



City of

MOORE

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

AS OF AND FOR THE FISCAL YEAR
ENDED JUNE 30, 2025

Moore Public Works Authority
Moore Economic Development Authority



THE CITY OF MOORE, OKLAHOMA

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Moore, Oklahoma
Moore, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moore, Oklahoma (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Accounting Standards*, we have also issued our report dated October 31, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dillon & Associates, PC

Midwest City, Oklahoma
October 31, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The City of Moore's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended June 30, 2025, by \$193,747,824 (net position).
- The Primary Government's total net position increased by \$24,190,976 or 14.27% from the prior year. This was a result of an increase of \$17,784,758 in the governmental activities while the business-type activities had an increase of \$6,406,218.
- Sales tax is the major source of revenue for governmental activities. Sales and use tax collections for fiscal year 2025 totaled \$53,812,047 compared to FY 2024 which totaled \$52,821,539.
- At the end of the fiscal year 2025, the unassigned fund balance of the General Fund was \$14,216,186 or 24.0% of General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Moore's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to the private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four elements reported as net position. Over time, increases or decreases in net position serve as a useful indicator on whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, fines and earned but not used vacation and sick leave as stated in City policy and union contracts). Both the Statement of Net Position and the Statement of Activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used for Fund Financial Statements of the governmental funds.

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In the Statement of Net Position and the Statement of Activities, the City is divided between two types of activities:

- **Governmental activities.** Most of the City's basic services are reported here, including general government, public safety, streets, public works, culture and recreation, and community development. Sales taxes and franchise taxes finance most of these activities.
- **Business-type activities.** The City charges a fee to customers to cover the cost of services it provides. The City's utility system (water, sewer, and sanitation) is reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, but not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council 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 monies. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- **Governmental funds.** The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The City of Moore maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and GO Street Bond funds. Data from an additional 5 special revenue funds and 4 capital project funds, all of which are considered governmental, are combined into a single, aggregated non-major governmental fund presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

- **Proprietary funds.** The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are similar to the business-type activities that are reported in the Government-wide statements but provide more detail and additional information, such as cash flows. The internal service fund (the other component of proprietary funds) is utilized to report activities that

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provide supplies and services for the City's other programs and activities, such as the risk management functions, including health, general liability and worker's compensation. These services have been included in the governmental activities in the government-wide financial statements.

The City of Moore maintains one major enterprise fund. The City uses this fund to account for its water, sewer, and sanitation operations. The fund provides the same type of information as the government-wide financial statements, only in more detail. The City considers this enterprise fund activity to be a major fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2025, the City's combined total net position is \$193,747,824, of which \$130,995,024 can be attributed to governmental activities and \$62,752,800 is attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The largest portion of the City's net position, approximately \$208 million, reflects its net investment in capital assets (e.g., land, building, machinery and equipment, less any related debt used to acquire those assets that are still outstanding). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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.

| | Governmental Activities | | % Inc. (Dec.) | Business-Type Activities | | % Inc. (Dec.) | Total Primary Government | | % Inc. (Dec.) |
|-----------------------------------|--------------------------------|------------------------|----------------------|---------------------------------|------------------------|----------------------|---------------------------------|------------------------|----------------------|
| | <u>2025</u> | <u>2024 (restated)</u> | | <u>2025</u> | <u>2024 (Restated)</u> | | <u>2025</u> | <u>2024 (Restated)</u> | |
| Current and other assets | \$ 62,578 | \$ 61,180 | 2% | \$ 20,992 | \$ 22,650 | -7% | \$ 83,570 | \$ 83,830 | 0% |
| Capital assets | 230,071 | 199,992 | 15% | 86,049 | 83,581 | 3% | 316,120 | 283,573 | 11% |
| Total assets | <u>292,649</u> | <u>261,172</u> | 12% | <u>107,041</u> | <u>106,231</u> | 1% | <u>399,690</u> | <u>367,403</u> | 9% |
| Deferred outflows of resources | 21,159 | 22,360 | -5% | 4,875 | 5,233 | -7% | 26,034 | 27,593 | -6% |
| Long-term liabilities outstanding | 141,985 | 122,558 | 16% | 44,033 | 47,071 | -6% | 186,018 | 169,629 | 10% |
| Other liabilities | 11,843 | 14,221 | -17% | 3,018 | 5,527 | -45% | 14,861 | 19,748 | -25% |
| Total liabilities | <u>153,828</u> | <u>136,779</u> | 12% | <u>47,051</u> | <u>52,598</u> | -11% | <u>200,879</u> | <u>189,377</u> | 6% |
| Deferred inflows of resources | 28,986 | 33,542 | -14% | 2,112 | 2,459 | -14% | 31,098 | 36,001 | -14% |
| Net position: | | | | | | | | | |
| Net investment in capital assets | 157,846 | 137,970 | 14% | 50,277 | 44,623 | 13% | 208,123 | 182,593 | 14% |
| Restricted | 21,543 | 19,736 | 9% | 986 | 908 | 9% | 22,529 | 20,644 | 9% |
| Unrestricted (deficit) | (48,395) | (44,495) | 9% | 11,490 | 10,816 | 6% | (36,905) | (33,679) | 10% |
| Total net position | <u>\$ 130,994</u> | <u>\$ 113,211</u> | 16% | <u>\$ 62,753</u> | <u>\$ 56,347</u> | 11% | <u>\$ 193,747</u> | <u>\$ 169,558</u> | 14% |

Governmental activities increased the City's net position by \$17,784,758 or 10.54%. The business type activities increased the City's net position by \$6,406,218 or 3.76% for a total net increase of \$24,190,976 or 14.27%.

The increase in capital assets at June 30, 2025, is attributable to donated infrastructure assets of \$13,235,467 and the completion of projects. In addition, The increase in governmental long-term liabilities is the result of the issuance of \$26,310,867 of general obligation bonds and notes payable. Also, the recording of a net pension liability related to the police pension plan \$6,713,500.

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Deferred outflows increased in the Governmental and Business-type activities due to changes related to Other Postemployment Benefits (OPEB) and changes in pension related deferrals.

Deferred inflows increased in the Governmental activities due to decreases related to deferred inflows for Other Postemployment Benefits (OPEB) and changes in pension related deferrals.

TABLE 2
CHANGES IN NET POSITION
(In Thousands)

| | Governmental Activities | | % Inc. (Dec.) | Business-Type Activities | | % Inc. (Dec.) | Total Primary Government | | % Inc. (Dec.) |
|--|--------------------------------|-------------------------|----------------------|---------------------------------|------------------------|----------------------|---------------------------------|-------------------------|----------------------|
| | (Restated) | | | (Restated) | | | (Restated) | | |
| | <u>2025</u> | <u>2024</u> | | <u>2025</u> | <u>2024</u> | | <u>2025</u> | <u>2024</u> | |
| Revenues: | | | | | | | | | |
| Program revenues: | | | | | | | | | |
| Charges for services | \$ 6,161 | \$ 6,566 | -6% | \$ 29,478 | \$ 28,766 | 2% | \$ 35,639 | \$ 35,332 | 1% |
| Operating grants and contributions | 7,239 | 7,896 | -8% | - | - | - | 7,239 | 7,896 | -8% |
| Capital grants and contributions | 14,776 | 1,805 | 719% | 1,347 | 3,451 | -61% | 16,123 | 5,256 | 207% |
| General revenues: | | | | | | | | | |
| Sales and use taxes | 53,812 | 52,822 | 2% | - | - | - | 53,812 | 52,822 | 2% |
| Other taxes | 12,761 | 12,980 | -2% | - | - | - | 12,761 | 12,980 | -2% |
| Other general revenue | 2,350 | 2,191 | 7% | 1,518 | 1,578 | -4% | 3,868 | 3,769 | 3% |
| Total revenues | <u>97,099</u> | <u>84,260</u> | 15% | <u>32,343</u> | <u>33,795</u> | -4% | <u>129,442</u> | <u>118,055</u> | 10% |
| Program expenses: | | | | | | | | | |
| General government | 9,828 | 8,178 | 20% | - | - | - | 9,828 | 8,178 | 20% |
| Public safety | 40,063 | 38,304 | 5% | - | - | - | 40,063 | 38,304 | 5% |
| Streets | 6,834 | 1,570 | 335% | - | - | - | 6,834 | 1,570 | 335% |
| Public works administration | 9,237 | 8,003 | 15% | - | - | - | 9,237 | 8,003 | 15% |
| Culture and recreation | 6,769 | 7,070 | -4% | - | - | - | 6,769 | 7,070 | -4% |
| Community development | 3,101 | 2,687 | 15% | - | - | - | 3,101 | 2,687 | 15% |
| Interest expense | 2,304 | 1,521 | 51% | - | - | - | 2,304 | 1,521 | 51% |
| Water | - | - | - | 21,913 | 19,691 | 11% | 21,913 | 19,691 | 11% |
| Sanitation | - | - | - | 5,202 | 4,978 | 4% | 5,202 | 4,978 | 4% |
| Total expenses | <u>78,136</u> | <u>67,333</u> | 16% | <u>27,115</u> | <u>24,669</u> | 10% | <u>105,251</u> | <u>92,002</u> | 14% |
| Excess (deficiency) before transfers | 18,963 | 16,927 | 12% | 5,228 | 9,126 | -43% | 24,191 | 26,053 | -7% |
| Transfers | (1,178) | 243 | -585% | 1,178 | (243) | -585% | - | - | - |
| Increase (decrease) in net position | <u>\$ 17,785</u> | <u>\$ 17,170</u> | 4% | <u>\$ 6,406</u> | <u>\$ 8,883</u> | -28% | <u>\$ 24,191</u> | <u>\$ 26,053</u> | -7% |

Governmental Activities. To aid in the understanding of the Statement of Activities (see page 19) some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenditures, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Governmental capital grants and contributions increased by \$12.9 million due to donated streets from developers.

Street activities expenses increased by \$5.3 million due to increases in repair and maintenance costs.

Transfers for both the governmental activities and the business-type activities increased due to a increase in operating transfers and transfer of capital assets.

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Water and sewer capital grant and contributions decreased by \$2.1 million due to less donated capital infrastructure.

Budgetary Highlights. For fiscal year 2024-25, General Fund revenue (including transfers) budget was amended by \$346,131 or 0.35 % of the original budget of \$99,076,119. The actual revenue (including transfers) on a budgetary basis was \$93,558,517 compared to the final budget of \$99,422,250. General Fund actual expenditures (including transfers) on a budgetary basis was \$93,806,049 compared to the final budget of \$102,150,929.

Capital Assets At the end of fiscal year 2025, the City had \$316,120,762 invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, water and sewer facilities and distribution systems. This represents a net increase of approximately \$33.0 million over the prior year.

TABLE 3
Capital Assets
(In Thousands)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-Type</u> <u>Activities</u> | | <u>Total Primary Government</u> | |
|--------------------------|--|-------------------|---|------------------|---------------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | \$ 19,398 | \$ 17,221 | \$ 873 | \$ 632 | \$ 20,271 | \$ 17,853 |
| Construction in progress | 69,296 | 48,963 | 3,435 | 8,055 | 72,731 | 57,018 |
| Buildings | 79,582 | 79,568 | 1,782 | 1,782 | 81,364 | 81,350 |
| Machinery and equipment | 23,690 | 22,219 | 6,519 | 6,128 | 30,209 | 28,347 |
| Vehicles | 13,311 | 12,556 | 11,258 | 10,222 | 24,569 | 22,778 |
| Infrastructure | 245,766 | 231,247 | 151,675 | 142,534 | 397,441 | 373,781 |
| Intangible building | 802 | 802 | - | - | 802 | 802 |
| Intangible equipment | - | - | 91 | 91 | 91 | 91 |
| Intangible SBITA | 665 | 665 | 104 | - | 769 | 665 |
| | <u>452,510</u> | <u>413,241</u> | <u>175,737</u> | <u>169,444</u> | <u>628,247</u> | <u>582,685</u> |
| Less: Depreciation | <u>(222,439)</u> | <u>(213,249)</u> | <u>(89,688)</u> | <u>(85,864)</u> | <u>(312,127)</u> | <u>(299,113)</u> |
| Totals | <u>\$ 230,071</u> | <u>\$ 199,992</u> | <u>\$ 86,049</u> | <u>\$ 83,580</u> | <u>\$ 316,120</u> | <u>\$ 283,572</u> |

Major capital assets additions during the current fiscal year included:

- Completion 36" Gravity Sewer Line of \$6.6 million
- Street improvement of \$.6 million
- Water improvements of \$1.9 million
- Stret and drainage projects of \$20.0 million

Debt Administration. At year end, the City had \$122,296,305 in long term debt outstanding compared to \$113,295,411 at the end of the prior fiscal year. During the year the City issued \$7,220,000 in General Obligation Bonds and \$19,090,867 of notes payable.

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TABLE 4
Long-Term Debt
(In Thousands)

| | Governmental | | Business-Type | | Total Primary Government | |
|-------------------------------|---------------------|------------------|----------------------|------------------|---------------------------------|-------------------|
| | Activities | | Activities | | | |
| | (Restated) | | (Restated) | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| General obligation bonds | \$ 45,485 | \$ 45,780 | \$ - | \$ - | \$ 45,485 | \$ 45,780 |
| Notes payable | 32,250 | 16,580 | 35,841 | 38,799 | 68,091 | 55,379 |
| Accrued compensated absences | 5,900 | 9,101 | 69 | 145 | 5,969 | 9,246 |
| Structured settlement payable | 1 | 1 | - | - | 1 | 1 |
| Lease liability | 706 | 777 | 30 | 33 | 736 | 810 |
| SBITA liability | 464 | 625 | 78 | - | 542 | 625 |
| Refundable deposits | - | - | 1,472 | 1,452 | 1,472 | 1,452 |
| Totals | \$ 84,806 | \$ 72,864 | \$ 37,490 | \$ 40,429 | \$ 122,296 | \$ 113,293 |

ECONOMIC FACTORS AND NEXT YEARS BUDGET CONSIDERATIONS

- The City's primary revenue source, the municipal sales and use tax, in fiscal year 2024/2025, increased from the prior year by \$475,000 or 1 percent, due to a stable economy, but no noticeable growth. Moore is more fortunate than other municipalities to have several large box stores that create a retail hub the community and people outside our community continue to support and lessen the effects of a no growth economy.
- The unemployment rate for the City of Moore at June 30 was 2.8 percent, which is a decrease of .2 percent from a year ago. This is below the State's average unemployment rate of 3.1 percent and below the national average rate of 4.1 percent. Unemployment has returned to its pre-pandemic rates.
- The GO Bond projects passed by voters in June 2018 continue to progress. Work is complete on the SW 34th Street widening project between Telephone Road and Santa Fe, a street resurfacing and sidewalk construction for Eastern Avenue between SE4th and SE 19th, and the drainage channel between NW 12th and SW 4th. The City was awarded additional funding from the Association of Central Oklahoma Governments (ACOG) for Eastern Avenue between NE 9th to SE 4th and construction will start in FY26. ACOG also awarded the City additional funding on the reconstruction of NE 12th between Eastern and I-35 and these plans are 60% complete. Construction has begun on the 4th Street railroad underpass project and should be completed in early 2027. Reconstruction of Turner Ave has been completed from SE 4th St. to Main St. and will be used as the detour road while the underpass project is under construction.
- In July 2024, the City issued \$7,220,000 2023 GO Bonds to continue engineering and design work on seven arterial street projects and city wide arterial street repair and maintenance as passed by the voters in November 2023. This work is continuing.
- In July 2024, the City issued a sales tax revenue note for \$5,090,000 for the purchase of land in Cleveland Heights, the purchase of land adjacent to Cleveland Heights, an expansion of Fire Station #1, the purchase of a Fire Engine, and remodeling City Hall. The Cleveland Heights land

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and the land adjacent to Cleveland Heights have been purchased. The City Hall remodel will be completed in 2026.

- In November 2024, the voters passed a renewal of the one quarter (.25) cent sales tax for Parks and Public Works and a \$6,700,000 GO Bond to widen Telephone Rd. south of SW34th street to the city limits.
- In August 2025 the voters passed a 3% increase from 5% to 8% to the Hotel/Motel tax for Parks and a potential source of Public Transportation. This increase should generate an additional \$300,000 per year.
- A new turnpike connecting I-44 and I-35 is expected to be open by the end of 2027.

Request for Information. This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws, regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Moore, Finance Department, 301 N. Broadway, Moore, Oklahoma 73160 or (405) 793-5060.

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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

CITY OF MOORE, OKLAHOMA
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Statement of Net Position– June 30, 2025

| | Primary Government | | |
|--|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 43,664,050 | \$ 11,587,132 | \$ 55,251,182 |
| Investments | 6,702,509 | 6,139,506 | 12,842,015 |
| Accounts receivable, net | 1,011,977 | 2,965,736 | 3,977,713 |
| Interest receivable | 70,912 | 60,407 | 131,319 |
| Other receivable | 631,835 | - | 631,835 |
| Inventory | 65,039 | - | 65,039 |
| Internal balances | (103,056) | 103,056 | - |
| Due from other governments | 10,455,075 | - | 10,455,075 |
| Lease receivable | 79,298 | 136,327 | 215,625 |
| Capital assets: | | | |
| Land, improvements and construction in progress | 88,694,656 | 4,309,328 | 93,003,984 |
| Other capital assets, net of depreciation/amortization | 141,376,660 | 81,740,115 | 223,116,775 |
| Total assets | <u>292,648,955</u> | <u>107,041,607</u> | <u>399,690,562</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amount related to OPEB | 6,237,526 | 922,650 | 7,160,176 |
| Deferred amount related to ARO | - | 3,952,240 | 3,952,240 |
| Deferred amount related to pensions | 14,921,554 | - | 14,921,554 |
| Total deferred outflows | <u>21,159,080</u> | <u>4,874,890</u> | <u>26,033,970</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 6,402,832 | 2,680,064 | 9,082,896 |
| Wages payable | 129,298 | 5,248 | 134,546 |
| Claims payable | 3,294,500 | - | 3,294,500 |
| Accrued interest payable | 1,152,824 | 333,019 | 1,485,843 |
| Unearned revenue | 863,080 | - | 863,080 |
| Long-term liabilities: | | | |
| Due within one year | 11,473,050 | 3,368,256 | 14,841,306 |
| Due in more than one year | 130,511,784 | 40,664,954 | 171,176,738 |
| Total liabilities | <u>153,827,368</u> | <u>47,051,541</u> | <u>200,878,909</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amount related to leases | 73,514 | 19,610 | 93,124 |
| Deferred amount related to pensions | 2,165,074 | - | 2,165,074 |
| Deferred amount related to OPEB | 26,747,055 | 2,092,546 | 28,839,601 |
| Total deferred inflows | <u>28,985,643</u> | <u>2,112,156</u> | <u>31,097,799</u> |
| NET POSITION | | | |
| Net investment in capital assets | 157,846,253 | 50,277,325 | 208,123,578 |
| Restricted for: | | | |
| Debt service | 11,827,493 | 986,027 | 12,813,520 |
| Capital improvements | 5,419,324 | - | 5,419,324 |
| Public Safety | 2,434,489 | - | 2,434,489 |
| Culture and recreation | 825,912 | - | 825,912 |
| Other | 1,035,709 | - | 1,035,709 |
| Unrestricted (deficit) | (48,394,156) | 11,489,448 | (36,904,708) |
| Total net position | <u>\$ 130,995,024</u> | <u>\$ 62,752,800</u> | <u>\$ 193,747,824</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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As of and for the Year Ended June 30, 2025

Statement of Activities –Year Ended June 30, 2025

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenue</u> | | | <u>Net (Expense) Revenue and Changes in Net Position</u> | | |
|---|------------------------|------------------------------------|--|--|---|--|-----------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
| Primary government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 9,827,546 | \$ 196,535 | \$ 492,593 | \$ 889,878 | \$ (8,248,540) | \$ - | \$ (8,248,540) |
| Public safety | 40,062,761 | 2,718,287 | 5,694,870 | - | (31,649,604) | - | (31,649,604) |
| Streets | 6,835,076 | 122,369 | 693,484 | 13,235,467 | 7,216,244 | - | 7,216,244 |
| Public works administration | 9,237,194 | 38,209 | - | 627,450 | (8,571,535) | - | (8,571,535) |
| Culture and recreation | 6,769,136 | 2,402,591 | 750 | 22,736 | (4,343,059) | - | (4,343,059) |
| Community development | 3,100,560 | 683,474 | 357,104 | - | (2,059,982) | - | (2,059,982) |
| Interest on long-term debt | 2,303,643 | - | - | - | (2,303,643) | - | (2,303,643) |
| Total governmental activities | <u>78,135,916</u> | <u>6,161,465</u> | <u>7,238,801</u> | <u>14,775,531</u> | <u>(49,960,119)</u> | <u>-</u> | <u>(49,960,119)</u> |
| Business-type activities: | | | | | | | |
| Water and sewer | 21,913,214 | 23,460,850 | - | 1,346,558 | - | 2,894,194 | 2,894,194 |
| Sanitation | 5,201,906 | 6,017,804 | - | - | - | 815,898 | 815,898 |
| Total business-type activities | <u>27,115,120</u> | <u>29,478,654</u> | <u>-</u> | <u>1,346,558</u> | <u>-</u> | <u>3,710,092</u> | <u>3,710,092</u> |
| Total primary government | <u>\$ 105,251,036</u> | <u>\$ 35,640,119</u> | <u>\$ 7,238,801</u> | <u>\$ 16,122,089</u> | <u>(49,960,119)</u> | <u>3,710,092</u> | <u>(46,250,027)</u> |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Sales and use taxes | | | | | 53,812,047 | - | 53,812,047 |
| Property tax | | | | | 8,608,330 | - | 8,608,330 |
| Franchise and public service taxes | | | | | 3,002,270 | - | 3,002,270 |
| Intergovernmental revenue not restricted to specific programs | | | | | 1,150,889 | - | 1,150,889 |
| Investment income | | | | | 1,931,327 | 906,092 | 2,837,419 |
| Miscellaneous | | | | | 418,115 | 611,933 | 1,030,048 |
| Transfers - internal activity | | | | | (1,178,101) | 1,178,101 | - |
| Total general revenues and transfers | | | | | <u>67,744,877</u> | <u>2,696,126</u> | <u>70,441,003</u> |
| Change in net position | | | | | 17,784,758 | 6,406,218 | 24,190,976 |
| Net position - June 30, 2024, as previously reported | | | | | 113,803,256 | 56,376,642 | 170,179,898 |
| Restatement (see note 7) | | | | | (592,990) | (30,060) | (623,050) |
| Net position - ending June 30, 2024, as restated | | | | | <u>113,210,266</u> | <u>56,346,582</u> | <u>169,556,848</u> |
| Net position - ending | | | | | <u>\$ 130,995,024</u> | <u>\$ 62,752,800</u> | <u>\$ 193,747,824</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Governmental Funds Balance Sheet - June 30, 2025

| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>G.O. Street Bond Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|--------------------------|------------------------------|---------------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 11,602,891 | \$ 8,961,433 | \$ 5,808,550 | \$ 15,588,616 | \$ 41,961,490 |
| Investments | 6,820,394 | - | - | - | 6,820,394 |
| Receivables: | | | | | |
| Accounts receivable | 957,127 | 27,375 | - | 68,719 | 1,053,221 |
| Accrued interest receivable | 70,912 | - | - | - | 70,912 |
| Due from other funds | 6,685 | - | - | - | 6,685 |
| Other receivable | 535,741 | - | - | - | 535,741 |
| Due from other governments | 7,513,510 | 29,960 | - | 2,911,605 | 10,455,075 |
| Leases | 79,298 | - | - | - | 79,298 |
| Inventory | 65,039 | - | - | - | 65,039 |
| Total assets | <u>\$ 27,651,597</u> | <u>\$ 9,018,768</u> | <u>\$ 5,808,550</u> | <u>\$ 18,568,940</u> | <u>\$ 61,047,855</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 2,261,846 | \$ - | \$ 301,363 | \$ 3,449,293 | \$ 6,012,502 |
| Wages payable | 127,671 | - | - | 3,528 | 131,199 |
| Unearned revenue | - | - | - | 10,961 | 10,961 |
| Refundable deposits | 345,371 | - | - | - | 345,371 |
| Due to other funds | - | - | - | 109,741 | 109,741 |
| Total liabilities | <u>2,734,888</u> | <u>-</u> | <u>301,363</u> | <u>3,573,523</u> | <u>6,609,774</u> |
| Deferred inflows of resources: | | | | | |
| Leases | 73,514 | - | - | - | 73,514 |
| Unavailable revenue | 696,415 | 55,159 | - | 796,960 | 1,548,534 |
| Total deferred inflows | <u>769,929</u> | <u>55,159</u> | <u>-</u> | <u>796,960</u> | <u>1,622,048</u> |
| Fund balances: | | | | | |
| Nonspendable | 65,039 | - | - | - | 65,039 |
| Restricted | - | 8,963,609 | 5,507,187 | 15,692,327 | 30,163,123 |
| Committed | 5,500,000 | - | - | - | 5,500,000 |
| Assigned | 4,365,555 | - | - | - | 4,365,555 |
| Unassigned (deficit) | 14,216,186 | - | - | (1,493,870) | 12,722,316 |
| Total fund balances | <u>24,146,780</u> | <u>8,963,609</u> | <u>5,507,187</u> | <u>14,198,457</u> | <u>52,816,033</u> |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 27,651,597</u> | <u>\$ 9,018,768</u> | <u>\$ 5,808,550</u> | <u>\$ 18,568,940</u> | <u>\$ 61,047,855</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance – Net Position Reconciliation – June 30, 2025:

| | |
|--|------------------------------|
| Fund balances of governmental funds | \$ 52,816,033 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$222,495,201 | <u>230,071,316</u> |
| Certain long-term assets are not available to pay for current fund liabilities are therefore deferred in the funds: | |
| Other receivable, net of allowance | <u>696,415</u> |
| Certain other long-term assets and deferred outflows are not available to pay current period expenditures and certain long-term liabilities and deferred inflows are not due and payable from current financial resources, and therefore, are not reported in these fund financial statements, but are reported in the governmental activities of the Statement of Net Position. | |
| Pension related deferred outflows | 14,921,554 |
| Net pension liability | (36,065,682) |
| Pension related deferred inflows | (2,165,074) |
| OPEB related deferred outflows | 6,235,254 |
| Total OPEB liability | (20,323,088) |
| OPEB related deferred inflows | <u>(26,579,773)</u> |
| | <u>(63,976,809)</u> |
| Internal service funds are used by management to charge the cost of certain activities to individual funds. An allocation of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | <u>(1,864,123)</u> |
| Certain long-term liabilities are not due and payable from current financial resources and therefore are not reported in the funds: | |
| General obligation bonds payable | (45,485,000) |
| Revenue notes payable | (32,204,812) |
| Notes payable | (44,815) |
| Unamortized premium | (789,812) |
| Lease liability | (706,140) |
| SIBITA liability | (463,951) |
| Accrued compensated absences | (5,900,454) |
| Accrued interest payable | <u>(1,152,824)</u> |
| | <u>(86,747,808)</u> |
| Net position of governmental activities | <u>\$ 130,995,024</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2025

| | <u>General Fund</u> | <u>Moore Econ. Dev. Authority</u> | <u>Debt Service Fund</u> | <u>G.O. Street Bond Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---------------------------------------|------------------------------|----------------------------------|---|---|
| REVENUES | | | | | | |
| Taxes | \$ 46,119,220 | \$ - | \$ 8,608,330 | \$ - | \$ 11,408,369 | \$ 66,135,919 |
| Intergovernmental | 5,886,414 | - | - | - | 3,092,602 | 8,979,016 |
| Charges for services | 2,747,797 | - | - | - | 154,366 | 2,902,163 |
| Fines and forfeitures | 1,902,127 | - | - | - | - | 1,902,127 |
| Licenses and permits | 683,474 | - | - | - | - | 683,474 |
| Investment income | 637,109 | - | 417,157 | 328,637 | 548,424 | 1,931,327 |
| Miscellaneous | 1,231,292 | - | - | - | 218,793 | 1,450,085 |
| Total revenues | <u>59,207,433</u> | <u>-</u> | <u>9,025,487</u> | <u>328,637</u> | <u>15,422,554</u> | <u>83,984,111</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 6,723,505 | - | - | - | 86,949 | 6,810,454 |
| Public safety | 35,411,975 | - | - | - | 1,129,042 | 36,541,017 |
| Streets | - | - | - | 166,952 | - | 166,952 |
| Public works | 7,967,221 | - | - | - | - | 7,967,221 |
| Culture and recreation | 5,448,534 | - | - | - | 1,185 | 5,449,719 |
| Community development | 2,430,249 | - | - | - | 50,036 | 2,480,285 |
| Capital outlay | 2,574,461 | - | - | 18,163,689 | 15,363,281 | 36,101,431 |
| Debt service: | | | | | | |
| Principal retirement | 273,521 | - | 7,515,000 | - | 3,380,676 | 11,169,197 |
| Interest and fiscal charges | 41,777 | - | 1,147,841 | - | 741,068 | 1,930,686 |
| Total expenditures | <u>60,871,243</u> | <u>-</u> | <u>8,662,841</u> | <u>18,330,641</u> | <u>20,752,237</u> | <u>108,616,962</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,663,810)</u> | <u>-</u> | <u>362,646</u> | <u>(18,002,004)</u> | <u>(5,329,683)</u> | <u>(24,632,851)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Bond issuance proceeds | - | - | 7,220,000 | - | 19,090,867 | 26,310,867 |
| Premium received on bonds issued | - | - | 248,783 | - | - | 248,783 |
| Transfers in | 38,957,271 | - | - | 21,469,650 | 5,093,883 | 65,520,804 |
| Transfers out | <u>(37,540,993)</u> | <u>-</u> | <u>(7,617,152)</u> | <u>-</u> | <u>(18,015,330)</u> | <u>(63,173,475)</u> |
| Total other financing sources and uses | <u>1,416,278</u> | <u>-</u> | <u>(148,369)</u> | <u>21,469,650</u> | <u>6,169,420</u> | <u>28,906,979</u> |
| Net change in fund balances | (247,532) | - | 214,277 | 3,467,646 | 839,737 | 4,274,128 |
| Fund balances - beginning, as previously reported | 24,394,312 | 1,104,371 | 8,749,332 | 2,039,541 | 12,254,349 | 48,541,905 |
| Restatement (See Note 7.) | - | (1,104,371) | - | - | 1,104,371 | - |
| Fund balances -beginning, as restated | <u>24,394,312</u> | <u>-</u> | <u>8,749,332</u> | <u>2,039,541</u> | <u>13,358,720</u> | <u>48,541,905</u> |
| Fund balances - ending | <u>\$ 24,146,780</u> | <u>\$ -</u> | <u>\$ 8,963,609</u> | <u>\$ 5,507,187</u> | <u>\$ 14,198,457</u> | <u>\$ 52,816,033</u> |

See accompanying notes to the basic financial statements.

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Changes in Fund Balances – Changes in Net Position Reconciliation – Year Ended June 30, 2025:

Net change in fund balances - total governmental funds: \$ 4,274,128

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

| | |
|-------------------------------------|---------------------|
| Capital asset purchases capitalized | 27,734,724 |
| Capital asset donated | 13,235,467 |
| Loss on disposal of capital assets | (754,920) |
| Depreciation expense | <u>(10,136,613)</u> |
| | <u>30,078,658</u> |

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.

(7,051,029)

Repayment of debt principal is an expenditure and are a revenue in the governmental funds. However, the repayments reduce long-term liabilities or the long-term assets in the Statement of Net Position:

| | |
|--|---------------------|
| Premium received on debt issued | (248,783) |
| Bond and note proceeds | (26,310,867) |
| Lease and SIBITA principal | 232,497 |
| Note payable principal payments | 3,421,700 |
| General obligation bond principal payments | <u>7,515,000</u> |
| | <u>(15,390,453)</u> |

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 | <u>47,301</u> |
|-------------------------------|---------------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

| | |
|--|------------------|
| Change in total OPEB liability | 2,730,088 |
| Change in accrued interest payable | (565,771) |
| Amortization of bond premium | 192,814 |
| Change in accrued compensated absences | <u>3,200,776</u> |
| | <u>5,557,907</u> |

Internal service fund activity is reported as a proprietary fund in fund financial statements, but certain net revenues/expenses are reported in governmental activities on the Statement of Activities.

| | |
|---|---------|
| Total change in net position for internal service funds | 268,246 |
|---|---------|

| | |
|---|----------------------|
| Change in net position of governmental activities | <u>\$ 17,784,758</u> |
|---|----------------------|

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF MOORE, OKLAHOMA
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As of and for the Year Ended June 30, 2025

Proprietary Funds Statement of Net Position - June 30, 2025

| | Moore Public Works Authority - Enterprise Fund | Internal Service Funds |
|--|---|-----------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 7,794,367 | \$ 1,584,675 |
| Cash and cash equivalents, restricted | 3,792,765 | - |
| Investments | 5,700,509 | - |
| Investments, restricted | 438,997 | - |
| Accounts receivable, net | 2,965,736 | 54,850 |
| Leases receivable | 136,327 | - |
| Accrued interest receivable | 60,407 | - |
| Due from other funds | 103,056 | - |
| Total current assets | <u>20,992,164</u> | <u>1,639,525</u> |
| Non-current assets: | | |
| Land, construction in progress, and water rights | 4,309,328 | - |
| Other capital assets, net | 81,740,115 | - |
| Total non-current assets | <u>86,049,443</u> | <u>-</u> |
| Total assets | <u>107,041,607</u> | <u>1,639,525</u> |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Deferred amounts related to OPEB | 922,650 | 2,272 |
| Deferred amounts asset retirement obligation | 3,952,240 | - |
| Total deferred outflow or resources | <u>4,874,890</u> | <u>2,272</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 2,680,064 | 42,651 |
| Claims liability | - | 1,422,900 |
| Wages payable | 5,248 | 407 |
| Accrued interest payable | 333,019 | - |
| Accrued compensated absences | 6,269 | - |
| Lease liability | 3,396 | - |
| SBITA liability | 25,516 | - |
| Refundable deposits | 289,351 | - |
| Notes payable | 3,043,724 | - |
| Total current liabilities | <u>6,386,587</u> | <u>1,465,958</u> |
| Non-current liabilities: | | |
| Accrued compensated absences | 62,696 | - |
| Asset retirement obligation | 4,658,000 | - |
| Claims liability | - | 1,871,600 |
| SBITA liability | 52,884 | - |
| Total OPEB liability | 1,034,409 | - |
| Refundable deposits | 1,182,405 | - |
| Lease liability | 26,798 | - |
| Notes payable | 33,647,762 | 1,080 |
| Total non-current liabilities | <u>40,664,954</u> | <u>1,872,680</u> |
| Total liabilities | <u>47,051,541</u> | <u>3,338,638</u> |
| DEFERRED INFLOW OF RESOURCES | | |
| Deferred amounts related to leases | 19,610 | - |
| Deferred amounts related to OPEB | 2,092,546 | 167,282 |
| Total deferred inflow of resources | <u>2,112,156</u> | <u>167,282</u> |
| NET POSITION | | |
| Net investment in capital assets | 50,277,325 | - |
| Restricted for debt service | 986,027 | - |
| Unrestricted (deficit) | 11,489,448 | (1,864,123) |
| Total net position | <u>\$ 62,752,800</u> | <u>\$ (1,864,123)</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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As of and for the Year Ended June 30, 2025

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2025

| | Moore Public Works Authority - Enterprise Fund | Internal Service Funds |
|--|---|-----------------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 29,002,448 | \$ 9,331,561 |
| Miscellaneous | 477,211 | 550,505 |
| Total operating revenues | <u>29,479,659</u> | <u>9,882,066</u> |
| OPERATING EXPENSES | | |
| General government | - | 2,520,997 |
| Water and sewer | 16,976,766 | - |
| Sanitation | 4,433,168 | - |
| Insurance claims and expense | - | 7,273,209 |
| Depreciation and amortization | 4,565,881 | - |
| Total operating expenses | <u>25,975,815</u> | <u>9,794,206</u> |
| Operating income | <u>3,503,844</u> | <u>87,860</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Investment income | 905,087 | 32,017 |
| Interest expense and fiscal charges | (1,139,305) | - |
| Other non-operating revenue | 611,933 | - |
| Total non-operating revenue (expenses) | <u>377,715</u> | <u>32,017</u> |
| Income before contributions and transfers | <u>3,881,559</u> | <u>119,877</u> |
| Capital asset transfers in and capital contributions | 5,020,357 | - |
| Transfers in | 36,461,573 | 148,369 |
| Transfers out | <u>(38,957,271)</u> | <u>-</u> |
| Change in net position | 6,406,218 | 268,246 |
| Total net position - beginning | 56,376,642 | (2,132,369) |
| Restatement (See Note 7.) | (30,060) | - |
| Net position, beginning, restated | <u>56,346,582</u> | <u>(2,132,369)</u> |
| Total net position - ending | <u>\$ 62,752,800</u> | <u>\$ (1,864,123)</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2025

| | Moore Public Works Authority - Enterprise Fund | Internal Service Funds |
|---|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 30,235,113 | \$ 9,880,137 |
| Payments to suppliers | (22,614,483) | (2,436,010) |
| Payments to employees | (1,489,766) | (117,388) |
| Receipts (payments) from interfund loans | - | 254,306 |
| Receipt of customer deposits | 279,720 | - |
| Return of customer deposits | (259,728) | - |
| Claims and benefits paid | - | (7,093,373) |
| Net cash provided by operating activities | 6,150,856 | 487,672 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from other funds | 36,461,573 | 148,369 |
| Transfers to other funds | (38,957,271) | - |
| Net cash provided by (used in) noncapital financing activities | (2,495,698) | 148,369 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital assets purchased | (1,911,209) | - |
| Principal paid on capital debt | (2,958,730) | - |
| Interest and fiscal charges paid on capital debt | (1,204,978) | - |
| Net cash provided by (used in) capital and related financing activities | (6,074,917) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale (Purchase) of investments | 208,209 | - |
| Interest and dividends | 1,019,858 | 32,017 |
| Net cash provided by (used in) investing activities | 1,228,067 | 32,017 |
| Net increase (decrease) in cash and cash equivalents | (996,784) | 668,058 |
| Balances - beginning of year | 12,583,916 | 916,617 |
| Balances - end of year | \$ 11,587,132 | \$ 1,584,675 |
| Reconciliation to Statement of Net Position: | | |
| Cash and cash equivalents | \$ 7,794,367 | \$ 1,584,675 |
| Restricted cash and cash equivalents | 3,792,765 | - |
| Total cash and cash equivalents | \$ 11,587,132 | \$ 1,584,675 |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 3,503,844 | \$ 87,860 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 4,565,881 | - |
| Other nonoperating revenue | 611,933 | - |
| Loss on disposal | - | - |
| Change in assets, liabilities and deferrals: | | |
| Receivables, net | 122,763 | (1,929) |
| lease receivable | 20,758 | - |
| Deferred outflow related to OPEB | 216,855 | 756 |
| Deferred outflow related to ARO | 141,152 | - |
| Accounts payable | (2,464,322) | 8,674 |
| Claims liability | - | 180,000 |
| Unearned revenue | - | - |
| Due to other funds | - | 254,306 |
| Due to employees | (45,952) | (3,655) |
| Lease liability | (3,297) | - |
| SBITA liability | (25,133) | - |
| Settlement payable | - | (164) |
| Refundable deposits | 19,992 | - |
| Total OPEB liability | (90,587) | - |
| Accrued compensated absences | (76,201) | - |
| Deferred inflow related to leases | (49,350) | - |
| Deferred inflow related to OPEB | (297,480) | (38,176) |
| Net cash provided by operating activities | \$ 6,150,856 | \$ 487,672 |
| Noncash activities: | | |
| Contributed capital assets | \$ 5,020,357 | \$ - |
| | <u>\$ 5,020,357</u> | <u>\$ -</u> |

See accompanying notes to the basic financial statements.

CITY OF MOORE, OKLAHOMA
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FOOTNOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The City of Moore's (the "City") accounting and financial reporting policies conform to accounting principles generally accepted in the United State of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1.A. Financial Reporting Entity

The City of Moore – operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of Moore is an incorporated municipality located in central Oklahoma. The City operates under a council-manager form of government with a charter that provides for three branches of government:

- Legislative – the governing body includes an elected seven-member City Council and Mayor
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judges are practicing attorneys appointed by the City Council

In determining the financial reporting entity, the City of Moore complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "*The Financial Reporting Entity*" and Statement No. 61, "*The Financial Reporting Entity: Omnibus*" and includes all component units for which the City is financially accountable. The City's financial reporting entity primary government presentation includes the City of Moore and certain component units as follows:

Blended Component Units: Separate legal entities for which the City Council members serve as the trustees/governing body of the City and /or the City is able to impose its will on the Authorities through required approval of all debt obligations issued by these entities. These component unit's funds are blended into the City's by appropriate fund type to comprise part of the primary government presentation.

Moore Public Works Authority (MPWA) –created to operate and maintain the City's water, sanitary sewer, and solid waste systems.

Moore Economic Development Authority (MEDA) – created to finance projects and development of the City's municipal infrastructure.

Moore Urban Renewal Authority (MURA)- created to administer approved urban renewal projects within the City of Moore.

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

In accordance with state law, the City Council must approve, by two-thirds vote, all debt obligations of these public trusts prior to incurring the obligation. This is considered sufficient imposition of will to demonstrate financial accountability and to include the trusts within the City's financial reporting entity. The public trusts do not issue separate annual financial statements.

1.B. Basis of Presentation and Accounting

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- **The City as a Whole** (a government-wide presentation)
- **The City's Funds** (a presentation of the City's major and aggregate non-major funds)

Government-Wide 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. In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

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

Business-type activities – Services where the City charges a fee to customers to help cover all or most of the cost of the services it provides. The City's water, sewer, and sanitation systems are reported here.

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.

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic assets used.

Fund Financial Statements:

Governmental Funds:

Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Governmental funds report their activities on the modified accrual basis of accounting and current financial resources measurement focus that is different from other funds. For example, these funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to asset and debt balances. 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, judgments, and net pension liabilities are recorded only when payment is due.

Sales and use taxes, property taxes, franchise taxes, licenses, court fines and interest associated with the current fiscal period are all considered to be subject 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 governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The City's governmental funds include:

Major Funds:

- General Fund – is the general operating fund of the city and accounts for all activities not accounted for in other special-purpose funds.
- Debt Service Fund – account for the payment of principal and interest on the general obligation bonds of the city. Ad valorem taxes and interest earned on investments are used for debt repayment.
- G.O. Street Bond Fund – account for the construction cost associated with the general obligation bonds for streets and other projects.

Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds include the CDBG/HUD Fund, Special Revenue Fund, MEDA, Urban Renewal Authority, and the Cemetery Care Fund.

Capital Project Funds include: 1/8 Cent Sales Tax Fund, 1/2 Cent Sales Tax Fund and the 1/4 Cent Sales Tax Fund.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the accrual basis of accounting and economic resources measurement focus at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided to other funds or departments of the City. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Moore Public Works Authority and of the City's internal service fund 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.

The City's proprietary funds include the following:

Enterprise Funds

Major:

- Moore Public Works Authority – accounts for the operations of the water, sewer and sanitation operations.

Internal Service Fund

- Risk Management Fund - accounts for the cost of providing property, health, worker's compensation liability insurance and other risk management functions provided to other funds of the city.

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

Deposits and Investments:

Cash and cash equivalents include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less, and money market investments. Trust account investments in open-ended mutual fund shares are also considered cash equivalents.

Investments consist of long-term certificates of deposit. Certificates of deposit are reported at cost.

Restricted Assets:

Certain proceeds of the enterprise funds promissory notes, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts, and their use is limited by applicable loan covenants. The debt service fund accounts are used to segregate resources accumulated for debt service payments over the next 12 months. In addition, amounts held for meter deposit refunds are considered restricted.

Receivables and Unavailable Revenue:

In the government-wide 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 their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues. Non-exchange transactions collectible but not available are reported as a deferred inflow of resources in the fund financial statements in accordance with the modified accrual basis of accounting but not reported as a deferred inflow of resources in the government-wide financial statements in accordance with the accrual basis. Interest on investment earnings is recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material 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.

Inventories:

Inventories are valued at cost. Governmental fund inventory is related to building and fleet parts. The cost of inventories is recorded as expenditures when consumed rather than when purchased.

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.

Depreciable capital assets are depreciated on a straight-line basis over their useful lives. The range of estimated lives by type of assets is as follows:

- | | |
|-------------------------------------|-------------|
| • Buildings/improvements | 40-65 years |
| • Infrastructure | 25-50 years |
| • Improvements other than buildings | 10-20 years |
| • Machinery and equipment | 3-20 years |
| • Vehicles | 5-7 years |

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset.

Leased assets (intangible capital assets) are amortized over the life of the associated contract.

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 amortized over the life of the bonds using the straight-line method. Bonds payables are reported net of bond premium or discount.

Long-term obligations of governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

The City's long-term obligations consist of general obligation bonds, notes payable, accrued compensated absences, net pension liability, total OPEB liability, refundable deposits, asset retirement obligations, lease obligations and structured settlements payable.

Compensated Absences:

Under the terms of union contracts and City personnel policies, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for vacation leave accumulated and vested accumulated sick leave. Vesting of sick leave by employees and maximum number of hours that can be accumulated for vacation and sick leave are dependent upon an employees' service as contained in the city's personnel manual. Upon retirement, one-half of accumulated sick leave is converted to cash, subject to the above limitation for maximum compensation for unused compensated absences.

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 only has three items that qualify for reporting in this category. The City reports deferred outflows related to pensions and OPEB related amounts and an asset retirement obligation.

In addition to liabilities, the financial statements 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 an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide Statement of Net Position reports deferred inflows for pension, OPEB related amounts and leases.

Lease-related amounts are recognized at the inception of leases in which the city and the MPWA is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Leases:

The City is a party as lessor and lessee for various non-cancellable long-term leases of equipment. The corresponding lease receivable or lease payable are recorded in an amount equal to the present value of the expected future minimum lease payments paid or received, respectively, discounted by an applicable interest rate.

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, plus the remaining construction proceeds of debt issued for capital improvements.
- 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.”

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.

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 (a) not in spendable form or (b) 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 – includes 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, while the Economic Development Authority’s highest level of decision-making authority is made by resolution.
- 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 or management decision when the city council has delegated that authority. Assignments for revenues in other 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.

It is the City's policy to first use restricted fund balance prior to the use of the unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available. The City's policy for the use of fund balance amounts requires restricted amounts be used first followed by committed, assigned and unassigned fund balance.

1.D. Revenues, Expenditures and Expenses

Program Revenues:

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

- Public Safety – Fire, Police, fines and forfeitures, restricted operating grants, restricted capital grants, property seizure, donations, and state on-behalf pension contributions
- Streets – commercial vehicle and gasoline excise tax shared by the State
- Public Works – animal welfare fees
- Culture and recreation – pool fees, rental of community center and senior center, programming fees, park fees, operating and capital grants
- General Government – cemetery fees and general government grants

All other governmental revenues are reported as general revenues. All taxes are classified as general revenue even if restricted for a specific purpose.

Sales Tax Revenue:

Sales tax revenue represents a 3.875 cents tax on each dollar of taxable sales which is collected by the Oklahoma Tax Commission and remitted to the City. Upon final allocation the sales tax is recorded as follows:

- 3 cents recorded in the General Fund for general operations.
- 0.50 cents recorded in the Street Half-Cent Sales Tax Fund for street and public safety improvements/operations.
- 0.25 cents recorded in the Park Improvement Fund for park improvements and public works facility.
- .125% recorded in the 1/8 Cent Sales Tax Fund for water system improvements.

Property Tax Revenue:

In accordance with state law, a municipality may only levy a property tax to retire general obligation debt approved by the voters and to pay judgments rendered against the City. Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurer and are remitted to the City. Property tax receivables are recorded on

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the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2025, the City's net assessed valuation of taxable property was \$600,528,828. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2025, was \$14.50.

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.

1.E. Internal and Interfund Balances and Activities

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

Government-Wide Financial Statements:

Interfund activity, if any, is 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.

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.

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3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

1.F. 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. The city generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases unless the rate that the lessor/vendor charges is known.

2. Cash and Cash Equivalents, Deposits and Investments

Deposits and Investments Risks

The City of Moore primary government and blended component units are governed by the deposit and investment limitations of state law and trust indentures. The deposits and investments held at June 30, 2025, by these entities are as follows:

Schedule of Deposits and Investments by Type - June 30, 2025

| Type | Carrying Value | Credit Rating | Fair Value Categories | Maturities in Years | | | | |
|---|----------------------|------------------|--------------------------|----------------------|----------------------|-------------|-------------|-----------------|
| | | | | On Demand | Less Than One | 1 - 5 | 6 - 10 | More than 10 |
| Demand deposits | \$ 49,814,911 | n/a | n/a | \$ 49,814,911 | \$ - | \$ - | \$ - | \$ - |
| Time deposits | 12,959,900 | n/a | n/a | - | 12,959,900 | - | - | - |
| Government Money Market Accounts | 5,318,386 | AAAm | n/a | 5,318,386 | - | - | - | - |
| Total Deposits and Investments | <u>\$ 68,093,197</u> | | | <u>\$ 55,133,297</u> | <u>\$ 12,959,900</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Reconciliation to Financial Statements: | | | | | | | | |
| Cash and cash equivalents | \$ 55,251,182 | | | | | | | |
| Investments | 12,842,015 | | | | | | | |
| | <u>\$ 68,093,197</u> | | | | | | | |

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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.

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

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The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at a minimum level of 110% of the uninsured deposits and accrued interest thereon. The City's policy limits acceptable collateral to U.S. Treasury securities, federally insured obligations, or direct debt obligations of municipalities, counties, and school districts in Oklahoma. Also, as required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement.

At June 30, 2025, the City was exposed to custodial credit risk as defined above by \$15,451.

Investment Credit Risk – The City's investment policy limits investments to the following:

- a. Obligations of the U. S. Government, its agencies and instrumentalities;
- b. Collateralized or insured non-negotiable certificates of deposit or other evidence of deposit that are either insured or secured with acceptable collateral with an instate financial institution, and fully insured deposits in out-of-state institutions;
- c. Insured or fully collateralized negotiable certificates of deposit;
- d. Repurchase agreements that have underlying collateral consisting of those items specified in paragraph a above; and
- e. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraph a.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy indicates that the investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements as anticipated. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments by date range.

As noted in the preceding schedule of deposits and investments, at June 30, 2025, the investments held by the City mature between 2025 through 2026.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percentage 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's had no investments that exceeded the 5% limit.

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Restricted Cash and Investments

The amounts reported as restricted assets of the Enterprise Fund on the Statement of Net Position are comprised of amounts held by the Moore Public Works Authority by the trustee bank for revenue bond retirement, construction, and the Customer Deposit Account for refundable deposits held by others. The restricted assets as of June 30, 2025, are as follows:

| | |
|---|---------------------|
| Cash and Cash Equivalents: | |
| Pooled Cash Restricted for Debt Service | \$ 1,318,046 |
| Pooled Cash Restricted for Refundable Deposits | 1,446,756 |
| Pooled Cash Restricted for Construction | 1,027,963 |
| | <u>\$ 3,792,765</u> |
| Investments: | |
| Pooled Investments Restricted for Refundable Deposits | \$ 438,997 |
| | <u>\$ 438,997</u> |

3. Receivables

Significant receivables at June 30, 2025, were as follows:

| | Governmental Activities | Business Type Activities |
|---|------------------------------------|-------------------------------------|
| Due from other governments (taxes and grants) | \$ 10,455,075 | \$ - |
| Court | 13,715,380 | - |
| Charges for Services | - | 3,554,371 |
| Lease receivables | 79,298 | 136,327 |
| Other | 820,888 | - |
| Gross Receivables | \$ 25,070,641 | \$ 3,690,698 |
| Less: Allowance for uncollectibles | (12,892,456) | (588,635) |
| Net Receivables | <u>\$ 12,178,185</u> | <u>\$ 3,102,063</u> |

The City as a lessor, has entered into lease agreements involving land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$16,337.

The MPWA as a lessor, has entered into lease agreements involving a buildings and land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$49,350.

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4. Capital Assets and Depreciation

For the year ended June 30, 2025, capital assets balances changed as follows:

| | Balance at July 1, 2024 | Additions | Disposals | Balance at June 30, 2025 |
|--|----------------------------|---------------|--------------|-----------------------------|
| PRIMARY GOVERNMENT: | | | | |
| <i>Governmental activities:</i> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 17,220,904 | \$ 2,177,508 | \$ - | \$ 19,398,412 |
| Construction in progress | 48,963,394 | 21,810,971 | 1,478,121 | 69,296,244 |
| Total capital assets not being depreciated | 66,184,298 | 23,988,479 | 1,478,121 | 88,694,656 |
| Capital assets being depreciated: | | | | |
| Buildings | 79,567,774 | 14,070 | - | 79,581,844 |
| Machinery and equipment | 22,219,144 | 2,644,004 | 1,173,227 | 23,689,921 |
| Vehicles | 12,555,548 | 1,282,887 | 527,224 | 13,311,211 |
| Infrastructure | 231,247,265 | 14,518,870 | - | 245,766,135 |
| Intangible building | 802,319 | - | - | 802,319 |
| SIBITA | 664,867 | - | - | 664,867 |
| Total other capital assets at historical cost | 347,056,917 | 18,459,831 | 1,700,451 | 363,816,297 |
| Less accumulated depreciation for: | | | | |
| Buildings | 39,992,507 | 1,632,671 | - | 41,625,178 |
| Machinery and equipment | 16,009,918 | 1,198,035 | 425,589 | 16,782,364 |
| Vehicles | 5,629,907 | 1,178,004 | 519,939 | 6,287,972 |
| Infrastructure | 151,533,913 | 5,880,970 | - | 157,414,883 |
| Intangible building | 26,744 | 80,232 | - | 106,976 |
| SIBITA | 55,566 | 166,698 | - | 222,264 |
| Total accumulated depreciation | 213,248,555 | 10,136,610 | 945,528 | 222,439,637 |
| Capital assets being depreciated, net | 133,808,362 | 8,323,221 | 754,923 | 141,376,660 |
| Governmental activities capital assets, net | \$ 199,992,660 | \$ 32,311,700 | \$ 2,233,044 | \$ 230,071,316 |
| | | | | |
| | Balance at July 1, 2024 | Additions | Disposals | Balance at June 30, 2025 |
| <i>Business-type activities:</i> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 631,706 | \$ 241,242 | \$ - | \$ 872,948 |
| Construction in progress | 8,054,725 | 3,121,818 | 7,740,163 | 3,436,380 |
| Total capital assets not being depreciated | 8,686,431 | 3,363,060 | 7,740,163 | 4,309,328 |
| Capital assets being depreciated: | | | | |
| Buildings | 1,782,000 | - | - | 1,782,000 |
| Machinery and equipment | 6,128,789 | 390,076 | - | 6,518,865 |
| Vehicles | 10,222,122 | 1,777,538 | 742,035 | 11,257,625 |
| Utility systems | 142,534,379 | 9,141,055 | - | 151,675,434 |
| Intangible equipment | 90,637 | - | - | 90,637 |
| SIBITA | - | 103,533 | - | 103,533 |
| Total other capital assets at historical cost | 160,757,927 | 11,412,202 | 742,035 | 171,428,094 |
| Less accumulated depreciation for: | | | | |
| Buildings | 1,690,337 | 45,127 | - | 1,735,464 |
| Machinery and equipment | 5,696,288 | 119,769 | - | 5,816,057 |
| Vehicles | 5,656,640 | 1,306,997 | 742,035 | 6,221,602 |
| Utility systems | 72,784,877 | 3,066,421 | - | 75,851,298 |
| Intangible equipment | 35,991 | 3,675 | - | 39,666 |
| SIBITA | - | 23,892 | - | 23,892 |
| Total accumulated depreciation | 85,864,133 | 4,565,881 | 742,035 | 89,687,979 |
| Capital assets being depreciated or amortized, net | 74,893,794 | 6,846,321 | - | 81,740,115 |
| Business-type activities capital assets, net | \$ 83,580,225 | \$ 10,209,381 | \$ 7,740,163 | \$ 86,049,443 |

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Depreciation:

Depreciation expense has been allocated as follows:

Governmental Activities:

| | |
|---|---------------------|
| General government | \$ 2,490,730 |
| Public safety | 1,092,190 |
| Streets | 1,410,384 |
| Culture and recreation | 1,710,802 |
| Community development | 978,960 |
| Public works | 2,206,614 |
| Sub-total governmental funds depreciation | <u>\$ 9,889,680</u> |

Amortization on intangible assets:

| | |
|--------------------|----------------------|
| Public safety | 166,698 |
| General government | 80,232 |
| Total | <u>\$ 10,136,610</u> |

Business-Type Activities:

| | |
|--------------------------------|---------------------|
| Water and sewer | \$ 3,769,576 |
| Sanitation | 768,738 |
| Total Business Type Activities | <u>\$ 4,538,314</u> |

Amortization on intangible assets:

| | |
|-----------------|---------------------|
| Water and sewer | 27,567 |
| Total | <u>\$ 4,565,881</u> |

Asset Retirement Obligation

The city reports an asset retirement obligation in the Moore Public Works Authority. The liability reported is based on the best estimate, using all available evidence, of the current value of outlays expected to be incurred. The city has identified a legally enforceable liability associated with the retirement of the wastewater treatment plant capital asset due to requirements included in Title 27A of the Oklahoma State Statutes. The estimated remaining useful life of the tangible capital is 31 years. The city originally recorded an asset retirement obligation of \$4.7 million, measured at its current value. The overall estimate is based on professional judgment, experience, and historical cost data. The liability could change over time as new information becomes available as a result of changes in technology, legal or regulatory requirements, and types of equipment, facilities or services that will be used to meet the obligation to retire the tangible capital asset.

5. Internal and Interfund Balances and Transfers

The City's policy is to eliminate interfund transfers between funds in the Statement of Activities to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and then offset in the total column. Internal activities between funds and activities for the year ended June 30, 2025, were as follows:

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Due From and Due to:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> | <u>Nature of Interfund Balance</u> |
|------------------------|----------------------|-------------------|------------------------------------|
| MPWA | Special Revenue Fund | \$ 103,056 | Grant fund reimbursement |
| General Fund | Special Revenue Fund | 6,685 | Reimbursements |
| | | <u>\$ 109,741</u> | |

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | <u>Net Internal Balances</u> |
|---|-----------------------------|---------------------------|------------------------------|
| Reconciliation to Fund Financial Statements: | | | |
| Governmental Funds | \$ 6,685 | \$ 109,741 | \$ (103,056) |
| Proprietary Funds | 103,056 | - | 103,056 |
| Total | <u>\$ 109,741</u> | <u>\$ 109,741</u> | <u>\$ -</u> |

Internal and Interfund Transfers:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> | <u>Nature of Transfer</u> |
|-------------------------|---------------------|-----------------------|----------------------------|
| MEDA | General Fund | \$ 2,189,449 | Debt Service |
| MEDA | 1/4 Cent Sales Tax | 1,824,012 | Debt Service |
| Special Revenue Fund | General Fund | 4,000 | Operational transfer |
| GO Street Bond | Debt Service | 7,468,783 | Debt Service |
| GO Street Bond | MEDA | 14,000,867 | Operational transfer |
| Urban Renewal Authority | General Fund | 900,000 | Operational transfer |
| 1/2 Cent Sales Tax | General Fund | 176,422 | Expense reimbursement |
| General Fund | MPWA | 2,495,698 | Operational transfer |
| General Fund | MPWA | 36,461,573 | Sales tax pledge |
| MPWA | General Fund | 36,461,573 | Return of sales tax pledge |
| Risk Management | Debt Service | 148,369 | Transfer of judgments |
| | | <u>\$ 102,130,746</u> | |

| | <u>Transfers From Other Funds</u> | <u>Transfers To Other Funds</u> | <u>Net Transfers</u> |
|---|-----------------------------------|---------------------------------|----------------------|
| Reconciliation to Fund Financial Statements: | | | |
| Governmental Funds | \$ 65,520,804 | \$ 63,173,475 | \$ 2,347,329 |
| Proprietary Funds | 36,461,573 | 38,957,271 | (2,495,698) |
| Internal Service Funds | 148,369 | - | 148,369 |
| Total | <u>\$ 102,130,746</u> | <u>\$ 102,130,746</u> | <u>\$ -</u> |

| | |
|---|-----------------------|
| Reconciliation to Statement of Activities: | |
| Net Transfers | \$ 2,495,698 |
| Transfer of Capital Assets to Enterprise Fund | (3,673,799) |
| Transfers - Internal Activity | <u>\$ (1,178,101)</u> |

6. Long-Term Liabilities and Obligations

The City's long-term obligations consist of general obligation bonds, notes payable, structured settlements payable, accrued compensated absences, total OPEB liability and net pension liabilities. For the year ended June 30, 2025, the City's long-term debt balances changed as follows:

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Primary Government:

| <u>Type of Debt</u> | <u>Balance June 30, 2024</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2025</u> | <u>Due Within One Year</u> |
|-----------------------------------|----------------------------------|---------------------|---------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 45,780,000 | \$ 7,220,000 | \$ 7,515,000 | \$ 45,485,000 | \$ 7,610,000 |
| Notes Payable (direct borrowings) | 16,580,460 | 19,090,867 | 3,421,700 | 32,249,627 | 3,033,684 |
| Structured Settlement Payable | 1,244 | - | 164 | 1,080 | - |
| Lease Obligation | 777,369 | - | 71,229 | 706,140 | 73,686 |
| SIBITA Payable | 625,219 | - | 161,268 | 463,951 | 165,635 |
| Accrued Compensated Absences | 9,101,230 | - | 3,200,776 | 5,900,454 | 590,045 |
| Total Governmental Activities | <u>\$ 72,865,522</u> | <u>\$26,310,867</u> | <u>\$14,370,137</u> | 84,806,252 | 11,473,050 |

Reconciliation to Statement of Net Position:

| | | |
|----------------------------|-----------------------|----------------------|
| Plus: Total OPEB Liability | 20,323,088 | - |
| Net Pension Liability | 36,065,682 | - |
| Unamortized premium | 789,812 | - |
| | <u>\$ 141,984,834</u> | <u>\$ 11,473,050</u> |

Business-Type Activities:

| | | | | | |
|-----------------------------------|----------------------|-------------------|---------------------|---------------|--------------|
| Notes Payable (direct borrowings) | \$ 38,799,468 | \$ - | \$ 2,958,731 | \$ 35,840,737 | \$ 3,043,724 |
| Refundable Deposits | 1,451,764 | 309,713 | 289,720 | 1,471,757 | 289,351 |
| Lease Obligation | 33,491 | - | 3,297 | 30,194 | 3,396 |
| SBITA Obligation | - | 103,533 | 25,133 | 78,400 | 25,516 |
| Accrued Compensated Absences | 145,166 | - | 76,201 | 68,965 | 6,269 |
| Total Business-Type Activities | <u>\$ 40,429,889</u> | <u>\$ 413,246</u> | <u>\$ 3,353,082</u> | \$ 37,490,053 | \$ 3,368,256 |

Reconciliation to Statement of Net Position:

| | | |
|-----------------------------|----------------------|---------------------|
| Plus: Total OPEB Liability | 1,034,409 | - |
| Asset Retirement Obligation | 4,658,000 | - |
| Unamortized premium | 850,748 | - |
| | <u>\$ 44,033,210</u> | <u>\$ 3,368,256</u> |

Accrued compensated absences liability of the governmental activities is liquidated by the General Fund, Special Revenue Fund and CDBG/HUD Fund.

Governmental activities long-term debt payable from property tax levies or other governmental revenues includes the following:

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General Obligation Bonds:

| | |
|--|----------------------|
| \$9,075,000 General Obligation Bonds of 2014 due in annual principal installments through January 1, 2026, interest rates ranging from 1.40% to 2.95% | \$ 825,000 |
| \$4,125,000 General Obligation Bonds of 2015 due in annual principal installments through January 1, 2027, interest rates ranging from 1.00% to 2.50% | 750,000 |
| \$5,875,000 General Obligation Bonds of 2015B due in annual principal installments through August 1, 2027, interest rates ranging from 2.00% to 2.75% | 1,605,000 |
| \$2,805,000 General Obligation Bonds of 2016 due in annual principal installments through February 1, 2028, interest rates ranging from 2.00% to 2.25% | 765,000 |
| \$5,000,000 General Obligation Bonds of 2016B due in annual principal installments through October 1, 2028, interest rates ranging from 1.50% to 2.00% | 1,850,000 |
| \$2,770,000 General Obligation Bonds of 2017 due in annual principal installments through March 1, 2029, interest rates ranging from 2.0% to 2.55% | 1,020,000 |
| \$8,550,000 General Obligation Bonds of 2019 due in annual principal installments through March 1, 2029, interest rates ranging from 2.65% to 4.00% | 3,800,000 |
| \$18,900,000 General Obligation Bonds of 2021 due in annual principal installments through March 1, 2031, interest rates from 1.00% to 2.00% | 12,600,000 |
| \$5,400,000 General Obligation Bonds of 2022 due in annual principal installments through March 1, 2032, interest rates from 0.02% to 4.00% | 4,200,000 |
| \$5,400,000 General Obligation Bonds of 2022B due in annual principal installments through March 1, 2033, interest rates from 3.00% to 4.00% | 4,800,000 |
| \$6,050,000 General Obligation Bonds of 2023 due in annual principal installments through March 1, 2034, interest rates from 0.50% to 4.00% | 6,050,000 |
| \$7,220,000 General Obligation Bonds of 2024 due in annual principal installments through March 1, 2030, interest rates at 4.00% | 7,220,000 |
| Total general obligation bonds | <u>\$ 45,485,000</u> |
| Current | \$ 7,610,000 |
| Non-current | 37,875,000 |
| Total | <u>\$ 45,485,000</u> |

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Notes Payable (Direct Borrowings):

| | |
|---|----------------------|
| \$16,400,000 Public Safety Revenue Note, Series 2009, due in monthly principal and interest installments of \$99,813 through March 1, 2031, interest rate of \$4.05% | \$ 6,213,946 |
| \$5,100,000 Sales Tax Revenue Note, Series 2021B, due in semi-annual principal installments of \$25,000 to \$300,000 through June 1, 2031, interest rate of 2.35% | 3,345,000 |
| \$1,500,000 Sales Tax Revenue Note, Series 2022, due in semi-annual principal installments of \$60,000 to \$90,000 through December 1, 2031, interest rate of 3.660% | 1,085,000 |
| \$3,570,000 Sales Tax Revenue Note, Series 2022B, due in semi-annual principal installments of \$345,000 to \$430,000 through February 1, 2028, interest rate of 4.420% | 2,470,000 |
| \$5,090,000 Sales Tax Revenue Note, Series 2024, due in semi-annual principal installments of \$465,000 to \$670,000 through June 1, 2034, interest rate of 4.49% | 5,090,000 |
| \$20,000,000 Note payable, due in annual principal installments of \$100,000 to \$7,000,000 through October 1, 2027, interest rate of 4.879% | 14,000,866 |
| \$133,765 notes payable for the purchase of a fitness equipment, payable in three annual installments of \$48,582, final payment due November 2025, with interest at 9.240% | 44,815 |
| Total notes payable | <u>\$ 32,249,627</u> |
| Current | \$ 3,033,684 |
| Non-current | 29,215,943 |
| Total | <u>\$ 32,249,627</u> |

Structured Settlement Payable:

| | |
|---|-----------------|
| \$75,000 settlement in favor of an individual, payable in \$5,000 installments every three years with a final payment due October 2036, recorded at net present value of the remaining payments assuming a 9% interest rate | <u>\$ 1,080</u> |
|---|-----------------|

Lease Obligation:

| | |
|-------------|-------------------|
| Current | \$ 73,686 |
| Non-current | 632,454 |
| Total | <u>\$ 706,140</u> |

SIBITA Payable:

| | |
|-------------|-------------------|
| Current | \$ 165,635 |
| Non-current | 298,316 |
| Total | <u>\$ 463,951</u> |

The 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 or the agreements; 2) gain control of operations through temporary trustees; 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.

Business-type activities long-term debt payable from net revenues generated and taxes pledged to the City's business-type activities include the following:

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Notes Payable (Direct Borrowings):

\$3,943,482 Clean Water SRF loan payable to the Oklahoma Water Resources Board (OWRB) dated May 28, 2009, payable in semi-annual principal installments of \$62,400 to \$158,300, final payment due September 15, 2029; interest rate of 2.85% and administrative fee of 0.5% \$ 662,745

\$42,837,500 Clean Water SRF loan payable to the Oklahoma Water Resources Board (OWRB) dated September 24, 2010, payable in semi-annual principal installments of varying amounts, final payment due March 15, 2033; interest rate of 2.06% and administrative fee of 0.5% 19,731,581

\$6,637,000 Clean Water SRF loan payable to the Oklahoma Water Resources Board (OWRB) dated October 26, 2010, payable in semi-annual principal installments of varying amounts, final payment due March 15, 2033; interest rate of 2.56% and administrative fee of 0.5% 3,016,411

\$13,915,000 Clean Water SRF loan payable to the Oklahoma Water Resources Board (OWRB) dated April 1, 2019, payable in semi-annual principal installments of varying amounts, final payment due October 2048; interest rate of 3.45% to 5.20% and administrative fee of 0.5% 12,430,000

Total Revenue Bonds, Net \$ 35,840,737

Current \$ 3,043,724

Non-current 32,797,013

Total \$ 35,840,737

Lease Obligation:

Current \$ 3,396

Non-current 26,798

Total \$ 30,194

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

Long-term debt service requirements to maturity are as follows:

| Governmental-Type Activities | | | | | | | | |
|------------------------------|----------------------|---------------------|-----------------------------------|---------------------|-------------------|------------------|-------------------|------------------|
| Year Ending June 30, | G.O. Bonds Payable | | Notes Payable (direct borrowings) | | Lease Obligation | | SIBITA Obligation | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | \$ 7,610,000 | \$ 1,341,922 | \$ 3,033,684 | \$ 1,357,209 | \$ 73,686 | \$ 17,217 | \$ 165,635 | \$ 10,405 |
| 2027 | 8,590,000 | 983,362 | 10,008,639 | 1,230,039 | 75,604 | 15,308 | 148,078 | 5,972 |
| 2028 | 8,215,000 | 763,650 | 10,035,916 | 770,691 | 77,572 | 13,349 | 85,022 | 3,058 |
| 2029 | 7,495,000 | 556,430 | 2,363,168 | 321,075 | 79,590 | 11,340 | 65,216 | 843 |
| 2030 | 5,775,000 | 354,045 | 2,443,066 | 233,277 | 81,661 | 9,278 | - | - |
| 2031-2034 | 7,800,000 | 345,780 | 4,365,154 | 297,951 | 318,027 | 15,499 | - | - |
| | <u>\$ 45,485,000</u> | <u>\$ 4,345,189</u> | <u>\$ 32,249,627</u> | <u>\$ 4,210,242</u> | <u>\$ 706,140</u> | <u>\$ 81,991</u> | <u>\$ 463,951</u> | <u>\$ 20,278</u> |

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Business-Type Activities

| Year Ending June 30, | Notes Payable (direct borrowings) | | Lease Obligation | | SBITA Obligation | |
|----------------------|-----------------------------------|----------------------|------------------|-----------------|------------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2026 | \$ 3,043,724 | \$ 1,122,773 | \$ 3,396 | \$ 906 | \$ 25,516 | \$ 1,412 |
| 2027 | 3,130,556 | 1,034,820 | 3,497 | 804 | 26,111 | 817 |
| 2028 | 3,218,106 | 945,370 | 3,602 | 699 | 26,773 | 155 |
| 2029 | 3,314,907 | 850,889 | 3,710 | 591 | - | - |
| 2030 | 3,328,490 | 754,521 | 3,822 | 480 | - | - |
| 2031-2035 | 11,249,954 | 2,387,008 | 12,167 | 737 | - | - |
| 2036-2040 | 2,585,000 | 1,558,878 | - | - | - | - |
| 2041-2045 | 3,050,000 | 1,071,275 | - | - | - | - |
| 2046-2050 | 2,920,000 | 354,430 | - | - | - | - |
| | <u>\$ 35,840,737</u> | <u>\$ 10,079,964</u> | <u>\$ 30,194</u> | <u>\$ 4,217</u> | <u>\$ 78,400</u> | <u>\$ 2,384</u> |

Pledge of Future Revenues

Sales Tax Pledge - The City has pledged three cents (77%) of future sales tax revenues to repay the original \$16,400,000, \$5,100,000, \$4,080,000, \$1,500,000, \$3,700,000, and \$5,090,000 of the 2009, 2021B, 2021C, 2022, 2022B and 2024 Sales Tax Revenue Notes, respectively. The notes are payable through 2031, 2031, 2025, 2031, 2028, and 2034 respectively. Proceeds from the notes provided financing for designated capital projects. The total principal and interest payable for the remainder of the life of the notes is \$20,712,029. Pledged sales taxes for the current year were \$36,461,573. Debt service payments on the notes of \$1,101,889 for the current fiscal year were 11.25% of pledged sales tax. Other sources of revenue such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged were \$44,531,298.

Utility Revenue Pledge - The City has pledged future net water, sewer and sanitation revenues to repay the original \$6,139,225 of the 2009 OWRB Note, \$42,837,500 of the 2010 OWRB Note, \$6,637,000 of the 2010A OWRB Note, and \$13,915,000 of the 2019 OWRB Notes payable which are payable through 2030, 2033, 2033 and 2048, respectively. Proceeds from the notes provided financing for construction and improvements to the wastewater treatment system. The total principal and interest payable for the remainder of the life of the notes is \$45,920,703. The notes are payable from the above-mentioned utility net revenues and are additionally secured with the above-mentioned three cents (or 77%) of future sales tax revenues. If the net utility revenues are sufficient to service the debt, the pledged sales tax revenues are transferred back to the General Fund. Pledged sales tax transferred in the current year was \$36,461,573 and was transferred back to the General Fund. Debt service payments on the notes were \$4,159,163 for the current fiscal year or 51.54% of pledged net utility revenues and 9.34% of pledged net utility revenues and sales tax. Other sources of revenue such as water and sewer are also pledged. Total net revenues including utilities and sales tax pledged were \$44,531,298.

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7. Net Position and Fund Balances

The following table shows the net position-governmental activities as restricted:

| Activity | Restricted By | Amount |
|---|------------------------|----------------------|
| Transportation fees | Enabling legislation | \$ 635,680 |
| Sidewalk fees | Enabling legislation | 589,777 |
| | | <u>1,225,457</u> |
| Cemetery Care Fund | Statutory requirements | 125,481 |
| 911 | Statutory requirements | 848,124 |
| | | <u>973,605</u> |
| Sales tax restrictions | External contracts | 671,942 |
| G.O. Bond Proceeds | External contracts | 1,076,866 |
| Donation animal shelter | External contracts | 30,723 |
| Public safety donations | External contracts | 29,120 |
| Police seized property | External contracts | 1,251,214 |
| Opioid | External contracts | 66,778 |
| Special projects | External contracts | 3,733,813 |
| Hotel/motel tax | External contracts | 574,242 |
| GO Debt Service Fund | External contracts | 8,394,048 |
| Debt Service Fund | External contracts | 3,433,445 |
| Culture and recreation donation | External contracts | 81,674 |
| | | <u>19,343,865</u> |
| Total Restricted Net Position - Governmental Activities | | <u>\$ 21,542,927</u> |

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

| | General Fund | Debt Service | Capital Improvement Fund G.O. Street Bond | Other Governmental Fund | Total |
|--|----------------------|---------------------|--|-------------------------|----------------------|
| Fund Balance: | | | | | |
| Nonspendable: | | | | | |
| Inventory | \$ 65,039 | \$ - | \$ - | \$ - | \$ 65,039 |
| | <u>65,039</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>65,039</u> |
| Restricted: | | | | | |
| Public safety | - | - | - | 2,434,489 | 2,434,489 |
| General obligation debt service | - | 8,963,609 | - | - | 8,963,609 |
| Capital improvements | - | - | 5,507,187 | 7,381,600 | 12,888,787 |
| Culture and recreation programs | - | - | - | 825,912 | 825,912 |
| Special project - general government | - | - | - | - | - |
| General government | - | - | - | 4,924,845 | 4,924,845 |
| Cemetery | - | - | - | 125,481 | 125,481 |
| Sub-total restricted | <u>-</u> | <u>8,963,609</u> | <u>5,507,187</u> | <u>15,692,327</u> | <u>30,163,123</u> |
| Committed: | | | | | |
| Reserve fund | 5,500,000 | - | - | - | 5,500,000 |
| Assigned in: | | | | | |
| Appropriation for use in next fiscal year budget | 4,365,555 | - | - | - | 4,365,555 |
| Sub-total assigned | <u>4,365,555</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,365,555</u> |
| Unassigned (deficit): | 14,216,186 | - | - | (1,493,870) | 12,722,316 |
| TOTAL FUND BALANCE | <u>\$ 24,146,780</u> | <u>\$ 8,963,609</u> | <u>\$ 5,507,187</u> | <u>\$ 14,198,457</u> | <u>\$ 52,816,033</u> |

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In October 2019, the City, by ordinance, created a General Fund Reserve Fund within the General Fund for the purpose of mitigating the effect of economic and financial crisis, for necessary cash flow management, and to enable the City to manage unforeseen emergencies including natural disasters or catastrophic events. Should such events occur that cause sales and use tax growth to fall below 2% of budget for two consecutive quarters or if unforeseen emergencies occur, a budget amendment confirming the nature of the event and authorizing the appropriation of Reserve Funds shall be approved by a two-third vote of the City Council members present. The amount of the reserve shall initially be two hundred thousand dollars (\$200,000) with a future goal of three months of operating capital in reserve of eleven million dollars (\$11,000,000). At the end of each fiscal year, staff will review the amount and recommend to the Council the same or a different amount to transfer to the reserve based on excess revenues over expenditures. Once reached, should the balance fall below the three-month operating reserve, a plan will be established to replenish the reserve to the required level. At June 30, 2025, the city had transferred \$5,500,000 to the reserve. This amount is part of the General Fund assigned fund balance. In October 2025, the City was able to transfer an additional \$1,000,000 bringing the total in the Reserve Fund to \$6,500,000.

Accounting Changes & Error Corrections:

Beginning with the fiscal year ended June 30, 2025, MEDA no longer met the quantitative threshold for presentation as a major fund. Due to this change, the Statement of Revenues, Expenditures and Changes in Fund Balances for Other Governmental Funds total beginning fund balance does not match the ending total fund balance of the prior fiscal year's financial statements. The effects of this accounting change to or within the financial reporting entity are summarized in the reconciliation below. In addition, the City/MPWA implemented GASB 101, *Compensated Absences*, requiring a restatement of the prior year for the change in the calculation of accrued compensated absences.

| | Governmental Activities | Governmental Funds -Major | Governmental Funds - Non-Major | Proprietary Funds/ Business Type Activities |
|--|----------------------------|------------------------------|-----------------------------------|--|
| Balance before restatement | \$ 113,803,256 | \$ 12,254,349 | \$ 12,254,349 | \$ 56,376,642 |
| Restatement for reclassification of Special Revenue Fund to non-major | - | (1,104,371) | 1,104,371 | - |
| Implementation GASB 101, Compensated Absences | (592,990) | - | - | (30,060) |
| Balance after restatement | \$ 113,210,266 | \$ 11,149,978 | \$ 13,358,720 | \$ 56,346,582 |

8. Risk Management

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

- **General Liability** – Covered through self-insurance. Covered through purchased commercial insurance is public officials and employment practices liability with stop-loss for individual claims in excess of \$250,000 and aggregate stop loss of \$3,000,000. All trucks as well as sanitation trucks are also covered through purchased commercial insurance. Fire trucks carry a \$50,000 deductible and sanitation trucks and the mobile command center carry at \$50,000 deductible.

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- Physical Property – Covered through purchased commercial insurance with a \$50,000 deductible for all other physical property, per occurrence, for all perils.
- Workers' Compensation – Workers' compensation is covered through self-insurance with a third party administering the claims process. The City carries stop-loss insurance for individual claims in excess of \$500,000 for non-uniform employees and \$750,000 for uniform employees.
- Employee's Group Medical – Covered through self-insurance using a third-party administrator to process medical claims. The City uses the third-party processor's estimates to record group insurance claims payable. The City also has a stop-loss policy which covers individual claims in excess of \$125,000 during any year after \$36,500 aggregated specific.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standards No. 10, 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 funds, changes in the claims liability for the City from June 30, 2023, to June 30, 2025, are as follows:

| | <u>Workers'</u> <u>Compensation</u> | <u>Health</u> <u>Care</u> | <u>General</u> <u>Liability</u> | <u>Total</u> |
|---------------------------------|--|------------------------------|------------------------------------|---------------------|
| Claims liability, June 30, 2023 | \$ 1,097,000 | \$ 668,000 | \$ 1,305,000 | \$ 3,070,000 |
| Claims and changes in estimates | 535,404 | 5,237,800 | (120,855) | 5,652,349 |
| Claims payments | <u>(539,404)</u> | <u>(5,033,800)</u> | <u>(34,645)</u> | <u>(5,607,849)</u> |
| Claims liability, June 30, 2024 | 1,093,000 | 872,000 | 1,149,500 | 3,114,500 |
| Claims and changes in estimates | 485,292 | 6,191,825 | 34,269 | 6,711,386 |
| Claims payments | <u>(329,292)</u> | <u>(6,145,825)</u> | <u>(56,269)</u> | <u>(6,531,386)</u> |
| Claims liability, June 30, 2025 | <u>\$ 1,249,000</u> | <u>\$ 918,000</u> | <u>\$ 1,127,500</u> | <u>\$ 3,294,500</u> |

Cash available to pay claims at June 30, was \$1,584,675.

9. Retirement Plan Participation

The City of Moore participates in four pension or retirement plans:

1. Oklahoma Police Pension and Retirement System (OPPRS) - a statewide cost-sharing plan
2. Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
3. City of Moore Defined Contribution Plan
4. City of Moore Deferred Compensation Plan

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Summary Defined Benefit Plans Balances:

| | <u>Governmental Activities</u> |
|--------------------------------------|------------------------------------|
| Net Pension Liability | |
| Police Pension System | \$ 6,713,500 |
| Firefighter's Pension System | <u>\$ 29,352,182</u> |
| Total Net Pension Liability | <u><u>\$ 36,065,682</u></u> |
| Deferred Outflows of Resources | |
| Police Pension System | \$ 7,869,096 |
| Firefighter's Pension System | <u>7,052,458</u> |
| Total Deferred Outflows of Resources | <u><u>\$ 14,921,554</u></u> |
| Deferred Inflows of Resources | |
| Police Pension System | \$ 1,255,844 |
| Firefighter's Pension System | <u>909,230</u> |
| Total Deferred Inflows of Resources | <u><u>\$ 2,165,074</u></u> |

Oklahoma Police Pension and Retirement Systems

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

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

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

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

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

Contributions -The contributions requirements of the Plan are at an established rate determined 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 \$1,389,213. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$1,428,248 during the calendar year and this is reported as both expense and revenue 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 \$1,401,473. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the City reported a liability of \$6,713,500 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2024. Based upon this information, the City's proportion was 2.563%.

For the year ended June 30, 2025, the City recognized pension expense of \$9,490,193. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,803,317 | \$ 54,754 |
| Changes of assumptions | - | 1,137,166 |
| Net difference between projected and actual earnings on pension plan investments | 3,594,677 | - |
| Change in proportion | 40,698 | 52,308 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 41,191 | 11,616 |
| City contributions subsequent to the measurement date | 1,389,213 | - |
| Total | <u>\$ 7,869,096</u> | <u>\$ 1,255,844</u> |

\$1,389,213 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

| | | |
|------|----|------------------|
| 2026 | \$ | 351,595 |
| 2027 | | 3,373,323 |
| 2028 | | 1,032,373 |
| 2029 | | 334,031 |
| 2030 | | 132,717 |
| | \$ | <u>5,224,039</u> |

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2024, 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) PubS-210 Employee (below median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021

Healthy retiree mortality rates were based on the PubS-2010 Healthy Retiree (below median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

Beneficiary mortality rates were based on the PubS-2010 Contingent survivor (below median) Mortality Table with rate set forward two years and projected generationally using SOA Scale MP-2021.

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

Disabled pensioners PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021

The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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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, 2024, are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|---|
| Fixed income | 5.65% |
| Domestic equity | 8.63% |
| International equity | 10.68% |
| Real estate | 9.55% |
| Private equity | 11.64% |
| Commodities | 0.00% |

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

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

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

| | <u>1% Decrease (6.5%)</u> | <u>Current Discount Rate (7.5%)</u> | <u>1% Increase (8.5%)</u> |
|--|-------------------------------|---|-------------------------------|
| Employers' net pension liability (asset) | \$ 16,327,679 | \$ 6,713,500 | \$ (1,415,416) |

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

Oklahoma Fire Pension and Retirement Systems

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

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

Normal Retirement:

- Hired Prior to November 1, 2013

Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

- Hired After November 1, 2013

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined 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 \$1,238,280. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$3,180,717 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting the amount of on-behalf payments made were \$3,132,763.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the City reported a liability of \$29,352,182 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2024. Based upon this information, the City's proportion was 2.229%.

For the year ended June 30, 2025, the City recognized pension expense of \$4,722,565. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 4,300,515 | \$ - |
| Changes of assumptions | 1,061,138 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 225,443 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 406,361 | 641,969 |
| City contributions during the measurement period | 46,164 | 41,818 |
| City contributions subsequent to the measurement date | 1,238,280 | - |
| Total | <u>\$ 7,052,458</u> | <u>\$ 909,230</u> |

In the year ending June 30, 2025, \$1,238,280 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 subsequent year. 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:

| | |
|------|---------------------|
| 2026 | \$ 794,568 |
| 2027 | 3,566,459 |
| 2028 | 434,859 |
| 2029 | 109,062 |
| | <u>\$ 4,904,948</u> |

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2024, 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 the MP-2021 scale for healthy lives and no mortality improvement for disabled lives.

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The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed income | 20% | 5.86% |
| Domestic equity | 42% | 8.78% |
| International equity | 20% | 10.68% |
| Real estate | 10% | 9.68% |
| Other assets | 8% | 6.44% |

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

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

| | <u>1% Decrease (6.5%)</u> | <u>Current Discount Rate (7.5%)</u> | <u>1% Increase (8.5%)</u> |
|----------------------------------|-------------------------------|---|-------------------------------|
| Employers' net pension liability | \$ 39,065,834 | \$ 29,352,182 | \$ 21,258,079 |

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

Defined Contribution Plan:

Plan Description – The City has provided a 401(a) defined contribution plan and trust known as the City of Moore Retirement Plan (the Plan) effective February 8, 2018. Prior to this date employer contributions were made into the 457(b) Plan. The Plan is administered by Reliance Trust Company of Atlanta, Georgia. The defined contribution plan is available to all full-time employees except those participating in

the state of Oklahoma Fire or Police Pension program. Separately audited financial statements are not available.

Funding Policy – Benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate upon employment, and do not make contributions to the plan. Beginning February 8, 2018, by City ordinance, the City, as the employer, is required to make contributions to the Plan, based on 7% of eligible wages. The employee is fully vested after 5 years of service. Employees hired prior to February 8, 2018, are fully vested. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting are used to pay Plan expenses, any remaining forfeitures are used to offset other Employer Contributions under the Plan for Plan Year. The authority to establish and amend the provisions of the Plan rests with the City Council. Contributions to the Plan for the year ended June 30, 2025, for employees and employer were \$-0- and \$847,221, respectively on covered wages of \$11,954,549.

Deferred Compensation Plan:

City employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death or in case of an unforeseeable emergency. The plan is administered by Massachusetts Mutual Life Insurance Company.

For the year ended June 30, 2025, employer contributions to the plan were \$-0- and employee contributions were \$837,612.

10. Postemployment Healthcare Plan

Plan Description. The City offers post-employment benefits (OPEB) options for Medical and prescription drug insurance to qualifying retirees and their dependents. Coverage is provided through self-insurance that collectively operates 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 communication between the employer and the plan member and 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 City of Moore Retirement Plan. Retirees may continue coverage with the City by paying the determined rate. Coverage is available for each of the lifetimes of retirees and their spouses. Authority to establish and amend benefit provisions rest with the City Council. Retirees may continue coverage with the City by paying the determined rate. Benefits are paid from general operating assets of the City as assessed by the self-insurance fund. The plan does not issue separate financial statements.

Benefits provided - The Plan covers all current retirees of the City who elected post-retirement medical coverage through the City Health Plan and future retired employees of the City fully self-insured health plan. In accordance with administrative policy, the benefit levels are the same as those afforded to active employees; this creates an implicit rate subsidy. The benefits offered by the City to retirees include health and prescription drug benefits. The retiree retains coverage with the City, by making an election within 30 days of termination of service and have 10+ years of creditable service in with the City and are at least 55 years old at the time of termination.

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The amount of benefit payments during fiscal year June 30, 2025, were \$745,498.

Employees Covered by Benefit Terms

| | |
|--|------------|
| Active Employees | 373 |
| Inactive or beneficiaries receiving benefits | <u>49</u> |
| Total | <u>422</u> |

Total OPEB Liability – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2025, which is also the measurement date.

Actuarial Assumptions- The total OPEB liability in the June 30, 2025, valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 4.21% 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:

| | |
|-------|------|
| 2025 | 6.5% |
| 2026 | 6.0% |
| 2027 | 6.0% |
| 2028 | 5.8% |
| 2029 | 5.5% |
| 2030 | 5.3% |
| 2031 | 5.0% |
| 2032 | 4.8% |
| 2033+ | 4.5% |

Changes in Total OPEB Liability -

| | Total OPEB Liability |
|---|-----------------------------|
| Balances at Beginning of Year | <u>\$ 22,000,071</u> |
| Changes for the Year: | |
| Service cost | 1,501,989 |
| Interest expense | 973,906 |
| Change in assumptions | (991,372) |
| Difference between expected and actual experience | (1,381,599) |
| Benefits paid | <u>(745,498)</u> |
| Net Changes | <u>(642,574)</u> |
| Balances End of Year | <u>\$ 21,357,497</u> |

OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2025, the City recognized OPEB expense (benefit) of (\$2,193,132). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,746,793 | \$ 22,734,227 |
| Changes of assumptions | 2,897,508 | 4,589,500 |
| Changes of proportion | 1,515,875 | 1,515,874 |
| Net difference between projected and actual earnings on OPEB plan investments | - | - |
| Total | <u>\$ 7,160,176</u> | <u>\$ 28,839,601</u> |

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

Year Ended June 30:

| | |
|------------|------------------------|
| 2026 | \$ (4,669,027) |
| 2027 | (4,669,036) |
| 2028 | (3,653,890) |
| 2029 | (3,663,841) |
| 2030 | (2,621,364) |
| Thereafter | (2,402,267) |
| | <u>\$ (21,679,425)</u> |

Sensitivity of the City's total OPEB liability to changes in the discount rate- The following presents the City's total OPEB liability, as well as what the City's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

| | 1% Decrease (4.20%) | Current Discount Rate 5.20%) | 1% Increase (6.20%) |
|---------------------------------|----------------------|---------------------------------|---------------------|
| Employers' total OPEB liability | \$ 24,136,143 | \$ 21,357,497 | \$ 19,036,977 |

Sensitivity of the City's total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.00 percent decreasing to 3.50 percent) or 1- percentage point higher (9.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

| | 1% Decrease 7.00% decreasing to 3.50%) | Current Discount Rate 8.00% decreasing to 4.50%) | 1% Increase (9.00% decreasing to 5.5%) |
|---------------------------------|---|--|---|
| Employers' total OPEB liability | \$ 18,872,153 | \$ 21,357,497 | \$ 24,451,445 |

11. Commitments and Contingencies

Construction Contracts Outstanding

The following construction contracts were outstanding at June 30, 2025:

| | |
|----------------------|---------------------|
| City Hall renovation | \$ 1,222,347 |
| | <u>\$ 1,222,347</u> |

Litigation

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Grant Programs

The City of Moore participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Privatization of Public Works Services

The City through the MPWA entered into an agreement with Veolia Water to manage, operate and maintain the wastewater treatment plant and the water facilities. MPWA pays an annual contract fee for all Veolia Water services. This fee includes maintenance and repairs of \$139,353. Any maintenance and repairs incurred over this amount are reimbursed by MPWA. The annual fee is paid in monthly installments and is adjusted each contract year based upon the consumer price index for urban consumers. For the year ended June 30, 2025, MPWA paid \$3,943,177 for the annual fee and \$2,449,238 in maintenance and repair costs.

Economic Development Incentive Agreement

MEDA and the City have entered into an incentive agreement with a retailer for the development of a retail facility within the City limits of Moore. Under the terms of the agreement MEDA will pay the retailer an incentive of \$5,145,525 upon obtaining a certificate of occupancy for the Facility. The incentive will be amortized over six years (\$71,466 per month). The retailer must remain open and fully operational for six years from the date of opening to the general public. If the retailer fails to remain open for the six years, they must reimburse the city the pro-rata shares of the incentive. In addition, the city will waive certain building permit fees. The Facility opened in FY 2023 and the incentive has been paid each year.

12. Subsequent Events

In November 2023, the citizens approved the issuance of \$49,390,000 of General Obligation Bonds to provide funds for the construction, reconstruction, and improving or repairing streets or bridges. The bonds will be issued in future years at 4% interest. The city will levy a property tax for repayment of the bonds. In August 2025, the city issued \$9,450,000 of General Obligation bonds approved by voters to continue engineering and design work on seven arterial street projects and city wide arterial street repair and maintenance.

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REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules – Year Ended June 30, 2025

| | GENERAL FUND | | | |
|--|-------------------|-------------------|----------------------------------|--|
| | Budgeted Amounts | | Actual Amounts (Budget Basis) | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| Beginning Budgetary Fund Balance: | \$ 2,269,582 | \$ 2,728,679 | \$ 24,394,312 | \$ 21,665,633 |
| Resources (Inflows): | | | | |
| Taxes | 46,636,500 | 46,636,500 | 46,119,220 | (517,280) |
| Intergovernmental | 832,055 | 978,186 | 1,277,449 | 299,263 |
| Charges for services | 2,246,154 | 2,246,154 | 2,747,797 | 501,643 |
| Fines and forfeitures | 1,610,107 | 1,610,107 | 1,902,127 | 292,020 |
| Licenses and permits | 714,240 | 714,240 | 683,474 | (30,766) |
| Investment income | 475,000 | 475,000 | 637,109 | 162,109 |
| Miscellaneous | 462,063 | 462,063 | 1,234,070 | 772,007 |
| Total Resources (Inflows) | <u>52,976,119</u> | <u>53,122,250</u> | <u>54,601,246</u> | <u>1,478,996</u> |
| Amounts available for appropriation | <u>55,245,701</u> | <u>55,850,929</u> | <u>78,995,558</u> | <u>23,144,629</u> |
| Charges to Appropriations (Outflows): | | | | |
| General government | 14,642,075 | 14,866,198 | 11,325,750 | 3,540,448 |
| Public safety | 31,727,057 | 31,827,283 | 31,117,994 | 709,289 |
| Streets | 3,500 | 114,877 | - | 114,877 |
| Public works | 8,855,653 | 9,068,379 | 8,085,513 | 982,866 |
| Culture and recreation | 7,085,170 | 7,119,173 | 5,494,999 | 1,624,174 |
| Community development | 2,932,246 | 3,055,019 | 2,430,249 | 624,770 |
| Total Charges to Appropriations | <u>65,245,701</u> | <u>66,050,929</u> | <u>58,454,505</u> | <u>7,596,424</u> |
| Other financing sources (uses) | | | | |
| Transfers from other funds | 46,100,000 | 46,300,000 | 38,957,271 | (7,342,729) |
| Transfers to other funds | (36,100,000) | (36,100,000) | (35,351,544) | 748,456 |
| Total other financing sources (uses) | <u>10,000,000</u> | <u>10,200,000</u> | <u>3,605,727</u> | <u>(6,594,273)</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,146,780</u> | <u>\$ 24,146,780</u> |

Footnotes to Budgetary Comparison Schedule:

1. The budgetary comparison schedules and budgetary fund balance amounts are reported on the modified cash basis of accounting. In addition, obligations that are required to be funded from ending budgetary fund balances are subtracted from total ending budgetary fund balances to arrive at the unassigned budgetary fund balance. This presentation of unassigned fund balances on a budgetary basis is used to demonstrate compliance with Article 10, § 26 of the Oklahoma State Constitution.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation between departments and object categories require the approval of the City Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.

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3. The budgetary basis differs from the modified accrual (GAAP) basis as shown in the schedules below:

| GENERAL FUND | <u>Fund Balance</u> <u>June 30, 2024</u> | <u>Net Change in</u> <u>Fund Balance</u> | <u>Fund Balance</u> <u>June 30, 2025</u> |
|---------------------------------------|---|---|---|
| Budget to GAAP Reconciliation: | | | |
| Fund Balance - GAAP Basis | \$ 24,394,312 | \$ (247,532) | \$ 24,146,780 |
| Increases (Decreases): | | | |
| Revenues: | | | |
| State on-behalf payments | 4,525,828 | 83,137 | 4,608,965 |
| Expenditures: | | | |
| State on-behalf payments | (4,525,828) | (83,137) | (4,608,965) |
| Fund Balance - Budgetary Basis | <u>\$ 24,394,312</u> | <u>\$ (247,532)</u> | <u>\$ 24,146,780</u> |

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Schedule of Employer's Share of Net Pension Liability (Asset)
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years*

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF MOORE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------------|--------------|--------------|----------------|--------------|--------------|-----------------|----------------|--------------|---------------|
| City's proportion of the net pension liability (asset) | 2.7040% | 2.6310% | 2.2789% | 2.8772% | 2.6376% | 2.6860% | 2.5725% | 2.5329% | 2.5726% | 2.5630% |
| City's proportionate share of the net pension liability (asset) | \$ 110,262 | \$ 4,029,298 | \$ 204,598 | \$ (1,370,565) | \$ (168,386) | \$ 3,084,988 | \$ (12,340,663) | \$ (2,031,193) | \$ (785,678) | \$ 6,713,500 |
| City's covered-employee payroll | \$7,025,373 | \$ 7,643,723 | \$ 7,759,192 | \$ 8,776,362 | \$ 8,590,422 | \$ 8,665,715 | \$ 8,902,620 | \$ 9,072,711 | \$ 9,678,916 | \$ 10,653,418 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 1.57% | 52.71% | 2.64% | 15.62% | 1.96% | 35.60% | -138.62% | -22.39% | -8.12% | 63.02% |
| Plan fiduciary net position as a percentage of the total pension liability | 99.82% | 93.50% | 99.68% | 101.89% | 100.24% | 95.80% | 117.07% | 102.74% | 101.02% | 92.40% |

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

Schedule of Employer Contributions
Oklahoma Police Pension and Retirement System
Last 10 Fiscal Years*

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Statutorily required contribution | \$ 993,684 | \$ 1,008,695 | \$ 1,140,927 | \$ 1,116,755 | \$ 1,126,543 | \$ 1,157,364 | \$ 1,179,452 | \$ 1,258,259 | \$ 1,384,945 | \$ 1,389,213 |
| Contributions in relation to the statutorily required contribution | 993,684 | 1,008,695 | 1,140,927 | 1,116,755 | 1,126,543 | 1,157,364 | 1,179,452 | 1,258,259 | 1,384,945 | 1,389,213 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered-employee payroll | \$ 7,643,723 | \$ 7,759,192 | \$ 8,776,362 | \$ 8,590,422 | \$ 8,665,715 | \$ 8,902,620 | \$ 9,072,711 | \$ 9,678,916 | \$ 10,653,418 | \$ 10,686,241 |
| Contributions as a percentage of covered-employee payroll | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |

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

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Schedule of Employer's Share of Net Pension Liability
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years*

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability | 2.392% | 2.410% | 2.483% | 2.449% | 2.437% | 2.279% | 2.373% | 2.176% | 2.223% | 2.229% |
| City's proportionate share of the net pension liability | \$ 25,369,550 | \$ 29,445,848 | \$ 31,231,622 | \$ 27,568,472 | \$ 25,754,408 | \$ 28,084,392 | \$ 15,624,965 | \$ 28,451,719 | \$ 28,676,582 | \$ 29,352,182 |
| City's covered-employee payroll | \$ 6,477,449 | \$ 6,535,686 | \$ 6,741,843 | \$ 7,299,537 | \$ 7,533,555 | \$ 7,322,650 | \$ 7,348,721 | \$ 7,491,623 | \$ 7,988,902 | \$ 8,941,177 |
| City's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 392% | 451% | 463% | 378% | 342% | 384% | 213% | 380% | 359% | 328% |
| Plan fiduciary net position as a percentage of the total pension liability | 68.27% | 64.87% | 66.61% | 70.73% | 72.85% | 69.98% | 68.12% | 69.49% | 70.90% | 71.94% |

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

Schedule of Employer Contributions
Oklahoma Firefighters' Pension and Retirement System
Last 10 Fiscal Years*

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------------|-------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 914,996 | \$ 943,858 | \$1,021,935 | \$ 1,054,699 | \$ 1,025,171 | \$1,028,821 | \$ 1,048,828 | \$ 1,118,447 | \$ 1,251,755 | \$ 1,238,280 |
| Contributions in relation to the statutorily required contribution | 914,996 | 943,858 | 1,021,935 | 1,054,699 | 1,025,171 | 1,028,821 | 1,048,828 | 1,118,447 | 1,251,755 | 1,238,280 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| City's covered-employee payroll | \$ 6,535,686 | \$6,741,843 | \$7,299,537 | \$ 7,533,555 | \$ 7,322,650 | \$7,348,721 | \$ 7,491,623 | \$ 7,988,902 | \$ 8,941,177 | \$ 8,844,855 |
| Contributions as a percentage of covered-employee payroll | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

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

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Schedule of changes in Total OPEB Liability and Related Ratios
Postemployment Health Insurance Implicit Rate Subsidy Plan
Last Ten Fiscal Years

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total OPEB Liability | | | | | | | | |
| Service cost | \$ 3,097,823 | \$ 2,563,705 | \$ 2,678,599 | \$ 3,054,034 | \$ 2,671,726 | \$ 1,493,527 | \$ 1,757,635 | 1,501,989 |
| Interest | 1,601,280 | 1,516,177 | 1,461,945 | 1,208,437 | 855,619 | 1,008,234 | 1,259,120 | 973,906 |
| Changes in assumptions | (149,414) | 2,039,209 | 3,628,662 | 2,515,106 | (6,435,018) | (155,074) | 150,394 | (991,372) |
| Experience Gain/(Loss) | (8,885,060) | (3,044,460) | (3,539,026) | (11,897,453) | (9,516,120) | 4,120,190 | (9,383,672) | (1,381,599) |
| Benefit payments | (723,330) | (638,952) | (794,520) | (857,365) | (858,509) | (776,928) | (1,015,592) | (745,498) |
| Net change in total OPEB liability | (5,058,701) | 2,435,679 | 3,435,660 | (5,977,241) | (13,282,302) | 5,689,949 | (7,232,115) | (642,574) |
| Balances at Beginning of Year | 41,989,142 | 36,930,441 | 39,366,120 | 42,801,780 | 36,824,539 | 23,542,237 | 29,232,186 | 22,000,071 |
| Balances End of Year | \$ 36,930,441 | \$ 39,366,120 | \$ 42,801,780 | \$ 36,824,539 | \$ 23,542,237 | \$ 29,232,186 | \$ 22,000,071 | \$ 21,357,497 |
| Covered employee payroll | \$ 18,718,203 | \$ 19,973,284 | \$ 20,055,218 | \$ 20,875,837 | \$ 22,044,314 | \$ 22,705,643 | \$ 26,434,028 | \$ 30,255,287 |
| Total OPEB liability as a percentage of covered-employee payroll | 197.30% | 197.10% | 213.40% | 177.20% | 106.80% | 128.70% | 83.20% | 70.60% |

Notes to Schedule:

Ten year data is not available.

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OTHER SUPPLEMENTARY INFORMATION

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Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2025

| | Special Revenue | | | | | Capital Project Funds | | | | |
|--|---------------------|-------------------------|-------------------------------|-------------------------------|------------------------------------|----------------------------------|------------------------------|-----------------------|-----------------------|---------------|
| | CDBG DR HUD Fund | Special Revenue Fund | Moore Econ. Dev. Authority | Urban Renewal Authority | Cemetery Perpetual Care Fund | 2012 Park Improvement Fund | Street 1/2 Cent Sales Tax | 1/8 Cent Sales Tax | 1/4 Cent Sales Tax | Totals |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 217,736 | \$ 4,465,385 | \$ 4,014,616 | \$ 186,746 | \$ 125,481 | \$ 60,772 | \$ 3,358,373 | \$ 1,222,979 | \$ 1,936,528 | \$ 15,588,616 |
| Accounts receivable | - | 68,719 | - | - | - | - | - | - | - | 68,719 |
| Due from other governments | - | 1,050,704 | - | - | - | - | 1,063,371 | 265,843 | 531,687 | 2,911,605 |
| Total assets | 217,736 | 5,584,808 | 4,014,616 | 186,746 | 125,481 | 60,772 | 4,421,744 | 1,488,822 | 2,468,215 | 18,568,940 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable and accrued liabilities | 1,060,331 | \$ 391,375 | \$ - | 41,061 | - | - | 1,353,322 | 601,053 | 2,151 | 3,449,293 |
| Wages payable | - | 458 | - | - | - | - | 3,070 | - | - | 3,528 |
| Unearned revenue | - | 10,961 | - | - | - | - | - | - | - | 10,961 |
| Due to other funds | - | 109,741 | - | - | - | - | - | - | - | 109,741 |
| Total liabilities | 1,060,331 | 512,535 | - | 41,061 | - | - | 1,356,392 | 601,053 | 2,151 | 3,573,523 |
| Deferred inflows: | | | | | | | | | | |
| Unavailable revenue | - | - | - | 796,960 | - | - | - | - | - | 796,960 |
| Fund balances: | | | | | | | | | | |
| Restricted | - | 5,072,273 | 4,014,616 | - | 125,481 | 60,772 | 3,065,352 | 887,769 | 2,466,064 | 15,692,327 |
| Unassigned (deficit) | (842,595) | - | - | (651,275) | - | - | - | - | - | (1,493,870) |
| Total fund balances | (842,595) | 5,072,273 | 4,014,616 | (651,275) | 125,481 | 60,772 | 3,065,352 | 887,769 | 2,466,064 | 14,198,457 |
| Total liabilities and fund balances | \$ 217,736 | \$ 5,584,808 | \$ 4,014,616 | \$ 186,746 | \$ 125,481 | \$ 60,772 | \$ 4,421,744 | \$ 1,488,822 | \$ 2,468,215 | \$ 18,568,940 |

CITY OF MOORE, OKLAHOMA
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Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2025

| | Special Revenue | | | | | Capital Project Funds | | | | Total Nonmajor Governmental Funds |
|---|------------------|----------------------|----------------------------|-------------------------|------------------------------|----------------------------|---------------------------|--------------------|--------------------|-----------------------------------|
| | CDBG DR HUD Fund | Special Revenue Fund | Moore Econ. Dev. Authority | Urban Renewal Authority | Cemetery Perpetual Care Fund | 2012 Park Improvement Fund | Street 1/2 Cent Sales Tax | 1/8 Cent Sales Tax | 1/4 Cent Sales Tax | |
| REVENUES | | | | | | | | | | |
| Taxes | \$ - | \$ 713,272 | \$ - | \$ - | \$ - | \$ - | \$ 6,111,485 | \$ 1,527,871 | \$ 3,055,741 | \$ 11,408,369 |
| Intergovernmental | - | 3,092,602 | - | - | - | - | - | - | - | 3,092,602 |
| Charges for services | - | 133,069 | - | - | 21,297 | - | - | - | - | 154,366 |
| Investment income | - | 89,998 | 205,329 | 5,258 | - | 2,435 | 116,513 | 100,781 | 28,110 | 548,424 |
| Miscellaneous | - | 162,113 | - | - | - | - | 56,680 | - | - | 218,793 |
| Total revenues | - | 4,191,054 | 205,329 | 5,258 | 21,297 | 2,435 | 6,284,678 | 1,628,652 | 3,083,851 | 15,422,554 |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | - | - | 86,350 | - | 599 | - | - | - | - | 86,949 |
| Public safety | - | 433,273 | - | - | - | - | 695,769 | - | - | 1,129,042 |
| Culture and recreation | - | 1,185 | - | - | - | - | - | - | - | 1,185 |
| Community development | 985 | 49,051 | - | - | - | - | - | - | - | 50,036 |
| Capital outlay | - | 3,312,015 | - | 1,350,202 | - | - | 6,985,549 | 2,972,792 | 742,723 | 15,363,281 |
| Debt service: | | | | | | | | | | |
| Principal retirement | - | - | 3,380,676 | - | - | - | - | - | - | 3,380,676 |
| Interest and fiscal charges | - | - | 741,068 | - | - | - | - | - | - | 741,068 |
| Total expenditures | 985 | 3,795,524 | 4,208,094 | 1,350,202 | 599 | - | 7,681,318 | 2,972,792 | 742,723 | 20,752,237 |
| Revenues over (under) expenditures | (985) | 395,530 | (4,002,765) | (1,344,944) | 20,698 | 2,435 | (1,396,640) | (1,344,140) | 2,341,128 | (5,329,683) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Debt proceeds | - | - | 19,090,867 | - | - | - | - | - | - | 19,090,867 |
| Transfers in | - | 4,000 | 4,013,461 | 900,000 | - | - | 176,422 | - | - | 5,093,883 |
| Transfers out | - | - | (16,191,318) | - | - | - | - | - | (1,824,012) | (18,015,330) |
| Total other financing sources (uses) | - | 4,000 | 6,913,010 | 900,000 | - | - | 176,422 | - | (1,824,012) | 6,169,420 |
| Net change in fund balances | (985) | 399,530 | 2,910,245 | (444,944) | 20,698 | 2,435 | (1,220,218) | (1,344,140) | 517,116 | 839,737 |
| Fund balances - beginning, as previously reported | (841,610) | 4,672,743 | - | (206,331) | 104,783 | 58,337 | 4,285,570 | 2,231,909 | 1,948,948 | 12,254,349 |
| Restatement | - | - | 1,104,371 | - | - | - | - | - | - | 1,104,371 |
| Fund balances -beginning, as restated | (841,610) | 4,672,743 | 1,104,371 | (206,331) | 104,783 | 58,337 | 4,285,570 | 2,231,909 | 1,948,948 | 13,358,720 |
| Fund balances - ending | \$ (842,595) | \$ 5,072,273 | \$ 4,014,616 | \$ (651,275) | \$ 125,481 | \$ 60,772 | \$ 3,065,352 | \$ 887,769 | \$ 2,466,064 | \$ 14,198,457 |

CITY OF MOORE, OKLAHOMA
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Combining Schedule of Net Position – Moore Public Works Authority Accounts – June 30, 2025

| | Moore Public Works Authority | | |
|--|-------------------------------------|------------------------|----------------------|
| | MPWA | MPWA Sinking | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 9,203,309 | \$ (1,408,942) | \$ 7,794,367 |
| Cash and cash equivalents, restricted | 1,446,756 | 2,346,009 | 3,792,765 |
| Investments | 5,700,509 | - | 5,700,509 |
| Investments, restricted | 438,997 | - | 438,997 |
| Accounts receivable, net | 2,965,736 | - | 2,965,736 |
| Leases receivable | 136,327 | - | 136,327 |
| Accrued interest receivable | 60,407 | - | 60,407 |
| Due from other funds | 103,056 | - | 103,056 |
| Total current assets | <u>20,055,097</u> | <u>937,067</u> | <u>20,992,164</u> |
| Non-current assets: | | | |
| Land, construction in progress, and water rights | 4,309,328 | - | 4,309,328 |
| Other capital assets, net | <u>81,740,115</u> | <u>-</u> | <u>81,740,115</u> |
| Total non-current assets | <u>86,049,443</u> | <u>-</u> | <u>86,049,443</u> |
| Total assets | <u>106,104,540</u> | <u>937,067</u> | <u>107,041,607</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred amounts related to OPEB | 922,650 | - | 922,650 |
| Deferred amounts asset retirement obligation | <u>3,952,240</u> | <u>-</u> | <u>3,952,240</u> |
| Total deferred outflow of resources | <u>4,874,890</u> | <u>-</u> | <u>4,874,890</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 2,680,064 | - | 2,680,064 |
| Wages payable | 5,248 | - | 5,248 |
| Accrued interest payable | - | 333,019 | 333,019 |
| Accrued compensated absences | 6,269 | - | 6,269 |
| Lease liability | 3,396 | - | 3,396 |
| SBITA liability | 25,516 | - | 25,516 |
| Refundable deposits | 289,351 | - | 289,351 |
| Notes payable | - | 3,043,724 | 3,043,724 |
| Total current liabilities | <u>3,009,844</u> | <u>3,376,743</u> | <u>6,386,587</u> |
| Non-current liabilities: | | | |
| Accrued compensated absences | 62,696 | - | 62,696 |
| Asset retirement obligation | 4,658,000 | - | 4,658,000 |
| Total OPEB liability | 1,034,409 | - | 1,034,409 |
| Refundable deposits | 1,182,405 | - | 1,182,405 |
| Lease liability | 26,798 | - | 26,798 |
| SBITA liability | 52,884 | - | 52,884 |
| Notes payable | - | 33,647,762 | 33,647,762 |
| Total non-current liabilities | <u>7,017,192</u> | <u>33,647,762</u> | <u>40,664,954</u> |
| Total liabilities | <u>10,027,036</u> | <u>37,024,505</u> | <u>47,051,541</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Deferred amounts related to leases | 19,610 | - | 19,610 |
| Deferred amounts related to OPEB | <u>2,092,546</u> | <u>-</u> | <u>2,092,546</u> |
| Total deferred inflow of resources | <u>2,112,156</u> | <u>-</u> | <u>2,112,156</u> |
| NET POSITION | | | |
| Net investment in capital assets | 85,940,849 | (35,663,524) | 50,277,325 |
| Restricted for debt service | 986,027 | - | 986,027 |
| Unrestricted (deficit) | <u>11,913,362</u> | <u>(423,914)</u> | <u>11,489,448</u> |
| Total net position | <u>\$ 98,840,238</u> | <u>\$ (36,087,438)</u> | <u>\$ 62,752,800</u> |

CITY OF MOORE, OKLAHOMA
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Combining Schedule of Revenues, Expenses and Changes in Net Position – Moore Public Works Authority Accounts – Year Ended June 30, 2025

| | <u>Moore Public Works Authority</u> | | |
|--|--|----------------------------|----------------------|
| | <u>MPWA</u> | <u>MPWA Sinking</u> | <u>Total</u> |
| OPERATING REVENUES | | | |
| Charges for services | \$ 29,002,448 | \$ - | \$ 29,002,448 |
| Miscellaneous | 477,211 | - | 477,211 |
| Total operating revenues | <u>29,479,659</u> | <u>-</u> | <u>29,479,659</u> |
| OPERATING EXPENSES | | | |
| Water and wastewater | 17,024,567 | (47,801) | 16,976,766 |
| Sanitation | 4,433,168 | - | 4,433,168 |
| Depreciation | 4,565,881 | - | 4,565,881 |
| Total operating expenses | <u>26,023,616</u> | <u>(47,801)</u> | <u>25,975,815</u> |
| Operating income | <u>3,456,043</u> | <u>47,801</u> | <u>3,503,844</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Investment income | 808,460 | 96,627 | 905,087 |
| Interest expense and fiscal charges | (1,795) | (1,137,510) | (1,139,305) |
| Other non-operating revenue | 611,933 | - | 611,933 |
| Total non-operating revenue (expenses) | <u>1,418,598</u> | <u>(1,040,883)</u> | <u>377,715</u> |
| Income (loss) before contributions and transfers | <u>4,874,641</u> | <u>(993,082)</u> | <u>3,881,559</u> |
| Capital asset transfers in and capital contributions | 5,020,357 | - | 5,020,357 |
| Transfers in - interaccount | 18,287 | 4,156,897 | 4,175,184 |
| Transfers out - interaccount | (4,156,897) | (18,287) | (4,175,184) |
| Transfers in | 36,461,573 | - | 36,461,573 |
| Transfers out | <u>(38,957,271)</u> | <u>-</u> | <u>(38,957,271)</u> |
| Change in net position | 3,260,690 | 3,145,528 | 6,406,218 |
| Total net position - beginning, as previously reported | 95,609,608 | (39,232,966) | 56,376,642 |
| Restatement | (30,060) | - | (30,060) |
| Net position, beginning, restated | <u>95,579,548</u> | <u>(39,232,966)</u> | <u>56,346,582</u> |
| Total net position - ending | <u>\$ 98,840,238</u> | <u>\$ (36,087,438)</u> | <u>\$ 62,752,800</u> |

CITY OF MOORE, OKLAHOMA
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Combining Schedule of Cash Flows – Moore Public Works Authority Accounts – June 30, 2025

| | Moore Public Works Authority | | |
|---|-------------------------------------|---------------------|----------------------|
| | MPWA | MPWA Sinking | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 30,235,113 | \$ - | \$ 30,235,113 |
| Payments to suppliers | (22,424,984) | (189,499) | (22,614,483) |
| Payments to employees | (1,489,766) | - | (1,489,766) |
| Receipt of customer deposits | 279,720 | - | 279,720 |
| Return of customer deposits | (259,728) | - | (259,728) |
| Net cash provided by (used in) operating activities | 6,340,355 | (189,499) | 6,150,856 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from other funds - interaccount | 18,287 | 4,156,897 | 4,175,184 |
| Transfers to other funds - interaccount | (4,156,897) | (18,287) | (4,175,184) |
| Transfers from other funds | 36,461,573 | - | 36,461,573 |
| Transfers to other funds | (38,957,271) | - | (38,957,271) |
| Net cash provided by (used in) noncapital financing activities | (6,634,308) | 4,138,610 | (2,495,698) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Capital assets purchased | (1,911,209) | - | (1,911,209) |
| Principal paid on capital debt | - | (2,958,730) | (2,958,730) |
| Interest and fiscal charges paid on capital debt | (1,795) | (1,203,183) | (1,204,978) |
| Capital grants | 194,908 | - | 194,908 |
| Net cash provided by (used in) capital and related financing activities | (1,718,096) | (4,161,913) | (5,880,009) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Sale (Purchase) of investments | 208,209 | - | 208,209 |
| Interest and dividends | 923,231 | 96,627 | 1,019,858 |
| Net cash provided by investing activities | 1,131,440 | 96,627 | 1,228,067 |
| Net increase (decrease) in cash and cash equivalents | (880,609) | (116,175) | (996,784) |
| Balances - beginning of year | 11,530,674 | 1,053,242 | 12,583,916 |
| Balances - end of year | \$ 10,650,065 | \$ 937,067 | \$ 11,587,132 |
| Reconciliation to Statement of Net Position: | | | |
| Cash and cash equivalents | \$ 9,203,309 | \$ (1,408,942) | \$ 7,794,367 |
| Restricted cash and cash equivalents | 1,446,756 | 2,346,009 | 3,792,765 |
| Total cash and cash equivalents | \$ 10,650,065 | \$ 937,067 | \$ 11,587,132 |
| Reconciliation of operating income to net cash provided by (used in) operating activities: | | | |
| Operating income | \$ 3,456,043 | \$ 47,801 | \$ 3,503,844 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | | |
| Depreciation expense | 4,565,881 | - | 4,565,881 |
| Miscellaneous non-operating revenue | 611,933 | - | 611,933 |
| Change in assets, liabilities and deferrals: | | | |
| Receivables, net | 122,763 | - | 122,763 |
| Lease receivable | 20,758 | - | 20,758 |
| Deferred outflow related to OPEB | 216,855 | - | 216,855 |
| Deferred amounts asset retirement obligation | 141,152 | - | 141,152 |
| Accounts payable | (2,227,022) | (237,300) | (2,464,322) |
| Due to employees | (45,952) | - | (45,952) |
| Lease liability | (3,297) | - | (3,297) |
| SBITA liability | (25,133) | - | (25,133) |
| Refundable deposits | 19,992 | - | 19,992 |
| Total OPEB liability | (90,587) | - | (90,587) |
| Accrued compensated absences | (76,201) | - | (76,201) |
| Deferred inflow related to leases | (49,350) | - | (49,350) |
| Deferred inflow related to OPEB | (297,480) | - | (297,480) |
| Net cash provided by (used in) operating activities | \$ 6,340,355 | \$ (189,499) | \$ 6,150,856 |
| Noncash activities: | | | |
| Contributed capital assets | \$ 5,020,357 | \$ - | \$ 5,020,357 |
| SBITA asset | 103,553 | - | 103,553 |
| | \$ 5,123,910 | \$ - | \$ 5,123,910 |

CITY OF MOORE, OKLAHOMA
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Debt Service Coverage Schedule - Year Ended June 30, 2025

DEBT SERVICE COVERAGE:

GROSS REVENUE AVAILABLE:

| | |
|-------------------------------|-------------------|
| System wide gross revenues | \$ 29,479,659 |
| Pledged sales tax | <u>36,461,573</u> |
| Total Gross Revenue Available | <u>65,941,232</u> |

OPERATING EXPENSES:

| | |
|--------------------------|-------------------|
| Total Operating Expenses | <u>21,409,934</u> |
|--------------------------|-------------------|

| | |
|--|----------------------|
| Net Revenue Available for Debt Service | <u>\$ 44,531,298</u> |
|--|----------------------|

Maximum Annual Debt Service

MPWA:

| | |
|-------------------|------------|
| OWRB Series 2009 | \$ 158,135 |
| OWRB Series 2010 | 2,747,595 |
| OWRB Series 2010B | 420,030 |
| OWRB Series 2019 | 840,735 |

MEDA:

| | |
|--|---------------------|
| Public Safety Revenue Note - Series 2009 | 1,197,760 |
| Sales Tax Revenue Note - Series 2021B | 604,554 |
| Sales Tax Revenue Note - Series 2021C | 0 |
| Sales Tax Revenue Note - Series 2022 | 188,235 |
| Sales Tax Revenue Note - Series 2022B | 890,305 |
| Sales Tax Revenue Note - Series 2024 | 696,748 |
| | <u>\$ 7,744,097</u> |

| | |
|-------------------|-------------|
| Computed Coverage | <u>575%</u> |
|-------------------|-------------|

| | |
|----------------------|--------------------|
| Coverage Requirement | <u><u>125%</u></u> |
|----------------------|--------------------|

CITY OF MOORE, OKLAHOMA
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As of and for the Year Ended June 30, 2025

STATISTICAL INFORMATION

CITY OF MOORE, OKLAHOMA
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General Government Expenditures by Function
Last Ten Fiscal Years

| Fiscal Year | General Government | Public Safety | Streets | Public Works | Culture & Recreation | Community Development | Debt Service | Total |
|----------------|-----------------------|------------------|---------------|-----------------|-------------------------|--------------------------|-----------------|----------------|
| 2024-25 | \$ 10,035,809 | \$ 36,785,641 | \$ 26,562,148 | \$ 11,058,305 | \$ 6,652,375 | \$ 4,422,801 | \$ 13,099,883 | \$ 108,616,962 |
| 2023-24 | 8,993,074 | 34,973,276 | 18,813,332 | 9,932,474 | 10,547,905 | 3,456,160 | 13,448,489 | 100,164,710 |
| 2022-23 | 6,969,409 | 31,642,454 | 28,326,414 | 12,864,973 | 7,649,539 | 3,536,345 | 12,074,332 | 103,063,466 |
| 2021-22 | 7,016,146 | 28,864,694 | 14,258,859 | 16,661,191 | 5,694,238 | 3,242,177 | 11,286,702 | 87,024,007 |
| 2020-21 | 7,169,112 | 27,180,626 | 13,347,446 | 7,450,436 | 4,532,972 | 2,508,399 | 9,999,337 | 72,188,328 |
| 2019-20 | 6,252,784 | 27,763,716 | 9,432,134 | 4,196,571 | 6,181,417 | 12,924,544 | 10,115,387 | 76,866,553 |
| 2018-19 | 5,360,196 | 27,523,795 | 4,638,769 | 4,224,031 | 4,986,283 | 13,298,349 | 10,721,776 | 70,753,199 |
| 2017-18 | 5,571,248 | 27,984,060 | 14,672,408 | 4,251,071 | 4,926,582 | 6,474,104 | 9,728,315 | 73,607,788 |
| 2016-17 | 5,681,298 | 22,305,200 | 10,997,860 | 3,367,504 | 6,346,201 | 12,066,965 | 13,858,629 | 74,623,657 |
| 2015-16 | 8,795,785 | 21,979,272 | 10,885,891 | 3,168,846 | 16,560,174 | 15,267,944 | 4,970,820 | 81,628,732 |

CITY OF MOORE, OKLAHOMA
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Governmental Revenues By Source
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Taxes</u> | <u>Intergovernmental</u> | <u>Licenses & Permits</u> | <u>Charges for Services</u> | <u>Fines & Forfeitures</u> | <u>Investment Income</u> | <u>Misc. Revenues</u> | <u>Total</u> |
|------------------------|---------------|--------------------------|-----------------------------------|---------------------------------|------------------------------------|------------------------------|---------------------------|---------------|
| 2024-25 | \$ 66,135,919 | \$ 8,979,016 | \$ 683,474 | \$ 2,902,163 | \$ 1,902,127 | \$ 1,931,327 | \$ 1,450,085 | \$ 83,984,111 |
| 2023-24 | 65,230,139 | 8,110,669 | 798,054 | 2,994,917 | 2,042,097 | 2,004,166 | 2,365,178 | 83,545,220 |
| 2022-23 | 64,986,111 | 13,254,966 | 736,010 | 2,839,795 | 1,664,633 | 1,442,989 | 856,344 | 85,780,848 |
| 2021-22 | 62,158,217 | 9,721,360 | 651,539 | 2,802,487 | 1,638,309 | 198,979 | 786,622 | 77,957,513 |
| 2020-21 | 54,134,726 | 10,050,400 | 959,257 | 2,452,011 | 1,711,102 | 108,061 | 969,359 | 70,384,916 |
| 2019-20 | 48,847,231 | 16,569,769 | 688,333 | 2,529,780 | 1,148,079 | 385,708 | 968,763 | 71,137,663 |
| 2018-19 | 46,507,239 | 13,947,386 | 601,687 | 2,865,188 | 1,178,771 | 521,013 | 665,579 | 66,286,863 |
| 2017-18 | 44,545,613 | 11,190,522 | 502,910 | 2,737,683 | 1,036,781 | 280,657 | 1,607,007 | 61,901,173 |
| 2016-17 | 43,901,226 | 11,690,174 | 563,795 | 1,895,183 | 1,289,339 | 92,576 | 1,488,137 | 60,920,430 |
| 2015-16 | 42,123,448 | 14,832,903 | 489,555 | 854,922 | 1,175,854 | 88,339 | 419,674 | 59,984,695 |

CITY OF MOORE, OKLAHOMA
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Assessed Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Property | Personal Property | Public Service Property | Homestead Exemption | Total Actual | | Ratio of Total Assessed Value to Total Estimated Actual Value |
|----------------|------------------|----------------------|-------------------------------|------------------------|-------------------|---------------------------|--|
| | | | | | Assessed Value | Estimated Actual Value | |
| 2025 | \$ 618,456,565 | \$ 37,508,612 | \$ 10,506,228 | \$ 34,806,079 | \$ 631,665,326 | \$ 5,263,877,717 | 12% |
| 2024 | 581,432,448 | 37,201,444 | 12,277,348 | 30,382,412 | 600,528,828 | 5,004,406,900 | 12% |
| 2023 | 545,043,443 | 38,136,018 | 11,548,943 | 26,283,350 | 568,445,054 | 4,737,042,117 | 12% |
| 2022 | 498,747,366 | 34,823,130 | 11,160,985 | 23,444,473 | 521,287,008 | 4,344,058,400 | 12% |
| 2021 | 463,436,180 | 29,506,967 | 11,199,709 | 21,318,840 | 482,824,016 | 4,023,533,467 | 12% |
| 2020 | 448,300,572 | 34,349,320 | 10,550,813 | 20,054,964 | 473,145,741 | 3,967,881,175 | 12% |
| 2019 | 430,276,430 | 40,160,747 | 9,995,727 | 18,340,189 | 462,092,715 | 3,850,772,625 | 12% |
| 2018 | 416,617,948 | 40,203,213 | 10,162,081 | 16,955,575 | 450,027,677 | 3,750,230,558 | 12% |
| 2017 | 398,284,439 | 32,251,947 | 10,240,398 | 15,583,465 | 425,193,319 | 3,543,277,658 | 12% |
| 2016 | 381,453,816 | 32,543,726 | 9,474,414 | 14,705,607 | 408,766,349 | 3,406,386,242 | 12% |

CITY OF MOORE, OKLAHOMA
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As of and for the Year Ended June 30, 2025

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | Current Tax Collections and Adjustments | Percent of Current Taxes Collected |
|----------------|-------------------|--|---|
| 2024-25 | \$ 8,704,988 | \$ 8,608,330 | 98.89% |
| 2023-24 | 8,776,107 | 8,714,637 | 99.30% |
| 2022-23 | 7,969,984 | 7,884,938 | 98.93% |
| 2021-22 | 7,447,935 | 7,461,561 | 100.18% |
| 2020-21 | 7,327,749 | 7,308,678 | 99.74% |
| 2019-20 | 7,639,721 | 7,516,885 | 98.39% |
| 2018-19 | 6,860,983 | 6,817,108 | 99.36% |
| 2017-18 | 6,593,093 | 6,528,792 | 99.02% |
| 2016-17 | 5,997,003 | 6,029,537 | 100.54% |
| 2015-16 | 4,998,901 | 4,982,696 | 99.68% |

CITY OF MOORE, OKLAHOMA
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Property Tax Rates – All Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

| Fiscal Year | City Sinking Fund | Cleveland County | Moore Schools | Total Moore Resident |
|----------------|-------------------------|---------------------|------------------|----------------------------|
| 2025 | 14.98 | 18.96* | 87.85* | 121.79 |
| 2024 | 14.50 | 18.96* | 87.47* | 120.93 |
| 2023 | 15.45 | 18.96 | 87.47 | 121.88 |
| 2022 | 15.31 | 18.96 | 89.90 | 124.17 |
| 2021 | 15.42 | 18.96 | 89.87 | 124.25 |
| 2020 | 15.49 | 18.96 | 91.11 | 125.56 |
| 2019 | 16.53 | 18.96 | 91.11 | 126.60 |
| 2018 | 15.25 | 23.07 | 92.44 | 130.76 |
| 2017 | 15.51 | 23.07 | 90.48 | 129.06 |
| 2016 | 14.67 | 23.07 | 90.48 | 128.22 |

Tax rates shown in mills (i.e. Dollars per \$1,000 of Net Assessed Valuation).

The Moore School district's tax rate (mill levy) includes an amount for the area technical/vocational school.

*Estimated

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Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Estimated Population (1)</u> | <u>Assessed Value* (2)</u> | <u>Net Bonded Debt</u> | <u>Ratio of Net Bonded Debt to Assessed Value</u> | <u>Net Bonded Debt Per Capita</u> |
|------------------------|-------------------------------------|--------------------------------|--------------------------------|---|---|
| 2024-25 | 63,578 | \$ 631,665,326 | \$ 45,485,000 | 7.20% | 715 |
| 2023-24 | 63,248 | 600,528,828 | 45,780,000 | 7.62% | 724 |
| 2022-23 | 63,249 | 568,445,054 | 46,645,000 | 8.21% | 737 |
| 2021-22 | 63,462 | 521,287,008 | 47,560,000 | 9.12% | 749 |
| 2020-21 | 62,793 | 482,824,016 | 48,475,000 | 10.04% | 772 |
| 2019-20 | 62,055 | 473,145,741 | 35,855,000 | 7.58% | 578 |
| 2018-19 | 62,103 | 462,092,715 | 39,705,000 | 8.59% | 639 |
| 2017-18 | 61,523 | 450,027,677 | 37,030,000 | 8.23% | 602 |
| 2016-17 | 60,701 | 425,193,319 | 38,070,000 | 8.95% | 627 |
| 2015-16 | 60,451 | 408,766,349 | 34,685,000 | 8.49% | 574 |

(1) From table Demographics

(2) From table Assessed Value of Property

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Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Fiscal Years

| Fiscal Year | Principal | Interest (1) | Total Debt Service | Total General Governmental Expenditures (2) | Ratio of Debt Service to Government Expenditures |
|----------------|--------------|--------------|--------------------------|--|--|
| 2024-25 | \$ 7,515,000 | \$ 1,145,092 | \$ 8,660,092 | \$ 108,616,962 | 7.97% |
| 2023-24 | 6,915,000 | 1,093,504 | 8,008,504 | 100,164,710 | 8.00% |
| 2022-23 | 6,315,000 | 1,239,691 | 7,554,691 | 103,063,466 | 7.33% |
| 2021-22 | 6,315,000 | 722,941 | 7,037,941 | 87,024,007 | 8.09% |
| 2020-21 | 6,280,000 | 1,089,179 | 7,369,179 | 72,188,328 | 10.21% |
| 2019-20 | 5,950,000 | 718,504 | 6,668,504 | 76,866,553 | 8.68% |
| 2018-19 | 5,875,000 | 708,916 | 6,583,916 | 70,753,199 | 9.31% |
| 2017-18 | 5,165,000 | 824,512 | 5,989,512 | 73,607,788 | 8.14% |
| 2016-17 | 4,385,000 | 759,928 | 5,144,928 | 74,623,657 | 6.89% |
| 2015-16 | 4,010,000 | 869,390 | 4,879,390 | 81,628,732 | 5.98% |

(1) Excludes bond issuance and other costs

(2) Totals from General Governmental Expenditures by Function Table

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Revenue Bond and Note Coverage
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Gross Revenue</u> | <u>Direct Operating Expenses</u> | <u>Net Revenue Available for Debt Service</u> | <u>Maximum Annual Debt Service</u> | <u>Debt Service Coverage</u> |
|------------------------|--------------------------|--|---|--|--------------------------------------|
| 2025 | \$ 65,941,232 | \$ 21,409,934 | \$ 44,531,298 | \$ 7,744,097 | 5.75 |
| 2024 | 64,832,079 | 19,488,302 | 45,343,777 | 8,097,619 | 5.60 |
| 2023 | 65,574,116 | 19,018,525 | 46,555,591 | 9,356,748 | 4.98 |
| 2022 | 62,004,002 | 18,016,660 | 43,987,342 | 8,582,748 | 5.13 |
| 2021 | 54,980,988 | 17,332,940 | 37,648,048 | 8,611,457 | 4.37 |
| 2020 | 52,384,794 | 16,754,294 | 35,630,500 | 6,635,911 | 5.37 |
| 2019 | 49,801,820 | 15,336,411 | 34,465,409 | 8,298,165 | 4.15 |
| 2018 | 48,852,498 | 15,888,263 | 32,964,235 | 7,455,120 | 4.42 |
| 2017 | 47,657,000 | 14,214,533 | 33,442,467 | 6,040,959 | 5.54 |
| 2016 | 47,743,892 | 12,120,203 | 35,623,689 | 5,826,095 | 6.11 |

CITY OF MOORE, OKLAHOMA
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Demographic Statistics

| <u>Year</u> | <u>Estimated Population (1)</u> | <u>Per Capita Income (2)</u> | <u>Moore Public School District Enrollment (3)</u> | <u>Unemployment Rate as a Percentage (4)</u> |
|-------------|-------------------------------------|----------------------------------|--|--|
| 2024 | 63,578 | 54,960 | 25,600 | 3.1 |
| 2023 | 63,249 | 53,450 | 25,600 | 3.5 |
| 2022 | 63,462 | 48,360 | 24,515 | 3.1 |
| 2021 | 62,793 | 47,340 | 23,390 | 3.5 |
| 2020 | 62,055 | 45,620 | 24,961 | 6.8 |
| 2019 | 62,103 | 45,104 | 24,638 | 2.9 |
| 2018 | 61,523 | 44,220 | 24,687 | 3.3 |
| 2017 | 60,701 | 43,340 | 24,516 | 3.8 |
| 2016 | 60,451 | 42,760 | 22,899 | 3.2 |
| 2015 | 60,299 | 41,820 | 23,000 | 3.5 |

(1) Per Census Bureau, Quickfacts for Moore, OK

(2) Per U.S. Department of Labor, Bureau of Labor Statistics. Average annual wages for the State of Oklahoma

(3) Per Oklahoma State Department of Education

(4) Per Oklahoma Employment Security Commission

CITY OF MOORE, OKLAHOMA
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New Construction
Last Ten Calendar Years

| Calendar Year | Commercial Construction | | Residential Construction | | Total New Construction |
|------------------|-------------------------|--------------|--------------------------|---------------|---------------------------|
| | Number of Units | Value | Number of Units | Value | |
| 2024 | 15 | \$ 6,825,000 | 127 | \$ 49,379,832 | \$ 56,204,832 |
| 2023 | 19 | 32,700,000 | 124 | 37,096,706 | 69,796,706 |
| 2022 | 14 | 30,839,505 | 196 | 51,507,244 | 82,346,749 |
| 2021 | 10 | 18,426,959 | 279 | 72,418,898 | 90,845,857 |
| 2020 | 26 | 20,804,509 | 161 | 39,194,509 | 59,999,018 |
| 2019 | 10 | 8,784,000 | 156 | 35,144,180 | 43,928,180 |
| 2018 | 19 | 15,836,024 | 184 | 40,442,742 | 56,278,766 |
| 2017 | 23 | 26,795,000 | 245 | 39,621,220 | 66,416,220 |
| 2016 | 15 | 16,756,576 | 218 | 42,031,689 | 58,788,265 |
| 2015 | 29 | 41,736,688 | 299 | 57,260,327 | 98,997,015 |

Based upon building permits issued by the City of Moore, Community Development Department.

Values are estimated construction costs.

CITY OF MOORE, OKLAHOMA
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Top Ten 2024 Major Property Taxpayers

| | Net Assessed Value |
|----------------------------------|-----------------------|
| Mission Point Apartments Limited | \$ 7,072,139 |
| Oklahoma Gas & Electric Co | 6,749,664 |
| Wal-Mart/Sam's | 5,843,912 |
| Realty Income Properties | 4,987,098 |
| Greens at Moore | 4,921,370 |
| Costco | 4,361,403 |
| KRG Shops at Moore LLC | 3,658,543 |
| Grace Pointe Titleholder | 3,527,438 |
| Thirty5 West | 3,000,878 |
| Oklahoma Natural Gas | 2,764,142 |

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Miscellaneous Statistics
June 30, 2025

| | |
|--|-------------------|
| Date of Incorporation | 1893 |
| Form of government | Council-manager |
| Square miles in city limits | 22 |
| Miles of streets | 469.32 Lane Miles |
| Education | |
| Number of primary schools | 25 |
| Number of secondary schools | 6 |
| Number of high schools | 3 |
| Number of colleges | 1 |
| Police Protection | |
| Number of officers | 105 |
| Fire Protection | |
| Number of stations | 4 |
| Number of personnel per shift (3 shifts) | 24 |
| Public Works | |
| Water storage capacity (millions of gallons) | 7.5 |
| Miles of water lines | 326 |
| Miles of sanitary sewer lines | 313 |

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

Miscellaneous Statistics, Continued
June 30, 2025

| | <u>Fiscal Year</u> | <u>Full Time Equivalents (1)</u> |
|----------------|------------------------|--------------------------------------|
| City Employees | 2024-25 | 459 |
| | 2023-24 | 439 |
| | 2022-23 | 415 |
| | 2021-22 | 413 |
| | 2020-21 | 390 |
| | 2019-20 | 389 |
| | 2018-19 | 376 |
| | 2017-18 | 371 |
| | 2016-17 | 369 |
| | 2015-16 | 369 |

(1) FTE includes part-time and seasonal employees.

| | <u>Fiscal Year</u> | <u>Billed Annual Usage</u> | <u>Average Daily Usage</u> |
|----------------------------|------------------------|------------------------------------|------------------------------------|
| City Water Usage (Gallons) | 2024-25 | 1,768,284,990 | 4,844,616 |
| | 2023-24 | 1,763,350,678 | 4,831,098 |
| | 2022-23 | 1,729,025,435 | 4,737,056 |
| | 2021-22 | 1,712,156,892 | 4,690,841 |
| | 2020-21 | 1,620,332,708 | 4,439,268 |
| | 2019-20 | 1,825,180,783 | 4,986,833 |
| | 2018-19 | 1,470,843,298 | 4,029,708 |
| | 2017-18 | 1,708,565,231 | 4,681,001 |
| | 2016-17 | 1,779,422,632 | 4,875,130 |
| | 2015-16 | 1,738,190,940 | 4,762,167 |

CITY OF MOORE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2025

INTERNAL CONTROL AND COMPLIANCE INFORMATION



DILLON & ASSOCIATES, PC
Certified Public Accountants

1401 S. Douglas Blvd., Suite A
Midwest City, OK 73130
Phone: 405-732-1800

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

The Honorable Mayor and City Council Members
City of Moore, 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, each major fund, and the aggregate remaining fund information of City of Moore, Oklahoma ("the City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2025.

Report on Internal Control over Financial Reporting

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

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

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

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*, CONTINUED

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Dillon & Associates, PC

Midwest City, Oklahoma
October 31, 2025