

Oklahoma City Water Utilities Trust

A discrete component unit of The City of Oklahoma City, Oklahoma

Annual Financial Report | for the Fiscal Years ended June 30, 2025 and 2024

OKLAHOMA CITY
WATER UTILITIES TRUST

Consolidated Operations of the Oklahoma City Water Utilities Trust,
A Discrete Component Unit of Oklahoma City, Oklahoma,
and McGee Creek Authority of Farris, Oklahoma,
A Blended Component Unit Enterprise Fund of the
Oklahoma City Water Utilities Trust

Board of Trustees

James D. Couch, Chairman, Independent Trustee

Sharon Voorhees, Independent Trustee
Bradley Carter, Council Trustee
David Holt, Mayor Trustee (Mark Stonecipher, Vice Chairman, Surrogate Trustee)
Craig Freeman, City Manager Trustee (Brent Bryant, Surrogate Trustee)

Management

Chris Browning, General Manager

Annual Financial Report for the Fiscal Years Ended June 30, 2025 and 2024

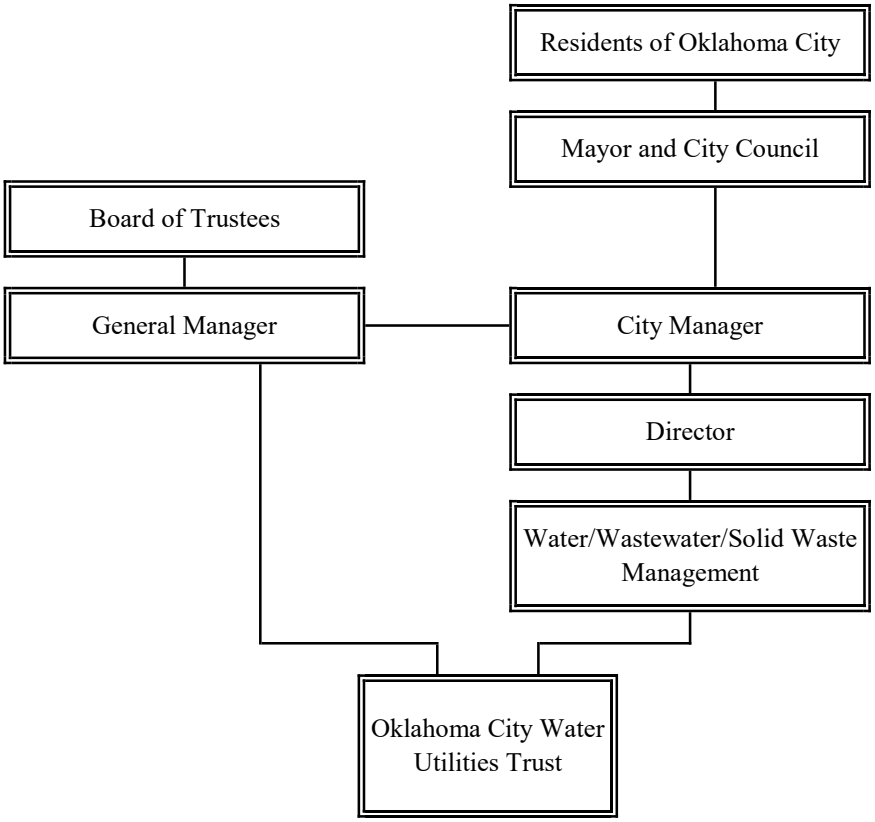
Prepared by The Oklahoma City Finance Department, Accounting Services Division
Alex E. Fedak, CPA, Controller

OKLAHOMA CITY WATER UTILITIES TRUST

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Oklahoma City Water Utilities Trust
Organization Chart



Introductory Section

October 12, 2026

The Board of Trustees
Oklahoma City Water Utilities Trust

The Oklahoma City Water Utilities Trust (Consolidated Trust) annual financial report (annual report) provides a comprehensive overview of the Consolidated Trust financial position and the results of operations during the fiscal years ended June 30, 2025 and 2024. It complies with reporting requirements specified by Oklahoma State Statutes. The Oklahoma City Finance Department, Accounting Services Division, prepared this report in compliance with accounting principles generally accepted in the United States of America (U.S. GAAP). It is fairly stated in all material respects. Responsibility for the accuracy of the reported information and the completeness and fairness of the presentation, including disclosures, rests with the Consolidated Trust's management.

The Consolidated Trust's annual report includes the report of independent auditors, management's discussion and analysis (MD&A), financial statements, and related notes. Management's narrative on the financial activities of the Consolidated Trust for the fiscal years ended June 30, 2025 and 2024, is in the MD&A section of this report, immediately following the independent auditor's report on financial statements and required supplementary information. The Consolidated Trust's reporting entity is comprised of financial and operating activities conducted within the legal framework of the Consolidated Trust. The Consolidated Trust is a discretely presented component unit of the City of Oklahoma City (City) and, as such, is included within the City's Annual Comprehensive Financial Report (ACFR).

The Consolidated Trust includes the blended operations of the Oklahoma City Water Utilities Trust (OCWUT) and McGee Creek Authority (MCA).

OCWUT was created on April 17, 1990, by renaming the Oklahoma City Municipal Improvement Authority (OCMIA) that had been established on August 1, 1960. The City operated the water system and separately operated the sewer system prior to signing lease agreements with the OCMIA. The water system was leased from the City by the OCMIA on August 1, 1960. The sewer system was leased from the City on July 1, 1986. The solid waste management system was leased from the City on March 31, 2021. OCWUT is an enterprise fund and does not receive tax funding.

The purpose of OCWUT is to operate and maintain the City water, wastewater and solid waste management utility systems and to provide financing, through loans and the issuance of revenue bonds or other debt instruments, for the construction and acquisition of water and wastewater facilities and other general improvements to and for the repair, replacement, and extension of the water, wastewater and solid waste management systems serving the Central Oklahoma Region. The provisions of the trust indenture, as amended, provide that OCWUT will lease or otherwise manage the related water, wastewater and solid waste management systems. OCWUT will receive all revenues generated from the water, wastewater and solid waste management systems to pay the debt service requirements on the revenue bonds or other debt instruments issued by OCWUT, plus costs and expenses incidental to improving, operating, maintaining, repairing, extending and replacing the systems. The City is the sole beneficiary of OCWUT. On March 2, 2021, a resolution was approved to effectuate the consolidation of the solid waste management system, which was previously operated and maintained by the Oklahoma City Environmental Assistance Trust, with the water and wastewater systems under OCWUT. The merger became effective July 1, 2020. OCWUT now provides services on behalf of Oklahoma City (City) that include financing and operating the City's solid waste management activities relating to solid waste management collection and waste disposal. The City Manager, the Mayor, one Council person, and two citizens of the City who are appointed by the City Council serve as trustees of OCWUT.

MCA was established on August 1, 1977, to develop, operate and maintain the McGee Creek Reservoir (Reservoir) and to provide a municipal and industrial water supply for participants of MCA (Participants) in central and southern Oklahoma, including OCWUT, the City of Oklahoma City (City), the City of Atoka, Atoka County, and the Southern Oklahoma Development Trust. MCA is a blended component of OCWUT because OCWUT is expected to fund the debt service requirements of MCA, operation and maintenance, extraordinary expenses, and capital improvements due to an agreement of support (OCWUT Agreement) between OCWUT, MCA, and the Federal Government dated October 11, 1979. The OCWUT Agreement details OCWUT's pledge of water utility revenues, not otherwise pledged or required by OCWUT.

Dr. Russell Evans, Partner and Chief Economist at Regional Economic Advisers, a division of Thorberg Collectorate, presented the 2026 economic outlook, highlighting a national labor market that stalled significantly in the second half of 2025. The current environment is characterized by an uncomfortable reliance on high-income household spending, which is being buoyed by wealth effects from the stock market and real estate rather than broad-based income growth. While the Federal Reserve reduced the Federal Funds rate to a target range of 3.5–3.75% by December 2025, inflation remains stubbornly above the 2% target. Consequently, the national outlook for 2026 is one of extreme caution, with a "best-case scenario" of sideways movement, moderate growth and the avoidance of a recession, provided that high-income balance sheets remain resilient against external shocks.

For Oklahoma City, the narrative has shifted from the momentum of previous years to a period of modest, "uphill" growth. Recent benchmark revisions revealed that 2024 job gains were overstated by 1.8% of nonfarm payrolls, meaning the city entered 2025 with far less economic buffering than initially believed. Although the construction and health sectors provided some support through large-scale projects and population growth, the pace of job creation slowed throughout 2025, leaving the six-month moving average of employment effectively flat by year-end. Baseline forecasts for 2026 anticipate a muted 0.6% nonfarm job growth, with unemployment expected to move modestly higher before potentially stabilizing in the latter half of the year.

Inclusive of these challenges, Oklahoma City’s fiscal position remains in a transition phase, stuck between the realities of expansion and recession. Sales tax collections have maintained a five-year compound average annual growth rate of 5.1%, placing the city in the middle of major Oklahoma municipalities. For the 2026 fiscal year, models project a 2.3% growth in sales tax and a 6.5% increase in use tax, assuming a continuation of this transitional trajectory. Dr. Evans noted that while the city lacks the robust momentum of years past, strategic planning and a focus on demographic shifts will be essential to navigating a year that may appear uneventful on the surface but remains eventfully challenging underneath.

The Oklahoma City Water Utilities Trust (OCWUT) continues to be the state’s largest provider of drinking water, treating and delivering an average of 102 million gallons of water every day to more than 1.5 million residents in the Central Oklahoma Region through retail and wholesale service connections. During the fiscal year 2025, work in progress at South Canadian wastewater treatment plant project consists of modernizing the treatment plant to improve system efficiency and increase treatment capacities to keep up with the projected future demand. Aeration system improvements project at North Canadian wastewater treatment plant was completed. OCWUT initiated several improvement projects at the Draper water treatment plant, the Hefner water treatment plant, the North Canadian wastewater treatment plant, the Deer Creek wastewater treatment plant, and the solid waste operations center. The lead service line identification project progressed in 2025, with further work planned in the coming years to maintain regulatory compliance. As of fiscal year 2025, two pump stations and two segments of pipeline were awarded as part of the second Atoka pipeline program. The 2025 annual Oklahoma City resident satisfaction survey rated OCWUT an average 33% higher than like services offered in U.S. cities with a population of 250,000 or more.

OCWUT and MCA participate in the City's comprehensive accounting and budgetary system. Additionally, OCWUT and MCA management maintain budgetary controls to ensure compliance with legal provisions.

In October 2025 OCWUT received ratings of "AAA and Aaa" from S&P Global Ratings ("S&P") and Moody's Investor's Service, Inc. ("Moody's"). The ratings reflect OCWUT's prudent and exceptionally strong management policies and practices that support robust financial metrics. In addition, the trust serves a diverse service area, acting as a regional water and wastewater provider in the largest economy in the state.

By City Council resolution, public trusts of which the City is the beneficiary are encouraged to use the independent auditors competitively selected by the City. In compliance with that resolution the Consolidated Trust engaged AGH, L.C. to conduct its annual audit. The Consolidated Trust acknowledges the professional and competent services of its independent auditors.

Respectfully submitted,

Chris Browning
OCWUT General Manager
City of Oklahoma City
Utilities Department Director

Vanessa Aguilar
City of Oklahoma City
Utilities Department Deputy Director

Alex E. Fedak, CPA
City of Oklahoma City
Controller

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Financial Section

AGH
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Oklahoma City Water Utilities Trust
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and each major fund of the Oklahoma City Water Utilities Trust (Trust), a discrete component unit of the City of Oklahoma City, Oklahoma (City), as of and for the years ended June 30, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Trust as of June 30, 2025 and 2024, and the respective changes in its financial position, and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note I.B., the financial statements present only the Oklahoma City Water Utilities Trust, a discrete component unit of the City, and do not purport to, and do not present fairly the financial position of the Oklahoma City Water Department as of June 30, 2025 and 2024, the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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 Trust'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.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements 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 section 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 audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2026 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust'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 Trust's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
October 12, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Oklahoma City Water Utilities Trust (Consolidated Trust) annual financial report, the Consolidated Trust's management provides narrative discussion and analysis of the financial activities of the Consolidated Trust for the fiscal years ended June 30, 2025 and 2024. The Consolidated Trust's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Introductory information is available in the transmittal letter which precedes this discussion and analysis. The Consolidated Trust reports services for which customers are charged a fee. Services are provided to customers external to the Consolidated Trust consisting primarily of water, wastewater, and solid waste management utility services provided to the public, and water storage and supply services. The Consolidated Trust is a discrete component unit of the City of Oklahoma City (City).

Financial Summary

- Consolidated Trust assets and deferred outflows of resources exceeded liabilities by $1,780,212,096 (net position) for 2025. This compares to the previous year when assets exceeded liabilities by $1,629,185,825.

- Total assets for the Consolidated Trust increased $178,477,195 to $3,084,940,530 during the fiscal year. This compares to the previous year when assets increased $425,775,448 to $2,906,463,335.

- Total liabilities for the Consolidated Trust increased $27,921,592 to $1,294,628,604 during the fiscal year. This compares to the previous year when liabilities increased $300,641,341 to $1,266,707,012.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $1,143,330,811 and $1,054,239,595 for the years ended June 30, 2025 and 2024, respectively, includes property and equipment, net of accumulated depreciation, reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Restricted net position in the amount of $24,541,750 and $364,327 for the years ended June 30, 2025 and 2024, respectively, is restricted for debt service constraints imposed by debt covenants.
  (3) Unrestricted net position of $612,339,535 and $574,581,903 is reported for the years ended June 30, 2025 and 2024, respectively.

Overview of the Financial Statements

This discussion and analysis introduces the Consolidated Trust's basic financial statements. The basic financial statements include: (1) statement of net position, (2) statement of revenues, expenses, and changes in net position, (3) statement of cash flows, and (4) notes to financial statements.

Financial Statements

The Consolidated Trust's annual financial report includes three financial statements. These statements provide both long-term and short-term information about the overall status of the Consolidated Trust, and are presented to demonstrate the extent to which the Consolidated Trust has met its operating objectives efficiently and effectively using all the resources available and whether the Consolidated Trust can continue to meet its objectives in the foreseeable future. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first basic financial statement is the statement of net position. This statement presents all of the Consolidated Trust's assets and deferred outflows less liabilities resulting in net position. Increases or decreases in net position may indicate whether the financial position of the Consolidated Trust, as a whole, is improving or deteriorating, identify financial strengths and weaknesses, and be used to assess liquidity.

The second statement is the statement of revenues, expenses, and changes in net position which reports how the Consolidated Trust's net position changed during the fiscal year. This statement can be used to assess the Consolidated Trust's operating results and analyze how the Consolidated Trust's programs are financed. All current year revenues and expenses are included regardless of when cash is received or paid.

The third statement is the statement of cash flows that reports the inflows and outflows of the Consolidated Trust's cash.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to gain a full understanding of the Consolidated Trust financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis

The Consolidated Trust's net position at June 30, 2025, is $1,780,212,096. This is an increase of $151,026,271 over fiscal year 2024 net position of $1,629,185,825. The overall financial position of the Consolidated Trust improved during the 2025 fiscal year.

Summary of Net Position

	2025	2024	2025 - 2024 Amount of Change	2025 - 2024 % Change	2023	2024 - 2023 Amount of Change	2024 - 2023 % Change
Assets							
Current assets	$710,179,069	$770,212,708	($60,033,639)	(7.8%)	$587,541,577	$182,671,131	31.1%
Capital assets, net	2,305,706,710	2,067,823,248	237,883,462	11.5	1,825,344,017	242,479,231	13.3
Other non-current assets	69,054,751	68,427,379	627,372	0.9	67,802,293	625,086	0.9
Total assets	**3,084,940,530**	**2,906,463,335**	**178,477,195**	6.1	**2,480,687,887**	**425,775,448**	17.2
Deferred Outflows of Resources	**1,057,141**	**1,126,461**	**(69,320)**	(6.2)	**1,195,782**	**(69,321)**	(5.8)
Liabilities							
Current liabilities	192,766,904	185,506,948	7,259,956	3.9	184,062,267	1,444,681	0.8
Non-current liabilities	1,101,861,700	1,081,200,064	20,661,636	1.9	782,003,404	299,196,660	38.3
Total liabilities	**1,294,628,604**	**1,266,707,012**	**27,921,592**	2.2	**966,065,671**	**300,641,341**	31.1
Deferred Inflows of Resources	**11,156,971**	**11,696,959**	**(539,988)**	(4.6)	**12,318,479**	**(621,520)**	(5.0)
Net position							
Net investment in capital assets	1,143,330,811	1,054,239,595	89,091,216	8.5	996,574,360	57,665,235	5.8
Restricted	24,541,750	364,327	24,177,423	6636.2	12,304,971	(11,940,644)	(97.0)
Unrestricted	612,339,535	574,581,903	37,757,632	6.6	494,620,188	79,961,715	16.2
Total net position	**$1,780,212,096**	**$1,629,185,825**	**$151,026,271**	9.3	**$1,503,499,519**	**$125,686,306**	8.4

Current assets decreased by $60.03 million in 2025, primarily due to a decrease in cash and investments of $57.34 million, a decrease in accounts receivable of $348 thousand, and a decrease in receivable from the City of $3.01 million, offset by an increase in intergovernmental receivable of $491 thousand. Current assets increased by $182.67 million in 2024, primarily due to an increase in cash and investments of $180.85 million due to the issuance of the Series 2024 Revenue Refunding and Improvement Bonds, an increase in accounts receivable of $6.66 million, offset by a decrease in receivable from the City of $3.56 million, and a decrease of intergovernmental receivable of $1.88 million.

Capital assets increased by $237.88 million in 2025 primarily due to continued construction and purchases of capital assets of $312.66 million, offset by normal depreciation of $74.05 million. Capital assets increased by $242.48 million in 2024 primarily due to continued construction and purchases of capital assets of $317.20 million, offset by normal depreciation of $73.82 million.

Other non-current assets increased $627 thousand during 2025 primarily due to an increase in aliquot share receivable of $741 thousand related to increased cash requirements, offset by a decrease in lease and note receivable of $83 thousand. Other non-current assets increased $625 thousand during 2024 primarily due to an increase in aliquot share receivable of $614 thousand related to increased cash requirements.

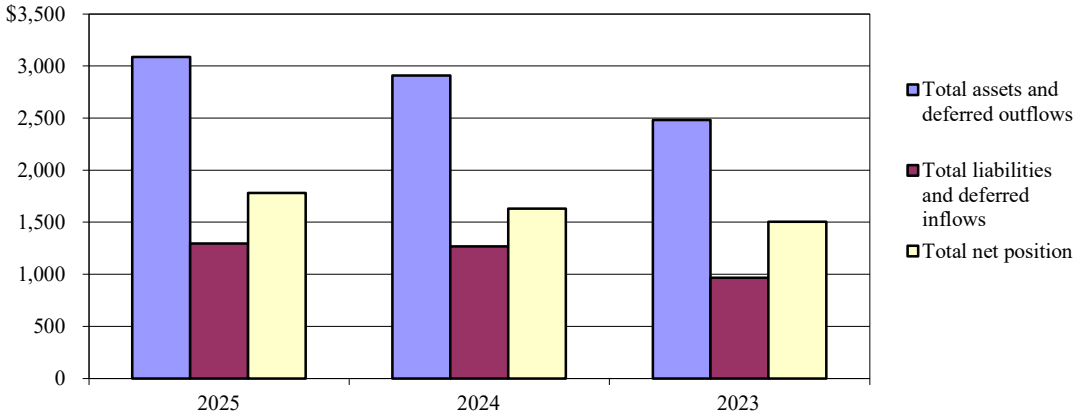
Deferred outflows of resources decreased by $69 thousand at June 30, 2025 and 2024 due to normal amortization of deferred amounts on refunding.

Current liabilities increased at June 30, 2025 by $7.26 million primarily due to an increase in commercial paper of $12.50 million, an increase in notes, subscriptions, and leases payable of $2.07 million, an increase in bond interest payable of $5.36 million, an increase in intergovernmental payable of $464 thousand, and an increase in interest payable of $196 thousand, offset by a decrease in accounts payable of $6.68 million due to timing of vendor payments, a decrease in payable to the City of $3.76 million, a decrease in bonds payable of $2.09 million, and a decrease in estimated claims payable of $825 thousand. Current liabilities increased at June 30, 2024 by $1.44 million primarily due to an increase in accounts payable of $39.71 million due to timing of vendor payments, an increase in notes, subscriptions, and leases payable of $1.37 million, an increase in bonds payable of $1.87 million, and an increase in bond interest payable of $945 thousand, offset by a decrease in commercial paper of $42.50 million.

At June 30, 2025, non-current liabilities increased by $20.66 million primarily due to an increase in notes, subscriptions and leases payable of $33.24 million and an increase in intergovernmental payable of $2.22 million, offset by a decrease in payables to the City of $1.50 million, a decrease of $172 thousand in advances from the Oklahoma City Airport Trust, and a decrease in bonds payable of $13.13 million. At June 30, 2024, non-current liabilities increased by $299.20 million primarily due to an increase in bonds payable of $276.61 million for the issuance of the Series 2024 Revenue Refunding and Improvement Bonds, an increase in notes, subscriptions and leases payable of $17.69 million, an increase in intergovernmental payable of $14.92 million, offset by a decrease in payables to the City of $8.06 million, and a decrease of $1.97 million in advances from the Oklahoma City Airport Trust.

Deferred inflows of resources decreased by $540 thousand and $622 thousand at June 30, 2025 and 2024, respectively, due to normal amortization of deferred amounts on refunding and amortization of leases.

Summary of Net Position
(dollars are in millions)
as of June 30,



Summary of Changes in Net Position

	2025	2024	2025 - 2024 Amount of Change	2025 - 2024 % Change	2023	2024 - 2023 Amount of Change	2024 - 2023 % Change
Operating revenues							
Charges for services:							
Water	$260,867,854	$234,952,284	$25,915,570	11.0%	$220,023,239	$14,929,045	6.8%
Wastewater	142,106,469	129,498,716	12,607,753	9.7	127,046,508	2,452,208	1.9
Solid Waste Management	76,153,920	72,468,859	3,685,061	5.1	68,325,009	4,143,850	6.1
Aliquot share charges	4,048,118	3,510,240	537,878	15.3	1,177,140	2,333,100	198.2
Other charges for services and other revenues	11,517,239	11,516,160	1,079	0.0	18,133,135	(6,616,975)	(36.5)
Total operating revenues	**494,693,600**	**451,946,259**	**42,747,341**	9.5	**434,705,031**	**17,241,228**	4.0
Operating expenses	**355,150,735**	**320,207,698**	**34,943,037**	10.9	**298,784,209**	**21,423,489**	7.2
Operating income	**139,542,865**	**131,738,561**	**7,804,304**	5.9	**135,920,822**	**(4,182,261)**	(3.1)
Net non-operating expenses	**(5,073,679)**	**(10,630,126)**	**5,556,447**	52.3	**(17,634,568)**	**7,004,442**	39.7
Capital contributions	**16,557,085**	**4,577,871**	**11,979,214**	261.7	**5,554,878**	**(977,007)**	(17.6)
Changes in net position	**151,026,271**	**125,686,306**	**25,339,965**	20.2	**123,841,132**	**1,845,174**	1.5
Beginning net position	1,629,185,825	1,503,499,519	125,686,306	8.4	1,379,658,387	123,841,132	9.0
Ending net position	**$1,780,212,096**	**$1,629,185,825**	**$151,026,271**	9.3	**$1,503,499,519**	**$125,686,306**	8.4

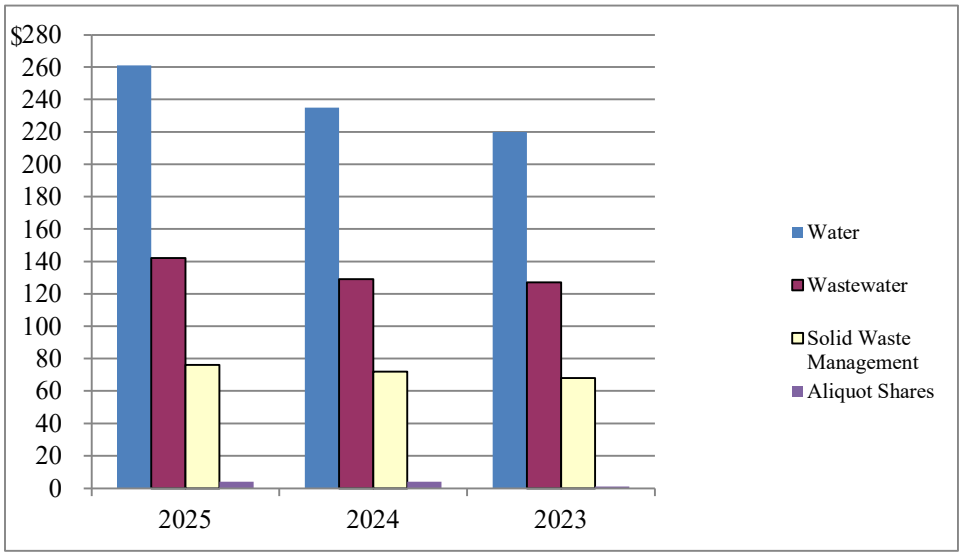
Operating revenues were $494.69 million at June 30, 2025, compared to $451.95 million at June 30, 2024, for an increase of 9.5% or $42.75 million primarily in charges for services resulting from increased system usage, customer growth, and rate adjustments. Operating revenues were $451.95 million at June 30, 2024, compared to $434.71 million at June 30, 2023, for an increase of 4.0% or $17.24 million primarily in charges for services resulting from increased system usage, customer growth, and rate adjustments.

For the fiscal year ended June 30, 2025 operating expenses increased $34.94 million or 10.9% primarily due an increase of $22.69 million in maintenance, operations, and contractual expenses, an increase of $4.40 million in personal services due to an increase in salaries, an increase of $7.62 million in materials and supplies expense, and an increase of $225 thousand in depreciation expense. For the fiscal year ended June 30, 2024 operating expenses increased $21.42 million or 7.2% primarily due an increase of $13.23 million in maintenance, operations, and contractual expenses, an increase of $11.17 million in personal services due to an increase in salaries, offset by a decrease of $1.57 million in materials and supplies expenses, and depreciation expense of $1.41 million.

During 2025 net non-operating expenses decreased $5.56 million or 52.3%. This is primarily due to an increase of $8.51 million in other revenues, an increase of $4.97 million related to market range fluctuations, an increase of $2.40 million related to grant operating revenues, a decrease in bond issue cost of $937 thousand, and a decrease of $192 thousand related to reimbursements from the City for non-operating expenses, offset by an increase in bond interest of $9.45 million and a decrease of $1.97 million in payments from component units. During 2024 net non-operating expenses decreased $7.00 million or 39.7%. This is primarily due to an decrease of $16.67 million in other expenses, offset by an increase related to market rate fluctuations $16.47 million, a decrease of $2.15 million related to interest on bonds and a decrease of $579 thousand related to reimbursements from the City for non-operating expenses.

In 2025, capital contributions increased $11.98 million or 261.7%, primarily due to an increase in capital expenditures at Tinker Air Force Base for the construction of water and wastewater systems. This credit is offset by an intergovernmental payable for the purchase price of Tinker Air Force Base water and wastewater systems. Capital contributions decreased $977 thousand or 17.6% in 2024, primarily due to a one time contribution of $1 million from the City for sanitary sewer improvements.

Charges for Services
(dollars are in millions)
as of June 30,



Capital Assets

The Consolidated Trust's investment in capital assets, net of accumulated depreciation, as of June 30, 2025 and 2024, was $2,305,706,710 and $2,067,823,248, respectively.

In fiscal year 2003, the water master plan was completed, which included a 50-year plan for water supply availability. In 2009, the wastewater system master plan was completed, which included plans for capital improvements through 2051. In 2014, the Southeast Oklahoma Raw Water Supply System Plan and the Hefner/Draper System Interconnection study were completed. These latest two studies enhance the water master plan and provide guidance for capital improvements for the next 40 years.

Capital Assets
Net of Accumulated Depreciation

	2025	2024	2025 - 2024 Amount of Change	2025 - 2024 % Change	2023	2024 - 2023 Amount of Change	2024 - 2023 % Change
Non-Depreciable Assets							
Land and water storage rights	$122,620,411	$122,360,966	$259,445	0.2%	$123,125,686	($764,720)	(0.6%)
Construction in progress	802,809,594	741,829,984	60,979,610	8.2	484,344,863	257,485,121	53.2
Total non-depreciable assets	**925,430,005**	**864,190,950**	**61,239,055**	7.1	**607,470,549**	**256,720,401**	42.3
Depreciable Assets							
Buildings	55,668,490	47,026,631	8,641,859	18.4	48,032,682	(1,006,051)	(2.1)
Right to use buildings	8,210,533	9,376,696	(1,166,163)	(12.4)	1,163,730	8,212,966	705.7
Improvements other than buildings	1,256,818,746	1,087,457,003	169,361,743	15.6	1,102,205,232	(14,748,229)	(1.3)
Furniture, machinery, and equipment	47,121,413	52,285,048	(5,163,635)	(9.9)	58,005,423	(5,720,375)	(9.9)
Right to use furniture, machinery, and equipment	1,403,030	140,239	1,262,791	900.5	472,522	(332,283)	(70.3)
Right to use SBITAs	11,054,493	7,346,681	3,707,812	50.5	7,993,879	(647,198)	(8.1)
Total depreciable assets	**1,380,276,705**	**1,203,632,298**	**176,644,407**	14.7	**1,217,873,468**	**(14,241,170)**	(1.2)
	$2,305,706,710	**$2,067,823,248**	**$237,883,462**	11.5	**$1,825,344,017**	**$242,479,231**	13.3

Capital assets, net of accumulated depreciation, increased by $237.88 million or 11.5% during 2025 due to OCWUT's construction and improvement projects for the solid waste management, water and wastewater utilities system. Depreciation expense increased by $225 thousand or 0.31% in 2025 due to completion of construction in progress projects during 2025. During the fiscal year 2025, work in progress at South Canadian wastewater treatment plant project consists of modernizing the treatment plant to improve system efficiency and increase treatment capacities to keep up with the projected future demand. Aeration system improvements project at North Canadian wastewater treatment plant was completed. OCWUT initiated several improvement projects at the Draper water treatment plant, the Hefner water treatment plant, the North Canadian wastewater treatment plant, the Deer Creek wastewater treatment plant, and the solid waste operations center. The lead service line identification project progressed in 2025, with further work planned in the coming years to maintain regulatory compliance. As of fiscal year 2025, two pump stations and two segments of pipeline were awarded as part of the second Atoka pipeline program.Capital assets, net of accumulated depreciation, increased by $242.48 million or 13.3% during 2024 due to OCWUT's construction and improvement projects for the solid waste management, water and wastewater utilities system. Depreciation expense decreased by $1.41 million or 1.87% in 2024 due to completion of construction in progress projects during 2024. During the fiscal year 2024, OCWUT completed the construction of several projects including Draper Water Treatment Plant super scrapers, Draper Water Treatment Plant filter underdrain rehabilitation, and several water and sewer line replacements. In 2024, work continued at the South Canadian and North Canadian Wastewater Treatment Plants (WWTP). The South Canadian WWTP Project consists of modernizing the treatment plant to improve system efficiency and increase treatment capacities to keep up with the projected future demand. Work in progress continued at North Canadian WWTP which will upgrade the plant's electrical system and address other aging infrastructure. As of fiscal year 2024, five of the nine segments of the second Atoka pipeline continued construction progress with the remaining segments anticipated to be awarded by the end of 2025. See Note II. I. for more information regarding capital assets.

Long-term Liabilities

At the end of the 2025 and 2024 fiscal years, the Consolidated Trust had total debt outstanding of $1,092,536,531 and $1,070,217,918, respectively.

OWRB Notes Payable

The OWRB provided a portion of the debt funded capital through several clean water and drinking water state revolving fund programs since 2009. These agreements provided up to $863.23 million in loans, of which $495.03 million and $458.93 million remained outstanding at June 30, 2025 and 2024, respectively. See Note III. C. for more information regarding notes payable.

Revenue Bonds

At June 30, 2025 and 2024, the Consolidated Trust had total revenue bond debt outstanding of $530.52 million and $545.74 million, respectively. See Note III. H. for more information regarding revenue bonds.

OCWUT

At June 30, 2025 and 2024, OCWUT had total revenue bond debt outstanding of $530.52 million and $545.74 million, respectively. This debt is supported by pledged water, wastewater and solid waste management revenues generated by OCWUT's utility services.

Outstanding Long Term Debt

	2025	2024	2025 - 2024 Amount of Change	2025 - 2024 % Change	2023	2024 - 2023 Amount of Change	2024 - 2023 % Change
Intergovernmental payable	$52,466,228	$50,245,100	$2,221,128	4.4%	$35,329,268	$14,915,832	42.2%
OWRB notes payable	495,025,093	458,926,963	36,098,130	7.9	447,253,547	11,673,416	2.6
Leases payable	9,813,669	9,620,846	192,823	2.0	1,675,592	7,945,254	474.2
Revenue bonds	530,522,565	545,741,960	(15,219,395)	(2.8)	267,265,000	278,476,960	104.2
Subscriptions payable	4,708,976	5,683,049	(974,073)	(17.1)	6,250,256	(567,207)	(9.1)
	$1,092,536,531	**$1,070,217,918**	**$22,318,613**	2.1	**$757,773,663**	**$312,444,255**	41.2

Intergovernmental payable increased $2.22 million at June 30, 2025 primarily as a result of changes in unspent contributions from the Tinker Air Force Base of $6.06 million, offset by regularly scheduled payments of $3.84 million. Intergovernmental payable increased $14.92 million at June 30, 2024 primarily as a result of changes in unspent contributions from the Tinker Air Force Base of $18.75 million, offset by regularly scheduled payments of $3.84 million.

As of June 30, 2025 and 2024, the Consolidated Trust had $4.71 and $5.68 million in subscriptions payable related to the implementation of GASB 96, Subscription-Based Information Technology Arrangements. See Note III.E for more information regarding subscriptions payable.

OWRB notes payable increased $36.10 million at June 30, 2025 primarily as a result of draws on OWRB notes payable of $59.50 million, offset by regularly scheduled payments of $23.40 million. OWRB notes payable increased $11.67 million at June 30, 2024 primarily as a result of draws on OWRB notes payable of $33.48 million, offset by regularly scheduled payments of $21.81 million.

Bond Ratings

On the OCWUT's bonded debt, as of June 30, 2025 and 2024, Standard and Poor's Rating Services reported a credit rating of AAA and Moody's Rating Services reported a credit rating of Aaa.

Commercial Paper ratings

As of June 30, 2025 and 2024, respectively, OCWUT's short-term credit rating for its commercial paper program is A-1 and A-1+ from Standard & Poor's and Aa1 and P1 from Moody's.

Economic Factors and Rates

Economic Factors

The primary factor that affects OCWUT's revenues is the weather. In years of heavy rain, demand for water decreases. Conversely, when the weather is hot or dry, demand for water increases. Significant weather events can lead to significant increases in repairs and maintenance to the system. Tornadoes and ice storms are examples of two weather events that can lead to significant damage to treatment plants as well as pump and lift stations.

Utility Rates

The City Council has a long-standing history of approving multi-year rate adjustments. On November 5, 2024, City Council approved utility rate adjustments for water, wastewater, and solid waste management service fees and charges to meet operating, debt, and capital expenditures for fiscal year 2025 through 2029. Utility rate adjustments are proposed to be effective January 1, 2025 for the first adjustment and November 1 for each fiscal year thereafter, with an average annual rate adjustment of 9%.

Aliquot Shares

Payments from surrogates or designees of Participants may generate aliquot share revenue. The Authority uses OCWUT's cost of service study information as a basis for determining rates and changes. The most recent rate adjustment series went into effect on January 1, 2025 for the first adjustment and November 1 for each fiscal year thereafter, with an average annual rate adjustment of 9%.

Contacting the Consolidated Trust's Financial Management

This financial report is designed to provide a general overview of the Consolidated Trust's finances, comply with finance-related laws and regulations, and demonstrate commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City of Oklahoma City at okc.gov/government/Budget-and-Finance.

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Basic Financial Statements

Proprietary Fund Financial Statements

Provide both long-term and short-term information about the Trust's overall status using full accrual accounting.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

STATEMENTS OF NET POSITION **OKLAHOMA CITY**
June 30, **WATER UTILITIES TRUST**

	2025				2024			
	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$316,118,324	$273,566	$ -	$316,391,890	$298,903,988	$208,033	$ -	$299,112,021
Investments	332,757,417	-	-	332,757,417	407,375,136	-	-	407,375,136
Accounts receivable, net	54,215,609	101,687	-	54,317,296	54,573,091	91,999	-	54,665,090
Lease receivable	112,485	-	-	112,485	75,665	-	-	75,665
Interest, dividends, and royalties receivable	2,430,605	-	-	2,430,605	2,301,095	-	-	2,301,095
Receivable from City of Oklahoma City	1,455,540	-	-	1,455,540	4,462,337	3,115	-	4,465,452
Intergovernmental receivables	975,883	233,291	-	1,209,174	603,555	114,791	-	718,346
Note receivable	14,161	-	-	14,161	13,606	-	-	13,606
Inventories	1,227,043	-	-	1,227,043	1,135,399	-	-	1,135,399
Prepaids	260,021	3,437	-	263,458	347,461	3,437	-	350,898
Total current assets	709,567,088	611,981	-	710,179,069	769,791,333	421,375	-	770,212,708
NON-CURRENT ASSETS								
Investments	624,246	-	-	624,246	651,392	-	-	651,392
Lease receivable	541,907	-	-	541,907	609,549	-	-	609,549
Note receivable	639,734	-	-	639,734	654,783		-	654,783
Advance to McGee Creek Authority	68,178,985	-	(68,178,985)	-	67,438,340	-	(67,438,340)	-
Intergovernmental aliquot share receivable	-	67,225,637	-	67,225,637	-	66,484,991	-	66,484,991
Other non-current assets	19,074	-	-	19,074	19,074	-	-	19,074
Prepaids	-	4,153	-	4,153	-	7,590	-	7,590
Capital assets:								
Land, water storage rights and construction in progress	855,784,577	69,645,428	-	925,430,005	796,952,986	67,237,964	-	864,190,950
Other capital assets, net of accumulated depreciation	1,369,765,912	10,510,793	-	1,380,276,705	1,192,380,529	11,251,769	-	1,203,632,298
Total capital assets	2,225,550,489	80,156,221	-	2,305,706,710	1,989,333,515	78,489,733	-	2,067,823,248
Total non-current assets	2,295,554,435	147,386,011	(68,178,985)	2,374,761,461	2,058,706,653	144,982,314	(67,438,340)	2,136,250,627
Total assets	**3,005,121,523**	**147,997,992**	**(68,178,985)**	**3,084,940,530**	**2,828,497,986**	**145,403,689**	**(67,438,340)**	**2,906,463,335**
DEFERRED OUTFLOWS OF RESOURCES	**1,057,141**	**-**	**-**	**1,057,141**	**1,126,461**	**-**	**-**	**1,126,461**
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	108,520,605	479,742	-	109,000,347	114,367,721	1,307,687	-	115,675,408
Wages and benefits payable	-	14,414	-	14,414	-	12,537	-	12,537
Payable to City of Oklahoma City	1,199,776	88,185	-	1,287,961	5,023,283	26,110	-	5,049,393
Interest payable	3,777,249	-	-	3,777,249	3,581,590	-	-	3,581,590
Compensated absences	-	31,884	-	31,884	-	17,971	-	17,971
Commercial paper	12,500,000	-	-	12,500,000	-	-	-	-
Notes, leases, and subscriptions payable	25,769,972	-	-	25,769,972	23,697,832	-	-	23,697,832
Estimated claims payable	1,675,000	-	-	1,675,000	2,500,000	-	-	2,500,000
Bond interest payable	11,673,253	-	-	11,673,253	6,309,014	-	-	6,309,014
Bonds payable	12,095,000	-	-	12,095,000	14,185,000	-	-	14,185,000
Intergovernmental payable	14,941,824	-	-	14,941,824	14,478,203	-	-	14,478,203
Total current liabilities	192,152,679	614,225	-	192,766,904	184,142,643	1,364,305	-	185,506,948
NON-CURRENT LIABILITIES								
Compensated absences	-	143,869	-	143,869	-	149,716	-	149,716
Payable to City of Oklahoma City	47,046,272	-	-	47,046,272	48,543,693	-	-	48,543,693
Intergovernmental payable	52,466,228	-	-	52,466,228	50,245,100	-	-	50,245,100
Notes, leases and subscriptions payable	483,777,766	-	-	483,777,766	450,533,026	-	-	450,533,026
Advance from component unit	-	68,178,985	(68,178,985)	-	171,569	67,438,340	(67,438,340)	171,569
Bonds payable, net	518,427,565	-	-	518,427,565	531,556,960	-	-	531,556,960
Total non-current liabilities	1,101,717,831	68,322,854	(68,178,985)	1,101,861,700	1,081,050,348	67,588,056	(67,438,340)	1,081,200,064
Total liabilities	**1,293,870,510**	**68,937,079**	**(68,178,985)**	**1,294,628,604**	**1,265,192,991**	**68,952,361**	**(67,438,340)**	**1,266,707,012**
DEFERRED INFLOWS OF RESOURCES	**11,156,971**	**-**	**-**	**11,156,971**	**11,696,959**	**-**	**-**	**11,696,959**
NET POSITION								
Net investment in capital assets	1,063,631,762	79,699,049	-	1,143,330,811	977,027,201	77,212,394	-	1,054,239,595
Restricted for:								
Debt service	24,541,750	-	-	24,541,750	364,327	-	-	364,327
Unrestricted	612,977,671	(638,136)	-	612,339,535	575,342,969	(761,066)	-	574,581,903
Total net position	**$1,701,151,183**	**$79,060,913**	**$ -**	**$1,780,212,096**	**$1,552,734,497**	**$76,451,328**	**$ -**	**$1,629,185,825**

See accompanying notes to financial statements.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OKLAHOMA CITY WATER UTILITIES TRUST

For the Years Ended June 30,

	2025				2024			
	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated
OPERATING REVENUES								
CHARGES FOR SERVICES								
Water charges	$260,867,854	$ -	$ -	$260,867,854	$234,952,284	$ -	$ -	$234,952,284
Wastewater charges	142,106,469	-	-	142,106,469	129,498,716	-	-	129,498,716
Solid waste management charges	76,153,920	-	-	76,153,920	72,468,859	-	-	72,468,859
Aliquot share charges	-	4,048,118	-	4,048,118	-	3,510,240	-	3,510,240
Other charges	1,407,294	-	-	1,407,294	1,383,553	-	-	1,383,553
Total charges for services	480,535,537	4,048,118	-	484,583,655	438,303,412	3,510,240	-	441,813,652
Lease income	392,205	-	-	392,205	464,259	-	-	464,259
Other	9,716,163	1,577	-	9,717,740	9,666,979	1,369	-	9,668,348
Total operating revenues	**490,643,905**	**4,049,695**	**-**	**494,693,600**	**448,434,650**	**3,511,609**	**-**	**451,946,259**
OPERATING EXPENSES								
Personal services	78,287,429	479,572	-	78,767,001	73,897,696	465,826	-	74,363,522
Maintenance, operations, and contractual services	171,392,318	448,952	-	171,841,270	148,574,364	573,023	-	149,147,387
Materials and supplies	30,434,203	61,010	-	30,495,213	22,759,567	115,163	-	22,874,730
Depreciation and amortization	73,232,671	814,580	-	74,047,251	73,109,160	712,899	-	73,822,059
Total operating expenses	**353,346,621**	**1,804,114**	**-**	**355,150,735**	**318,340,787**	**1,866,911**	**-**	**320,207,698**
Operating income	**137,297,284**	**2,245,581**	**-**	**139,542,865**	**130,093,863**	**1,644,698**	**-**	**131,738,561**
NON-OPERATING REVENUES (EXPENSES)								
Grant operating	2,673,463	-	-	2,673,463	273,187	-	-	273,187
Investment income	28,445,788	2,158	-	28,447,946	23,472,263	2,181	-	23,474,444
Interest on bonds and notes	(34,323,177)	-	-	(34,323,177)	(24,869,680)	-	-	(24,869,680)
Bond issue costs	-	-	-	-	(937,056)	-	-	(937,056)
Oil and gas royalties	64,320	-	-	64,320	95,634	-	-	95,634
Payments from component units	-	-	-	-	1,974,126	-	-	1,974,126
Payments to City of Oklahoma City	(7,863,698)	-	-	(7,863,698)	(8,055,392)	-	-	(8,055,392)
Other revenue (expenses)	5,565,621	361,846	-	5,927,467	(2,622,522)	37,133	-	(2,585,389)
Net non-operating revenue (expenses)	**(5,437,683)**	**364,004**	**-**	**(5,073,679)**	**(10,669,440)**	**39,314**	**-**	**(10,630,126)**
Income before contributions and transfers	**131,859,601**	**2,609,585**	**-**	**134,469,186**	**119,424,423**	**1,684,012**	**-**	**121,108,435**
CONTRIBUTIONS AND TRANSFERS								
Capital contribution	16,557,085	-	-	16,557,085	4,577,871	-	-	4,577,871
Total contributions and transfers	**16,557,085**	**-**	**-**	**16,557,085**	**4,577,871**	**-**	**-**	**4,577,871**
Changes in net position	**148,416,686**	**2,609,585**	**-**	**151,026,271**	**124,002,294**	**1,684,012**	**-**	**125,686,306**
Total net position, beginning	1,552,734,497	76,451,328	-	1,629,185,825	1,428,732,203	74,767,316	-	1,503,499,519
Total net position, ending	**$1,701,151,183**	**$79,060,913**	**$ -**	**$1,780,212,096**	**$1,552,734,497**	**$76,451,328**	**$ -**	**$1,629,185,825**

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
For the Years Ended June 30,

OKLAHOMA CITY
WATER UTILITIES TRUST

	2025				2024			
	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash received from customers	$490,135,718	$4,043,122	$ -	$494,178,840	$449,980,921	$3,501,714	$ -	$453,482,635
Cash payments to suppliers for goods and services	(244,724,051)	(144,696)	-	(244,868,747)	(138,450,011)	(668,585)	-	(139,118,596)
Cash payments to employees and professional contractors for services	78,287,429	(469,630)	-	77,817,799	-	(442,366)	-	(442,366)
Cash payments for internal services	(1,893,149)	-	-	(1,893,149)	(417,088)	-	-	(417,088)
Cost reimbursements from (to) other funds	(111,155,204)	-	-	(111,155,204)	(102,000,000)	-	-	(102,000,000)
Other cash receipts	334,019	243,347	-	577,366	(5,319,083)	49,392	-	(5,269,691)
Net cash provided by operating activities	**210,984,762**	**3,672,143**	**-**	**214,656,905**	**203,794,739**	**2,440,155**	**-**	**206,234,894**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
Cash received from operating grants	2,673,463	-	-	2,673,463	-	-	-	-
Non-financing payments to City of Oklahoma City	(7,863,698)	-	-	(7,863,698)	(8,055,392)	-	-	(8,055,392)
Net cash used by non-capital financing activities	**(5,190,235)**	**-**	**-**	**(5,190,235)**	**(8,055,392)**	**-**	**-**	**(8,055,392)**
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES								
Proceeds from issuance of long-term debt and commercial paper	72,004,131	-	-	72,004,131	364,451,128	-	-	364,451,128
Payments for acquisition and construction of capital assets	(310,605,103)	(3,608,768)	-	(314,213,871)	(252,238,880)	(2,574,654)	-	(254,813,534)
Principal paid on long-term debt and commercial paper	(43,732,293)	-	-	(43,732,293)	(122,626,520)	-	-	(122,626,520)
Interest paid on long-term debt and commercial paper	(30,543,407)	-	-	(30,543,407)	(25,161,980)	-	-	(25,161,980)
Capital/financing payments from component units	(171,569)	-	-	(171,569)	-	-	-	-
Proceeds from sale of assets	5,235,723	-	-	5,235,723	(2,505,133)	-	-	(2,505,133)
Capital grants and contributions received	16,557,086	-	-	16,557,086	4,582,273	-	-	4,582,273
Other capital and capital related financing activities	727,847	-	-	727,847	(3,372,831)	-	-	(3,372,831)
Net cash used by capital financing activities	**(290,527,585)**	**(3,608,768)**	**-**	**(294,136,353)**	**(36,871,943)**	**(2,574,654)**	**-**	**(39,446,597)**
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of investments	(165,208,044)	-	-	(165,208,044)	(293,597,256)	-	-	(293,597,256)
Proceeds from sale of investments	249,569,511	-	-	249,569,511	124,384,183	-	-	124,384,183
Investment income received	17,492,685	2,158	-	17,494,843	14,326,699	2,181	-	14,328,880
Purchased interest	21,605	-	-	21,605	(7,056)	-	-	(7,056)
Interest collected on leases	396	-	-	396	9,112	-	-	9,112
Receipts from oil and gas royalties	71,243	-	-	71,243	95,634	-	-	95,634
Net cash provided (used) by investing activities	**101,947,396**	**2,158**	**-**	**101,949,554**	**(154,788,684)**	**2,181**	**-**	**(154,786,503)**
Net increase in cash	**17,214,338**	**65,533**	**-**	**17,279,871**	**4,078,720**	**(132,318)**	**-**	**3,946,402**
Cash, beginning	298,903,986	208,033	-	299,112,019	294,825,266	340,351	-	295,165,617
Cash, ending	**$316,118,324**	**$273,566**	**$ -**	**$316,391,890**	**$298,903,986**	**$208,033**	**$ -**	**$299,112,019**

STATEMENTS OF CASH FLOWS **OKLAHOMA CITY**
For the Years Ended June 30, **WATER UTILITIES TRUST**

	2025				2024			
	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated	Water Utilities Trust	McGee Creek Authority	Eliminations	Consolidated
RECONCILIATION OF OPERATING INCOME PROVIDED BY OPERATING ACTIVITIES TO NET CASH								
Operating income	$137,297,284	$2,245,581	$ -	$139,542,865	$130,093,863	$1,644,698	$ -	$131,738,561
ADJUSTMENTS TO RECONCILE OPERATING INCOME PROVIDED BY OPERATING ACTIVITIES TO NET CASH								
Depreciation	73,232,671	814,580	-	74,047,251	73,109,160	712,899	-	73,822,059
Non-operating revenue (expense)	329,896	361,848	-	691,744	155,432	69,864	-	225,296
Changes in assets and liabilities:								
(Increase) decrease in accounts receivable	357,482	(9,688)	-	347,794	(6,651,120)	(6,780)	-	(6,657,900)
(Increase) decrease in leases receivable	30,822	-	-	30,822	37,408	-	-	37,408
(Increase) decrease in due from other funds	(740,645)	-	-	(740,645)	(613,517)	-	-	(613,517)
(Increase) decrease in receivable from City of Oklahoma City	3,006,797	3,115	-	3,009,912	3,563,331	(3,115)	-	3,560,216
(Increase) decrease in inventories	(91,644)	-	-	(91,644)	(148,377)	-	-	(148,377)
(Increase) decrease in prepaid assets	87,440	3,437	-	90,877	65,230	(11,027)	-	54,203
(Increase) decrease in notes receivable	14,494	-	-	14,494	12,187	-	-	12,187
(Increase) decrease in intergovernmental receivable	(372,328)	(859,145)	-	(1,231,473)	1,899,242	(20,472)	-	1,878,770
(Increase) decrease in Intergovernmental aliquot share receivable	-	-	-	-	-	(613,517)	-	(613,517)
Increase (decrease) in accounts payable and accrued expenses	2,474,895	299,753	-	2,774,648	9,251,166	12,563	-	9,263,729
Increase (decrease) in wages and benefits payable	-	1,877	-	1,877	-	3,948	-	3,948
Increase (decrease) in due to other funds	-	740,645	-	740,645	-	613,517	-	613,517
Increase (decrease) in payable to City of Oklahoma City	(4,242,862)	62,075	-	(4,180,787)	(8,470,073)	18,065	-	(8,452,008)
Increase (decrease) in compensated absences	-	8,065	-	8,065	-	19,512	-	19,512
Increase (decrease) in intergovernmental payable	463,621	-	-	463,621	516,433	-	-	516,433
Increase (decrease) in other payables	(825,000)	-	-	(825,000)	1,085,860	-	-	1,085,860
Increase (decrease) in unearned revenue	-	-	-	-	(80,907)	-	-	(80,907)
Increase (decrease) in deferred inflows	(38,161)	-	-	(38,161)	(30,579)	-	-	(30,579)
Total adjustments	73,687,478	1,426,562	-	75,114,040	73,700,876	795,457	-	74,496,333
Net cash provided by operating activities	**$210,984,762**	**$3,672,143**	**$ -**	**$214,656,905**	**$203,794,739**	**$2,440,155**	**$ -**	**$206,234,894**
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES								
Net increase (decrease) in fair value of investments	$9,716,605	$ -	$ -	$9,716,605	$7,723,061	$ -	$ -	$7,723,061
Right to use lease - asset	1,586,363	-	-	1,586,363	9,197,729	-	-	9,197,729
Right to use subscription - asset	249,161	-	-	249,161	687,317	-	-	687,317
Retainages and accounts payable related to capital assets	79,094,027	457,172	-	79,551,199	81,357,072	1,277,339	-	82,634,411
Total non-cash investing, capital, and financing activities	**$90,646,156**	**$457,172**	**$ -**	**$91,103,328**	**$98,965,179**	**$1,277,339**	**$ -**	**$100,242,518**

See accompanying notes to financial statements.

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Notes to Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. A. INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the Oklahoma City Water Utilities Trust (Consolidated Trust) financial activities for the fiscal years ended June 30, 2025 and 2024. Certain reclassifications were made to cash and cash equivalents and investment categories. These reclassifications had no effect on net position.

I. B. REPORTING ENTITY

Fund Types and Major Funds

Major Proprietary Funds

Oklahoma City Water Utilities Trust (OCWUT) Fund

Accounts for balances and transactions related to water, wastewater and solid waste management utilities operations, construction, contracting, related debt, and other matters requiring commitment for more than one fiscal year.

OCWUT was created as a public trust pursuant to Title 60 of the Oklahoma Statutes, section 176, et seq (Title 60). OCWUT was created on April 17, 1990, by renaming the Oklahoma City Municipal Improvement Authority (OCMIA) that had been established on August 1, 1960. The purpose of OCWUT, generally, is to provide financing, through loans and the issuance of revenue bonds or other debt instruments, for the construction and acquisition of water and wastewater facilities and other general improvements to and for the extension of the water, wastewater and solid waste management systems serving the City. The provisions of the trust indenture, as amended, provide that OCWUT will lease or otherwise manage the related water, wastewater and solid waste management systems. OCWUT will receive all revenues generated from the water, wastewater, and solid waste management systems to pay the debt service requirements on the revenue bonds or other debt instruments issued by OCWUT, plus costs and expenses incidental to operations and maintenance.

The City Manager, the Mayor, one Council person, and two citizens of the City who are appointed by the City Council serve as trustees of OCWUT. OCWUT does not have the power to levy taxes, but may, with City Council approval, fix, demand, and collect charges, rentals, and fees for the services and facilities of OCWUT. Although the City has no obligation for debt issued by OCWUT, the City must approve the issuance of debt.

McGee Creek Authority (MCA) Fund

Accounts for balances and transactions related to the purchase of water storage rights, related debt and operations of the McGee Creek Reservoir (Reservoir).

MCA is a public trust created pursuant to Title 60. MCA was established on August 1, 1977. The purpose of MCA is, generally, to act as the contracting party for acquiring land, constructing facilities, operating, and maintaining a water storage and transportation facility at the Reservoir. Recreation activities at the Reservoir are managed by the Oklahoma Department of Wildlife Conservation and the Oklahoma Tourism and Recreation Department. MCA does not manage recreation activities. The beneficiaries of MCA (Beneficiaries) are the City; City of Atoka, Oklahoma; Atoka County, Oklahoma; and the Southern Oklahoma Development Trust. The participants of MCA (Participants) are the Beneficiaries and OCWUT.

The Mayor of Atoka, Oklahoma; the Mayor of Oklahoma City, Oklahoma; the Chairman of the Board of County Commissioners of Atoka County, Oklahoma; the Chairman of the Board of Trustees of OCWUT; and the Chairman of the Board of the Southern Oklahoma Development Trust serve as Trustees for MCA. The Beneficiaries do not have an obligation for debt issued by MCA.

Component Unit

MCA

MCA was established to finance the purchase of water storage rights at the McGee Creek Reservoir for the benefit of the City of Atoka, the City of Oklahoma City and Atoka County, Oklahoma. MCA Trustees are the Mayors/Chairpersons of the respective participants.

MCA meets the criteria of a blended component unit of OCWUT because OCWUT is expected to fund the debt of MCA due to an agreement of support (OCWUT Agreement) between OCWUT, MCA, and the federal government dated October 11, 1979. The OCWUT Agreement details OCWUT's pledge of water utility revenues, not otherwise pledged or required by OCWUT. OCWUT is required to provide cash payments as needed to MCA to fund debt service requirements, operation and maintenance, extraordinary expenses and capital improvements, as well as funding to maintain the bond fund minimum required balance reserve. Additionally, MCA is a significant source of OCWUT's water supply. Therefore, MCA's balances and transactions are blended with OCWUT's in the Consolidated Trust annual financial statements.

MCA issues separate audited financial statements. The MCA annual statement may be obtained online at okc.gov/government/Budget-and-Finance.

I. B. 1. RELATIONSHIP WITH THE CITY

Due to restrictions of the state constitution relating to the issuance of municipal debt, public trusts are created to finance City services with revenue bonds or other non-general obligation financing, and to provide for multi-year contracting. Financing services provided by these public trusts are solely for the benefit of the City.

Method of Reporting in the City's Annual Comprehensive Financial Report (ACFR)

The Consolidated Trust is presented as a component unit because OCWUT utility rates and fees are set by City ordinance and the City must approve all debt issuances of OCWUT. The Consolidated Trust is discretely presented because the majority of the Board of Trustees of OCWUT is not the same as the voting majority of the City Council.

The Consolidated Trust is a component unit of the City and is included in the City's ACFR. Copies of the City ACFR financial statements may be obtained online at okc.gov/government/Budget-and-Finance.

Trust Administration

All administrative functions are performed by City employees. MCA employees perform operational functions at the McGee Creek Reservoir. OCWUT transfers funds to the City for the cost of these services. MCA does not reimburse OCWUT for OCWUT's share of these costs.

I. B. 2. BASIC FINANCIAL STATEMENTS

The basic financial statements include the statement of net position, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. These statements report financial information for the Consolidated Trust as a whole.

I. B. 3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Generally Accepted Accounting Principles (U.S. GAAP)

The financial statements of the Consolidated Trust are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating income includes revenues and expenses related to the primary, continuing operations of the Consolidated Trust. Principal operating revenues are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

I. C. BUDGET LAW AND PRACTICE

OCWUT

Oklahoma Statutes require the submission of financial information for public trusts to the governing body. However, legal budgetary control levels are not specified. Accordingly, OCWUT's budget is submitted to its governing body for approval. Appropriations are recorded and available to pay expenses as revenue is received in cash. Budgetary control is exercised on a project-length basis. Therefore, appropriations are carried forward each year until projects are completed. Management's policy prohibits expenses to exceed appropriations. Management may transfer appropriations within OCWUT without governing body approval.

MCA

MCA submits financial information to its governing body, however, appropriations are not recorded. Management's policy prohibits disbursements which exceed available cash.

I. D. POLICIES RELATED TO ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY

I. D. 1. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In 2025, the Consolidated Trust implemented the following accounting standards. The implementation of these standards did not have a material impact on the Consolidated Trust financial statements.

The Trust implemented GASB Statement No. 101, Compensated Absences, during the current fiscal year. This Statement updates the recognition and measurement criteria for compensated absences, such as vacation and sick leave, by establishing a unified model. Under this guidance, a liability is recognized when leave is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. The Trust reviewed its leave policies and determined that its existing practices were largely consistent with the new requirements. The implementation of GASB 101 did not have a material impact on the Trust's financial statements that required change in accounting principle restatement.

The Trust implemented GASB Statement No. 102, Certain Risk Disclosures, during the current fiscal year. The purpose of this Statement is to improve the transparency of financial reporting by requiring disclosures related to concentrations and constraints that could potentially expose the Trust to significant financial risk. These include dependencies on specific revenue sources, suppliers, or limitations imposed by external parties that could impact the Trust's ability to provide services or meet obligations. As part of the implementation, the Trust evaluated its operations and determined that no concentrations or constraints currently exist that meet the criteria for disclosure under this Statement. Therefore, the implementation of GASB 102 did not have a material impact on the Trust's financial statements.

I. D. 2. CASH AND INVESTMENTS

OCWUT's governing board has formally adopted an investment policy (OCWUT Investment Policy) different from the City's investment policy. Unrestricted investments are managed by the City Treasurer. Management of the restricted investments is performed in accordance with applicable bond indentures and at the direction of trustee bank trust departments.

The MCA governing board has not formally adopted deposit and investment policies other than applicable deposit and investment policies specified in the bond indenture and state law.

Investments are reported at fair value determined by quoted market prices except for guaranteed investment contracts which are carried at cost. Cash deposits are reported at carrying amount, which approximates fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Accounting guidance establishes a consistent framework for measuring fair value and establishes a fair value hierarchy based on the observability of inputs used to measure fair value. These different levels of valuation hierarchy are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable.

Level 3 - Significant unobservable prices or inputs.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

I. D. 3. RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS

Significant receivables include amounts due from customers for utility services and amounts due from Participants and surrogates or designees of Participants for actual water usage. Unbilled accounts receivable represent amounts recognized as revenue for which invoices have not yet been sent to customers. Unbilled receivables are calculated as a ratio of days of the total billing period for water meters read after year-end. Accounts receivable are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 90 days.

I. D. 4. LEASE RECEIVABLES

Lease receivables are reported for lease arrangements in which the Consolidated Trust is providing the right for another entity to use its nonfinancial assets as stated in a contract for a period of time in an exchange or exchange like transaction. Management determines the allowance for uncollectible leases by identifying known leases that will not be collected and by estimating the remaining leases that are likely not to be collected.

I. D. 5. PREPAIDS

Prepaids are payments to vendors that benefit future reporting periods and are reported on the consumption basis. Non-current prepaids benefit periods beyond the following 12 month period. Payments to vendors that are less than $5,000 are considered de minimus and are reported with expenses/expenditures in the year of payment.

I. D. 6. RESTRICTED ASSETS

Certain assets are restricted for capital projects funded through long-term debt and debt service reserves. Restricted deposits and investments are also legally restricted for the payment of currently maturing debt service and capital projects.

When both restricted and unrestricted resources are available for use, it is the Consolidated Trust's policy to use restricted resources first, then unrestricted resources as needed.

I. D. 7. INTERFUND BALANCES

Balances between OCWUT and MCA that represent lending/borrowing arrangements outstanding at the end of the fiscal year are reported as due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). Balances between OCWUT and MCA are eliminated on the statement of net position.

Balances between OCWUT and the City that represent amounts outstanding at the end of the fiscal year are reported as payable to the primary government and receivable from the primary government, depending on the nature of related transactions. Balances between OCWUT and component units of the City are reported as payable to component units or receivable from component units.

City employees perform certain administrative and management services for OCWUT. Reimbursements for the costs of these services, which includes salaries, pension, and other post-employment benefits are included with payments to the primary government. The payable to primary government represents the unfunded liabilities of the City Funds.

I. D. 8. CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

Capital assets are stated at cost. Generally, assets costing $10,000 or more are capitalized as purchases and construction outlays occur. Donated assets are stated at acquisition value. Depreciation and amortization is computed on the straight line method over the estimated useful life of the asset, as follows:

Buildings	10 - 50
Improvements	10 - 50
Mobile equipment, furniture, machinery, and equipment	5 - 20
Right to use building leases	10 - 50
Right to use mobile equipment, furniture, machinery, and equipment leases	5 - 20

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

Maintenance and repairs are charged to operations, while renewals and betterments are capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in non-operating revenues (expenses).

I. D. 9. BOND DISCOUNT/PREMIUM AND DEFERRED AMOUNTS ON REFUNDING

Bond discounts and premiums are capitalized and amortized over the term of the respective bonds using a method that approximates the effective interest method. Deferred charges on refunding of bonds results from a difference in the carrying value of refunded debt to its reacquisition price. The amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

I. D. 10. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of net position may report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period which will not be recognized as an inflow of resources until that time.

I. D. 11. COMPENSATED ABSENCES

Compensated absences represent the accrued vested vacation and sick leave benefits attributable to full-time MCA employees based on the personnel policies of MCA.

I. D. 12. RISK MANAGEMENT

The Consolidated Trust's risk management activities are recorded in the City Risk Management Fund and the Oklahoma City Municipal Facilities Authority (OCMFA) Services Fund. The purpose of these funds is to administer property and liability insurance programs of the City, in which the Consolidated Trust participates. These funds account for the risk financing activities of the Consolidated Trust and constitute a transfer of risk from the Consolidated Trust. OCWUT pays premiums through the Oklahoma City Utilities Fund and has no other costs or liabilities related to risk management activities. Costs and liabilities for commercial insurance, stop-loss insurance, and claims paid are recorded in the City Risk Management Fund and the OCMFA Services Fund.

Significant losses are covered by commercial insurance for the property and liability programs. The City offers several different employee health and life options which, except for the indemnity health plan are fully insured. The self-insured indemnity health plan is covered by stop-loss coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

I. D. 13. FUND EQUITY

Net Position

Net position invested in capital assets, net of related debt, and legally restricted amounts are reported separately from unrestricted net position.

Net Investment in Capital Assets
The amount reported is calculated as total capital assets less accumulated depreciation and outstanding debt used to purchase the assets, net of unspent portions. Unspent portions of bonds payable, along with any amounts used to fund debt reserves, are included with restricted net position.

Restricted Net Position
Amounts reported as restricted for debt service include those amounts held in restricted accounts as required by the debt instrument. Restricted amounts held to pay bond interest are reduced by accrued interest payable. Net position restricted for capital projects include unspent debt proceeds legally restricted for capital outlays. Restricted net position also includes purpose restrictions from enabling legislation and other external sources.

I. D. 14. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

I. E. MAJOR REVENUES

OCWUT

The major revenues for OCWUT consist of water, wastewater and solid waste management system service charges to the residents and businesses of Oklahoma City and the metro area. Other non-utility revenues are generated by recreational facilities located at Lake Hefner, Lake Stanley Draper, and Lake Overholser reservoirs.

MCA

Aliquot share revenues represent revenues collected by MCA or collectible from Participants. The OCWUT aliquot share payments are reported as transfers to the MCA. The MCA trust indenture assigns the aliquot shares of the Participants and details the requirements of the Participants to fund MCA cash requirements based on the aliquot share ratio.

I. F. TAX STATUS

OCWUT and MCA are exempt from Federal and state income taxes under Section 115 of the Internal Revenue Code for any trade or business related to the tax-exempt purpose or function.

I. G. RETAINAGES

It is the policy of the Consolidated Trust to retain a percentage of construction contracts until a completed project has been accepted by the Trustees. Contractors may request to opt out of this retainage by providing securities in lieu of retainage to OCWUT. OCWUT holds the securities, and the Consolidated Trust retains the risk of incurring costs related to a contractor's failure to perform. However, in the event of non-performance, OCWUT would call the securities and pay the proceeds to the Consolidated Trust to cover any costs incurred. The Consolidated Trust held in lieu securities of $5.145 million.

II. ASSETS AND DEFERRED OUTFLOWS

II. A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, demand deposits, and money market funds. These amounts are reported in a single line item, "Cash and Cash Equivalents," in the Statements of Net Position. During the current fiscal year, the Consolidated Trust consolidated all non-pooled cash and money market funds into this line item for financial statement presentation consistency.

Money market funds are reported at cost which approximates fair value, are traded on active markets at quoted prices, and are valued at level 1.

The composition of cash and cash equivalents at June 30, 2025 and 2024, is as follows:

	2025							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
Non-pooled cash	$28,174,554	$28,174,554	$28,174,554	$ -	$ -	$ -	N/A	N/A
Money market (4)(5)	288,217,336	288,217,336	288,217,336	-	-	-	AAA/Aaa	1.49
Total cash and cash equivalents	**$316,391,890**	**$316,391,890**	**$316,391,890**	**$ -**	**$ -**	**$ -**		

	2024							
	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
Non-pooled cash	$28,793,105	$28,793,105	$28,793,105	$ -	$ -	$ -	N/A	N/A
Money market (4)(5)	270,318,916	270,318,916	270,318,916	-	-	-	AAA/Aaa	1.05
Total cash and cash equivalents	**$299,112,021**	**$299,112,021**	**$299,112,021**	**$ -**	**$ -**	**$ -**		

(1) The net asset value (NAV) is a practical expedient to estimate fair value.

(2) Ratings are provided where applicable to indicate associated credit risk.

(3) Interest rate risk is estimated using weighted average months to maturity.

(4) Cost approximates fair value.

(5) Consists solely of U.S. Treasury securities.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, Consolidated Trust deposits may not be returned or the Consolidated Trust will not be able to recover collateral securities in the possession of an outside party. The OCWUT Investment Policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount covered by the Federal Deposit Insurance Corporation (FDIC). Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service, as determined by a rating of C minus or above by independent rating agencies. Collateral agreements must be approved prior to deposit of funds as provided by law. The City Council approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certifications provided by financial institutions and recommendations of the City Treasurer. Custodial credit risk for deposits is not addressed by bond indentures. Bond indentures require that restricted deposits be maintained by the trustee bank specified in the indenture. MCA has not adopted a policy addressing custodial credit risk.

At June 30, 2025 and 2024, MCA's cash is collateralized with securities held by pledging financial institution in the name of the Authority, less Federal depository insurance.

II. B. INVESTMENTS

Investments (1)

The Consolidated Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Consolidated Trust's financial position. Because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

(1) For comparative purposes, the prior-year amounts presented in the Statements of Net Position have been reclassified to conform to the current-year presentation. In prior years, non-pooled cash and money market funds were presented within deposits and investments. For fiscal year 2025, these balances are reported within "Cash and Cash Equivalents," and the prior-year column has been adjusted accordingly. These reclassifications had no effect on total assets, net position, or the change in net position.

2025

	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
Fannie Mae	$15,567,763	$16,176,165	$ -	$16,176,165	$ -	$ -	AA+/Aaa	22.47
U.S. Treasury notes	306,397,575	317,205,498	-	317,205,498	-	-	N/A	17.43
Total investments	**$321,965,338**	**$333,381,663**	**$ -**	**$333,381,663**	**$ -**	**$ -**		

2024

	Cost	Fair Value/ Carrying Amount	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Measured at NAV (1)	Average Credit Quality/ Ratings (2)	Weighted Average (months) (3)
Fannie Mae	$15,567,763	$15,434,937	$ -	$15,434,937	-	-	AA+/Aaa	34.63
U.S. Treasury notes	393,491,882	392,591,591	-	392,591,591	-	-	N/A	22.80
Total investments	**$409,059,645**	**$408,026,528**	**$ -**	**$408,026,528**	**$ -**	**$ -**		

(1) The net asset value (NAV) is a practical expedient to estimate fair value.

(2) Ratings are provided where applicable to indicate associated credit risk.

(3) Interest rate risk is estimated using weighted average months to maturity.

Fair Value Measurement

The following is a description of the valuation methodologies used for assets measured at fair value in the tables above. There have been no changes in the methodologies used at June 30, 2025 and 2024.

An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Federal obligations consist of Federal Home Loan Bank, Freddie Mac, and Fannie Mae notes. These securities use pricing models that maximize the use of observable inputs for similar securities and are valued at level 2. U.S. Treasury notes use similar pricing models and are also valued at level 2.

OCWUT Investment Policy

OCWUT Trustees adopted a separate investment policy in addition to the investment provisions of bond indentures. OCWUT funds may be invested in: (1) direct obligations of the U.S. government, its agencies or instrumentalities, the payment of which the full faith and credit of the U.S. government is pledged; (2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; (3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings and loan associations, and credit unions located in the City when secured by appropriate collateral; (4) repurchase agreements that have underlying collateral of obligations of the U.S. government, its agencies, and instrumentalities; and (5) money market funds regulated by the Securities and Exchange Commission which consist of authorized domestic securities with restrictions as specified in state law.

OCWUT may not invest in reverse repurchase agreements, derivative instruments created from, whose value depends on, or is derived from, the value of one or more underlying assets or indices of asset values and/or has no call options prior to OCWUT's desired maturity or is a variable rate instrument. Collateralization is further restricted to permitted investments shown in items (1) and (2) above.

The OCWUT Investment Policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Unless matched to a specific cash flow, investments are not made in securities maturing more than five years from the date of purchase. Certificates of deposit may not be purchased with maturities greater than 365 days from date of purchase.

Concentration of credit risk is the risk of loss attributed to the magnitude of OCWUT's investments in a single issuer. Cumulatively, portfolios may not be invested in any given financial institution in excess of 5% of such institution’s total assets. Additionally, no more than 5% of the OCWUT's total portfolio may be placed with any single financial institution with the exception of repurchase agreements and money market funds. U.S. government securities, State and Local Government Series (SLGS), and City judgments are excluded from these restrictions.

Portfolio Structure (1)

Investment Type Limitations Percentage of Total Invested Principal		Maturity Limitations Percentage of Total Invested Principal	
	Maximum % (2)		Maximum % (4)
Repurchase agreements	100%	0-1 year	100%
U.S. Treasury securities (3)	100	1-3 years	90
Certificates of deposit	50	3-5 years	90
Money market funds	100		
Savings accounts	100		

(1) Specifically matched cash flows are excluded.

(2) For investments listed, there is no minimum percentage specified under the policy.

(3) Includes SLGS.

(4) For maturities limited to 0-1 year, the minimum percentages allowed under the policy are 5-25%.

OCWUT's investment policy also allows surplus cash, certificates of deposit, and repurchase agreements to be collateralized with securities with longer maturities if such maturity does not exceed ten years.

Bond Indenture Restrictions

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The general bond indentures of OCWUT and MCA prescribe investing in (1) direct obligations unconditionally guaranteed by the U.S.; (2) bonds or debentures payable in cash issued by the following Federal agencies: (a) Export Import Bank of the U.S., (b) Federal Financing Bank, (c) Farmer's Home Administration, (d) Federal Housing Administration, (e) Maritime Administration, (f) Public Housing Authorities, and (g) Government National Mortgage Association; (3) investments fully insured by Federal deposit insurance: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, and (d) depository receipts; (4) certificates of deposit in excess of Federal deposit insurance properly secured by collateral security consisting of obligations described in (1) and (2) above; (5) commercial paper; (6) money market funds; (7) shares of mutual funds; and (8) investment agreements.

OCWUT

Concentration of credit risk is the risk of loss attributed to the magnitude of OCWUT's investment in a single issuer. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The bond indenture provides that investments mature not later than the respective dates, as estimated, when the monies in said funds and accounts shall be required for the purposes intended, but in no event more than six months for the interest account, twelve months for the principal account and sixty months for the renewal and replacement account and the bond reserve account.

The general bond indenture for the OCWUT water revenue bonds requires the use of trust accounts. The interest and principal bond accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The bond reserve account is used for proceeds of revenue bond issuances set aside to pay the final year of debt service.

MCA

Concentration of credit risk is the risk of loss attributed to the magnitude of the MCA's investment in a single issuer. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The bond indenture provides that investments mature in no more than twelve months, depending on the purpose of the funds and the requirements of the account in which funds are deposited. This provision does not apply to the reserve fund which includes a guaranteed investment contract that is 105% collateralized with government backed securities.

The general bond indenture for the MCA Water Revenue Bonds requires the use of trust accounts. The interest and principal bond accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The bond reserve account is used for proceeds of revenue bond issuances set aside to pay the final year of debt service.

Investments Held by Others

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, OCWUT and MCA will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The OCWUT Investment Policy provides that investment collateral is held by a third party custodian with whom the City has a current custodial agreement in OCWUT's or the City's name or be held in the name of both parties by the Federal Reserve Bank servicing Oklahoma. Investments are insured or registered with securities held by OCWUT. MCA has not adopted policies addressing custodial credit risk, concentration of credit risk, or interest rate risk for deposits or investments other than restrictions specified in the bond indenture applicable to restricted accounts.

Compliance with State Requirements

OCWUT and MCA investment practices are more restrictive than the requirements of Oklahoma law found in Title 60 of the Oklahoma Statutes and the standards of the Oklahoma Uniform Prudent Investor Act defined by Title 60 of the Oklahoma Statutes. These statutes require public trusts to consider the purposes, terms, distribution requirements, and other circumstances of the Consolidated Trust and to exercise reasonable care, skill, and caution. Investment decisions must be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the Trust.

Restricted Deposits and Investments

Bond indentures require the use of trust accounts. The bond accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The bond operating revenue account is used to receive gross revenues. The construction accounts are used for proceeds of commercial paper that is restricted for use in construction and new projects funded by initial bond proceeds. The bond reserve account is used for proceeds of revenue bond issuances set aside to make up potential future deficiencies in the bond accounts, or to make the final bond principal and interest payments.

	2025	2024
	OCWUT	OCWUT
Commercial paper construction account	$503,769	$466,273
Debt principal and interest accounts	39,235,347	9,447,930
Renewal and replacement fund	624,246	651,392
Bond construction account	28,498,924	146,019,771
Atoka and Sardis conservation escrow accounts	11,065,431	10,594,664
	$79,927,717	**$167,180,030**

II. C. RECEIVABLES AND UNCOLLECTIBLE ACCOUNTS

OCWUT

	2025	2024
Accounts receivable	$73,369,667	$67,667,569
Less: allowance for uncollectible accounts	(19,154,058)	(13,094,478)
Net accounts receivable	**$54,215,609**	**$54,573,091**
Affect on revenues for change in uncollectibles	**($6,059,580)**	**($2,522,133)**

MCA

Receivables of $101,687 and $91,999 at June 30, 2025 and 2024, respectively, include billings for aliquot share services provided by MCA to surrogates and designees of the Participants and non-operating revenues. These receivables are due in less than one year. Since there are no delinquencies associated with these accounts, no allowance for uncollectible amounts has been accrued at June 30, 2025 and 2024.

II. D. LEASE RECEIVABLE AND REVENUE

			2025			
	Lease Term	Discount Rate	Lease Receivable	Deferred Inflow	Lease Revenue	Interest Revenue
Verizon Wireless	157 months	1.104%	$181,557	$167,498	$20,728	$2,033
New Cingular Wireless	110.9 months	0.474%	75,429	97,094	22,876	500
OneOk	480 months	1.920%	115,687	112,321	3,578	2,244
Enable Oklahoma Intrastate	240 months	1.564%	-	79,681	5,000	-
T-Mobile Lake Hefner Water	72 months	0.740%	68,914	83,819	32,694	293
Alltell Newco	120 months	0.901%	156,231	152,027	29,004	1,477
Cellco Verizon Stanley Draper	72 months	0.637%	56,574	55,164	26,513	376
			$654,392	**$747,604**	**$140,393**	**$6,923**

(continued)

LEASE RECEIVABLE AND REVENUE (continued)

	Lease Term	Discount Rate	2024 Lease Receivable	2024 Deferred Inflow	2024 Lease Revenue	2024 Interest Revenue
Verizon Wireless	157 months	1.104%	$200,190	$188,228	$20,728	$2,245
New Cingular Wireless	110.9 months	0.474%	98,917	119,970	22,876	609
OneOk	480 months	1.920%	118,387	115,899	3,578	2,321
Enable Oklahoma Intrastate	240 months	1.564%	-	84,681	5,000	-
T-Mobile Lake Hefner Water	36 months	0.798%	-	14,282	31,070	120
Alltell Newco	120 months	0.901%	184,362	181,030	29,004	1,733
Cellco Verizon Stanley Draper	72 months	0.637%	83,358	81,676	77,400	2,043
			$685,214	**$785,766**	**$189,656**	**$9,071**

The discount rates noted in the table above are incremental borrowing rates as required by GASB 87 due to the lease agreements' provisions and terms not including a stated discount rate. The incremental borrowing rates reflect market conditions at the commencement of the lease agreements. In 2025 and 2024, the Consolidated Trust recognized $251,812 and $274,603 of variable income related to these leases, respectively.

II. E. PREPAIDS

Prepaids are payments to vendors that benefit future reporting periods and are also reported on the consumption basis. As of June 30, 2025 and 2024, the Consolidated Trust had prepaid items totaling $267,611 and $358,488, respectively.

	2025	2024
Memberships and dues	$25,570	$27,445
Software licenses and support	19,126	56,427
Other	222,915	274,616
	$267,611	**$358,488**

II. F. INTERGOVERNMENTAL RECEIVABLE

Receivable from the Federal Emergency Management Agency (FEMA)

A FEMA award was applied for in connection to a severe ice storm that occurred in October 2020 by the Consolidated Trust. In connection to these awards, OCWUT applied for assistance from the Oklahoma Emergency Management Agency to supplement matching fund requirements. At June 30, 2025, there was no FEMA receivable and no state match receivable. At June 30, 2024, there was no FEMA receivable and the state match receivable balance was $62,962.

A grant award of up to $552,500 was received from the Oklahoma Water Resources Board through the FEMA High Hazard Potential Dams grant program, with a local cost share of up to $297,500. The funding supports the Overholser Dam Structural Stability Project. At June 30, 2025, there was no receivable from FEMA. As of June 30, 2024, the receivable from FEMA was $273,586.

A FEMA award was applied for in connection to a severe storm and tornado that occurred in November 2024 by the Consolidated Trust. In connection to these awards, OCWUT applied for assistance from the Oklahoma Emergency Management Agency to supplement matching fund requirements. At June 30, 2025, the receivable from FEMA was $394,549.

Receivable from the United States Department of the Interior Bureau of Reclamation (Bureau)

Every year MCA performs minimal maintenance tasks for the Bureau. Charges to the Bureau for these services are based on agreed upon rates. MCA had a receivable of $233,291 from the Bureau for services provided in 2025 and a receivable of $114,791 for services provided in 2024.

Receivable from the Oklahoma Department of Transportation (ODOT)

OCWUT prefunds engineering costs for several ODOT constructed projects. Once the project is complete, ODOT reimburses OCWUT for the engineering costs. OCWUT reported a receivable balance of $581,334 at June 30, 2025 and $267,007 at June 30, 2024.

Aliquot Share Receivable

In August 1992 the MCA trust indenture was amended to define the relationship between MCA and Participants including OCWUT. Payment of the aliquot share of the costs affords the Participants the right to store and transport water they are permitted to use. The portion of funds paid or transferred to MCA by the Participants for aliquot shares are a period cost. Unpaid aliquot share balances from the Participants are cumulative and recorded as non-current receivables in MCA. Payments to MCA from Participants reduce the amounts receivable from Participants for outstanding aliquot share payments receivable.

II. G. OTHER ASSETS

Non-Current Receivables

OCWUT Security Deposit for 500 West Main Building Rental
On June 19, 2018, OCWUT entered into an agreement with 500 West Main LLC to lease commercial office space at 500 West Main Street to meet the office space requirements of the Utilities Department from June 19, 2018 through June 30, 2023. The lease required a security deposit of $9,806 that was paid in fiscal year 2019. On January 17, 2023, OCWUT entered into an amendment to the lease agreement, expanding the leased office space by an additional two units and extending the lease through March 21, 2028. An additional security deposit was posted upon possession of the additional units. The total security deposit for the leased office space is $19,074, and is refundable when the lease expires.

Non-Current Prepaids

Prepaids are recorded when purchased and expensed when used. Prepaids consist of memberships and dues, subscriptions, bond insurance, and maintenance support agreements. Non-current prepaids will be expensed in periods beyond the twelve month period subsequent to the reporting date. As of June 30, 2025 and 2024, the non-current prepaid balance was $4,153 and $7,590, respectively.

II. H. NOTES RECEIVABLE

An agreement was established between the OCWUT and the Oklahoma City Metro Alliance for the expansion of the Firstep recovery center. The repayment of lease hold improvements will be repaid monthly for thirty years at an interest rate of 4% with the final payment to be made on December 4, 2051. The principal due at June 30, 2025 and 2024 is $653,895 and $668,389 of which $14,161 and $13,606 is reported as a current receivable.

II. I. CAPITAL ASSETS

Changes in Capital Assets

	2025		
	Capital Assets, not depreciated		
	Land and Water Storage Rights	Construction In Progress	Total
CAPITAL ASSETS			
Balance, June 30, 2024	$122,360,966	$741,829,984	$864,190,950
Increases	259,445	256,687,612	256,947,057
Decreases	-	-	-
Transfers	-	(195,708,002)	(195,708,002)
Balance, June 30, 2025	122,620,411	802,809,594	925,430,005
Capital Assets, net	**$122,620,411**	**$802,809,594**	**$925,430,005**

	2025							
	Capital Assets, depreciated							
	Buildings	Right To Use Building Lease	Improvements Other Than Buildings	Furniture, Machinery, & Equipment	Right To Use Furniture, Machinery, & Equipment Leases	Right To Use SBITAs	Total	Total Capital Assets, net
CAPITAL ASSETS								
Balance, June 30, 2024	$106,615,525	$10,741,651	$1,700,540,308	$213,078,711	$1,469,371	$8,995,995	$2,041,441,561	$2,905,632,511
Increases	-	-	39,819,117	8,116,478	1,586,363	6,195,087	55,717,045	312,664,102
Decreases	-	-	(783,014)	21,305	-	-	(761,709)	(761,709)
Transfers	1,754,669	-	192,412,102	1,389,150	-	-	195,555,921	(152,081)
Balance, June 30, 2025	108,370,194	10,741,651	1,931,988,513	222,605,644	3,055,734	15,191,082	2,291,952,818	3,217,382,823
ACCUMULATED DEPRECIATION								
Balance, June 30, 2024	59,588,894	1,364,955	613,083,305	160,793,663	1,329,132	1,649,314	837,809,263	837,809,263
Increases	1,959,119	1,166,163	53,289,197	14,821,925	323,572	2,487,275	74,047,251	74,047,251
Decreases	-	-	(13,713)	(166,688)	-	-	(180,401)	(180,401)
Transfers	(8,846,309)	-	8,810,978	35,331	-	-	-	-
Balance, June 30, 2025	52,701,704	2,531,118	675,169,767	175,484,231	1,652,704	4,136,589	911,676,113	911,676,113
Capital Assets, net	**$55,668,490**	**$8,210,533**	**$1,256,818,746**	**$47,121,413**	**$1,403,030**	**$11,054,493**	**$1,380,276,705**	**$2,305,706,710**

(continued)

Changes in Capital Assets (continued)

	2024		
	Capital Assets, not depreciated		
	Land and Water Storage Rights	Construction In Progress	Total
CAPITAL ASSETS			
Balance, June 30, 2023	$123,125,686	$484,344,863	$607,470,549
Increases	100,000	276,220,218	276,320,218
Decreases	(864,720)	(32,731)	(897,451)
Transfers	-	(18,702,366)	(18,702,366)
Balance, June 30, 2024	122,360,966	741,829,984	864,190,950
Capital Assets, net	**$122,360,966**	**$741,829,984**	**$864,190,950**

	2024							
	Capital Assets, depreciated							
	Buildings	Right To Use Building Lease	Improvements Other Than Buildings	Furniture, Machinery, & Equipment	Right To Use Furniture, Machinery, & Equipment Leases	Right To Use SBITAs	Total	Total Capital Assets, net
CAPITAL ASSETS								
Balance, June 30, 2023	$106,558,860	$1,543,922	$1,768,791,554	$201,597,624	$1,469,371	$8,308,678	$2,088,270,009	$2,695,740,558
Increases	56,768	9,197,729	20,181,057	10,755,652	-	687,317	40,878,523	317,198,741
Decreases	(5,558)	-	(106,306,053)	(97,726)	-	-	(106,409,337)	(107,306,788)
Transfers	5,455	-	17,873,750	823,161	-	-	18,702,366	-
Balance, June 30, 2024	106,615,525	10,741,651	1,700,540,308	213,078,711	1,469,371	8,995,995	2,041,441,561	2,905,632,511
ACCUMULATED DEPRECIATION								
Balance, June 30, 2023	58,526,178	380,192	666,586,322	143,592,201	996,849	314,799	870,396,541	870,396,541
Increases	1,068,274	984,763	52,803,036	17,299,188	332,283	1,334,515	73,822,059	73,822,059
Decreases	(5,558)	-	(106,306,053)	(97,726)	-	-	(106,409,337)	(106,409,337)
Balance, June 30, 2024	59,588,894	1,364,955	613,083,305	160,793,663	1,329,132	1,649,314	837,809,263	837,809,263
Capital Assets, net	**$47,026,631**	**$9,376,696**	**$1,087,457,003**	**$52,285,048**	**$140,239**	**$7,346,681**	**$1,203,632,298**	**$2,067,823,248**

Depreciation Expense

Depreciation expense of $74,047,251 in fiscal year 2025 and $73,822,059 in 2024 was charged to the Consolidated Trust's utilities function.

II. J. DEFERRED OUTFLOW

Deferred Amount on Bond Refunding

Deferred charges on refunding of bonds results from a difference in the carrying value of refunded debt to its reacquisition price. The amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

Original Bond Issue	Refunding Bond Issue	2025	2024
OCWUT Series 2011 Bonds	OCWUT Series 2020D FAP Note	**$1,057,141**	**$1,126,461**

III. LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

III. A. COMMERCIAL PAPER

Commercial Paper

On January 17, 2006, OCWUT established a commercial paper program of tax-exempt commercial paper notes with letter of credit security. On May 26, 2020 OCWUT approved a resolution authorizing the commercial paper program to an amount not to exceed $350 million in principal outstanding of tax-exempt commercial paper notes at any one time and not to exceed $700 million in total aggregate principal amount issued. The commercial paper program provides interim financing for OCWUT's ongoing capital program. Maturity of commercial paper ranges from 1 to 270 days, depending on market conditions at the time of issue. It is the general practice of OCWUT to extinguish commercial paper through issuance of bonded debt. On April 22, 2025, a resolution was approved authorizing the increase of commercial paper not to exceed $500 million principal amount outstanding at any time and not exceed $700 million in total aggregate principal amount issued.

During fiscal year 2025, new commercial paper issuances totaled $12,500,000. In 2024, new commercial paper issuances totaled $40,000,000; and in June 2024, $82,500,000 of the outstanding commercial paper was paid off with the issuance of the OCWUT Water and Sewer Revenue Bonds, 2024 Series. The total outstanding balance at June 30, 2025 and 2024, was $12,500,000 and $0, respectively, and the weighted average interest rate for the year was 3.07% and 3.67%, respectively.

Commercial Paper Changes in Short-Term Debt

	Date Authorized	Total Amount Authorized	Outstanding Balance as of 06/30/2025	Remaining Authorized
Commercial paper	4/22/2025	**$500,000,000**	**$12,500,000**	**$487,500,000**

III. B. INTERGOVERNMENTAL PAYABLE

Payable to Atoka and Sardis Conservation Projects Fund

During fiscal year 2017, OCWUT entered into an agreement with the Chickasaw Nation, the Choctaw Nation and the State of Oklahoma to create the Atoka and Sardis conservation projects fund for the benefit of Atoka and Sardis Lake areas. OCWUT is acting as the escrow agent. At June 30, 2025 and 2024, the amount in the Atoka conservation projects fund consists of $5,550,597 and $5,318,786 respectively. At June 30, 2025 and 2024, the amount in the Sardis Lake conservation projects fund consists of $5,550,597 and $5,318,786, respectively.

Payable to the Oklahoma Department of Transportation (ODOT)

In April 2022, ODOT prepaid the total estimated engineering costs for a water line relocation project. As of June 30, 2025, OCWUT has completed $23,523 of various services. OCWUT reported a payable of $2,875 at 2025 and 2024, respectively.

Payable to the Department of Defense (DOD)

As part of the municipalization of the water and wastewater systems at Tinker Air Force Base, each month the DOD pays OCWUT a tariff for provision of utility services, including operations and maintenance and renewals and replacements. If the contract were to terminate, any unspent contributions would be owed back to the DOD. At June 30, 2025 and 2024, OCWUT reported a non-current payable of $31,998,271 and $25,939,387, respectively.

On November 1, 2021 a bill of sale was made by the United States of America to OCWUT to transfer title and interest of the Tinker Air Force Base water and wastewater systems. At June 30, 2025 and 2024, OCWUT reported a current payable of $3,837,755 and $3,837,756 and a non-current payable of $20,467,957 and $24,305,713, respectively.

III. C. NOTES PAYABLE

Notes Payable Revolving Loans

The Consolidated Trust borrows funds from time to time for water and wastewater improvements from the Oklahoma Water Resources Board (OWRB) utilizing the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) loans. Upon completion of the construction projects allocated to each loan, the final loan amounts are determined and closed to a long-term debt schedule. The term of the loans are 30 years, except for the 2009 CWSRF, 2021 CWSRF, 2023 DWSRF, and the 2025A DWSRF which are 20, 15, 15, and 15 years respectively. Principal and interest payments are semi-annual on September 15 and March 15.

Additionally, the 2009 CWSRF loan had a provision for a $2,000,000 match in the form of principal forgiveness from the American Recovery and Reinvestment Act (ARRA) of 2009. This amount was deducted from the loan amount for calculation of its respective debt repayment schedule.

On October 24, 2023, the Consolidated Trust approved a CWSRF loan for a maximum of $53.939 million to finance Wastewater Treatment Plant improvements. On February 27, 2024, the 2023A CWSRF Loan was amended to adjust the loan amount maximum to $54.789 million to provide for additional funding for sewer line installation. The interim effective interest rate of the 2023A CWSRF loan is 3.37%, payable on March 15 and September 15. Principal payments will commence on March 15 or September 15, following the date the project is completed or March 15, 2027, and will continue semiannually for the term of the loan. As of June 30, 2025, there is no balance outstanding.

On February 13, 2024, OCWUT approved a CWSRF loan for a maximum of $370 thousand to assess emerging contaminants in wastewater treatment plants. The note is eligible for 100% principal forgiveness, unless OCWUT does not comply with requirements directed by the Oklahoma Water Resources Board . The note shall also bear no interest. Principal payments will commence on March 15, 2025 if the requirements are not met. As of June 30, 2025, there is no balance outstanding.

On July 16, 2024, OCWUT approved a DWSRF revolving loan for a maximum of $75.261 million to finance various drinking water projects. The effective interest rate of the loan is 3.45% payable on March 15 and September 15 for the term of the loan. This loan is eligible for $1.000 million loan forgiveness. Principal payments will commmence on March 15 or September 15 following the date the projects are completed or September 15, 2027, and will continue semiannually for the term of the loan. As of June 30, 2025, there is no balance outstanding.

On January 28, 2025, OCWUT approved a DWSRF revolving loan for a maximum of $2.500 million for the identification and inventory of lead service lines. The effective interest rate of the loan is 0.50% payable on March 15 and September 15 for the term of the loan. This loan is eligible for 50% loan forgiveness. Principal payments will commmence on March 15 or September 15 following the date the projects are completed or September 15, 2026, and will continue semiannually for the term of the loan. As of June 30, 2025, $226 thousand is outstanding.

Agreement Date	Loan Name	Loan Amount	Interest Rate	Maturity Date	2025 Outstanding Balance	2024 Outstanding Balance
11/1/2009	2009 CWSRF (1)	$6,167,735	2.86%	3/15/2031	$2,235,605	$2,572,102
3/1/2015	2015 DWSRF	35,838,000	2.93	3/15/2046	28,298,128	29,227,438
6/1/2015	2015 CWSRF	611,235	2.71	3/15/2046	477,006	493,608
4/1/2016	2016 DWSRF	65,550,000	2.55	9/15/2047	52,955,229	54,672,161
11/1/2016	2017 DWSRF	57,300,000	2.98	9/15/2049	49,611,578	50,963,178
12/1/2017	2018A CWSRF	15,550,000	2.43	3/15/2043	12,016,282	12,541,160
12/1/2017	2018B CWSRF	15,550,000	2.50	3/15/2043	13,503,085	13,896,709
12/1/2017	2018C CWSRF (2)	37,700,000	2.50	3/15/2043	21,993,138	24,506,471
1/1/2018	2018 DWSRF	52,500,000	2.78	9/15/2049	45,034,963	46,297,105
1/1/2019	2019 DWSRF	20,000,000	3.00	3/15/2050	17,788,903	18,258,506
1/1/2019	2019 CWSRF	34,150,000	2.65	9/15/2050	29,892,374	30,700,115
10/9/2019	2020 DWSRF	21,750,014	2.78	9/15/2051	18,589,492	17,527,268
10/9/2019	2020 CWSRF (2)	1,947,000	2.51	3/15/2050	521,874	586,774
6/17/2020	2020A CWSRF (2)	4,650,000	1.80	9/15/2051	1,646,923	1,801,923
6/17/2020	2020B DWSRF (2)	74,000,000	2.03	9/15/2052	66,165,716	53,021,592
7/8/2020	2020C FAP Loan (4)	43,565,000	2.27 - 4.15	9/15/2049	36,060,392	39,893,630
11/1/2020	2020D FAP Loan	52,935,000	0.42 - 2.90	9/15/2040	43,560,000	45,920,000
6/1/2021	2021 CWSRF (2)	55,000,000	1.43	9/15/2039	4,888,910	1,588,408
4/1/2022	2022 DWSRF (2)(5)	30,545,000	2.90	3/15/2055	10,626,872	1,036,125
9/1/2022	2022A CWSRF (2)(6)	103,513,000	2.92	3/15/2055	37,645,950	12,106,875
4/1/2023	2023 DWSRF (2)(7)	1,490,750	2.53	9/15/2038	1,287,048	1,315,815
10/1/2023	2023A CWSRF (3)(8)	54,788,500	3.37	9/15/2056	-	-
2/1/2024	2024A CWSRF (3)(9)	370,000	-	9/15/2044	-	-
7/1/2024	2024B DWSRF (3)	75,261,000	3.45	3/15/2057	-	-
1/28/2025	2025A DWSRF (2)(10)	2,500,000	0.50	3/15/2041	225,625	-
					$495,025,093	**$458,926,963**

(1) The 2009 CWSRF loan amount is net of the $2,000,000 ARRA Grant.

(2) Financing is not finalized.

(3) There are no draws on this loan as of June 30, 2025.

(4) Balance as of June 30, 2025 and 2024 includes unamortized premium of $4,265,392 and $4,578,630, respectively.

(5) The 2022 DWSRF loan amount is net of the $1.1 million loan forgiveness program by the ODEQ.

(6) The 2022A CWSRF is net of the $600,000 sponsorship credit.

(7) The 2023 DWSRF is net of the $734,250 principal loan forgiveness.

(8) The 2023A CWSRF is eligible for a sponsorship principal credit of $850,000.

(9) The 2024A CWSRF loan is eligible for 100% principal forgiveness.

(10) The 2025A DWSRF loan is eligible for 50% principal forgiveness.

Notes Payable Requirements to Maturity

OCWUT's outstanding notes payable related to the state revolving fund loans of $495,025,093 contain a provision that in the event of a default, all payments payable to the end of the agreement become immediately due if OCWUT is unable to make a payment.

	Notes Payable (1)	
	Principal	Interest
2026	$23,104,741	$12,807,493
2027	29,600,051	12,294,228
2028	22,098,545	11,744,164
2029	22,432,476	11,179,648
2030	22,770,111	10,620,429
2031-2035	114,289,703	44,438,805
2036-2040	94,122,595	29,623,265
2041-2045	86,342,265	17,334,881
2046-2050	73,581,491	5,793,264
2050-2054	6,683,115	150,566
	$495,025,093	**$155,986,743**

(1) All notes payable are from private placements.

III. D. LEASES PAYABLE

	Lease term	Interest Rate	2025 Outstanding balance	2024 Outstanding balance
500 West Main, LLC	92 months	0.746%	$350,860	$469,860
Clifford Power Systems, Inc.	113 months	0.889%	1,428,237	164,753
500 West Main, LLC	60 months	2.582%	365,826	485,369
Clifford Power Systems, Inc.	120 months	2.600%	7,668,746	8,500,864
			$9,813,669	**$9,620,846**

Principal and Interest Requirements to Maturity

Year ending June 30,	Total to be Paid	Principal	Interest
2026	$1,632,092	$1,422,655	$209,437
2027	1,639,854	1,460,118	179,736
2028	1,577,346	1,427,566	149,780
2029	1,371,963	1,250,385	121,578
2030	1,179,579	1,084,733	94,846
2031-2035	3,300,037	3,168,212	131,825
	$10,700,871	**$9,813,669**	**$887,202**

In 2025 and 2024, the Consolidated Trust recognized $3,541,309 and $3,271,334 of variable payments related to a utility lease agreement between OCWUT and the City. Please see note VI. C. for more information.

III. E. SUBSCRIPTIONS PAYABLE

	Lease term	Interest Rate	2025 Outstanding balance	2024 Outstanding balance
SAP America, Inc	80 months	2.59%	$4,190,753	$5,158,817
SAP Industries, Inc.	80 months	2.59%	417,449	524,600
Aveva	60 months	2.999%	100,774	-
			$4,708,976	**$5,683,417**

Principal and Interest Requirements to Maturity

Year ending June 30,	Total to be Paid	Principal	Interest
2026	$1,345,323	$1,242,576	$102,747
2027	1,345,140	1,271,697	73,443
2028	1,344,954	1,301,364	43,590
2029	908,619	893,339	15,280
	$4,944,036	**$4,708,976**	**$235,060**

III. F. ESTIMATED CLAIMS PAYABLE

During fiscal year 2022, a ruling from the US Environmental Protection Agency was issued that required the replacement of lead services utility lines due to their potential contamination. At June 30, 2025 and 2024, a liability of $1,675,000 and $2,500,000 was recorded for costs related to a partial survey associated with the implementation of a lead service line identification program.

III. G. COMPENSATED ABSENCES

MCA compensated absences balances changed from 2024 to 2025 by accruals of $44,881 and usages of $36,815 compared to changes in accruals of $36,389 and usages of $16,877 from 2023 to 2024.

III. H. REVENUE BONDS

Unamortized Bond Discount/Premium

	2025 OCWUT	2024 OCWUT
Bonds payable	$503,510,000	$517,695,000
Unamortized bond premium (discount)	27,012,565	28,046,960
Bonds payable, net	**$530,522,565**	**$545,741,960**

OCWUT Revenue Bond Indentures and Covenants

OCWUT

OCWUT had issued bonds to finance the acquisition, constructions, and equipping of the City's utility systems. The bonds are collateralized by a lien on all facilities constructed with the bond proceeds and by the OCWUT's leasehold interest in the presently existing water, wastewater and solid waste management systems of the City.

The general bond indenture and its supplements require the use of revenue, bond, operations and maintenance, reserve, construction, and renewal and replacement accounts, which have been combined for financial reporting purposes. These accounts are held in trust by banks and managed pursuant to terms of the indenture agreement. The indenture provides that gross revenues from operations will be deposited into the revenue account and transfers will be made to the other accounts for current requirements on a monthly basis.

However, if the payments and deposits required by the general bond indenture are made on or before the 20th day of the month, then during the subsequent month, the gross revenues may be deposited as received directly into OCWUT's operating fund, which is not subject to the lien of the indenture. For the years ended June 30, 2025 and 2024, required accounts were maintained in accordance with the bond indenture.

The bonds are generally subject to prior redemption, in part or in whole, at the option of the Trustees. Certain bonds are subject to a redemption premium of up to 2% of par value, as described in the various bond indentures, if redeemed prior to scheduled dates.

The general bond indenture provides the OCWUT Trustees will fix, maintain, charge, and collect a schedule of rates for use of the facilities of the Trust estate that will provide, in every year, net revenues which provide at least 120% of the maximum amount required for debt service. For the years ended June 30, 2025 and 2024, the schedule of rates in effect provided revenues in excess of the minimum requirements.

Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Issuances

On May 29, 2024, OCWUT issued $262,750,000 Utility System Revenue Refunding and Improvement Bonds, Series 2024, with an average interest rate (coupon) of 5.154%. Issuance costs were $937,056. Net proceeds of $290,032,303 were used to refund $82,500,000 in commercial paper notes issued for water and sewer improvements and finance certain water and sewer improvements previously approved by the Issuer's capital improvement plan. The bonds mature on July 1, 2064.

Bonded Debt Service to Maturity

	OCWUT		
Fiscal Year	Principal	Interest	Total
2026	$12,095,000	$23,147,724	$35,242,724
2027	14,555,000	22,685,043	37,240,043
2028	14,955,000	22,141,981	37,096,981
2029	15,460,000	21,568,980	37,028,980
2030	15,850,000	20,966,805	36,816,805
2031-2035	88,100,000	94,572,312	182,672,312
2036-2040	79,755,000	75,912,773	155,667,773
2041-2045	58,875,000	59,515,786	118,390,786
2046-2050	41,590,000	46,593,473	88,183,473
2051-2055	40,845,000	37,184,750	78,029,750
2056-2060	52,790,000	25,237,275	78,027,275
2061-2065	68,640,000	9,387,000	78,027,000
	$503,510,000	**$458,913,902**	**$962,423,902**

Revenue Bonds Outstanding

Water and Sewer System Bonds	Original Amount Issued	Interest Rate	Issue Date	Final Maturity	Principal Balance 2025	Principal Balance 2024
OCWUT Series 2022	267,265,000	3.01% to 4.74%	7/26/2022	2046	240,760,000	254,945,000
OCWUT Series 2024	262,750,000	5.00% to 5.25%	5/29/2024	2065	262,750,000	262,750,000
					$503,510,000	**$517,695,000**

Bond Coverage

	2025 OCWUT	2024 OCWUT
Gross revenue, including non-operating revenues and transfers in	$543,950,182	$478,827,731
Expenses and transfers, excluding depreciation and amortization	287,977,648	255,909,541
Net revenue available for debt service	**$255,972,534**	**$222,918,190**
Principal amounts	$14,555,000	$14,555,000
Interest amounts	22,685,043	22,685,043
Total debt service requirements	**$37,240,043**	**$37,240,043**
Revenue bond coverage	**6.87**	**5.99**

The OCWUT bond indentures require the payment of principal and interest before any other expenditures may be made. In addition, depreciation and amortization expenses are excluded from the direct expenses as they do not affect funds available for debt service. Per the bond indenture, principal and interest amounts are derived from the highest aggregate annual principal and interest amounts outstanding. The required revenue bond coverage for OCWUT is 1.2.

III. I. CHANGES IN LONG-TERM LIABILITIES

	2025					
	Balance July 1, 2024	Issued	Retired	Balance June 30, 2025	Due Within One Year	Due After One Year
Intergovernmental payable (1)	$50,245,100	$6,058,884	$3,837,756	$52,466,228	$ -	$52,466,228
Compensated absences	167,687	44,881	36,815	175,753	31,884	143,869
Notes payable (2)	458,926,963	59,504,131	23,406,001	495,025,093	23,104,741	471,920,352
Leases Payable	9,620,846	1,586,363	1,393,540	9,813,669	1,422,655	8,391,014
Subscriptions payable	5,683,049	249,161	1,223,234	4,708,976	1,242,576	3,466,400
OCWUT revenue bonds	545,741,960	-	15,219,395	530,522,565	12,095,000	518,427,565
	$1,070,385,605	**$67,443,420**	**$45,116,741**	**$1,092,712,284**	**$37,896,856**	**$1,054,815,428**

(1) Intergovernmental payable does not include amounts payable within one year.

(2) All notes payable are from private placements.

(continued)

CHANGES IN LONG-TERM LIABILITIES (continued)

	2024					
	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024	Due Within One Year	Due After One Year
Intergovernmental payable (1)	$35,329,268	$18,753,588	$3,837,756	$50,245,100	$ -	$50,245,100
Compensated absences	148,175	36,389	16,877	167,687	17,971	149,716
Notes payable (2)	447,253,547	33,481,768	21,808,352	458,926,963	21,301,621	437,625,342
Leases payable	1,675,592	9,197,729	1,252,475	9,620,846	1,235,414	8,385,432
Subscriptions payable	6,250,256	687,317	1,254,524	5,683,049	1,160,797	4,522,252
OCWUT revenue bonds	267,265,000	290,969,359	12,492,399	545,741,960	14,185,000	531,556,960
	$757,921,838	**$353,126,150**	**$40,662,383**	**$1,070,385,605**	**$37,900,803**	**$1,032,484,802**

(1) Intergovernmental payable does not include amounts payable within one year.

(2) All notes payable are from private placements.

III. J. SEGMENT INFORMATION AND PLEDGED REVENUES

OCWUT issued revenue bonds to support their water, wastewater and solid waste management activities. The financial statements report revenue-supported debt. OCWUT recognized $260,867,854 and $234,952,284 in water charges and $142,106,469 and $129,498,716 in wastewater charges and $76,153,920 and $72,468,859 in solid waste management charges in 2025 and 2024, respectively. MCA recognized $4,048,118 and $3,510,240 in aliquot share revenues in 2025 and 2024, respectively.

III. K. DEFERRED INFLOWS OF RESOURCES

Deferred Amount on Bond Refunding

Deferred charges on refunding of bonds results from a difference in the carrying value of refunded debt to its reacquisition price. The amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt.

Original Bond Issue	Refunding Bond Issue	2025	2024
OCWUT Series 2009B Bonds	OCWUT Series 2020C FAP Note	$ -	$8,101
OCWUT Series 2013, 2015, 2016 Bonds	OCWUT Series 2022 Bonds	10,409,367	10,903,092
		$10,409,367	**$10,911,193**

Leases

The Consolidated Trust reported deferred inflows in the amount of $747,604 and $785,766 related to lease receivables at June 30, 2025 and 2024, respectively.

IV. NET POSITION

Net Investment in Capital Assets

	2025		2024	
	OCWUT	MCA	OCWUT	MCA
Capital assets, net	$2,225,550,489	$80,156,221	$1,989,333,515	$78,489,733
Retainages and accounts payable	(79,094,027)	(457,172)	(81,351,072)	(1,277,339)
Intergovernmental payable	(52,466,228)	-	(50,245,100)	-
Notes payable	(495,025,093)	-	(458,926,963)	-
Leases payable	(9,813,669)	-	(9,620,846)	-
Subscriptions payable	(4,708,976)	-	(5,683,049)	-
Commercial paper	(12,500,000)	-	-	-
Construction accounts funded with proceeds	29,002,693	-	146,486,044	-
Bonds payable, net	(530,522,565)	-	(545,741,960)	-
Deferred amount on refunding	(9,352,226)	-	(9,784,732)	-
Bond accounts funded with bond proceeds	-	-	-	-
Bond issuance costs paid with bond proceeds	2,561,364	-	2,561,364	-
	$1,063,631,762	**$79,699,049**	**$977,027,201**	**$77,212,394**

Restricted for Capital Projects

	2025		2024	
	OCWUT	MCA	OCWUT	MCA
Commercial paper reserve for construction projects	$29,002,693	$ -	$146,486,044	$ -
Commercial paper construction account funded with proceeds	(29,002,693)	-	(146,486,044)	-
	$ -	**$ -**	**$ -**	**$ -**

Restricted for Debt Service

	2025		2024	
	OCWUT	MCA	OCWUT	MCA
Debt principal and interest accounts	$39,235,347	$ -	$9,447,930	$ -
Renewal and replacement fund	624,246	-	651,392	-
Interest receivable on bond investments	132,659	-	155,609	-
Current bond interest payable and commercial paper	(15,450,502)	-	(9,890,604)	-
	$24,541,750	**$ -**	**$364,327**	**$ -**

Unrestricted

	2025		2024	
	OCWUT	MCA	OCWUT	MCA
Unrestricted	**$612,977,671**	**($638,136)**	**$575,342,969**	**($761,066)**

V. REVENUES AND EXPENSES

Special Assessments

Water or sewer special assessments are levied against a group of homes to pay for construction or extension of service by OCWUT. OCWUT charges each homeowner for their individual share of the construction cost, amortized over a 10-year period. Amounts receivable are reported with accounts receivable. On March 27, 2018 the City Council adopted and set the assessment roll for the Water Improvement District for the Clifford Farms Subdivision. The total cost of improvements at Clifford Farms was $445,555 to be paid equally by all residents over a 10-year period with an interest rate of 4.1%.

In fiscal year 2025 and 2024, OCWUT collected special assessment revenue of $6,482 and $4,402, respectively.

VI. INTERFUND TRANSACTIONS

VI. A. INTERFUND BALANCES

Advances Within the Consolidated Trust

Advance to MCA

The McGee Creek Project is a water supply reservoir constructed by the Federal government and accepted by the MCA in fiscal year 1991. MCA was required to repay the municipal and industrial portion of the construction costs, plus interest, to the Federal government. The original amount of the obligation to the Federal government was $129,311,452. During fiscal year 1992, the U.S. Department of Interior, in response to MCA's protest, reduced the liability for reimbursable costs to $86,045,326, provided that the buy-out would be financed with tax-exempt debt.

In fiscal year 1993, MCA sold Series 1992 Water Revenue Bonds in the amount of $91,860,000. Proceeds from the Series 1992 Water Revenue Bonds, supplemented by an advance in the amount of $5,500,000 from OCWUT, funded the prepayment of MCA's obligation to the Federal government along with costs of issuance and necessary bond reserves.

In August 1992, the MCA trust indenture was amended to define the relationship between MCA and Participants, including OCWUT. Payment of the aliquot share of the costs affords the Participants the right to store and transport water they are permitted to use. The portion of funds paid to MCA by the Participants for aliquot shares are a period cost. Payments to MCA from Participants reduce the aliquot share payments receivable.

Under the OCWUT Agreement, OCWUT is expected to fund the debt service requirements of MCA, operation and maintenance, extraordinary expenses, and capital improvements.

OCWUT has transferred funds in excess of it's aliquot share to MCA under the OCWUT Agreement. The amount of funds advanced to MCA was $68,178,985 and $67,438,340 as of June 30, 2025 and 2024, respectively.

Receivable from the City

	Purpose	2025	2024
City General Fund	Deposits held by City	$ -	$154,746
City General Fund	Utility billing	-	31
City Utilities Fund	Utility billing	1,455,540	4,290,864
City Medical Services Fund	Utility billing	-	3,768
City Stormwater Drainage Fund	Utility billing	-	16,043
		$1,455,540	**$4,465,452**

Payable to the City

CURRENT	Purpose	2025	2024
City General Fund	Payment in lieu of franchise fees (PILOT), utility cut repairs, mowing and utility lease	$ -	$4,729,777
City General Fund	Procard reimbursements	1,205,869	221,718
City General Fund	Utility billing	82,092	82,100
City Medical Services Fund	Utility billing	-	580
City Utilities Fund	Utility billing	-	14,099
City Stormwater Drainage Fund	Utility billing	-	1,119
		$1,287,961	**$5,049,393**
NON-CURRENT			
City Utilities Fund	Cost reimbursement	**$47,046,272**	**$48,543,693**

Cost Reimbursement Receivable (Payable) From City Utilities Fund

City employees perform all administrative and management services for OCWUT. Reimbursements for the costs of these services are included in OCWUT's expenses. The advance represents the unfunded non-current liabilities of the City Utilities Fund.

	2025	2024
Beginning balance	($48,543,693)	($56,605,069)
Personal Services	(78,287,428)	(73,897,697)
Other services	(23,752,062)	(22,746,299)
Material and supplies	(8,724,679)	(3,436,544)
Interest income	1,078,676	885,340
Other non operating revenue	28,322	(390,896)
Lease interest	(612)	(1,565)
Reimbursement to the City	111,155,204	107,649,037
Advance from City Utilities Fund	**($47,046,272)**	**($48,543,693)**

VI. B. INTERFUND PAYMENTS

Payments To and From the City

PAYMENTS TO THE CITY

NON-OPERATING		2025	2024
City General Fund	PILOT fees	**$7,863,698**	**$8,055,392**

PILOT

OCWUT pays a fee to the City calculated on two percent of water and wastewater receipts from customers inside Oklahoma City. A franchise fee is also paid to the City of Warr Acres, the Town of Lake Aluma and the City of the Village based on the same calculation for customers in each respective city.

VI. C. OTHER INTERFUND TRANSACTIONS

Aliquot Share Payments to MCA

Cash payments from OCWUT to MCA during fiscal year 2025 and 2024 were $3,460,000 and $2,975,000, respectively for OCWUT's aliquot share requirements.

Utility Lease Agreement

A water lease agreement dated August 1, 1960, amended July 1, 1986, and a separate wastewater lease agreement dated July 1, 1986, between OCWUT and the City provide that all City-owned water and wastewater system assets (as of the date of the lease, as well as property acquired thereafter) be leased to the OCWUT. The lease also provides that all revenue generated by these assets will accrue to OCWUT. Pursuant to a lease extension dated May 20, 2003, the water and wastewater lease term continues until June 30, 2050, or until all bonded debt has been paid or provision has been made for it to be paid, whichever is later. In connection with the lease extension, OCWUT is required to pay an annual lease payment of one percent of gross revenue receipts from water and wastewater residential and commercial utilities sales. Due to payments being variable, no lease liability or right to use asset is reported.

Solid Waste Utility Lease Agreement

A solid waste management lease agreement dated March 31, 2021, between OCWUT and the City provide that all City-owned solid waste management assets (as of the date of the lease, as well as property acquired thereafter) be leased to the OCWUT. The lease also provides that all revenue generated by these assets will accrue to OCWUT. The solid waste management lease term continues until March 31, 2071, or until all bonded debt has been paid or provision has been made for it to be paid, whichever is later. There is no consideration for this lease.

OCWUT Administration

City employees perform administrative and management services for the Consolidated Trust. OCWUT reimburses the City for the cost of services. MCA does not reimburse OCWUT for OCWUT's share of these costs.

OCWUT Parks Charges

OCWUT pays the City Parks Department a fee based on costs incurred for services performed by the Parks Department.

Billing Services

In order to reduce cost and simplify payment for services by citizens, OCWUT bills the City for services provided by the City Stormwater Drainage Fund and the City Medical Services Fund. Each fund pays OCWUT a fee for the cost of these services.

VII. DEFINED CONTRIBUTION PENSION

MCA employees participate in a deferred compensation, defined contribution plan (Plan) administered by Nationwide Retirement Systems and established through the U.S. Conference of Mayors and approved by MCA. Participants of the Plan are comprised of all eligible employees of MCA. All full-time employees are eligible. At June 30, 2025 and 2024, all eligible employees were participating in the Plan.

MCA and participants contribute 8% and 6%, respectively, to the Plan. Plan provisions and contribution requirements are established and amended by the Board of Trustees.

	Contributions	
Fiscal Year	Employer	Employee
2025	$26,412	$19,809
2024	24,711	18,534
2023	23,430	17,573
2022	21,629	16,222
2021	20,934	15,526

The Plan annual financial report, which includes financial statements and required supplementary information for the Plan, may be obtained from Nationwide Retirement Solutions, P.O. Box 182787, Columbus, Ohio 43218-2797.

VIII. COMMITMENTS

OCWUT

	2025	2024
Construction projects - system improvements	$271,930,892	$235,154,895
Contracted wastewater treatment services	19,664,825	32,774,708
	$291,595,717	**$267,929,603**

Construction projects are funded with commercial paper, utility charges, and OWRB loans.

Service Contract Commitments

Significant service contract commitments at June 30, 2025 and 2024, include $293.342 and $278.62 million for OCWUT solid waste management service contracts funded by charges to users.

Fiscal Year	Refuse Collection	Landfill	Recycling	Street Sweeping	City Facility Collection	Fleet Maintenance	Total
2026	$36,956,000	$7,881,000	$1,872,000	$865,000	$250,000	$3,867,400	$51,691,400
2027	39,251,056	8,196,000	1,979,000	968,200	283,023	4,121,682	$54,798,961
2028	41,831,813	8,734,887	2,109,119	1,012,205	301,632	4,392,682	$58,382,338
2029	44,582,255	9,309,206	2,247,794	1,058,209	321,464	4,681,501	$62,200,429
2030	47,513,538	9,921,286	2,395,586	1,106,305	342,600	4,989,310	$66,268,625
	$210,134,662	**$44,042,379**	**$10,603,499**	**$5,009,919**	**$1,498,719**	**$22,052,575**	**$293,341,753**

IX. CONTINGENCIES

Litigation

At June 30, 2025 and 2024, the Consolidated Trust was party to legal proceedings which normally occur in utility operations. These legal proceedings are not likely to have a material adverse impact on the Consolidated Trust's financial position. The Consolidated Trust has not accrued any amounts related to pending litigation.

X. RELATED PARTY TRANSACTIONS

Lake Atoka Reservation Association (LARA) - Jointly Governed Organizations

LARA was formed under the provisions of an interlocal agreement. The agreement provides that OCWUT will reimburse LARA for the budgeted or actual expenditures. OCWUT reimbursed LARA for actual expenditures in fiscal year 2025 and 2024 in the amount of $563,408 and $416,202, respectively.

Oklahoma City Airport Trust

In December 2022 OCWUT provided the Oklahoma City Airport Trust funding for costs associated with an Airport fire extension project. At the end of the project OCWUT will own the asset and be responsible for operating, managing, and maintaining this fire suppression system at the Airport. OCWUT has provided funds of $2,201,115, of which $2,201,115 and $2,029,546 was spent as of June 30, 2025 and 2024.

XI. SUBSEQUENT EVENT

Revenue Bonds

On October 7, 2025, OCWUT approved the issuance of its Utility System Revenue Refunding and Improvement Bonds in the aggregate principal amount of not to exceed $220 million. The tax-exempt revenue bond issuance provided proceeds to refund outstanding Commercial Paper Notes and to provide funds for the payment of certain capital improvement project costs. The bonds were issued on November 6, 2025.

Notes Payable

On November 4, 2025, OCWUT approved the issuance, execution, delivery and performance of its obligations under its Utility System Revenue Note, Series 2025 (Note) in an amount not to exceed $175 million in principal outstanding at any one time and not to exceed $350 million in total aggregate principal amount drawn. The tax-exempt bank draw note program is intended to provide short-term financing capacity for large capital projects with high construction costs and multi-year construction draw down periods. The Note will bear interest at a variable rate calculated from the secured overnight financing rate (SOFR) as administered by the Federal Reserve Bank of New York and the Advance Margin as determined by reference to credit ratings set by S&P and Moody's. The loan has $51 thousand in draws at this time.

On July 21, 2026, OCWUT approved the authorization, execution, delivery, and performance of its obligations for one or more Clean Water State Revolving Fund loan(s) from the Oklahoma Water Resources Board in an amount not to exceed $21.9 million for the purpose of financing or reimbursing OCWUT for certain capital improvements. The loan has not been drawn on at this time. The 2026 clean water state revolving loan funds will bear interest at the rate of 2.68% per annum, plus an administrative fee at the rate of 0.5% per annum on the outstanding balance of disbursed loan proceeds.

Combining Financial Statements

Combining Statements for OCWUT

* ***Water –*** *Established to account for the water utilities operations.*

* ***Wastewater –*** *Established to account for wastewater utilities operations.*

* ***Solid Waste Management –*** *Established to account for solid waste management utilities operations.*

* ***McGee Creek –*** *Established to account for advances made to the McGee Creek Authority for debt service requirements, operation and maintenance, minimum required bond reserves and capital improvements.*

* ***Tinker –*** *Established to account for Tinker Air Force Base's water and wastewater utilities operations.*

* ***Debt –*** *Established to account for debt financing through loans, issuance of revenue bonds and issuance of commercial paper.*

COMBINING STATEMENT OF NET POSITION
June 30, 2025

OKLAHOMA CITY WATER UTILITIES TRUST

	Water	OCWUT Waste Water	OCWUT Solid Waste Management	OCWUT McGee Creek	Tinker	Debt	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$112,935,317	$55,057,395	$64,206,371	$ -	$39,026,015	$44,893,226	-	$316,118,324
Investments	159,227,089	115,675,525	30,280,815	-	3,744,273	23,829,715	-	332,757,417
Accounts receivable, net	28,438,213	14,933,360	10,844,036	-	-	-	-	54,215,609
Lease receivable	112,485	-	-	-	-	-	-	112,485
Interest, dividends, and royalties receivable	1,286,031	786,114	180,071	-	81,493	96,896	-	2,430,605
Receivable from City of Oklahoma City	709,402	396,547	349,591	-	-	-	-	1,455,540
Intergovernmental receivables	460,217	121,117	394,549	-	-	-	-	975,883
Note receivable	-	14,161	-	-	-	-	-	14,161
Inventories	-	-	1,227,043	-	-	-	-	1,227,043
Prepaids	236,056	23,965	-	-	-	-	-	260,021
Total current assets	303,404,810	187,008,184	107,482,476	-	42,851,781	68,819,837	-	709,567,088
NON-CURRENT ASSETS								
Investments	-	-	-	-	-	624,246	-	624,246
Lease receivable	541,907	-	-	-	-	-	-	541,907
Notes receivable	-	639,734	-	-	-	-	-	639,734
Advance to McGee Creek Authority	-	-	-	68,178,985	-	-	-	68,178,985
Other non-current assets	9,537	9,537	-	-	-	-	-	19,074
Capital assets:								
Land, water storage rights and construction in progress	574,943,259	266,405,417	1,199,243	-	13,236,658	-	-	855,784,577
Other capital assets, net of accumulated depreciation	978,753,046	346,145,726	8,764,853	-	32,678,814	3,423,473	-	1,369,765,912
Capital assets, net	1,553,696,305	612,551,143	9,964,096	-	45,915,472	3,423,473	-	2,225,550,489
Total non-current assets	1,554,247,749	613,200,414	9,964,096	68,178,985	45,915,472	4,047,719	-	2,295,554,435
Total assets	**1,857,652,559**	**800,208,598**	**117,446,572**	**68,178,985**	**88,767,253**	**72,867,556**	**-**	**3,005,121,523**
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	**1,057,141**	-	**1,057,141**
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	74,352,716	24,040,690	5,797,976	-	4,329,223	-	-	108,520,605
Due to other funds	(243,916)	244,090	(174)	-	-	-	-	-
Payable to City of Oklahoma City	655,797	534,055	6,985	-	2,939	-	-	1,199,776
Interest payable	25,926	15,144	-	-	-	3,736,179	-	3,777,249
Commercial paper	-	-	-	-	-	12,500,000	-	12,500,000
Notes, leases, and subscriptions payable	1,918,842	746,389	-	-	-	23,104,741	-	25,769,972
Estimated claims payable	1,675,000	-	-	-	-	-	-	1,675,000
Bond interest payable	-	-	-	-	-	11,673,253	-	11,673,253
Bonds payable	-	-	-	-	-	12,095,000	-	12,095,000
Intergovernmental payable	11,116,867	(12,799)	-	-	3,837,756	-	-	14,941,824
Total current liabilities	89,501,232	25,567,569	5,804,787	-	8,169,918	63,109,173	-	192,152,679
NON-CURRENT LIABILITIES								
Payable to City of Oklahoma City	19,517,775	18,831,132	8,697,365	-	-	-	-	47,046,272
Intergovernmental payable	-	-	-	-	52,466,228	-	-	52,466,228
Notes, leases and subscriptions payable	9,890,972	1,966,442	-	-	-	471,920,352	-	483,777,766
Bonds payable, net	-	-	-	-	-	518,427,565	-	518,427,565
Total non-current liabilities	29,408,747	20,797,574	8,697,365	-	52,466,228	990,347,917	-	1,101,717,831
Total liabilities	**118,909,979**	**46,365,143**	**14,502,152**	**-**	**60,636,146**	**1,053,457,090**	**-**	**1,293,870,510**
DEFERRED INFLOWS OF RESOURCES	**747,604**	-	-	-	-	**10,409,367**	-	**11,156,971**
NET POSITION								
Net investment in capital assets	1,481,764,439	591,013,056	9,817,378	-	(6,550,756)	(1,012,412,355)	-	1,063,631,762
Debt service	9,836	(15,144)	-	-	-	24,547,058	-	24,541,750
Unrestricted	256,220,701	162,845,543	93,127,042	68,178,985	34,681,863	(2,076,463)	-	612,977,671
Total net position	**$1,737,994,976**	**$753,843,455**	**$102,944,420**	**$68,178,985**	**$28,131,107**	**($989,941,760)**	**$ -**	**$1,701,151,183**

COMBINING STATEMENT OF NET POSITION
June 30, 2024

OKLAHOMA CITY WATER UTILITIES TRUST

	OCWUT							
	Water	Waste Water	Solid Waste Management	McGee Creek	Tinker	Debt	Eliminations	Total
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	$108,069,406	$79,422,821	$19,152,098	$ -	$30,060,647	$62,199,016	-	$298,903,988
Investments	162,862,405	119,691,522	28,862,533	-	2,223,717	93,734,959	-	407,375,136
Accounts receivable, net	30,689,837	13,482,364	10,400,890	-	-	-	-	54,573,091
Lease receivable	75,665	-	-	-	-	-	-	75,665
Interest, dividends, and royalties receivable	1,221,180	736,608	158,392	-	72,214	112,701	-	2,301,095
Due from other funds	(5,894,046)	(56,433,661)	42,479,549	-	-	19,848,158	-	-
Receivable from City of Oklahoma City	2,404,687	1,172,597	885,053	-	-	-	-	4,462,337
Intergovernmental receivables	419,476	121,117	62,962	-	-	-	-	603,555
Note receivable	-	13,606	-	-	-	-	-	13,606
Inventories	-	-	1,135,399	-	-	-	-	1,135,399
Prepaids	245,433	102,028	-	-	-	-	-	347,461
Total current assets	300,094,043	158,309,002	103,136,876	-	32,356,578	175,894,834	-	769,791,333
NON-CURRENT ASSETS								
Investments	-	-	-	-	-	651,392	-	651,392
Lease receivable	609,549	-	-	-	-	-	-	609,549
Notes receivable	-	654,783	-	-	-	-	-	654,783
Advance to McGee Creek Authority	-	-	-	67,438,340	-	-	-	67,438,340
Other non-current assets	9,537	9,537	-	-	-	-	-	19,074
Capital assets:								
Land, water storage rights and construction in progress	568,425,439	224,785,045	2,719,508	-	1,022,994	-	-	796,952,986
Other capital assets, net of accumulated depreciation	836,100,756	309,363,792	9,227,408	-	34,154,979	3,533,594	-	1,192,380,529
Capital assets, net	1,404,526,195	534,148,837	11,946,916	-	35,177,973	3,533,594	-	1,989,333,515
Total non-current assets	1,405,145,281	534,813,157	11,946,916	67,438,340	35,177,973	4,184,986	-	2,058,706,653
Total assets	**1,705,239,324**	**693,122,159**	**115,083,792**	**67,438,340**	**67,534,551**	**180,079,820**	**-**	**2,828,497,986**
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	**1,126,461**	-	**1,126,461**
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable and accrued expenses	59,420,803	42,135,597	11,461,796	-	1,349,525	-	-	114,367,721
Payable to City of Oklahoma City	2,499,299	1,668,140	855,221	-	623	-	-	5,023,283
Interest payable	29,998	19,038	-	-	-	3,532,554	-	3,581,590
Notes and leases payable	1,696,540	699,671	-	-	-	21,301,621	-	23,697,832
Notes, leases, and estimated claims payable	2,500,000	-	-	-	-	-	-	2,500,000
Bond interest payable	-	-	-	-	-	6,309,014	-	6,309,014
Bonds payable	-	-	-	-	-	14,185,000	-	14,185,000
Intergovernmental payable	10,653,246	(12,799)	-	-	3,837,756	-	-	14,478,203
Total current liabilities	76,799,886	44,509,647	12,317,017	-	5,187,904	45,328,189	-	184,142,643
NON-CURRENT LIABILITIES								
Payable to City of Oklahoma City	18,579,885	19,939,846	10,023,962	-	-	-	-	48,543,693
Intergovernmental payable	-	-	-	-	50,245,100	-	-	50,245,100
Notes and leases payable	10,288,215	2,619,469	-	-	-	437,625,342	-	450,533,026
Advance from OCWUT	171,569	-	-	-	-	-	-	171,569
Bonds payable, net	-	-	-	-	-	531,556,960	-	531,556,960
Total non-current liabilities	29,039,669	22,559,315	10,023,962	-	50,245,100	969,182,302	-	1,081,050,348
Total liabilities	**105,839,555**	**67,068,962**	**22,340,979**	**-**	**55,433,004**	**1,014,510,491**	**-**	**1,265,192,991**
DEFERRED INFLOWS OF RESOURCES	**785,766**	**-**	**-**	**-**	**-**	**10,911,193**	**-**	**11,696,959**
NET POSITION								
Net investment in capital assets	1,345,501,903	497,286,841	11,474,205	-	(15,363,096)	(861,872,652)	-	977,027,201
Debt service	12,910	(19,038)	-	-	-	370,455	-	364,327
Unrestricted	253,099,190	128,785,394	81,268,608	67,438,340	27,464,643	17,286,794	-	575,342,969
Total net position	**$1,598,614,003**	**$626,053,197**	**$92,742,813**	**$67,438,340**	**$12,101,547**	**($844,215,403)**	**$ -**	**$1,552,734,497**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

OKLAHOMA CITY WATER UTILITIES TRUST

	OCWUT							
	Water	Waste Water	Solid Waste Management	McGee Creek	Tinker	Debt	Eliminations	Total
OPERATING REVENUES								
Water charges	$260,867,854	$ -	$ -	$ -	$ -	$ -	$ -	$260,867,854
Wastewater charges	-	142,106,469	-	-	-	-	-	142,106,469
Solid waste management charges	-	-	76,153,920	-	-	-	-	76,153,920
Other charges	2,753,883	2,674,330	-	-	-	-	(4,020,919)	1,407,294
Total charges for services	263,621,737	144,780,799	76,153,920	-	-	-	(4,020,919)	480,535,537
Lease and rental income	392,205	-	-	-	-	-	-	392,205
Other	1,745,625	-	26,281	-	7,944,257	-	-	9,716,163
Total operating revenues	**265,759,567**	**144,780,799**	**76,180,201**	**-**	**7,944,257**	**-**	**(4,020,919)**	**490,643,905**
OPERATING EXPENSES								
Personal services	41,740,491	28,091,996	8,454,942	-	-	-	-	78,287,429
Maintenance, operations, and contractual services	65,561,031	23,756,207	77,992,996	2,719,355	6,313,915	20	(4,951,206)	171,392,318
Materials and supplies	23,029,273	2,821,527	4,432,341	-	151,062	-	-	30,434,203
Depreciation and amortization	45,609,645	23,012,005	2,710,356	-	1,790,543	110,122	-	73,232,671
Total operating expenses	**175,940,440**	**77,681,735**	**93,590,635**	**2,719,355**	**8,255,520**	**110,142**	**(4,951,206)**	**353,346,621**
Operating income (loss)	**89,819,127**	**67,099,064**	**(17,410,434)**	**(2,719,355)**	**(311,263)**	**(110,142)**	**930,287**	**137,297,284**
NON-OPERATING REVENUES (EXPENSES)								
Grant operating	278,914	2,000,000	394,549	-	-	-	-	2,673,463
Investment income	13,496,924	8,318,892	4,218,372	-	1,603,200	808,400	-	28,445,788
Interest on bonds, leases and notes	(295,275)	(76,471)	-	-	-	(33,951,431)	-	(34,323,177)
Oil and gas royalties	64,320	-	-	-	-	-	-	64,320
Payments to City of Oklahoma City	(4,026,055)	(2,411,789)	(1,425,854)	-	-	-	-	(7,863,698)
Payments from City of Oklahoma City	-	(23,177,665)	23,177,665	-	-	-	-	-
Other revenue (expenses)	5,196,674	17,468	1,002,211	-	-	279,555	(930,287)	5,565,621
Net non-operating expenses	**14,715,502**	**(15,329,565)**	**27,366,943**	**-**	**1,603,200**	**(32,863,476)**	**(930,287)**	**(5,437,683)**
Income (loss) before contributions and transfers	**104,534,629**	**51,769,499**	**9,956,509**	**(2,719,355)**	**1,291,937**	**(32,973,618)**	**-**	**131,859,601**
CONTRIBUTIONS AND TRANSFERS								
Capital contributions	-	-	-	-	3,837,756	-	-	3,837,756
Other capital contributions	-	-	245,098	-	12,474,231	-	-	12,719,329
Transfers from other funds	34,846,344	82,471,514	-	3,460,000	905,333	-	-	121,683,191
Transfers to other funds	-	(6,450,755)	-	-	(2,479,697)	(112,752,739)	-	(121,683,191)
Total contributions and transfers	**34,846,344**	**76,020,759**	**245,098**	**3,460,000**	**14,737,623**	**(112,752,739)**	**-**	**16,557,085**
Changes in net position	**139,380,973**	**127,790,258**	**10,201,607**	**740,645**	**16,029,560**	**(145,726,357)**	**-**	**148,416,686**
Total net position, beginning	1,598,614,003	626,053,197	92,742,813	67,438,340	12,101,547	(844,215,403)	-	1,552,734,497
Total net position, ending	**$1,737,994,976**	**$753,843,455**	**$102,944,420**	**$68,178,985**	**$28,131,107**	**($989,941,760)**	**$ -**	**$1,701,151,183**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2024

OKLAHOMA CITY WATER UTILITIES TRUST

	OCWUT							
	Water	Waste Water	Solid Waste Management	McGee Creek	Tinker	Debt	Eliminations	Total
OPERATING REVENUES								
Water charges	$234,952,284	$ -	$ -	$ -	$ -	$ -	$ -	$234,952,284
Wastewater charges	-	129,498,716	-	-	-	-	-	129,498,716
Solid waste management charges	-	-	72,468,859	-	-	-	;	72,468,859
Other charges	2,637,695	2,558,374	-	-	-	-	(3,812,516)	1,383,553
Total charges for services	237,589,979	132,057,090	72,468,859	-	-	-	(3,812,516)	438,303,412
Lease and rental income	464,259	-	-	-	-	-	-	464,259
Other	1,142,990	116,422	6,547	-	8,401,020	-	-	9,666,979
Total operating revenues	**239,197,228**	**132,173,512**	**72,475,406**	**-**	**8,401,020**	**-**	**(3,812,516)**	**448,434,650**
OPERATING EXPENSES								
Personal services	39,592,251	24,952,149	9,353,296	-	-	-	-	73,897,696
Maintenance, operations, and contractual services	49,179,779	66,588,752	28,779,029	2,361,483	6,408,025	99	(4,742,803)	148,574,364
Materials and supplies	16,191,203	2,667,513	3,741,928	-	158,923	-	-	22,759,567
Depreciation and amortization	39,401,056	28,506,909	3,269,941	-	1,821,132	110,122	-	73,109,160
Total operating expenses	**144,364,289**	**122,715,323**	**45,144,194**	**2,361,483**	**8,388,080**	**110,221**	**(4,742,803)**	**318,340,787**
Operating income (loss)	**94,832,939**	**9,458,189**	**27,331,212**	**(2,361,483)**	**12,940**	**(110,221)**	**930,287**	**130,093,863**
NON-OPERATING REVENUES (EXPENSES)								
Grant operating	273,187	-	-	-	-	-	-	273,187
Investment income	11,538,377	6,641,152	3,668,412	-	733,624	890,698	-	23,472,263
Interest on bonds and notes	(279,885)	(93,277)	-	-	-	(24,496,518)	-	(24,869,680)
Bond issue costs	-	-	-	-	-	(937,056)	-	(937,056)
Oil and gas royalties	95,634	-	-	-	-	-	-	95,634
Payments from component units	1,974,126	-	-	-	-	-	-	1,974,126
Payments to City of Oklahoma City	(4,048,834)	(2,493,834)	(1,512,724)	-	-	-	-	(8,055,392)
Payments from City of Oklahoma City	3,144,722	21,004,273	(24,148,995)		-	-	-	-
Other revenue (expenses)	(2,944,251)	362,701	216,734	-	(26)	672,607	(930,287)	(2,622,522)
Net non-operating expenses	**9,753,076**	**25,421,015**	**(21,776,573)**	**-**	**733,598**	**(23,870,269)**	**(930,287)**	**(10,669,440)**
Income (loss) before contributions and transfers	**104,586,015**	**34,879,204**	**5,554,639**	**(2,361,483)**	**746,538**	**(23,980,490)**	**-**	**119,424,423**
CONTRIBUTIONS AND TRANSFERS								
Grant capital	-	-	-	-	3,837,756	-	-	3,837,756
Other capital contributions	-	8,488	-	-	731,627	-	-	740,115
Transfers from other funds	55,081,696	19,551,988	-	2,975,000	-	-	-	77,608,684
Transfers to other funds	-	-	-	-	(1,774,663)	(75,834,021)	-	(77,608,684)
Total contributions and transfers	**55,081,696**	**19,560,476**	**-**	**2,975,000**	**2,794,720**	**(75,834,021)**	**-**	**4,577,871**
Changes in net position	**159,667,711**	**54,439,680**	**5,554,639**	**613,517**	**3,541,258**	**(99,814,511)**	**-**	**124,002,294**
Total net position, beginning	1,438,946,292	571,613,517	87,188,174	66,824,823	8,560,289	(744,400,892)	-	1,428,732,203
Total net position, ending	**$1,598,614,003**	**$626,053,197**	**$92,742,813**	**$67,438,340**	**$12,101,547**	**($844,215,403)**	**$ -**	**$1,552,734,497**

AGH CPAs & ADVISORS

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

To the Board of Trustees
Oklahoma City Water Utilities Trust
Oklahoma City, 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 (*Government Auditing Standards*), the financial statements of the business-type activities and each major fund of the Oklahoma City Water Utilities Trust (Trust), a discrete component unit of the City of Oklahoma City, Oklahoma, as of and for the years ended June 30, 2025 and 2024, and the related notes to financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated October 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Trust'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 Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal controls, described in the accompanying *Schedule of Findings and Responses* as items 2025-001 and 2025-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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*.

Allen, Gibbs & Houlik, L.C. ▪ aghlc.com ▲ aghemployersolutions.com ● aghuniversity.com ▪ 316.267.7231 ▪ 301 N. Main, Suite 1700 ▪ Wichita, KS 67202-4868

Trust's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Trust's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Responses.* The Trust's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Wichita, KS
October 12, 2026

OKLAHOMA WATER UTILITIES TRUST

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2025

Finding 2025-001: Financial Reporting (Significant Deficiency)

Condition: We noted the Trust implemented a new enterprise resource planning (ERP) system, Oracle Cloud Financials (Oracle), during fiscal year 2024. Following the implementation, the Trust experienced disruptions to its financial reporting processes, including delays in completing month-end and year-end closings and challenges in generating accurate reports. Reporting tool development has been in process during the year and provided more accurate information limiting the number and dollar value of audit adjustments; however, delays in reporting and identification of corrections still existed during the fiscal year.

Criteria or Specific Requirement: Effective internal control over financial reporting requires that financial data be recorded accurately, completely, and in a timely manner to ensure that the financial statements are reliable and that deadlines - particularly those related to external audit and compliance - are met.

Cause: The deficiencies were primarily caused by implementation challenges related to report development which resulted in delays obtaining accurate information in a timely manner to complete month-end and year-end reconciliations and financial statement preparation.

Effect: These issues resulted in delays in the Trust's financial reporting process. Month-end and year-end closes were prolonged, and key reconciliations could not be carried out timely. These delays not only impeded the timely completion of the audit but also exposed the Trust to risks of noncompliance with financial reporting requirements.

Recommendations: The Trust has been working on developing new Oracle reporting tools and re-configuring current Oracle reporting tools that will provide accurate information needed to timely complete month-end and year-end closes. We recommend the Trust continue working on finalizing reporting tools that reconcile to the general ledger, which will improve accuracy and timeliness of financial reporting.

Views of Responsible Officials (Unaudited): Management concurs with the finding. During fiscal year 2026, the Trust has made significant progress in stabilizing financial reporting processes following the Oracle implementation. New analytical tools, including SplashBI, have improved our ability to research transactions, reconcile to the general ledger, and complete audit workpapers more efficiently. Enhanced Oracle reporting and processes outside the system continue to be a focus and is now contributing significantly to a more timely and accurate year-end close. We are also focusing on accurate and timely month end closes and continue to improve into 2027. While these improvements are producing measurable results, the Trust's primary focus remains on restoring timely, accurate reporting consistent with prior standards. We remain committed to expanding available tools, improving process efficiencies, and strengthening the overall reliability of financial reporting.

Finding 2025-002: Voided Transactions (Significant Deficiency)

Condition: Related to the system implementation, certain features of the Trust's cash receipting system required reconfiguration to interface directly into the new ERP system. Prior to the implementation the cash receipting system included a void feature that automatically notified supervisory personnel by email whenever a void was processed, allowing timely review. During fiscal year 2025, the cash receipting system transitioned from transferring batched transactions to the new ERP system to transmitting transactions through a direct interface. As part of this transition, the void feature prevented voided transactions from feeding correctly into the ERP system. As a result, the void feature was disabled. Since that time, voids have not been formally reviewed. Although voids are still tracked in the cash receipting system, no reports are generated and no documented supervisory review of these transactions is performed.

Criteria or Specific Requirement: Effective internal controls require that void transactions be independently reviewed by supervisory personnel to ensure they are appropriate, properly authorized, and supported by adequate documentation. Such reviews help detect unauthorized transactions, errors, or potential fraudulent activity in a timely manner. In addition, significant changes to information systems should maintain or replace key internal control activities to ensure control objectives continue to be met.

Cause: During the implementation of the new ERP system, the existing automated control over void transactions was disabled because it interfered with transaction processing. A compensating control or alternative monitoring process was not implemented to replace the automated supervisory control.

Effect: Without timely supervisory review of void transactions, inappropriate, unauthorized, or erroneous voids may not be detected and corrected. The absence of this control increases the risk of misappropriation of cash receipts, inaccurate financial records, and undetected control deficiencies.

Recommendations: We recommend the Trust implement a formal supervisory review process for all void transactions. At a minimum, the Trust should develop and distribute a periodic void transactions report, require documented supervisory review and approval of all voids, and retain evidence of the review. In addition, the Trust should evaluate options for restoring automated notifications or implementing an equivalent control with the current ERP environment to ensure monitoring of void transactions.

Views of Responsible Officials (Unaudited): Management concurs with the finding. Following the ERP implementation, the automated void-notification feature in the cash receipting system was disabled to ensure accurate transmission of transactions to Oracle. Although void activity continues to be captured within iNovah audit logs and Oracle provides a reversed-receipt report, a formal supervisory review process has not been in place. Management, in coordination with IT and Treasury, will establish a documented review procedure that uses these available system records to identify and review voided transactions on a recurring basis. In addition, the Trust will evaluate options to restore automated alerts or implement an equivalent monitoring control within the current ERP environment. These actions will strengthen oversight and ensure void transactions are reviewed, authorized, and appropriately supported.

OKLAHOMA WATER UTILITIES TRUST

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

Finding 2024-001: Financial Reporting (Material Weakness)

Condition: We noted the Trust implemented a new enterprise resource planning (ERP) system, Oracle Cloud Financials (Oracle), during the fiscal year. Following the implementation, the Trust experienced disruptions to its financial reporting processes, including delays in completing month-end and year-end closings and challenges in generating accurate reports. These issues contributed to material audit adjustments that were required in order to present the financial statements in accordance with generally accepted accounting principles (GAAP).

Criteria or Specific Requirement: Effective internal control over financial reporting requires that financial data be recorded accurately, completely, and in a timely manner to ensure that the financial statements are reliable and that deadlines - particularly those related to external audit and compliance - are met.

Corrective Plan: Management concurs with the finding. The Trust is prioritizing risk mitigation in financial reporting through strengthened internal controls, process improvements, and enhanced Oracle reporting tools. External consultants are assisting with system stabilization and accounting support, but the Trust's primary focus remains on restoring timely, accurate reporting consistent with prior standards.

Status: In-Progress - See Finding 2025-001 (Significant Deficiency).