











# 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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## 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 Need
City Treasurer

## City of Shawnee, Oklahoma

#### **List of Principal Officials**

June 30, 2020

#### **Mayor and City Commission**

Richard Finley Mayor

James HarrodCommissionerEd BoltCommissionerMike SehornCommissionerRon GillhamCommissionerDarren RutherfordCommissionerBen SalterCommissioner

## 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

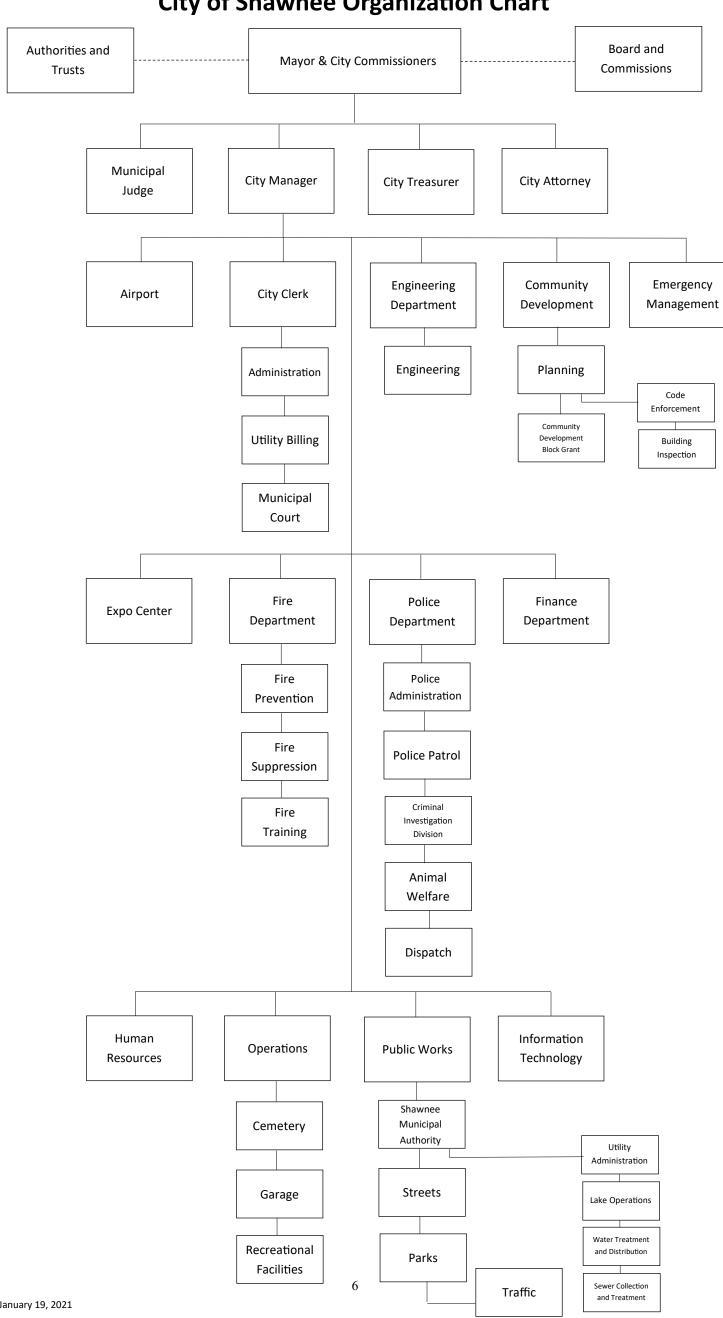
Director/ Planning Director

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. Morrill

Executive Director/CEO

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#### 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.

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.

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. Business-Type (Dec.) Activities					% Inc. (Dec.) Total						% In c. (De c.)	
		2020	F	2019			<u>2020</u>		2019				2020	I	Restated, 2019	
Current assets	\$	25,879	\$	20,624	25%	\$	5,531	\$	5,118	8	3%	\$	31,410	\$	25,742	22%
Capital assets, net		50,819		51,862	-2%		53,027		51,525	3	8%		103,846		103,387	0%
Total assets		76,698		72,486	6%		58,558		56,643	3	3%		135,256	_	129,129	5%
Deferred outflows		5,647		5,694	-1%		707		489	45	5%		6,354		6,183	3%
Current liabilities		5,797		7,427	-22%		4,395		3,584	23	3%		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		38,070		38,606	-1%		18,768		14,617	28	3%		56,838		53,223	7%
Deferred inflows		3,083		2,432	27%		182		266	-32	2%		3,265		2,698	21%
Net position																
Net investment capital assets		49,479		48,619	2%		40,068		40,904	-2	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	3%		(21,601)		(21,558)	0%
Total net position	\$	41,192	\$	37,142	11%	\$	40,315	\$	42,248	-5	5%	\$	81,507	\$	79,390	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.

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Busine: Activ	ss-Type vities	% Inc. (Dec.)	Te	% Inc. (Dec.)	
	2020	Restated, 2019		2020	Restated, 2019	•	2020	Restated, 2019	
Revenues	2020	2017		2020	2017		2020	2017	
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 is 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)

					Net Re		
		Total E	xpense	% Inc.	(Expe	% Inc.	
		of Ser	vices	(Dec.)	of Se	(Dec.)	
	2020		2019		2020		
General government	\$	5,142	\$ 4,331	19%	\$ (4,876)	\$ (3,963)	23%
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	\$	33,344	\$ 28,149	18%	\$ (26,741)	\$ (23,535)	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)

				Net Re	venue		
	Total Ex	pense	% Inc.	(Expe	% Inc.		
	of Ser	vices	Dec.	of Ser	Dec.		
	2020	2019		2020	2019		
Water	\$ 4,216	\$ 4,469	-6%	\$ 3,408	\$ 2,552	34%	
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	\$ 13,322	\$11,652	14%	\$ 1,012	\$ 2,526	-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	18,731,907
Total governmental fund balance constraints	\$18,849,892

#### **Proprietary Funds:**

**Net Position Restrictions:** 

Debt service \$2,329,383

## 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 measurers 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.

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

	Governmental				Business-Type							
	Activ	ities			<u>Activities</u>				<u>Total</u>			
		Re	estated,		Restated,							
	2020		2019		2020		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: <sup>2</sup>

<sup>&</sup>lt;sup>1</sup> For more detailed information on capital asset activity please refer to page 45 Note III.D. Capital Assets

<sup>&</sup>lt;sup>2</sup> 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)

	Govern <u>Activ</u>	al		Busine <u>Acti</u>	ss-Ty vities		<u>Total</u>				
	<u>2020</u>		2019		2020		2019		2020	2019	
Accrued absences Notes payable	\$ 2,424 9,025	\$	2,293 11,710	\$	241 12,816	\$	244 10,416	\$	2,665 21,841	\$	2,537 22,126
Claims and judgments payable Capital leases	 2,907 315		3,011 615		-		-		2,907 315		3,011 615
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

				Component Unit		
	Governmental Activities	Business-type Activities	<u> </u>	Civic & Cultural Development Authority		
ASSETS	\$ 16,853,644	\$ 3,686,305	\$ 20,539,949	\$ 27.082		
Cash and cash equivalents	\$ 16,853,644 497,149	\$ 3,686,305 1,311,625	\$ 20,539,949 1,808,774	\$ 27,082		
Investments Interest receivable	2,616	1,311,023	2,616	-		
Accounts receivable, net of allowance	612,003	1,851,590	2,463,593	465		
Notes receivable, net of allowance	401,997	1,031,390	401,997	403		
Internal balances	1,344,639	(1,344,639)	401,997	-		
Due from other governmental agencies	5,974,837	(1,344,039)	5,974,837	-		
Inventories	8,515	25,633	34,148	-		
Prepaid items	109,470	25,033 597	110,067	-		
Net pension asset	73,514	391	73,514	-		
Capital assets:	73,314	-	75,514	-		
•	( 220 250	20,002,511	27 122 770			
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	76,697,594	58,558,511	135,256,105	4,083,314		
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	5,647,224	706,851	6,354,075			
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	17,751		
Due to depositors	29,909	1,374,127	1,374,127	10,847		
Due to bondholders	17,171	1,3/4,12/	17,171	10,047		
Unearned revenue	714,497	-	714,497	-		
Long-term liabilities	/14,49/	-	/14,49/	-		
6	2,717,911	2,010,379	4,728,290	11,213		
Due within one year  Due in more than one year	32,273,508	14,373,285	46,646,793	22.432		
Total liabilities	38,070,132	18,768,142	56,838,274	63,923		
Total habilities	36,070,132	16,766,142	30,636,274	03,723		
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	3,082,721	181,516	3,264,237			
NET POSITION						
Net investment in capital assets	49,478,555	40,068,042	89,546,597	4,022,122		
Restricted for:	15,176,555	10,000,012	0,5010,007	1,022,122		
Debt service	258,764	2,329,383	2,588,147	_		
Public safety	406,328	2,327,303	406,328	_		
Capital projects	9,394,885	_	9,394,885	_		
Economic development	885,198	<u>-</u>	885,198	_		
Other	286,545	_	286,545	_		
Unrestricted (deficit)	(19,518,310)	(2,081,721)	(21,600,031)	(2,731)		
Total net position	\$ 41,191,965	\$ 40,315,704	\$ 81,507,669	\$ 4,019,391		
Total net position	Ψ 71,171,203	Ψ -10,313,704	ψ 01,507,009	ψ <del>1,012,391</del>		

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

			Program Revenue					Net (Expense) Revenue and Changes in Net Position							Component Unit		
			-		Operating		Capital Grants								Civic	& Cultural	
			<u>C</u>	harges for	(	Frants and		and_	G	overnmental		Business-type			De	velopment	
Functions/Programs	]	Expenses		Services	Co	ntributions	Con	tributions		Activities		<u>Activities</u>		<u>Total</u>	A	uthority	
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		33,344,166		1,111,805		5,348,846		143,000		(26,740,515)				(26,740,515)		-	
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		13,321,439		14,314,009		6,411		13,764		-		1,012,745		1,012,745		-	
Total primary government	\$	46,665,605	\$	15,425,814	\$	5,355,257	\$	156,764		(26,740,515)		1,012,745		(25,727,770)		-	
Component Unit																	
Civic & Cultural Development	\$	1,673,719	\$	972,779	\$	297,646	\$	-		-		-		-		(403,294)	
		eral revenues:															
		xes:								24 545 240				24.545.240			
		Sales and use ta								24,545,249		-		24,545,249		-	
		Franchise taxes a		iblic service tax	es					1,422,490		-		1,422,490		-	
		Hotel/motel taxe:	S							415,242		-		415,242		-	
		Property tax								74,767		-		74,767		-	
		Other								380,728		-		380,728		-	
		ergovernmental			d to sp	ecific programs				400,645		-		400,645		- 025	
		restricted invest	tment	earnings						172,138		66,826		238,964		837	
		iscellaneous								195,688		171,887		367,575		-	
	Tran			1, 6						3,184,029		(3,184,029)		27.045.660		- 027	
		Total general i	revenu	ies and transfer	S				-	30,790,976		(2,945,316)		27,845,660		837	
		Change in n	et pos	ition						4,050,461		(1,932,571)		2,117,890		(402,457)	
	Net p	oosition - beginn	ing, re	estated						37,141,504		42,248,275		79,389,779		4,421,848	
	Net p	osition - ending							\$	41,191,965	\$	40,315,704	\$	81,507,669	\$	4,019,391	

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

	General Fund		Capital Improvement Fund		Impro	Street	2018 Capital Improvement Fund		Other Governmental Funds		Go	Total wernmental Funds
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	\$	8,592,979	\$	1,728,182	\$	7,742,587	\$	10,134,144	\$	2,433,399	\$	30,631,291
Accounts payable Accrued payroll payable Due to other funds Due to bondholders Uneamed revenue Total liabilities	\$	881,323 388,417 3,419,412 15,454 312,500 5,017,106	\$	77,913 - 1,604,878 - - 1,682,791	\$	141,680 - - - - 141,680	\$	636,606	\$	188,158 - 255,173 - 401,997 845,328	\$	1,925,680 388,417 5,279,463 15,454 714,497 8,323,511
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue		2,516,398		<del>-</del>		-		-		-		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		1,059,475		45,391		7,600,907		9,497,538		1,588,071		19,791,382
Total liabilities, deferred inflows, and fund balances	\$	8,592,979	\$	1,728,182	\$	7,742,587	\$	10,134,144	\$	2,433,399	\$	30,631,291

## 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 Note payable	(2,424,117) (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 accommental activities.	
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

# 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	A 16 410 00F	0 2 420 460	0.753.110	0.216.005	0 2 102 027	0 07.110.510
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	20,281,823	2,475,574	2,794,268	3,429,803	2,626,133	31,607,601
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	23,096,889	1,898,729	2,512,047	3,177,782	1,909,974	32,595,421
Excess (deficiency) of revenues over						
expenditures	(2,815,066)	576,845	282,221	252,021	716,159	(987,820)
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	3,962,726	(169,736)			(608,961)	3,184,029
Total color liming sources and uses	3,702,720	(10),750)			(000,501)	3,10 1,025
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	\$ 1,059,475	\$ 45,391	\$ 7,600,907	\$ 9,497,538	\$ 1,588,071	\$ 19,791,382

# 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

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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  Depreciation expense  Book value of disposed capital assets  Capital assets donated	3,794,498 (4,699,482) (257,397) 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
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 Increase in total OPEB liability Principal paid on long-term debt	(131,476) (1,456,444) 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
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
Change in net position of governmental activities	\$ 4,050,461

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

	Enterpris	se Funds		
	Shawnee Municipal Authority	Shawnee Airport Authority	Total	Internal Service Fund
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 Accrued interest	1,085,758	-	1,085,758	-
Due from other funds	953,897	-	953,897	453,144
Accounts receivable, net	1,857,538	4,385	1,861,923	433,144
Receivables from other governments	1,057,556	7,303	1,001,725	_
Assessments receivable	2,114	_	2,114	_
Inventories		25,633	25,633	_
Prepaid expenses	181	416	597	_
Total current assets	6,189,385	307,262	6,496,647	453,144
Non-current assets:				
Restricted:				
Cash and cash equivalents	1,345,447	-	1,345,447	-
Capital assets:	20.20#.040	504.550	20.002.514	
Land, construction in progress, and water rights	20,297,949	604,562	20,902,511	-
Other capital assets, net of accumulated depreciation Total non-current assets	26,908,459	5,216,430	32,124,889 54,372,847	
Total assets	48,551,855 54,741,240	5,820,992 6,128,254	60,869,494	453,144
Total assets	34,741,240	0,128,234	00,809,494	433,144
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  Total deferred outflows of resources	161,070		161,070	
	706,851		706,851	
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	5,906,930	798,910	6,705,840	448,208
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  Total non-current liabilities	11,159,673	5.242	11,159,673	2.462.247
Total liabilities	14,368,043 20,274,973	5,242 804,152	14,373,285 21,079,125	2,463,347 2,911,555
	20,214,713	004,132	21,077,123	2,711,555
DEFERRED INFLOW OF RESOURCES	10.15		12.12	
Deferred amounts related to pensions	43,121	-	43,121	-
Deferred amounts related to OPEB	138,395		138,395	
Total deferred inflows of resources	181,516		181,516	
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	\$ 34,991,602	\$ 5,324,102	\$ 40,315,704	\$ (2,458,411)

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

	N	Shawnee Aunicipal Authority	nee Airport	Total	Inter	nal Service Fund
REVENUES		<u> </u>				
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		13,927,650	469,298	14,396,948		488,476
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		11,705,544	1,287,795	12,993,339		381,575
Operating income (loss)		2,222,106	 (818,497)	1,403,609		106,901
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)		(165,915)		(165,915)		39,586
Income (loss) before contrbutions and transfers		2,056,191	 (818,497)	 1,237,694		146,487
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		(1,303,809)	(628,762)	(1,932,571)		146,487
Total net position - beginning		36,295,411	5,952,864	42,248,275		(2,604,898)
Total net position - ending	\$	34,991,602	\$ 5,324,102	\$ 40,315,704	\$	(2,458,411)

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

CASITION NEW PROVINCING CATCHING         Receiver from complex composed to employee the complex composed to employee the composed to employ the composed to employee the composed to employ the c		Enterprise Funds							
Content		N	Shawnee Municipal	Shav	vnee Airport		Total		
Payments to unphayser	CASH FLOWS FROM OPERATING ACTIVITIES								
Postman to supplient to suppl	•	\$		\$		\$		\$	527,430
Case									-
Recepts of customer meter deposits   255,00   (202,650)   (100,700)   (200,500)   (100,5			(4,599,347)		(371,443)		(4,970,790)		(401 (02)
Refined accordance meter deposits         (302,68)         (20,88)         (20,88)         (20,88)         (4,64)           NY can provided function providing servities         5,750,811         (11,800)         6,815,122         (8,52)           CASHE FLOWS ROM NONCAPITAL PRANCING ACTIVITIES         Tames from other funds         (3,540,000)         175,971         (3,530,000)         -           Tames from the funds         (3,540,000)         175,971         (3,540,000)         -         -           Not explored by functed in) monepital fluancing activities         (3,540,000)         175,971         (3,184,000)         -           PROMOCAPITAL AD REATID           Proceeds for form and activities         (5,054,422)         (007,720)         (5,153,148)         -           Proceeds for form and activities         (5,054,422)         (007,720)         (5,153,148)         -           Proceeds for form and activities         (5,054,422)         (2,050,00)         -	, e ,		225.040		-		225.040		(481,603)
Internal recepts					-				-
No.   Cash   Provided by (section operating activities   Cash			(202,003)		(79.037)				(46 459)
Transies from other funds			6,736,381						
Teams to other funds	CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Net cash provided by (used in) neocapital financing activities	Transfers from other funds		-		175,971		175,971		-
CASH FLOWS ROMCAPITAL AND RELATED   PINANGE CATUTIES   CASH AND					_				
Purchase of capital grants	Net cash provided by (used in) noncapital financing activities		(3,360,000)		175,971		(3,184,029)		
Purchase of Cappinal assets   (5,045.422)									
Process for capital grams			(E 04E 422)		(107.720)		(5.152.149)		
Process from debt	*		(3,043,422)						-
Principal paid on debt			3 952 341		49,024				-
Interest and fiscal agent fees paid on debt					_				_
CASH FLOWS PROMINVESTING ACTIVITIES   1.158,683   1.					_				-
Sale of newstreams	Net cash provided by (used in) capital and related financing activities		(2,994,974)		(57,902)		(3,052,876)		-
Sale of newstreams	CASH FLOWS FROM INVESTING ACTIVITIES								
Net cash provided by investing activities			1,158,683		-		1,158,683		-
Reconcilitation to Statement of Net Position:   Cash and cash equivalents   1,802.56    276.828   2,079.389   -	Interest and dividends								
Palances - beginning of year	Net cash provided by investing activities		1,225,509				1,225,509		632
Reconciliation to Statement of Net Position:   Cash and cash equivalents   S 866,982   S 276,828   S 1,143,810   S - C Restricted cash and cash equivalents - current   1,197,048   C - 1,19	Net increase in cash and cash equivalents		1,606,916		-		1,606,916		-
Reconciliation to Statement of Net Position:   Cash and cash equivalents - current	Balances - beginning of year		1,802,561		276,828		2,079,389		
Restricted cash and cash equivalents   S   866,982   S   76,828   S   1,143,810   S   C     Restricted cash and cash equivalents - noncurrent   1,197,048   C   1,245,447   C   C   1,245,447   C   C   C   C   C     Restricted cash and cash equivalents, end of year   S   3,409,477   S   276,828   S   3,686,305   S   C     Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:    Operating income (loss) to net cash provided (used in) by operating income (loss) to net cash provided by (used in) operating activities:    Operating income (loss) to net cash provided by (used in) operating activities:    Depreciation expense   2,844,803   819,759   3,664,562   C   C     Miscellaneous revenue   8,8948   819,759   3,664,562   C   C   C     Miscellaneous revenue   8,8948   819,759   3,664,562   C   C   C   C     Due form other funds   C   C   C   C   C   C   C   C   C     Due to other funds   C   C   C   C   C   C   C   C   C	Balances - end of year	\$	3,409,477	\$	276,828	\$	3,686,305	\$	-
Restricted cash and cash equivalents   S   866,982   S   76,828   S   1,143,810   S   C     Restricted cash and cash equivalents - noncurrent   1,197,048   C   1,245,447   C   C   1,245,447   C   C   C   C   C     Restricted cash and cash equivalents, end of year   S   3,409,477   S   276,828   S   3,686,305   S   C     Reconciliation of operating income (loss) to net cash provided (used in) by operating activities:    Operating income (loss) to net cash provided (used in) by operating income (loss) to net cash provided by (used in) operating activities:    Operating income (loss) to net cash provided by (used in) operating activities:    Depreciation expense   2,844,803   819,759   3,664,562   C   C     Miscellaneous revenue   8,8948   819,759   3,664,562   C   C   C     Miscellaneous revenue   8,8948   819,759   3,664,562   C   C   C   C     Due form other funds   C   C   C   C   C   C   C   C   C     Due to other funds   C   C   C   C   C   C   C   C   C	Reconciliation to Statement of Not Position								
Restricted cash and cash equivalents - current   1,197,048   1,345,447   1,3		S	866.982	S	276.828	S	1.143.810	s	_
Restricted cash and cash equivalents. noncurrent   1.345,447   5 276,828   5 3,686,305   5   5   5   5   5   5   5   5   5				-		-		-	-
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   \$ 106,001     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   -     Inventory   -   18,029   18,029   -     Prepail items   27,013   (416)   26,597   -   -     Deferred outflows related to pension   (144,197)   -   (144,197)   -     Deferred outflows related to OPEB   488,611   (91,248)   397,363   4,696     Accounts payable   (80,234)   1,003   (49,281)   -     Deposits subject to refund   32,377   -     32,377   -       Claims and judgments liability   1,662,331   -     (104,724)     Net Pension liability   1,662,331   -     (104,724)     Net Pension liability   421,260   -     (43,103)   -       Total OPEB liability   421,260   -     (43,103)   -       Deferred inflows related to OPEB   65,817   -     (65,817   -					-				-
operating activities:         S 2,222,106         S (818,497)         S 1,403,609         S 106,901           Operating income (loss) to net cash provided by (used in) operating activities:           Depreciation expense         2,844,803         819,759         3,664,562         -           Miscellancous revenue         88,948         -         <	Total cash and cash equivalents, end of year	\$	3,409,477	\$	276,828	\$	3,686,305	\$	
operating activities:         S 2,222,106         S (818,497)         S 1,403,609         S 106,901           Operating income (loss) to net cash provided by (used in) operating activities:           Depreciation expense         2,844,803         819,759         3,664,562         -           Miscellancous revenue         88,948         -         <			-						
Adjustments to reconcile operating activities:  Depreciation expense  88,948  - 88,948  - 88,948  38,954  Change in assets and liabilities:  Due from other funds  - (79,037) (79,037) (46,459)  Accounts receivable  27,013 (416) 26,597 - 18,029 18,029 - 18,									
by (used in) operating activities:  Depreciation expense 2,844,803 819,759 3,664,562 - 88,948 38,954  Miscellaneous revenue 88,948 - 88,948 38,954  Change in assets and liabilities:  Due from other funds (79,037) (79,037) (46,459)  Due to other funds (79,037) (79,037) (46,459)  Accounts receivable (25,386) 32,338 6,952 - 1  Inventory - 18,029 18,029 - 1  Perpaid items 27,013 (416) 26,597 - 1  Deferred outflows related to pension (144,197) - (144,197) - (144,197) - 1  Deferred outflows related to OPEB (143,103) - (143,103) - (143,103) - (144,197		\$	2,222,106	\$	(818,497)	\$	1,403,609	\$	106,901
Depreciation expense   2,844,803   819,759   3,664,562									
Miscellaneous revenue         88,948         -         88,948         38,954           Change in assets and liabilities:         Use from other funds         -			2 944 902		910.750		2 664 562		
Change in assets and liabilities:         Composition of the funds         Composition of					619,739				38 954
Due from other funds         -			00,7 10				00,710		30,73.
Accounts receivable   (25,386)   32,338   6,952   - 1			-		-		-		-
Inventory   18,029   18,029   7   7   7   7   7   7   7   7   7	Due to other funds		-		(79,037)		(79,037)		(46,459)
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         -         -         (104,724)           Deposits subject to refund         32,377         -         -         (104,724)           Net Pension 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) operat			(25,386)						-
Deferred outflows related to OPEB			-						-
Deferred outflows related to OPEB					(416)				-
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         -         -         -         7         (104,724)           Net Pension liability         1,062,331         -         1,062,331         -         1,062,331         -           Total OPEB liability         421,260         -         (3,456)         -         65,817         -           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         \$ 6632           Noncash activities:           Principal forgiven on capital debt         \$ 6,411         \$ -         \$ 6,411         \$ -           Assets contributed by others         -         13,764         13,7			( , ,		-		( , ,		-
Accrued payroll payable         (50,284)         1,003         (49,281)         -           Deposits subject to refund         32,377         -         32,377         -         (104,724)           Claims and judgments liability         -         -         1,062,331         -         (1,062,331         -           Net Pension liability         421,260         -         421,260         -         421,260         -           Accrued compensated absences         (3,456)         -         (3,456)         -         65,817         -         -           Deferred inflows related to OPEB         65,817         -         (150,459)         -         -           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         \$ -         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641         \$ 6,641					(91 248)				4 696
Deposits subject to refund         32,377         -         32,377         -									4,050
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         \$ 6632           Noncash activities:         -         -         8 6,411         \$ -         -         6,618,12         \$ 6,532         -         -         6,618,12         \$ 6,632         -         -         6,618,21         \$ 6,632         \$ 6,632         -         -         6,618,21         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632         \$ 6,632					-				-
Net Pension liability         1,062,331         -         1,062,331         -           Total OPEB liability         421,260         -         421,260         -           A cerued 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         \$ -         \$ 6,411         \$ -         4 13,764         - <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>(104,724)</td>					-				(104,724)
Total OPEB liability			1,062,331		-		1,062,331		- '
Accrued compensated absences   3,456   -   3,456   -   -   -   -   -   -   -   -   -					-				-
Deferred inflows related to pension   (150,459)   - (150			(3,456)		-		(3,456)		-
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         -					-				-
Noncash activities:         Frincipal forgiven on capital debt         \$ 6,411         \$ -         \$ 6,411         \$ -           Assets contributed by others         -         13,764         13,764         -				_	-	_			-
Principal forgiven on capital debt         \$ 6,411         \$ -         6,411         \$ -           Assets contributed by others         -         13,764         13,764         -	Net cash provided by (used in) operating activities	\$	6,736,381	\$	(118,069)	\$	6,618,312	\$	(632)
Assets contributed by others 13,764				_		_		_	
		\$	6,411	\$	12 764	\$		\$	-
	1555th Continued by Others	\$	6,411	\$		\$		\$	

# 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 ws 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.

- 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:

Assets	<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

- .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

<u>Sales Tax Pledge</u> - 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.

<u>Sales Tax Pledge</u> - 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.

<u>Utility Revenues Pledge</u> – 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.

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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

Credit Rating	On Demand	Less Than One	
	Demand	Than One	
/		i nan One	1 - 5
n/a	\$ 4,447,360	\$ -	\$ -
n/a	-	-	1,808,774
AAAm		16,088,258	
	\$ 4,447,360	\$ 16,088,258	\$1,808,774

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:

Type of Investment	Percentage of Cash Available for Investment Not to Exceed
Type of investment	ioi mvesiment ivot to Execut
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:

			Less: Allowance		Net		
	Accounts		for Uncollectible		Accounts		
	1	Receivable	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 Posit	ion:						
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	

#### 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.

	Current			N	oncurrent		
	Casl	h and Cash			Cas	sh and Cash	
Type of Restricted Assets	Eq	uivalents	In	vestments	Ec	quivalents	 Total
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 Restriced 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:**

	Restated,			
	Balance at			Balance at
	July 1, 2019	Additions	Disposals	June 30, 2020
Governmental activities:				
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	5,327,956	2,538,647	1,636,344	6,230,259
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	102,961,239	3,012,195	1,035,778	104,937,656
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	56,427,604	4,699,482	778,381	60,348,705
Other capital assets, net	46,533,635	(1,687,287)	257,397	44,588,951
Governmental activities capital assets, net	\$ 51,861,591	\$ 851,360	\$ 1,893,741	\$ 50,819,210

	Restated, Balance at uly 1, 2019	Additions	1	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	16,884,684	5,068,185		1,050,358		20,902,511	
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	89,051,741	1,159,448		13,529		90,197,660	
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	54,412,155	3,664,562		3,946		58,072,771	
Other capital assets, net	34,639,586	 (2,505,114)		9,583		32,124,889	
Business-type activities capital assets, net	\$ 51,524,270	\$ 2,563,071	\$	1,059,941	\$	53,027,400	

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
	\$ 4,699,482	Airport 819,759
		\$ 3,664,562

# **COMPONENT UNIT:**

Shawnee Civic and Cultural Development Authority:		Balance, anuary 1, 2019	<u>lı</u>	ncreases	Dec	reases	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	_	12,142,283				-		12,142,283	
Less accumulated depreciation		(7,799,304)		(287,212)				(8,086,516)	
Governmental activities capital assets, net	\$	4,342,979	\$	(287,212)	\$	-	\$	4,055,767	

# E. Long-term debt

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

# 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.	v \$	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
Total sales tax revenue notes payable	\$	9,025,000
Current portion Noncurrent portion	\$	1,475,000 7,550,000
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 \$ Noncurrent portion \$		443,410 ,980,707 ,424,117
Claims and judgments payable. The general fund typically has been used to liquidate this liability.	2	9,906,757
Current portion \$ Noncurrent portion \$		484,823 4,421,934 4,906,757

# **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 typicallyhas 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
\$5,3800,000 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 Muncipal Authority. The SMA has		2510514
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% throughSeptember 2051.  The note is securedwith pledged revenues from the Shawnee Muncipal 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 Total notes payable	•	305,863
Total notes payable	<u> </u>	13,121,922
Current portion	\$	962,249
Noncurrent portion		12,159,673
•	\$	13,121,922
A		
Accrued compensated absences. The Shawnee Municipal and Airport Authorities typically have been used to liquidate this liability.	\$	240,647
typically have occil ased to ilquidate this maonity.	Ψ	270,047
Current portion	\$	48,130
Noncurrent portion	•	192,517
•	\$	240,647

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:

Type of Debt	<u>Jı</u>	Balance 1ly 1, 2019	<u> </u>	Additions	<u>Deductions</u>			Balance June 30, 2020	_	ue Within One Year
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	\$	17,629,085	\$	2,058,698	\$	5,017,231	\$	14,670,552	\$	2,717,911
				Add: Total	OPI	B liability		5,735,083		
				Add: Net Po	ensi	on liability		14,585,784		
							\$	34,991,419		
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	\$	10,659,740	\$	4,095,081	\$	1,698,115	\$	13,056,706	\$	2,010,379
				Add: Total	OPI	EB liability		1,354,340		
						on liability		1,666,755		
			Add: Unamortized premium					305,863		
							\$	16,383,664		
Total Long-Term Debt	\$	28,288,825	\$	6,153,779	\$	6,715,346	\$	51,375,083	\$	4,728,290

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

		Governmental Activities												
	No	tes Payable (d	lirect p	Capital Lease										
Fiscal Year Ending June 30		Principal		Interest	F	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				-						
	\$	9,025,000	\$	1,106,041	\$	314,678	\$	8,981						

		Business-Typ	e Activi	ties
	No	tes Payable (direct	placem	ents/direct
		borrow	ings)	
Fiscal Year Ending June 30		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				
	\$	14,851,059	\$	25,467,678

# **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.

# F. Interfund receivables, payables, and transfers

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

						Du	e Fron	1					_			
				Nonmajor												
			Ma	jor -CIF	or -CIF Major -Street			Governmental			Internal					
Due To	Ge	neral Fund		Fund	Fund		Funds		Enterprise Funds		Service Fund		Total Due To			
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
	-	\$ 7,578,101	

#### **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
	\$ 7,578,101	\$ 7,578,101	\$ -

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

Nonmajor												
General Fund		Major -CIF Fund		Major -Street Fund		Governmental Funds		Enterprise Funds		Tota	l Transfer Out	
\$	-	\$	-	\$	-	\$	180,540	\$	6,235	\$	186,775	
	-		-		-		-		-		-	
	-		-		-		-		169,736		169,736	
	-		-		-		-		-		-	
	789,501		-		-		-		-		789,501	
	3,360,000		-								3,360,000	
\$	4,149,501	\$	-	\$		\$	180,540	\$	175,971	\$	4,506,012	
		789,501 3,360,000	S - \$	S - \$	Major -CIF   Major -CIF   Major -CIF   Fund   I	Major -CIF   Fund   Fund   Fund	General Fund         Major -CIF Fund         Major -Street Fund         Government           \$ -         \$ -         \$           -         -         -           -         -         -           -         -         -           789,501         -         -           3,360,000         -         -	Major -CIF   Major -Street   Fund   Funds   Funds	Major - CIF   Major - Street   Governmental   Funds   Funds	Major -CIF   Major -Street   Governmental   Enterprise   Funds   Funds   Funds   Funds	Major -CIF   Major -Street   Governmental   Enterprise   Funds	

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 To	Amount		Purpo	ose of Transfer	
General	\$	3,360,000	Operating s	ubsidy	
General		390,133	Restricted s	ales tax transfer	
General		390,133	Restricted s	ales tax trans fer	
Street and Alley		180,540	Operating s	ubsidy	
General		4,235	ubsidy		
SSA		169,736	Capital Funding		
SAA		6,235	Operating subsidy		
General Fund - Sister Cities		5,000	Sister Cities	program support	
	\$	4,506,012			
Statements:					
Transfers In	Tr	ansfers Out	N	et Transfers	
\$ 4,330,041	\$	(1,146,012)	\$	3,184,029	
175,971		(3,360,000)		(3,184,029)	
\$ 4,506,012	\$	(4,506,012)	\$	-	
	General General General Street and Alley General SSA SAA General Fund - Sister Cities  Statements:  Transfers In \$ 4,330,041 175,971	Seneral   S   S	Same	Statements:   Statements   St	

# **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	s	288,973
5	0 0		288,973
Cemetery Fund	Statutory requirements		159,306
Street and Alley Fund	Statutory requirements		26,119
E911 Fund	Statutory requirements		283,688
-,	Statutory requirements		
Drug Forfeiture Fund	Statutory requirements		11,646 480,759
			400,737
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
			10,461,988
Total Governmental Restricted		\$	11,231,720
Reconciliation to Statement of Net Position	on.		
Restricted for:			
Debt service		s	258,764
Public Safety		Ψ	406,328
Capital projects			9,394,885
Economic development			885,198
Other			286,545
Total Governmental Restricted		\$	11,231,720
Business Type Activies:			
Debt Service Reserves	Enabling legislation	\$	2,329,383

#### Governmental Fund Financial Statements:

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

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

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

	(	General Fund	Impr	Street ovement Fund	Impr	apital ovement Fund	Imp	8 Capital rovement Fund	Gov	Other ernmental Funds		Total
Fund Balance:												
Nonspendable:												
Prepaid items	\$	117,985	\$		\$		\$		\$		\$	117,985
		117,985		-		-		-	_		_	117,985
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		-		7,600,907		45,391		9,497,538		1,588,071		18,731,907
Unassigned		941,490		-		-		-		-		941,490
TOTAL FUND BALANCE	\$	1,059,475	\$	7,600,907	\$	45,391	\$	9,497,538	\$	1,588,071	\$	19,791,382

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:

Governmental Activities		Non-Major Governmental Fun	
\$	38,281,961	\$	1,009,153
	(1,612,177)		-
	471,720		471,720
\$	37,141,504	\$	1,480,873
		Activities  \$ 38,281,961 (1,612,177) 471,720	Activities Gover \$ 38,281,961 \$ (1,612,177) 471,720

#### 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.

<u>Benefits provided</u> - 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	82
Total	<u>380</u>

<u>Total OPEB Liability</u> – 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.

<u>Actuarial Assumptions</u>- 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>Rate</u>
6.50%
6.00%
5.50%
5.25%
5.00%
4.75%
4.50%

# 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		Deferred Inflows of Resources		
	011	Resources	1 10	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

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

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

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

<u>Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates</u> - 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%)		С	decreasing to 4.87%)	crease ( 7.09% asing 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 8buildings 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.

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:

		Governmental		Business Type		Total
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	\$	4,965,839	\$	383,218	\$	5,349,057
Deferred Inflows:						
Police Pension	\$	354,593	\$	_	\$	354,593
Fire Pension	Ψ	2,054,631	Ψ	_	Ψ	2,054,631
OMRF		87,285		43,121		130,406
Total	\$	2,496,509	\$	43,121	\$	2,539,630
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	\$	14,585,784	\$	1,666,755	\$	16,252,539
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	\$	3,962,718	\$	773,438	\$	4,736,156

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)

<u>Plan description</u> - 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 <a href="https://www.ok.gov/OPPRS">www.ok.gov/OPPRS</a>

<u>Benefits provided</u> - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. 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.

<u>Contributions</u> - 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.

<u>Pension Liabilities</u> (Assets), <u>Pension Expense</u>, and <u>Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u> - 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</u>. 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		Deferred Inflows of	
	Resources		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

<u>Actuarial Assumptions</u>-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: Active employees (pre-retirement) RP-2000 Blue Collar

Healthy Combined table with age set back 4 years with fully

generational improvement using Scale AA.

Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational

improvement using scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined

table with age set forward 4 years.

The actuarial assumptions used in the July 1, 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:

	Long-Term Expected
Asset Class	Real Rate of Return
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.

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

<u>Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate</u>-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	Current Discount	1% Increase	
_	(6.5%)	Rate (7.5%)	(8.5%)	
Employers' net pension liability (asset) \$	3,131,651	\$ (73,514)	\$ (2,783,521)	

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

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

<u>Plan description</u> - 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 <a href="https://www.ok.gov/fprs.">www.ok.gov/fprs.</a>

<u>Benefits provided</u> - 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.

<u>Contributions</u> - 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

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:

	I	Deferred		
	Outflows of		Deferr	ed Inflows of
	R	lesources	R	esources
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

<u>Actuarial Assumptions</u>-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

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:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
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%

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

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>-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:

	19	1% Decrease		Current Discount		1% Increase		
		(6.5%)	Rate (7.5%)		(8.5%)			
Employers' net pension liability		15,756,933	\$	12,202,550	\$	8.299.504		

<u>Pension plan fiduciary net position</u> - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the FPRS; which can be located at <a href="https://www.ok.gov/fprs">www.ok.gov/fprs</a>.

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

<u>Plan Description</u> – 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 webiste: <a href="www.okmrf.org/reports.html">www.okmrf.org/reports.html</a>. Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

<u>Summary of Significant Accounting Polices</u> – 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.

<u>Eligibility Factors and Benefit Provisions</u> - 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

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.

<u>Contribution Requirements</u> – The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. 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

Actuarial Cost Method

July 1, 2019

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 showi

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

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

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

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

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

<u>Changes in Net Pension Liability</u> – 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:

#### SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)							
		al Pension Liability (a)	Plan Net Position (b)		N	et 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		
ContributionsCity		-		318,345		(318,345)		
Contributionsmembers		-		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		2,078,523		(161,076)		2,239,599		
Balances End of Year	\$	41,266,979	\$	37,216,990	\$	4,049,989		

<u>Sensitivity of the net pension liability to changes in the discount rate</u> - The following presents the net pension liability of the City, calculated using the discount rate of 7.50 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		Current	1%		
	]			Decrease Discount		Increase	
		(6.50%)		Rate (7.50%)		(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		20101	red Inflows 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	\$	871,068	\$	130,406

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)

<u>Plan Description</u> – 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.

<u>Funding Policy</u> – 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.

<u>Funding Policy</u> – 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)

<u>Plan Description</u> – 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.

<u>Funding Policy</u> – 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

	Budgeted Amounts			Actual Amounts, Budgetary Basis		Variance with Final Budget - Positive (Negative)	
		Original	<u>Final</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:							
General Government:							
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
Total General Government		4,735,786	 4,797,888		4,469,890		327,998
Public Safety:		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	 ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,,		
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
Total Public Safety	-	13,973,672	13,701,090	-	13,524,099		176,991
Street:		13,773,072	 13,701,000		13,324,077		170,771
Street		717,078	849,496		837,407		12,089
Traffic control		230,381	256,177		234,274		21,903
Total Street		947,459	1,105,673		1,071,681		33,992
Culture and Recreation:							
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
Total Culture and Recreation		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 EINANCING COURGES (USES)							
OTHER FINANCING SOURCES (USES) Transfers in		4 404 052	4 152 740		4 144 501		(0.249)
Transfers in		4,404,953	4,153,749		4,144,501		(9,248)
		(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 purp	oses	:
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.

# **Schedules of Required Supplementary Information**

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

	2015	2016	2017	2018	2019	2020
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:

<sup>\*</sup> Only six fiscal years are presented because 10-year data is not yet available.

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

	2015	2016	2017	2018	2019	2020
Statutorially required contribution	\$ 414,687	\$ 442,917	\$ 461,058	\$ 472,245	\$ 486,142	\$ 492,499
Contributions in relation to the statutorially required contribution	414,687	446,667	461,015	472,245	487,579	498,047
Contribution deficiency (excess)	\$ -	\$ (3,750)	\$ 43	\$ -	\$ (1,437)	\$ (5,548)
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:

<sup>\*</sup> Only six fiscal years are presented because 10-year data is not yet available.

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

		2015	2016		2017		2018		2019		2020
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:

The amounts present for each fiscal year were determined as of 6/30

<sup>\*</sup> Only six fiscal years are presented because 10-year data is not yet available.

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

	2015	2016	2017	2018	2019	2020
Statutorially required contribution	\$ 439,463	\$ 480,428	\$ 472,027	\$ 504,398	\$ 499,737	\$ 506,928
Contributions in relation to the statutorially required contribution	439,463	480,428	472,027	505,981	499,737	506,928
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (1,583)	\$ -	\$ -
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:

<sup>\*</sup> Only six fiscal years are presented because 10-year data is not yet available.

# 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 F	ive 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	(613,300)	720,941	386,185	1,824,843	16,300	2,078,523
Total pension liability - beginning	36,853,488	36,240,187	36,961,128	37,347,313	39,172,156	39,188,456
Total pension liability - ending (a)	\$ 36,240,188	\$ 36,961,128	\$ 37,347,313	\$ 39,172,156	\$ 39,188,456	\$ 41,266,979
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	· · ·	- 1	` - '	- 1		` -
Net change in plan fiduciary net position	3,887,513	(202,881)	(1,217,404)	2,756,098	673,570	(161,076)
Plan fiduciary net position - beginning	31,481,172	35,368,684	35,165,803	33,948,399	36,704,496	37,378,066
Plan fiduciary net position - ending (b)	\$ 35,368,685	\$ 35,165,803	\$ 33,948,399	\$ 36,704,497	\$ 37,378,066	\$ 37,216,990
Net pension liability - ending (a) - (b)	\$ 871,503	\$ 1,795,325	\$ 3,398,914	\$ 2,467,659	\$ 1,810,390	\$ 4,049,989
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:

<sup>\*</sup> Only six fiscal years are presented because 10-year data is not yet available.

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

Schedule of Employer Contributions						Last Si	x Fis	cal 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)	\$ -	\$ -	\$		\$ 	\$ (11,294)	\$	(707)
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
- 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%

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

	2018			2019	2020	
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		(70,658)		317,307		2,204,187
Balances at Beginning of Year		4,638,587		4,567,929		4,885,236
Balances End of Year	\$	4,567,929	\$	4,885,236	\$	7,089,423
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

		Revolving Oil					Total General
	General Fund	& Gas	Spay and Neuter	Aquatic Center	Library	Sister Cities	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	8,233,245	324,479	19,840	19,580	_	321	8,597,465
LIABILITIES, DEFERRED INFLOWS AND FUND BA Liabilities:	LANCES						
Accounts payable	822,023	_	1.788	53,820	3,692	_	881,323
Accrued payroll payable	388,417	_		-	5,072	_	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	4,957,806		1,788	53,820	8,178	-	5,021,592
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,516,398						2,516,398
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	759,041	324,479	18,052	(34,240)	(8,178)	321	1,059,475
Total liabilities, deferred inflows and fund balances	\$ 8,233,245	\$ 324,479	\$ 19,840	\$ 19,580	\$ -	\$ 321	\$ 8,597,465

# 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				<u> </u>			
Taxes	\$ 16,410,987	\$ -	\$ -	S -	\$ -	\$ -	\$ 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	20,134,525		2,975	143,623		700	20,281,823
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	-	-	330,990	-	-	1,231,373
Animal control/E911	879,184	-	3,767	-	-	-	882,951
		-	3,/0/	-	-	-	
Cemetery	196,829	-	-	-	00.657	-	196,829 90,657
Library	705 733	-	-	-	90,657	5 250	
Economic development	705,732	-	-	-	-	5,379	711,111
Capital Outlay	5,226			600			5,826
Total expenditures	22,657,496		3,767	339,590	90,657	5,379	23,096,889
Excess (deficiency) of revenues over							
expenditures	(2,522,971)		(792)	(195,967)	(90,657)	(4,679)	(2,815,066)
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	3,692,392			176,083	89,251	5,000	3,962,726
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	\$ 759,041	\$ 324,479	\$ 18,052	\$ (34,240)	\$ (8,178)	\$ 321	\$ 1,059,475

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

		Revolving	Oil & Gas Account		Spay and Neuter Account						
	Budgeted		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive	Budgeted A	Budgeted Amounts		Variance with Final Budget - Positive			
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</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					2,500	2,500	2,975	475			
EXPENDITURES											
Departmental:											
Animal Control	-	-	-	-	4,500	4,500	3,767	733			
Economic Development	-	-	-	-	-	-	-	-			
Library	-	-	-	-	-	-	-	-			
Parks and Recreation	-	-	-	-	-	-	-	-			
Senior Citizens								-			
Total Expenditures	_			-	4,500	4,500	3,767	733			
Excess (deficiency) of revenues over											
expenditures	-	-	-	_	(2,000)	(2,000)	(792)	1,208			
•											
OTHER FINANCING SOURCES (USES)											
Transfers in			<u>-</u> _	<u>-</u> _							
Total other financing sources and uses				-							
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	\$ 324,479	\$ 324,479	\$ 324,479	\$ -	\$ 16,844	\$ 16,844	\$ 18,052	\$ 1,208			
								(continued)			

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

		Lib	rary Account			Aquati	c Center Account	Variance with Final Budget - Positive (Negative)  \$ - 32,945 - (35,433) (2,488)  - 5,501 - 5,501 - 3,013					
	Budgeted	Amounts	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted A	Amounts	Actual Amounts, Budgetary Basis	Final Budget - Positive					
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>							
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						
Total revenues					214,250	146,111	143,623	(2,488)					
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	89,251	89,251	90,657	(1,406)	354,333	345,091	339,590	5,501					
Excess (deficiency) of revenues over													
expenditures	(89,251)	(89,251)	(90,657)	(1,406)	(140,083)	(198,980)	(195,967)	3,013					
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	89,251	89,251	89,251	-	140,083	188,500	176,083	(12,417)					
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	\$ -	\$ -	\$ (8,178)	\$ (8,178)	\$ -	\$ (10,480)	\$ (34,240)	\$ (23,760)					
ě		-	(-7.1.9)	(-7 - 8)	•		. (- /-10)	(continued)					

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

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

#### 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	S -	\$ 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	26,753	307,527	44,382	511,995	55,497	55,497	869,254	
LIABILITIES AND FUND BALANCES Liabilities: Accounts payable and accrued liabilities Due to other funds Uneamed revenue Total liabilities	634	23,839	7,959 - 7,959	82,540 - - - - - - - - - - - - - - - - - - -		· · · · · · · · · · · · · · · · · · ·	79,696 247,214 401,997 728,907	
Fund balances:								
Restricted	26,119	283,688	36,423	429,455	55,497	55,497	140,347	
Total fund balances	26,119	283,688	36,423	429,455	55,497	55,497	140,347	
Total liabilities and fund balances	\$ 26,753	\$ 307,527	\$ 44,382	\$ 511,995	\$ 55,497	\$ 55,497	\$ 869,254 (continued)	

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

	Cemetery Care Fund		-	ifts and bution Fund	 Increment ncing Fund		Forfeiture Fund	Total Other Governmental Funds		
ASSETS		<u> </u>								
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					 <u> </u>				402,585	
Total assets	-	159,306		101,720	288,973		12,495		2,433,399	
LIABILITIES AND FUND BALANCES Liabilities: Accounts payable and accrued liabilities Due to other funds Uneamed revenue Total liabilities		- - - -		600	- - -	_	849 - - - 849	_	188,158 255,173 401,997 845,328	
Fund balances:										
Restricted		159,306		101,120	288,973		11,646		1,588,071	
Total fund balances		159,306		101,120	288,973		11,646		1,588,071	
Total liabilities and fund balances	\$	159,306	\$	101,720	\$ 288,973	\$	12,495	\$	2,433,399	

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

	Stre	et and Alley Fund	E-9	011 Fund	conomic opment Fund	Но	tel/Motel Fund	Polic	e Sales Tax Fund	Fire	Sales Tax Fund		BG/Home nts 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		281,899	_	328,649	 314,948		423,088		393,703		393,703		387,973
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		404,815	_	151,614	285,996	_	549,552	_		_			478,777
Excess (deficiency) of revenues over expenditures		(122,916)	_	177,035	28,952		(126,464)		393,703		393,703		(90,804)
OTHER FINANCING SOURCES (USES)													
Transfers in		180,540		-	_		_		-		-		-
Transfers out				-	(5,000)		(4,235)		(390,133)		(390,133)		-
Total other financing sources and uses		180,540		-	(5,000)		(4,235)		(390,133)		(390,133)		-
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	\$	26,119	\$	283,688	\$ 36,423	\$	429,455	\$	55,497	\$	55,497	\$ (con	140,347 tinued)

#### 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	s -	\$ -	\$ 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	4,100	19,886	74,767	3,417	2,626,133
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	11,804	18,825		8,591	1,909,974
Excess (deficiency) of revenues over					
expenditures	(7,704)	1,061	74,767	(5,174)	716,159
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	180,540
Transfers out					(789,501)
Total other financing sources and uses	-	-			(608,961)
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	\$ 159,306	\$ 101,120	\$ 288,973	\$ 11,646	\$ 1,588,071

	Street And Alley Fund							E-911 Fund							
		Budgeted A	Amounts			Amounts,		iance with Final udget - Positive (Negative)	 Budgete	d Amounts	·		al Amounts. etary Basis	Buc	nnce with Final lget - Positive (Negative)
	Origi	nal	<u>Fina</u>	<u>l</u>		-		<del></del>	 Original		<u>Final</u>			'-	
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		281,210		261,460		281,899		20,439	 300,000		300,000		328,649		28,649
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		-		-		-		-	-		-		-		-
Capial outlay									 						
Total Expenditures		420,000		442,000		404,815		37,185	300,000		300,000		151,614		148,386
Excess (deficiency) of revenues over															
expenditures		(138,790)	(	180,540)		(122,916)		57,624	 -		-		177,035		177,035
OTHER FINANCING SOURCES (USES)															
Transfers in		138,790		180,540		180,540		_	_		-		-		_
Transfers out		-		-		-		_	_		-		-		_
Total other financing sources and uses		138,790		180,540		180,540		-	 -		-		-		-
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	\$		\$	_	\$	26,119	\$	26,119	\$ 106,653	\$	106,653	\$	283,688	\$	177,035

(continued)

Residency (approximation)         Journal (ap			ent Fund				Hotel	l/Motel Fu	nd							
Part		B.1.4.14						idget - Positive						Budget -	Positive	
Name				l Amount		Budg	etary Basis		(Negative)				Budge	tary Basis	(Nega	tive)
Taxes         \$ 309,280         \$ 309,280         \$ 309,280         \$ 314,641         \$ 5,361         \$ 450,000         \$ 393,202         \$ 415,242         \$ 2,000           Licenses and permits         1	D.T. T. T. T.	<u>Or</u>	<u>iginal</u>		<u>Final</u>					2	<u>)riginal</u>	<u>Final</u>				
License and permits			200 200		200 200		214 641		7.261	ė.	450.000	202 202	¢.	415.040		22.040
Integropermental		\$	309,280	\$	309,280	\$	314,641	\$	5,361	\$	450,000	\$ 393,202	\$	415,242	\$	22,040
Part	1		-		-		-		-		-	-		-		-
Pecas   Peca			-		-		-		-		-	-		-		-
Misculancian			-		-		-		-		-	-		-		-
Miscellanous			-		-		-		-		-	-		-		-
Total revenues   309,505   309,505   314,948   5,443   450,000   871,602   894,808   23,206			225		225		307		82		-					
									-							
Departmental:   Streets	Total revenues		309,505		309,505	-	314,948		5,443		450,000	 871,602		894,808		23,206
Streets         - </td <td>EXPENDITURES</td> <td></td>	EXPENDITURES															
Animal Control/911         Image: Control Cont	Departmental:															
Economic Development   286,392   286,392   285,996   396   120,000   601,382   549,552   51,830   Cemetry	Streets		-		-		-		-		-	-		-		-
Cemetery	Animal Control/911		-		-		-		-		-	-		-		-
Park and Recreation         Image: Capital outsly of the Excess (deficiency) of revenues over expenditures         286,392         286,392         285,996         396         120,000         601,382         549,552         51,830           Excess (deficiency) of revenues over expenditures         23,113         23,113         28,952         5,839         330,000         270,220         345,256         75,036           OTHER FINANCING SOURCES (USES)         Transfers in         30,000         -         (30,000)         -	Economic Development		286,392		286,392		285,996		396		120,000	601,382		549,552		51,830
Capital outaly         -	Cemetery		-		-		-		-		-	-		-		-
Excess (deficiency) of revenues over expenditures   286,392   286,392   285,996   396   120,000   601,382   549,552   51,830   51,830	Park and Recreation		-		-		-		-		-	-		-		-
Excess (deficiency) of revenues over expenditures 23,113 23,113 28,952 5,839 330,000 270,220 345,256 75,036	Capital outaly				-							 				
expenditures         23,113         23,113         28,952         5,839         330,000         270,220         345,256         75,036           OTHER FINANCING SOURCES (USES)           Transfers in         -         30,000         -         (30,000)         -	Total Expenditures		286,392		286,392		285,996		396		120,000	 601,382		549,552		51,830
expenditures         23,113         23,113         28,952         5,839         330,000         270,220         345,256         75,036           OTHER FINANCING SOURCES (USES)           Transfers in         -         30,000         -         (30,000)         -	Excess (deficiency) of revenues over															
Transfers in         -         30,000         -         (30,000)         - <td></td> <td></td> <td>23,113</td> <td></td> <td>23,113</td> <td></td> <td>28,952</td> <td></td> <td>5,839</td> <td></td> <td>330,000</td> <td> 270,220</td> <td></td> <td>345,256</td> <td></td> <td>75,036</td>			23,113		23,113		28,952		5,839		330,000	 270,220		345,256		75,036
Transfers in         -         30,000         -         (30,000)         - <td>OTHER FINANCING SOURCES (ISSS)</td> <td></td>	OTHER FINANCING SOURCES (ISSS)															
Transfers out         (15,000)         (15,000)         (5,000)         10,000         (4,500)         (4,500)         (4,235)         265           Total other financing sources and uses         (15,000)         15,000         (5,000)         (20,000)         (4,500)         (4,500)         (4,235)         265           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         \$ 20,584         \$ 50,584         \$ 36,423         \$ (14,161)         \$ 413,934         \$ 354,154         \$ 429,455         \$ 75,301					20,000				(20,000)							
Total other financing sources and uses         (15,000)         15,000         (5,000)         (20,000)         (4,500)         (4,500)         (4,235)         265           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         -         88,434         88,434         88,434         -           Fund balances - ending         \$ 20,584         \$ 50,584         \$ 36,423         \$ (14,161)         \$ 413,934         \$ 354,154         \$ 429,455         \$ 75,301			(15,000)				(5,000)				(4.500)	(4.500)		(4.225)		265
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         -         88,434         88,434         88,434         -           Fund balances - ending         \$ 20,584         \$ 50,584         \$ 36,423         \$ (14,161)         \$ 413,934         \$ 354,154         \$ 429,455         \$ 75,301				-											-	
Fund balances - beginning         12,471         12,471         12,471         -         88,434         88,434         88,434         -           Fund balances - ending         \$ 20,584         \$ 50,584         \$ 36,423         \$ (14,161)         \$ 413,934         \$ 354,154         \$ 429,455         \$ 75,301	Total other imancing sources and uses		(13,000)		13,000	-	(3,000)		(20,000)		(4,300)	 (4,300)		(4,233)	-	203
Fund balances - beginning         12,471         12,471         12,471         -         88,434         88,434         88,434         -           Fund balances - ending         \$ 20,584         \$ 50,584         \$ 36,423         \$ (14,161)         \$ 413,934         \$ 354,154         \$ 429,455         \$ 75,301	Net change in fund balances		8,113		38,113		23,952		(14,161)		325,500	265,720		341,021		75,301
Fund balances - ending \$ 20,584 \$ 50,584 \$ 36,423 \$ (14,161) \$ 413,934 \$ 354,154 \$ 429,455 \$ 75,301			,													-
· · · · · · · · · · · · · · · · · · ·	Fund balances - ending	\$		\$	50,584	\$		\$	(14,161)	\$		\$ 354,154	\$	429,455	\$	75,301
	-								· · · · ·						(continued)	

		Police S	Sales Tax Fund			Fire S	Sales Tax Fund	
	Budgete	d Amounts	Actual Amounts. Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budge	ted Amounts	Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>
REVENUES						<u> </u>		
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						<u> </u>		
Total revenues	386,852	390,134	393,703	3,569	386,852	390,134	393,703	3,569
EXPENDITURES								
Departmental:								
Police	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-
Animal Control/911	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	=
Park and Recreation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures						Ī <u> </u>		
Excess (deficiency) of revenues over								
expenditures	386,852	390,134	393,703	3,569	386,852	390,134	393,703	3,569
OTHER FINANCING SOURCES (USES)								
Transfers in	_	_	_	_	_	_	_	_
Transfers out	(386,852)	(390,133)	(390,133)	_	(386,852	(390,133)	(390,133)	_
Total other financing sources and uses	(386,852)	(390,133)	(390,133)		(386,852		(390,133)	
Total other intanenty sources and uses	(300,032)	(570,155)	(370,133)		(300,032	(570,135)	(370,133)	
Net change in fund balances	=	1	3,570	3,569	-	1	3,570	3,569
Fund balances - beginning	51,927	51,927	51,927	<u> </u>	51,927		51,927	
Fund balances - ending	\$ 51,927	\$ 51,928	\$ 55,497	\$ 3,569	\$ 51,927	\$ 51,928	\$ 55,497	\$ 3,569
								(continued)

		(	DBG/Ho	me Grants Fund			Cemet	tery Care Fund	
				Actual Amounts. Budgetary Basis	Variance with Final  Budget - Positive  (Negative)	Budgete	ed Amounts	Actual Amounts. Budgetary Basis	Variance with Final  Budget - Positive  (Negative)
	Original	<u>Final</u>			<del></del>	Original	<u>Final</u>		<del></del>
REVENUES									
Taxes	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-		-	-	-	-	-	-	-
Intergovernmental	511,000	4	07,250	331,789	(75,461)	-	-	-	-
Charges for services	-		-	-	-	-	-	1,063	1,063
Fees and fines	-		-	-	-	-	-	-	=
Investment earnings	-		-	-	-	-	-	-	-
Miscellaneous	20,000	<u> </u>	30,113	56,184	26,071	4,500	4,500	3,037	(1,463)
Total revenues	531,000	4.	37,363	387,973	(49,390)	4,500	4,500	4,100	(400)
EXPENDITURES									
Departmental:									
Streets	-		-	-	-	-	-	-	=
Animal Control/911	-		-	-	-	-	-	-	=
Economic Development	531,000	4	32,613	478,777	3,836	-	-	-	-
Cemetery	-		-	-	-	24,500	24,500	11,804	12,696
Park and Recreation	-		-	-	-	-	-	-	=
Capital outlay	-		-	-	-	-	-	-	-
Total Expenditures	531,000	4	32,613	478,777	3,836	24,500	24,500	11,804	12,696
Excess (deficiency) of revenues over									
expenditures			15,250)	(90,804)	(45,554)	(20,000)	(20,000)	(7,704)	12,296
OTHER FINANCING SOURCES (USES)									
Transfers in	-	1	34,197	-	(134,197)	-	-	-	-
Transfers out	-	. (4	15,447)	-	45,447	-	-	-	-
Total other financing sources and uses			38,750		(88,750)	-			
Net change in fund balances	-		13,500	(90,804)	(134,304)	(20,000)	(20,000)	(7,704)	12,296
Fund balances - beginning	231,151	2	31,151	231,151		167,010	167,010	167,010	
Fund balances - ending	\$ 231,151	\$ 2	274,651 \$ 140,347 \$ (134,30		\$ (134,304)	\$ 147,010	\$ 147,010	\$ 159,306	\$ 12,296
									(continued)

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

		Gifts and	Contribution Fund		Tax Increment Financing Fund						
				Variance with Final				Variance with Final			
			Actual Amounts,	Budget - Positive			Actual Amounts,	Budget - Positive			
	Budgeted Amounts	3	<b>Budgetary Basis</b>	(Negative)	<b>Budgeted Amounts</b>		<b>Budgetary Basis</b>	(Negative)			
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>					
REVENUES											
Taxes	\$ -	- \$	\$ -	\$ -	\$ 52,000	\$ 52,000	\$ 74,767	\$ 22,767			
Licenses and permits	-	<u>-</u>	-	-	=	-	=	-			
Intergovernmental	-	-	-	-	-	-	-	-			
Charges for services	-	-	-	-	-	-	-	-			
Fees and fines	-	-	-	-	-	-	=	-			
Investment earnings	-	<u>-</u>	-	-			=	-			
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		100,059	90,050	214,206	214,206	214,206	_			
Fund balances - ending	\$ 100,059		\$ 101,120	\$ 92,362	\$ 214,206	\$ 214,206	\$ 288,973	\$ 74,767			
Ç		,,,,,,			,			(continued)			

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

	Drug Forfeiture Fund									
		Budgeted A	Amounts			Amounts,	Budge	e with Final t - Positive gative)		
	Or	iginal	Final		Duage	1 21313	12.11	<u></u>		
REVENUES		_ <del>_</del>								
Taxes	\$	-	\$	-	\$	-	\$	-		
Licenses and permits		-		-		-		-		
Intergovernmental		15,000	15,	000		3,417		(11,583)		
Charges for services		-		-		-		-		
Fees and fines		-		-		-		-		
Investment earnings		-		-		-		-		
Miscellaneous		<u> </u>		-						
Total revenues		15,000	15,	000		3,417		(11,583)		
EXPENDITURES										
Departmental:										
Police		15,000	15,	000		8,591		6,409		
Streets		-		-		-		-		
Animal Control/911		-		-		-		-		
Economic Development		-		-		-		-		
Cemetery		-		-		-		-		
Park and Recreation		-		-		-		-		
Capital outlay		<u> </u>								
Total Expenditures		15,000	15,	000		8,591		6,409		
Excess (deficiency) of revenues over										
expenditures						(5,174)		(5,174)		
OTHER FINANCING SOURCES (USES)										
Transfers in		-		-		-		_		
Transfers out		-		-		-		_		
Total other financing sources and uses		-		-		_		-		
Net change in fund balances		_		_		(5,174)		(5,174)		
Fund balances - beginning		16,820	16.	820		16,820		-		
Fund balances - ending	\$	16,820	\$ 16,	820	\$	11,646	\$	(5,174)		

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

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

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

	Capital Improvement Fund									
		Budgeted	Amoun	ts	_	ual Amounts,	Fina	iance with  d Budget -  we (Negative)		
		Original 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		2,406,432		2,505,574		2,475,574		(30,000)		
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		2,361,044		2,371,275		1,898,729		472,546		
Total Expenditures		2,361,044		2,371,275		1,898,729		472,546		
Excess (deficiency) of revenues over			-							
expenditures		45,388		134,299		576,845		442,546		
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		(392,388)		(330,850)		(169,736)		161,114		
Net change in fund balances		(347,000)		(196,551)		407,109		603,660		
Fund balances - beginning		-		-		(361,718)		(361,718)		
Fund balances - ending	\$	(347,000)	\$	(196,551)	\$	45,391	\$	241,942		

### 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	Fin	riance with al Budget - ive (Negative)							
		Original		Final		getary Basis	-				
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		3,195,815		3,195,815		3,429,803		233,988			
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		10,815,178		10,815,178		3,177,782		7,637,396			
Total Expenditures		10,815,178		10,815,178		3,177,782		7,637,396			
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	\$	1,626,154	\$	1,626,154	\$	9,497,538	\$	7,871,384			



### 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

					l	Fiscal Year				
	2020	2019	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	2013	<u>2012</u>	<u>2011</u>
Description										
Governmental Activities:										
Net investment in capital assets Restricted for (by):	\$ 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
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 Unrestricted	286,545	267,069	269,945	257,040	275,019	271,109	267,367	280,788	107.162	(1 200 170)
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:	00.546.507	01 125 (40	07.052.501	02 225 (40	92 262 520	01 ((1 050	77.062.500	74.750.007	(( )54 )71	(2.202.002
Net investment in capital assets Restricted for:	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
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	/- /-	<i>yy</i>
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
	(21,000,031)	(22,030,101)	(22,111,072)	(23,213,012)	(10,002,011)	(10,230,233)	(10,001,007)	1,100,000	3,230,372	1,000,230
	\$ 81,507,669 \$	80,530,236 \$	74,843,382 \$	81.492.239 \$	77.390.987 \$				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							-		-	
Governmental Activities:										
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
Comminity 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
Business-type activities:										
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										
Governmental Activities:										
Charges for Services										
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
Comminity 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
Business-type Activities:										
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	400,047
Operating Grants and Contributions	6,411	27,200	4,300	05,775	5,300	6,600	7,124	10,180	405,545	_
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										
Governmental Activities	(\$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)
Business-type Activities	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 Positon										
Governmental Activities:										
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
Business-type Activities:										
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	4.050.461	5 1 4 5 2 5 2	(4.420.224)	2 000 572	206.010	2 (50 500	1066505	020.220	5 410 120	2 000 747
Governmental Activities	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
Business-type Activities	(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: \$ 5,947 \$ 291,531 Nonspendable 117,985 \$ 154,869 \$ 143,073 \$ 118,542 \$ 106,313 \$ 182,557 1,500 \$ 347,288 \$ 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 implemeted 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:	4,521,501	7,757,765	3,702,317	0,037,201	0,042,430	0,437,000	0,002,107	0,270,363	0,710,760	2,/13,521
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	1,048,789	430,316	21,212	53,703	12,935	6,853	-
Interest and fiscal charges	314,402	243,067	139,209	124,477	430,310	21,212	33,703	12,933	0,033	
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
	. , ,	, , ,	(////////		(- / - / - /	V-//- //	. , ,	· /- /- /- /- /-		. ,,
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%

<sup>(1)</sup> 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	roperty ax (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 <u>Last Ten Fiscal Years</u>

	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%

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

<sup>(2)</sup> City sales tax increases must be approved by voters.

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

### CITY OF SHAWNEE, OKLAHOMA Sales Taxes Collected by SIC Code <u>Last Ten Fiscal Years</u>

Group		2020	2019	2018	2017	2016
Retail Trades	\$	13,780,076	\$ 12,761,944	\$ 11,010,658	\$ 11,074,640	\$ 11,091,922
Accomodation and food service	Ψ	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 Arts and Entertainment		89,849 241,370	76,090 200,191	65,493 87,114	176,403 76,510	343,101
Finance and Insurance		62,383	86,828	64,977	47,983	67,929 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
3	\$	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
Accomodation and food service	Ψ	3,021,167	2,950,196	2,691,304	2,472,367	2,372,790
Building Materials		3,021,107	2,930,190	1,174,061	1,412,234	1,441,974
Misc Retail		-	-	1,049,947		
Utilities		1,007,967	1,044,037	1,122,586	1,130,506 986,561	1,082,998 933,716
Food Store		1,007,507	1,044,037	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		1,093,323	1,110,017	1,126,615	870,710	1,033,279
Information		700,499	641,849	581,966	567,703	542,744
Manufacturing		342,461	210,527	301,700	507,705	342,744
Real Estate Rental and Leaseing		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			22,958	-	-	-
Transportation and Warehousing		16,440 16,389	19,849		-	-
Educational Services					-	
Unclasified		7,460 9,511	7,515 272,997	-	-	-
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
<u></u>	\$	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

### **Water and Sewer Rates Last Ten Fiscal Years**

				,	Water R	ate Per Gallo	ns In City	Limits				Sewer Rate in	City Lim	its
Fiscal Year												Monthly		
Ended June 30	0	- 1,000	1,00	1 - 4,000	4,001	- 1,000,000	1,000,0	01 - 2,000,000	More th	an 2,000,000		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
				Wa	iter Rate	Per Gallons	Outside C	ity Limits				Sewer Rate Outsi	de City L	imits
Fiscal Year								•				Monthly		
Ended June 30	0	- 1,000	1,00	1 - 4,000	4,001	- 1,000,000	0,000 1,000,001 - 2,000,000 More than 2,000,000			an 2,000,000	Base Rate More than 1,00			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.

<sup>2013</sup> 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

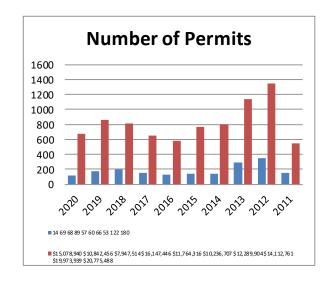
_	2020		2019		2018		2017		2016	
· <del>-</del>	Consumption	<u>.</u>	Consumption		Consumption		Consumption	<u> </u>	Consumption	
-	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales	Gallons	Sales
Type of Customer										
Residential										
Builder	1,133,100	12,985	621,700	13,953	1,682,700	17,896	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%

	2015		2014		2013		2012		2011	
	Consumption		Consumption		Consumption		Consumption		Consumption	
_	Gallons	Sales								
Type of Customer										
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





	Commercia	I Cons	struction (1)	Residential Co	Residential Construction (1)			
	Number	Co	onstruction	Number	Construction	Average		
Year	of Permits		Cost	of Permits	Cost	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

GOVERNMENTAL ACTIVITIES

#### BUSINESS-TYPE ACTIVITIES

FISCAL YEAR			OBLIGATION		OBLIGATION CAPITAL		NOTE PAYABLE	NOTE PAYABLE	BOND PREMIUM	TOTAL PRIMARY OVERNMENT	PERCENTAGE OF PERSONAL INCOME
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

								enture Requirement	ement		
Fiscal Year	Gr	oss Revenue	Operat	Direct ing Expenses (1)	Net Revenue Available for Debt Service		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	

<sup>(1)</sup> Direct operating expenses exclude amortization, depreciation and bad debt expenses.

<sup>(2)</sup> 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

			Per	
			Capita	
		Personal	Personal	Unemployment
Year	Population (3)	Income	Income (1)	<b>Rate (2)</b>
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

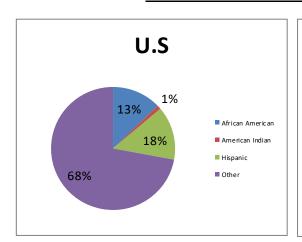
<sup>(1)</sup> Information obtained from the U.S. Census Bureau and the Oklahoma Department of Commerce.

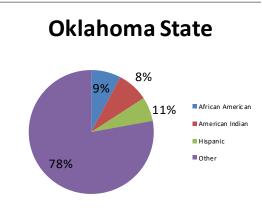
<sup>(2)</sup> Information obtained from the Oklahoma Employment Security Commission, for the Oklahoma City metropolitan area

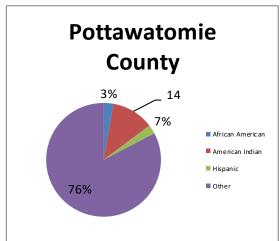
### CITY OF SHAWNEE, OKLAHOMA Ethnic Demographic Statistics

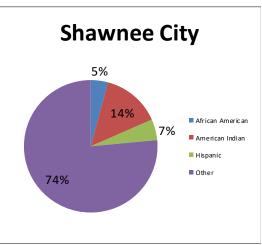
**Comparative Ethnic Percentage Population** 

	U.S	Oklahoma	Pottawatomie	<b>Shawnee</b>
		State	County	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)

### PRINCIPAL EMPLOYERS

**Current year and Ten years ago** 

		2020	)		2009				
	Employees	RANK	% of	f Total Employment	Employees	RANK	% of Total Employement		
Citizens Potawatomi Nation*	2,500		1	36.28%	3,507	1	50.14%		
George Fischer	700		2	10.16%	-	-	0.00%		
St Anthonys	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	1	.0	3.63%	-	-	0.00%		
Shawnee Milling	250	=	10	3.63%	250	10_	3.57%		
	6,891			100.00%	6,995	_	100.00%		

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	284.5	316.5	327.0	332.0	320.0	312.0	294.5	275.0	265.0	259.5

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	í	í	ĺ	1	ĺ	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	200 6m	200 6m	175 6m	6m
Manholes *	2,810	2,810	3,575	3,526	3,526	OIII	Oill	OIII	OIII
Plants	2,810	2,810	3,373 2	3,326	3,326	2	2	2	2
1 mins	2	2	2	2	2	2	2	2	2

Information from City of Shawnee departements.

<sup>\*</sup> 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
Aiport- **										
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	_	_		_
1 del Suks	47,575	70,170	50,002	74,525	75,576	31,141				
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										
Attendence-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
1 tan Bully Consumption (chousands of gallons)		3.3	3,200	1,100	1,502	5,502	2,001	7,150	7,02	0,270
Wastewater:										
Average Daily Sewer Treament (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	_	_	_	_	_
*	-,	,	.,	.,	.,					

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

<sup>\*</sup> MGD Million gallons per day

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

\*\*\*Began tracking information in 2016

INTERNAL CONTROL AND COMPLIANCE	E INFORMATION

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

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

Whedge : Associates, P.C.

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.

January 25, 2021

### 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.

### 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:

Fund Category Amount
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.

### 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.