



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020

CITY OF SHAWNEE, OKLAHOMA

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

**For the Fiscal Year Ended
June 30, 2020**

Prepared by:
Department of Finance

Ashley Neel
Finance Director

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Introduction Section:

Letter of Transmittal..... 1-4

List of Principal Officials 5

City Governmental Organization Chart..... 6

Certificate of Achievement for Excellence in Financial Reporting..... 7

Financial Section:

Independent Auditor’s Report..... 9-10

Management’s Discussion and Analysis..... 11-20

Basic Financial Statements:

Statement of Net Position 22

Statement of Activities 23

Balance Sheet - Governmental Funds 24

Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position 25

Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds 26

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 27

Statement of Net Position - Proprietary Funds 28

Statement of Revenues, Expenses, and Changes in Fund Net Position -
Proprietary Funds 29

Statement of Cash Flows - Proprietary Funds 30

Notes to the Basic Financial Statements..... 31-72

Required Supplementary Information:

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – (Budgetary Basis) Budget and Actual	74
Notes to Required Supplementary Information on Budgetary Accounting and Control.....	75-76
Schedules of Required Supplementary Information – Oklahoma Police Pension & Retirement System.....	77-78
Schedules of Required Supplementary Information – Oklahoma Fire Pension & Retirement System.....	79-80
Schedules of Required Supplementary Information – Oklahoma Municipal Retirement Fund.....	81-82
Schedule of Changes in Total OPEB Liability and Related Ratios.....	83

Other Supplementary Information:

General Fund Combining Schedules:

Combining Balance Sheet - General Fund Accounts	85
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts	86
Budget and Actual General Fund Accounts.....	87-89

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	90-91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	92-93
Budget and Actual Nonmajor Governmental Funds.....	94-99
Budget and Actual Major Capital Project Funds.....	100-102

Statistical Section:

Net Position by Component.....	105
Changes in Net Position.....	106-107
Fund Balances, Governmental Funds.....	108-109

CITY OF SHAWNEE, OKLAHOMA
TABLE OF CONTENTS
JUNE 30, 2020

Tax Revenues by Source..... 111

Sales & Use Tax Rates of Direct and Overlapping Governments..... 112

Sales Tax Collected by SIC Code..... 113

Water & Sewer Rates..... 114

Water Utility User Categories..... 115

Construction Permits..... 116

Ratios of Outstanding Debt by Type..... 118

Debt Coverage..... 119

Demographic and Economic Statistics..... 121

Ethnic Demographic Statistics..... 122

Principal Employers..... 123

Full-time Equivalent City Government Employees by Function/Program..... 124

Operating Asset Statistics by Function/Program..... 125

Operating Indicators by Function/Program..... 126

Internal Control and Compliance Information

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards129-130

Schedule of Findings and Responses..... 131

Schedule of Prior Year Findings132-133

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INTRODUCTION SECTION



Office of the City Manager

January 25, 2021

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

In accordance with State Statutes and the Charter of the City of Shawnee, Oklahoma (the, “City”), we are pleased to present the 2019-2020 Comprehensive Annual Financial Report (CAFR) to the City Commission and the citizens of the City to report on the status of the City’s financial position and results of operations for the past fiscal year ended June 30, 2020. The report has been prepared in accordance with the requirements of the Governmental Accounting Standards Board (GASB). We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and the financial activity of the City’s various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the City’s financial affairs have been included.

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

The City’s financial statements have been audited by Arledge & Associates, P.C., certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements are free from material misstatement. The independent auditor has issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended June 30, 2020. The independent auditors report is presented as the first component of the financial section of the CAFR.

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

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

PROFILE OF THE CITY

The City of Shawnee is in Pottawatomie County approximately 35 miles east of Oklahoma City, Oklahoma. The City was incorporated in 1894 and encompasses 56 square miles. The City is a full-service municipality and operates under a Council-Manager form of government consisting of six wards. Each ward is represented by a City Commissioner who is elected at-large in addition to an independently elected Mayor.

The City provides many municipal services for the health and well-being of its citizens, including public safety, emergency management for both the City and county, water, sewer and sanitation services, street construction and maintenance, street lighting, parks, lake and recreational facilities, planning, community development, code enforcement, and general administration.

The City Commission is required by State Statutes to adopt a budget no later than seven days prior to the first day of the fiscal year (July 1). The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund by department. The City Manager may authorize transfers between departments without City Commission approval. Supplemental appropriations require City Commission approval and must be filed with the Office of the State Auditor and Inspector. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. For financial reporting purposes, all funds, agencies, boards, commission, and authorities which the City Commission has financial accountability are included in this report. Financial accountability is determined by several different factors including fiscal dependence, ability to impose will upon the entity's governing body, provision of specific financial burdens or benefits, and separate legal entities. After careful evaluation of these factors, the City has included in this financial report the Shawnee Municipal Authority, Shawnee Airport Authority, all funds of the City, and the Shawnee Civic and Cultural Development Authority which is a discretely presented component unit of the City.

GOVERNMENTAL STRUCTURE

The City of Shawnee operates as a Council-Manager form of government as defined by Oklahoma State Statutes. The governing body of the City consists of a mayor, who shall be elected from the City at large; and six (6) commissioners from prescribed wards. The City Commission also serves as trustees of the Shawnee Municipal Authority and Shawnee Airport Authority. The Mayor and Commissioners appoint the City Manager, who is the chief executive officer of the City, the City Treasurer, who is the chief financial officer of the City, the Municipal Court Judge, and the City Attorney.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City Commission has a policy to maintain a minimum liquid fund balance reserve of 10% of the General Fund, Shawnee Municipal Authority, and Shawnee Airport Authority annual expenditures, excluding capital outlay. The fund balance reserves as of June 30, 2020 for the General Fund, Shawnee Municipal Authority, and Shawnee Airport Authority were 8.79%, 17.63%, and 21.49% respectively. Fund balance reserves fell below policy minimums due to increasing operating costs, predominately relating to personnel costs, and lower than anticipated estimated revenues received during fiscal years 2018 and 2019. In order to restore fund balance reserves to minimum levels, management began taking initiatives during FY-2019 to reduce operating costs by incentivizing a retirement for certain eligible staff, examining the absolute need and requirement for each expenditure, and reviewing each department for efficiencies to eliminate costs. This effort continued in FY-2020 with a focus on the services, infrastructure, and technology essential to creating an efficient and modern municipality.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES, CONTINUED

During FY-2020, the City continued several projects to enhance the community including the expansion of Kickapoo from Kickapoo Spur to Farrell and the completion of Fire Station 2 on Bryan.

In June 2018, the citizens voted to enact a half-cent sales tax for capital improvements related to parks and recreation, streets, and public safety to enhance the City's core services and quality of life. The tax will be

collected until September 2028 and is expected to generate approximately \$30 million for the projects. Already, the City has purchased a new police department headquarters which is currently under renovation and is expected to be completed in FY-2021. Furthermore, these funds are replenishing the police fleet with modern vehicles. With the goal of creating places for both play and relaxation, a firm has been engaged to start the redesign of Woodland and Kids Space Park as guided by the Master Park Plan, and a remodel of the senior center was complete with the library remodel in the finishing stages.

The Shawnee Municipal Authority has a Capital Improvement Plan (CIP) for the water and wastewater treatment plants, including water delivery and collection systems. During FY-2020, the majority of the engineering was completed for the water and wastewater treatment plants for required capital improvements. The final engineering is expected to be completed during FY-2021. Project financing for the wastewater improvements was secured in FY-2020, and the financing for water treatment improvements is expected to be secured during FY-2021.

Lastly, in FY-2020, the Shawnee Municipal Authority began the implementation of Advanced Metering Infrastructure (AMI) for the water utility city-wide. The benefits of installing AMI meters has the opportunity to provide operational, customer and financial benefits such as the ability to perform remote meter readings from City Hall, increased meter reading accuracy, faster leak detection, real-time consumption data, reduced equipment and maintenance costs, and remote meter activation. The project will be completed in FY-2021.

ECONOMIC CONDITION AND OUTLOOK

The City's top priority is to provide the highest level of public services possible. Like other Oklahoma municipalities, long-term municipal finance is a concern as the principal revenue source is sales taxes which can fluctuate based on the state of the economy and consumer spending. For FY-2020, approximately 64% of the General Fund revenues were provided by sales and use tax. The City depends significantly on sales and use tax to fund all general government operations. A broad analysis of the current and future expenditure needs of the City must be considered when appropriating revenues to maintain and build fund balances in the event of economic fluctuations that could impact sales tax. Other major sources include intergovernmental revenues which comprised \$2,313,270 of the General Fund revenues. These revenues come from grants and other governmental agencies and have remained relatively consistent and stable during FY-2020 due to maintaining similar grant programs and no changes in on-behalf state agency receipts.

In FY-2020, overall economic conditions remained stable until COVID reached Oklahoma in March 2020. During the last quarter, the City saw a drop in sales tax collections for the months of May and June with the city coming in 1.14% below budget. Budgeting conservatively, the original FY-2021 sales tax projection was based on 12.5% decrease in collections; a target the City has consistently exceeded in the first few months of FY-2021. Sales and use taxes collected through November 2020 are increasing compared with FY-2020 results.

The City's FY-2021 budget estimates for General Fund revenues are approximately \$23 million. Additionally, the Shawnee Municipal Authority utility revenues are projected at approximately \$20 million, a decrease over prior years resulting from the completion of the AMI project. The City Commission approves annually appropriated budgets for the combined General Fund accounts, special revenue funds, proprietary funds, and debt service fund. The budgets are approved for each fund by department and expenditure category. For additional information, please see the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded the Certificate of

Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both GAAP and applicable legal requirements.

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

Respectfully submitted,



Chance Allison
City Manager



Ashley Neel
City Treasurer

City of Shawnee, Oklahoma

List of Principal Officials

June 30, 2020

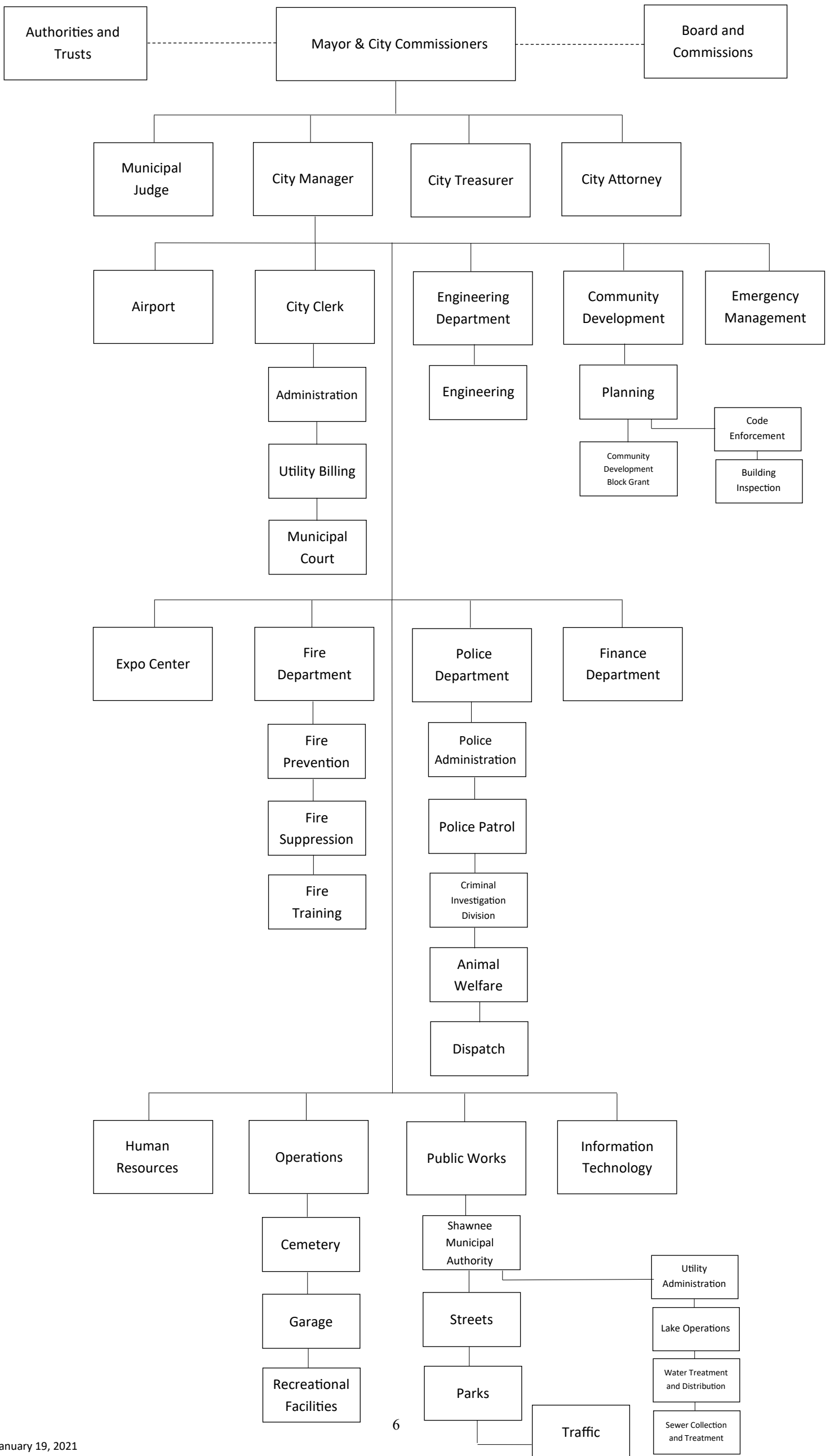
Mayor and City Commission

Richard Finley	Mayor
James Harrod	Commissioner
Ed Bolt	Commissioner
Mike Sehorn	Commissioner
Ron Gillham	Commissioner
Darren Rutherford	Commissioner
Ben Salter	Commissioner

Administration

Chance Allison	City Manager
Ashley Neel	Finance Director/Treasurer
Lisa Lasyone	City Clerk
Mason Wilson	Police Chief
Rodney Foster	Fire Chief
Jennifer Greenland	Human Resource Director
Rebecca Blaine	Community Development Director/ Planning Director
Seth Barkhimer	City Engineering
James Bryce	Director of Operations
Brad Schmidt	Public Works Director
Bonnie Wilson	Airport Manager

City of Shawnee Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shawnee
Oklahoma**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Shawnee, Oklahoma, (the "City") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shawnee Civic and Cultural Development Authority ("SCCDA"), the City's discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for SCCDA, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other 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 introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2021 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 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 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 the City's internal control over financial reporting and compliance.

Arledge & Associates, P.C.

January 25, 2021

As Management of the City of Shawnee, we offer readers this narrative overview and analysis of the financial activities of the City of Shawnee for the fiscal year ended June 30, 2020. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$2,117,890 or 2.7% from the prior year and the assets and deferred outflows of the City continued to exceed its liabilities and deferred inflows at June 30, 2020, by \$81.5 million (net position).
- Of the \$81.5 million in total net position, \$89.5 million is the net investment in capital assets. Another \$13.6 million is restricted for capital projects, debt service, economic development, and public safety. The remaining unrestricted net position for governmental activities is a deficit of approximately \$19.5 million, while unrestricted net position of the business-type activities is a deficit of \$2.1 million. The deficits are in a large part caused by GASB Statements 68 and 71 related to employer pension accounting and GASB Statement 75 related to other post-employment benefits.
- At June 30, 2020, the City's governmental funds reported total combined ending fund balances of \$19.8 million. Of this amount, \$18.7 million is restricted by outside sources and enabling legislation, leaving \$.9 million as unassigned fund balance.
- At June 30, 2020, enterprise funds reported \$40.3 million of total net position. \$40.1 million is the net investment in capital assets, and \$2.3 million is restricted for debt service, leaving a deficit of \$2.1 million in an unrestricted net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Government-wide financial statements also report the City's operations in more detail than the fund level statements by providing information about the City's most significant funds. These statements include all assets of the City (including infrastructure), along with deferred outflows, as well as all liabilities (including long-term debt), along with deferred inflows.

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

This discussion and analysis is intended to serve as an introduction to the City of Shawnee's basic financial statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer financial questions. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Reporting the City's Most Significant Funds - Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. The City of Shawnee, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Shawnee can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following the Governmental Fund financial statements.

Proprietary funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds.

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

Notes to the Financial Statements

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

Other Information

The City has included other information (OI), on pages 1-4, the letter of transmittal and the 10-year statistical tables beginning on page 105. The Required Supplementary Information (RSI) section, starting on page 74, reports the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – and the related Notes to the Required Supplementary Information on Budgetary Accounting and Control for the fiscal year ended June 30, 2020. Also reported here is actuarial information related to the City’s defined benefit pension plan, the City’s Other Postemployment Benefits (OPEB) and the city’s cost sharing pension plans schedules.

Other Supplementary Information (SI) is provided on pages 85-102. Other Supplementary Information contains combining schedules on the general fund and combining statements and schedules of other governmental funds.

THE CITY AS A WHOLE

For the year ended June 30, 2020, net position for the governmental activities and business-type activities increased \$2,117,890. The results indicate the City’s financial condition improved over the prior year.

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SHAWNEE, OKLAHOMA
JUNE 30, 2020**

Following is a summary of net position for the City of Shawnee as of June 30, 2020 and June 30, 2019:

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2020	Restated 2019		2020	2019		2020	Restated 2019	
Current assets	\$ 25,879	\$ 20,624	25%	\$ 5,531	\$ 5,118	8%	\$ 31,410	\$ 25,742	22%
Capital assets, net	50,819	51,862	-2%	53,027	51,525	3%	103,846	103,387	0%
Total assets	<u>76,698</u>	<u>72,486</u>	6%	<u>58,558</u>	<u>56,643</u>	3%	<u>135,256</u>	<u>129,129</u>	5%
Deferred outflows	<u>5,647</u>	<u>5,694</u>	-1%	<u>707</u>	<u>489</u>	45%	<u>6,354</u>	<u>6,183</u>	3%
Current liabilities	5,797	7,427	-22%	4,395	3,584	23%	10,192	11,011	-7%
Non-current liabilities	32,273	31,179	4%	14,373	11,033	30%	46,646	42,212	11%
Total liabilities	<u>38,070</u>	<u>38,606</u>	-1%	<u>18,768</u>	<u>14,617</u>	28%	<u>56,838</u>	<u>53,223</u>	7%
Deferred inflows	<u>3,083</u>	<u>2,432</u>	27%	<u>182</u>	<u>266</u>	-32%	<u>3,265</u>	<u>2,698</u>	21%
Net position									
Net investment capital assets	49,479	48,619	2%	40,068	40,904	-2%	89,547	89,523	0%
Restricted	11,232	9,082	24%	2,329	2,343	-1%	13,561	11,425	19%
Unrestricted (deficit)	(19,519)	(20,559)	-5%	(2,082)	(999)	108%	(21,601)	(21,558)	0%
Total net position	<u>\$ 41,192</u>	<u>\$ 37,142</u>	11%	<u>\$ 40,315</u>	<u>\$ 42,248</u>	-5%	<u>\$ 81,507</u>	<u>\$ 79,390</u>	3%

As shown in Table 1 above, the largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to \$89.5 million. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$13.6 million, represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors. The total remaining unrestricted net position is a deficit amount, with the governmental unrestricted net position having a deficit balance of \$19.5 million, or an 5% decrease in the size of the deficit of the prior year, primarily due to an increase in the net investment in capital assets and an increase in restricted net position. The business-type activities has a deficit unrestricted net position of \$2.1 million, or a 108% increase in the size of the deficit of the prior year, primarily due to an increase in total liabilities and a decrease in the net investment in capital assets.

Changes in Net Position:

Table 2 summarizes the City's changes in net position for fiscal year 2020 compared to fiscal year 2019.

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF SHAWNEE, OKLAHOMA
JUNE 30, 2020**

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2020	Restated, 2019		2020	Restated, 2019		2020	Restated, 2019	
Revenues									
Charges for service	\$ 1,112	\$ 1,342	-17%	\$ 14,314	\$ 13,628	5%	\$ 15,426	\$ 14,970	3%
Operating grants and contributions	5,349	3,132	71%	6	-	-100%	5,355	3,132	71%
Capital grants and contributions	143	143	0%	14	551	-97%	157	694	-77%
Taxes	26,838	24,940	8%	-	-	-	26,838	24,940	8%
Intergovernmental revenue	401	336	19%	-	-	-	401	336	19%
Investment income	172	74	132%	67	74	-9%	239	148	61%
Miscellaneous	195	770	-75%	172	970	-82%	367	1,740	-79%
Total revenues	34,211	30,737	11%	14,573	15,223	-4%	48,784	45,960	6%
Expenses									
General government	5,142	4,331	19%	-	-	-	5,142	4,331	19%
Public safety	18,139	15,758	15%	-	-	-	18,139	15,758	15%
Streets	5,189	3,814	36%	-	-	-	5,189	3,814	36%
Culture and recreation	2,442	1,965	24%	-	-	-	2,442	1,965	24%
Community development	558	560	0%	-	-	-	558	560	0%
Economic development	1,576	1,305	21%	-	-	-	1,576	1,305	21%
Interest	298	416	-28%	-	-	-	298	416	-28%
Water	-	-	-	4,216	4,469	-6%	4,216	4,469	-6%
Wastewater	-	-	-	4,552	3,555	28%	4,552	3,555	28%
Sanitation	-	-	-	2,325	1,565	49%	2,325	1,565	49%
Administration	-	-	-	828	666	24%	828	666	24%
Airport	-	-	-	1,288	1,261	2%	1,288	1,261	2%
Lake	-	-	-	113	136	-17%	113	136	-17%
Total expenses	33,344	28,149	18%	13,322	11,652	14%	46,666	39,801	17%
Excess (deficiency) before transfers	867	2,588	-67%	1,251	3,571	-65%	2,118	6,159	-66%
Transfers	3,184	3,030	5%	(3,184)	(3,030)	-5%	-	-	
Change in net position	4,051	5,618	28%	(1,933)	541	-457%	2,118	6,159	-66%
Beginning net position, restated	37,141	31,524	18%	42,248	41,707	1%	79,389	73,231	8%
Ending net position	\$ 41,192	\$ 37,142	11%	\$ 40,315	\$ 42,248	-5%	\$ 81,507	\$ 79,390	3%

Governmental Activities

The City's governmental activities (as shown in Table 2 above) increased net position by \$4.1 million, representing a 21% increase in the change in net position of the prior year. The current year increase is due to an increase in transfers from other funds, offset by a decrease in operating grants and contributions.

Fiscal year 2019-2020 tax revenues totaled \$26.8 million compared to \$24.9 million in fiscal year 2018-2019 as the local economy slightly improved and the City recognized the first full year of revenues from a new .50 percent sales tax that began in October 2018.

Operating grants and contributions increased 85% from the prior year, as the City received CARES Act funding to assist with expenses and programs related to the nationwide pandemic.

Expenses increased in most functions representing a 18% increase in overall expenses as the city began recovering from several years of economic downturn.

Business-type Activities

Operational net revenues of the business-type activities showed a decrease in the change in net position of the prior year. Utility revenue collections were slightly down and expense and transfers out showed a slight increase.

Tables 3 and 4 summarize the total cost of providing services from governmental activities and business-type activities for fiscal years 2020 and 2019.

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2020	2019		2020	2019	
	General government	\$ 5,142		\$ 4,331	19%	
Public safety	18,139	15,758	15%	(13,038)	(12,630)	3%
Streets	5,189	3,814	36%	(4,885)	(3,479)	40%
Culture, parks and recreation	2,442	1,965	24%	(1,997)	(1,613)	24%
Community development	558	560	0%	(107)	(166)	-36%
Economic development	1,576	1,305	21%	(1,540)	(1,268)	21%
Interest on long-term debt	298	416	-28%	(298)	(416)	-28%
Total	<u>\$ 33,344</u>	<u>\$ 28,149</u>	18%	<u>\$ (26,741)</u>	<u>\$ (23,535)</u>	14%

Total costs of services provided by governmental activities totaled \$33.3 and \$28.1 million for fiscal years 2020 and 2019, respectively.

Total costs of services provided by business-type activities totaled \$13.3 million for fiscal year 2020 and \$11.7 million for fiscal year 2019.

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2020	2019		2020	2019	
	Water	\$ 4,216		\$ 4,469	-6%	
Wastewater	4,552	3,555	28%	(743)	165	-550%
Sanitation	2,325	1,565	49%	60	723	-92%
Administration	828	666	24%	(828)	(666)	24%
Airport	1,288	1,261	2%	(805)	(139)	479%
Lake	113	136	-17%	(80)	(109)	-27%
Total	<u>\$ 13,322</u>	<u>\$ 11,652</u>	14%	<u>\$ 1,012</u>	<u>\$ 2,526</u>	-60%

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2020 fiscal year, the governmental funds reported a combined fund balance of \$20.0 million. The enterprise funds reported combined net position of \$40.3 million. The fund balance constraints and net position restrictions are listed below:

Governmental Funds:

Fund Balance:

Nonspendable	\$117,985
Restricted	<u>18,731,907</u>
Total governmental fund balance constraints	<u>\$18,849,892</u>

Proprietary Funds:

Net Position Restrictions:

Debt service	<u>\$2,329,383</u>
--------------	--------------------

Other Fund Highlights Include:

- For the year ended June 30, 2020, the General Fund's total fund balance increased by \$1,147,660. This increase is the result of a reduction in expenditures and a decrease in transfers to other funds.
- General fund fire department total expenditures include \$1,213,331, while police department total expenditures include \$460,608, for pension payments made on behalf of the City by the State. The total amount of \$1,673,939 of the on-behalf payments has been included as both revenue and expenditures of the City for the year ended June 30, 2020.
- The Street Improvement Fund's total fund balance increased by \$.3 million due an increase in sales tax revenue.
- The Capital Improvement Fund's total fund balance increased by \$.4 million related to increases in capital funding.
- The 2018 Capital Improvement Fund is used to account for the proceeds of a \$10 million Sales Tax Revenue Note. The fund ended the year with \$9.5 million in fund balance and most of the proceeds had not been spent.
- The Shawnee Municipal Authority reported a net income of \$2,056,191 before contributed capital, transfers in, and transfers out.

General Fund Budgetary Highlights

Fiscal year 2020 General Fund revenues of \$18.5 million were \$0.02 million below budgeted revenues. Revenues were slightly below budget due to the stay at home orders issued by the State of Oklahoma due to the pandemic.

Fiscal year 2020 General Fund expenditures were 2.40% below budgeted expenditures due to the city implementing cost saving measures during uncertain times.

CAPITAL ASSETS & DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2020, the City had \$104 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges, net of accumulated depreciation. This represents a net increase of \$.5 million from last year.

Below are details regarding the change in the City's capital assets for the year ending June 30, 2020.¹

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

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2020	Restated, 2019	2020	Restated, 2019	2020	2019
Land	\$ 3,638	\$ 3,754	\$ 1,482	\$ 1,482	5,120	\$ 5,236
Buildings	7,252	6,731	5,358	5,064	12,610	11,795
Machinery, furniture and equipment	7,599	8,122	1,962	2,401	9,561	10,523
Infrastructure	29,738	31,681	24,804	27,174	54,542	58,855
Water rights	-	-	12,968	12,968	12,968	12,968
Construction in progress	2,592	1,574	6,453	2,435	9,045	4,009
Totals	\$ 50,819	\$ 51,862	\$ 53,027	\$ 51,524	\$ 103,846	\$ 103,386

This year's more significant capital asset additions include various water, wastewater and street improvement projects as well as upgrades to various city buildings. The most significant additions are related to street improvements, remodel of the police station and library, AMR project and the wastewater project.

Debt Administration

At year-end, the City had \$27.7 million in long-term debt outstanding, which represents a \$.6 million decrease from the prior year. The overall decrease is due to the payment of scheduled principal payments on debt outstanding, offset by a new debt issue. The City issued \$3.9 million in new notes payable during the fiscal year. These debts are further detailed below as follows:²

¹ For more detailed information on capital asset activity please refer to page 45 Note III.D. Capital Assets

² For more detailed information on long-term debt activity please refer to page 46, Note III.E. Long-Term Debt

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accrued absences	\$ 2,424	\$ 2,293	\$ 241	\$ 244	\$ 2,665	\$ 2,537
Notes payable	9,025	11,710	12,816	10,416	21,841	22,126
Claims and judgments payable	2,907	3,011	-	-	2,907	3,011
Capital leases	315	615	-	-	315	615
Totals	\$ 14,671	\$ 17,629	\$ 13,057	\$ 10,660	\$ 27,728	\$ 28,289

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In FY-2020, economic conditions started promising but ended challenging. For the first ten months of the fiscal year, the City reported higher than anticipated sales and use tax collections with growing retail, accommodation, and food service receipts; however, the city experienced a drop in collections during May and June 2020 as the effects of the virus and subsequent shutdown rippled throughout the economy. Even so, the overall effect on the City's ability to serve the public was minor with sales tax collections coming in only 1.14% under budget. As the City's most important revenue source, this is a key indicator of the City's ability to maintain services.

Budgeting conservatively, the FY-2021 budget was based on a 12.5% decrease in sales tax. Furthermore, any other service revenues were appropriately adjusted to reflect the new conditions of COVID-19. In contrast to expectations, the City has seen astounding growth in sales tax over the initial quarter of FY-2021, coming in both over budget and prior year collections. As such, the City is cautiously optimistic about future sales tax collections of FY-2021, taking into consideration the wind down of enhanced unemployment and stimulus funding. The City plans to continue to budget any revenue increases with an eye toward conservatism and prudence.

The City is looking to enhance efficiency and services in the upcoming year. An outdated accounting system is in the process of being upgraded, and the City has begun OpenGov implementation for budgeting and transparency. Further improvements include a paperless work order system and moving to paperless archiving of all records. Looking to create an enhanced workforce, additional positions the City would like to add include an Assistant City Manager, a Public Information Officer, and miscellaneous other positions to improve customer and internal services.

Total FY-2021 General Fund revenues are estimated at \$25.9 million, including \$5.9 million in transfers from other funds. As noted above, sales tax and use tax collections, representing approximately 55% percent of the total General Fund revenues, are continuing the trend of running above budgeted projections as of November 2020. Total FY-2021 Shawnee Municipal Authority utility revenues are projected at \$20 million with approximately \$4.3 million budgeted for advanced metering infrastructure (AMI) and water and wastewater treatment plant upgrade engineering services. We are projecting all engineering will be completed during FY-2021 with project financing and initial construction occurring during FY-2021 or early FY-2022. Several measures have been introduced to stabilize and provide transparency around the budget including adjusting water and sewer rates based on CPI, annually analyzing expenditures, budgeting based on historical trends, and providing monthly budget updates to the public.

In March 2014, the City signed a sales tax rebate agreement with Hunt Properties of Dallas, TX to attract a 400,000 square foot retail center. Phase 1 of the development is completed and operating. Phase 1 has \$20 million in new buildings and public improvements such as water and sewer extensions, landscaping and lighting, parking and associated drives which will generate excise tax revenue based on the point of delivery. Phase I is generating approximately \$1.2 million in new sales tax per year. Under the terms of the agreement the developer is rebated back a portion of the new sales tax generated for a certain period of years. We will have additional growth this year with a new development at Harrison and 45th Street including a large service station, four restaurants, and two new hotels off the I-40 corridor.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 16 W 9th, Shawnee, Oklahoma or phone at (405) 878-1601.

BASIC FINANCIAL STATEMENTS

City of Shawnee, Oklahoma
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit Civic & Cultural Development Authority
ASSETS				
Cash and cash equivalents	\$ 16,853,644	\$ 3,686,305	\$ 20,539,949	\$ 27,082
Investments	497,149	1,311,625	1,808,774	-
Interest receivable	2,616	-	2,616	-
Accounts receivable, net of allowance	612,003	1,851,590	2,463,593	465
Notes receivable, net of allowance	401,997	-	401,997	-
Internal balances	1,344,639	(1,344,639)	-	-
Due from other governmental agencies	5,974,837	-	5,974,837	-
Inventories	8,515	25,633	34,148	-
Prepaid items	109,470	597	110,067	-
Net pension asset	73,514	-	73,514	-
Capital assets:				
Land, construction in progress, and water rights	6,230,259	20,902,511	27,132,770	-
Other capital assets, net of depreciation	44,588,951	32,124,889	76,713,840	4,055,767
Total Assets	<u>76,697,594</u>	<u>58,558,511</u>	<u>135,256,105</u>	<u>4,083,314</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts on refunding	-	162,563	162,563	-
Deferred amounts related to pensions	4,965,839	383,218	5,349,057	-
Deferred amounts related to OPEB	681,385	161,070	842,455	-
Total deferred outflow of resources	<u>5,647,224</u>	<u>706,851</u>	<u>6,354,075</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued expenses	2,317,076	867,314	3,184,390	19,431
Accrued interest payable	29,969	143,037	173,006	-
Due to depositors	-	1,374,127	1,374,127	10,847
Due to bondholders	17,171	-	17,171	-
Unearned revenue	714,497	-	714,497	-
Long-term liabilities				
Due within one year	2,717,911	2,010,379	4,728,290	11,213
Due in more than one year	32,273,508	14,373,285	46,646,793	22,432
Total liabilities	<u>38,070,132</u>	<u>18,768,142</u>	<u>56,838,274</u>	<u>63,923</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	2,496,509	43,121	2,539,630	-
Deferred amounts related to OPEB	586,212	138,395	724,607	-
Total deferred inflow of resources	<u>3,082,721</u>	<u>181,516</u>	<u>3,264,237</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	49,478,555	40,068,042	89,546,597	4,022,122
Restricted for:				
Debt service	258,764	2,329,383	2,588,147	-
Public safety	406,328	-	406,328	-
Capital projects	9,394,885	-	9,394,885	-
Economic development	885,198	-	885,198	-
Other	286,545	-	286,545	-
Unrestricted (deficit)	(19,518,310)	(2,081,721)	(21,600,031)	(2,731)
Total net position	<u>\$ 41,191,965</u>	<u>\$ 40,315,704</u>	<u>\$ 81,507,669</u>	<u>\$ 4,019,391</u>

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

**City of Shawnee, Oklahoma
Statement of Activities
Year Ended June 30, 2020**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for	Operating	Capital Grants	Governmental	Business-type	Total	Civic & Cultural
		Services	Grants and	and				Development
		Contributions	Contributions	Contributions	Activities	Activities		Authority
Primary government								
Governmental Activities								
General government	\$ 5,141,777	\$ 255,275	\$ 10,250	\$ -	\$ (4,876,252)	\$ -	\$ (4,876,252)	\$ -
Public safety	18,139,108	466,983	4,509,603	125,000	(13,037,522)	-	(13,037,522)	-
Streets	5,188,779	29,435	274,034	-	(4,885,310)	-	(4,885,310)	-
Culture and recreation	2,442,207	273,893	153,577	18,000	(1,996,737)	-	(1,996,737)	-
Community development	557,841	57,383	393,627	-	(106,831)	-	(106,831)	-
Economic development	1,576,372	28,836	7,755	-	(1,539,781)	-	(1,539,781)	-
Interest on long-term debt	298,082	-	-	-	(298,082)	-	(298,082)	-
Total governmental activities	<u>33,344,166</u>	<u>1,111,805</u>	<u>5,348,846</u>	<u>143,000</u>	<u>(26,740,515)</u>	<u>-</u>	<u>(26,740,515)</u>	<u>-</u>
Business-type activities:								
Water	4,215,635	7,617,507	6,411	-	-	3,408,283	3,408,283	-
Wastewater	4,551,583	3,808,289	-	-	-	(743,294)	(743,294)	-
Sanitation	2,325,193	2,385,452	-	-	-	60,259	60,259	-
Administration	827,968	-	-	-	-	(827,968)	(827,968)	-
Airport	1,287,795	469,298	-	13,764	-	(804,733)	(804,733)	-
Lake	113,265	33,463	-	-	-	(79,802)	(79,802)	-
Total business-type activities	<u>13,321,439</u>	<u>14,314,009</u>	<u>6,411</u>	<u>13,764</u>	<u>-</u>	<u>1,012,745</u>	<u>1,012,745</u>	<u>-</u>
Total primary government	<u>\$ 46,665,605</u>	<u>\$ 15,425,814</u>	<u>\$ 5,355,257</u>	<u>\$ 156,764</u>	<u>(26,740,515)</u>	<u>1,012,745</u>	<u>(25,727,770)</u>	<u>-</u>
Component Unit								
Civic & Cultural Development	<u>\$ 1,673,719</u>	<u>\$ 972,779</u>	<u>\$ 297,646</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(403,294)</u>
General revenues:								
Taxes:								
Sales and use taxes					24,545,249	-	24,545,249	-
Franchise taxes and public service taxes					1,422,490	-	1,422,490	-
Hotel/motel taxes					415,242	-	415,242	-
Property tax					74,767	-	74,767	-
Other					380,728	-	380,728	-
Intergovernmental revenue not restricted to specific programs					400,645	-	400,645	-
Unrestricted investment earnings					172,138	66,826	238,964	837
Miscellaneous					195,688	171,887	367,575	-
Transfers					<u>3,184,029</u>	<u>(3,184,029)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>30,790,976</u>	<u>(2,945,316)</u>	<u>27,845,660</u>	<u>837</u>
Change in net position					4,050,461	(1,932,571)	2,117,890	(402,457)
Net position - beginning, restated					37,141,504	42,248,275	79,389,779	4,421,848
Net position - ending					<u>\$ 41,191,965</u>	<u>\$ 40,315,704</u>	<u>\$ 81,507,669</u>	<u>\$ 4,019,391</u>

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

City of Shawnee, Oklahoma
Balance Sheet – Governmental Funds
June 30, 2020

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Street Improvement Fund</u>	<u>2018 Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,030,384	\$ 905,663	\$ 2,722,576	\$ 9,690,215	\$ 1,504,806	\$ 16,853,644
Investments	470	413,469	83,210	-	-	497,149
Interest receivable	1,492	288	340	366	130	2,616
Receivable from other governments	2,438,131	-	10,000	-	39,988	2,488,119
Due from other funds	1,329,905	65,000	4,538,343	-	237,812	6,171,060
Taxes receivable, net	2,252,206	343,762	388,118	443,563	248,078	3,675,727
Court fines receivable, net	166,873	-	-	-	-	166,873
Other receivables	255,533	-	-	-	402,585	658,118
Inventories	8,515	-	-	-	-	8,515
Prepaid items	109,470	-	-	-	-	109,470
Total assets	<u>\$ 8,592,979</u>	<u>\$ 1,728,182</u>	<u>\$ 7,742,587</u>	<u>\$ 10,134,144</u>	<u>\$ 2,433,399</u>	<u>\$ 30,631,291</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 881,323	\$ 77,913	\$ 141,680	\$ 636,606	\$ 188,158	\$ 1,925,680
Accrued payroll payable	388,417	-	-	-	-	388,417
Due to other funds	3,419,412	1,604,878	-	-	255,173	5,279,463
Due to bondholders	15,454	-	-	-	-	15,454
Unearned revenue	312,500	-	-	-	401,997	714,497
Total liabilities	<u>5,017,106</u>	<u>1,682,791</u>	<u>141,680</u>	<u>636,606</u>	<u>845,328</u>	<u>8,323,511</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	2,516,398	-	-	-	-	2,516,398
Fund balances:						
Nonspendable	117,985	-	-	-	-	117,985
Restricted	-	45,391	7,600,907	9,497,538	1,588,071	18,731,907
Unassigned	941,490	-	-	-	-	941,490
Total fund balances	<u>1,059,475</u>	<u>45,391</u>	<u>7,600,907</u>	<u>9,497,538</u>	<u>1,588,071</u>	<u>19,791,382</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 8,592,979</u>	<u>\$ 1,728,182</u>	<u>\$ 7,742,587</u>	<u>\$ 10,134,144</u>	<u>\$ 2,433,399</u>	<u>\$ 30,631,291</u>

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

City of Shawnee, Oklahoma
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balance, governmental funds	\$ 19,791,382
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	50,819,210
Certain long-term assets are not available to pay for current fund liabilities and, therefore, are deferred in the funds.	2,516,398
Deferred outflows and the net pension asset are not available to pay current period expenditures and therefore are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	
Net pension asset	73,514
Pension related deferred outflows	4,965,839
OPEB related deferred outflows	681,385
Some liabilities are not due and payable in the current period, and along with deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position:	
Interest payable	(29,969)
Net pension liability	(14,585,784)
Pension related deferred inflows	(2,496,509)
Total OPEB liability	(5,735,083)
OPEB related deferred inflows	(586,212)
Accrued compensated absences	(2,424,117)
Note payable	(9,025,000)
Capital lease payable	(314,678)
Internal service funds are used by management to charge costs of certain activities that benefit multiple funds, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are reported in governmental activities:	
Internal service fund net position	(2,458,411)
Net Position of Governmental Activities in the Statement of Net Position	\$ 41,191,965

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

City of Shawnee, Oklahoma
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2020

	General Fund	Capital Improvement Fund	Street Improvement Fund	2018 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 16,410,987	\$ 2,438,469	\$ 2,753,112	\$ 3,316,005	\$ 2,193,937	\$ 27,112,510
Intergovernmental	2,313,270	10,000	-	-	331,789	2,655,059
Licenses and permits	227,545	-	-	-	1,505	229,050
Charges for services	607,281	-	-	-	1,063	608,344
Fees and fines	395,245	-	-	-	3,417	398,662
Investment earnings	22,739	9,657	24,744	113,798	1,200	172,138
Miscellaneous	304,756	17,448	16,412	-	93,222	431,838
Total revenues	<u>20,281,823</u>	<u>2,475,574</u>	<u>2,794,268</u>	<u>3,429,803</u>	<u>2,626,133</u>	<u>31,607,601</u>
EXPENDITURES						
Current:						
General government	3,486,052	-	-	-	-	3,486,052
Engineering	282,428	-	-	-	-	282,428
Equipment and building maintenance	352,395	-	-	-	-	352,395
Police	7,180,593	-	-	-	8,591	7,189,184
Fire	6,719,499	-	-	-	1,375	6,720,874
Municipal court	343,789	-	-	-	-	343,789
Emergency management	418,762	-	-	-	-	418,762
Streets	1,071,681	-	-	-	404,815	1,476,496
Parks and recreation	1,231,573	-	-	-	288,446	1,520,019
Culture and recreation	122,743	-	-	-	-	122,743
Animal control/E911	882,951	-	-	-	151,614	1,034,565
Cemetery	196,829	-	-	-	-	196,829
Library	90,657	-	-	-	-	90,657
Economic development	711,111	-	-	-	1,028,329	1,739,440
Capital Outlay	5,826	550,390	2,512,047	1,226,434	26,804	4,321,501
Debt Service:						
Principal	-	1,265,285	-	1,720,000	-	2,985,285
Interest and other charges	-	83,054	-	231,348	-	314,402
Total expenditures	<u>23,096,889</u>	<u>1,898,729</u>	<u>2,512,047</u>	<u>3,177,782</u>	<u>1,909,974</u>	<u>32,595,421</u>
Excess (deficiency) of revenues over expenditures	<u>(2,815,066)</u>	<u>576,845</u>	<u>282,221</u>	<u>252,021</u>	<u>716,159</u>	<u>(987,820)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	4,149,501	-	-	-	180,540	4,330,041
Transfers out	(186,775)	(169,736)	-	-	(789,501)	(1,146,012)
Total other financing sources and uses	<u>3,962,726</u>	<u>(169,736)</u>	<u>-</u>	<u>-</u>	<u>(608,961)</u>	<u>3,184,029</u>
Net change in fund balances	1,147,660	407,109	282,221	252,021	107,198	2,196,209
Fund balances - beginning, restated	(88,185)	(361,718)	7,318,686	9,245,517	1,480,873	17,595,173
Fund balances - ending	<u>\$ 1,059,475</u>	<u>\$ 45,391</u>	<u>\$ 7,600,907</u>	<u>\$ 9,497,538</u>	<u>\$ 1,588,071</u>	<u>\$ 19,791,382</u>

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

City of Shawnee, Oklahoma
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances - total governmental funds: \$ 2,196,209

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

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

Capital asset purchases capitalized	3,794,498
Depreciation expense	(4,699,482)
Book value of disposed capital assets	(257,397)
Capital assets donated	120,000

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense. (1,136,493)

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

Change in unavailable revenue	2,472,954
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Increase in accrued compensated absences	(131,476)
Increase in total OPEB liability	(1,456,444)
Principal paid on long-term debt	2,985,285

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest payable	16,320
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Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues are reported in governmental activities on the Statement of Activities:

Total change in net position of governmental activities - proprietary funds	146,487
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Change in net position of governmental activities	\$ 4,050,461
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The accompanying notes are an integral part of these financial statements.

City of Shawnee, Oklahoma
Statement of Net Position – Proprietary Funds
June 30, 2020

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Shawnee Municipal Authority</u>	<u>Shawnee Airport Authority</u>	<u>Total</u>	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 866,982	\$ 276,828	\$ 1,143,810	\$ -
Investments	225,867	-	225,867	-
Restricted:				
Cash and cash equivalents	1,197,048	-	1,197,048	-
Investments	1,085,758	-	1,085,758	-
Accrued interest	-	-	-	-
Due from other funds	953,897	-	953,897	453,144
Accounts receivable, net	1,857,538	4,385	1,861,923	-
Receivables from other governments	-	-	-	-
Assessments receivable	2,114	-	2,114	-
Inventories	-	25,633	25,633	-
Prepaid expenses	181	416	597	-
Total current assets	<u>6,189,385</u>	<u>307,262</u>	<u>6,496,647</u>	<u>453,144</u>
Non-current assets:				
Restricted:				
Cash and cash equivalents	1,345,447	-	1,345,447	-
Capital assets:				
Land, construction in progress, and water rights	20,297,949	604,562	20,902,511	-
Other capital assets, net of accumulated depreciation	26,908,459	5,216,430	32,124,889	-
Total non-current assets	<u>48,551,855</u>	<u>5,820,992</u>	<u>54,372,847</u>	<u>-</u>
Total assets	<u>54,741,240</u>	<u>6,128,254</u>	<u>60,869,494</u>	<u>453,144</u>
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts on refunding	162,563	-	162,563	-
Deferred amounts related to pensions	383,218	-	383,218	-
Deferred amounts related to OPEB	161,070	-	161,070	-
Total deferred outflows of resources	<u>706,851</u>	<u>-</u>	<u>706,851</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	787,108	31,973	819,081	4,696
Salaries payable	57,030	3,650	60,680	-
Accrued interest payable	143,037	-	143,037	-
Due to other funds	1,536,560	761,976	2,298,536	102
Deposits subject to refund	1,374,127	-	1,374,127	-
Compensated absences	46,819	1,311	48,130	-
Claims and judgments	-	-	-	443,410
Notes payable	1,962,249	-	1,962,249	-
Total current liabilities	<u>5,906,930</u>	<u>798,910</u>	<u>6,705,840</u>	<u>448,208</u>
Non-current liabilities:				
Compensated absences, net of current portion	187,275	5,242	192,517	-
Claims and judgments, net of current portion	-	-	-	2,463,347
Net pension liability	1,666,755	-	1,666,755	-
Total OPEB liability	1,354,340	-	1,354,340	-
Notes payable, net of current portion	11,159,673	-	11,159,673	-
Total non-current liabilities	<u>14,368,043</u>	<u>5,242</u>	<u>14,373,285</u>	<u>2,463,347</u>
Total liabilities	<u>20,274,973</u>	<u>804,152</u>	<u>21,079,125</u>	<u>2,911,555</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	43,121	-	43,121	-
Deferred amounts related to OPEB	138,395	-	138,395	-
Total deferred inflows of resources	<u>181,516</u>	<u>-</u>	<u>181,516</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	34,247,050	5,820,992	40,068,042	-
Restricted for debt service	2,329,383	-	2,329,383	-
Unrestricted (deficit)	(1,584,831)	(496,890)	(2,081,721)	(2,458,411)
Total net position	<u>\$ 34,991,602</u>	<u>\$ 5,324,102</u>	<u>\$ 40,315,704</u>	<u>\$ (2,458,411)</u>

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

City of Shawnee, Oklahoma
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2020

	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
REVENUES				
Water	\$ 6,563,505	\$ -	\$ 6,563,505	\$ -
Sewer	3,725,015	-	3,725,015	-
Sanitation	2,350,679	-	2,350,679	-
Rents and royalties	32,793	283,544	316,337	-
Fuel sales	-	174,125	174,125	-
Charges for services	-	-	-	488,476
Miscellaneous	1,255,658	11,629	1,267,287	-
Total operating revenues	<u>13,927,650</u>	<u>469,298</u>	<u>14,396,948</u>	<u>488,476</u>
OPERATING EXPENSES				
General government	827,968	-	827,968	-
Lake	68,207	-	68,207	-
Water	3,702,312	-	3,702,312	-
Wastewater	3,001,192	-	3,001,192	-
Sanitation	1,261,062	-	1,261,062	-
Airport	-	468,036	468,036	-
Claims expense	-	-	-	381,575
Depreciation	2,844,803	819,759	3,664,562	-
Total operating expenses	<u>11,705,544</u>	<u>1,287,795</u>	<u>12,993,339</u>	<u>381,575</u>
Operating income (loss)	<u>2,222,106</u>	<u>(818,497)</u>	<u>1,403,609</u>	<u>106,901</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	66,826	-	66,826	632
Miscellaneous revenue	88,948	-	88,948	38,954
Gain on forgiveness of debt	6,411	-	6,411	-
Interest expense	(328,100)	-	(328,100)	-
Total non-operating revenue (expenses)	<u>(165,915)</u>	<u>-</u>	<u>(165,915)</u>	<u>39,586</u>
Income (loss) before contributions and transfers	<u>2,056,191</u>	<u>(818,497)</u>	<u>1,237,694</u>	<u>146,487</u>
Capital grants and contributions	-	13,764	13,764	-
Transfers in	-	175,971	175,971	-
Transfers out	(3,360,000)	-	(3,360,000)	-
Change in net position	<u>(1,303,809)</u>	<u>(628,762)</u>	<u>(1,932,571)</u>	<u>146,487</u>
Total net position - beginning	36,295,411	5,952,864	42,248,275	(2,604,898)
Total net position - ending	<u>\$ 34,991,602</u>	<u>\$ 5,324,102</u>	<u>\$ 40,315,704</u>	<u>\$ (2,458,411)</u>

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

City of Shawnee, Oklahoma
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2020

	Enterprise Funds			Internal Service Funds
	Shawnee Municipal Authority	Shawnee Airport Authority	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 13,991,212	\$ 501,636	\$ 14,492,848	\$ 527,430
Payments to employees	(2,687,861)	(169,225)	(2,857,086)	-
Payments to suppliers	(4,599,347)	(371,443)	(4,970,790)	-
Claims and judgments paid	-	-	-	(481,603)
Receipts of customer meter deposits	235,040	-	235,040	-
Refunds of customer meter deposits	(202,663)	-	(202,663)	-
Interfund receipts	-	(79,037)	(79,037)	(46,459)
Net cash provided by (used in) operating activities	6,736,381	(118,069)	6,618,312	(632)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	175,971	175,971	-
Transfers to other funds	(3,360,000)	-	(3,360,000)	-
Net cash provided by (used in) noncapital financing activities	(3,360,000)	175,971	(3,184,029)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(5,045,422)	(107,726)	(5,153,148)	-
Proceeds of capital grants	-	49,824	49,824	-
Proceeds from debt	3,952,341	-	3,952,341	-
Principal paid on debt	(1,545,507)	-	(1,545,507)	-
Interest and fiscal agent fees paid on debt	(356,386)	-	(356,386)	-
Net cash provided by (used in) capital and related financing activities	(2,994,974)	(57,902)	(3,052,876)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	1,158,683	-	1,158,683	-
Interest and dividends	66,826	-	66,826	632
Net cash provided by investing activities	1,225,509	-	1,225,509	632
Net increase in cash and cash equivalents	1,606,916	-	1,606,916	-
Balances - beginning of year	1,802,561	276,828	2,079,389	-
Balances - end of year	\$ 3,409,477	\$ 276,828	\$ 3,686,305	\$ -
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 866,982	\$ 276,828	\$ 1,143,810	\$ -
Restricted cash and cash equivalents - current	1,197,048	-	1,197,048	-
Restricted cash and cash equivalents - noncurrent	1,345,447	-	1,345,447	-
Total cash and cash equivalents, end of year	\$ 3,409,477	\$ 276,828	\$ 3,686,305	\$ -
Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:				
Operating income (loss)	\$ 2,222,106	\$ (818,497)	\$ 1,403,609	\$ 106,901
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	2,844,803	819,759	3,664,562	-
Miscellaneous revenue	88,948	-	88,948	38,954
Change in assets and liabilities:				
Due from other funds	-	-	-	-
Due to other funds	-	(79,037)	(79,037)	(46,459)
Accounts receivable	(25,386)	32,338	6,952	-
Inventory	-	18,029	18,029	-
Prepaid items	27,013	(416)	26,597	-
Deferred outflows related to pension	(144,197)	-	(144,197)	-
Deferred outflows related to OPEB	(143,103)	-	(143,103)	-
Accounts payable	488,611	(91,248)	397,363	4,696
Accrued payroll payable	(50,284)	1,003	(49,281)	-
Deposits subject to refund	32,377	-	32,377	-
Claims and judgments liability	-	-	-	(104,724)
Net Pension liability	1,062,331	-	1,062,331	-
Total OPEB liability	421,260	-	421,260	-
Accrued compensated absences	(3,456)	-	(3,456)	-
Deferred inflows related to OPEB	65,817	-	65,817	-
Deferred inflows related to pension	(150,459)	-	(150,459)	-
Net cash provided by (used in) operating activities	\$ 6,736,381	\$ (118,069)	\$ 6,618,312	\$ (632)
Noncash activities:				
Principal forgiven on capital debt	\$ 6,411	\$ -	\$ 6,411	\$ -
Assets contributed by others	-	13,764	13,764	-
	\$ 6,411	\$ 13,764	\$ 20,175	\$ -

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

I. Organization

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

II. Summary of significant accounting policies

A. Reporting entity

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

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

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

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

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

Discretely presented component unit. Shawnee Civic & Cultural Development Authority (SCCDA) was created January 5, 1976, to acquire by lease and to operate, regulate and administer all physical properties, real or personal which shall be of public use or of civic and/or cultural benefit or incident to carry out an authority or proper function of the City of Shawnee, the beneficiary of the SCCDA. The governing body consists of seven members; the City Manager of the City of Shawnee, four (4) citizens representing the general public to be selected by the Governing Board of the Beneficiary, and two (2) residents of Pottawatomie County appointed by the Commissioners of Pottawatomie County and approved by the SCCDA Trustees. The SCCDA does not have the same Board nor does it provide services exclusively to the City of Shawnee. However, any issuance of debt requires a two-thirds approval of the City Commission. If the SCCDA was not included in the

financial statements of the City of Shawnee, the accompanying financial statements would be misleading and incomplete.

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

The SCCDA has adopted a December 31 year-end to better represent its business cycle. Accordingly, the financial information contained in these financial statements for the SCCDA is as of December 31, 2019 and for the year then ended.

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

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

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in

the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The City reports the following fund types:

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

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

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

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

Fiduciary funds are used to report net position and changes therein of assets held by the City in a fiduciary capacity. These net position are not available for operations of the city. The City currently has no fiduciary funds. Fiduciary fund activity would not be included in the government-wide financial statements.

The funds of the financial reporting entity are described below:

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The most significant operating revenue is sales tax. For reporting purposes the General Fund includes the activities of the following accounts: Revolving Oil and Gas account, Spay and Neuter account, Aquatic Center account, Library Account, Senior Citizens account, and Sister Cities account.
- The Street Improvement Fund accounts for the construction or major reconstruction of street projects, economic development or debt service. The funds major funding source is sales tax.
- The Capital Improvement Fund accounts for the purchase of capital equipment and construction of facilities, economic development, or debt service. The funds major funding source is sales tax.
- The 2018 Capital Improvement Fund accounts for the addition half-cent sales tax that was passed in June 2018. The proceeds are to be used for capital improvements, specifically public safety, parks and public facilities and streets.

The City reports the following major proprietary funds:

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

The City also reports the following proprietary fund:

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

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

- The Street and Alley Fund accounts for the operation and maintenance of local streets and thoroughfares through dedicated taxes.
- The E-911 Fund accounts for the operations and maintenance of the City's 911 emergency services through dedicated taxes.
- The Economic Development Fund accounts for the promotion of economic development through dedicated taxes.
- The Hotel/Motel Fund accounts for the collection of the City's hotel/motel surcharge, used to encourage, promote and foster tourism.

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

- The Police Sales Tax Fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for police officers.
- The Fire Sales Tax Fund accounts for the 1/16 cent of a one-cent dedicated sales tax revenue for firefighters.
- The CDBG & HOME Grant Funds account for federal funds received by the City and expenditures related to the operation of these grants.
- The Cemetery Care Fund accounts for the continuing care and maintenance as well as future capital investments of the City owned cemetery funded with fees restricted by external sources.
- The Gifts & Contributions Fund accounts for monies donated for various park projects, economic development, civic events, police, and fire donations.
- The Tax Increment Finance Fund accounts for ad valorem taxes paid to the City on properties located in the Shawnee Downtown Revitalization Area and Increment District to be used for economic development projects within that District.
- The Drug Forfeiture Fund accounts for funds received from Pottawatomie County drug enforcement activities to help fund City drug-related law enforcement efforts.

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

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

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

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

1. Deposits and investments

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

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

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

2. Receivable and payable

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

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

3. Restricted assets

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

4. Inventories and Prepaids

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

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

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

6. Compensated absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. Full-time employees with at least one year of service earn vacation of ten to twenty days per year depending on years of service completed. A maximum of ten to thirty days may be carried over from one benefit year into another, depending on years of service completed. Sick leave may be accumulated up to a maximum of 120 days. Accumulated sick leave is paid to employees only upon retirement at a rate of one day’s pay for every three day’s accumulated sick leave, up to a maximum of 40 days. A liability for these amounts is reported in governmental funds when they have matured as a result of employee resignations and retirements. The General Fund, the Hotel/Motel Fund and the CDBG Grant Fund are used to liquidate compensated absences in the governmental activities.

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statements of Net

Position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of bond premium or discount.

8. *Deferred Outflow/Inflows of Resources:*

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

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

9. *Fund equity*

Government-Wide and Proprietary Fund Financial Statements:

Net Position is displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. *Restricted Net Position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – included amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action, motion or resolution, or by management decision when the city council has authorize management (city manager) to make the decision. Assignments for transfers and interest income for governmental funds are made through budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance.

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

E. REVENUES, EXPENDITURES AND EXPENSES

Sales Tax

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

- Two-cents recorded to the General Fund for operations
- .3875 recorded in the Capital Improvement Fund restricted by ordinance for capital improvements, economic development or debt service
- .4375 recorded in the Street Improvement Fund and restricted by ordinance for capital improvements, economic development or debt service

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

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

Property Tax

Under State statutes, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. For the year ended June 30, 2020, the City did not levy a tax.

Program Revenues

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

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

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged seven-eighths of one penny (or .875%) of future sales tax revenues to repay \$3,040,000 and \$3,565,000 of Series 2013 and 2016 Sales Tax Revenue Notes. Proceeds from the notes provided financing for capital assets. The notes are payable from pledged sales tax revenues. The notes are payable through fiscal year 2021 and 2024 respectively. The total principal and interest payable for the remainder of the life of these notes is \$2,248,031. Pledged sales taxes received in the current year were \$6,235,516. Debt service payments of \$1,026,816 for the current fiscal year were 16% of pledged sales taxes.

Sales Tax Pledge - The City levied a new sales tax beginning October 1, 2018 of one-half percent (.50%). The City has pledged the future sales tax revenues to repay the \$10,000,000 Series 2018 Sales Tax Revenue Notes. Proceeds from the notes provided financing for capital improvements. The note is payable from pledged sales tax revenues through fiscal year 2029. The total principal and interest payable for the remainder of the life of the note is \$7,883,010. Pledged sales taxes received in the

current year were \$3,316,005. Debt service payments of \$1,951,348 for the current fiscal year were 59% of pledged sales taxes.

Utility Revenues Pledge – The City has also pledged future gross water and wastewater revenues to repay \$1,485,000 of 2010A OWRB Notes Payable, \$12,070,000 of 2013 OWRB Notes Payable, \$5,380,000 of 2019 OWRB Notes Payable, \$5,410,000 of 2016 Municipal Authority Revenue Note, and \$37,920,000 of the 2019A OWRB Note Payable. Proceeds from the notes provided financing for utility system capital assets. The notes are payable through 2031, 2022, 2031, 2031 and 2052, respectively. The total principal and interest payable for the remainder of the life of these notes is \$77,457,922. The notes are payable from the above-mentioned utility revenues. The debt service payments on the notes this year were \$1,903,808 which was 18.5% of pledged utility revenues of \$10,288,520.

Expenditures and Expenses

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

F. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

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

Fund Financial Statements:

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

Government-Wide Financial Statements:

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

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

G. USE OF ESTIMATES

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

III. Detailed notes on all funds

A. Deposits and investments – The City held the following deposits/investments at June 30, 2020:

PRIMARY GOVERNMENT:

Schedule of Deposits and Investments by Type

Type	Fair Value	Credit Rating	Maturities in Years		
			On Demand	Less Than One	1 - 5
Demand accounts	\$ 4,447,360	n/a	\$ 4,447,360	\$ -	\$ -
Time deposits	1,808,774	n/a	-	-	1,808,774
Money market mutual fund	16,088,258	AAAm	-	16,088,258	-
Sub-total	22,344,392		\$ 4,447,360	\$ 16,088,258	\$ 1,808,774
Cash on hand	4,331				
Total Investments and Deposits	\$ 22,348,723				
Reconciliation to Statement of Net Position:					
Cash and cash equivalents	\$ 20,539,949				
Investments	1,808,774				
	\$ 22,348,723				

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

The City has the following recurring fair value measurements as of June 30, 2020: Money Market Mutual Funds of \$16,088,258 are valued using quoted market prices (Level 1 inputs).

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City requires that all deposits be collateralized by either FDIC insurance or pledged collateral. At June 30, 2020 the City's deposits were fully insured and /or collateralized.

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

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

The City complied with this policy in all material respects.

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

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

The City complied with this policy in all material respects.

COMPONENT UNIT:

The SCCDA was not exposed to custodial credit risk at December 31, 2019. The \$27,082 of cash and cash equivalents was invested in cash deposits and interest-bearing certificate of deposit fully insured by Federal Depository Insurance (FDIC) or direct obligations of the U.S. government. The SCCDA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. There is no limit placed on the amount it may invest in any one issuer and is exposed to concentration of credit risk by being 100% invested in money market funds.

B. Receivables

Receivables as of June 30, 2020, including the applicable allowances for uncollectible accounts are as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Taxes	\$ 3,644,098	\$ -	\$ 3,644,098
Due from other governments	2,448,131	-	2,448,131
Court fines	1,668,739	(1,501,866)	166,873
Other	729,735	-	729,735
Total Governmental Activities	\$ 8,490,703	\$ (1,501,866)	\$ 6,988,837
Reconciliation to Statement of Net Position:			
Accounts receivable, net			\$ 612,003
Due from other governmental agencies			5,974,837
Notes receivable, net			401,997
Total			\$ 6,988,837
Business-Type Activities:			
Utilities	\$ 3,445,425	\$ (1,593,835)	\$ 1,851,590

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

C. Restricted assets

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

<u>Type of Restricted Assets</u>	<u>Current</u>		<u>Noncurrent</u>	<u>Total</u>
	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Cash and Cash Equivalents</u>	
Due to Depositors	\$ 70,075	\$ 1,085,758	\$ -	\$ 1,155,833
Trustee Accounts:				
OWRB 2013 Debt Service Account	980,635	-	-	980,635
OWRB 2010 Debt Service Account	35,778	-	-	35,778
SMA 2016 Debt Service Account	110,560	-	-	110,560
OWRB 2013 Debt Service Reserve	-	-	1,345,447	1,345,447
Total Restricted Assets	\$ 1,197,048	\$ 1,085,758	\$ 1,345,447	\$ 3,628,253

D. Capital Assets

The following is a summary of changes in capital assets during fiscal year 2020 for the primary government:

PRIMARY GOVERNMENT:

	<u>Restated, Balance at July 1, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2020</u>
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 3,753,537	\$ -	\$ 115,077	\$ 3,638,460
Construction in progress	1,574,419	2,538,647	1,521,267	2,591,799
Total capital assets not being depreciated	<u>5,327,956</u>	<u>2,538,647</u>	<u>1,636,344</u>	<u>6,230,259</u>
Other capital assets:				
Buildings	17,059,351	1,605,276	681,645	17,982,982
Machinery, furniture and equipment	21,496,370	630,600	354,133	21,772,837
Infrastructure	64,405,518	776,319	-	65,181,837
Total other capital assets at historical cost	<u>102,961,239</u>	<u>3,012,195</u>	<u>1,035,778</u>	<u>104,937,656</u>
Less accumulated depreciation for:				
Buildings	10,328,667	836,125	433,831	10,730,961
Machinery, furniture and equipment	13,374,347	1,144,237	344,550	14,174,034
Infrastructure	32,724,590	2,719,120	-	35,443,710
Total accumulated depreciation	<u>56,427,604</u>	<u>4,699,482</u>	<u>778,381</u>	<u>60,348,705</u>
Other capital assets, net	<u>46,533,635</u>	<u>(1,687,287)</u>	<u>257,397</u>	<u>44,588,951</u>
Governmental activities capital assets, net	\$ 51,861,591	\$ 851,360	\$ 1,893,741	\$ 50,819,210

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

	Restated, Balance at July 1, 2019	Additions	Disposals	Balance at June 30, 2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,481,715	\$ -	\$ -	\$ 1,481,715
Water rights	12,967,959	-	-	12,967,959
Construction in progress	2,435,010	5,068,185	1,050,358	6,452,837
Total capital assets not being depreciated	<u>16,884,684</u>	<u>5,068,185</u>	<u>1,050,358</u>	<u>20,902,511</u>
Other capital assets:				
Buildings	15,556,781	1,127,582	-	16,684,363
Machinery, furniture and equipment	8,954,807	31,866	13,529	8,973,144
Utility property	64,540,153	-	-	64,540,153
Total other capital assets at historical cost	<u>89,051,741</u>	<u>1,159,448</u>	<u>13,529</u>	<u>90,197,660</u>
Less accumulated depreciation for:				
Buildings	10,492,562	833,563	-	11,326,125
Machinery, furniture and equipment	6,553,784	460,945	3,946	7,010,783
Utility property	37,365,809	2,370,054	-	39,735,863
Total accumulated depreciation	<u>54,412,155</u>	<u>3,664,562</u>	<u>3,946</u>	<u>58,072,771</u>
Other capital assets, net	34,639,586	(2,505,114)	9,583	32,124,889
Business-type activities capital assets, net	<u>\$ 51,524,270</u>	<u>\$ 2,563,071</u>	<u>\$ 1,059,941</u>	<u>\$ 53,027,400</u>

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

Governmental Activities:		Business-Type Activities:	
General government	\$ 148,925	Water	\$ 883,523
Culture and recreation	672,959	Wastewater	1,550,391
Community development	17,993	Sanitation	355,891
Public safety	957,403	Administration	9,940
Public works	2,902,202	Lake	45,058
	<u>\$ 4,699,482</u>	Airport	819,759
			<u>\$ 3,664,562</u>

COMPONENT UNIT:

Shawnee Civic and Cultural Development Authority:	Balance, January 1, 2019	Increases	Decreases	Balance, December 31, 2019
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,152,878	\$ -	\$ -	\$ 11,152,878
Equipment	989,405	-	-	989,405
Total capital assets, being depreciated	<u>12,142,283</u>	<u>-</u>	<u>-</u>	<u>12,142,283</u>
Less accumulated depreciation	(7,799,304)	(287,212)	-	(8,086,516)
Governmental activities capital assets, net	<u>\$ 4,342,979</u>	<u>\$ (287,212)</u>	<u>\$ -</u>	<u>\$ 4,055,767</u>

E. Long-term debt

Long-term liabilities of the City of Shawnee as of June 30, 2020, are summarized as follows:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

Governmental activities

Sales Tax Revenue Notes (direct placements):

\$3,565,000 2016 Sales Tax Revenue Note, to a financial institution, dated December 21, 2016, payable semi-annually each June and December, interest at 2.140%, through December 1, 2023. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. \$ 1,850,000

\$3,040,000 2013 Sales Tax Revenue Note, to a financial institution, dated August 15, 2013, payable semi-annually each September and March, interest at 2.43%, through September 1, 2020. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. 235,000

\$10,000,000 2018 Sales Tax Revenue Note, to a financial institution, dated December 12, 2018, payable semi-annually each June and December, interest at 2.90%, through December 12, 2028. The Shawnee Municipal Authority collects funding from the capital improvement fund in the form of sales tax transferred to liquidate this liability. \$ 6,940,000

	\$ 9,025,000
Total sales tax revenue notes payable	
Current portion	\$ 1,475,000
Noncurrent portion	7,550,000
	\$ 9,025,000

Capital Lease Payable:

\$2,065,746 capital lease with Motorola for communication equipment due in annual installments of \$320,828, final payment due August 1, 2020 with interest at 2.88% after the first year \$ 314,678

Current portion	\$ 314,678
	\$ 314,678

Accrued compensated absences. The general fund typically has been used to liquidate this liability. \$ 2,424,117

Current portion	\$ 443,410
Noncurrent portion	1,980,707
	\$ 2,424,117

Claims and judgments payable. The general fund typically has been used to liquidate this liability. \$ 2,906,757

Current portion	\$ 484,823
Noncurrent portion	2,421,934
	\$ 2,906,757

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

Business-type Activities

Notes payable (direct placement/direct borrowing) :

\$12,070,000 Series 2013A OWRB FAP Loan dated April 24, 2013, payable in semiannual installments ranging from \$330,000 to \$1,470,000, interest from 2.4% to 5.4% through September 15, 2022, to refund the 2003 note. The Shawnee Municipal Authority typically has been used to liquidate this liability. (direct borrowing) \$ 3,795,000

\$5,410,000 2016 Municipal Authority Revenue Note, dated June 8, 2016, payable in semiannual installments of \$150,000 to \$215,000, interest at 2.35%, final maturity April 2031. The Shawnee Municipal Authority typically has been used to liquidate this liability. (private placement) 4,185,000

\$1,485,000 2010A Promissory Note to Oklahoma Water Resources Board, dated October 14, 2010, payable in semiannual installments of approximately \$39,489, including principal and interest at 2.76%. The Shawnee Municipal Authority typically pays this liability. (direct borrowing) 743,245

\$5,380,000 2019 Promissory Note to Oklahoma Water Resources Board, dated May 28, 2019, payable in semiannual installments of approximately \$179,000, Interest from 3.895% to 2.35% through April 2031. The note is secured with pledged revenues from the Shawnee Municipal Authority. The SMA has drawn \$3,518,153 of the note as of June 30. (direct borrowing) 3,518,514

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

Total notes payable before bond premium	\$ 12,816,059
Bond premium	305,863
Total notes payable	<u>\$ 13,121,922</u>

Current portion	\$ 962,249
Noncurrent portion	<u>12,159,673</u>
	<u>\$ 13,121,922</u>

Accrued compensated absences. The Shawnee Municipal and Airport Authorities typically have been used to liquidate this liability. \$ 240,647

Current portion	\$ 48,130
Noncurrent portion	<u>192,517</u>
	<u>\$ 240,647</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

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

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

Long-term liability transactions for the year ended June 30, 2020 and changes therein were as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital lease payable	\$ 614,963	\$ -	\$ 300,285	\$ 314,678	\$ 314,678
Notes payable (direct placements)	11,710,000	-	2,685,000	9,025,000	1,475,000
Claims and judgments	3,011,481	376,879	481,603	2,906,757	484,823
Accrued compensated absences	2,292,641	1,681,819	1,550,343	2,424,117	443,410
Total Governmental Activities	<u>\$ 17,629,085</u>	<u>\$ 2,058,698</u>	<u>\$ 5,017,231</u>	<u>\$ 14,670,552</u>	<u>\$ 2,717,911</u>
			Add: Total OPEB liability	5,735,083	
			Add: Net Pension liability	14,585,784	
				<u>\$ 34,991,419</u>	
Business-Type Activities:					
Notes payable (direct placement/direct borrowings)	\$ 10,415,637	\$ 3,952,341	\$ 1,551,919	\$ 12,816,059	\$ 1,962,249
Accrued compensated absences	244,103	142,740	146,196	240,647	48,130
Total Business-Type Activities	<u>\$ 10,659,740</u>	<u>\$ 4,095,081</u>	<u>\$ 1,698,115</u>	<u>\$ 13,056,706</u>	<u>\$ 2,010,379</u>
			Add: Total OPEB liability	1,354,340	
			Add: Net Pension liability	1,666,755	
			Add: Unamortized premium	305,863	
				<u>\$ 16,383,664</u>	
Total Long-Term Debt	<u>\$ 28,288,825</u>	<u>\$ 6,153,779</u>	<u>\$ 6,715,346</u>	<u>\$ 51,375,083</u>	<u>\$ 4,728,290</u>

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

Fiscal Year Ending June 30	Governmental Activities			
	Notes Payable (direct placements)		Capital Lease	
	Principal	Interest	Principal	Interest
2021	\$ 1,475,000	\$ 235,756	\$ 314,678	\$ 8,981
2022	1,270,000	200,657	-	-
2023	1,310,000	167,546	-	-
2024	1,070,000	133,370	-	-
2025	820,000	187,316	-	-
2026-2029	3,080,000	181,396	-	-
	<u>\$ 9,025,000</u>	<u>\$ 1,106,041</u>	<u>\$ 314,678</u>	<u>\$ 8,981</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

Fiscal Year Ending June 30	Business-Type Activities	
	Notes Payable (direct placements/direct borrowings)	
	Principal	Interest
2021	\$ 1,962,249	\$ 429,250
2022	2,203,899	947,496
2023	2,477,597	1,450,868
2024	1,201,301	1,382,572
2025	1,223,135	1,348,989
2026-2030	6,416,386	6,222,159
2031-2035	6,955,679	5,268,598
2036-2040	7,910,000	4,123,214
2041-2045	8,787,000	2,812,132
2046-2050	9,722,000	1,383,145
2051-2052	3,131,000	99,255
Amount to be drawn	(37,139,187)	-
	<u>\$ 14,851,059</u>	<u>\$ 25,467,678</u>

Water Agreement

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

F. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2020 is as follows:

Due To	Due From						Total Due To
	General Fund	Major -CIF Fund	Major -Street Fund	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Fund	
General Fund	\$ -	\$ -	\$ 2,068,165	\$ 227,000	\$ 953,897	\$ 170,350	\$ 3,419,412
Capital Improvement Fund	-	-	1,600,855	4,023	-	-	1,604,878
Nonmajor Governmental Funds	72,741	-	182,432	-	-	-	255,173
Enterprise Funds	1,257,062	65,000	686,891	6,789	-	282,794	2,298,536
Internal Service Funds	102	-	-	-	-	-	102
Total Due From	\$ 1,329,905	\$ 65,000	\$ 4,538,343	\$ 237,812	\$ 953,897	\$ 453,144	\$ 7,578,101

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

Receivable Fund	Payable Fund	Amount	Nature of Interfund Balance
CDBG/HOME Grant Fund	General Fund	\$ 227,000	Negative pooled cash
Worker's Comp Fund	General Fund	170,350	Self insurance funding
Worker's Comp Fund	SMA	282,794	Self insurance funding
General Fund	CDBG & Home Grants Fund	57,993	Negative pooled cash
General Fund	SMA	1,253,766	Negative pooled cash
General Fund	Economic Development Fund	7,959	Negative pooled cash
General Fund	Worker's Comp Fund	102	Negative pooled cash
SMA	General	953,897	Posting correction
Gifts and Contributions	Capital Improvement	4,023	Posting correction
Street Improvement Fund	CDBG & Home Grants Fund	189,221	Negative pooled cash
Street Improvement Fund	Capital Improvement	1,600,855	Negative pooled cash
Street Improvement Fund	Shawnee Airport Authority	686,891	Negative pooled cash
Street Improvement Fund	General	2,068,165	Negative pooled cash
General Fund	Shawnee Airport Authority	10,085	Negative pooled cash
Capital Improvement Fund	Shawnee Airport Authority	65,000	Federal grant match on future projects
		<u>\$ 7,578,101</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 6,171,060	\$ 5,279,463	\$ 891,597
Proprietary Funds	953,897	2,298,536	(1,344,639)
Internal Service Funds	453,144	102	453,042
	<u>\$ 7,578,101</u>	<u>\$ 7,578,101</u>	<u>\$ -</u>

Transfers for the year ended June 30, 2020, consisted of the following:

Transfers Out	Transfers In					Total Transfer Out
	General Fund	Major -CIF Fund	Major -Street Fund	Nonmajor Governmental Funds	Enterprise Funds	
General Fund	\$ -	\$ -	\$ -	\$ 180,540	\$ 6,235	\$ 186,775
Street Improvement Fund	-	-	-	-	-	-
Capital Improvement Fund	-	-	-	-	169,736	169,736
2018 Capital Improvement Fund	-	-	-	-	-	-
Nonmajor Governmental Funds	789,501	-	-	-	-	789,501
Enterprise Funds	3,360,000	-	-	-	-	3,360,000
Total Transfer In	\$ 4,149,501	\$ -	\$ -	\$ 180,540	\$ 175,971	\$ 4,506,012

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

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

Transfer From	Transfer To	Amount	Purpose of Transfer
SMA	General	\$ 3,360,000	Operating subsidy
Police Tax Fund	General	390,133	Restricted sales tax transfer
Fire Tax Fund	General	390,133	Restricted sales tax transfer
General	Street and Alley	180,540	Operating subsidy
Hotel/Motel Fund	General	4,235	Operating subsidy
Capital Improvement	SSA	169,736	Capital Funding
General	SAA	6,235	Operating subsidy
Economic Development Fund	General Fund - Sister Cities	5,000	Sister Cities program support
Total		<u>\$ 4,506,012</u>	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 4,330,041	\$ (1,146,012)	\$ 3,184,029
Proprietary Funds	175,971	(3,360,000)	(3,184,029)
	<u>\$ 4,506,012</u>	<u>\$ (4,506,012)</u>	<u>\$ -</u>

G. Net Position/Fund Equity

Government-Wide and Proprietary Fund Financial Statements

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The following table shows the net position restricted for other purposes shown on the Statement of Net Position:

Fund	Restricted By	Amount
Governmental Activities:		
Tax Increment Financing Fund	Enabling legislation	<u>\$ 288,973</u>
		288,973
Cemetery Fund	Statutory requirements	159,306
Street and Alley Fund	Statutory requirements	26,119
E911 Fund	Statutory requirements	283,688
Drug Forfeiture Fund	Statutory requirements	11,646
		<u>480,759</u>
CDBG Fund	External sources	140,347
Gifts and Contributions	External sources	101,120
Police Sales Tax Fund	External sources	55,497
Fire Sales Tax Fund	External sources	55,497
Hotel/Motel Fund	External sources	429,455
Economic Development Fund	External sources	26,423
Street Improvement Fund	External sources	7,600,907
2018 Capital Improvement Fund	External sources	1,793,978
Debt Service Fund	External sources	258,764
		<u>10,461,988</u>
Total Governmental Restricted		<u>\$ 11,231,720</u>
<i>Reconciliation to Statement of Net Position:</i>		
Restricted for:		
Debt service		\$ 258,764
Public Safety		406,328
Capital projects		9,394,885
Economic development		885,198
Other		286,545
Total Governmental Restricted		<u>\$ 11,231,720</u>
Business Type Activities:		
Debt Service Reserves	Enabling legislation	<u>\$ 2,329,383</u>

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

Governmental Fund Financial Statements:

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

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

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

	<u>General Fund</u>	<u>Street Improvement Fund</u>	<u>Capital Improvement Fund</u>	<u>2018 Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balance:						
Nonspendable:						
Prepaid items	\$ 117,985	\$ -	\$ -	\$ -	\$ -	\$ 117,985
	<u>117,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,985</u>
Restricted for:						
Street improvements	-	7,600,907	-	-	-	7,600,907
Fire operations	-	-	-	-	55,497	55,497
Police operations	-	-	-	-	339,185	339,185
Debt service	-	-	-	-	288,973	288,973
Capital improvements	-	-	45,391	9,497,538	-	9,542,929
Street operations	-	-	-	-	26,119	26,119
Culture and rec programs	-	-	-	-	101,120	101,120
Cemetery improvements	-	-	-	-	159,306	159,306
Police - drug programs	-	-	-	-	11,646	11,646
Economic development	-	-	-	-	606,225	606,225
Sub-total restricted	<u>-</u>	<u>7,600,907</u>	<u>45,391</u>	<u>9,497,538</u>	<u>1,588,071</u>	<u>18,731,907</u>
Unassigned	941,490	-	-	-	-	941,490
TOTAL FUND BALANCE	<u>\$ 1,059,475</u>	<u>\$ 7,600,907</u>	<u>\$ 45,391</u>	<u>\$ 9,497,538</u>	<u>\$ 1,588,071</u>	<u>\$ 19,791,382</u>

The City lapses most encumbrances at year-end and re-appropriates them in the next year with the exception of construction contracts. Encumbrances for construction contracts were as follows:

Capital Improvement Fund	\$4,862,291
Street Improvement Fund	\$11,967,494

Prior Period Adjustment:

	<u>Governmental Activities</u>	<u>Non-Major Governmental Funds</u>
Beginning net position as previously reported	\$ 38,281,961	\$ 1,009,153
Correction of capital assets records from inventory	(1,612,177)	-
Understatement of receivable	471,720	471,720
Beginning net position as restated	<u>\$ 37,141,504</u>	<u>\$ 1,480,873</u>

H. Postemployment Healthcare Plan

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

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

The amount of benefit payments during fiscal year June 30, 2020 were \$332,000.

Employees Covered by Benefit Terms

Active Employees	298
Inactive or beneficiaries receiving benefits	<u>82</u>
Total	<u>380</u>

Total OPEB Liability – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2020 which is also the measurement date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2019, with roll forward procedures performed for June 30, 2020 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 3.0% based on the 20 year municipal bond yield
- Retirement Age – Civilians - 55 with 10 years of service, Police and Fire 20 years of service
- Medical Trend Rates

<u>Year</u>	<u>Rate</u>
2021	6.50%
2022	6.00%
2023	5.50%
2024	5.25%
2025	5.00%
2026	4.75%
2027+	4.50%

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

Changes in Total OPEB Liability –

Balances at Beginning of Year	\$ 4,885,236
Changes for the Year:	
Service cost	235,954
Interest expense	199,040
Difference between expected and actual experience	(19,915)
Change in assumptions	425,305
Benefit Payments	(332,000)
Changes om benefit terms	1,569,912
Other changes	125,891
Net Changes	2,204,187
Balances End of Year	\$ 7,089,423

OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the City recognized OPEB expense of \$2,134,418. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 399,494
Changes of assumptions	842,280	198,964
Net difference between projected and actual earnings on OPEB plan investments	-	-
Change in porportion	164	185
City benefit payments during the measurement date	11	125,964
Total	\$ 842,455	\$ 724,607

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

Year Ended June 30:

	2021	\$		1,621	
	2022			1,621	
	2023			1,621	
	2024			1,621	
	2025			1,621	
	Thereafter			109,743	
				117,848	

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current discount rate:

	1% Decrease (2.0%)	Current Discount Rate (3.0%)	1% Increase (4.0%)
Employers' total OPEB liability	\$ 7,922,441	\$ 7,089,423	\$ 6,395,528

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

	1% Decrease (5.09% decreasing to 3.87%)	Current Discount Rate (6.09% decreasing to 4.87%)	1% Increase (7.09% decreasing to 5.87%)
Employers' total OPEB liability	\$ 6,519,830	\$ 7,089,423	\$ 7,775,041

IV. Other Information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has insurance for the major risks such as property and general liability, and is self-insured for workers' compensation and unemployment, with applicable excess loss coverage for workers' compensation. A third party worker's compensation administrator is used to evaluate claims and estimate the City's liability for outstanding claims not assumed by the issuer. The City is self-insured up to \$750,000 per occurrence and \$1,000,000 in the aggregate, and has obtained overlying insurance coverage for claims in excess of these amounts. Commercial insurance is used to cover general liability claims and the risk of loss to 8 buildings and mobile equipment. Judgments against the City may be paid by a property tax assessment over a three-year period. Claims have not exceeded coverage in the past three years.

Claims Liability Analysis

The claims liabilities related to the above noted risk of loss that is retained is determined in accordance with Generally Accepted Accounting Principles, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. For the internal service self-insurance workers' compensation fund, changes in the claims liability for the City from July 1, 2018 to June 30, 2020, are as follows:

CLAIMS LIABILITY ANALYSIS

Claims liability, June 30, 2018	\$	3,011,481
Claims and changes in estimates		531,722
Claims payments		(531,722)
Claims liability, June 30, 2019	\$	3,011,481
Claims and changes in estimates		376,879
Claims payments		(481,603)
Claims liability, June 30, 2020	\$	2,906,757

B. Commitments and contingent liabilities

Grant Program Involvement

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

Litigation

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

Asset Retirement Obligations

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2020, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in a subsequent fiscal year, and if significant will record those amounts in the financial statements.

State Audit

The City has been notified by the State Auditor and Inspector that a request has been made to review certain financial transactions of the City. The City has not received a formal engagement letter from the State Auditor and outlining the scope of the review and cannot predict the impact t on the current financial statements.

C. Tax Abatements

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

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

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

Due to confidentiality laws in Oklahoma statutes Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2020:

A developer received rebated sales taxes during 2020. The rebate is related to the Shawnee Market Place project. Businesses located within the project area whose sales taxes were included in the rebate were: Hobby Lobby, PetsMart, TJ Maxx, Ulta Beauty, Famous Footwear, Aldi, T-Mobile, Freddy’s Frozen Custard and Harbor Freight. The sales tax rebate will be two percent (2%) of taxable sales for six years, then 1.5% for an additional three years for a total period not to exceed nine years. The sales tax rebated cannot exceed \$3,750,000.

A fuel station entered into a sales tax rebate agreement on November 22, 2016, for a convenience store project. The sales tax rebate is for 1.5% of taxable sales on the second building constructed in the project up to a maximum of \$785,000 in sales tax. This sales tax rebate period is for seven years. The developer is also eligible for a sales tax rebate on construction materials purchased within city limits in conjunction with the construction of the Service Station (building 1). No sales tax was rebated in fiscal year 2020.

D. Employee retirement systems and pensions plans

The City of Shawnee participates in the Oklahoma State Police Pension and Retirement System and the Oklahoma State Firefighters’ Pension and Retirement System, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the State of Oklahoma. Additionally, for other City employees not covered by the other plans, the City of Shawnee maintains the Oklahoma Municipal Retirement Fund, an agent multiple employer defined benefit pension plan. For the year ended June 30, 2020 the following amounts were reported for each pension plan:

	<u>Governmental</u>	<u>Business Type</u>	<u>Total</u>
Deferred Outflows:			
Police Pension	\$ 1,439,530	\$ -	\$ 1,439,530
Fire Pension	3,038,459	-	3,038,459
OMRF	487,850	383,218	871,068
Total	<u>\$ 4,965,839</u>	<u>\$ 383,218</u>	<u>\$ 5,349,057</u>
Deferred Inflows:			
Police Pension	\$ 354,593	\$ -	\$ 354,593
Fire Pension	2,054,631	-	2,054,631
OMRF	87,285	43,121	130,406
Total	<u>\$ 2,496,509</u>	<u>\$ 43,121</u>	<u>\$ 2,539,630</u>
Net Pension Asset:			
Police Pension	\$ 73,514	\$ -	\$ 73,514
Net Pension Liability:			
Police Pension	\$ -	\$ -	\$ -
Fire Pension	12,202,550	-	12,202,550
OMRF	2,383,234	1,666,755	4,049,989
Total	<u>\$ 14,585,784</u>	<u>\$ 1,666,755</u>	<u>\$ 16,252,539</u>
Pension Expense:			
Police Pension	\$ 889,131	\$ -	\$ 889,131
Fire Pension	1,967,676	-	1,967,676
OMRF	1,105,911	773,438	1,879,349
Total	<u>\$ 3,962,718</u>	<u>\$ 773,438</u>	<u>\$ 4,736,156</u>

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

Oklahoma State Police Pension and Retirement System (OPPRS)

Plan description - The City of Shawnee, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS

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

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$498,047. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$460,608 during the calendar year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$455,533. These on-behalf payments did not meet the criteria of a special funding situation.

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported an asset of \$73,514 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2019. 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, 2019. Based upon this information, the City's proportion was 1.1515%.

For the year ended June 30, 2020, the City recognized pension expense of \$889,131. At June 30, 2020, 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	\$ 44,118	\$ 347,091
Changes of assumptions	187,710	-
Net difference between projected and actual earnings on pension plan investments	671,773	-
Changes in proportion and differences between City contributions and proportionate share of contributions	25,453	3,043
City contributions during measurement date	12,429	4,459
City contributions subsequent to the measurement date	498,047	-
Total	\$ 1,439,530	\$ 354,593

The \$498,047 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:			
2021	\$	332,282	
2022		(91,418)	
2023		111,943	
2024		223,879	
2025		10,204	
		\$ 586,890	

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.79%
Domestic equity	5.74%
International equity	9.19%
Real estate	7.99%
Private Equity	10.20%
Commodities	3.50%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 3,131,651	\$ (73,514)	\$ (2,783,521)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS .

Oklahoma State Firefighters' Pension and Retirement System (OFPRS)

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

Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- Hired Prior to November 1, 2013
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
- Hired After November 1, 2013
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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

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

Contributions - The contributions requirements of the Plan are at an established rate determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$506,928. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,213,331 which is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$1,174,449. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the City reported a liability of \$12,202,550 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

plan for all participating employers as of June 30, 2019. Based upon this information, the City's proportion was 1.154816%.

For the year ended June 30, 2020, the City recognized pension expense of \$1,967,676. At June 30, 2020, 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	\$ 2,043,313	\$ 248,205
Changes of assumptions	-	313,476
Net difference between projected and actual earnings on pension plan investments	-	883,323
Changes in proportion and differences between City contributions and proportionate share of contributions	481,469	593,220
City Contributions during the measurement period	6,749	16,407
City contributions subsequent to the measurement date	506,928	-
Total	\$ 3,038,459	\$ 2,054,631

The \$506,928 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 392,720
2022	(21,140)
2023	206,905
2024	(17,521)
2025	(84,064)
	\$ 476,900

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

Mortality rates were based on the PUB-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, 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%	4.90%
Domestic equity	47%	7.09%
International equity	15%	9.19%
Real estate	10%	7.99%
Other assets	8%	5.57%

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 15,756,933	\$ 12,202,550	\$ 8,299,504

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

elected to cease participation in the plan by making a one-time election to participate in the City of Shawnee Defined Contribution Plan will have their benefit calculation for average monthly compensation by using compensation through August 31, 2013. New hires beginning on July 1, 2013, participate in a Defined Contribution Plan.

Contribution Requirements – The City 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. For the year ended June 30, 2020, employees were required to contribute 4.25% of annual compensation while the City contributed 15.27%, the actuarially required contribution rate. Contributions to the Plan for the year ended June 30, 2020, for employees and employer were \$54,705 and \$197,259, respectively. For the year ended June 30, 2020, the City’s covered payroll was \$1,287,177. Covered payroll refers to all compensation paid by the City of Shawnee to active employees covered by the Plan on which contributions are based.

Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2019
Actuarial Cost Method	Entry age normal
Rate of return on investments and Discount Rate	7.50% compounded annually
Projected salary increases	Varies between 7.472% and 4% based upon age
Post Retirement Cost-of-Living Increase	None
Inflation rate	2.75% per annum
Percentage of married employees	100%
Mortality rates – before and after retirement	UP 1994, with projected mortality improvement
Spouse age difference	3 years (female spouses younger)
Turnover	Select and ultimate rates. Ultimate rates are age-related as shown: Additional rates per thousand are added during the first 5 years: Year 1: 225 Year 2: 140 Year 3: 100 Year 4: 70 Year 5: 40
Date of last experience study	September 2012 for fiscal years 2007 through 2011

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

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

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2019 are summarized in the following table:

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

Changes in Net Pension Liability – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2019 which is also the measurement date. There were no changes in assumptions or changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2019 and the City's report ending date of June 30, 2020, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

**NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning of Year	\$ 39,188,456	\$ 37,378,066	\$ 1,810,390
Changes for the Year:			
Service cost	347,372	-	347,372
Interest expense	2,831,260	-	2,831,260
Benefit changes	-	-	-
Experience losses (gains) -	956,055	-	956,055
Changes of assumptions	873,450	-	873,450
Contributions--City	-	318,345	(318,345)
Contributions--members	-	87,108	(87,108)
Net investment income	-	2,440,556	(2,440,556)
Benefits paid	(2,929,614)	(2,929,614)	-
Plan administrative expenses	-	(77,471)	77,471
Benefit changes due to plan amendments	-	-	-
Change in deferred contributions made subsequent to the measurement date	-	-	-
Net Changes	<u>2,078,523</u>	<u>(161,076)</u>	<u>2,239,599</u>
Balances End of Year	<u>\$ 41,266,979</u>	<u>\$ 37,216,990</u>	<u>\$ 4,049,989</u>

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 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 8,785,557	\$ 4,049,989	\$ 91,090

The City reported \$1,879,349 in pension expense of the year ended June 30, 2020. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 287,485	\$ 70,218
Changes of assumptions	262,646	-
Net difference between projected and actual earnings on pension plan investments	72,095	-
Changes in proportion and differences between City contributions and proportionate share of contributions	49,160	49,160
City contributions during the measurement date	2,423	11,028
City contributions subsequent to the measurement date	197,259	-
Total	<u>\$ 871,068</u>	<u>\$ 130,406</u>

NOTES TO FINANCIAL STATEMENTS
CITY OF SHAWNEE, OKLAHOMA
YEAR ENDED JUNE 30, 2020

The \$197,259 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, 2021. Any amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	681,837
2022		(249,912)
2023		58,076
2024		53,402
2025		-
thereafter		-
		\$ 543,403

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

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

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

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 4.25%. Employees are allowed to contribute in excess of the 4.25%; however, these contributions are not pre-tax. Beginning July 1, 2013, by City ordinance, the City, as the employer, is required to make variable contributions to the Plan, based on employee’s years of service. Employer contributions for employees hired prior to July 1, 2013 were as follows: zero to five years of service 5%, five to ten years of service 10%, and ten or more years of service 15%. Employer contributions for employees hired after July 1, 2013 were as follows: zero to five years of service 3%, five to ten years of service 6%, and ten or more years of service 9%. The employee is fully vested after 7 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are allocated back to remaining eligible participants. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2020, for employees who were hired prior to July 1, 2013 employee and employer were \$62,792 and \$183,029, respectively on covered wages of \$1,477,470. Contributions for employees hired after July 1, 2013 employee and employer were \$143,817 and \$115,776, respectively on covered wages of \$3,382,905.

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

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

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

Funding Policy – Benefits depend solely on amounts contributed to the DH Plan plus investment earnings. Employees are eligible to participate upon employment, and must make a mandatory minimum pre-tax contribution of 3.75% with the police and fire chief contributing 8%. Employees are allowed to contribute in excess of the 8%; however, these contributions are not pre-tax. By City ordinance, the City, as the employer, is required to make at least 5% contributions to the DH Plan and could be higher, based on availability of funds. The employee is fully vested upon employment. The authority to establish and amend the provisions of the DH Plan rests with the City Commission. Contributions to the DH Plan for the year ended June 30, 2020, for employees and employer were \$39,415 and \$52,554, on covered wages of \$1,051,073.

Oklahoma Municipal Retirement Fund Defined Contribution Special Incentive Plan

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

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

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees do not contribute to the plan. By City ordinance, the City, as the employer, is required to make a \$5,000 contribution for each of the five plan years during the period beginning July 1, 2013 and ending June 30, 2018, provided that the employee will be entitled to the employer contribution only if he or she was employed on the last day of the applicable plan year in the same or higher position as he/she had on the effective date of the plan. The employee is fully vested upon five years of service beginning on July 1, 2013, service prior to July 1, 2013 will not be counted. The authority to establish and amend the provisions of the Plan rests with the City Commission. Contributions to the Plan for the year ended June 30, 2020, totaling \$-0-.

City of Shawnee 457 Deferred Compensation Plan (DC Plan)

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

Funding Policy – DC Plan participants may contribute up to \$15,000 of eligible compensation per year. During the year ended June 30, 2020, employees contributed \$16,685 to the DC Plan.

ICMA Retirement Deferred Compensation Plan (the ICMA Plan)

In addition to the above plans, the City of Shawnee offers a retirement \$700 for the year ended June 30, 2020. Separately audited financial statements are not available.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SHAWNEE, OKLAHOMA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
(BUDGETARY BASIS) BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
REVENUES				
Taxes	\$ 15,916,932	\$ 16,743,365	\$ 16,410,987	\$ (332,378)
Licenses and permits	265,146	207,609	227,545	19,936
Intergovernmental	539,539	667,268	636,851	(30,417)
Charges for services	175,538	176,378	466,205	289,827
Fees and fines	539,514	539,642	392,295	(147,347)
Investment earnings	21,211	25,700	22,739	(2,961)
Miscellaneous	67,430	122,328	303,964	181,636
Total revenues	17,525,310	18,482,290	18,460,586	(21,704)
EXPENDITURES				
Departmental:				
<i>General Government:</i>				
City manager	1,314,938	1,323,821	1,164,103	159,718
City attorney	150,000	190,000	153,523	36,477
Human resources	247,249	252,391	247,945	4,446
City clerk	240,563	225,095	219,255	5,840
Accounting	609,911	562,274	570,133	(7,859)
Municipal court	352,064	378,084	343,789	34,295
Information services	413,053	439,327	434,679	4,648
Planning and zoning	724,880	747,290	696,414	50,876
Engineering	392,965	294,611	282,428	12,183
Equipment services	224,917	234,326	217,426	16,900
Building maintenance	65,246	150,669	140,195	10,474
<i>Total General Government</i>	4,735,786	4,797,888	4,469,890	327,998
<i>Public Safety:</i>				
Police administration	494,758	542,300	533,904	8,396
Police operations	5,563,492	5,205,715	5,152,191	53,524
Disptach	779,230	715,703	696,683	19,020
Criminal investigations	666,424	1,044,089	1,032,019	12,070
Animal Control	176,188	180,766	182,501	(1,735)
Fire suppression	4,980,289	4,785,014	4,731,117	53,897
Fire prevention	623,481	613,139	614,528	(1,389)
Emergency Management	509,111	435,142	418,762	16,380
Fire Training	177,128	175,651	160,523	15,128
L.E.P.C	3,571	3,571	1,871	1,700
<i>Total Public Safety</i>	13,973,672	13,701,090	13,524,099	176,991
<i>Street:</i>				
Street	717,078	849,496	837,407	12,089
Traffic control	230,381	256,177	234,274	21,903
<i>Total Street</i>	947,459	1,105,673	1,071,681	33,992
<i>Culture and Recreation:</i>				
Expo Operations	537,357	618,656	705,732	(87,076)
Municipal auditorium	52,033	41,613	39,178	2,435
Senior citizens	61,279	79,962	53,506	26,456
Community center	39,279	35,667	30,059	5,608
Cemetery	204,087	201,462	196,829	4,633
Parks	885,647	917,945	892,583	25,362
<i>Total Culture and Recreation</i>	1,779,682	1,895,305	1,917,887	(22,582)
Total Expenditures	21,436,599	21,499,956	20,983,557	516,399
Excess (deficiency) of revenues over expenditures	(3,911,289)	(3,017,666)	(2,522,971)	494,695
OTHER FINANCING SOURCES (USES)				
Transfers in	4,404,953	4,153,749	4,144,501	(9,248)
Transfers out	(374,360)	(1,343,277)	(452,109)	891,168
Total other financing sources and uses	4,030,593	2,810,472	3,692,392	881,920
Net change in fund balances	119,304	(207,194)	1,169,421	1,376,615
Fund balances - beginning	(410,380)	(410,380)	(410,380)	-
Fund balances - ending	\$ (291,076)	\$ (617,574)	\$ 759,041	\$ 1,376,615

**CITY OF SHAWNEE, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

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

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

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of state law, except funds of public trusts or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. The following departments exceeded appropriations:

General Fund –	
Accounting	\$7,859
Animal Control	1,735
Fire Prevention	1,389
Expo Center	87,076

CITY OF SHAWNEE, OKLAHOMA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

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

Budgetary Accounting

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

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

	General Fund
Total revenue - budgetary basis	\$ 22,605,087
Total expenses - budgetary basis	(21,435,666)
Change in fund balance - budgetary basis	1,169,421
Add change in fund balance of accounts combined for reporting purposes:	
Spay and Neuter account	(792)
Aquatic center	(19,884)
Library account	(1,406)
Sister Cities	321
Change in fund balance - GAAP basis	\$ 1,147,660

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

Schedules of Required Supplementary Information

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	1.0829%	1.1417%	1.1244%	1.1495%	1.1880%	1.1515%
City's proportionate share of the net pension liability (asset)	\$ (364,603)	\$ 46,554	\$ 1,721,954	\$ 88,416	\$ (566,064)	\$ (73,514)
City's covered payroll	\$ 3,199,606	\$ 2,709,674	\$ 3,407,053	\$ 3,546,599	\$ 3,632,653	\$ 3,739,551
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.40%	1.72%	50.54%	2.49%	15.58%	1.97%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorially required contribution	\$ 414,687	\$ 442,917	\$ 461,058	\$ 472,245	\$ 486,142	\$ 492,499
Contributions in relation to the statutorially required contribution	<u>414,687</u>	<u>446,667</u>	<u>461,015</u>	<u>472,245</u>	<u>487,579</u>	<u>498,047</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (3,750)</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ (1,437)</u>	<u>\$ (5,548)</u>
City's covered payroll	\$ 2,709,674	\$ 3,407,053	\$ 3,546,599	\$ 3,632,653	\$ 3,739,551	\$ 3,788,454
Contributions as a percentage of covered payroll	15.30%	13.11%	13.00%	13.00%	13.04%	13.15%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability	1.121621%	1.148883%	1.178677%	1.229817%	1.222407%	1.154816%
City's proportionate share of the net pension liability	\$ 11,534,169	\$ 12,194,345	\$ 14,400,062	\$ 15,467,706	\$ 13,759,987	\$ 12,202,550
City's covered payroll	\$ 3,140,982	\$ 3,080,579	\$ 3,431,628	\$ 3,371,624	\$ 3,602,848	\$ 3,569,554
City's proportionate share of the net pension liability as a percentage of its covered payroll	367%	396%	420%	459%	382%	342%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorially required contribution	\$ 439,463	\$ 480,428	\$ 472,027	\$ 504,398	\$ 499,737	\$ 506,928
Contributions in relation to the statutorially required contribution	<u>439,463</u>	<u>480,428</u>	<u>472,027</u>	<u>505,981</u>	<u>499,737</u>	<u>506,928</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,583)</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 3,080,579	\$ 3,431,628	\$ 3,371,624	\$ 3,602,848	\$ 3,569,554	\$ 3,620,909
Contributions as a percentage of covered payroll	14.27%	14.00%	14.00%	14.04%	14.00%	14.00%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

Schedule of Changes in Net Pension Liability and Related Ratios
Oklahoma Municipal Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios	Last Five Fiscal Year					
	2015	2016	2017	2018	2019	2020
Total pension liability						
Service cost	\$ 527,985	\$ 477,546	\$ 479,520	\$ 423,579	\$ 380,092	\$ 347,372
Interest	2,818,812	2,733,100	2,781,930	2,820,530	2,845,818	2,831,260
Changes of benefit terms	(1,902,290)	39,435	-	-	-	-
Differences between expected and actual experience	-	(543,326)	(704,232)	98,897	(708,559)	956,055
Changes of assumptions	-	-	-	424,835	-	873,450
Benefit payments, including refunds of member contributions	(2,057,807)	(1,985,814)	(2,171,033)	(1,942,998)	(2,501,051)	(2,929,614)
Net change in total pension liability	<u>(613,300)</u>	<u>720,941</u>	<u>386,185</u>	<u>1,824,843</u>	<u>16,300</u>	<u>2,078,523</u>
Total pension liability - beginning	<u>36,853,488</u>	<u>36,240,187</u>	<u>36,961,128</u>	<u>37,347,313</u>	<u>39,172,156</u>	<u>39,188,456</u>
Total pension liability - ending (a)	<u>\$ 36,240,188</u>	<u>\$ 36,961,128</u>	<u>\$ 37,347,313</u>	<u>\$ 39,172,156</u>	<u>\$ 39,188,456</u>	<u>\$ 41,266,979</u>
Plan fiduciary net position						
Contributions - employer	\$ 842,919	\$ 714,030	\$ 591,793	\$ 510,788	\$ 462,235	\$ 318,345
Contributions - member	139,787	167,474	150,337	141,609	130,099	87,108
Net investment income	5,094,596	974,198	280,077	4,119,111	2,656,445	2,440,556
Benefit payments, including refunds of member contributions	(2,057,807)	(1,985,814)	(2,171,033)	(1,942,998)	(2,501,051)	(2,929,614)
Administrative expense	(131,982)	(72,769)	(68,578)	(72,412)	(74,158)	(77,471)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>3,887,513</u>	<u>(202,881)</u>	<u>(1,217,404)</u>	<u>2,756,098</u>	<u>673,570</u>	<u>(161,076)</u>
Plan fiduciary net position - beginning	<u>31,481,172</u>	<u>35,368,684</u>	<u>35,165,803</u>	<u>33,948,399</u>	<u>36,704,496</u>	<u>37,378,066</u>
Plan fiduciary net position - ending (b)	<u>\$ 35,368,685</u>	<u>\$ 35,165,803</u>	<u>\$ 33,948,399</u>	<u>\$ 36,704,497</u>	<u>\$ 37,378,066</u>	<u>\$ 37,216,990</u>
Net pension liability - ending (a) - (b)	<u>\$ 871,503</u>	<u>\$ 1,795,325</u>	<u>\$ 3,398,914</u>	<u>\$ 2,467,659</u>	<u>\$ 1,810,390</u>	<u>\$ 4,049,989</u>
Plan fiduciary net position as a percentage of the total pension liability	97.60%	95.14%	90.90%	93.70%	95.38%	90.19%
Covered payroll	\$ 3,765,863	\$ 3,723,501	\$ 3,323,837	\$ 3,144,344	\$ 2,898,608	\$ 1,381,807
Net pension liability as a percentage of covered payroll	23.14%	48.22%	102.26%	78.48%	62.46%	293.09%

Notes to Schedule:

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

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
ON PENSION PLAN FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2020**

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

Schedule of Employer Contributions	Last Six Fiscal Years					
	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 688,665	\$ 617,158	\$ 532,419	\$ 462,235	\$ 278,433	\$ 196,552
Contributions in relation to the actuarially determined contribution	688,665	617,158	532,419	462,235	289,727	197,259
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,294)</u>	<u>\$ (707)</u>
Covered payroll	\$ 3,800,578	\$ 3,677,301	\$ 3,461,242	\$ 3,061,160	\$ 1,886,400	\$ 1,287,177
Contributions as a percentage of covered payroll	18.12%	16.78%	15.38%	15.10%	15.36%	15.32%

Notes to Schedule:

1. Only six fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2019
3. Actuarially determined contribution rate is calculated as of July 1, 2019
July 2019 through June 2020 contributions were at a rate of 15.27%.
4. Methods and assumptions used to determine contribution rates:
 - Actuarial cost method - Entry age normal
 - Amortization method - Level percent of payroll, closed
 - Remaining amortization period - 27 years
 - Asset valuation method - Actuarial:
 - Smoothing period - 4 years
 - Recognition method - Non-asymptotic
 - Corridor - 70% - 130%
 - Salary increases - 4.00% to 7.42% (varies by attained age)
 - Investment rate of return - 7.50%

**CITY OF SHAWNEE, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS
JUNE 30, 2020**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 256,280	\$ 256,280	\$ 235,954
Interest	163,195	145,051	199,040
Difference between expected and actual experience	-	-	(19,915)
Changes in assumptions	(300,133)	105,976	425,305
Changes om benefit terms	-	-	1,569,912
Other changes	-	-	125,891
Benefit Payments	(190,000)	(190,000)	(332,000)
Net change in total OPEB liability	<u>(70,658)</u>	<u>317,307</u>	<u>2,204,187</u>
Balances at Beginning of Year	<u>4,638,587</u>	<u>4,567,929</u>	<u>4,885,236</u>
Balances End of Year	<u>\$ 4,567,929</u>	<u>\$ 4,885,236</u>	<u>\$ 7,089,423</u>
Covered employee payroll	\$ 13,471,000	\$ 14,215,390	\$ 14,343,000
Total OPEB liability as a percentage of covered payroll	33.90%	34.37%	49.43%

Notes to Schedule:

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

SUPPLEMENTARY INFORMATION

City of Shawnee, Oklahoma
Combining Balance Sheet – General Fund Accounts
June 30, 2020

	General Fund	Revolving Oil & Gas	Spay and Neuter	Aquatic Center	Library	Sister Cities	Total General Fund
ASSETS							
Cash and cash equivalents	\$ 1,693,664	\$ 296,979	\$ 19,840	\$ 19,580	\$ -	\$ 321	\$ 2,030,384
Investments	470	-	-	-	-	-	470
Interest receivable	1,492	-	-	-	-	-	1,492
Receivable from other governments	2,438,131	-	-	-	-	-	2,438,131
Due from other funds	1,329,905	-	-	-	-	-	1,329,905
Due from other funds - interaccount	4,486	-	-	-	-	-	4,486
Taxes receivable, net	2,252,206	-	-	-	-	-	2,252,206
Court fines receivable, net	166,873	-	-	-	-	-	166,873
Other receivables	228,033	27,500	-	-	-	-	255,533
Inventories	8,515	-	-	-	-	-	8,515
Prepaid items	109,470	-	-	-	-	-	109,470
Total assets	<u>8,233,245</u>	<u>324,479</u>	<u>19,840</u>	<u>19,580</u>	<u>-</u>	<u>321</u>	<u>8,597,465</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	822,023	-	1,788	53,820	3,692	-	881,323
Accrued payroll payable	388,417	-	-	-	-	-	388,417
Due to other funds	3,419,412	-	-	-	-	-	3,419,412
Due to other funds - interaccount	-	-	-	-	4,486	-	4,486
Due to bondholders	15,454	-	-	-	-	-	15,454
Unearned revenue	312,500	-	-	-	-	-	312,500
Total liabilities	<u>4,957,806</u>	<u>-</u>	<u>1,788</u>	<u>53,820</u>	<u>8,178</u>	<u>-</u>	<u>5,021,592</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>2,516,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,516,398</u>
Fund balances:							
Nonspendable	117,985	-	-	-	-	-	117,985
Assigned	-	324,479	18,052	-	-	-	342,531
Unassigned (deficit)	641,056	-	-	(34,240)	(8,178)	321	598,959
Total fund balances	<u>759,041</u>	<u>324,479</u>	<u>18,052</u>	<u>(34,240)</u>	<u>(8,178)</u>	<u>321</u>	<u>1,059,475</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,233,245</u>	<u>\$ 324,479</u>	<u>\$ 19,840</u>	<u>\$ 19,580</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ 8,597,465</u>

City of Shawnee, Oklahoma
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund Accounts
Year Ended June 30, 2020

	General Fund	Revolving Oil & Gas	Spay and Neuter	Aquatic Center	Library	Sister Cities	Total General Fund
REVENUES							
Taxes	\$ 16,410,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,410,987
Intergovernmental	2,310,790	-	-	2,480	-	-	2,313,270
Licenses and permits	227,545	-	-	-	-	-	227,545
Charges for services	466,205	-	-	141,076	-	-	607,281
Fees and fines	392,295	-	2,950	-	-	-	395,245
Investment earnings	22,739	-	-	-	-	-	22,739
Miscellaneous	303,964	-	25	67	-	700	304,756
Total revenues	<u>20,134,525</u>	<u>-</u>	<u>2,975</u>	<u>143,623</u>	<u>-</u>	<u>700</u>	<u>20,281,823</u>
EXPENDITURES							
Current:							
General government	3,486,052	-	-	-	-	-	3,486,052
Engineering	282,428	-	-	-	-	-	282,428
Equipment and building maintenance	352,395	-	-	-	-	-	352,395
Police	7,180,593	-	-	-	-	-	7,180,593
Fire	6,719,499	-	-	-	-	-	6,719,499
Municipal court	343,789	-	-	-	-	-	343,789
Emergency management	418,762	-	-	-	-	-	418,762
Streets	1,071,681	-	-	-	-	-	1,071,681
Parks and recreation	892,583	-	-	338,990	-	-	1,231,573
Culture and recreation	122,743	-	-	-	-	-	122,743
Animal control/E911	879,184	-	3,767	-	-	-	882,951
Cemetery	196,829	-	-	-	-	-	196,829
Library	-	-	-	-	90,657	-	90,657
Economic development	705,732	-	-	-	-	5,379	711,111
Capital Outlay	5,226	-	-	600	-	-	5,826
Total expenditures	<u>22,657,496</u>	<u>-</u>	<u>3,767</u>	<u>339,590</u>	<u>90,657</u>	<u>5,379</u>	<u>23,096,889</u>
Excess (deficiency) of revenues over expenditures	<u>(2,522,971)</u>	<u>-</u>	<u>(792)</u>	<u>(195,967)</u>	<u>(90,657)</u>	<u>(4,679)</u>	<u>(2,815,066)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in - interaccount	-	-	-	176,083	89,251	-	265,334
Transfers out - interaccount	(265,334)	-	-	-	-	-	(265,334)
Transfers in	4,144,501	-	-	-	-	5,000	4,149,501
Transfers out	(186,775)	-	-	-	-	-	(186,775)
Total other financing sources and uses	<u>3,692,392</u>	<u>-</u>	<u>-</u>	<u>176,083</u>	<u>89,251</u>	<u>5,000</u>	<u>3,962,726</u>
Net change in fund balances	1,169,421	-	(792)	(19,884)	(1,406)	321	1,147,660
Fund balances - beginning	(410,380)	324,479	18,844	(14,356)	(6,772)	-	(88,185)
Fund balances - ending	<u>\$ 759,041</u>	<u>\$ 324,479</u>	<u>\$ 18,052</u>	<u>\$ (34,240)</u>	<u>\$ (8,178)</u>	<u>\$ 321</u>	<u>\$ 1,059,475</u>

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2020

	<u>Revolving Oil & Gas Account</u>				<u>Spay and Neuter Account</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget - Positive</u>	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget - Positive</u>
REVENUES								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	2,500	2,500	2,950	450
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	25	25
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>2,975</u>	<u>475</u>
EXPENDITURES								
Departmental:								
Animal Control	-	-	-	-	4,500	4,500	3,767	733
Economic Development	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Senior Citizens	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>	<u>3,767</u>	<u>733</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(792)</u>	<u>1,208</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(2,000)	(2,000)	(792)	1,208
Fund balances - beginning	324,479	324,479	324,479	-	18,844	18,844	18,844	-
Fund balances - ending	<u>\$ 324,479</u>	<u>\$ 324,479</u>	<u>\$ 324,479</u>	<u>\$ -</u>	<u>\$ 16,844</u>	<u>\$ 16,844</u>	<u>\$ 18,052</u>	<u>\$ 1,208</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2020

	Library Account				Aquatic Center Account			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,480	\$ 2,480	\$ -
Charges for services	-	-	-	-	164,250	108,131	141,076	32,945
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	50,000	35,500	67	(35,433)
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,250</u>	<u>146,111</u>	<u>143,623</u>	<u>(2,488)</u>
EXPENDITURES								
Departmental:								
Animal Control	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Library	89,251	89,251	90,657	(1,406)	-	-	-	-
Parks and Recreation	-	-	-	-	354,333	345,091	339,590	5,501
Senior Citizens	-	-	-	-	-	-	-	-
Total Expenditures	<u>89,251</u>	<u>89,251</u>	<u>90,657</u>	<u>(1,406)</u>	<u>354,333</u>	<u>345,091</u>	<u>339,590</u>	<u>5,501</u>
Excess (deficiency) of revenues over expenditures	<u>(89,251)</u>	<u>(89,251)</u>	<u>(90,657)</u>	<u>(1,406)</u>	<u>(140,083)</u>	<u>(198,980)</u>	<u>(195,967)</u>	<u>3,013</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	89,251	89,251	89,251	-	140,083	188,500	176,083	(12,417)
Total other financing sources and uses	<u>89,251</u>	<u>89,251</u>	<u>89,251</u>	<u>-</u>	<u>140,083</u>	<u>188,500</u>	<u>176,083</u>	<u>(12,417)</u>
Net change in fund balances	-	-	(1,406)	(1,406)	-	(10,480)	(19,884)	(9,404)
Fund balances - beginning	-	-	(6,772)	(6,772)	-	-	(14,356)	(14,356)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,178)</u>	<u>\$ (8,178)</u>	<u>\$ -</u>	<u>\$ (10,480)</u>	<u>\$ (34,240)</u>	<u>\$ (23,760)</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – General Fund Accounts
Year Ended June 30, 2020

	<u>Sister Cities Account</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	700	700
Total revenues	<u>-</u>	<u>-</u>	<u>700</u>	<u>700</u>
EXPENDITURES				
Departmental:				
Animal Control	-	-	-	-
Economic Development	15,000	15,000	5,379	9,621
Library	-	-	-	-
Parks and Recreation	-	-	-	-
Senior Citizens	-	-	-	-
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>5,379</u>	<u>9,621</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(15,000)</u>	<u>(4,679)</u>	<u>10,321</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	5,000	(10,000)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>15,000</u>	<u>15,000</u>	<u>5,000</u>	<u>(10,000)</u>
Net change in fund balances	-	-	321	321
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ 321</u>

City of Shawnee, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2020

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
ASSETS							
Cash and cash equivalents	\$ 5,008	\$ 283,792	\$ -	\$ 468,878	\$ -	\$ -	\$ 193,422
Interest receivable	-	-	26	-	52	52	-
Receivable from other governments	-	-	-	-	-	-	39,988
Due from other funds	-	-	-	-	-	-	233,789
Taxes receivable, net	21,215	23,735	44,356	43,117	55,445	55,445	-
Other receivables	530	-	-	-	-	-	402,055
Total assets	<u>26,753</u>	<u>307,527</u>	<u>44,382</u>	<u>511,995</u>	<u>55,497</u>	<u>55,497</u>	<u>869,254</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	634	23,839	-	82,540	-	-	79,696
Due to other funds	-	-	7,959	-	-	-	247,214
Unearned revenue	-	-	-	-	-	-	401,997
Total liabilities	<u>634</u>	<u>23,839</u>	<u>7,959</u>	<u>82,540</u>	<u>-</u>	<u>-</u>	<u>728,907</u>
Fund balances:							
Restricted	26,119	283,688	36,423	429,455	55,497	55,497	140,347
Total fund balances	<u>26,119</u>	<u>283,688</u>	<u>36,423</u>	<u>429,455</u>	<u>55,497</u>	<u>55,497</u>	<u>140,347</u>
Total liabilities and fund balances	<u>\$ 26,753</u>	<u>\$ 307,527</u>	<u>\$ 44,382</u>	<u>\$ 511,995</u>	<u>\$ 55,497</u>	<u>\$ 55,497</u>	<u>\$ 869,254</u>

(continued)

City of Shawnee, Oklahoma
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2020

	Cemetery Care Fund	Gifts and Contribution Fund	Tax Increment Financing Fund	Drug Forfeiture Fund	Total Other Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 159,306	\$ 97,697	\$ 284,208	\$ 12,495	\$ 1,504,806
Interest receivable	-	-	-	-	130
Receivable from other governments	-	-	-	-	39,988
Due from other funds	-	4,023	-	-	237,812
Taxes receivable, net	-	-	4,765	-	248,078
Other receivables	-	-	-	-	402,585
Total assets	<u>159,306</u>	<u>101,720</u>	<u>288,973</u>	<u>12,495</u>	<u>2,433,399</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	-	600	-	849	188,158
Due to other funds	-	-	-	-	255,173
Unearned revenue	-	-	-	-	401,997
Total liabilities	<u>-</u>	<u>600</u>	<u>-</u>	<u>849</u>	<u>845,328</u>
Fund balances:					
Restricted	159,306	101,120	288,973	11,646	1,588,071
Total fund balances	<u>159,306</u>	<u>101,120</u>	<u>288,973</u>	<u>11,646</u>	<u>1,588,071</u>
Total liabilities and fund balances	<u>\$ 159,306</u>	<u>\$ 101,720</u>	<u>\$ 288,973</u>	<u>\$ 12,495</u>	<u>\$ 2,433,399</u>

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds
Year Ended June 30, 2020

	Street and Alley Fund	E-911 Fund	Economic Development Fund	Hotel/Motel Fund	Police Sales Tax Fund	Fire Sales Tax Fund	CDBG/Home Grants Funds
REVENUES							
Taxes	\$ 274,034	\$ 328,649	\$ 314,641	\$ 415,242	\$ 393,302	\$ 393,302	\$ -
Fees and fines	-	-	-	-	-	-	-
Licenses and permits	1,505	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	331,789
Charges for services	-	-	-	-	-	-	-
Investment earnings	-	-	307	91	401	401	-
Miscellaneous	6,360	-	-	7,755	-	-	56,184
Total revenues	<u>281,899</u>	<u>328,649</u>	<u>314,948</u>	<u>423,088</u>	<u>393,703</u>	<u>393,703</u>	<u>387,973</u>
EXPENDITURES							
Current:							
Police	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Streets	404,815	-	-	-	-	-	-
Parks and recreation	-	-	285,996	-	-	-	-
Animal Control/E911	-	151,614	-	-	-	-	-
Economic development	-	-	-	549,552	-	-	478,777
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>404,815</u>	<u>151,614</u>	<u>285,996</u>	<u>549,552</u>	<u>-</u>	<u>-</u>	<u>478,777</u>
Excess (deficiency) of revenues over expenditures	<u>(122,916)</u>	<u>177,035</u>	<u>28,952</u>	<u>(126,464)</u>	<u>393,703</u>	<u>393,703</u>	<u>(90,804)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	180,540	-	-	-	-	-	-
Transfers out	-	-	(5,000)	(4,235)	(390,133)	(390,133)	-
Total other financing sources and uses	<u>180,540</u>	<u>-</u>	<u>(5,000)</u>	<u>(4,235)</u>	<u>(390,133)</u>	<u>(390,133)</u>	<u>-</u>
Net change in fund balances	57,624	177,035	23,952	(130,699)	3,570	3,570	(90,804)
Fund balances - beginning, restated	(31,505)	106,653	12,471	560,154	51,927	51,927	231,151
Fund balances - ending	<u>\$ 26,119</u>	<u>\$ 283,688</u>	<u>\$ 36,423</u>	<u>\$ 429,455</u>	<u>\$ 55,497</u>	<u>\$ 55,497</u>	<u>\$ 140,347</u>

(continued)

City of Shawnee, Oklahoma
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds
Year Ended June 30, 2020

	Cemetery Care Fund	Gifts and Contribution Fund	Tax Increment Financing Fund	Drug Forfeiture Fund	Total Other Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ 74,767	\$ -	\$ 2,193,937
Fees and fines	-	-	-	3,417	3,417
Licenses and permits	-	-	-	-	1,505
Intergovernmental	-	-	-	-	331,789
Charges for services	1,063	-	-	-	1,063
Investment earnings	-	-	-	-	1,200
Miscellaneous	3,037	19,886	-	-	93,222
Total revenues	<u>4,100</u>	<u>19,886</u>	<u>74,767</u>	<u>3,417</u>	<u>2,626,133</u>
EXPENDITURES					
Current:					
Police	-	-	-	8,591	8,591
Fire	-	1,375	-	-	1,375
Streets	-	-	-	-	404,815
Parks and recreation	-	2,450	-	-	288,446
Animal Control/E911	-	-	-	-	151,614
Economic development	-	-	-	-	1,028,329
Capital Outlay	11,804	15,000	-	-	26,804
Total Expenditures	<u>11,804</u>	<u>18,825</u>	<u>-</u>	<u>8,591</u>	<u>1,909,974</u>
Excess (deficiency) of revenues over expenditures	<u>(7,704)</u>	<u>1,061</u>	<u>74,767</u>	<u>(5,174)</u>	<u>716,159</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	180,540
Transfers out	-	-	-	-	(789,501)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(608,961)</u>
Net change in fund balances	(7,704)	1,061	74,767	(5,174)	107,198
Fund balances - beginning, restated	167,010	100,059	214,206	16,820	1,480,873
Fund balances - ending	<u>\$ 159,306</u>	<u>\$ 101,120</u>	<u>\$ 288,973</u>	<u>\$ 11,646</u>	<u>\$ 1,588,071</u>

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

	Street And Alley Fund				E-911 Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 274,000	\$ 253,500	\$ 274,034	\$ 20,534	\$ 300,000	\$ 300,000	\$ 328,649	\$ 28,649
Licenses and permits	850	1,600	1,505	(95)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	6,360	6,360	6,360	-	-	-	-	-
Total revenues	<u>281,210</u>	<u>261,460</u>	<u>281,899</u>	<u>20,439</u>	<u>300,000</u>	<u>300,000</u>	<u>328,649</u>	<u>28,649</u>
EXPENDITURES								
Departmental:								
Streets	420,000	442,000	404,815	37,185	-	-	-	-
Animal Control/911	-	-	-	-	300,000	300,000	151,614	148,386
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>420,000</u>	<u>442,000</u>	<u>404,815</u>	<u>37,185</u>	<u>300,000</u>	<u>300,000</u>	<u>151,614</u>	<u>148,386</u>
Excess (deficiency) of revenues over expenditures	<u>(138,790)</u>	<u>(180,540)</u>	<u>(122,916)</u>	<u>57,624</u>	<u>-</u>	<u>-</u>	<u>177,035</u>	<u>177,035</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	138,790	180,540	180,540	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>138,790</u>	<u>180,540</u>	<u>180,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	57,624	57,624	-	-	177,035	177,035
Fund balances - beginning	-	-	(31,505)	(31,505)	106,653	106,653	106,653	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,119</u>	<u>\$ 26,119</u>	<u>\$ 106,653</u>	<u>\$ 106,653</u>	<u>\$ 283,688</u>	<u>\$ 177,035</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

	Economic Development Fund				Hotel/Motel Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
REVENUES								
Taxes	\$ 309,280	\$ 309,280	\$ 314,641	\$ 5,361	\$ 450,000	\$ 393,202	\$ 415,242	\$ 22,040
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	225	225	307	82	-	10	91	81
Miscellaneous	-	-	-	-	-	478,390	479,475	1,085
Total revenues	<u>309,505</u>	<u>309,505</u>	<u>314,948</u>	<u>5,443</u>	<u>450,000</u>	<u>871,602</u>	<u>894,808</u>	<u>23,206</u>
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	286,392	286,392	285,996	396	120,000	601,382	549,552	51,830
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>286,392</u>	<u>286,392</u>	<u>285,996</u>	<u>396</u>	<u>120,000</u>	<u>601,382</u>	<u>549,552</u>	<u>51,830</u>
Excess (deficiency) of revenues over expenditures	<u>23,113</u>	<u>23,113</u>	<u>28,952</u>	<u>5,839</u>	<u>330,000</u>	<u>270,220</u>	<u>345,256</u>	<u>75,036</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	30,000	-	(30,000)	-	-	-	-
Transfers out	(15,000)	(15,000)	(5,000)	10,000	(4,500)	(4,500)	(4,235)	265
Total other financing sources and uses	<u>(15,000)</u>	<u>15,000</u>	<u>(5,000)</u>	<u>(20,000)</u>	<u>(4,500)</u>	<u>(4,500)</u>	<u>(4,235)</u>	<u>265</u>
Net change in fund balances	8,113	38,113	23,952	(14,161)	325,500	265,720	341,021	75,301
Fund balances - beginning	12,471	12,471	12,471	-	88,434	88,434	88,434	-
Fund balances - ending	<u>\$ 20,584</u>	<u>\$ 50,584</u>	<u>\$ 36,423</u>	<u>\$ (14,161)</u>	<u>\$ 413,934</u>	<u>\$ 354,154</u>	<u>\$ 429,455</u>	<u>\$ 75,301</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

	Police Sales Tax Fund				Fire Sales Tax Fund			
	Budgeted Amounts		Actual Amounts.	Variance with Final	Budgeted Amounts		Actual Amounts.	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
REVENUES								
Taxes	\$ 386,602	\$ 389,720	\$ 393,302	\$ 3,582	\$ 386,602	\$ 389,720	\$ 393,302	\$ 3,582
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	250	414	401	(13)	250	414	401	(13)
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>386,852</u>	<u>390,134</u>	<u>393,703</u>	<u>3,569</u>	<u>386,852</u>	<u>390,134</u>	<u>393,703</u>	<u>3,569</u>
EXPENDITURES								
Departmental:								
Police	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>386,852</u>	<u>390,134</u>	<u>393,703</u>	<u>3,569</u>	<u>386,852</u>	<u>390,134</u>	<u>393,703</u>	<u>3,569</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(386,852)</u>	<u>(390,133)</u>	<u>(390,133)</u>	<u>-</u>	<u>(386,852)</u>	<u>(390,133)</u>	<u>(390,133)</u>	<u>-</u>
Total other financing sources and uses	<u>(386,852)</u>	<u>(390,133)</u>	<u>(390,133)</u>	<u>-</u>	<u>(386,852)</u>	<u>(390,133)</u>	<u>(390,133)</u>	<u>-</u>
Net change in fund balances	-	1	3,570	3,569	-	1	3,570	3,569
Fund balances - beginning	51,927	51,927	51,927	-	51,927	51,927	51,927	-
Fund balances - ending	<u>\$ 51,927</u>	<u>\$ 51,928</u>	<u>\$ 55,497</u>	<u>\$ 3,569</u>	<u>\$ 51,927</u>	<u>\$ 51,928</u>	<u>\$ 55,497</u>	<u>\$ 3,569</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

	CDBG/Home Grants Fund				Cemetery Care Fund			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	511,000	407,250	331,789	(75,461)	-	-	-	-
Charges for services	-	-	-	-	-	-	1,063	1,063
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	20,000	30,113	56,184	26,071	4,500	4,500	3,037	(1,463)
Total revenues	<u>531,000</u>	<u>437,363</u>	<u>387,973</u>	<u>(49,390)</u>	<u>4,500</u>	<u>4,500</u>	<u>4,100</u>	<u>(400)</u>
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	531,000	482,613	478,777	3,836	-	-	-	-
Cemetery	-	-	-	-	24,500	24,500	11,804	12,696
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>531,000</u>	<u>482,613</u>	<u>478,777</u>	<u>3,836</u>	<u>24,500</u>	<u>24,500</u>	<u>11,804</u>	<u>12,696</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(45,250)</u>	<u>(90,804)</u>	<u>(45,554)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(7,704)</u>	<u>12,296</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	134,197	-	(134,197)	-	-	-	-
Transfers out	-	(45,447)	-	45,447	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>88,750</u>	<u>-</u>	<u>(88,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	43,500	(90,804)	(134,304)	(20,000)	(20,000)	(7,704)	12,296
Fund balances - beginning	231,151	231,151	231,151	-	167,010	167,010	167,010	-
Fund balances - ending	<u>\$ 231,151</u>	<u>\$ 274,651</u>	<u>\$ 140,347</u>	<u>\$ (134,304)</u>	<u>\$ 147,010</u>	<u>\$ 147,010</u>	<u>\$ 159,306</u>	<u>\$ 12,296</u>

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

	Gifts and Contribution Fund				Tax Increment Financing Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	Budgetary Basis	Budget - Positive (Negative)	Original	Final	Budgetary Basis	Budget - Positive (Negative)
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 52,000	\$ 52,000	\$ 74,767	\$ 22,767
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	19,400	19,886	486	-	-	-	-
Total revenues	-	19,400	19,886	486	52,000	52,000	74,767	22,767
EXPENDITURES								
Departmental:								
Streets	-	-	-	-	-	-	-	-
Public Safety	-	2,631	1,375	1,256	-	-	-	-
Economic Development	-	-	-	-	52,000	52,000	-	52,000
Cemetery	-	-	-	-	-	-	-	-
Park and Recreation	-	18,010	17,450	560	-	-	-	-
Capital outlay	-	10	-	10	-	-	-	-
Total Expenditures	-	20,651	18,825	1,826	52,000	52,000	-	52,000
Total Expenditures	-	20,651	18,825	1,826	52,000	52,000	-	52,000
Excess (deficiency) of revenues over expenditures	-	(1,251)	1,061	2,312	-	-	74,767	74,767
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-
Net change in fund balances	-	(1,251)	1,061	2,312	-	-	74,767	74,767
Fund balances - beginning	100,059	10,009	100,059	90,050	214,206	214,206	214,206	-
Fund balances - ending	\$ 100,059	\$ 8,758	\$ 101,120	\$ 92,362	\$ 214,206	\$ 214,206	\$ 288,973	\$ 74,767

(continued)

City of Shawnee, Oklahoma
Budget versus Actual – Nonmajor Funds
Year Ended June 30, 2020

Drug Forfeiture Fund				
	Budgeted Amounts		Actual Amounts,	Variance with Final
			Budgetary Basis	Budget - Positive
	Original	Final		(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	15,000	15,000	3,417	(11,583)
Charges for services	-	-	-	-
Fees and fines	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>3,417</u>	<u>(11,583)</u>
EXPENDITURES				
Departmental:				
Police	15,000	15,000	8,591	6,409
Streets	-	-	-	-
Animal Control/911	-	-	-	-
Economic Development	-	-	-	-
Cemetery	-	-	-	-
Park and Recreation	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>8,591</u>	<u>6,409</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,174)	(5,174)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(5,174)	(5,174)
Fund balances - beginning	16,820	16,820	16,820	-
Fund balances - ending	<u>\$ 16,820</u>	<u>\$ 16,820</u>	<u>\$ 11,646</u>	<u>\$ (5,174)</u>

City of Shawnee, Oklahoma
Budget versus Actual – Major Capital Project Fund – Street Improvement
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts.</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Budget - Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 2,706,213	\$ 2,762,374	\$ 2,753,112	\$ (9,262)
Investment earnings	2,500	34,099	24,744	(9,355)
Miscellaneous	-	16,457	16,412	(45)
Total revenues	<u>2,708,713</u>	<u>2,812,930</u>	<u>2,794,268</u>	<u>(18,662)</u>
EXPENDITURES				
Departmental:				
Streets	1,401,000	5,512,079	2,512,047	3,000,032
Total Streets	<u>1,401,000</u>	<u>5,512,079</u>	<u>2,512,047</u>	<u>3,000,032</u>
Total Expenditures	<u>1,401,000</u>	<u>5,512,079</u>	<u>2,512,047</u>	<u>3,000,032</u>
Excess (deficiency) of revenues over expenditures	<u>1,307,713</u>	<u>(2,699,149)</u>	<u>282,221</u>	<u>2,981,370</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		1,390,000	-	(1,390,000)
Transfers out	(1,318,713)	-	-	-
Total other financing sources and uses	<u>(1,318,713)</u>	<u>1,390,000</u>	<u>-</u>	<u>(1,390,000)</u>
Net change in fund balances	(11,000)	(1,309,149)	282,221	1,591,370
Fund balances - beginning	7,318,686	7,318,686	7,318,686	-
Fund balances - ending	<u>\$ 7,307,686</u>	<u>\$ 6,009,537</u>	<u>\$ 7,600,907</u>	<u>\$ 1,591,370</u>

City of Shawnee, Oklahoma
Budget versus Actual – Major Capital Project Fund – Capital Improvement Fund
Year Ended June 30, 2020

	Capital Improvement Fund			Variance with
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,396,932	\$ 2,450,931	\$ 2,438,469	\$ (12,462)
Intergovernmental	-	10,000	10,000	-
Investment earnings	9,500	15,500	9,657	(5,843)
Miscellaneous	-	29,143	17,448	(11,695)
Total revenues	<u>2,406,432</u>	<u>2,505,574</u>	<u>2,475,574</u>	<u>(30,000)</u>
EXPENDITURES				
Departmental:				
Capital outlay	1,013,400	702,108	550,390	151,718
Debt service	1,347,644	1,669,167	1,348,339	320,828
Total Expenditures	<u>2,361,044</u>	<u>2,371,275</u>	<u>1,898,729</u>	<u>472,546</u>
Total Expenditures	<u>2,361,044</u>	<u>2,371,275</u>	<u>1,898,729</u>	<u>472,546</u>
Excess (deficiency) of revenues over expenditures	<u>45,388</u>	<u>134,299</u>	<u>576,845</u>	<u>442,546</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	272,000	-	(272,000)
Transfers out	(392,388)	(602,850)	(169,736)	433,114
Total other financing sources and uses	<u>(392,388)</u>	<u>(330,850)</u>	<u>(169,736)</u>	<u>161,114</u>
Net change in fund balances	(347,000)	(196,551)	407,109	603,660
Fund balances - beginning	-	-	(361,718)	(361,718)
Fund balances - ending	<u>\$ (347,000)</u>	<u>\$ (196,551)</u>	<u>\$ 45,391</u>	<u>\$ 241,942</u>

City of Shawnee, Oklahoma
Budget versus Actual – Major Capital Project Fund – 2018 Capital Improvement Fund
Year Ended June 30, 2020

2018 Capital Improvement Fund				
	Budgeted Amounts		Actual Amounts,	Variance with
	Original	Final	Budgetary Basis	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 3,092,815	\$ 3,092,815	\$ 3,316,005	\$ 223,190
Intergovernmental	-	-	-	-
Investment earnings	103,000	103,000	113,798	10,798
Miscellaneous	-	-	-	-
Total revenues	<u>3,195,815</u>	<u>3,195,815</u>	<u>3,429,803</u>	<u>233,988</u>
EXPENDITURES				
Departmental:				
Capital outlay	8,863,830	8,863,830	1,226,434	7,637,396
Debt service	1,951,348	1,951,348	1,951,348	-
Total Expenditures	<u>10,815,178</u>	<u>10,815,178</u>	<u>3,177,782</u>	<u>7,637,396</u>
Total Expenditures	<u>10,815,178</u>	<u>10,815,178</u>	<u>3,177,782</u>	<u>7,637,396</u>
Net change in fund balances	(7,619,363)	(7,619,363)	252,021	7,871,384
Fund balances - beginning	9,245,517	9,245,517	9,245,517	-
Fund balances - ending	<u>\$ 1,626,154</u>	<u>\$ 1,626,154</u>	<u>\$ 9,497,538</u>	<u>\$ 7,871,384</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Shawnee's *Comprehensive 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

Such statistical information includes:

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

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

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

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

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

FINANCIAL TRENDS

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

Description	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 49,478,555	\$ 50,230,949	\$ 46,204,941	\$ 50,130,815	\$ 42,924,896	\$ 41,393,436	\$ 38,706,710	\$ 37,074,018	\$ 33,531,495	\$ 30,219,139
Restricted for (by):										
Statutory requirements	-	-	-	-	-	-	-	-	594,505	480,406
Enabling legislation	-	-	-	-	-	-	-	-	360,270	286,025
External Contracts	-	-	-	-	-	-	-	-	9,461,282	9,130,185
Capital Projects	9,394,885	7,625,200	5,489,701	8,289,801	8,813,042	8,036,373	7,580,368	5,962,728	-	-
Debt Service	258,764	415,847	207,587	379,861	112,213	74,769	140,460	136,426	-	-
Economic Development	885,198	546,262	444,008	852,575	644,796	969,384	946,696	890,628	-	-
Public Safety	406,328	227,327	158,093	192,686	137,251	156,884	656,521	548,047	-	-
Other purposes	286,545	267,069	269,945	257,040	275,019	271,109	267,367	280,788	-	-
Unrestricted	(19,518,310)	(21,030,693)	(19,637,686)	(20,566,194)	(17,360,205)	(15,740,961)	(16,816,708)	90,410	197,163	(1,390,170)
Total Governmental Activities Net Position	41,191,965	38,281,961	33,136,589	39,536,584	35,547,012	35,160,994	31,481,414	44,983,045	44,144,715	38,725,585
Business-type Activities:										
Net investment in capital assets	40,068,042	40,904,699	41,647,640	42,194,834	40,438,633	40,268,422	38,355,889	37,685,878	32,822,876	32,163,853
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service	2,329,383	2,343,067	2,563,339	2,470,269	2,578,084	2,611,396	2,533,205	1,380,561	1,814,511	2,586,909
Other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	(2,081,721)	(999,491)	(2,504,186)	(2,709,448)	(1,172,742)	(597,374)	1,209,339	4,365,448	6,039,429	2,390,406
Total Business-type Activities Net Position	40,315,704	42,248,275	41,706,793	41,955,655	41,843,975	42,282,444	42,098,433	43,431,887	40,676,816	37,141,168
Primary Government:										
Net investment in capital assets	89,546,597	91,135,648	87,852,581	92,325,649	83,363,529	81,661,858	77,062,599	74,759,896	66,354,371	62,382,992
Restricted for:										
Statutory requirements	-	-	-	-	-	-	-	-	594,505	480,406
Enabling legislation	-	-	-	-	-	-	-	-	360,270	286,025
External Contracts	-	-	-	-	-	-	-	-	9,461,282	9,130,185
Capital Projects	9,394,885	7,625,200	5,489,701	8,289,801	8,813,042	8,036,373	7,580,368	5,962,728	-	-
Debt Service	2,588,147	2,758,914	2,770,926	2,850,130	2,690,297	2,686,165	2,673,665	1,516,987	1,814,511	2,586,909
Economic Development	885,198	546,262	444,008	852,575	644,796	969,384	946,696	890,628	-	-
Public Safety	406,328	227,327	158,093	192,686	137,251	156,884	656,521	548,047	-	-
Other purposes	286,545	267,069	269,945	257,040	275,019	271,109	267,367	280,788	-	-
Unrestricted	(21,600,031)	(22,030,184)	(22,141,872)	(23,275,642)	(18,532,947)	(16,338,335)	(15,607,369)	4,455,858	6,236,592	1,000,236
Total Primary Government Net Position	\$ 81,507,669	\$ 80,530,236	\$ 74,843,382	\$ 81,492,239	\$ 77,390,987	\$ 77,443,438	\$ 73,579,847	\$ 88,414,932	\$ 84,821,531	\$ 75,866,753

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
<i>Governmental Activities:</i>										
General Government	\$5,141,777	\$4,330,793	\$3,911,602	\$4,463,197	\$4,508,182	\$3,456,722	\$2,988,475	\$3,524,112	\$2,379,373	\$4,101,214
Public Safety	18,139,108	15,758,461	18,346,950	17,191,910	15,415,142	14,474,658	13,751,434	14,449,249	13,248,594	12,671,815
Streets	5,188,779	3,814,430	4,596,100	4,271,930	4,407,895	3,233,282	3,469,889	3,386,963	3,164,310	2,902,751
Culture and Recreations	2,442,207	1,965,351	2,346,402	2,229,120	2,482,246	1,658,533	1,348,343	1,083,872	1,053,726	847,807
Culture and Recreations - payment to component unit	-	-	-	-	-	-	-	-	-	5,752
Community Development	557,841	560,022	849,031	552,420	601,559	613,123	702,356	667,112	639,533	1,027,018
Economic Development	1,576,372	1,304,607	1,545,652	1,285,974	1,348,482	1,235,834	1,287,972	1,401,717	1,165,368	1,072,505
Interest on long-term debt	298,082	415,794	127,734	120,009	-	-	-	-	-	-
Total governmental activities expenses	\$33,344,166	\$28,149,458	\$31,723,471	\$30,114,560	\$28,763,506	\$24,672,152	\$23,548,469	\$24,513,025	\$21,650,904	\$22,628,862
<i>Business-type activities:</i>										
Water operations	4,215,635	4,468,752	5,591,766	5,792,312	5,903,556	5,307,131	5,829,372	6,034,550	4,992,323	4,196,550
Wastewater operations	4,551,583	3,555,364	4,014,009	3,732,123	3,486,831	3,003,781	2,724,937	2,877,353	2,458,992	2,274,826
Sanitation operations	2,325,193	1,564,494	1,716,769	1,651,800	1,618,679	1,520,472	2,018,186	1,649,687	1,535,752	1,382,686
Administration	827,968	665,967	834,889	672,199	634,203	561,772	529,636	585,602	557,451	499,820
Airport	1,287,795	1,261,117	1,416,774	1,357,326	1,670,545	1,462,400	1,521,292	1,417,058	1,024,896	692,458
Lake	113,265	136,066	191,970	152,926	145,205	111,992	473,574	250,495	105,398	60,293
Total business-type activities expenses	13,321,439	11,651,760	13,766,177	13,358,686	13,459,019	11,967,548	13,096,997	12,814,745	10,674,812	9,106,633
Total primary government expenses	46,665,605	39,801,218	45,489,648	43,473,246	42,222,525	36,639,700	36,645,466	37,327,770	32,325,716	31,735,495
Program Revenues										
<i>Governmental Activities:</i>										
<i>Charges for Services</i>										
General Government	255,275	308,368	272,116	278,887	250,162	177,550	163,616	346,213	189,754	171,081
Public Safety	466,983	602,059	486,743	635,624	820,025	810,266	743,581	887,155	767,900	631,702
Streets	29,435	26,848	39,240	42,223	24,076	36,360	37,373	1,470	1,175	1,400
Culture and Recreations	273,893	351,033	301,536	310,277	236,330	42,010	43,338	-	-	67,115
Community Development	57,383	16,245	38,501	103,249	91,740	99,121	96,825	89,084	57,516	233,204
Economic Development	28,836	37,067	34,266	35,273	25,321	26,167	27,367	29,446	35,362	26,438
Operating Grants and Contributions	5,348,846	3,132,343	2,802,355	2,914,491	3,000,696	2,884,772	3,801,276	2,380,524	2,272,136	2,181,109
Capital Grants and Contributions	143,000	142,558	1,109,955	5,326,598	743,035	1,039,321	860,593	50,417	278,920	121,431
Total governmental activities program revenues	6,603,651	4,616,521	5,084,712	9,646,622	5,191,385	5,115,567	5,773,969	3,784,309	3,602,763	3,433,480
<i>Business-type Activities:</i>										
Water operations	7,617,507	7,020,949	6,783,572	6,770,307	6,790,882	6,726,479	7,047,846	7,916,456	7,432,629	5,835,562
Wastewater operations	3,808,289	3,721,186	3,773,089	3,762,947	3,821,499	3,889,446	3,952,233	3,957,896	3,810,280	3,676,708
Sanitation operations	2,385,452	2,286,832	2,264,895	2,251,610	2,230,252	2,187,365	1,926,114	1,795,760	1,795,949	1,762,621
Airport	469,298	571,367	504,412	559,345	560,835	498,744	583,745	476,369	432,636	400,047
Lake	33,463	27,280	96,997	85,443	166,069	138,350	92,583	99,756	405,545	-
Operating Grants and Contributions	6,411	-	4,300	-	5,300	6,600	7,124	10,180	-	-
Capital Grants and Contributions	13,764	550,701	74,277	1,618,038	794,229	71,041	396,650	1,955,289	2,991,512	2,616,146
Total business-type activities program revenues	14,334,184	14,178,315	13,501,542	15,047,690	14,369,066	13,518,025	14,006,295	16,211,706	16,868,551	14,291,084
Total primary government program revenues	20,937,835	18,794,836	18,586,254	24,694,312	19,560,451	18,633,592	19,780,264	19,996,015	20,471,314	17,724,564

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expenses) Revenues										
<i>Governmental Activities</i>	(\$26,740,515)	(\$23,532,937)	(\$26,638,759)	(\$20,467,938)	(\$23,572,121)	(\$19,556,585)	(\$17,774,500)	(\$20,728,716)	(\$18,048,141)	(\$19,195,382)
<i>Business-type Activities</i>	1,012,745	2,526,555	(264,635)	1,689,004	910,047	1,550,477	909,298	3,396,961	6,193,739	5,184,451
Total Primary Government Net (Expenses)	(25,727,770)	(21,006,382)	(26,903,394)	(18,778,934)	(22,662,074)	(18,006,108)	(16,865,202)	(17,331,755)	(11,854,402)	(14,010,931)
General Revenues and Other Changes in Net Position										
<i>Governmental Activities:</i>										
Taxes:										
Sales and Use taxes	24,545,249	22,541,481	19,549,624	19,660,405	19,530,708	18,622,852	18,346,711	18,013,946	17,414,169	17,069,349
Franchise and public service taxes	1,422,490	1,482,916	1,703,963	1,553,935	1,543,454	1,698,127	1,626,635	1,601,416	1,676,956	1,600,612
Hotel/motel taxes	415,242	478,427	423,584	490,032	496,772	505,637	578,275	561,558	472,590	404,690
Property taxes	74,767	59,335	51,133	49,131	74,882	56,623	54,312	104,734	74,309	10,884
Payment in lieu of taxes	-	973	25,055	54,317	27,323	26,830	23,687	24,062	1,054	24,494
Intergovernmental revenue	781,373	713,237	648,963	704,601	587,146	600,384	580,595	630,035	599,819	580,115
Investment Income	172,138	73,603	63,854	52,960	65,921	52,749	55,541	41,157	107,032	98,567
Miscellaneous	195,688	298,421	15,435	160,315	244,153	179,409	351,461	341,444	238,110	1,063,067
Transfers - Internal Activity	3,184,029	3,029,916	(273,186)	1,731,814	1,387,780	1,493,554	1,023,788	248,694	2,883,232	442,351
Total Governmental Activities	30,790,976	28,678,309	22,208,425	24,457,510	23,958,139	23,236,165	22,641,005	21,567,046	23,467,271	21,294,129
<i>Business-type Activities:</i>										
Investment Income	66,826	74,354	73,172	55,508	36,055	56,418	57,785	45,302	59,279	72,965
Miscellaneous	171,887	970,489	43,972	98,982	3,209	70,670	591,569	14,361	165,862	304,929
Transfers - Internal Activity	(3,184,029)	(3,029,916)	273,186	(1,731,814)	(1,387,780)	(1,493,554)	(1,023,788)	(248,694)	(2,883,232)	(442,351)
Total Business-type Activities	(2,945,316)	(1,985,073)	390,330	(1,577,324)	(1,348,516)	(1,366,466)	(374,434)	(189,031)	(2,658,091)	(64,457)
Total Primary Government	27,845,660	26,693,236	22,598,755	22,880,186	22,609,623	21,869,699	22,266,571	21,378,015	20,809,180	21,229,672
Change in Net Position										
<i>Governmental Activities</i>	4,050,461	5,145,372	(4,430,334)	3,989,572	386,018	3,679,580	4,866,505	838,330	5,419,130	2,098,747
<i>Business-type Activities</i>	(1,932,571)	541,482	125,695	111,680	(438,469)	184,011	534,864	3,207,930	3,535,648	5,119,994
Total Primary Government	\$2,117,890	\$5,686,854	(\$4,304,639)	\$4,101,252	(\$52,451)	\$3,863,591	\$5,401,369	\$4,046,260	\$8,954,778	\$7,218,741

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 117,985	\$ 154,869	\$ 143,073	\$ 118,542	\$ 106,313	\$ 182,557	\$ 1,500	\$ 5,947	\$ 347,288	\$ 291,531
Assigned	-	-	-	338,351	326,388	337,128	305,382	293,121	296,021	301,250
Reserved for:										
Encumbrances	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	941,490	(243,054)	(1,303,688)	2,321,252	4,767,436	5,758,830	6,472,218	6,177,557	5,616,811	4,853,199
Total General Fund	1,059,475	(88,185)	(1,160,615)	2,778,145	5,200,137	6,278,515	6,779,100	6,476,625	6,260,120	5,445,980
Other Governmental Funds:										
Nonspendable	-	-	10,586	20,479	48,976	38,367	-	-	-	-
Restricted	18,731,907	17,604,861	7,970,237	11,008,113	9,982,211	9,555,742	12,604,440	7,790,716	10,416,057	9,896,589
Assigned	-	-	-	-	-	-	-	147,571	132,414	73,859
Reserved for:										
Encumbrances	-	-	-	-	-	-	-	-	-	-
Specific Programs	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	-	(393,223)	(94,737)	(153,388)	(1,723,280)	(140,605)	(3,004)	-	(81,736)	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Total Other Governmental Funds	18,731,907	17,211,638	7,886,086	10,875,204	8,307,907	9,453,504	12,601,436	7,938,287	10,466,735	9,970,448
Total Governmental Funds	\$ 19,791,382	\$ 17,123,453	\$ 6,725,471	\$ 13,653,349	\$ 13,508,044	\$ 15,732,019	\$ 19,380,536	\$ 14,414,912	\$ 16,726,855	\$ 15,416,428

In fiscal year 2011 the city implemented GASB Statement 54. Statement 54 changed the categories of fund balance.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes	\$27,112,510	\$25,217,144	\$22,315,774	\$22,384,463	\$22,190,229	\$21,453,412	\$21,160,794	\$20,852,810	\$20,155,296	\$19,590,377
Intergovernmental	2,655,059	2,806,329	3,576,360	3,512,796	3,190,305	3,799,115	2,699,312	2,356,804	2,409,100	2,442,911
Charges for services	608,344	283,027	233,014	551,788	456,508	189,682	169,761	208,273	159,006	168,284
Fines and forfeitures	398,662	704,527	563,851	653,067	783,726	268,603	225,719	845,413	748,028	633,498
Licenses and permits	229,050	537,397	509,854	255,978	214,645	685,403	655,468	184,211	198,708	249,873
Investment income	172,138	73,603	63,854	52,960	65,921	52,749	55,541	41,157	107,032	98,567
Miscellaneous	431,838	522,065	341,420	1,095,304	1,049,941	495,235	5,449,644	647,267	358,070	1,115,857
Total Revenues	31,607,601	30,144,092	27,604,127	28,506,356	27,951,275	26,944,199	30,416,239	25,135,935	24,135,240	24,299,367
Expenditures:										
Current:										
General Government	3,486,052	4,231,072	3,927,125	3,701,806	3,647,130	2,981,912	3,080,038	2,988,152	2,883,922	2,643,601
Community development	-	-	-	-	-	-	-	-	-	-
Engineering	282,428	394,315	488,407	472,231	443,180	384,817	415,147	418,707	404,537	366,063
Equipment and building maint.	352,395	428,006	484,007	489,256	505,625	459,714	438,176	449,277	397,130	1,226,244
Public Safety	-	-	-	-	-	-	-	-	-	-
Police	7,189,184	7,283,142	7,280,113	6,963,276	6,558,413	6,412,075	5,952,358	5,915,408	5,394,473	5,034,358
Fire	6,720,874	6,567,034	7,122,466	6,942,221	6,439,770	5,787,238	5,337,455	5,251,981	4,975,816	4,955,006
Municipal court	343,789	400,392	586,920	586,583	576,918	538,902	536,695	517,389	526,446	317,158
Emergency management	418,762	468,604	426,293	354,018	345,722	317,177	329,579	285,349	294,832	354,718
Streets	1,476,496	1,538,432	1,733,962	1,681,767	1,643,213	1,604,637	1,492,117	1,443,660	1,313,338	1,154,277
Parks and recreation	1,520,019	1,157,034	1,321,448	1,211,469	1,066,234	940,805	713,761	535,527	604,401	473,253
Culture and recreation	122,743	161,105	153,209	147,024	185,034	161,930	157,673	162,490	122,993	146,872
Animal control/E911	1,034,565	985,767	1,175,956	1,144,745	1,161,238	1,046,961	923,145	1,104,086	872,447	876,626
Cemetery	196,829	201,044	233,876	217,845	209,430	194,928	190,676	191,523	183,744	182,756
Library	90,657	91,294	101,563	88,960	86,566	95,372	88,424	88,224	44,907	4,292
Economic development	1,739,440	1,647,107	1,915,243	1,644,197	1,593,967	1,740,676	1,779,650	1,870,353	1,652,548	1,924,825
Capital outlay	4,321,501	4,459,483	5,962,579	6,839,201	6,049,430	8,457,080	6,662,187	6,270,385	6,910,780	2,713,521
Debt service:										
Principal retirement	2,985,285	2,574,631	1,206,383	1,048,789	620,844	925,193	389,365	191,126	77,746	-
Interest and fiscal charges	314,402	245,687	139,269	124,477	430,316	21,212	53,703	12,935	6,853	-
Total Expenditures	32,595,421	32,834,149	34,258,819	33,657,865	31,563,030	32,070,629	28,540,149	27,696,572	26,666,913	22,373,570
Excess of revenues over(under) expenditures	(987,820)	(2,690,057)	(6,654,692)	(5,151,509)	(3,611,755)	(5,126,430)	1,876,090	(2,560,637)	(2,531,673)	1,925,797
Other Financing Sources (Uses):										
Transfers in	4,330,041	5,303,579	4,435,888	3,037,868	3,701,191	3,170,107	2,928,664	2,370,474	4,377,829	1,958,740
Transfers out	(1,146,012)	(2,215,540)	(4,709,074)	(1,306,054)	(2,313,411)	(1,692,194)	(1,904,876)	(2,121,780)	(1,494,597)	(1,516,389)
Capital Lease/bond proceeds	-	10,000,000	-	3,565,000	-	-	2,065,746	-	958,868	-
Total Other Financing Sources (Uses)	3,184,029	13,088,039	(273,186)	5,296,814	1,387,780	1,477,913	3,089,534	248,694	3,842,100	442,351
Net change in fund balances	\$2,196,209	\$10,397,982	(\$6,927,878)	\$145,305	(\$2,223,975)	(\$3,648,517)	\$4,965,624	(\$2,311,943)	\$1,310,427	\$2,368,148
Debt Service as a Percentage of Non-Capital Expenditures	11.46%	9.85%	4.64%	4.33%	3.97%	3.97%	2.01%	0.95%	0.42%	0.00%

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

REVENUE CAPACITY

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

Fiscal Year	Property Tax (2)	Sales Tax	Use Tax	Hotel/Motel Tax	Alcoholic Beverage Tax	Franchise Taxes	Cigarette Tax	Other Taxes	Totals
2020	\$ 74,767	\$ 22,194,482	\$ 2,350,767	\$ 415,242	\$ 196,385	\$ 1,422,490	\$ 204,260	\$ 380,728	\$ 27,239,121
2019	60,424	20,356,811	1,772,979	481,194	161,993	1,483,257	173,971	602,704	25,093,333
2018	51,133	18,156,475	1,456,101	468,365	125,082	1,703,962	213,534	529,072	22,703,724
2017	49,131	18,131,600	1,528,805	490,032	123,110	1,553,935	220,827	360,664	22,458,104
2016	74,882	17,950,304	1,580,404	496,772	116,715	1,543,454	213,753	27,323	22,003,607
2015	46,623	17,312,309	1,310,543	506,637	118,209	1,698,127	203,841	26,830	21,223,119
2014	-	17,203,546	1,143,165	578,275	115,514	1,626,635	102,356	45,133	20,814,624
2013	-	17,016,609	997,336	663,905	111,929	1,601,415	215,397	74,628	20,681,219
2012	64	16,576,844	909,570	472,590	103,692	1,676,956	238,452	45,758	20,023,926
2011	521	16,125,315	954,397	404,690	104,401	1,600,612	233,509	41,108	19,464,553

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
SALES TAX RATES										
General Fund	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%	2.0000%
Capital Improvement Fund	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%	0.3875%
Street Improvement Fund	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%	0.4375%
Parks/Public Safety/Street Improvement Fund	0.5000%	0.5000%	0.5000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Economic Development Fund	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%	0.0500%
Police Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Fire Sales Tax Fund	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%	0.0625%
Debt Service										
City of Shawnee Total (1)	3.5000%	3.5000%	3.5000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%
Pottawatomie County (3)	1.4995%	1.4995%	1.4995%	1.4995%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
State of Oklahoma (3)	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%	4.5000%
Total	9.4995%	9.4995%	9.4995%	8.9995%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%	8.5000%
Use Tax Rates (3)	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%	3.0000%

(1) The source for City sales tax rate is the City of Shawnee Annual budget.

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

(3) The source for other sales tax rates is the State of Oklahoma Tax Commission. The Pottawatomie County 1.4495% sales tax rate became effective July 2016.

CITY OF SHAWNEE, OKLAHOMA
Sales Taxes Collected by SIC Code
Last Ten Fiscal Years

Group	2020	2019	2018	2017	2016
Retail Trades	\$ 13,780,076	\$ 12,761,944	\$ 11,010,658	\$ 11,074,640	\$ 11,091,922
Accommodation and food service	3,915,062	3,734,655	3,256,976	3,159,022	3,097,518
Wholesale trades	1,430,054	1,410,140	1,172,141	1,164,915	1,057,215
Utilities	1,010,076	998,673	990,298	905,722	880,010
Information	557,209	659,093	623,525	659,099	719,841
Manufacturing	366,652	241,579	313,305	397,362	268,594
Real Estate Rental and Leasing	286,894	236,620	272,369	270,509	221,888
Other Services	233,172	175,369	158,579	163,531	158,162
Unclassified	89,849	76,090	65,493	176,403	343,101
Arts and Entertainment	241,370	200,191	87,114	76,510	67,929
Finance and Insurance	62,383	86,828	64,977	47,983	45,282
Professional and Scientific and Technical ser	29,176	35,789	30,473	41,226	42,697
Health Care and Social Assistance	76,931	30,203	26,392	30,647	28,965
Construction	30,716	5,323	4,505	12,252	7,416
Transportation and Warehousing	20,135	22,182	19,858	20,326	13,013
Educational Services	38,400	25,224	14,337	8,461	7,270
Unclassified	5,964	7,160	5,478	6,652	8,497
	\$ 22,174,119	\$ 20,707,063	\$ 18,116,478	\$ 18,215,260	\$ 18,059,320

Total Sales Taxes	22,174,119	20,707,063	18,116,478	18,215,260	18,059,320
Percent Change	7.08%	14.30%	-0.54%	0.86%	3.71%

Group	2015	2014	2013	2012	2011
Retail Traders	\$ 10,477,678	\$ 10,683,826	\$ 5,102,432	\$ 4,904,233	\$ 4,692,833
Accommodation and food service	3,021,167	2,950,196	2,691,304	2,472,367	2,372,790
Building Materials	-	-	1,174,061	1,412,234	1,441,974
Misc Retail	-	-	1,049,947	1,130,506	1,082,998
Utilities	1,007,967	1,044,037	1,122,586	986,561	933,716
Food Store	-	-	814,705	806,210	769,742
Wholesale Trade-Durable Goods	1,095,325	1,110,617	1,004,434	851,604	769,824
Furniture, Home Furnishing & Equipment	-	-	1,126,615	870,710	1,033,279
Information	700,499	641,849	581,966	567,703	542,744
Manufacturing	342,461	210,527	-	-	-
Real Estate Rental and Leasing	222,174	196,723	-	-	-
Other Services	161,421	161,892	-	-	-
Unclassified	162,624	111,105	-	-	-
Arts and Entertainment	64,420	71,776	-	-	-
Finance and Insurance	45,516	56,526	-	-	-
Professional and Scientific Technical	33,472	53,242	-	-	-
Health Care and Social Assistance	28,003	31,223	-	-	-
Construction	16,440	22,958	-	-	-
Transportation and Warehousing	16,389	19,849	-	-	-
Educational Services	7,460	7,515	-	-	-
Unclassified	9,511	272,997	-	-	-
Automotive Dealers & Gas Station	-	-	597,053	585,220	571,325
Apparel & Accessory Store	-	-	739,650	731,970	729,222
Business Services	-	-	267,271	224,021	212,389
Hotel	-	-	354,754	280,227	237,085
Motion Picture	-	-	132,781	127,510	118,767
Automotive Repair Services	-	-	145,861	126,435	114,100
Wholesale Trade-Nondurable Goods	-	-	111,189	105,608	95,120
	\$ 17,412,527	\$ 17,646,858	\$ 17,016,609	\$ 16,183,119	\$ 15,717,908

Total Sales Taxes	\$ 17,412,527	\$ 17,646,858	\$ 17,016,609	\$ 16,183,119	\$ 15,717,908
Percent Change	-1.33%	3.70%	5.15%	2.96%	5.35%

The Oklahoma Tax Commission changed the way they are reporting it is now by NAICS CODES beginning in FY 2014

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

Fiscal Year Ended June 30	Water Rate Per Gallons In City Limits					Sewer Rate in City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly	
						Base Rate	More than 1,000
2020	\$ 22.25	\$ 4.18	\$ 4.29	\$ 4.40	\$ 4.50	\$ 14.51	\$ 3.21
2019	\$ 22.25	\$ 4.18	\$ 4.29	\$ 4.40	\$ 4.50	\$ 14.51	\$ 3.21
2018	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2017	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2016	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2015	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2014	\$ 20.70	\$ 3.89	\$ 3.99	\$ 4.09	\$ 4.19	\$ 13.50	\$ 2.90
2013	\$ 20.70	\$ 0.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 11.60	\$ 2.85
2012	\$ 18.15	\$ 3.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 11.60	\$ 2.85
2011	\$ 11.05	\$ 3.69	\$ 3.79	\$ 3.89	\$ 3.99	\$ 11.25	\$ 2.80
2010	\$ 7.30	\$ 3.69	\$ 3.79	\$ 3.89	\$ 3.88	\$ 9.95	\$ 2.75

Fiscal Year Ended June 30	Water Rate Per Gallons Outside City Limits					Sewer Rate Outside City Limits	
	0 - 1,000	1,001 - 4,000	4,001 - 1,000,000	1,000,001 - 2,000,000	More than 2,000,000	Monthly	
						Base Rate	More than 1,000
2020	\$ 25.86	\$ 6.28	\$ 6.44	\$ 6.60	\$ 6.76	\$ 21.77	\$ 4.68
2019	\$ 25.86	\$ 6.28	\$ 6.44	\$ 6.60	\$ 6.76	\$ 21.77	\$ 4.68
2018	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2017	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2016	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2015	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2014	\$ 24.06	\$ 5.84	\$ 5.99	\$ 6.14	\$ 6.29	\$ 20.25	\$ 4.35
2013	\$ 24.06	\$ 5.69	\$ 58.84	\$ 5.99	\$ 6.14	\$ 20.25	\$ 4.35
2012	\$ 22.69	\$ 3.79	\$ 3.89	\$ 3.99	\$ 4.09	\$ 17.40	\$ 4.28
2011	\$ 14.41	\$ 5.54	\$ 5.69	\$ 5.84	\$ 5.99	\$ 16.88	\$ 4.20

2018 Rates per adopted fee schedule as of March 1, 2019.
2013 Rates per City Ordinance #2484 dated August 12, 2012
All utility rates from City Ordinance.

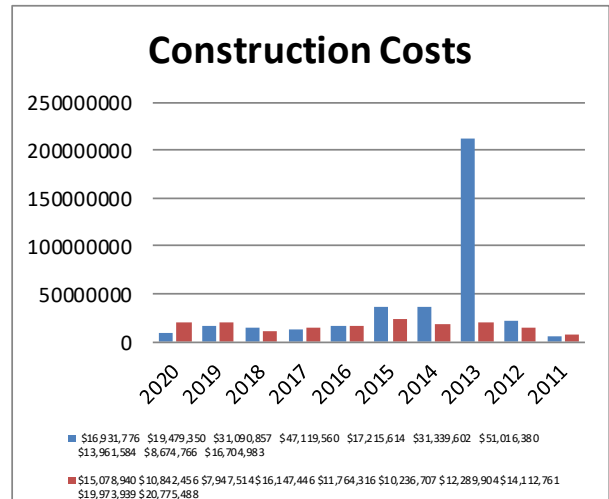
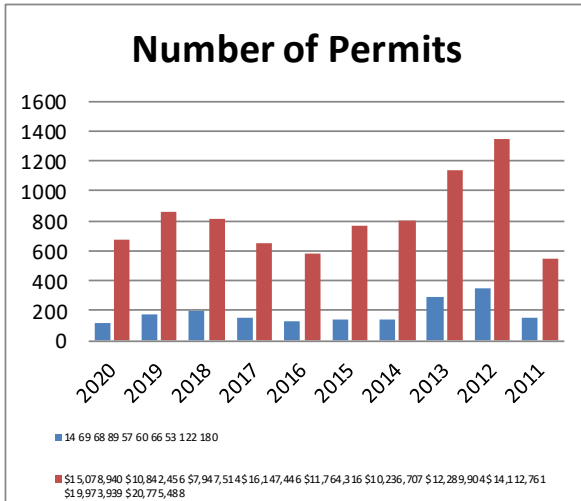
CITY OF SHAWNEE, OKLAHOMA
Water Utility User Categories
Last Ten Fiscal Years

Type of Customer	2020		2019		2018		2017		2016	
	Consumption		Consumption		Consumption		Consumption		Consumption	
	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales
Residential										
Builder	1,133,100	12,985	621,700	13,953	1,682,700	17,896	1,372,500	14,974	1,265,000	11,382
Residential	500,626,700	4,328,105	496,634,600	4,085,514	527,524,200	4,114,993	502,400,600	3,951,276	525,824,300	4,103,796
Residential Sprinkler	4,365,300	33,407	4,441,900	32,016	7,273,000	42,982	7,059,100	39,040	7,065,170	42,559
Commercial										
Commercial	374,679,961	1,971,134	450,698,281	2,182,531	420,378,713	2,010,921	415,199,350	1,972,588	461,629,130	2,162,858
Commercial Sprinkler	15,567,200	103,984	16,578,800	99,208	21,337,600	114,036	19,621,900	104,362	19,388,100	105,416
Schools	9,865,000	39,228	8,677,200	43,479	6,958,100	35,208	7,980,000	39,040	7,840,100	38,950
Schools Sprinkler	4,765,300	23,199	4,012,600	18,796	7,076,800	30,730	5,639,000	24,892	7,801,200	33,708
G Rate	6,680,800	32,892	3,380,300	16,797	3,227,600	15,643	1,619,500	8,616	2,305,500	11,550
Government	44,485,100	-	59,946,400	-	29,644,400	-	1,024,415,200	-	23,315,500	-
Total	962,168,461	\$ 6,544,934	1,044,991,781	\$ 6,492,294	1,025,103,113	\$ 6,382,408	1,985,307,150	\$ 6,154,788	1,056,434,000	\$ 6,510,219
Average Rate per Thousand		6.802%		6.213%		6.226%		3.100%		6.162%

Type of Customer	2015		2014		2013		2012		2011	
	Consumption		Consumption		Consumption		Consumption		Consumption	
	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales
Residential										
Builder	1,080,200	13,263	2,590,300	\$ 10,045	9,752,700	\$ 10,045	1,722,100	\$ 13,978	2,067,500	\$ 12,840
Residential	525,751,600	4,097,304	1,151,352,700	4,195,903	574,050,400	4,195,903	642,064,200	4,179,606	599,961,400	3,136,708
Residential Sprinkler	5,790,000	37,778	16,547,400	53,118	8,937,800	53,118	12,400,500	60,416	9,287,000	41,788
Commercial										
Commercial	444,395,900	2,097,682	1,169,695,000	1,502,194	258,006,500	1,502,194	303,160,700	1,439,649	290,369,000	1,246,418
Commercial Sprinkler	17,564,800	96,270	39,439,200	102,223	17,465,200	102,223	26,836,000	123,299	22,568,300	95,866
Schools	8,401,400	41,197	18,495,400	44,364	9,417,900	44,364	10,306,100	45,813	9,258,500	39,229
Schools Sprinkler	6,667,300	29,199	16,947,600	40,610	9,725,500	40,610	14,235,900	57,426	11,352,100	44,046
G Rate				1,875,814	499,738,000	1,875,814	261,300,300	1,046,259	206,752,700	802,388
Government	2,048,100	10,528	7,414,000	11,303	5,898,000	11,303	5,744,300	10,018	4,955,900	7,079
Total	1,011,699,300	\$ 6,423,221	2,422,481,600	\$ 7,835,574	1,392,992,000	\$ 7,835,574	1,277,770,100	\$ 6,976,464	1,156,572,400	\$ 5,426,362
Average Rate per Thousand		6.349%		3.235%		5.625%		5.460%		4.692%

Ten years of data not available due to change in computers systems.
Information from City of Shawnee Utility Billing Department.
2016 was the first year of the city's new aquatic facility causing an increase in government usage.

CITY OF SHAWNEE, OKLAHOMA
Construction Permits
Last Ten Fiscal Years



Year	Commercial Construction (1)		Residential Construction (1)		
	Number of Permits	Construction Cost	Number of Permits	Construction Cost	Average Cost
2020	14	\$ 16,931,776	87	\$15,078,940	\$173,321
2019	69	\$ 19,479,350	123	\$10,842,456	\$88,150
2018	68	\$ 31,090,857	88	\$7,947,514	\$90,313
2017	89	\$ 47,119,560	143	\$16,147,446	\$112,919
2016	57	\$ 17,215,614	140	\$11,764,316	\$84,031
2015	60	\$ 31,339,602	259	\$10,236,707	\$39,524
2014	66	\$ 51,016,380	111	\$12,289,904	\$110,720
2013	53	\$ 13,961,584	141	\$14,112,761	\$100,091
2012	122	\$ 8,674,766	671	\$19,973,939	\$29,767
2011	180	\$ 16,704,983	855	\$20,775,488	\$24,299

- (1) The source of this information is the City of Shawnee Planning Department.
(2) The year 2012 includes data through October 16.

DEBT CAPACITY

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

FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME
	GENERAL OBLIGATION BONDS	CAPITAL LEASE	NOTE PAYABLE	NOTE PAYABLE	BOND PREMIUM			
2020	\$ -	\$ 314,678	\$ 9,025,000	\$ 12,816,089	\$ 305,863	\$ 22,461,630	3.06%	
2019	-	614,963	11,710,000	10,415,637	436,947	23,177,547	2.90%	
2018	-	909,594	3,990,000	11,775,580	568,030	17,243,204	3.77%	
2017	-	1,195,977	4,910,000	13,239,477	699,114	20,044,568	3.29%	
2016	-	1,474,344	2,115,422	15,364,719	830,199	19,784,684	3.16%	
2015	-	1,744,918	2,736,266	17,717,966	961,283	23,160,433	2.57%	
2014	-	2,065,746	3,340,631	20,074,847	1,092,367	26,573,591	2.26%	
2013	-	-	689,996	21,612,098	1,223,451	23,525,545	3.04%	
2012	-	-	881,122	24,533,255	58,286	25,472,663	2.33%	
2011	-	-	-	23,558,763	62,377	23,621,140	2.51%	

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

CITY OF SHAWNEE, OKLAHOMA
DEBT COVERAGE
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (1)	Net Revenue Available for Debt Service	Bond Indenture Requirement		
				Average Annual Debt Service	Calculated Coverage	Required Coverage
2020	\$ 10,288,520	\$ 6,703,504	\$ 3,585,016	\$ 2,420,560	1.48	1.25
2019	10,742,135	4,639,697	6,102,438	1,888,569	3.23	1.25
2018	10,135,614	5,975,433	4,160,181	1,891,489	2.20	1.25
2017	10,085,537	5,909,641	4,175,896	2,578,213	1.62	1.25
2016	10,159,914	5,696,784	4,463,130	817,474	5.46	1.25
2015	10,141,490	4,891,570	5,249,920	1,257,658	4.17	1.25
2014	10,760,193	5,958,355	4,801,838	1,312,789	3.66	1.25
2013	11,401,562	5,750,996	5,650,566	1,267,646	4.46	1.25
2012	10,744,073	4,843,247	5,900,826	2,005,087	2.94	1.25
2011	9,317,810	4,365,640	4,952,170	1,769,509	2.80	1.25

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

(2) Gross revenues included pledged revenues of water and wastewater.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population (3)	Personal Income	Per Capita Personal Income (1)	Unemployment Rate (2)
2020	31,436	\$ 687,065	\$ 21,856	7.1
2019	31,434	673,191	21,416	3.8
2018	31,232	650,344	20,823	4.4
2017	31,465	663,093	21,074	4.4
2016	31,286	659,187	21,063	5.0
2015	31,254	625,173	20,003	4.8
2014	30,975	596,113	19,245	4.8
2013	30,649	601,517	19,626	5.0
2012	30,481	714,261	23,433	4.8
2011	30,212	593,363	19,640	5.5

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

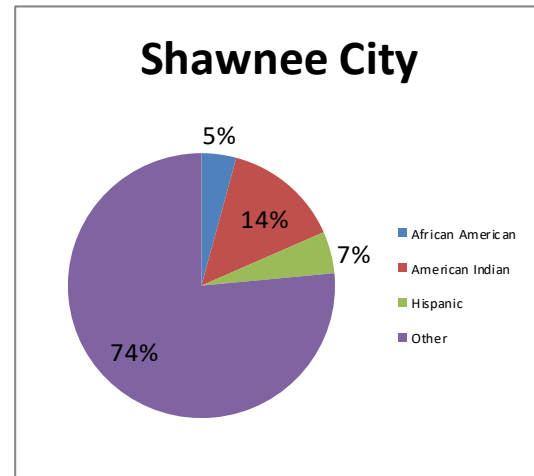
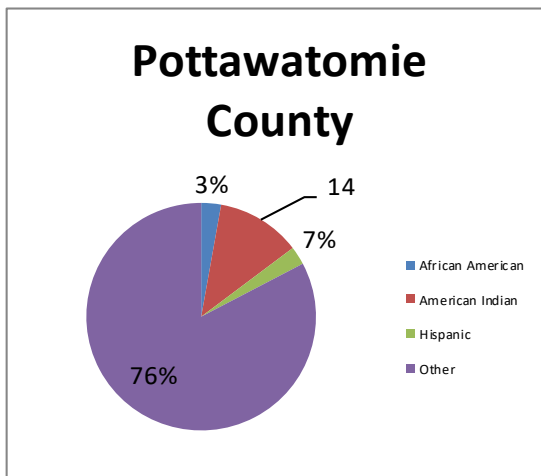
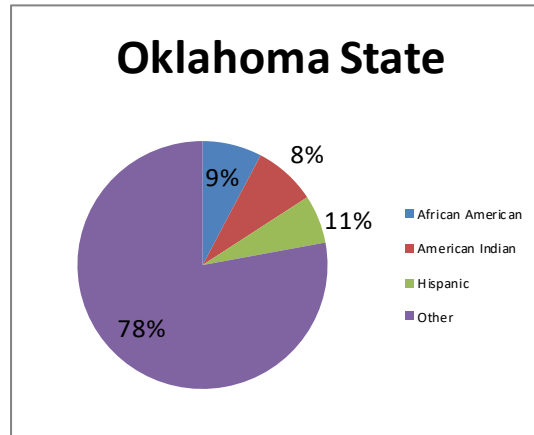
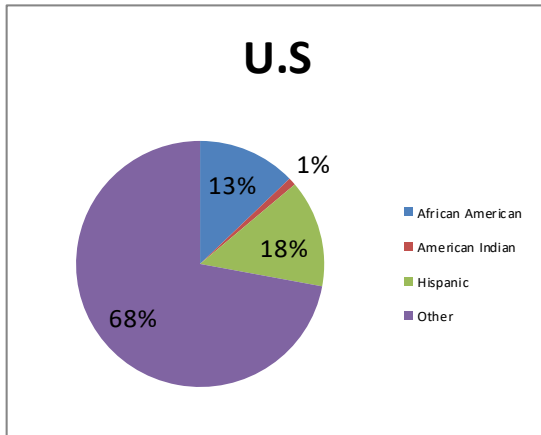
(2) Information obtained from the Oklahoma Employment Security Commission, for the Oklahoma City metropolitan area

CITY OF SHAWNEE, OKLAHOMA

Ethnic Demographic Statistics

Comparative Ethnic Percentage Population

	U.S	Oklahoma State	Pottawatomie County	Shawnee City
African American	13.40%	7.80%	3.10%	4.80%
American Indian	1.30%	9.40%	13.80%	14.30%
Hispanic	18.50%	11.10%	5.40%	6.70%
Other	66.80%	71.70%	77.70%	74.20%
	100.00%	100.00%	100.00%	100.00%



Data provided by the U.S. Census Bureau, July 2019 (V2019 stats)

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

	2020			2009		
	Employees	RANK	% of Total Employment	Employees	RANK	% of Total Employment
Citizens Potawatomi Nation*	2,500	1	36.28%	3,507	1	50.14%
George Fischer	700	2	10.16%	-	-	0.00%
St Anthony's	600	4	8.71%	606	2	8.66%
Shawnee Public Schools***	490	3	7.11%	343	8	4.90%
Walmart	400	5	5.80%	495	4	7.08%
Eaton Corporation	350	6	5.08%	348	7	4.97%
Absentee Shawnee	326	7	4.73%	-	0	0.00%
Oklahoma Baptist**	250	10	3.63%	505	3	7.22%
TDK Ferrites	275	8	3.99%	230	12	3.29%
Exxon Mobil (Jindal Films)	270	9	3.92%	450	5	6.43%
City of Shawnee	230	13	3.34%	261	9	3.73%
Newton Wall	250	10	3.63%	-	-	0.00%
Shawnee Milling	250	10	3.63%	250	10	3.57%
	<u>6,891</u>		<u>100.00%</u>	<u>6,995</u>		<u>100.00%</u>

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

FUNCTION / PROGRAM	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government:										
Management Services	9.5	8.0	10.5	10.0	9.0	11.0	10.0	10.0	10.0	9.0
Finance	5.5	4.5	7.0	6.5	7.0	9.0	7.0	7.0	5.0	5.0
Planning	7.0	8.0	8.0	9.0	9.0	8.0	9.0	8.0	9.5	8.0
Other	6.5	18.5	10.5	10.5	11.0	13.0	13.0	12.0	13.0	12.0
Police:										
Officers	72.0	63.0	66.0	61.0	58.0	61.0	60.0	57.0	57.0	54.0
Civilians	21.5	19.0	22.0	24.0	27.0	25.0	27.0	23.0	21.5	21.5
Fire:										
Firefighters and Officers	50.0	51.0	54.0	53.0	54.0	53.0	54.0	46.0	43.0	46.0
Civilians	3.0	3.0	3.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Public Works:										
Engineering	1.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0
Other	29.0	22.0	26.0	24.0	26.0	24.0	26.0	25.0	21.0	22.0
Redevelopment	1.5	3.0	2.0	1.5	2.0	1.5	1.5	2.5	3.0	3.5
Parks and Recreation	38.5	73.0	52.5	59.0	43.0	37.5	21.0	23.0	23.0	20.0
Water	21.5	22.5	35.0	40.5	40.0	40.0	40.5	36.5	33.0	32.0
Wastewater	18.0	17.0	26.0	26.0	27.0	23.0	19.5	19.0	19.0	19.5
Total	<u>284.5</u>	<u>316.5</u>	<u>327.0</u>	<u>332.0</u>	<u>320.0</u>	<u>312.0</u>	<u>294.5</u>	<u>275.0</u>	<u>265.0</u>	<u>259.5</u>

Source: City of Shawnee Human Resources Department

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

FUNCTION / PROGRAM	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:									
Stations	1	1	1	1	1	1	1	1	1
Zone Offices	1	1	1	2	2	2	2	2	2
Patrol Units	38	37	57	71	71	69	69	69	69
Gun Range	1	1	1	1	1	1	1	1	1
Fire:									
Stations	3	3	3	4	4	3	3	3	3
Engines/vehicles	22	18	18	18	18	18	18	18	18
Other Public Works:									
Streets (miles)	225	225	225	191	191	191	191	191	190
Highway Interstate (miles)	3	3	3	2.5	2.5	2.5	2.5	2.5	2.50
Traffic Signals	43	43	44	49	49	48	47	47	46
Culture and Recreation									
Acerage	137	137	137	137.36	137.36	137.36	137.36	137.36	137.36
Playgrounds	33	33	33	33	33	33	33	33	33
Baseball/Softball Diamonds	9	9	9	9	9	9	9	9	9
Community Centers	1	1	1	1	1	1	1	1	1
Municipal Pool	1	1	1	1	1	1	-	1	1
Splash Pads	2	2	2	2	2	2	-	-	-
Park and Recreation Reservations	101	156	222	380	380	380	392	392	340
Municipal Airport									
Terminals	1	1	1	1	1	1	1	2	1
Feet of runway	6000	6000	6000	6000	6000	6000	6000	6000	6000
T-Hangers	28	28	28	28	28	28	28	28	28
Box Hangers	7	7	6	4	4	4	4	4	4
Vehicles	4	5	5	3	3	3	2	2	2
Aircraft Tug	2	2	2	1	1	0	0	0	0
Weatherstation	1	1	1	1	1	1	1	1	1
Water:									
Water Mains (miles)	285	285	218	218	218	217	217	215	215
Fire Hydrants	1,550	1,550	1,404	1,374	1,374	1,415	1,413	1,403	1,340
Storage Capacity (thousands of gallons)	3.5m	3.5m	2.5m	2.5m	2.5m	2.5m	2.5m	2.5m	2.5m
Water Towers	4	4	4	3	3	3	3	3	3
Wastewater:									
Sanitary Sewers (miles)	200	200	220	220	220	200	200	175	175
Treatment Capacity (thousands of gallons)	1.3m	1.3m	6m	6m	6m	6m	6m	6m	6m
Manholes *	2,810	2,810	3,575	3,526	3,526	-	-	-	-
Plants	2	2	2	2	2	2	2	2	2

Information from City of Shawnee departments.

* Began inventory in FY 2016

CITY OF SHAWNEE, OKLAHOMA
Operating Indicators
Last Ten Fiscal Years

FUNCTION / PROGRAM	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Airport- **										
Takeoffs	1,000	9,182	3,120	9,445	8,640	8,456	-	-	-	-
Fuel Sales	49,395	70,170	56,802	74,923	73,378	51,141	-	-	-	-
Police:										
Physical Arrests	1,127	1,645	2,188	1,062	2,118	2,255	2,067	2,350	1,944	1,985
Total Parking and Traffic Citations	2,337	4,946	3,819	2,884	4,832	5,302	5,566	6,726	5,355	7,747
Fire:										
Emergency Responses	5,138	5,665	5,494	5,587	5,368	5,265	4,637	4,768	3,212	4,426
Fires Extinguished	291	156	271	288	256	214	301	282	227	330
Inspections	418	142	159	133	224	333	297	12	12	61
Culture and Recreation										
Attendance-Pool	19,102	28,899	32,445	41,242	34,904	28,588	-	-	-	-
Park and Recreation Reservations	101	156	222	268	240	380	392	392	340	348
Community Development										
Building Permits	101	192	199	232	197	319	177	194	793	1,035
Building Inspections	2,160	1,536	2,332	3,675	3,321	2,834	2,460	2,579	2,987	2,961
Streets:										
Street Resurfacing (Lane Blocks)	-	-	-	142	195	187	98	134	172	150
Potholes Repaired	830	950	1,000	3,900	3,900	2,925	3,900	775	891	1,162
Economic Development: ***										
Home loans	19	18	19	54	55	-	-	-	-	-
New loans	1	-	-	6	11	-	-	-	-	-
First time homebuyers	1	-	-	1	2	-	-	-	-	-
Water:										
New Connections	-	-	-	164	835	738	60	490	47	28
Water Main Breaks	59	75	84	69	107	70	117	146	97	241
Average Daily Consumption (thousands of gallons)	3.60	3.00	2.81	3	4,590	3,609	3,914	4,589	4,671	4,341
Peak Daily Consumption (thousands of gallons)	4.3	3.5	5,280	4,400	4,962	5,502	5,881	7,458	7,624	6,990
Wastewater:										
Average Daily Sewer Treatment (thousands of gallons)*	3.4	3.77	3.69	4.04	3.39	2.24	2.819	3.086	3.09	2.91
Sanitation: ***										
Large polycarts	11,412	11,365	11,266	9,518	11,018	-	-	-	-	-
Small polycarts	712	650	607	592	536	-	-	-	-	-
Recycle bins	10,444	10,413	10,395	10,357	10,194	-	-	-	-	-

* MGD Million gallons per day

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

*** Began tracking information in 2016

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

INTERNAL CONTROL AND COMPLIANCE INFORMATION

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CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended June 30, 2020

Finding 20-001 - Budgeted Appropriations

Criteria: Oklahoma State Law prescribes that no encumbrances or expenditures may be authorized or made by an officer or employee that exceeds the available appropriations for each object category within a department or fund.

Condition: Expenditures exceeded appropriations at the legal level of control as follows:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
General	Cultural and Recreational	\$22,582

Cause: Proper oversight of budgetary limitations were not in place. In addition, adjustments at or near year-end result in budget overruns.

Effect or Potential Effect: Expenditures exceed appropriations at the legal level of control.

Recommendation: We recommend the City adopt formal budget amendments, especially at or near year-end by department.

City's Response: Management will review all funds and departments periodically to ensure any required budget amendments are completed and approved prior to expenditures exceeding budgets at the legal level of control. Further, the city is currently implementing budgeting and transparency software to guard against exceeding appropriations.

CITY OF SHAWNEE, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2020

Finding 19-001 - Budgeted Appropriations

Criteria: Oklahoma State Law prescribes that no encumbrances or expenditures may be authorized or made by an officer or employee that exceeds the available appropriations for each object category within a department or fund.

Condition: Expenditures exceeded appropriations at the legal level of control as follows:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
General	General Government	\$8,741

Cause: Proper oversight of budgetary limitations were not in place. In addition, adjustments at or near year-end result in budget overruns.

Effect or Potential Effect: Expenditures exceed appropriations at the legal level of control.

Recommendation: We recommend the City adopt formal budget amendments, especially at or near year-end by department.

City's Response: Management will review all funds and departments periodically to ensure any required budget amendments are completed and approved prior to expenditures exceeding budgets at the legal level of control.

Current Year Status: See Finding 20-001.

CITY OF SHAWNEE, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2020

Finding 19-002 Negative Fund Balance

Criteria: Oklahoma law prescribes that the City may not have a negative fund balance.

Condition: The General Fund reports a \$88,185 deficit fund balance. The Street and Alley Fund reports an \$31,505 deficit fund balance. The Capital Improvement Fund reports an \$361,718 deficit fund balance.

Cause: Controls were not sufficient to ensure that proceeds were placed in the General Fund, Street and Alley Fund and Capital Improvement Fund prior to the incurrence of liabilities in accordance with State law.

Recommendation: We recommend that the City put procedures in place to ensure that restricted or assigned funds be spent only for their intended purposes and that negative fund balances be monitored and spending constrained or that the City reimburse this fund from other sources.

City's Response: The City will monitor fund balances and make transfers as necessary to maintain a positive fund balance.

Current Year Status: There were no negative fund balances as of June 30, 2020.

CITY OF SHAWNEE, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2020

CITY OF SHAWNEE, OKLAHOMA

TABLE OF CONTENTS

PAGE

SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
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Reports related to Federal Assistance Programs Required by the Uniform Guidance:

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required By the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	8
Summary Schedule of Prior Audit Findings and Questioned Costs	9



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Shawnee, Oklahoma (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 25, 2021. Other auditors audited the financial statements of the Shawnee Civic and Cultural Development Authority as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

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 determination of financial statement amounts. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as findings 2020-001.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Arlidge & Associates, P.C.

January 25, 2021, except for paragraphs 5 and 6,
As to which the date is February 26, 2021.



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Shawnee, Oklahoma's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 25, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Arledge & Associates, P.C.

February 26, 2021

CITY OF SHAWNEE, OKLAHOMA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

<i>Federal Grantor/Pass-Through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant :			
Entitlement	14.218	B18MC40007	\$ 176,590
Entitlement	14.218	B19MC40007	155,199
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			331,789
U.S. DEPARTMENT OF JUSTICE			
Law Enforcement Assistance National Crime Information Center Passed through International Association of Chiefs of Police	16.304	2020VDBS0542	61,873
Crime Victim Assistance Passed through District Attorney's Council	16.582	2016VFGXK024	46,279
Crime Victim Assistance	16.575	2019VOCAC092	51,069
Crime Victim Assistance	16.575	2018VOCACI158	11,347
TOTAL CRIME VICTIME ASSISTANCE			62,416
Bulletproof Vest Partnership Program	16.607	Vest Grant	1,250
Public Safety Partnership and Community Policing Grants	16.710	2017UMWX0088	79,875
Edward Byrne Memorial Justice Assistance Grant	16.738	2017DJBX0080	23,421
TOTAL U.S. DEPARTMENT OF JUSTICE			275,114
U.S. DEPARTMENT OF HEATH AND HUMAN SERVICES			
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		7,390
TOTAL U.S. DEPARTMENT OF HEATH AND HUMAN SERVICES			7,390
U.S. DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program Passed through Oklahoma Department of Public Safety	20.106	34000880182018	8,764
State and Community Highway Safety	20.600	SE20031014	13,346
State and Community Highway Safety	20.600	SE19030913	4,393
TOTAL STATE AND COMMUNITY HIGHWAY SAFETY			17,739
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			26,503
U.S. DEPARTMENT OF TREASURY			
Coronavirus Relief Fund	21.019	FA010153SA0205	2,423,094
TOTAL U.S. DEPARTMENT OF TREASURY			2,423,094
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Oklahoma Department of Emergency Management			
Federal Emergency Performance Grant	97.042	EMPG 2020	25,000
Federal Emergency Performance Grant	97.042	EMPG 2019	12,500
TOTAL FEDERAL EMERGENCY PERFORMANCE GRANT			37,500
Public Safety	97.046	FMA-06-OK-5230	3,345
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			40,845
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 3,104,735

See notes to schedule of expenditures of federal awards.

CITY OF SHAWNEE, OKLAHOMA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2020. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following 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 elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C—SUBRECIPIENTS

During the year ended June 30, 2020, the City did not provide federal awards to subrecipients.

Section I--Summary of Auditor's Results

Financial statements

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

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major federal programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal programs:

Program

Coronavirus Relief Fund

CFDA Number

21.019

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF SHAWNEE, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

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

A. Internal Control

There are no findings requiring reporting under this section.

B. Compliance Findings

Finding 2020-001 - Budgeted Appropriations

Criteria: Oklahoma State Law prescribes that no encumbrances or expenditures may be authorized or made by an officer or employee that exceeds the available appropriations for each object category within a department or fund.

Condition: Expenditures exceeded appropriations at the legal level of control as follows:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
General	Cultural and Recreational	\$22,582

Cause: Proper oversight of budgetary limitations were not in place. In addition, adjustments at or near year-end result in budget overruns.

Effect or Potential Effect: Expenditures exceed appropriations at the legal level of control.

Recommendation: We recommend the City adopt formal budget amendments, especially at or near year-end by department.

City's Response: Management will review all funds and departments periodically to ensure any required budget amendments are completed and approved prior to expenditures exceeding budgets at the legal level of control. Further, the city is currently implementing budgeting and transparency software to guard against exceeding appropriations.

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

A. Internal Control

There are no findings requiring reporting under this section.

B. Compliance Findings

There are no findings requiring reporting under this section.

CITY OF SHAWNEE, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

June 30, 2020

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

A. Internal Control

<u>Reference</u>	<u>Finding</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
2019-002	Controls were not sufficient to ensure that proceeds were placed in the General Fund, Street and Alley Fund and Capital Improvement Fund prior to the incurrence of liabilities in accordance with State law.	Fully Corrected	The City has put in place procedures to monitor fund balances and make transfers as necessary to maintain a positive fund balance.

B. Compliance Findings

<u>Reference</u>	<u>Finding</u>	<u>Status</u>	<u>Corrective Action Plan or Other Explanation</u>
2019-001	Proper oversight of budgetary limitations were not in place. In addition, adjustments at or near year-end result in budget overruns	Not Corrected	Management will review all funds and departments periodically to ensure any required budget amendments are completed and approve prior to expenditures exceeding budgets at the legal level of control.

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

A. Internal Control

There are no findings requiring reporting under this section.

B. Compliance Findings

There are no findings requiring reporting under this section.



City of Shawnee
Corrective Action Plan
For the Year Ended June 30, 2020

Finding 2020-001

Condition

Expenditures exceeded appropriations at the legal level of control as follows:

Fund Category Amount General Cultural and Recreational \$22,582

Corrective Action Plan

Corrective Action Planned: Management will review all funds and departments periodically to ensure any required budget amendments are completed and approved prior to expenditures exceeding budgets at the legal level of control. Further, the city is currently implementing budgeting and transparency software to guard against exceeding appropriations

Name(s) of Contact Person(s) Responsible for Corrective Action: Ashley Neel, Finance Director/City Treasurer, 405-878-1607

Anticipated Completion Date: June 30, 2021