Care	5,000	4	1.14%	7,500	5	1.75%
American Airlines Maintenance Base	Aircraft Maintenance	5,000	5	1.14%	7,500	4	1.75%
City of Tulsa	City Government	3,500	6	0.80%	4,500	7	1.05%
QuikTrip	Convenience Store	3,500	7	0.80%	-	-	0.00%
Macy's Fulfillment Center	Consumer Fulfillment Center	3,000	8	0.68%	-	-	0.00%
Amazon Fulfillment Center	Consumer Fulfillment Center	3,000	9	0.68%	-	-	0.00%
Broken Arrow Public Schools	Public Schools	2,500	10	0.57%	-	-	0.00%
Wal-Mart/Sam's Club		-	-	-	7,500	2	1.75%
Reasor's		-	-	-	3,000	8	0.70%
Spirit AeroSystems		-	-	-	3,000	9	0.70%
Tulsa Community College		-	-	-	2,500	10	0.58%
		<u>47,000</u>		<u>10.71%</u>	<u>57,000</u>		<u>13.30%</u>

Source: City of Tulsa

CITY OF OWASSO, OKLAHOMA
Bank Deposits
 LAST TEN YEARS

<u>Year</u>	<u>Owasso Bank Deposits</u>	<u>Growth</u>
2022	\$ 1,203,800,000	6.19%
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 2023 Owasso Economic Outlook
Information based on a calendar year-2023 not yet available

CITY OF OWASSO, OKLAHOMA
BUILDING PERMIT HISTORY
 LAST TEN YEARS
 JUNE 30, 2023

Year	Commercial Permits	Commercial Value	Residential Permits	Residential Value	Multi-Family Permits*	Multi-Family Value*
2023	17	\$ 29,183,000	105	\$ 19,439,670	53	\$ 5,110,000
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	-	-

* 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, 2023

Year	Est. Enrollment Age 4-17	Number of Elementary Schools	Est. Percent of High School Graduates
2023	9,900	10	86.0%
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%

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, 2023

Year	Unemployment Rate - Owasso	Unemployment Rate - Oklahoma	Unemployment Rate - United States
2023	5.60%	2.80%	3.80%
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%

Source: Bureau of Labor Statistics and Owasso Economic Outlook

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety & Protection										
Police										
1. Number of Police Officers	49	55	56	56	57	59	60	60	64	66
2. Number of Police Officers per 1000 residents	1.50	1.62	1.61	1.55	1.57	1.60	1.61	1.55	1.64	1.58
3. Percent increase (decrease) in number of reactive calls *	1.21%	8.26%	-0.03%	4.55%	0.80%	3.45%	-13.08%	-3.07%	-1.95%	-4.69%
4. Percent increase (decrease) in number of proactive calls *	75.71%	27.61%	63.18%	26.50%	39.66%	26.31%	-10.84%	1.36%	18.48%	19.01%
5. Percent increase (decrease) in number of personal crimes *	-12.12%	-29.31%	60.98%	19.70%	5.06%	0.00%	-2.41%	-23.46%	6.02%	1.61%
6. Percent increase (decrease) in number of total crimes *	-30.48%	-28.52%	-95.26%	6.64%	14.85%	0.02%	-9.15%	-12.70%	8.91%	19.74%

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	2014	2015	2016	2017	2018	2019	2020**	2021	2022	2023
Fire										
1. Number of Fire Stations	3	3	3	3	3	4	4	4	4	4
2. Number of Firefighters	54	54	55	55	55	67	67	67	70	70
3. Percent increase (decrease) in number of ambulance calls *	-2.71%	5.94%	5.65%	0.86%	2.84%	8.76%	5.16%	10.33%	0.47%	4.47%
4. Percent increase (decrease) in number of fire calls *	-18.59%	3.59%	9.32%	9.95%	6.28%	7.43%	-0.19%	-1.42%	16.20%	7.81%

** 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Owasso Historical Museum *										
1. Regular Attendance	1,693	1,361	875	344	391	435	Not Available	Not Available	355	Not Available
2. Gathering on Main Attendance	940	863	566	312	440	569	Not Available	Not Available	5	Not Available
3. Annual Memorial Day Flower Sales Attendance	New Measure	New Measure	234	216	259	109	Not Available	Not Available	95	Not Available
Owasso Community Center*										
1. Community Partners	New Measure	New Measure	11	11	13	15	16	23	22	Not Available
2. Senior Attendance	16,470	18,582	18,990	20,283	22,331	25,398	16,531	11,395	17,809	Not Available
Owasso Strong Neighborhood Initiative *										
1. Neighborhood Grant Investment										
Number of Grants	9	7	10	9	9	15	10	13	9	10
Grant Amount	\$ 5,319.86	\$ 5,707.54	\$ 8,218.50	\$ 7,840.00	\$ 7,150.00	\$ 16,013.00	\$ 15,447.51	\$ 26,076.61	\$ 23,309.00	\$ 28,550.00
Neighborhood Funding	13,302.93	15,356.46	24,586.65	20,463.00	26,333.69	34,926.02	49,424.62	86,539.44	55,197.00	62,842.00
Total Investment in Owasso Neighborhoods	<u>\$ 18,622.79</u>	<u>\$ 21,064.00</u>	<u>\$ 32,805.15</u>	<u>\$ 28,303.00</u>	<u>\$ 33,483.69</u>	<u>\$ 50,939.02</u>	<u>\$ 64,872.13</u>	<u>\$ 112,616.05</u>	<u>\$ 78,506.00</u>	<u>\$ 91,392.00</u>
2. Volunteer Program Volume/ # of People										
City Volunteer Program	373	285	331	196	137	167	55	65	33	46
Owasso Cares Program	449	509	385	223	261	336	0	112	126	83
Keep Owasso Clean Program	New Measure	218	301	287	281	143	50	184	36	19
Total Volunteer Program Volume	<u>822</u>	<u>1,012</u>	<u>1,017</u>	<u>706</u>	<u>679</u>	<u>646</u>	<u>105</u>	<u>361</u>	<u>195</u>	<u>148</u>
3. Volunteer Program Hours										
City Volunteer Program	2,016.50	511.10	839.30	362.00	279.00	424.70	89.00	146.00	138.50	92.50
Owasso Cares Program	1,348.00	1,620.00	1,348.00	719.00	850.00	1,101.50	-	382.00	388.00	299.00
Keep Owasso Clean Program	New Measure	445.50	562.00	514.00	488.00	286.00	93.00	315.00	67.00	38.00
Total Volunteer Program Hours	<u>3,364.50</u>	<u>2,576.60</u>	<u>2,749.30</u>	<u>1,595.00</u>	<u>1,617.00</u>	<u>1,812.20</u>	<u>182.00</u>	<u>843.00</u>	<u>593.50</u>	<u>429.50</u>
4. Volunteer Program Value **										
City Volunteer Program	\$ 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	\$ 2,486.40
Owasso Cares Program	26,641.44	33,825.60	28,914.60	15,875.52	18,768.00	25,279.43	-	9,068.68	9,947.80	8,037.12
Keep Owasso Clean Program	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	1,021.44
Total Volunteer Program Value	<u>\$ 63,503.06</u>	<u>\$ 53,152.13</u>	<u>\$ 58,972.49</u>	<u>\$ 35,206.56</u>	<u>\$ 35,701.15</u>	<u>\$ 41,590.00</u>	<u>\$ 4,176.90</u>	<u>\$ 20,012.82</u>	<u>\$ 14,951.73</u>	<u>\$ 11,544.96</u>

* Information gathered based on a calendar year

** 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Volunteers & Reserves										
1. Volunteer Program Volume/ # of People										
Police Volunteer Program	158	98	54	57	27	65	9	-	-	Not Available
Police Reserve Program	307	134	129	144	118	62	83	88	71	Not Available
Total Volunteer Program Volume	<u>465</u>	<u>232</u>	<u>183</u>	<u>201</u>	<u>145</u>	<u>127</u>	<u>92</u>	<u>88</u>	<u>71</u>	<u>Not Available</u>
2. Volunteer Program Hours										
Police Volunteer Program	620.25	384.60	352.70	188.30	100.90	372.40	28.30	-	-	Not Available
Police Reserve Program	1,450.75	733.20	738.80	831.20	579.90	185.70	378.70	356.98	329.00	Not Available
Total Volunteer Program Hours	<u>2,071.00</u>	<u>1,117.80</u>	<u>1,091.50</u>	<u>1,019.50</u>	<u>680.80</u>	<u>558.10</u>	<u>407.00</u>	<u>356.98</u>	<u>329.00</u>	<u>Not Available</u>
3. Volunteer Program Value **										
Police Volunteer Program	\$ 11,338.17	\$ 8,030.45	\$ 7,565.42	\$ 4,157.66	\$ 2,227.87	\$ 8,546.58	\$ 649.49	\$ -	\$ -	Not Available
Police Reserve Program	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	Not Available
Total Volunteer Program Value	<u>\$ 37,857.88</u>	<u>\$ 23,339.67</u>	<u>\$ 23,412.68</u>	<u>\$ 22,510.56</u>	<u>\$ 15,032.06</u>	<u>\$ 12,808.40</u>	<u>\$ 9,340.66</u>	<u>\$ 8,473.99</u>	<u>\$ 8,011.15</u>	<u>Not Available</u>
Community Center										
1. Volunteer Program Volume/ # of People										
Seniors	459	430	369	384	363	284	183	116	168	Not Available
Office Volunteers	16	13	1	-	-	-	-	-	-	Not Available
Total Volunteer Program Volume	<u>475</u>	<u>443</u>	<u>370</u>	<u>384</u>	<u>363</u>	<u>284</u>	<u>183</u>	<u>116</u>	<u>168</u>	<u>Not Available</u>
2. Volunteer Program Hours										
Seniors	6,944	6,771	5,308	6,672	5,707	5,060	2,669	2,281	2,983	Not Available
Office Volunteers	979	356	49	-	-	-	-	-	-	Not Available
Total Volunteer Program Hours	<u>7,923</u>	<u>7,127</u>	<u>5,357</u>	<u>6,672</u>	<u>5,707</u>	<u>5,060</u>	<u>2,669</u>	<u>2,281</u>	<u>2,983</u>	<u>Not Available</u>
3. Volunteer Program Value **										
Seniors	126,941	141,374	113,863	147,297	126,011	116,127	61,254	54,151	72,636	Not Available
Office Volunteers	17,887	7,433	1,051	-	-	-	-	-	-	Not Available
Total Volunteer Program Value	<u>144,828</u>	<u>148,807</u>	<u>114,914</u>	<u>147,297</u>	<u>126,011</u>	<u>116,127</u>	<u>61,254</u>	<u>54,151</u>	<u>72,636</u>	<u>Not Available</u>
Other Volunteer Programs										
1. Volunteer Program Hours										
Emergency Operations Volunteers	-	-	-	-	-	87	5	-	-	Not Available
Animal Shelter Volunteers	-	-	-	-	-	12	-	-	-	Not Available
Total Volunteer Program Hours	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>Not Available</u>
2. Volunteer Program Value **										
Emergency Operations Volunteers	-	-	-	-	-	1,996.65	114.75	-	-	Not Available
Animal Shelter Volunteers	-	-	-	-	-	275.40	-	-	-	Not Available
Total Volunteer Program Value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272.05</u>	<u>114.75</u>	<u>-</u>	<u>-</u>	<u>Not Available</u>
Total Value of all Volunteer Programs										
1. Volunteer Program Volume/ # of People	<u>1,762</u>	<u>1,687</u>	<u>1,570</u>	<u>1,291</u>	<u>1,187</u>	<u>1,057</u>	<u>380</u>	<u>565</u>	<u>434</u>	<u>Not Available</u>
2. Volunteer Program Hours	<u>13,358</u>	<u>10,821</u>	<u>9,198</u>	<u>9,287</u>	<u>8,005</u>	<u>7,529</u>	<u>3,263</u>	<u>3,481</u>	<u>3,906</u>	<u>Not Available</u>
3. Volunteer Program Value ***	<u>\$ 246,188.81</u>	<u>\$ 225,298.97</u>	<u>\$ 197,298.83</u>	<u>\$ 205,014.12</u>	<u>176,744</u>	<u>172,797</u>	<u>74,886</u>	<u>82,638</u>	<u>95,599</u>	<u>Not Available</u>

* Information gathered based on a calendar year

** 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**

DEPARTMENT	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Municipal Court	3	3	3	3	3	3	3	3	3	3
Managerial	8	7	7	7	7	6	6 1/4	6 1/4	6 1/4	7
Finance	6 1/2	7	7	7	7	7	8	8	8	8
Human Resources	4 1/6	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/4	4 1/2
Information Technology	5 1/3	5	5	5	5	5	6	6	6	6 1/2
Building Maintenance	4 1/2	4 1/2	5	5	5	5	5	5	5	5 1/2
Total General Government	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	34 1/2
Total Community Development	6	6	7 1/2	7 1/2	8	8	8	8	8 1/4	8 1/4
Total Vehicle Maintenance	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	4 1/2
Engineering	6 1/2	6 1/2	7 1/2	7	7	7	7 1/2	7 1/2	7 1/2	7 1/2
Cemetery	0	0	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Streets	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	13 1/3
Stormwater *	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	10 1/3
Total Public Works	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	32 2/3
Police Services	51	52	61	61 1/2	61 1/2	64	66 1/2	72 1/2	72 1/2	72 1/2
Police Communications	13	13	14	14	14	14	15	15	15	15
Animal Control	2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	3	3
Fire Services	54	54	55	55	55	67	67 1/2	67 1/2	67 1/2	70 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	1	1	1	1	1	1	1	1	1	1
Total Public Safety	121 1/2	123	134	134 1/2	134 1/2	149	153	159	159 1/2	162 1/2
Parks	8	8	7	8 1/2	7	7	7	7	7	9
Culture & Recreation	0	0	2	2	5	5	5 1/2	5 1/2	5 1/2	3 1/2
Community Center	3	3 1/2	3 1/2	4	4	5	5	5	5	6
Historical Museum	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2	1/2
Total Recreation and Culture	11 1/2	12	13	15	16 1/2	17 1/2	18	18	18	19
Economic Development	1	1	1	1	1	1 1/2	2	2	2	0
Strong Neighborhoods	1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/4	1 1/4	1 1/4	1 3/4
Total Economic Development	2	2 1/2	2 1/2	2 1/2	2 1/2	3	3 1/4	3 1/4	3 1/4	1 3/4
Administration	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	5 1/2	5 1/2	6	6	6
Utility Billing	4	4	4	4	4	4	4	4	4	4
Water Distribution	8 1/3	8 1/3	8 1/3	7 5/6	7 5/6	8 5/6	8 5/6	8 1/3	8 1/3	8 1/3
Total Water	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	18 1/3
Wastewater Treatment Plant	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3	7 1/3
Wastewater Collections	7 1/3	7 1/3	6 1/3	5 5/6	6 5/6	6 5/6	7 5/6	8 1/3	8 1/3	8 1/3
Total Wastewater	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	15 2/3
Refuse Collections	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	9 1/3
Total Sanitation	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	9 1/3
Recycle Center	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	2 1/2
Total Recycle Center	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	2 1/2
Golf Pro Shop	2	2	3	3	3	3	4	5	5	5
Cart Operations	1	1	1	1	1	1	1	1	1	1
Course Maintenance	6	6	6	6	6	6	6	6	6	6
Food & Beverage	5	5	5	5	5	5	5	5	5	5
Administration	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Total Golf Course	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	18 1/2
TOTAL EMPLOYEES	254	256	274	279 1/2	283 1/2	302 1/2	314	322 1/2	324	327 1/2

* 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)**

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2023	\$ 13.34	\$ 7.97	\$ 11.04	\$ 4.81
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

Source: City Ordinance

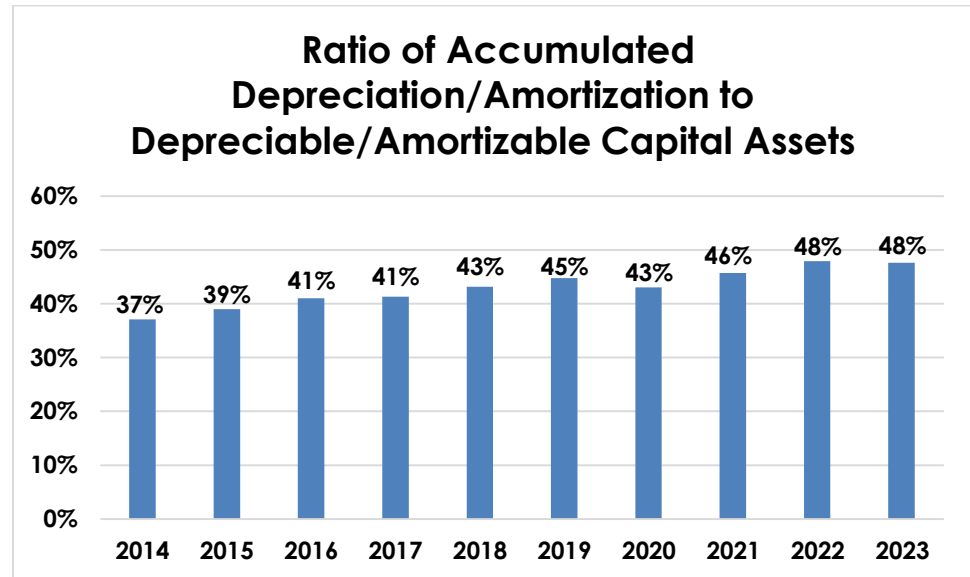
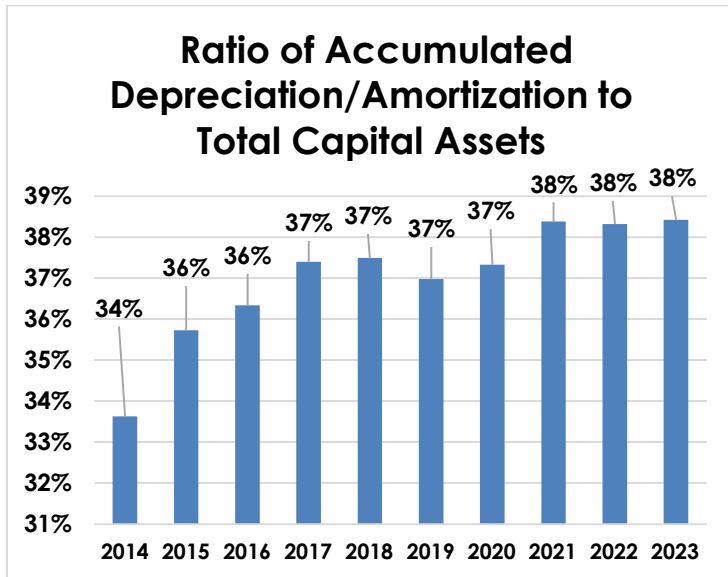
**CITY OF OWASSO
UTILITY AUTHORITY
WATER REVENUE BY CUSTOMER TYPE
(Last Ten Years)**

	<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>	<u>2023</u>
Residential	\$ 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	\$ 4,743,047
Commercial	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	2,868,418
Other	284,487	247,846	336,234	314,529	445,520	488,504	384,308	583,923	490,277	514,365
Total	<u>\$ 5,090,121</u>	<u>\$ 4,948,736</u>	<u>\$ 5,515,781</u>	<u>\$ 5,979,647</u>	<u>\$ 6,248,533</u>	<u>\$ 6,106,293</u>	<u>\$ 6,448,120</u>	<u>\$ 7,632,976</u>	<u>\$ 7,757,544</u>	<u>\$ 8,125,830</u>

Source: City of Owasso Utility Billing Department

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Capital Asset Cost	\$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	\$444,776,030
Non-depreciable Land & CIP	23,170,857	21,452,471	31,418,724	27,339,598	41,107,740	59,330,743	48,502,464	61,962,656	82,592,340	86,010,562
Total Depreciable/Amortizable Capital Assets	\$227,012,635	\$236,090,822	\$243,048,767	\$261,496,600	\$271,890,791	\$281,500,970	\$316,927,716	\$323,409,704	\$331,102,255	\$358,765,468
Accumulated Depreciation/Amortization	\$ 84,132,412	\$ 91,998,891	\$ 99,731,554	\$ 108,013,523	\$ 117,329,739	\$ 126,024,353	\$ 136,400,388	\$ 147,888,497	\$ 158,525,345	\$ 170,878,307
Ratio of Accumulated Depreciation/Amortization to Total Capital Assets	34%	36%	36%	37%	37%	37%	37%	38%	38%	38%
Ratio of Accumulated Depreciation/Amortization to Depreciable/Amortizable Capital Assets	37%	39%	41%	41%	43%	45%	43%	46%	48%	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 Municipal 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



**Annual Comprehensive
Financial Report**

**City of Owasso, Oklahoma
Year Ended June 30, 2023**



Certified Public Accountants

CITY OF OWASSO, OKLAHOMA

SINGLE AUDIT REPORTS AND
SUPPLEMENTARY SCHEDULES
YEAR ENDED JUNE 30, 2023

CITY OF OWASSO, OKLAHOMA
SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES
Year Ended June 30, 2023

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

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.

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 19, 2023
Topeka, Kansas



Certified Public Accountants

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, 2023. 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, 2023.

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.

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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, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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, 2023, and have issued our report thereon dated December 19, 2023, 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 19, 2023
Topeka, Kansas

CITY OF OWASSO, OKLAHOMA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Assistance Listing Number	Expenditures
U.S. Department of Justice:			
Bulletproof Vest Partnership Grant FY2022	FY2022 BPV	16.607	3,476
Public Safety Partnership and Community Policing Grants	2020UMWX0161	16.710	274,166
Justice Assistance Grant	JAG-LLE-2022-Owasso CI-00014	16.738	8,256
Total U.S. Department of Justice			285,898
U.S. Department of Transportation:			
Passed through the Oklahoma Highway Safety Office:			
Highway Safety Cluster:			
State and Community Highway Safety - FY22 (OT)	PT-21-03-22-17	20.600	10,749
State and Community Highway Safety - FY23 (OT)	SE-23-03-02-18	20.600	62,861
Total Highway Safety Cluster			73,610
Oklahoma 911 Management Authority - E-911 Grant Program	911-2021-E911-OK	20.615	42,951
Total U.S. Department of Transportation			116,561
U.S. Department of the Treasury:			
Passed through State of Oklahoma:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	None	21.027	2,028,468
U.S. Department of Homeland Security:			
Passed through the Oklahoma Department of Emergency Management (ODEMHS):			
Emergency Management Performance Grant	2022-EMPG-EMT-2022-EP-00006	97.042	800
COVID-19 Emergency Management Performance Grant	ARPA2021 EMT-20221-EP-00015-S01	97.042	520
COVID-19 - Assistance to Firefighters Grants - COVID 19 Supplemental Fire Management Assistance Grant (FMAG) - 2021 Wildland Fires	DHS-20-GPD-044-00-99 FMAG 5232	97.044 97.046	4,152 14,496
Emergency Management Assistance Compact - Hurricane Dorian 2019	1654-RR-8958	97.067	3,618
Emergency Management Assistance Compact - Hurricane Laura 2020	1867-RSA-9919	97.067	4,808
Emergency Management Assistance Compact - Hurricane Delta 2020	RSA-10132	97.067	8,456
Total U.S. Department of Homeland Security			36,850
Total expenditures of federal awards			\$ 2,467,777

See accompanying notes to schedule of expenditures of federal awards.

CITY OF OWASSO, OKLAHOMA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

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, 2023. 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 - Summary of Significant Accounting Policies

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.

CITY OF OWASSO, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2023

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>Assistance Listing Number</u>	<u>Name of Federal Program</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
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Auditee qualified as a low-risk auditee	Yes
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CITY OF OWASSO, OKLAHOMA
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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