



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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**CITY OF BARTLESVILLE,  
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council  
City of Bartlesville, Oklahoma

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate each major fund, and the aggregate remaining fund information of the City of Bartlesville, Oklahoma (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Center Trust Authority, Bartlesville Development Authority, and the Bartlesville Redevelopment Trust Authority, which represents 48 percent, 64 percent, and 10 percent, respectively, of the assets, net position, and revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Community Center Trust Authority, Bartlesville Development Authority, and the Bartlesville Redevelopment Trust Authority are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors', the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
April 25, 2022



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**MANAGEMENT DISCUSSION AND ANALYSIS**



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The management of the City of Bartlesville, Oklahoma (the “City”), is pleased to present its perspective of the City’s financial performance as a whole for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to summarize for the reader the financial information more fully contained in the attached financial statements and notes and to explain the major points in the financial statements, both positive and negative. Comparisons with prior fiscal years are provided as needed. Please read it in conjunction with the City’s financial statements, which follow this section.

***FINANCIAL HIGHLIGHTS***

- For the fiscal year ended June 30, 2021, the City’s total net position increased by \$5.5 million or 2.65% from the prior year.
- During the year, the City’s expenses for governmental activities were \$36.5 million and were funded by program revenues of \$10.4 million and further funded with taxes and other general revenues that totaled \$30.2 million.
- In the City’s business-type activities, such as utilities, program expenses exceed program revenues by \$0.3 million.
- Taxes increased by \$1.4 million or 5.2% over the prior fiscal year.
- At June 30, 2021, the General Fund reported an unassigned fund balance of \$4.6 million, which is an increase of 25.4% from the prior year unassigned fund balance.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of \$1.6 million or 7.7%, while expenditures were under the final appropriations by \$0.6 million or 2.5%.
- Noteworthy changes to the City’s capital assets included:
  - Completed over \$1.4 million in street projects.
  - Completed construction of a Community Skate Park costing over \$413 thousand.
  - Completed phase 3 of Price Field rehab costing over \$3.7 million.
- The City has retained its AA- bond rating making it one of the highest in the State of Oklahoma for public entities.
- The City added an additional \$1.8 million to its stabilization reserve fund, bringing the total to \$9.3 million or 26.9% of budgeted expenditures.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

The financial statements presented herein include all of the activities of the City and its component units. Included in this report are government-wide statements for each of two categories of activities – governmental and business-type. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) as well as all liabilities (including all long-term debt), as well as deferred outflows and deferred inflows.

**About the City**

The City of Bartlesville is an incorporated municipality with a population of approximately 37,290 located in northeast Oklahoma. The City is a home rule charter form of government and operates under a charter that provides for three branches of government:

- Legislative – the City Council is a five-member governing body elected by the citizens. The City Council elects the Mayor from its members.
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council

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- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, and certain utility services including water, wastewater, and sanitation.

***The City's Financial Reporting Entity***

This annual report includes all activities for which the City of Bartlesville City Council is fiscally responsible. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

The City's financial reporting entity includes the primary government (City of Bartlesville) and the blended component units as follows.

- **The City of Bartlesville** – that operates the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities
- **The Bartlesville Municipal Authority** – finances projects and development for the City's water and wastewater utilities
- **The Bartlesville Community Center Trust Authority** – develops, finances, and operates the Community Center for cultural and recreational activities for the citizens of Bartlesville
- **The Bartlesville Library Trust Authority** – encourages, finances, and promotes the public library
- **The Bartlesville History Museum Trust Authority** – establishes, improves, maintains, administers, and operates facilities for use as a history museum
- **The Adult Center Trust Authority** – Encourages, finances, and promotes cultural and recreational activities for the older citizens of Bartlesville
- **The Bartlesville Redevelopment Trust Authority** – Develops, redevelops, restores, and beautifies a certain portion of central Bartlesville, OK jurisdictional boundaries
- **The Bartlesville Development Authority (BDA)** – Finances certain facilities for the purpose of promoting economic development in the City of Bartlesville and surrounding areas
- **The Bartlesville Education Authority (BEA)** – Finances certain facilities for the purpose of improving educational buildings in the City of Bartlesville and surrounding areas. Currently there is no activity for this Authority.

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**Using This Annual Report**

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

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

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- **Management's Discussion and Analysis** – that provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein
- **Footnotes** - that elaborate on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements
- **Supplemental** – that provide additional information about specified elements of the financial statements, such as budgetary comparison information

**Reporting the City as a Whole**

**The Statement of Net Position and the Statement of Activities**

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, along with all deferred outflows and deferred inflows. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

As mentioned above, in the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental activities** -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type activities** -- The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation and community center activities are reported here.

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**Reporting the City's Most Significant Funds**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

*Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

*Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

**A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the primary government, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$212 million at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Current assets	\$ 52,745	\$ 51,194	3%	\$ 21,740	\$ 21,963	-1%	\$ 74,485	\$ 73,157	2%
Capital assets, net	100,545	95,733	5%	118,037	121,223	-3%	218,582	216,956	1%
Other noncurrent assets	152	182	-16%	43	38	13%	195	220	-11%
<b>Total assets</b>	<u>153,442</u>	<u>147,109</u>	4%	<u>139,820</u>	<u>143,224</u>	-2%	<u>293,262</u>	<u>290,333</u>	1%
Deferred outflows of resources	6,738	6,305	7%	800	821	-3%	7,538	7,126	6%
Current liabilities	6,492	6,342	2%	5,622	5,199	8%	12,114	11,541	5%
Noncurrent liabilities	39,393	38,239	3%	35,025	37,136	-6%	74,418	75,375	-1%
<b>Total liabilities</b>	<u>45,885</u>	<u>44,581</u>	3%	<u>40,647</u>	<u>42,335</u>	-4%	<u>86,532</u>	<u>86,916</u>	0%
Deferred inflows of resources	1,838	3,245	-43%	419	762	-45%	2,257	4,007	-44%
Net position									
Net investment in									
capital assets	81,120	74,198	9%	82,503	84,734	-3%	163,623	158,932	3%
Restricted	32,360	33,769	-4%	3,908	3,616	8%	36,268	37,385	-3%
Unrestricted (deficit)	(1,023)	(2,379)	57%	13,143	12,598	4%	12,120	10,219	19%
<b>Total net position</b>	<u>\$ 112,457</u>	<u>\$ 105,588</u>	7%	<u>\$ 99,554</u>	<u>\$ 100,948</u>	-1%	<u>\$ 212,011</u>	<u>\$ 206,536</u>	3%

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. For 2021, this investment in capital assets, net of related debt, amounted to \$163.6 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A major portion of the City's net position, \$36.3 million, also represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is available to meet the government's ongoing obligations to citizens and creditors.

The increase in governmental-type activities unrestricted net position of approximately \$1.4 million (or 57%) is due primarily to the completion of projects and the drawdown of cash for those projects in the G.O. Bonds funds at the end of the fiscal year.

### **Changes in Net Position**

For the year ended June 30, 2021, net position of the primary government changed as follows:

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

	<b>Governmental Activities</b>		<b>% Inc. (Dec.)</b>	<b>Business-Type Activities</b>		<b>% Inc. (Dec.)</b>	<b>Total</b>		<b>% Inc. (Dec.)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
<b>Revenues</b>									
Charges for service	\$ 4,640	\$ 4,659	0%	\$ 21,200	\$ 21,447	-1%	\$ 25,840	\$ 26,106	-1%
Operating grants and contributions	4,981	2,136	133%	220	216	2%	5,201	2,352	121%
Capital grants and contributions	749	805	-7%	351	121	190%	1,100	926	19%
Taxes	28,340	26,938	5%	-	-	-	28,340	26,938	5%
Intergovernmental revenue	371	365	2%	-	-	-	371	365	2%
Investment income	404	1,030	-61%	948	236	302%	1,352	1,266	7%
Gain on sales of assets	(1)	29	-103%	84	2,117	-96%	83	2,146	-96%
Miscellaneous	1,061	1,116	-5%	134	27	396%	1,195	1,143	5%
<b>Total revenues</b>	<u>40,545</u>	<u>37,078</u>	9%	<u>22,937</u>	<u>24,164</u>	-5%	<u>63,482</u>	<u>61,242</u>	4%
<b>Expenses</b>									
General government	3,583	9,250	-61%	-	-	-	3,583	9,250	-61%
Public safety	17,622	14,875	18%	-	-	-	17,622	14,875	18%
Culture, parks and recreation	6,771	3,766	80%	-	-	-	6,771	3,766	80%
Public works	7,980	3,894	105%	-	-	-	7,980	3,894	105%
Interest on long-term debt	540	583	-7%	-	-	-	540	583	-7%
Water	-	-	-	7,903	7,749	2%	7,903	7,749	2%
Wastewater	-	-	-	4,682	4,672	0%	4,682	4,672	0%
Sanitation	-	-	-	3,288	3,297	0%	3,288	3,297	0%
Community Center	-	-	-	1,258	1,522	-17%	1,258	1,522	-17%
Other Business-Type Activities	-	-	-	4,380	5,143	-15%	4,380	5,143	-15%
<b>Total expenses</b>	<u>36,496</u>	<u>32,368</u>	13%	<u>21,511</u>	<u>22,383</u>	-4%	<u>58,007</u>	<u>54,751</u>	6%
Excess (deficiency) before transfers	4,049	4,710	-14%	1,426	1,781	20%	5,475	6,491	-16%
Transfers	2,820	358	-688%	(2,820)	(358)	688%	-	-	-
<b>Change in net position</b>	<u>6,869</u>	<u>5,068</u>	36%	<u>(1,394)</u>	<u>1,423</u>	198%	<u>5,475</u>	<u>6,491</u>	-16%
<b>Beginning net position</b>	<u>105,588</u>	<u>100,520</u>	5%	<u>100,948</u>	<u>99,525</u>	1%	<u>206,536</u>	<u>200,045</u>	3%
<b>Ending net position</b>	<u>\$ 112,457</u>	<u>\$ 105,588</u>	7%	<u>\$ 99,554</u>	<u>\$ 100,948</u>	-1%	<u>\$ 212,011</u>	<u>\$ 206,536</u>	3%

Explanations for changes in excess of 20% and \$100,000 are as follows:

*Governmental Activities:*

Operating grants and contributions increased by \$2.8 million or 133% due to CARES act grant funding.

Investment income decreased by \$626,000 or 61% due to decreases on the rate of return on investments.

Transfers for operating expenses from the Business Type to Governmental Type are generally more than offset with capital assets transfers back to Business Type, FY 2021 had an increase of capital asset transfers moving from Governmental Type to Business Type.

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*Business-Type Activities:*

Capital grants increased approximately \$230,000 due to an increase in capital grants for the Bartlesville Community Center Trust Authority.

Investment income increase by \$712,000 due to increases on the rate of return of investments.

Miscellaneous income increased by \$106,000 due to various infrequent sources throughout the Business-Type Funds.

Gain on sale of assets decrease by \$2,033,000 mostly due to the sale of assets by the Bartlesville Development Authority in the amount of \$2,116,000.

**Governmental Activities**

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

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

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
General government	\$ 3,583	\$ 9,250	-61%	\$279	(\$8,456)	-103%
Public safety	17,622	14,875	18%	(15,202)	(11,916)	28%
Culture, parks and recreation	6,771	3,766	80%	(6,613)	(3,401)	94%
Public works	7,980	3,894	105%	(4,049)	(411)	885%
Interest on long-term debt	540	583	-7%	(540)	(583)	-7%
<b>Total</b>	<u>36,496</u>	<u>\$ 32,368</u>	13%	<u>(\$26,125)</u>	<u>(\$24,767)</u>	5%

Explanations for significant changes are listed above under Table 2.

Several revenue sources fund the City of Bartlesville's governmental activities with sales tax being the largest. The City levies a three and four-tenths-cent (\$.034) sales tax on taxable sales within the City. The Sales Tax is allocated among three funds: The General Fund, the Economic Development Fund, and the Sales Tax Capital Improvement Fund. Two and sixty-five hundredths cents (\$.0265) of the tax collected is deposited in the General Fund, twenty-five hundredths cent (\$.0025) is deposited in the Economic Development Fund, and five-tenths cent (\$.005) is deposited in the Sales Tax Capital Improvement Fund. Sales taxes collected by the State in June and July (which represent sales for May and June) and received by the City in July and August have been accrued and are included under the caption "Due from other

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governments”. Sales tax revenue reported in the Government-wide Financial Statements totaled \$20,598,144, which represented a 6.9% increase over prior year receipts.

Public Safety is one of the most important yet costly governmental expense activities in the City. Combined, the Police and Fire departments accounted for 38% of net governmental expenses. The Fire department consists of 70 full-time employees, including one administrative assistant. The Police department consists of 71 full time employees with 61 being sworn enforcement personnel and 10 being civilian personnel.

The City has many other operating departments involved in governmental type activities including street, park, building maintenance, library, museum, technical services, cemetery, legal, swimming pools, stadium, airport, economic development, and community development, which provide services to the public. The city council, administration, accounting and finance, and general services departments provide services both internally and externally and are categorized as general governmental functions.

**Business-Type Activities**

Overall, the business-type activities saw a decrease of \$1,394,000 in net position.

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

	<b>Total Expense of Services</b>		<b>% Inc. Dec.</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. Dec.</b>
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Water	\$ 7,903	\$ 7,749	2%	\$ 2,751	\$ 1,777	55%
Wastewater	4,682	4,672	0%	310	25	1140%
Sanitation	3,288	3,297	0%	1,245	1,203	3%
Community center	1,258	1,522	-17%	(712)	(842)	-15%
Other business-type activities	<u>4,380</u>	<u>5,143</u>	-15%	<u>(3,335)</u>	<u>(2,763)</u>	21%
<b>Total</b>	<u><u>\$21,511</u></u>	<u><u>\$22,383</u></u>	-4%	<u><u>\$ 259</u></u>	<u><u>\$ (600)</u></u>	-143%

The City’s business-type activities include utility services for water, wastewater, sanitation and the operation of the community center.

Total assets from governmental activities are approximately \$153.4 million, which represents an increase of \$6.3 million from the prior fiscal year. This increase can mainly be attributed to the issuance of new G.O. Bond debt and the conservative financial policies implemented by the City Council and City Staff. The most significant financial policies are the City’s Stabilization Reserve Fund and Capital Reserve Fund policies which were adopted by ordinance. These policies institutionalize incremental, annual savings and resulted in an additional \$1.8 million being set aside in a formal stabilization reserve fund and \$4.4 million being set aside in a formal capital reserve fund. These policies provide for stability and planned capital replacement even during difficult economic times.



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The City's method for investing surplus funds changed significantly in 2009. In an effort to increase efficiency, internal controls, and transparency, the Council and City Staff selected Arvest Asset Management to actively manage the City's investments. The Administrative Director/CFO was appointed to fulfill the job of Treasurer in addition to existing duties. This arrangement allows for greater security, since all of the funds are invested and monitored by a third party who is contracted by the Council. It also allows for greater efficiency, since the investing functions can now be integrated with existing finance processes. This has created a more seamless recording of investing activity and a more reliable reconciliation to the general ledger. This process continues today.

The City continues in its efforts to further reduce expenditures through more efficient procurement and use of goods and services along with improvements in energy efficiency. Money-saving programs and approaches to service delivery are constantly sought. This entails regular reevaluation and in many cases rebidding of our service contracts. Available grants are continually sought and applied for to reduce local expenses.

The City has continued its concerted effort to improve work place safety so that workers' compensation costs are reduced. This includes continued in-house safety training and monitoring trends in injuries to better focus training on important issues. The City is "own risk" or self-insured for workers' compensation. Despite the City's best efforts, workers' compensation expense continues to escalate due to increasing medical and settlement costs. To help offset these increases, the City began levying workers' compensation court judgments on property tax. While this step has lessened workers' compensation's impact on the City's general revenues, it does create a slight increase in the property tax levy. It is the City's hope that the workers' compensation reform that recently emerged from the State Legislature will help to control these costs long-term.

In recent years, the City also elected to return to an "own risk" or self-funded plan for employee health insurance, but this program differs from the Workers' Compensation program in that the City obtains reinsurance to cover the largest claims. This self-insured plan, like most insurance plans, has had its ups and downs, but recently the performance of the plan has stabilized and is allowing the City to set aside additional funds for future catastrophic illnesses and to provide for greater rate stability for employees.

## **A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Information on the City's major funds starts on page 39. The governmental funds utilize the modified accrual basis of accounting. All governmental funds combined received total revenues of \$39.9 million for the year and \$42 million in expenditures resulting in a deficiency in revenues over expenditures of (\$2.2 million). The City's governmental funds also had other financing sources and uses (mainly transfers and debt proceeds) that netted to create other financing sources of \$4.2 million. When combined with the deficiency mentioned above, the City's governmental funds' fund balances in total finished the year up approximately \$2.1 million, more than where they started.

The individual net change in fund balances for the year was only significant in the CIP – Sales Tax Fund, Capital Reserve Fund, 2018A G.O. Bond Fund, 2018C G.O. Bond Fund, 2019A G.O. Bond Fund, and the 2021A G.O. Bond Fund. The CIP – Sales Tax Fund receives dedicated sales tax to fund capital improvements. The CIP sales tax fund received \$3.2 million in revenues while only expending \$2.3 million leaving an increase in fund balance of approximately \$900,000. In FY17, the City began using the Capital Reserve Fund for business-type and governmental-type projects and is phasing out the use of the CIP-Wastewater Regulatory Fund. The Capital Reserve Fund is a capital improvement fund used to accumulate amounts from the General, Water, Wastewater, and Sanitation Funds that will be used to

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finance these funds' long-term capital plans. This fund accumulated \$4.5 million in revenue and transfers while spending \$2.9 million which resulted in an increased fund balance of approximately \$1.6 million. The 2018A G.O. Bond Fund spent approximately \$3.6 million of prior year bond proceeds, which explains the decrease in fund balance of the same amount. The 2018C G.O. Bond Fund spent approximately \$972,000 of prior year bond proceeds, which explains the decrease in fund balance of the same amount. The 2019A G.O. Bond Fund spent approximately \$1.1 million of prior year bond proceeds, which explains the decrease in fund balance of the same amount. The 2021A G.O. Bond Fund received \$1.1 million in bond proceeds, with \$70,920 in expense therefore increasing the fund balance by approximately \$1 million.

The general fund reflects an increase in fund balance of \$3,560,623 which brings it up to \$12.13 million. While no standard is established for the desired level of fund balance that should be carried, it is desirable to have at least two months of average expenditures so that fluctuations in revenue and expenditures can be absorbed without major disruptions to the normal operations. With careful monitoring of revenue and expenditures combined with conservative budgeting, the City management believes the fund balance is adequate to allow the City to meet its obligations and reflects a good financial condition of the City as a whole.

**General Fund Budgetary Highlights**

The City's budget is prepared in accordance with Oklahoma Law and is based on anticipated cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is required for all funds of the City except agency funds. The City Council is provided with a detailed line-item budget for all departments; however, the City's budget is adopted with the legal level of control set at the department level. This means that a department's budget may exceed its annual appropriations for a single line item but may not exceed its appropriations in total. Normally, several meetings are devoted to discussion and explanation of the proposed budget by staff. When the City Council is satisfied with the final form of the budget, it is adopted and the powers of the Council and City Manager are defined as follows.

The City Manager may transfer appropriations from one department within a fund after the budget is adopted by the City Council. The Council must approve any budget amendments that would alter the total budget by fund or would make any interfund transfers of money. The Finance Director closely monitors the budget throughout the year and works with department directors to resolve budget issues that may arise over the course of the year. He also provides the City Manager and City Council with a summary report on the revenue, expenditures, and changes in fund balances as compared to the budget after the close of each monthly accounting cycle. Department directors have access to view their budgets online at any time.

For the general fund, budget basis revenue was up by \$1,615,253 over the budget estimates of \$25,951,378. The City continues the conservative practice of estimating revenues based on long term trends adjusted for known factors. Expenditures are estimated using the most detailed data available. Salary and related expenses are calculated to the dollar based on the current staffing. Expenditures for 2020 were \$603,888 below the final budget of \$26,949,608. These savings were achieved through spending restraints and careful monitoring of budget results.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2021, the City had \$218.6 million invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, streets, and water lines and sewer lines. (See Table 5). This represents a net increase of approximately \$1.6 million over last year.

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

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 3,424	\$ 3,354	\$ 7,416	\$ 7,186	\$ 10,840	\$ 10,540
Works of art	-	-	46	46	46	46
Buildings	2,626	3,167	74,347	75,739	76,973	78,906
Infrastructure	75,595	73,936	31,615	34,188	107,210	108,124
Machinery, furniture and equipment	4,299	4,368	3,745	4,064	8,044	8,432
Construction in progress	14,602	10,908	868	-	15,470	10,908
<b>Totals</b>	<b>\$ 100,546</b>	<b>\$ 95,733</b>	<b>\$ 118,037</b>	<b>\$ 121,223</b>	<b>\$ 218,583</b>	<b>\$ 216,956</b>

Perhaps the City's most important long-term capital needs revolve around a long-term sustainable water supply and an expansion of our wastewater treatment capacity. The construction of the Ted Lockin potable water treatment plant was completed in September of 2006, and the City is continuing to make progress on the issue of long-term water supply. However, the City's water needs now largely lie in the hands of the United States Congress where discounted pricing for water rights on Copan Lake must be approved. The City is also examining possibilities for indirect wastewater reuse that will allow the City to utilize effluent from the wastewater plant as a supplementary water supply.

In addition to the need for long-term water supply, the City is also currently undertaking the early stages of planning for its long-term wastewater needs with the completion of several studies, collection system improvements, treatment process evaluations, and the purchase of land as a possible future site for a wastewater treatment plant. It is anticipated that the City will need to construct this new wastewater treatment plant or renovate the existing plant in the near future. To fund these future improvements, the City implemented a dedicated utility fee in FY 2009 which has been incrementally increased over the years to pay for engineering, design, land acquisition, and eventually the debt service for this project.

Funds provided by the capital improvement sales tax are providing a large portion of the City's general capital needs including some street, drainage, park, and facilities improvements as well as equipment and vehicle replacements. In 2013, the citizens approved an extension of the capital improvements sales tax for an additional seven years beginning July 1, 2014. In addition to more "traditional" City projects, this extension added needed improvements to the City's world class Community Center that is now 30 years old.

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With regard to infrastructure, the engineering department maintains a list of street, drainage, and park improvements awaiting construction. These are funded on a priority basis as funds become available from the sales tax reserved for capital improvements. As part of the annual budget process, City Staff prioritizes these projects and makes recommendations to the City Council. The projects that can be provided for from the capital improvement fund are included in the budget while the balance of projects are kept on the list waiting funding at a later date. Priorities sometimes change if external funding, such as grants or donations, becomes available for specific purposes.

Water and sewer projects are most often funded with loans through the Oklahoma Water Resources Board's Drinking Water State Revolving Fund or the Clean Water State Revolving Fund. These are revenue notes payable over terms up to 30 years with very favorable interest rates. Water and/or sewer revenues are pledged to the repayment of principal and interest. This process allows the City's utility rates to be set at a level that covers the full cost of their operations and preserves general revenues for functions that do not have a dedicated source of funding.

### **Long-Term Debt**

As of June 30, 2021 the City of Bartlesville had approximately \$56,125,000, in outstanding debt. Table 6 summarizes the outstanding debt. This decrease of approximately \$3,891,000 less than last year is due primarily to the net effect of issuance of \$1.15 million in G.O. Bonds as well as the normal debt service payments. The City's changes in long-term debt by type of debt are as follows:

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2020-2021</u>
General obligation bonds	\$ 19,425	\$ 21,805	\$ -	\$ -	\$ 19,425	\$ 21,805	-10.9%
Notes payable	-	-	34,657	36,762	34,657	36,762	-5.7%
Workers' compensation claims liability	547	266	-	-	547	266	105.6%
Accrued compensated absences	1,204	880	292	303	1,496	1,183	26.5%
<b>Totals</b>	<u>\$ 21,176</u>	<u>\$ 22,951</u>	<u>\$ 34,949</u>	<u>\$ 37,065</u>	<u>\$ 56,125</u>	<u>\$ 60,016</u>	-6.5%

All of the City's General Obligation Bonds are composed of bonds with maturities of ten years or less, although the city may legally issue debt with maturities as long as 25 years. All general obligation bonds must be approved by a vote of the qualified electors of the City. Most of the other notes are Oklahoma Water Resources Board (OWRB) revenue notes for improvements to the City's water and sewer system, permanent notes used to replace the OWRB notes, or obligations of the City's authorities which are secured solely by the lease revenues of the facilities associated with the debt. All of these notes carry favorable interest rates and/or administrative fees due to State subsidization (in the case of OWRB financing) or due to rates negotiated at or near inflation (in the case of the private placement note).

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**The Economic Outlook**

The City of Bartlesville maintains a healthy financial condition by actively managing its expenditures. The City maintains a flexible management style by exercising constraint on filling vacancies in the workforce, continually stressing the performance of key revenue sources, enforcing budgetary control on departments, and encouraging the city council to address revenue shortfalls and adjust rates for services when justified. The City has a quality accounting and budgetary control program and conservative financial management policies. We believe that we are well positioned to meet the challenges of the near future, and we feel that our oversight and attention to financial condition are of even more importance in the current economic climate. The employees, management, and Council of the City of Bartlesville are committed to providing excellent service to its citizens. The financial management team is further committed to providing full disclosure of the financial position of the City.

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the tax and service revenues it receives. If you have questions about this report or need additional financial information, contact the current CFO/City Clerk, Jason Muninger at the City of Bartlesville, 401 S. Johnstone Ave, Bartlesville, OK 74003, by phone at (918) 338-4212 or by email at [jsmuninger@cityofbartlesville.org](mailto:jsmuninger@cityofbartlesville.org).

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**BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE**

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**Statement of Net Position– June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,974,373	\$ 9,919,612	\$ 12,893,985
Investments	43,163,713	6,510,948	49,674,661
Restricted cash and cash equivalents, current	59,559	2,028,943	2,088,502
Accounts receivable, net of allowance	1,270,524	2,638,242	3,908,766
Internal balances	1,229,932	(1,229,932)	-
Due from other governmental agencies	3,907,484	-	3,907,484
Inventories	62,694	282,178	344,872
Prepaid expenses	76,631	12,553	89,184
Incentive loans receivable, current	-	104,925	104,925
Restricted cash and cash equivalents, noncurrent	-	768,074	768,074
Mortgage and security agreement	-	133,901	133,901
Incentive loans receivable, noncurrent	-	567,083	567,083
Other assets	-	2,812	2,812
Capital Assets:			
Land and construction in progress	18,025,639	8,329,889	26,355,528
Other capital assets, net of depreciation	82,519,607	109,707,326	192,226,933
Net OPEB asset	152,364	43,050	195,414
Total Assets	<u>153,442,520</u>	<u>139,819,604</u>	<u>293,262,124</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	6,433,735	724,836	7,158,571
Deferred amounts related to OPEB	304,419	75,454	379,873
Total deferred outflow of resources	<u>6,738,154</u>	<u>800,290</u>	<u>7,538,444</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,120,928	408,029	2,528,957
Accrued interest payable	-	233,796	233,796
Due to depositors	5,000	1,289,711	1,294,711
Restricted cash reserves	-	769,232	769,232
Advanced revenues	177,016	143,402	320,418
Long-term liabilities			
Due within one year:			
Compensated absences	120,416	-	120,416
Bonds, capital leases and contracts	3,850,000	2,703,327	6,553,327
Incentives payable	-	74,092	74,092
Claims payable	218,999	-	218,999
Due in more than one year:			
Compensated absences	1,083,739	291,976	1,375,715
Bonds, capital leases and contracts	15,575,000	31,953,586	47,528,586
Claims payable	328,498	-	328,498
Total OPEB liability	1,169,563	330,467	1,500,030
Net pension liability	21,236,659	2,448,519	23,685,178
Total liabilities	<u>45,885,818</u>	<u>40,646,137</u>	<u>86,531,955</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred amounts related to pensions	1,598,020	245,804	1,843,824
Deferred amounts related to OPEB	239,860	173,699	413,559
Total Deferred inflow of resources	<u>1,837,880</u>	<u>419,503</u>	<u>2,257,383</u>
<b>NET POSITION</b>			
Net investment in capital assets	81,120,246	82,503,548	163,623,794
Restricted by:			
Enabling legislation	7,360,963	-	7,360,963
Statutory requirements	23,994,500	-	23,994,500
External contracts	1,004,370	3,907,806	4,912,176
Unrestricted (deficit)	(1,023,103)	13,142,900	12,119,797
Total net position	<u>\$ 112,456,976</u>	<u>\$ 99,554,254</u>	<u>\$ 212,011,230</u>

See accompanying notes to the basic financial statements.

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**Statement of Activities –Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental Activities							
General Government	\$ 3,583,790	\$ 750,024	\$ 2,921,822	\$ 190,679	\$ 278,735	\$ -	\$ 278,735
Public Safety	17,621,563	266,906	1,652,170	500,000	(15,202,487)	-	(15,202,487)
Culture and Recreation	6,770,821	22,777	100,708	33,325	(6,614,011)	-	(6,614,011)
Public Works	7,980,297	3,600,003	306,697	25,000	(4,048,597)	-	(4,048,597)
Interest on Long-term debt	539,625	-	-	-	(539,625)	-	(539,625)
Total governmental activities	<u>36,496,096</u>	<u>4,639,710</u>	<u>4,981,397</u>	<u>749,004</u>	<u>(26,125,985)</u>	<u>-</u>	<u>(26,125,985)</u>
Business-Type Activities:							
Water	7,903,385	10,525,915	-	128,800	-	2,751,330	2,751,330
Wastewater	4,681,965	4,972,707	-	19,757	-	310,499	310,499
Sanitation	3,288,009	4,532,960	-	-	-	1,244,951	1,244,951
Community Center	1,258,449	141,855	208,728	195,500	-	(712,366)	(712,366)
Other Business-Type Activities	4,379,588	1,026,944	10,935	6,500	-	(3,335,209)	(3,335,209)
Total business-type activities	<u>21,511,396</u>	<u>21,200,381</u>	<u>219,663</u>	<u>350,557</u>	<u>-</u>	<u>259,205</u>	<u>259,205</u>
Total primary government	<u>\$ 58,007,492</u>	<u>\$ 25,840,091</u>	<u>\$ 5,201,060</u>	<u>\$ 1,099,561</u>	<u>\$ (26,125,985)</u>	<u>\$ 259,205</u>	<u>\$ (25,866,780)</u>
<b>General revenues:</b>							
Taxes:							
Sales and use taxes					\$ 20,598,144	\$ -	\$ 20,598,144
TIF tax revenue					1,476,825	-	1,476,825
Property taxes					4,111,284	-	4,111,284
Franchise taxes and public service taxes					1,244,344	-	1,244,344
Other taxes					910,065	-	910,065
Intergovernmental revenue not restricted to specific programs					370,633	-	370,633
Unrestricted investment earnings					403,907	948,467	1,352,374
Miscellaneous					1,060,744	134,230	1,194,974
Gain (loss) on sale of assets					(563)	84,339	83,776
Transfers					2,819,999	(2,819,999)	-
Total general revenues and transfers					<u>32,995,382</u>	<u>(1,652,963)</u>	<u>31,342,419</u>
Change in net position					<u>6,869,397</u>	<u>(1,393,758)</u>	<u>5,475,639</u>
Net position - beginning					<u>105,587,579</u>	<u>100,948,012</u>	<u>206,535,591</u>
Net position - ending					<u>\$ 112,456,976</u>	<u>\$ 99,554,254</u>	<u>\$ 212,011,230</u>

See accompanying notes to the basic financial statements.



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**BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS**

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**Governmental Funds Balance Sheet - June 30, 2021**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,250	-	-	\$ 2,911,123	\$ 2,914,373
Investments	12,865,131	3,433,514	12,199,183	13,909,365	42,407,193
Receivable from other governments	68,853	12,896	-	33,967	115,716
Due from other funds	964,748	-	-	-	964,748
Taxes receivable, net	3,088,420	-	-	920,233	4,008,653
Note receivable	-	-	175,818	-	175,818
Other receivables, net of allowance	838,466	-	-	39,258	877,724
Inventories	62,693	-	-	-	62,693
Prepaid expenses	76,631	-	-	-	76,631
Cash - restricted	59,559	-	-	-	59,559
Total assets	<u>\$ 18,027,751</u>	<u>\$ 3,446,410</u>	<u>\$ 12,375,001</u>	<u>\$ 17,813,946</u>	<u>\$ 51,663,108</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 187,472	\$ -	\$ 327,096	\$ 638,924	\$ 1,153,492
Accrued payroll payable	812,274	-	-	39,303	851,577
Advanced revenue	7,724	-	-	140	7,864
Other payables	65,167	-	-	40,757	105,924
Total liabilities	<u>1,072,637</u>	<u>-</u>	<u>327,096</u>	<u>719,124</u>	<u>2,118,857</u>
Deferred inflow of resources:					
Unavailable revenue	<u>822,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>822,977</u>
Fund balances:					
Nonspendable	139,324	-	-	-	139,324
Restricted	-	3,446,410	12,047,905	16,865,518	32,359,833
Committed	9,339,429	-	-	300,108	9,639,537
Assigned	1,986,120	-	-	-	1,986,120
Unassigned (deficit)	4,667,264	-	-	(70,804)	4,596,460
Total fund balances	<u>16,132,137</u>	<u>3,446,410</u>	<u>12,047,905</u>	<u>17,094,822</u>	<u>48,721,274</u>
Total liabilities and fund balances	<u>\$ 18,027,751</u>	<u>\$ 3,446,410</u>	<u>\$ 12,375,001</u>	<u>\$ 17,813,946</u>	<u>\$ 51,663,108</u>

See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
As of and for the Year Ended June 30, 2021

**Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Sales and miscellaneous taxes	\$ 17,298,537	\$ -	\$ -	\$ 6,930,841	\$ 24,229,378
Property taxes	-	4,111,284	-	-	4,111,284
Intergovernmental	4,687,314	-	-	788,989	5,476,303
Licenses and permits	226,315	-	-	-	226,315
Charges for services	719,298	-	3,584,275	21,091	4,324,664
Fees and fines	410,935	-	-	-	410,935
Investment earnings	24,032	716	-	380,707	405,455
Miscellaneous	496,066	19,453	26,000	46,108	587,627
Contributions and donations	-	-	-	85,127	85,127
Total revenues	<u>23,862,497</u>	<u>4,131,453</u>	<u>3,610,275</u>	<u>8,252,863</u>	<u>39,857,088</u>
<b>EXPENDITURES</b>					
Current:					
General government	6,611,740	66,237	118,624	1,125,138	7,921,739
Public safety	13,307,241	-	15,600	1,053,718	14,376,559
Public works	1,434,606	-	2,452,019	-	3,886,625
Culture and recreation	2,709,649	-	-	287,517	2,997,166
Capital outlay	-	-	349,775	8,398,253	8,748,028
Debt service:					
Principal	-	3,530,000	-	-	3,530,000
Interest and other charges	-	541,975	-	-	541,975
Total expenditures	<u>24,063,236</u>	<u>4,138,212</u>	<u>2,936,018</u>	<u>10,864,626</u>	<u>42,002,092</u>
Excess (deficiency) of revenues over expenditures	<u>(200,739)</u>	<u>(6,759)</u>	<u>674,257</u>	<u>(2,611,763)</u>	<u>(2,145,004)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from long-term debt	-	-	-	1,150,000	1,150,000
Transfers in	6,685,671	-	900,000	584,840	8,170,511
Transfers out	(2,924,309)	-	-	(2,167,237)	(5,091,546)
Total other financing sources and uses	<u>3,761,362</u>	<u>-</u>	<u>900,000</u>	<u>(432,397)</u>	<u>4,228,965</u>
Net change in fund balances	3,560,623	(6,759)	1,574,257	(3,044,160)	2,083,961
Fund balances - beginning	12,571,514	3,453,169	10,473,648	20,138,982	46,637,313
Fund balances - ending	<u>\$ 16,132,137</u>	<u>\$ 3,446,410</u>	<u>\$ 12,047,905</u>	<u>\$ 17,094,822</u>	<u>\$ 48,721,274</u>

See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA**  
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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Total fund balance, governmental funds	\$	48,721,274
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		100,545,246
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Other long-term assets, deferred outflows, deferred inflows, and internal service fund activity are either not available to pay for current period expenditures and are deferred in the funds, or are combined with governmental activities at the government-wide financial statements

Net OPEB asset		152,364
Pension related deferred outflows		6,433,735
OPEB related deferred outflows		304,419
Unavailable revenue deferred inflows		653,825
Internal service funds		254,186
Internal balance related to internal service fund classified as BTA		265,184

Some liabilities, therefore they, along with deferred inflows are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Bonds payable		(19,425,000)
Net pension liability		(21,236,659)
Accrued compensated absences liability		(1,204,155)
Total OPEB liability		(1,169,563)
Pension related deferred inflows		(1,598,020)
OPEB related deferred inflows		(239,860)

Net Position of Governmental Activities in the Statement of Net Position		<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 112,456,976</div>
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See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA**  
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**Reconciliation of Governmental Funds and Government-Wide Financial Statements:**

Net change in fund balances - total governmental funds: \$ 2,083,961

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

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

Capital asset purchases capitalized	10,729,242
Book value of disposed capital assets	(3,047)
Depreciation expense	(5,654,555)
Capital assets transferred to business-type activities	(258,966)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financials report pension contributions as expenditures. (1,511,586)

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

Change in unavailable revenue	(96,162)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal payments on long-term debt	3,530,000
Proceeds of long-term debt	(1,150,000)

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation and health insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (560,135)

Internal service fund activity related to Enterprise Funds	156,818
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in compensated absence liability	(324,319)
Change in OPEB liability and related deferrals	(71,854)

Change in net position of governmental activities	\$ 6,869,397
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See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

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**BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS**

**CITY OF BARTLESVILLE, OKLAHOMA**  
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**Proprietary Funds Statement of Net Position - June 30, 2021**

	Enterprise Funds						
	BMA	Wastewater Fund	Water Fund	Solid Waste Fund	Bartlesville Development Authority	Other Enterprise Funds	Total Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 7,046,519	\$ 2,873,093	\$ 9,919,612
Restricted cash and cash equivalents	1,209,711	-	-	-	769,232	50,000	2,028,943
Investments	866,691	-	-	-	-	5,644,257	6,510,948
Accounts receivable, net	1,945,842	-	-	349,975	158,431	-	2,454,248
Cash held by third parties	-	-	-	-	-	-	60,000
Other receivables	33,981	-	1,688	4,641	-	144,084	184,394
Incentive loans receivable, current	-	-	-	-	104,925	-	104,925
Inventory	-	47,836	234,342	-	-	12,553	294,731
Total current assets	4,056,225	47,836	236,030	354,616	8,079,107	8,723,987	21,497,801
Noncurrent assets:							
Restricted:							
Cash and cash equivalents	768,074	-	-	-	-	-	768,074
Mortgage and security agreement	-	-	-	-	-	133,901	133,901
Incentive loans receivable	-	-	-	-	567,083	-	567,083
Other assets	-	-	-	-	2,812	-	2,812
Net OPEB asset	-	5,699	19,684	16,058	-	1,609	43,050
Capital assets:							
Land and construction in progress	1,545,269	32,187	182,908	-	4,937,458	1,632,067	8,329,889
Other capital assets, net of accumulated depreciation	36,015,070	16,805,353	8,464,787	1,856,547	40,479,517	6,086,052	109,707,326
Total noncurrent assets	38,328,413	16,843,239	8,667,379	1,872,605	45,986,870	7,853,629	119,552,135
Total assets	42,384,638	16,891,075	8,903,409	2,227,221	54,065,977	16,577,616	141,049,936
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred amounts related to pensions	-	53,200	310,532	271,768	-	89,336	724,836
Deferred amounts related to OPEB	-	7,679	27,128	38,161	-	2,486	75,454
Total Deferred Outflow of Resources	-	60,879	337,660	309,929	-	91,822	800,290
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	-	4,352	66,354	41,565	41,717	63,364	217,352
Restricted cash reserves	-	-	-	-	769,232	-	769,232
Accrued personnel expenses	-	17,979	82,030	46,867	-	16,672	163,548
Incentives payable	-	-	-	-	-	74,092	74,092
Accrued interest payable	234,196	-	-	-	-	390	234,586
Due to other funds	-	191,761	376,290	396,697	-	-	964,748
Advanced revenue	-	-	-	5,125	93,529	44,748	143,402
Deposit liability	1,209,711	-	-	-	80,000	26,739	1,316,450
Claims and judgments	-	-	-	-	-	-	218,999
Bonds, notes and loans payable	2,208,186	-	-	-	361,455	133,686	2,703,327
Total current liabilities	3,652,093	214,092	524,674	490,254	1,345,933	359,691	6,586,737
Noncurrent liabilities:							
Claims and judgments	-	-	-	-	-	-	328,498
Compensated absences	-	7,526	207,573	59,419	-	17,458	291,976
Bonds, notes and loans payable	30,254,986	-	-	-	1,698,600	-	31,953,586
Total OPEB liability	-	43,747	151,100	123,266	-	12,354	330,467
Net pension liability	-	130,706	1,096,277	946,053	-	275,483	2,448,519
Total noncurrent liabilities	30,254,986	181,979	1,454,950	1,128,738	1,698,600	305,295	328,498
Total liabilities	33,907,079	396,071	1,979,624	1,618,992	3,044,533	664,986	41,611,285
<b>DEFERRED INFLOW OF RESOURCES</b>							
Deferred amounts related to pensions	-	39,121	104,319	82,225	-	20,139	245,804
Deferred amounts related to OPEB	-	21,978	68,468	66,373	-	16,880	173,699
Total Deferred Inflow of Resources	-	61,099	172,787	148,598	-	37,019	419,503
<b>NET POSITION</b>							
Net investment in capital assets	5,097,167	16,837,540	8,647,695	1,856,547	42,346,480	7,718,119	82,503,548
Restricted for capital projects	-	-	-	-	-	50,000	50,000
Restricted for other purposes	768,074	-	-	-	1,010,440	2,079,292	3,857,806
Unrestricted (deficit)	2,612,318	(342,756)	(1,559,037)	(1,086,987)	7,664,524	6,120,022	13,408,084
Total net position	\$ 8,477,559	\$ 16,494,784	\$ 7,088,658	\$ 769,560	\$ 51,021,444	\$ 15,967,433	\$ 99,819,438
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	-	-	-	-	-	-	(265,184)
Net Position of Business-type Activities							\$ 99,554,254

See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

**Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2021**

	<b>Enterprise Funds</b>							
	<b>BMA</b>	<b>Wastewater Fund</b>	<b>Water Fund</b>	<b>Solid Waste Fund</b>	<b>Bartlesville Development Authority</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Total Internal Service Funds</b>
<b>REVENUES</b>								
Water	\$ 15,442,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,442,512	\$ -
Sanitation	-	-	-	4,532,960	-	-	4,532,960	-
Charges for services	-	-	-	-	676,383	492,416	1,168,799	3,363,025
Lease revenue	-	-	-	-	-	132,630	132,630	-
Operating grants and contributions	19,757	-	-	-	-	219,663	239,420	-
Total operating revenues	<u>15,462,269</u>	<u>-</u>	<u>-</u>	<u>4,532,960</u>	<u>676,383</u>	<u>844,709</u>	<u>21,516,321</u>	<u>3,363,025</u>
<b>OPERATING EXPENSES</b>								
Personal services	-	408,651	2,053,373	1,649,434	53,429	961,037	5,125,924	3,422,669
Contractual services	504,850	2,436,208	316,958	866,913	482,330	322,553	4,929,812	796,423
Utilities	-	6,995	404,528	5,234	4,188	125,295	546,240	-
Repairs and maintenance	-	101,043	655,543	141,791	1,436	77,109	976,922	7,556
Other supplies and expenses	-	79,539	560,503	156,925	2,496	139,696	939,159	-
Programs	-	-	-	-	1,079,749	321,289	1,401,038	-
Amortization expense	-	-	-	-	2,411	-	2,411	-
Depreciation	1,798,083	1,475,493	795,268	407,692	1,195,429	754,081	6,426,046	-
Total operating expenses	<u>2,302,933</u>	<u>4,507,929</u>	<u>4,786,173</u>	<u>3,227,989</u>	<u>2,821,468</u>	<u>2,701,060</u>	<u>20,347,552</u>	<u>4,226,648</u>
Operating income (loss)	<u>13,159,336</u>	<u>(4,507,929)</u>	<u>(4,786,173)</u>	<u>1,304,971</u>	<u>(2,145,085)</u>	<u>(1,856,351)</u>	<u>1,168,769</u>	<u>(863,623)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>								
Interest and investment revenue	16,082	-	-	(734)	14,638	918,481	948,467	(1,548)
Miscellaneous revenue (expense)	600	-	-	-	-	7,500	8,100	305,036
Gain on capital asset disposal	-	-	1,010	353	82,976	-	84,339	-
Interest expense	(824,659)	-	-	-	(115,509)	-	(940,168)	-
Miscellaneous expenses	-	-	(10,748)	-	-	-	(10,748)	-
Total non-operating revenue (expenses)	<u>(807,977)</u>	<u>-</u>	<u>(9,738)</u>	<u>(381)</u>	<u>(17,895)</u>	<u>925,981</u>	<u>89,990</u>	<u>303,488</u>
Income (loss) before transfers and capital contributions	12,351,359	(4,507,929)	(4,795,911)	1,304,590	(2,162,980)	(930,370)	1,258,759	(560,135)
Capital contributions	128,800	64,606	159,850	34,510	-	195,500	583,266	-
Transfers in	-	4,400,120	5,980,854	-	1,088,516	1,222,295	12,691,785	-
Transfers out	(10,380,974)	(1,415,164)	(2,213,997)	(1,760,615)	-	-	(15,770,750)	-
Change in net position	2,099,185	(1,458,367)	(869,204)	(421,515)	(1,074,464)	487,425	(1,236,940)	(560,135)
Total net position - beginning	6,378,374	17,953,151	7,957,862	1,191,075	52,095,908	15,480,008	101,056,378	814,321
Total net position - ending	<u>\$ 8,477,559</u>	<u>\$ 16,494,784</u>	<u>\$ 7,088,658</u>	<u>\$ 769,560</u>	<u>\$ 51,021,444</u>	<u>\$ 15,967,433</u>	<u>\$ 99,819,438</u>	<u>\$ 254,186</u>
Change in Net Position, Enterprise Funds							(1,236,940)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(156,818)	
Change in Net Position of Business-type Activities							<u>\$ (1,393,758)</u>	

See accompanying notes to the basic financial statements.



**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended June 30, 2021**

**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2021**

	Enterprise Funds							
	BMA	Wastewater Fund	Water Fund	Solid Waste Fund	Bartlesville Development Authority	Other Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 15,523,798	\$ -	\$ -	\$ 4,532,568	\$ 837,665	\$ 851,685	\$ 21,746,116	\$ 3,670,485
Payments to suppliers and employees	(504,850)	(3,116,454)	(3,901,612)	(2,866,366)	(1,502,587)	(1,418,508)	(13,310,377)	(3,955,802)
Payments for incentives and operations	-	-	-	-	-	(475,040)	(475,040)	-
Receipts of customer meter deposits	202,014	-	-	-	-	-	202,014	-
Refunds of customer meter deposits	(178,890)	-	-	-	-	-	(178,890)	-
Interfund receipts/payments	(578,337)	131,498	220,501	94,794	-	-	(131,544)	-
<b>Net cash provided by (used in) operating activities</b>	<u>14,463,735</u>	<u>(2,984,956)</u>	<u>(3,681,111)</u>	<u>1,760,996</u>	<u>(664,922)</u>	<u>(1,041,863)</u>	<u>7,852,279</u>	<u>(285,317)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers from other funds	-	4,400,120	5,980,854	-	1,088,516	1,222,295	12,691,785	-
Transfers to other funds	(10,380,974)	(1,415,164)	(2,213,997)	(1,760,615)	-	-	(15,770,750)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(10,380,974)</u>	<u>2,984,956</u>	<u>3,766,857</u>	<u>(1,760,615)</u>	<u>1,088,516</u>	<u>1,222,295</u>	<u>(3,078,965)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Purchases of capital assets	(820,702)	-	(86,756)	-	(1,987,550)	(116,184)	(3,011,192)	-
Payment to escrow for refunded debt	(28,795,549)	-	-	-	-	-	(28,795,549)	-
Capital grants received	128,800	-	-	-	-	-	128,800	-
Proceeds from sale of capital asset	-	-	1,010	353	112,536	-	113,899	-
Proceeds from capital grant	-	-	-	-	-	195,500	195,500	-
Proceeds from debt	28,095,417	-	-	-	-	-	28,095,417	-
Decrease in security interest in property	-	-	-	-	-	140,000	140,000	-
Administrative reimbursements	-	-	-	-	-	(15,360)	(15,360)	-
Principal paid on debt	(1,309,116)	-	-	-	(301,200)	(140,000)	(1,750,316)	-
Interest and fiscal agent fees paid on debt	(509,763)	-	-	-	(115,508)	(408)	(626,079)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(3,210,913)</u>	<u>-</u>	<u>(85,746)</u>	<u>353</u>	<u>(2,291,722)</u>	<u>63,548</u>	<u>(5,524,880)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Sale of investments	-	-	-	-	-	37,996	37,996	286,865
Purchase of investments	(866,691)	-	-	-	-	(710,782)	(1,577,473)	-
Interest and dividends	16,082	-	-	(734)	14,638	918,481	948,467	(1,548)
<b>Net cash provided by (used in) investing activities</b>	<u>(850,609)</u>	<u>-</u>	<u>-</u>	<u>(734)</u>	<u>14,638</u>	<u>245,695</u>	<u>(591,010)</u>	<u>285,317</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	21,239	-	-	-	(1,853,490)	489,675	(1,342,576)	-
<b>Balances - beginning of year</b>	1,956,546	-	-	-	9,669,241	2,433,418	14,059,205	105,900
<b>Balances - end of year</b>	<u>\$ 1,977,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,815,751</u>	<u>\$ 2,923,093</u>	<u>\$ 12,716,629</u>	<u>\$ 105,900</u>
<b>Reconciliation to Statement of Net Position:</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 7,046,519	\$ 2,873,093	\$ 9,919,612	\$ 45,900
Restricted cash and cash equivalents - current	1,209,711	-	-	-	769,232	-	1,978,943	-
Cash held by third parties	-	-	-	-	-	50,000	50,000	60,000
Restricted cash and cash equivalents - noncurrent	768,074	-	-	-	-	-	768,074	-
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 1,977,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,815,751</u>	<u>\$ 2,923,093</u>	<u>\$ 12,716,629</u>	<u>\$ 105,900</u>

See accompanying notes to the basic financial statements.

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**Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2021, (Continued)**

	<b>Enterprise Funds</b>							
	<b><u>BMA</u></b>	<b><u>Wastewater Fund</u></b>	<b><u>Water Fund</u></b>	<b><u>Solid Waste Fund</u></b>	<b><u>Bartlesville Development Authority</u></b>	<b><u>Other Enterprise Funds</u></b>	<b><u>Total Enterprise Funds</u></b>	<b><u>Total Internal Service Funds</u></b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in)</b>								
<b>Operating Activities:</b>								
Operating income (loss)	\$ 13,159,336	\$ (4,507,929)	\$ (4,786,173)	\$ 1,304,971	\$ (2,145,085)	\$ (1,856,351)	\$ 1,168,769	\$ (863,623)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization expense	1,798,083	1,475,493	795,268	407,692	1,197,840	754,081	6,428,457	-
Miscellaneous revenue	600	-	-	-	-	7,500	8,100	305,036
Miscellaneous expense	-	-	(10,748)	-	-	-	(10,748)	-
Change in assets and liabilities:								
Due from other funds	(578,337)	131,498	220,501	-	-	-	(226,338)	-
Accrued compensated absences	-	3,204	3,540	(19,140)	-	17,802	5,406	-
Accounts receivable	76,876	-	-	(1,126)	82,532	(43,417)	114,865	-
Other receivable	(15,947)	-	-	359	-	36,844	21,656	2,424
Accounts payable	-	(16,242)	10,911	(413)	121,041	29,731	145,028	(10,268)
Advanced revenue	-	-	-	-	78,750	6,050	84,800	-
Accrued salaries payable	-	2,902	11,505	(4,610)	-	2,536	12,333	-
Due to other funds	-	-	-	94,794	-	-	94,794	-
Claims liability	-	-	-	-	-	-	-	281,114
Advanced revenue	-	-	-	375	-	-	375	-
Net and total OPEB liability and related deferrals	-	(15,676)	(44,158)	(30,165)	-	(17,550)	(107,549)	-
Net pension liability and related deferrals	-	(58,251)	(567)	8,259	-	9,042	(41,517)	-
Deposits subject to refund	23,124	-	-	-	-	14,453	37,577	-
Prepaid expenses	-	-	-	-	-	(2,584)	(2,584)	-
Inventory	-	45	118,810	-	-	-	118,855	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 14,463,735</b>	<b>\$ (2,984,956)</b>	<b>\$ (3,681,111)</b>	<b>\$ 1,760,996</b>	<b>\$ (664,922)</b>	<b>\$ (1,041,863)</b>	<b>\$ 7,852,279</b>	<b>\$ (285,317)</b>
<b>Noncash activities:</b>								
Contributed capital assets	\$ -	\$ 64,606	\$ 159,850	\$ 34,510	\$ -	\$ -	\$ 258,966	\$ -
	\$ -	\$ 64,606	\$ 159,850	\$ 34,510	\$ -	\$ -	\$ 258,966	\$ -

See accompanying notes to the basic financial statements.

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**Statement of Fiduciary Net Position - June 30, 2021**

	<b><u>Mausoleum</u></b> <b><u>Endowment</u></b>
<b>ASSETS</b>	
Receivables:	
Other receivables	\$ 31
Total receivables	<u>31</u>
Investments:	
Other investments	<u>8,127</u>
Total investments	<u>8,127</u>
Total assets	<u><u>\$ 8,158</u></u>
<b>LIABILITIES</b>	
Total liabilities	<u>-</u>
<b>NET POSITION</b>	
Restricted for other organizations	<u>8,158</u>
Total net position	<u><u>\$ 8,158</u></u>

See accompanying notes to the basic financial statements.

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**Statement of Changes in Fiduciary Net Position - Year Ended June 30, 2021**

	<u><b>Mausoleum Endowment</b></u>
<b>ADDITIONS</b>	
Investment earnings:	
Investment earnings	\$ 18
Total net investment earnings	<u>18</u>
Total additions	<u>18</u>
<b>DEDUCTIONS</b>	
Miscellaneous expenses	\$ 400
Total deductions	<u>400</u>
Change in net position	<u>(382)</u>
Total net position - beginning	<u>8,540</u>
Total net position - ending	<u><u>\$ 8,158</u></u>

See accompanying notes to the basic financial statements.

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**FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 11.**

**RETIREMENT AND OPEB PLANS**

- A. Oklahoma Firefighters' Pension and Retirement System
- B. Oklahoma Police Pension and Retirement System
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**Footnotes to the Basic Financial Statements:**

**1. Summary of Significant Accounting Policies**

**A. Introduction**

The financial statements of the *City of Bartlesville, Oklahoma* (the City) are prepared in accordance with U.S. Generally Accepted Governmental Accounting Principles promulgated by the Governmental Accounting Standards Board (GASB). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. During this fiscal year, the City implemented GASB Statement No. 84, *Fiduciary Activities*.

**B. Financial Reporting Entity**

*City of Bartlesville, Oklahoma* is a charter city in which citizens elect five council members by ward. The council members elect one of these members as mayor. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Some of the component units of the City - Bartlesville Development Authority, Bartlesville Community Center Trust Authority, and Bartlesville Redevelopment Trust Authority - issue separately audited financial statements. Copies of component unit reports may be obtained from the City's Finance Department.

Due to restrictions of the State Constitution relating to the issuance of municipal debt, the City created public trusts to finance City services with revenue bonds or other non-general obligation financing, and provide for multi-year contracting. Financing services by these public trusts are solely for the benefit of the City. Public trusts created to provide financing services are blended into the City's primary government although retaining separate legal identity. Component units that do not meet the criteria for blending are reported discretely. However, the City currently has no discretely presented component units.

Component units are reported in the City's basic financial statements in accordance with GASB 61 as shown in the following table:

<b>Blended Component Units Reported with the Primary Government</b>	<b>Brief Description of Activity's Relationship to City</b>	<b>Reporting Funds</b>
Bartlesville Municipal Authority	Finance projects and development for the City's water, solid waste and wastewater utilities. The City Council is the governing body. Assets financed by the Trust are managed by City employees who provide services to citizens.	Enterprise Fund
Bartlesville Community Center Trust Authority	Develop, finance and operate the Community Center for cultural and recreational activities for the citizens of Bartlesville. Their Board consists of eight members appointed by the City Council and one Council member.	Enterprise Fund



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Bartlesville Library Trust Authority	Encourage, finance and promote the public library. The City Council appoints members of the Trust Authority Board. City employees manage trust assets and provide services to citizens.	Special Revenue Fund
Bartlesville History Museum Trust Authority	Establish, improve, maintain, administer and operate facilities for use as a history museum. Their Board consists of nine members, one of whom must be a member of the City Council. Members are appointed by the Mayor with the approval of City Council.	Special Revenue Fund
Adult Center Trust Authority	Encourage, finance and promote cultural and recreational activities for the older citizens of Bartlesville. Their Board consists of six members appointed by the City Council.	Enterprise Fund
Bartlesville Redevelopment Trust Authority	Develop, redevelop, restore and beautify a certain portion of central Bartlesville, Oklahoma jurisdictional boundaries.	Enterprise Fund
Bartlesville Development Authority (BDA)	Finances certain facilities for the purpose of promoting economic development in the City of Bartlesville, Oklahoma and surrounding areas.	Enterprise Fund
Bartlesville Education Authority (BEA)	Finances certain facilities for the purpose of improving educational buildings in the City of Bartlesville, Oklahoma and surrounding areas.	No Activity

The City and its component units provide typical municipal services such as public safety, street maintenance, culture, parks and recreation, airport, and certain utility services including water, wastewater, and sanitation.

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

### **C. Basis of Presentation and Accounting**

#### *Government-Wide Financial Statements:*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include (1) fees, fines, and service charges generated by the program or activity, (2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and (3) capital grants and contributions that are restricted to meeting the capital requirement of the program or activity. The policy for allocating indirect expenses to functions is on a percentage basis of the activity.

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

#### *Fund Financial Statements:*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type, and
- b. Total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.
- c. A fund not meeting the criteria of (a) or (b) except that management has elected to report the fund as a major fund due to its significance to the users of the financial statements.

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The funds of the *City of Bartlesville, Oklahoma* are described below:

*Governmental Funds:*

Governmental Fund Types:

General Fund – The General Fund is the primary fund of the City, which accounts for all financial transactions not accounted for in other funds and certain Public Trust activities that require separate accountability for services rendered. Also reported in the General Fund is the stabilization reserve account which can only be used in certain limited and unusual circumstances.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally or administratively restricted to expenditures for specified purposes.

Debt Service Fund – As prescribed by State law, the Debt Service Fund receives all ad valorem taxes paid to the City for the retirement of general obligation bonded debt. Such revenues are used for the payment of principal and interest on the City's general obligation bonds.

Capital Projects Funds – The Capital Projects Funds account for major capital improvements which are financed from the City's general obligation bond issues, certain federal grants and other specific receipts.

The City's governmental funds include:

<u>Fund</u>	<u>Brief Description</u>
<b>Major:</b>	
<b>General Fund</b>	See above for description.
<b>Debt Service Fund:</b>	
Debt Service Fund	See above for description.
<b>Capital Project Funds:</b>	
Capital Reserve Fund	Accounts for proceeds and expenditures associated with the City's capital reserve ordinance.
<b>Nonmajor:</b>	
<b>Special Revenue Funds:</b>	
Bartlesville History Museum Trust Authority	See above for description.
E-911 Fund	Accounts for revenues and expenditures of the E-911 service that is legally restricted for public safety use.
Special Library Fund	Accounts for State Library Assistance and library donations which are provided to the library for operations.
Special Museum Fund	Accounts for museum grants and donations that are provided primarily by the BHMTA.

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Economic Development Fund	Accounts for revenues and expenditures of promoting economic diversification.
Bartlesville Library Trust Authority	See blended component units above for description.
Restricted Revenues Fund	Accounts for receipts and expenditures of donations and other revenues that are restricted for specific purposes.
Municipal Airport Fund	See above for description.
Harshfield Library Donation Fund	Accounts for receipts and expenditures related to the Harshfield library donation.
Golf Course Memorial Fund	Accounts for donations and proceeds of an annual memorial golf tournament.
Justice Assistance Grant Fund (JAG)	Accounts for revenues and expenditures related to the Justice Assistance Grant.
Neighborhood Park Fund	Accounts for the receipt and expenditures of development fees that are restricted for use in the various parks of the City.
Cemetery Perpetual Care Fund	Accounts for revenues and expenditures of the cemetery's upkeep in accordance with State law.
Memorial Stadium Operating Fund	Accounts for receipt of stadium fees and transfers from the City for capital improvements.
Housing TIF Districts Fund	Accounts for ad valorem and general sales taxes that are to be used to fund infrastructure improvements to the designated Tax Increment Financing (TIF) areas.
BRTA Pass Through Fund	Accounts for sales taxes and hotel/motel taxes that are to be passed through to the BRTA as part of existing TIF structures.
Hotel Motel Tax Fund	Accounts for hotel motel taxes restricted for the community center, economic development, and tourism purposes.
<b>Capital Project Funds:</b>	
Capital Improvement Sales Tax Fund	Accounts for revenues and expenditures related to a sales tax issue restricted for capital improvements
Capital Improvement - Wastewater Fund	Accounts for the revenues and expenditures associated with improving the wastewater system.
Capital Improvement – Wastewater Regulatory	Accounts for revenues and expenditures associated with the wastewater capital investment fees.

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Capital Improvement – City Hall Fund	Accounts for revenues and expenditures associated with improving City Hall.
Capital Improvement - Storm Sewer Fund	Accounts for revenues and expenditures associated with improving the storm sewer system.
Community Development Block Grant Fund	Accounts for revenues and expenditures related to the Community Development Block Grant.
2008B G.O. Bond Fund	Accounts for bond proceeds and expenditures associated with the series 2008B G.O. Bond.
2009 G.O. Bond Fund	Accounts for bond proceeds and expenditures associated with the series 2009 G.O. Bond.
2010 G.O. Bonds Fund	Accounts for bond proceeds and expenditures associated with the series 2010 G.O. Bond.
2012 G.O. Bonds Fund	Accounts for bond proceeds and expenditures associated with the series 2012 G.O. Bond.
2018A G.O. Bonds Fund	Accounts for bond proceeds and expenditures associated with the series 2018A G.O. Bond.
2014B G.O. Bond Fund	Accounts for bond proceeds and expenditures associated with the series 2014B G.O. Bond.
2021A G.O. Bonds Fund	Accounts for bond proceeds and expenditures associated with the series 2021A G.O. Bond.
2017 G.O. Bond Fund	Accounts for bond proceeds and expenditures associated with the series 2017 G.O. Bond.
2018B G.O. Bond Fund	Accounts for bond proceeds and expenditures associated with the series 2018B G.O. Bond.
2018C G.O. Bond Fund	Accounts for bond proceeds and expenditures Associated with the series 2018C G. O. Bond.
2019A G.O. Bond Fund	Accounts for bond proceeds and expenditures Associated with the series 2019A G. O. Bond.
2019B G.O. Bond Fund	Accounts for bond proceeds and expenditures Associated with the series 2019B G. O. Bond.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting, revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

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

The General Fund, Debt Service Fund, and Capital Reserve Fund are considered major funds and therefore are displayed in separate columns. All other governmental funds are considered nonmajor funds and are aggregated under the column titled Other Governmental Funds.

*Proprietary Funds:*

Proprietary Fund Types:

Enterprise Funds – The City's Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Non-operating revenues and expenses of the proprietary funds include such items as investment earnings, interest expense and subsidies.

Internal Service Funds – (Included in governmental activities in government-wide statements.) The City's Internal Service Funds are used to account for the financing of services provided by one department to other departments of the City.

The City's proprietary funds include:

<u>Fund</u> <u>Major:</u>	<u>Brief Description</u>
<b>Enterprise Funds:</b>	
Bartlesville Municipal Authority	See above for description.
Wastewater Fund	Accounts for activities of the public trust in providing wastewater services to the public.
Water Fund	Accounts for activities of the public trust in providing water services to the public.
Solid Waste Fund	Accounts for activities of the public trust in providing solid waste services to the public.
Bartlesville Development Authority	See above for description.

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**Nonmajor:**

Adams Municipal Golf Course	Accounts for revenues and expenses of the municipal golf course.
Sooner Pool	Accounts for revenues and expenses of Sooner Pool.
Frontier Pool	Accounts for revenues and expenses of Frontier Pool.
Community Center Trust Authority	See above for description.
Adult Center Trust Authority	See above for description.
Bartlesville Redevelopment Trust Authority	See above for description.

**Internal Service Funds:**

Workers' Compensation	Accounts for the revenues and expenditures of the City's workers' compensation plan.
Health Insurance	Accounts for the revenues and expenditures of the City's health insurance plan.
Auto Collision Insurance	Accounts for the revenues and expenditures of the City's auto insurance plan.

For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

**Fiduciary Fund:**

The City's fiduciary fund is used to report net position and changes therein of assets held by the City in a trustee or fiduciary capacity. This net position is not available for operations of the City. The City has one private-purpose trust fund.

**Fund**

Mausoleum Endowment Fund

**Brief Description**

Accounts for the revenue and expenditures of the mausoleum. Comprised initially of monies on deposit for the mausoleum's care when the City accepted the mausoleum.

#### **D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. The fiduciary trust fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Trust fund equity is classified as net position.

##### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within 60 days of period end) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.



## **E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity**

### **Cash and Investments**

For the purposes of the statements of net position, balance sheets, and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

### **Receivables**

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

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

### **Deposit with Third-Party Administrator**

The City is self-insured for workers' compensation insurance. The claims for workers' compensation injuries are administered by a third-party administrator. The City has placed a deposit with the third-party administrator to allow for the payment of these claims.

### **Inventory**

Inventories for the Enterprise Funds and General Fund are capitalized at cost and charged to expense on the first-in, first-out and average cost basis. Inventories for the general fund and all other funds are insignificant and purchases of such items are expensed.

### **Deferred Outflows of Resources**

Deferred outflows are the consumption of net position that are applicable to a future reporting period. At June 30, 2021 the City has deferred outflows of resources related to pensions and other post-employment benefits (OPEB).

### **Deferred Inflows of Resources**

Deferred inflows are the acquisition of net position that are applicable to a future reporting period. At June 30, 2021 the City has deferred inflows of resources related to pensions, OPEB, and unavailable revenue.

### **Arbitrage Rebate**

The proceeds from the City's tax-exempt bond issues are subject to arbitrage rebate laws under the Internal Revenue Code. This arbitrage rebate limits the earnings on investment of tax-exempt proceeds in non-purpose investments. The City had no arbitrage rebate liability at June 30, 2021.

### **Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oklahoma Firefighters Pension & Retirement System (OFPRS), Oklahoma Police Pension & Retirement System (OPPRS), and the Oklahoma Municipal Retirement System (OkMRF) and additions to/deductions from these pension plans' fiduciary net position have been determined on the same basis as they are reported by each listed pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Other Post-employment Benefits**

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oklahoma Municipal Retirement Fund Retiree Medical Plan and additions to/deductions from this OPEB plan's fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### *Government-Wide Statements*

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1992.

Prior to October 1, 2003, governmental activities' infrastructure assets were not capitalized. Since that time, all governmental infrastructure assets have been recorded as acquired. The governmental infrastructure assets for the preceding 20 years were recorded at their actual historical cost, or estimated historical cost if actual was unavailable, as of July 1, 2006.

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Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Prior to July 1, 2017, a capitalization threshold of \$2,500 was used to report capital assets. Effective July 1, 2017, the City's capitalization threshold is \$10,000. The range of estimated useful lives by type of asset is as follows:

- Buildings	15-50 years
- Other Improvements	5-100 years
- Machinery and Equipment	5-40 years
- Vehicles	2-15 years
- Infrastructure	25-50 years

#### *Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

#### **Restricted Assets**

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to promissory note trustee accounts and utility meter deposits.

#### **Long-Term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of notes payable, general obligation bonds, claims payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

#### **Compensated Absences**

Full-time permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time permanent employees to specified maximums. Generally, after meeting certain minimum accruals and service requirements, employees are entitled up to ten percent of their sick leave balance and all accrued vacation leave and compensatory time balances upon retirement.

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The estimated current portion of the liability for vested vacation and compensatory time attributable to the City's governmental funds is recorded as an expenditure and liability in the respective funds. The amounts attributable to proprietary funds and similar component units are charged to expense and credited to a corresponding liability in the applicable fund or component unit. The estimated liabilities include required salary-related payments.

## **Equity Classifications**

### *Government-Wide Statements:*

Equity is classified as net position and displayed in three components:

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

### *Fund Statements:*

Governmental fund equity is classified as fund balance. Fund balance is classified as non-spendable, restricted, committed, assigned and unassigned.

- a. Non-spendable – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.
- b. Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purpose specified by the legislation.

- c. Committed – The committed fund balance classification includes amounts that can be used only for specific purposes imposed by ordinance or resolution of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by

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City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with those constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

d. Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter, ordinance or resolution.

e. Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within the unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Proprietary fund equity is classified the same as in the government-wide statements.

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

## **F. Revenues, Expenditures, and Expenses**

### **Sales Tax**

The City presently levies a three and four-tenths-cent (\$.034) sales tax on taxable sales within the City. The Tax Commission receives the sales tax approximately one month after collection by vendors. The Sales Tax is allocated among three funds: The General Fund, the Economic Development Fund, and the Sales Tax Capital Improvement Fund. Two and sixty-five hundredths cents of the tax collected is deposited in the General Fund as of January 1, 2016 (prior to that date, two and twenty-five hundredths cents was deposited in the General Fund), twenty-five hundredths cent is deposited in the Economic Development Fund, and five-tenths cent is deposited in the Sales Tax Capital Improvement Fund. Sales taxes collected by the State in June and July (which represent sales for May and June) and received by the City in July and August have been accrued and are included under the caption "Due from other governments".

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**Property Tax**

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31. Property taxes unpaid are attached by an enforceable lien on the property the day after the due date. The Treasurer of Washington County bills and collects the property taxes and remits to the City its portion in the month following collection. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

**Cigarette, Tobacco, and Tobacco Products Tax**

Beginning in January 2005, the City receives tax levied on wholesalers for cigarettes, tobacco and tobacco products. The tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The Tax Commission receives the tax approximately one month after accumulation by wholesalers. The cigarette, tobacco and tobacco products tax is allocated to the General Fund. The cigarette, tobacco and tobacco products tax collected by the State in June and July (which represents collections for May and June) and received by the City in July and August have been accrued and are included under the caption "Due from other governments".

**Income Taxes**

As a municipal government, the income of the City and its public authorities, which is derived from the exercise of any essential governmental function, is not subject to federal or state income taxes.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund - By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

## **G. Internal and Interfund Balances and Activities**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

### *Fund Financial Statements:*

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

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

### *Government-Wide Financial Statements:*

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

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

## **H. Stabilization Reserve Fund**

On March 21, 2011 the City Council adopted an ordinance which established requirements for a stabilization reserve. This ordinance requires that the General Fund, Water Operating Fund, Wastewater Operating Fund, and Sanitation Fund set aside a certain amount each year which will be committed for the purpose of stabilization.

The ordinance also established a minimum and maximum amount that must be set aside for this purpose. The amount committed for stabilization for each fund should be between 16% and 35% of budgeted annual non-capital operating expenses. If the amounts committed for stabilization are less than the minimum required amounts, then 2% of budgeted annual non-capital operating expenses must be set aside each year until such minimum is met.

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Amounts committed for stabilization may be used only in certain limited and unusual circumstances that must be declared to exist by a 4/5<sup>th</sup>'s majority of the City Council. The circumstances differ depending on whether the amounts to be used are in excess of the minimum required balance or below this level.

For amounts in excess of the minimum required balances, one of the following criteria must be declared by the City Council:

- Expenditures for emergency situations for life, health, or public safety issues for which no existing appropriation exists;
- Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining existing service levels;
- Correcting the results of an inaccurate estimate, accounting error, or budgeting error;
- Expenditures where the proposed use is of a non-operational nature involving capital or technical purchases having a useful life of greater than five years that will improve the efficiency of the City government. These efficiency improvements should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for City employees;
- Expenditures where the proposed use is of a nonrecurring nature, such as a study, start-up costs of a program whose ongoing costs are otherwise funded, or matching funds for a grant. These expenditures should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for City employees.

For amounts that are below the minimum required balances, one of the following criteria must be declared by the City Council:

- Expenditures for emergency situations for life, health, or public safety issues for which no existing appropriation exists;
- Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriations are not considered feasible or appropriate in maintaining exiting service levels;
- Correcting the results of an inaccurate estimate, accounting error, or budgeting error.

As of June 30, 2021, the City had the following balances committed for stabilization:

	<b>Amount Committed for Stabilization</b>	<b>Original Budgeted Operating Expenses</b>	<b>Stabilization as % of Budgeted Expenses</b>
General	\$ 5,942,094	\$ 23,681,594	25.1%
Wastewater	891,261	3,285,997	27.1%
Water	1,511,292	4,772,532	31.7%
Sanitation	994,782	2,947,604	33.7%
	<u>\$ 9,339,429</u>	<u>\$ 34,687,727</u>	26.9%



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**I. Use of Estimates**

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

**J. Stewardship, Compliance, and Accountability**

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations.

**K. Deficit Fund Balances or Net Position**

Title 11, Section 17-211 of the Oklahoma Statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding public trusts). At June 30, 2021, the following funds had a negative net position/fund balance:

2018A G.O. Bond Fund	(70,804)
Workers' Compensation Internal Service Fund	(23,204)
Health Insurance Internal Service Fund	(150,055)

It is anticipated these immaterial deficits will be eliminated in the next fiscal year.

**2. Cash, Cash Equivalents, and Investments**

At June 30, 2021, the reporting entity held the following deposits and investments:

**Primary Government:**

	Credit Rating	Carrying Value	On Demand	Maturities in Years			
				Less Than One	1-5	6-10	More than 10
Type Deposits:							
Petty Cash	N/A	\$ 3,250	3,250	-	-	-	-
Demand Deposits	N/A	22,696,639	22,696,640	-	-	-	-
Time Deposits	N/A	73,598	-	25,000	48,598	-	-
Total Deposits		<u>22,773,487</u>					
Investments:							
Corporate Stocks:							
Community Center	N/A	3,179,880					
Library Trust Authority	N/A	16,965					
Sub-total Corporate Stocks		<u>3,196,845</u>	-	-	-	-	-
Fixed Income:							
Corporate Bonds		725,172					
Treasury Bonds		384,735					
Municipal Bonds		236,261					
Other fixed income securities		459,181					
Agencies of the U.S. Govt.							
GNMA/FHLM/FNMA/FFCR	AAA	35,183,784					
Sub-total Fixed Income Investments		<u>36,989,133</u>	-	34,713,958	400,339	773,160	1,101,676
Mutual Funds							
Library Trust Authority	AAA	1,599,910	-	-	-	-	-
Total Investments:		<u>41,785,888</u>					
Note Payments held in trust and cash with fiscal agent		873,974	873,974	-	-	-	-
Total:		<u>\$ 65,433,349</u>	<u>23,573,864</u>	<u>34,738,958</u>	<u>448,937</u>	<u>773,160</u>	<u>1,101,676</u>
Reconciliation to Statement of Net Position:							
Cash and Cash Equivalents:							
Government-wide		\$ 12,893,985					
Mausoleum		8,127					
Investments:							
Government-wide		49,674,661					
Restricted Cash and Cash Equivalents:							
Government-wide, current		2,088,502					
Government-wide, noncurrent		768,074					
Total:		<u>\$ 65,433,349</u>					

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The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2021:

Corporate stocks and bonds of \$3,196,845 are Level 1 inputs. U.S. Government and Agency bonds, corporate bonds, municipal bonds, other fixed income securities of \$36,989,133, and mutual funds of \$1,599,910 are Level 2 inputs.

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level to cover the uninsured deposits and accrued interest thereon. At June 30, 2021 the City was not exposed to custodial credit risk.

*Investment Interest Rate Risk* - the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk* - The City has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a, b, c, and d.

*Concentration of Investment Credit Risk* - the City places no limit on the amount it may invest in any one issuer. Since the City has all investments in certificates of deposit, government securities, or money market accounts, there is no concentration of investment credit risk exposure.

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*Restricted Cash and Investments* – The amounts reported as restricted assets of the proprietary fund statement of net position are comprised of amounts restricted for debt service, debt reserve, or construction purposes. The restricted assets of governmental activities relates to amounts held for court bonds. The restricted assets as of June 30, 2021 are as follows:

	Current Cash and cash equivalents	Noncurrent Cash and cash equivalents
Series 2009 Principal Bond Account	\$ -	\$ 113,501
Series 2009 Interest Bond Account	-	90,501
Utility deposits	1,209,711	-
Bartlesville Development Authority	769,232	-
Bartlesville Municipal Authority	-	564,072
Court bonds	59,559	-
Community Center Trust Authority	50,000	-
Total	<u>\$ 2,088,502</u>	<u>\$ 768,074</u>

### 3. Accounts and Notes Receivable

- A. Accounts Receivable - Accounts receivable of the business-type activities includes customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts, interest, judgments, amounts due from other governments, and miscellaneous receivables. The governmental activities receivables include fines, taxes, interest, and miscellaneous receivables as follows:

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Governmental Activities:			
Franchise taxes	\$ 126,063	\$ -	\$ 126,063
Business License	68,391	-	68,391
Court fines	302,311	-	302,311
Fuel Billing	5,320	-	5,320
Abatement	86,935	-	86,935
Demolition	433,731	-	433,731
Lodging tax	48,336	-	48,336
E-911 tax	42,486	-	42,486
Other	52,791	-	52,791
Interest receivable	104,063	-	104,063
Total Governmental Activities	<u>\$ 1,270,427</u>	<u>\$ -</u>	<u>\$ 1,270,427</u>
Business-Type Activities:			
Golf Memberships	\$ 44,749	\$ -	\$ 44,749
Utilities (sanitation)	527,862	(177,887)	349,975
Utilities (Waste water)	1,134,375	(527,101)	607,274
Utilities (Water)	1,529,879	(701,468)	828,411
Judgments (BMA)	27,410	-	27,410
From other Govt's	510,157	-	510,157
Interest receivable	6,288	-	6,288
Other	263,978	-	263,978
Total Business-Type Activities	<u>\$ 4,044,698</u>	<u>\$ (1,406,456)</u>	<u>\$ 2,638,242</u>

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**B. Incentive Loans Receivable**

BDC, now BDA, Board of Directors on March 1, 2009 approved a loan to Sunway Hotel Group, Inc. to develop, construct, and operate a hotel in downtown Bartlesville. BDA Board of Directors approved the loan to provide development financing assistance and to defray a portion of the costs associated with the design, development and construction of the hotel for the principal amount of \$1,250,000. The maturity date of the loan was to be June 1, 2020. Interest shall not accrue prior to June 1, 2010, but thereafter shall accrue on the principal balance at the rate of Wall Street Journal Prime plus two percent. Principal and interest shall be paid in ten annual payments. The first payment shall be due one year from the date the hotel is operational in the ordinary course of business. The first payment shall be comprised of ten percent of the principal balance together with all accrued and unpaid interest on the unpaid principal balance.

Thereafter, Sunway Hotel Group Inc., beginning one year from the date of the first payment due, and then continuing on the same date of each successive year for nine consecutive annual periods, would make payments of principal and accrued interest and unpaid interest. If the hotel has been operational in the ordinary course of business for the twelve months preceding the due date of each annual payment of principal and interest, Sunway Hotel Group Inc. shall be entitled to a credit equal to the principal amount and interest then due for such annual payment. It is the intention of the parties that if the hotel has been operational in the ordinary course of business for a period of ten years from the date of the first day of operations, then the note shall be considered paid in full. During each year for which the payment is credited against the note, the BDA will recognize incentive payment expense. Notes receivable due from the Sunway Hotel Group Inc. for the year ended June 30, 2021 was \$0. Incentive expense for the hotel for the year ended June 30, 2021 was \$0.

In the fiscal year of June 30, 2014, an economic development agreement was made between the BDA and Husky Portable Containment Company. The BDA agreed to a forgivable loan of \$150,000 to Husky, to be repaid in ten years, with the expectation that they would move operations and employ twenty-two employees. The BDA would then credit Husky on their notes and interest with \$1,000 for each new job created earning a wage of \$31,200 or more, plus a proportionate share for each employee over twenty-two. During the year ended June 30, 2021, Husky employed thirty-one employees. Therefore, incentive expense for Husky was \$9,900. Due to not meeting the employment target, Husky repaid \$7,607 to the BDA with an overpayment of \$75 applied as a credit. Notes receivable due from Husky for the year ended June 30, 2021 was \$59,925.

In the fiscal year of June 30, 2014, an economic development agreement was made between the BDA and Superior Companies Inc. The BDA agreed to a forgivable loan of \$200,000 to Superior, to be paid in ten years, with the expectation that they would expand employment in the Bartlesville area by twenty employees over the current seventy. The BDA would then credit Superior on their notes and interest with \$1,000 for each new job created in excess of seventy plus a proportionate share for each employee over twenty. During the year ended June 30, 2021, Superior did not add any employees; therefore, Superior is to repay \$25,975 which is included in accounts receivable. The total accounts receivable from Superior at June 30, 2021 is \$127,456. Notes receivable due from Superior for the year ended June 30, 2021 was \$60,000. Superior made no repayments during the year ended June 30, 2021. Because of not meeting the employment target, Superior is to repay \$153,431. Superior Companies, Inc. is in forbearance and management is doubtful that the remaining balance of the loan will be collectible. Management has elected to not record an allowance for doubtful account due to the nature of the agreement being a forgivable loan and that if the terms of the agreement are met or not, there would be no difference in change in net position or cash flow.

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In the fiscal year of June 30, 2019, an economic development agreement was made between the BDA and Phillips Precision Machining, LLC. The BDA agreed to a forgivable loan of \$200,000 to Phillips Precision Machining, LLC, to be repaid in ten years, with the expectation that they would move operations and employ sixteen employees. The BDA would then credit Phillips Precision Machining, LLC on their notes and interest with \$1,250 for each new full time job created. Employment numbers and note forgiveness is calculated on the one-year anniversary of the agreement which was November 15, 2020. During the year ended June 30, 2021, Phillips Precision Machining, LLC, employed twenty-two employees; therefore, incentive expense was \$27,500. Notes receivable due from Phillips Precision Machining, LLC for the year ended June 30, 2021 was \$148,750.

In the fiscal year of June 30, 2019, an economic development agreement was made between the BDA and Phillips Precision Machining, LLC. The BDA agreed to a non-forgivable loan of \$350,000 to Phillips Precision Machining, LLC, to be repaid in ten years. Notes receivable due from the Phillips Precision Machining, LLC for the year ended June 30, 2021 was \$268,333.

In the fiscal year of June 30, 2019, an economic development agreement was made between the BDA and Custom Molding Services, Inc. The BDA agreed to a forgivable loan of \$150,000 to Custom Molding Services to be repaid in ten years. The BDA would then credit Custom Molding Services on their note with \$1,000 for each new job created for each employee over five. Employment numbers and note forgiveness is calculated on the one-year anniversary of the agreement which is May 28, 2020. This was extended to May 28, 2021. During the year ended June 30, 2021, Custom Molding Services employed ten employees; therefore, incentive expense for Custom Molding Services was \$10,000. Due to not meeting the employment target, Custom Molding Services is to repay \$5,000, which is included in accounts receivable. Notes receivable due from Custom Molding Services for the year ended June 30, 2021 was \$135,000.

	Balance 7/1/2020	Additions	Reclassified	Forgiven	Payments	Balance 6/30/2021
Business-Type Activities/Bartlesville Development Authority:						
Husky	\$ 75,000	\$ -	\$ (6,000)	\$ (9,000)	\$ (75)	\$ 59,925
Superior	80,000	-	(20,000)	-	-	60,000
Phillips Precision Machining	176,250	-	-	(27,500)	-	148,750
Phillips Precision Machining, #2	303,333	-	-	-	(35,000)	268,333
Custom Molding Services	150,000	-	(5,000)	(10,000)	-	135,000
Total Business-Type Activities/Bartlesville Development Authority	<u>\$ 784,583</u>	<u>\$ -</u>	<u>\$ (31,000)</u>	<u>\$ (46,500)</u>	<u>\$ (35,075)</u>	<u>\$ 672,008</u>
Reconciliation to Statement of Net Position:						
Incentive loans receivable, current						104,925
Incentive loans receivable, noncurrent						567,083
Total Incentive Loans Receivable						<u>\$ 672,008</u>

#### 4. Capital Assets and Depreciation

##### *Capital Assets:*

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation.

For the year ended June 30, 2021, capital assets balances changed as follows:

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	Balance at July 1, 2020	Additions	Disposals	Transfers	CIP	Balance at June 30, 2021
<b>Governmental activities:</b>						
Capital assets not being depreciated:						
Land	\$ 3,353,945	\$ 70,000	\$ -	\$ -	\$ -	\$ 3,423,945
Construction in progress	10,907,829	9,668,561	-	-	(5,974,696)	14,601,694
Total capital assets not being depreciated	14,261,774	9,738,561	-	-	(5,974,696)	18,025,639
Other capital assets:						
Infrastructure and improvements	125,591,258	95,088	-	-	5,974,696	131,661,042
Buildings	12,414,111	-	-	-	-	12,414,111
Equipment and furniture	16,035,730	895,593	(182,798)	(258,966)	-	16,489,559
Total other capital assets at historical cost	154,041,099	990,681	(182,798)	(258,966)	5,974,696	160,564,712
Less accumulated depreciation for:						
Infrastructure and improvements	51,655,568	4,410,876	-	-	-	56,066,444
Buildings	9,247,322	540,775	-	-	-	9,788,097
Equipment and furniture	11,667,411	702,904	(179,751)	-	-	12,190,564
Total accumulated depreciation	72,570,301	5,654,555	(179,751)	-	-	78,045,105
Other capital assets, net	81,470,798	(4,663,874)	(3,047)	(258,966)	5,974,696	82,519,607
Governmental activities capital assets, net	\$ 95,732,572	\$ 5,074,687	\$ (3,047)	\$ (258,966)	\$ -	\$ 100,545,246
<b>Business-type activities:</b>						
Capital assets not being depreciated:						
Land	\$ 7,185,581	\$ 260,000	\$ (29,560)	\$ -	\$ -	\$ 7,416,021
Works of Art	46,137	-	-	-	-	46,137
Construction in progress	-	867,731	-	-	-	867,731
Total capital assets not being depreciated	7,231,718	1,127,731	(29,560)	-	-	8,329,889
Other capital assets:						
Infrastructure and improvements	89,871,924	-	-	-	-	89,871,924
Buildings	141,215,022	1,721,881	-	-	-	142,936,903
Equipment and furniture	15,398,124	161,580	(99,133)	258,966	-	15,719,537
Total other capital assets at historical cost	246,485,070	1,883,461	(99,133)	258,966	-	248,528,364
Less accumulated depreciation for:						
Infrastructure and improvements	55,684,039	2,572,408	-	-	-	58,256,447
Buildings	65,475,621	3,114,194	-	-	-	68,589,815
Equipment and furniture	11,334,465	739,444	(99,133)	-	-	11,974,776
Total accumulated depreciation	132,494,125	6,426,046	(99,133)	-	-	138,821,038
Other capital assets, net	113,990,945	(4,542,585)	-	258,966	-	109,707,326
Business-type activities capital assets, net	\$ 121,222,663	\$ (3,414,854)	\$ (29,560)	\$ 258,966	\$ -	\$ 118,037,215

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

**Governmental Activities:**

General government	\$ 1,178,186
Public safety	790,395
Public works	2,705,137
Culture and recreation	980,837
Depreciation expense	<u>\$ 5,654,555</u>

**Business-Type Activities:**

Wastewater	\$ 1,521,504
Water	2,547,340
Sanitation	407,692
Golf	108,709
Swimming pools	227,411
Community center	409,287
Other	1,204,103
	<u>\$ 6,426,046</u>

On October 16, 2010, the BDA received a quit-claim deed from the City of Bartlesville for the Sunset Industrial Park on a condition that they would maintain, insure, and market it as a possible location for local business development. With the quit-claim deed, the Bartlesville City Council has the right to ask for the return of the deed and the property. The land had been recorded at fair market value on date of contribution, which approximates \$1,300,000. During the year ended June 30, 2018, a portion of the land with a cost basis of \$260,000 was sold for \$200,000. The remaining land is recorded at \$1,040,000. As of June 30, 2021, the Council has not requested the return of the land.

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**5. Long-Term Debt and Debt Service Requirements**

For the year ended June 30, 2021, the reporting entity's long-term debt changed as follows:

<u>Type of Debt</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 21,805,000	\$ 1,150,000	\$ 3,530,000	\$ 19,425,000	\$ 3,850,000
Self insurance claims liability	266,383	3,423,669	3,142,555	547,497	218,999
Accrued compensated absences	879,836	1,021,434	697,115	1,204,155	120,416
Total Governmental Activities	<u>22,951,219</u>	<u>5,595,103</u>	<u>7,369,670</u>	<u>21,176,652</u>	<u>4,189,415</u>
<b>Business-Type Activities:</b>					
Notes Payable (direct borrowings)	36,761,813	28,095,417	30,200,317	34,656,913	2,703,327
Accrued compensated absences	303,450	196,049	207,523	291,976	-
Total Business-Type Activities	<u>37,065,263</u>	<u>28,291,466</u>	<u>30,407,840</u>	<u>34,948,889</u>	<u>2,703,327</u>
Total Long-Term Debt	<u>\$ 60,016,482</u>	<u>\$ 33,886,569</u>	<u>\$ 37,777,510</u>	<u>\$ 56,125,541</u>	<u>\$ 6,892,742</u>

**Reconciliation to Statement of Net Position:**

**Governmental Activities:**

Due within one year - bonds, capital leases, contracts	\$ 3,850,000
Due within one year - compensated absences	120,416
Due within one year - claims payable	218,999
Due in more than one year - bonds, capital leases, contracts	15,575,000
Due in more than one year - compensated absences	1,083,739
Due in more than one year - claims payable	328,498
Total Governmental Activities Long-term Debt	<u>\$ 21,176,652</u>

**Business-Type Activities:**

Due within one year - bonds, capital leases, contracts	\$ 2,703,327
Due in more than one year - bonds, capital leases, contracts	31,953,586
Due in more than one year - compensated absences	291,976
Total Business-Type Activities Long-term Debt	<u>\$ 34,948,889</u>

Governmental accrued compensated absences will be liquidated by the general fund.

*Governmental activities long-term debt:*

Governmental activities long-term debt payables from net revenues include the following:

*General Obligation Bonds To Be Repaid Through Governmental Type Activity:*

Under state law, the City annually levies taxes for the retirement of general obligation bonds computed by dividing the original principal amount of bonds by the number of tax years the bonds will be outstanding. State law also requires that a specific fund be established for the retirement of the general obligation bonds. The fund established is the City's Debt Service Fund.

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General obligation bonds payable at June 30, 2021, are comprised of the following issues:

On December 1, 2021A, \$1,150,000 General Obligation Bonds, Series 2021A, serial bonds due annual payments of \$230,000 through June 1, 2027; semi-annual interest at rates varying from 1% to 2%.	Current	\$ -
	Long-term	1,150,000
	Total	<u>1,150,000</u>
On December 1, 2018, \$2,500,000 General Obligation Bonds, Series 2019A, serial bonds due annual payments of \$220,000 and a final payment of \$240,000 through December 1, 2029; semi-annual interest at rates varying from 1.25% to 1.75%.	Current	220,000
	Long-term	1,780,000
	Total	<u>2,000,000</u>
On December 1, 2018, \$600,000 General Obligation Bonds, Series 2019B, serial bonds due annual payments of \$100,000 through December 1, 2026; semi-annual interest at rates varying from 1.25% to 2.0%.	Current	100,000
	Long-term	500,000
	Total	<u>600,000</u>
On December 1, 2018, \$2,500,000 General Obligation Bonds, Series 2018C, serial bonds due annual payments of \$275,000 and a final payment of \$300,000 through December 1, 2028; semi-annual interest at rates varying from 3.00% to 4.00%.	Current	275,000
	Long-term	1,950,000
	Total	<u>2,225,000</u>
On June 28, 2018, \$9,725,000 General Obligation Bonds, Series 2018A, serial bonds due an initial payment of \$605,000 and annual installments of \$1,140,000 through June 1, 2028; semi-annual interest at rates varying from 2.75% to 3.0%.	Current	1,140,000
	Long-term	6,840,000
	Total	<u>7,980,000</u>
On June 28, 2017, \$3,300,000 General Obligation Bonds, Series 2017, serial bonds due in annual installments of \$825,000 through June 1, 2022; semi-annual interest at rates varying from 1.25% to 1.8%.	Current	825,000
	Long-term	-
	Total	<u>825,000</u>
On December 1, 2015, \$2,000,000 General Obligation Bonds, Series 2015, serial bonds due in annual installments of \$220,000, except for a final installment of \$240,000 through December 1, 2025; semi-annual interest at rates varying from 1.5% to 2.1%.	Current	220,000
	Long-term	900,000
	Total	<u>1,120,000</u>
On December 1, 2014, \$5,200,000 General Obligation Bonds, Series 2014B, serial bonds due in annual installments of \$575,000, except for a final installment of \$600,000 through December 1, 2024; semi-annual interest at rates varying from 1.1% to 2.1%.	Current	575,000
	Long-term	1,750,000
	Total	<u>2,325,000</u>
On June 1, 2014, \$1,500,000 General Obligation Bonds, Series 2014, serial bonds due in annual installments of \$165,000, except for a final installment of \$180,000 through June 1, 2024; semi-annual interest at rates varying from 1% to 2.15%.	Current	165,000
	Long-term	345,000
	Total	<u>510,000</u>
On November 1, 2012, \$3,000,000 General Obligation Bonds, Series 2012, serial bonds due in annual installments of \$330,000, except for a final installment of \$360,000 through November 1, 2022; semi-annual interest at rates varying from 1.8% to 1.05%.	Current	330,000
	Long-term	360,000
	Total	<u>690,000</u>
Total current portion		3,850,000
Total long-term portion		15,575,000
Total general obligation bonds		<u><u>\$ 19,425,000</u></u>



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

Notes Payable (direct borrowings):

Note payable by the BMA to the Oklahoma Water Resources Board, proceeds of \$743,591 were used to refinance an interim construction loan on November 19, 2002, principle payments of \$19,066 are due semi-annually starting March 15, 2003. This note is interest free, but is subject to a 0.5% administrative fee. The note will mature March 15, 2022.

Current	\$	38,133
Long-term		-
Total		<u>38,133</u>

Note payable by the BMA to the Oklahoma Water Resources Board, proceeds of \$726,006 were used to refinance an interim construction loan on March 31, 2004, principle payments of \$18,150 are due semi-annually starting September 15, 2004. This note bears no interest but is subject to a 1/2% administrative fee. The note will mature March 15, 2024.

Current	36,300
Long-term	<u>72,602</u>
Total	<u>108,902</u>

Note payable by the BMA to the Oklahoma Water Resources Board, proceeds of \$552,498 were used to refinance an interim construction loan on March 31, 2004, principle payments of \$13,812 are due semi-annually starting September 15, 2004. This note bears no interest but is subject to a 1/2% administrative fee. The note will mature March 15, 2024.

Current	27,626
Long-term	<u>55,249</u>
Total	<u>82,875</u>

Note payable by the BMA to Arvest Bank proceeds of \$3,355,000 were used to refinance Oklahoma Water Resources Board Note 2009 to a fixed interest rate of 2.2% per annum on May 24, 2016. Principal and interest are due semiannually starting on September 1, 2016. Principal payments range from \$85,000 to \$135,000. This note matures September 1, 2030.

Current	220,000
Long-term	<u>2,120,000</u>
Total	<u>2,340,000</u>

Note payable by the BMA to the Oklahoma Water Resources Board, Drawdown loan in the amount of \$8,220,000 were proceeds are used to construct a waste water reuse system for the water system. Principle and interest payments TBD will be due commencing on March 15, 2022. This note bears interest at a rate of 1.61% per annum.

Current	-
Long-term	<u>129,417</u>
Total	<u>129,417</u>

Note payable by the BMA to the RCB Bank, proceeds of \$29,670,000 were used to refinance indebtedness incurred for 2008 OWRB Note. Principle and interest payments from \$1,171,775 to \$1,160,743 will be due in two semi-annual installments commencing on September 15, 2020. This note bears interest at a rate of 2.75% per annum. The note will mature on March 15, 2035.

Current	1,664,000
Long-term	<u>26,302,000</u>
Total	<u>27,966,000</u>

Note payable by the BMA to Oklahoma Water Resources Board, proceeds of \$3,810,000 were used to finance construction improvements to the drinking water system on August 30, 2012, \$500,000 of principal forgiveness was received due to State/Federal green initiative grant bringing beginning balance to \$3,310,000. This note bears interest at a rate of 2.29% per annum. Principal and interest are due semiannually starting March 15, 2014. The note will mature on September 15, 2028.

Current	222,127
Long-term	<u>1,575,718</u>
Total	<u>1,797,845</u>

Note payable by the BRTA to BancFirst proceeds of \$1,200,000 were used to finance costs associated with the construction of Downtown Bartlesville Hotel. Principal and interest are due annually on June 1st with a variable interest rate starting at 5.5%. The note will mature on June 1, 2022.

Current	133,686
Long-term	-
Total	<u>133,686</u>

The Note Payable bears a fixed interest rate of 4.25%. BDA has no liability in the event of default. BDA did not guarantee payment of the \$935,000 loan, it merely assigned the lease. American Heritage Bank holds the mortgage on the building and could foreclose in the event Springs Global defaulted, but BDA would not be liable for any deficiency. The lease serves as collateral for this obligation.

Current	166,394
Long-term	-
Total	<u>166,394</u>

Note Payable to BancFirst of \$2,529,880 dated January 11, 2018, to fund an incentive payment to GBT Realty Corp. upon completion of Silver Lake Village, Phase I. Tax increment financing (TIF) revenues will service the loan for a term of 15 years.

Current	195,061
Long-term	<u>1,698,600</u>
Total	<u>1,893,661</u>

Total current portion	2,703,327
Total long-term portion	<u>31,953,586</u>

Total notes payable	\$ <u>34,656,913</u>
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All of the City's notes with the OWRB have a debt coverage covenant of 125% of maximum annual debt service. As of June 30, 2021, the City fully complied with the requirement.

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**Defeased Bonds Outstanding:**

The Series 2021 Utility System Revenue Note resulted in the defeasance of the Series 2019 Utility System Revenue Note by placing deposits in an escrow account for the purchase of U.S. government securities to pay the principal and interest of the defeased note when it was ultimately paid in March 2021. At this time, the entire outstanding debt balance of the note is paid. As a result, at fiscal year-end the remaining outstanding balance of these defeased bonds was \$0. The refunding resulted in recognition of an accounting loss of \$0 and a net present value savings of \$1,167,633.

**Self-Insurance Claims Liability:**

The City self-insures workers' compensation and health insurance claims liabilities. The administration of claims for insurance is primarily performed by third party administrators. At June 30, 2021, the City's workers' compensation claims liability was \$266,383 and the health insurance claims liability was \$190,053 based upon the estimated claims payable reported as reserves in the third party administrator's reports to the City. The claims liability is reported in the Workers' Comp and Health Insurance internal service funds. All court-ordered judgments are levied in accordance with State law over three years. The following schedule shows the changes in the claims liability for the past three years (prior years' information is unavailable for health insurance:

	<u>Worker's Comp</u>	<u>Health</u>	<u>Total</u>
Claims liability, June 30, 2018	524,836	-	524,836
Claims and changes in estimates	55,221	-	55,221
Claims payments	(281,375)	-	(281,375)
Claims liability, June 30, 2019	298,682	-	298,682
Claims and changes in estimates	112,474	-	112,474
Claims payments	(144,773)	-	(144,773)
Claims liability, June 30, 2020	266,383	-	266,383
Claims and changes in estimates	162,973	3,260,696	3,423,669
Claims payments	(71,912)	(3,070,643)	(3,142,555)
Claims liability, June 30, 2021	<u>\$ 357,444</u>	<u>\$ 190,053</u>	<u>\$ 547,497</u>

**Debt Service Requirements to Maturity:**

		<u>Governmental Activities</u>	
		<u>General</u>	
		<u>Obligation Bonds</u>	
<u>Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>
2022	\$ 3,850,000	\$ 452,826	
2023	3,285,000	369,050	
2024	2,940,000	299,819	
2025	2,785,000	231,495	
2026	2,205,000	172,535	
2027-2031	4,360,000	195,425	
Totals	<u>\$ 19,425,000</u>	<u>\$ 1,721,150</u>	

  

		<u>Business Type Activities</u>	
		<u>Notes Payable (direct borrowings)</u>	
<u>Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>
2022	2,703,327	705,707	
2023	2,507,808	685,873	
2024	2,430,407	633,965	
2025	2,417,441	580,212	
2026	2,469,613	525,769	
2027-2031	12,595,317	1,790,452	
2032-2036	9,533,000	482,961	
Totals	<u>\$ 34,656,913</u>	<u>\$ 5,404,939</u>	

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**6. Net Position and Fund Balances**

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

	General Fund	Debt Service Fund	Capital Reserve Fund	Other Governmental Funds	Total
<b>Fund balances:</b>					
<b>Non-spendable</b>					
Inventory	\$ 62,693	\$ -	\$ -	\$ -	\$ 62,693
Prepaid items	76,631	-	-	-	76,631
Sub-total Non-spendable	<u>139,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,324</u>
<b>Restricted for:</b>					
Debt service	-	3,446,410	-	-	3,446,410
History museum	-	-	-	126,488	126,488
E-911	-	-	-	67,021	67,021
Special library	-	-	-	291,550	291,550
Special museum	-	-	-	123,529	123,529
Economic development	-	-	-	2,543,581	2,543,581
Library	-	-	-	1,758,366	1,758,366
Restricted revenues	-	-	-	374,323	374,323
Harshfield library donation	-	-	-	630,047	630,047
Justice assistance	-	-	-	3,134	3,134
Neighborhood parks	-	-	-	15,457	15,457
Cemetery	-	-	-	10,362	10,362
Housing TIF Districts	-	-	-	800,045	800,045
Hotel Motel Tax Fund	-	-	-	8,333	8,333
CIP Sales tax	-	-	-	6,025,698	6,025,698
CIP Wastewater	-	-	-	117,273	117,273
CIP Wastewater Regulatory	-	-	-	787,666	787,666
CIP City Hall	-	-	-	53,263	53,263
CIP Storm Sewer	-	-	-	52,160	52,160
Capital reserve	-	-	12,047,905	-	12,047,905
CDBG grant purposes	-	-	-	3,460	3,460
2009 G.O. bonds	-	-	-	2,636	2,636
2010 G.O. bonds	-	-	-	410	410
2012 G.O. bonds	-	-	-	106,472	106,472
2014B G.O. bonds	-	-	-	3,885	3,885
2021A G.O. bonds	-	-	-	1,079,080	1,079,080
2017 G.O. bonds	-	-	-	15,853	15,853
2018B GO bonds	-	-	-	277,477	277,477
2018C GO bonds	-	-	-	494,581	494,581
2019A GO bonds	-	-	-	707,508	707,508
2019B GO bonds	-	-	-	385,860	385,860
Sub-total Restricted	<u>-</u>	<u>3,446,410</u>	<u>12,047,905</u>	<u>16,865,518</u>	<u>32,359,833</u>
<b>Committed to:</b>					
Stabilization reserve	9,339,429	-	-	-	9,339,429
Municipal airport	-	-	-	287,717	287,717
Golf course	-	-	-	12,391	12,391
Sub-total Committed	<u>9,339,429</u>	<u>-</u>	<u>-</u>	<u>300,108</u>	<u>9,639,537</u>
<b>Assigned to:</b>					
Next year's budget	<u>1,986,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,986,120</u>
<b>Unassigned (deficit):</b>					
2018A GO bonds	-	-	-	(70,804)	(70,804)
General Fund	<u>4,667,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,667,264</u>
Sub-total Unassigned	<u>4,667,264</u>	<u>-</u>	<u>-</u>	<u>(70,804)</u>	<u>4,596,460</u>
 Total fund balances	 <u>\$ 16,132,137</u>	 <u>\$ 3,446,410</u>	 <u>\$ 12,047,905</u>	 <u>\$ 17,094,822</u>	 <u>\$ 48,721,274</u>

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B. The restrictions of net position are as follows:

	<u>Enabling Legislation</u>	<u>Statutory Requirement</u>	<u>External Contracts</u>	<u>Total</u>
Restricted Net Position - Governmental Activities:				
Economic Development	\$ -	\$ 2,543,581	\$ -	\$ 2,543,581
E-911	-	67,021	-	67,021
Special Library	-	291,550	-	291,550
Special Museum	-	123,529	-	123,529
Bartlesville History Museum Trust Authority	-	126,488	-	126,488
Bartlesville Library Trust Authority	-	1,758,366	-	1,758,366
Restricted Revenues	-	-	374,323	374,323
Harshfield Library Donation	-	-	630,047	630,047
CDBG Grant	3,460	-	-	3,460
Justice Assistance Grant	3,134	-	-	3,134
Neighborhood Park	15,457	-	-	15,457
Cemetery Perpetual Care	10,362	-	-	10,362
Housing TIF Districts	800,045	-	-	800,045
Hotel Motel Tax Fund	8,333	-	-	8,333
Debt Service	3,446,410	-	-	3,446,410
Capital Improvement Funds:				
Sales Tax Capital Improvement Fund	-	6,025,698	-	6,025,698
Wastewater Fund	-	117,273	-	117,273
Wastewater Regulatory Fund	-	787,666	-	787,666
Storm Sewer Fund	-	52,160	-	52,160
City Hall	-	53,263	-	53,263
Capital Reserve Fund	-	12,047,905	-	12,047,905
General Obligation Bond Funds:				
2009 G.O. Bond Fund	2,636	-	-	2,636
2010 G.O. Bond Fund	410	-	-	410
2012 G.O. Bond Fund	106,472	-	-	106,472
2014B G.O. Bond Fund	3,885	-	-	3,885
2021A G.O. Bond Fund	1,079,080	-	-	1,079,080
2017 G.O. Bond Fund	15,853	-	-	15,853
2018B G.O. Bond Fund	277,477	-	-	277,477
2018C GO bonds	494,581	-	-	494,581
2019A GO bonds	707,508	-	-	707,508
2019B GO bonds	385,860	-	-	385,860
Total restricted net position	<u>\$ 7,360,963</u>	<u>\$ 23,994,500</u>	<u>\$ 1,004,370</u>	<u>\$ 32,359,833</u>
Restricted Net Position - Business-type Activities:				
Bartlesville Municipal Authority	\$ -	\$ -	\$ 768,074	\$ 768,074
Community Center	-	-	50,000	50,000
Bartlesville Development Authority	-	-	1,010,440	1,010,440
Bartlesville Redevelopment Trust Authority	-	-	2,079,292	2,079,292
Total restricted net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,907,806</u>	<u>\$ 3,907,806</u>

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**7. Internal and Interfund Balances and Transfers**

The City's policy is to eliminate interfund transfers and balances in the statements of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances and then offset in the total column in the government-wide statements. Interfund transfers and balances between funds are not eliminated in the fund financial statements.

*Balances:*

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
Wastewater Fund	General Fund	191,761	To cover negative pooled cash
Water Fund	General Fund	376,290	To cover negative pooled cash
Solid Waste Fund	General Fund	396,697	To cover negative pooled cash
Total		<u>\$ 964,748</u>	

**Reconciliation to Fund Financial Statements:**

	<u>Due From</u>	<u>Due To</u>	<u>Net</u>
Governmental Funds	\$ 964,748	\$ -	\$ 964,748
Proprietary Funds	-	(964,748)	(964,748)
Total	<u>964,748</u>	<u>(964,748)</u>	<u>-</u>

**Reconciliation to Government-Wide Statements:**

Net Interfund Balances	964,748	(964,748)
Consolidation of internal service funds activities related to enterprise funds	265,184	(265,184)
Total Internal Balances	<u>\$ 1,229,932</u>	<u>\$ (1,229,932)</u>

*Transfers:*

Internal transfers between funds and activities for the year ended June 30, 2021 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
Bartlesville Library Trust Authority	Special Library Fund	\$ 73,722	To subsidize the operations of the fund
BMA - Wastewater	Wastewater Fund	4,400,120	To subsidize the operations of the fund
BMA - Water	Water Fund	5,980,854	To subsidize the operations of the fund
General Fund	Adams Municipal Golf Course Fund	144,130	To subsidize the operations of the fund
General Fund	Capital Reserve Fund	700,000	Capital reserve fund established by Ordinance
General Fund	E-911 Fund	511,118	To subsidize the operations of the fund
General Fund	Frontier Pool Fund	35,806	To subsidize the operations of the fund
General Fund	Sooner Pool Fund	37,360	To subsidize the operations of the fund
Hotel Motel Tax Fund	Bartlesville Community Center Trust Authority	232,241	To subsidize the operations of the fund
BRTA Pass-through	Bartlesville Redevelopment Trust Authority	772,758	Transfer TIF, sales tax, and hotel/motel tax
Economic Development Fund	Bartlesville Development Authority	1,088,516	To subsidize the operations of the fund
Solid Waste Fund	Capital Reserve Fund	200,000	Capital reserve fund established by Ordinance
Solid Waste Fund	General Fund	1,472,219	To subsidize the operations of the fund
Wastewater Fund	General Fund	1,322,219	To subsidize the operations of the fund
Water Fund	General Fund	2,077,772	To subsidize the operations of the fund
General Fund	General Fund-Stabilization Fund	1,495,895	Stabilization reserve fund established by Ordinance
Solid Waste Fund	General Fund-Stabilization Fund	88,396	Stabilization reserve fund established by Ordinance
Wastewater Fund	General Fund-Stabilization Fund	92,945	Stabilization reserve fund established by Ordinance
Water Fund	General Fund-Stabilization Fund	136,225	Stabilization reserve fund established by Ordinance
Total		<u>\$ 20,862,296</u>	

**Reconciliation to Fund Financial Statements:**

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Government-Wide Capital Asset Transfers</u>	<u>Statement of Activities Net Transfers</u>
Governmental Funds	\$ 8,170,511	\$ (5,091,546)	\$ (258,966)	\$ 2,819,999
Proprietary Funds	12,691,785	(15,770,750)	258,966	(2,819,999)
	<u>\$ 20,862,296</u>	<u>\$ (20,862,296)</u>	<u>\$ -</u>	<u>\$ -</u>

## **8. Pledged Future Revenues**

Utility Net Revenues Pledge – The City has pledged the net water and sewer utility revenues to repay the following notes payable: \$552,498 of 2004C SRF, \$3,810,000 of 2012 SRF, \$743,591 of 2002A SRF, \$726,006 of 2004A SRF Oklahoma Water Resources Board Notes Payable, \$8,220,000 of ORG-21-0002-CW Oklahoma Water Resources Board Notes Payable as well as \$3,355,000 utility system revenue note 2016 with Arvest Bank as well as \$29,670,000 of the 2021 Utility System Revenue Note Taxable Series 2021. Proceeds from the bonds provided for the purchase or construction of water and utility systems. The bonds are payable from pledged net water and sewer utility revenues through 2036. The total principal and interest payable for the remainder of the life of these bonds is \$39,112,465. Pledged net water and sewer utility revenues in the current fiscal year were \$3,719,181. Debt service payments of \$2,975,345 for the current fiscal year were 80% of total pledged revenues for these notes.

## **9. Risk Management**

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

- General Liability – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool (1)
- Physical Property – Purchased insurance with \$2,500 deductible
- Workers' Compensation – Self-insured with third-party administration of the claims process (2)
- Employee's Group Medical – Self-insured with City paying a portion of health care and life and disability premiums (3)

### *(1) Liability Protection Plan*

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the OMAG Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the OMAG Plan.

The titles to all assets acquired by the OMAG Plan are vested in the Group (all participating cities). In the event of termination of the Group, such property shall belong to the then members of the Group in equal shares. Each participating City pays all costs, premiums, or other fees attributable to its respective participation in the OMAG Plan, and is responsible for its obligation under any contract entered into with the OMAG Plan.

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the OMAG Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the OMAG Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The OMAG Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the OMAG Plan's annual financial report.

*(2) Workers' Compensation*

The Workers' Compensation Insurance Fund is used to account for activities with participating funds charged through an estimated annual claim cost for each fund. Judgments are levied on property taxes. The claims process is administered by Consolidated Benefits Resource. The entire risk of loss is retained by the City.

*(3) Health and Life Insurance:*

Health insurance is administered by UMR. Life and disability insurance is purchased through Allstate. The City retains no risk associated with life and disability. Health claims are reinsured with a self-insured retention level of \$100,000 individual and \$3,874,761 aggregate.

The City maintains a stop-loss policy for plans to limit risk associated with the plans. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

## **10. Commitments and Contingencies**

*Litigation:*

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

*Federal and State Award Programs:*

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency to ensure compliance with specific provisions of the grant or loan. Any liability or reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed that the amount, if any, would not be material.

*Construction Commitments:*

At June 30, 2021, the City had awarded construction contracts totaling \$5,601,317 for various City projects and of this amount \$1,359,870 was outstanding and payable from various funds.

*Operating Leases:*

The City leases office space on the 4<sup>th</sup> floor of City Hall and the Bartlesville Municipal Airport to ConocoPhillips.

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On February 13, 2004, BDA signed a lease with Wal-Mart Stores East, L.P. The lease runs for a term of 99 years, unless sooner terminated or extended after the rent commencement date of May 1, 2005. Lease payments are as follows:

During lease years 1 - 30: \$1,200 plus development fee of \$80,000 per year;  
During lease years 31 - 50: \$1,200 plus development fee of \$141,466 per year;  
During lease years 51 – 99: \$1,200 plus development fee of \$282,932 per year

*BRTA Series 2009B Note:*

In accordance with the Downtown Bartlesville Hotel Project Master Development Agreement, on May 15, 2009, BRTA executed a development and financing assistance agreement, coined the “Series 2009B Note”. The agreement, structured similar to a note obligation, requires BRTA to pay the principal amount of \$1,250,000 to Bartlesville Hotel, LLC, with interest accruing at 7.00% per annum. The Series 2009B Note shall be a special, limited obligation of BRTA payable solely from Allocable Increment Revenues received by BRTA. Allocable Increment Revenues shall mean in any given loan year: a) two-thirds of those incremental occupancy tax revenues generated from the operations of the Project Facilities (Hilton Garden Inn Hotel) between September 1, 2010 and August 31, 2015 and, b) those incremental sales tax revenues generated from the operation of the Project Facilities between September 1, 2010 and August 31, 2020, and collected with the boundaries of the “Downtown Bartlesville Hotel Increment District,” less certain direct administrative costs and professional service costs. Interest shall not begin to accrue on the outstanding principal balance until November 1, 2010. Thereafter, interest accrued at 7.00% shall be due and payable on November 1, 2011, and on each November 1<sup>st</sup> thereafter, until this note has been paid in full. All accrued and unpaid interest shall be due and payable at the time the unpaid principal balance becomes due and payable in full. Principal on this Series 2009B Note shall be due in a single installment on November 1, 2020, in the full amount of the then outstanding balance of the principal of the note. All payments of principal and interest made by BRTA shall be applied, first to interest accrued and unpaid on this note and, second, to the payment of principal. Unique to this obligation, all principal and interest payments are payable solely from the Allocable Increment Revenues as defined above, such that if amounts are insufficient to satisfy this obligation, no other amounts are due or payable to Bartlesville Hotel LLC. Considering this, only amounts receivable for allocable revenues are reflected as payable under this obligation. The outstanding balance of this incentive obligation as of June 30, 2021 is \$0.

*Subsequent Events:*

Subsequent to June 30, 2021, the City issued the following debt:

BEA note Series 2021A for \$13,970,000 which is classified as conduit debt for schools

On August 16, 2021, the City began operating the Bartlesville Municipal Airport which had been previously operated by Conoco Phillips.



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## 11. Pension Plan Participation

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

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan.
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan.
- Defined Contribution Plan
- Employee Retirement System Defined Benefit Plan
- 

The aggregate total for all pension related items for three defined benefit plans are as follows:

	Governmental Activities	Business-type Activities	Plan Totals
Pension Expense:			
Employee Retirement System	\$ 487,256	\$ 234,175	\$ 721,431
Police	1,289,163	-	1,289,163
Firefighters	2,912,093	-	2,912,093
	<u>\$ 4,688,512</u>	<u>\$ 234,175</u>	<u>\$ 4,922,687</u>
Net Pension Liability:			
Employee Retirement System	\$ 5,094,714	\$ 2,448,519	\$ 7,543,233
Police	1,105,034	-	1,105,034
Firefighters	15,036,911	-	15,036,911
	<u>\$ 21,236,659</u>	<u>\$ 2,448,519</u>	<u>\$ 23,685,178</u>
Deferred Outflow:			
Employee Retirement System	\$ 1,466,432	\$ 724,836	\$ 2,191,268
Police	1,891,122	-	1,891,122
Firefighters	3,076,181	-	3,076,181
	<u>\$ 6,433,735</u>	<u>\$ 724,836</u>	<u>\$ 7,158,571</u>
Deferred Inflow:			
Employee Retirement System	\$ 349,123	\$ 245,804	\$ 594,927
Police	331,950	-	331,950
Firefighters	916,947	-	916,947
	<u>\$ 1,598,020</u>	<u>\$ 245,804</u>	<u>\$ 1,843,824</u>

### ***Firefighters' Plan:***

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

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

Normal Retirement:

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

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

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

**Contributions** - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$565,836. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$890,119 (modified-accrual); these on-behalf payments did not meet the criteria of a special funding situation. For full-accrual reporting, the amount of on-behalf payments made were \$1,264,453.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2021, the City reported a liability of \$15,036,911 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the City's proportion was 1.220613% percent.

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For the year ended June 30, 2021, the City recognized pension expense of \$2,912,093. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,916,460	\$ 201,759
Change of assumptions	-	254,816
Net difference between projected and actual earnings on pension plan investments	221,025	-
Changes in proportion related to city contributions during the measurement period	366,739	455,554
Contributions during measurement date	6,121	4,818
City contributions subsequent to the measurement date	565,836	-
Total	<u>\$ 3,076,181</u>	<u>\$ 916,947</u>

The \$565,836 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	294,012
2023		659,069
2024		414,542
2025		225,775
2026		-
Total	<u>\$</u>	<u>1,593,398</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

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

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2019.

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The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	4.90%
Domestic equity	47%	7.09%
International equity	15%	9.19%
Real estate	10%	7.99%
Other assets	8%	5.57%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' Net Pension Liability	\$ 19,528,184	\$ 15,036,911	\$ 11,279,226

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

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***Police Plan:***

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

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

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

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

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

**Contributions** -The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$423,587. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$277,925 during the fiscal year and this is reported as both expense and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$387,717. These on-behalf payments did not meet the criteria of a special funding situation.

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**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** -At June 30, 2021, the City reported a liability of \$1,105,034 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2020. Based upon this information, the City's proportion was 0.9622 percent.

For the year ended June 30, 2021, the City recognized pension expense of \$1,289,163. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,588	\$ 300,098
Changes of assumptions	113,519	-
Net difference between projected and actual earnings on pension plan investments	1,303,767	-
Changes in proportion	20,937	23,715
Contributions during measurement period	724	8,137
City contributions subsequent to the measurement date	423,587	-
Total	<u>\$ 1,891,122</u>	<u>\$ 331,950</u>

The \$423,587 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 159,088
2023	331,301
2024	424,568
2025	245,863
2026	<u>(25,235)</u>
Total	<u>\$ 1,135,585</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation: 2.75%  
Salary increases: 3.5% to 12% average, including inflation  
Investment rate of return: 7.5% net of pension plan investment expense

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Cost-of-living adjustment: Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.

Mortality rates:                      Active employees (pre-retirement) RP-2000 Blue Collar

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

   Disabled pensioners: Blue Collar Healthy Combined table with  
   age set forward 4 years.

The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the following table:

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

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

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 3,903,638	\$ 1,105,034	\$ (1,261,997)

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

***Defined Benefit Plan:***

***A. Plan Description***

The City contributes to the OkMRF for all eligible employees except for those covered by the Police and Firefighter Pension Systems. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council in accordance with O.S. Title 11, Section 48-101-102.

***B. Summary of Significant Accounting Policies***

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

***C. Eligibility Factors and Benefit Provisions***

<u>Provision</u>	<u>As of 07/01/20 OkMRF Plan</u>
a. Eligible to participate	Full-time employees except police, firefighters and other employees who are covered under an approved system, who joined the plan prior to 1/1/2010.
b. Period Required to Vest	7 years of credited service
c. Eligibility for Distribution	-Normal retirement at age 65 with 7 years of service -Early retirement at age 55 with 7 years of Service, or meeting the Rule of 80



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	-Disability retirement upon disability with 7 years of service
	-Death benefit with 7 years of service
d. Benefit Determination Base	Final average salary - the average of the five highest consecutive annual salaries out of the last 10 calendar years of service
e. Benefit Determination Methods:	
Normal Retirement	-2.50% of final average salary multiplied by credited years of service
Early Retirement	-Actuarially reduced benefit based upon age, final average salary, and years of service at termination, unless Rule of 80 is met, then full benefit
Disability Retirement	-Same as normal retirement
Death Benefit	-50% of employees accrued benefit, but terminates upon spouse re-marriage. For unmarried participants, 50% of employees accrued benefit for 120 months paid to beneficiary
Prior to 7 Years of Service	-No benefits
f. Benefit Authorization	-Benefits are established and amended by City Council adoption of an ordinance in accordance with O.S. Title, 11, Section 48-101-102
g. Form of Benefit Payments	Normal form is a 60 months certain and life thereafter basis. Employee may elect, with City consent, option form based on actuarial equivalent.

*D. Employees Covered by Benefit Terms*

Active Employees	82
Active Employees – opted out 1/1/2010	17
Deferred Vested Former Employees	39
Retirees or Retiree Beneficiaries	<u>119</u>
Total	<u>257</u>

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*E. Contribution Requirements*

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan in accordance with O.S. Title 11, Section 48-102. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 19.95% of covered payroll as of July 1, 2020. For the year ended June 30, 2021, the City recognized \$909,762 of employer contributions to the plan which is equal to the actuarially determined amount based on covered payroll of \$4,560,211. Employees contribute 6% to the plan in accordance with the plan provisions adopted by the City Council.

*F. Actuarial Assumptions*

Date of Last Actuarial Valuation	July 1, 2020										
a. Actuarial cost method	Entry age normal										
b. Rate of Return on Investments and Discount Rate	7.50%										
c. Projected Salary Increase	Varies between 7.50% and 4.5% based on age										
d. Post Retirement Cost-of-Living Increase	Benefits (attributable to service prior to 1/1/2010) in payment status are adjusted each July 1 <sup>st</sup> based on the percentage change in the CPI. The maximum increase or decrease in any year is 2.75%.										
e. Inflation Rate	2.75%										
f. Mortality Table	PubG-2010, with projected mortality improvement										
g. Percent of married employees	100%										
h. Spouse age difference	3 years (female spouses younger)										
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years:  <table> <tr><td>Year 1:</td><td>225</td></tr> <tr><td>Year 2:</td><td>140</td></tr> <tr><td>Year 3:</td><td>100</td></tr> <tr><td>Year 4:</td><td>70</td></tr> <tr><td>Year 5:</td><td>40</td></tr> </table>	Year 1:	225	Year 2:	140	Year 3:	100	Year 4:	70	Year 5:	40
Year 1:	225										
Year 2:	140										
Year 3:	100										
Year 4:	70										
Year 5:	40										
j. Date of last experience study	September 2017 for fiscal years 2012 thru 2016										

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of July 1, 2020, are summarized in the following table:

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

- H. *Changes in Net Pension Liability* – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2020 which is also the measurement date. There were no changes to assumptions. There have not been changes in benefit terms that affected measurement of the total pension liability. There were also no changes between the measurement date of July 1, 2020 and the City’s report ending date of June 30, 2021, that would have had a significant impact on the net pension liability. The following table reports the components of changes in net pension liability:

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	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balances Beginning of Year</b>	<u>\$ 27,326,527</u>	<u>\$ 20,568,119</u>	<u>\$ 6,758,408</u>
<b>Changes for the Year:</b>			
Service cost	292,419	-	292,419
Interest expense	2,002,966	-	2,002,966
Experience losses (gains) - (amortized over avg remain svc period of actives & inactives)	447,981		447,981
Changes of assumptions	-		-
Contributions--City	-	875,145	(875,145)
Contributions--members	-	277,090	(277,090)
Net investment income	-	848,882	(848,882)
Benefits paid	(1,263,472)	(1,263,472)	-
Plan administrative expenses	-	(42,576)	42,576
<b>Net Changes</b>	<u>1,479,894</u>	<u>695,069</u>	<u>784,825</u>
<b>Balances End of Year</b>	<u>\$ 28,806,421</u>	<u>\$ 21,263,188</u>	<u>\$ 7,543,233</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 10,738,048	\$ 7,543,233	\$ 4,818,351

The City reported \$721,431 in pension expense for the year ended June 30, 2021. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 266,612	\$ 510,598
Changes of assumptions	441,404	-
Net difference between projected and actual earnings on pension plan investments	486,452	-
Changes in proportion and differences between City contributions and proportionate share of contributions.	87,038	84,329
City contributions subsequent to the measurement date	909,762	-
<b>Total</b>	<u>\$ 2,191,268</u>	<u>\$ 594,927</u>

The \$909,762 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

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*Amortization of Pension Deferrals:* Amounts reported as deferred outflows of resources (excluding deferred outflows of resources related to contributions made subsequent to the measurement date) and deferred inflows of resources will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$	137,496
2023		251,254
2024		160,217
2025		137,612
	\$	<u>686,579</u>

***Defined Contribution Plan:***

On January 1, 2010, the City implemented a Defined Contribution Plan benefit. Eligible employees are all regular, full-time employees hired after December 31, 2009, except police, firefighters, and other employees who are covered under an approved system; plus any regular, full-time employees hired before January 1, 2010, who made the one-time election to participate in the City's defined contribution plan. Employees began participation upon employment.

City employees participating in the defined contribution plan become 100% vested in the plan upon completion of seven years of employment.

Employee contributions are 3% mandatory pre-tax contributions called Government Pick-Up, up to an additional 3% after-tax contributions which are eligible for employer match (called Mandatory Contributions) and voluntary after-tax contributions up to the maximum annual contribution allowed by the Internal Revenue Service.

Employer contributions are fixed at 3% by the plan, plus dollar for dollar 100% match of the mandatory (after-tax) employee contributions up to 3% of compensation.

Employees direct how their money is invested.

Upon separation of employment and before vesting, an employee can receive a distribution of the employee contribution account balance, if any. After vesting, benefit payment options include the distribution of both the employee and employer contribution account balances and can be paid in any form designated by the participant.

The plan has a loan feature. The employee can borrow the lesser of \$50,000 or 50% of the vested account balance with a minimum of \$1,000.

For the fiscal year ended June 30, 2021, the City contributed \$135,226 to the plan.

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**Other Post-Employment Benefits**

The City of Bartlesville has two other post-employment benefit plans:

- Oklahoma Municipal Retirement Fund (OkMRF) Retiree Medical Plan – an agent, multi-employer defined benefit plan.
- Implicit Rate Substantive Plan – a single-employer defined benefit plan.

	Governmental Activities	Business-type Activities	Plan Totals
OPEB Expense:			
OkMRF Retiree Medical	\$ (26,284)	\$ (7,072)	\$ (33,356)
Unfunded implicit rate	138,863	9,009	147,872
	<u>\$ 112,579</u>	<u>\$ 1,937</u>	<u>\$ 114,516</u>
Net OPEB Asset:			
OkMRF Retiree Medical	\$ 152,364	\$ 43,050	\$ 195,414
	<u>\$ 152,364</u>	<u>\$ 43,050</u>	<u>\$ 195,414</u>
Total OPEB Liability:			
Unfunded implicit rate	\$ 1,169,563	\$ 330,467	\$ 1,500,030
	<u>\$ 1,169,563</u>	<u>\$ 330,467</u>	<u>\$ 1,500,030</u>
Deferred Outflow:			
OkMRF Retiree Medical	4,340	4,202	8,542
Unfunded implicit rate	300,079	71,252	371,331
	<u>\$ 304,419</u>	<u>\$ 75,454</u>	<u>\$ 379,873</u>
Deferred Inflow:			
OkMRF Retiree Medical	\$ 89,467	\$ 26,506	\$ 115,973
Unfunded implicit rate	150,393	147,193	297,586
	<u>\$ 239,860</u>	<u>\$ 173,699</u>	<u>\$ 413,559</u>

**Oklahoma Municipal Retirement Fund (OkMRF) Retiree Medical Plan**

*Plan Description*

The City contributes to the OkMRF retiree medical plan for all eligible employees. The plan is an agent multiple employer - defined benefit plan administered by OkMRF. The OkMRF plan issues a separate financial report and can be obtained from OkMRF or from their website: [www.okmrf.org/reports.html](http://www.okmrf.org/reports.html). Benefits are established or amended by the City Council.

*A. Summary of Significant Accounting Policies*

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

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*B. Eligibility Factors and Benefit Provisions*

As of 07/01/20

<u>Provision</u>	<u>OkMRF Plan</u>
a. Eligible to participate	Any participant in the retirement plan who terminates employment on or after August 1, 2006, and has completed at least 20 continuous years of credited service.
b. Eligibility for Distribution	20 years of continuous credited service
c. Medical benefits:	Provided under the State and Education Employees Group Insurance Act.
d. Medical benefits under the retirement Plan:	The plan will pay the retiree's medical (including dental and vision) premiums in the amount in effect at the time of retirement, but the plan will not pay more than \$10 per month per year of service. Service considered in determining this maximum benefit includes only service completed on or before January 1, 2010; credited service for determining benefit eligibility, however, is not so limited. If the premium amounts under the State and Education Employees Group Insurance increase or decrease, the premiums payments by the OPEB plan will be automatically adjusted (but in no event will they exceed the specified maximum).
e. Termination of Medical Benefits:	Retiree – the earlier of the date of the retiree's death or the 65 <sup>th</sup> birthday of the retiree. Spouse/dependent – the 65 <sup>th</sup> birthday of the retiree or if retiree dies before age 65, the date on which the retiree would have attained age 65.

*C. Employees Covered by Benefit Terms*

Active Employees	99
Nonactive Employees	<u>13</u>
Total	<u>112</u>

*D. Contribution Requirements*

The City Council has the authority to set and amend contribution rates by ordinance for the OkMRF defined benefit plan. The contribution rates for the current fiscal year have been made in accordance with an actuarially determined rate. The actuarially determined rate is 0% of covered payroll as of July 1, 2020. For the year ended June 30, 2021, the City recognized \$0 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of \$4,560,211. Employees do not contribute in accordance with the plan provisions adopted by the City Council.

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*E. Actuarial Assumptions*

Date of Last Actuarial Valuation	July 1, 2020
a. Actuarial cost method	Entry age normal
b. Rate of Return on Investments and Discount Rate	7.50%
c. Projected Salary Increase	Varies between 7.50% and 4.5% based on age
d. Inflation Rate	2.75%
e. Mortality Table	PubG-2010, with projected mortality improvement
f. Percent of married employees	100%
g. Spouse age difference	3 years (female spouses younger)
i. Turnover	Select and ultimate rates Ultimate rates are age-related as shown Additional rates per thousand are added during the first 5 years:
	Year 1: 225
	Year 2: 140
	Year 3: 100
	Year 4: 70
	Year 5: 40
j. Date of last experience study	September 2017 for fiscal years 2012 thru 2016

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

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

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



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asset class included in the OPEB's plan's target asset allocation as of July 1, 2020 are summarized in the following table:

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

- G. *Changes in Net OPEB Liability (Asset)* – The net OPEB liability (asset) was determined based on an actuarial valuation performed as of July 1, 2020 which is also the measurement date. There have not been changes in benefit terms that affected measurement of the total OPEB liability. There were also no changes between the measurement date of July 1, 2020 and the City's report ending date of June 30, 2021, that would have had a significant impact on the net OPEB liability (asset). The following table reports the components of changes in net OPEB liability (asset):

	<u>June 30, 2021</u>
Net OPEB Liability (Asset):	
Total OPEB Liability (TOL)	\$ 333,509
Plan's Fiduciary Net Position	<u>(528,923)</u>
Net OPEB Asset	<u>\$ (195,414)</u>
Plan's fiduciary net position as a % of TOL	158.59%

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	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability (a)	Net Position (b)	Liability (Asset)
			(a) - (b)
Beginning Balances	\$ 382,566	\$ 544,604	\$ (162,038)
Changes for the Year:			
Service cost	6,374	-	6,374
Interest	27,367	-	27,367
Differences between expected and actual experience	(46,790)	-	(46,790)
Assumption changes	-	-	-
Contributions - employers	-	-	-
Net investment income	-	21,426	(21,426)
Benefit payments, including refunds	(36,008)	(36,008)	-
Administrative expense		(1,099)	1,099
Net changes	(49,057)	(15,681)	(33,376)
Ending Balances	\$ 333,509	\$ 528,923	\$ (195,414)

*Sensitivity of the net OPEB liability (asset) to changes in the discount rate.* The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net OPEB liability (asset)	\$ (180,233)	\$ (195,414)	\$ (206,594)

*Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate.* Because benefits provided under the plan are fixed dollar amounts that are not subject to inflationary increases, the net OPEB liability (asset) is not affected by assumed or actual healthcare trends. Thus, no explicit healthcare cost trend rates have been assumed in the valuation of the OPEB liability (asset). The following table reflects this.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	N/A	N/A	N/A

The City reported \$(33,356) in OPEB expense for the year ended June 30, 2021. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 111,216
Changes of assumptions	2,919	-
Net difference between projected and actual earnings on OPEB plan investments	239	-
Changes in proportion	2,586	2,590
Contributions during the measurement period	2,798	2,167
Total	\$ 8,542	\$ 115,973

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*Amortization of Pension Deferrals:* Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$	(37,243)
2023		(32,126)
2024		(26,827)
2025		(11,235)
	\$	<u>(107,431)</u>

**Health Insurance Implicit Rate Substantive Plan**

**Plan description** – The City’s implicit subsidy, defined benefit OPEB plan, provides OPEB to eligible retirees and their dependents. The plan is a substantive plan in that the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs. The City Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits provided** – The City provides medical, prescription drug, and dental benefits to eligible retirees and their dependents. Employees retiring before January 1, 2014, pay 115% of the average employee cost. All other retirees pay 125% of the average employee premium to continue coverage in retirement. An additional contribution is required for spouse’s coverage. Coverage stops at age 65 for the retiree and spouse. Certain grandfathered retirees and spouses have lifetime benefits. The retirees and dependents pay 110% of the active employee coverage rates; this results in the retirees and beneficiaries receiving an implicit rate subsidy. Retirees and dependents coverage ceases at age 65 and are no longer eligible for the City’s OPEB plan.

**Employees covered by benefit terms** - At June 30, 2021 the following employees were covered by the benefit terms:

Active Employees	256
Inactives or beneficiaries currently receiving benefit payments	<u>15</u>
Total	<u>271</u>

**Total OPEB Liability** – The City’s total OPEB liability of \$1,500,030 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020. Rollforward procedures were done to estimate the total OPEB liability at June 30, 2021.

**Actuarial Assumptions** - The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2020 and rolled forward to June 30, 2021, using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 2.16%, based on June 30, 2020 published Bond Buyer GO 20 Index
- Termination – Civilian employees are based on the actual experience of the Oklahoma Municipal Retirement Fund (OkMRF) cities. Termination rates for police and firefighters are based on rates for these groups in Oklahoma.
- Retirement Age: Rates for civilians based on actual experience of the OkMRF employees with unsubsidized retirement benefits. Rates for police based on assumptions in statewide police retirement system actuarial report. The following tables show these rates.

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<u>Age</u>	<u>Civilian Retirement Rate</u>
55 - 61	7%
62	30%
63 - 64	17.5%
65 - 69	30%
70	100%

  

<u>Years of Service</u>	<u>Retirement Rate Police</u>
20	20%
21 - 23	6%
24	10%
25	20%
26 - 28	10%
29	15%
30 - 35	100%

- Participation – 50% of general employees are assumed to elect retiree medical coverage if they meet eligibility requirements (and 50% for police and firefighters). The acceptance rate for spouses of covered retirees is assumed to be 25%. Spouses are assumed to pay the COBRA rate. Retirees are assumed to take all coverages, if any (i.e. medical, GAP, dental and vision).
- Healthcare cost trend rates - Plan year dependent rates graded from 6.02% in 2019 to 4.87% in 2060.
- Mortality Rates - The PubG-2010 for non-public safety participants and PubS-2010 for police and fire participants, projected for cohort mortality improvement using projection scale AA.

**Changes in Total OPEB Liability** – The following table reports the components of changes in total OPEB liability:

	<u>Total OPEB Liability</u>
<b>Beginning balances</b>	\$ 1,589,729
<b>Changes for the Year:</b>	
Service cost	75,359
Interest	34,838
Change in assumptions	(45,395)
Benefit payments, net of retiree contributions	(52,232)
Other changes	(102,269)
<b>Net change in total OPEB liability</b>	<u>(89,699)</u>
<b>Ending Balances</b>	<u>\$ 1,500,030</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**–The following presents the total OPEB liability of the employer calculated using the discount rate of 2.16%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

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	1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$ 1,663,293	\$ 1,500,030	\$ 1,356,365

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 6.02% grading to 4.87%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (5.02% grading to 3.87%) or 1-percentage-point higher (7.02% grading to 5.87%) than the current rate:

Sensitivity to Changes in the Healthcare Cost Trend Rate:

	1% decrease 5.02% grading to 3.99%	Healthcare Cost Trend Rates 6.02% Grading to 4.99%	1% increase 7.02% grading to 5.99%
Total OPEB liability	\$ 1,341,382	\$ 1,500,030	\$ 1,692,052

The City reported \$147,872 in OPEB expense for the year ended June 30, 2021. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 163,506
Changes of assumptions	245,376	8,128
Changes in proportion	125,955	125,952
Total	\$ 371,331	\$ 297,586

***Amortization of OPEB Deferrals:*** Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$ 17,856
2023	18,601
2024	22,293
2025	22,294
2026	2,036
Thereafter	(9,335)
	\$ 73,745

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***Component Unit Retirement Plans:***

Effective July 1, 1997, Bartlesville Development Corporation (BDC) adopted the American Chamber of Commerce Executives (ACCE) 401(k) Plan as a vehicle to provide retirement plan benefits to BDC employees. In May 2005, the BDC 401(k) plan was combined with the Bartlesville Regional Chamber of Commerce plan to provide retirement benefits to all employees of the Chamber of Commerce. Upon combination of BDC and BDA, the plan carried over to the employees who operate under the BDA. BDA will pay an amount equal to 4 percent of a qualified employee's annual salary and match an employee's contribution up to 1 percent of the employee's annual salary. During the fiscal year ending June 30, 2021, BDA paid a total of \$14,534 to the plan, which has been recorded as employee benefits in the statement of activities.

The Bartlesville Community Center Trust Authority employees participate in a 403(b) Thrift Plan whereby the Trust Authority contributes 5% of eligible employees' compensation received during the plan year. Employees may elect to make salary reduction contributions to the plan. For the fiscal year ended June 30, 2021, the employer contributed \$17,638 to the plan.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**Budgetary Comparison Schedule – General Fund (Budgetary Basis) – Year Ended June 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		
<b>REVENUES</b>				
Taxes	\$ 15,687,180	\$ 15,687,180	\$ 17,298,536	\$ 1,611,356
Licenses and permits	215,600	215,600	226,315	10,715
Intergovernmental	703,500	3,489,488	3,519,270	29,782
Charges for services	438,500	438,500	719,297	280,797
Fees and fines	886,700	886,700	410,935	(475,765)
Investment earnings	100,000	100,000	24,000	(76,000)
Miscellaneous	261,700	261,700	496,068	234,368
Total revenues	<u>18,293,180</u>	<u>21,079,168</u>	<u>22,694,421</u>	<u>1,615,253</u>
<b>EXPENDITURES</b>				
Departmental:				
General Government:				
City council	20,560	20,560	17,228	3,332
Administration	732,443	804,734	815,955	(11,221)
Accounting and finance	1,461,691	1,561,977	1,576,189	(14,212)
Legal	191,334	196,708	210,654	(13,946)
Building & neighborhood service	688,726	699,326	688,689	10,637
Building maintenance	477,308	487,849	460,350	27,499
General services	701,786	827,786	770,579	57,207
Cemetery	16,710	16,710	7,589	9,121
Community development	529,828	541,528	524,310	17,218
Technical services	960,307	1,094,344	1,021,267	73,077
Engineering	413,881	427,924	427,070	854
Fleet maintenance	410,068	422,929	434,165	(11,236)
Fire	6,110,760	6,299,376	6,232,389	66,987
Police	5,903,475	6,092,710	5,934,905	157,805
Street	1,503,945	1,559,376	1,502,039	57,337
Library	1,383,723	1,420,771	1,369,067	51,704
History museum	183,076	187,276	177,537	9,739
Park and recreation	1,266,572	1,338,415	1,226,429	111,986
Total Expenditures	<u>22,956,193</u>	<u>24,000,299</u>	<u>23,396,411</u>	<u>603,888</u>
Excess (deficiency) of revenues over expenditures	<u>(4,663,013)</u>	<u>(2,921,131)</u>	<u>(701,990)</u>	<u>2,219,141</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,872,210	4,872,210	4,872,210	-
Transfers out	(1,406,875)	(2,949,309)	(2,949,309)	-
Total other financing sources and uses	<u>3,465,335</u>	<u>1,922,901</u>	<u>1,922,901</u>	<u>-</u>
Net change in fund balances	(1,197,678)	(998,230)	1,220,911	2,219,141
Fund balances - beginning	2,494,936	2,032,814	2,032,814	-
Fund balances - ending	<u>\$ 1,297,258</u>	<u>\$ 1,034,584</u>	<u>\$ 3,253,725</u>	<u>\$ 2,219,141</u>



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**Footnotes to Budgetary Comparison Schedules:**

1. The budgetary comparison schedule is reported on a non-GAAP budgetary basis that report revenues and expenditures on a modified cash basis. For budgetary purposes expenditures are recorded in the period the invoice is received, except for payroll expenditures that are recorded when paid.
2. The legal level of appropriation control is the department level within a fund. Transfers of appropriation within a fund require the approval of the City Council. All supplemental appropriations require the approval of the City Commission. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total revenue and transfers- budgetary basis	\$ 27,566,631
Total expenditures and transfers - budgetary basis	<u>(26,345,720)</u>
Change in fund balance - budgetary basis	1,220,911
On-behalf payments	1,168,044
On-behalf payments	(1,168,044)
Encumbrances	526,219
Changes in Fund Balance - Stabilization Fund	1,813,461
Changes in Fund Balance - Court Bond Fund	32
Change in fund balance - GAAP basis	<u><u>\$ 3,560,623</u></u>

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Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF BARTLESVILLE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	1.220613%	1.253881%	1.263230%	1.252617%	1.178227%	1.238168%	1.209825%
City's proportionate share of the net pension liability	\$ 15,036,911	\$13,249,338	\$ 14,219,497	\$15,754,458	\$14,394,559	\$13,142,017	\$12,441,208
City's covered-employee payroll	\$ 3,971,436	\$ 3,866,379	\$ 3,753,018	\$ 3,560,398	\$ 3,295,740	\$ 3,272,207	\$ 3,356,189
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	379%	343%	379%	442%	437%	402%	371%
Plan fiduciary net position as a percentage of the total pension liability	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%	68.12%

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

**Notes to Schedule:**

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

**SCHEDULE OF CITY CONTRIBUTIONS**  
**OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorially required contribution	\$ 565,836	\$ 556,001	\$ 541,293	\$ 525,422	\$ 498,456	\$ 461,404	\$ 458,109
Contributions in relation to the statutorially required contribution	<u>565,836</u>	<u>556,001</u>	<u>541,293</u>	<u>525,422</u>	<u>498,456</u>	<u>461,404</u>	<u>458,109</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 4,041,686	\$ 3,971,436	\$ 3,866,379	\$ 3,753,018	\$ 3,560,398	\$ 3,295,740	\$ 3,272,207
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Notes to Schedule:**

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

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Schedules of Required Supplementary Information

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

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.9622%	0.9141%	0.9607%	0.9420%	0.8547%	0.8863%	0.9499%
City's proportionate share of the net pension liability (asset)	\$ 1,105,034	\$ (58,355)	\$ (457,617)	\$ 72,459	\$ 1,308,962	\$ 36,138	\$ (319,824)
City's covered-employee payroll	\$ 3,223,000	\$ 2,972,492	\$ 2,929,884	\$ 2,809,097	\$ 2,521,335	\$ 2,510,992	\$ 2,561,631
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.29%	-1.96%	-15.62%	2.58%	51.92%	1.44%	-12.49%
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%	101.53%

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

**Notes to Schedule:**

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015
Statutorially required contribution	\$ 423,587	\$ 418,990	\$ 386,424	\$ 380,885	\$ 365,183	\$ 327,774	\$ 326,429
Contributions in relation to the statutorially required contribution	423,587	418,990	386,424	380,885	365,183	327,774	326,429
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 3,258,362	\$ 3,223,000	\$ 2,972,492	\$ 2,929,884	\$ 2,809,097	\$ 2,521,335	\$ 2,510,992
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Notes to Schedule:**

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

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**Required Supplementary Information**  
**Oklahoma Municipal Retirement Fund**

**Schedule of Changes in Net Pension Liability and Related Ratios**

**Last Seven Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015
<b>Total pension liability</b>							
Service cost	\$ 292,419	\$ 312,887	\$ 287,037	\$ 314,106	\$ 306,603	\$ 343,430	\$ 318,728
Interest	2,002,966	1,943,192	1,879,200	1,897,724	1,801,722	1,749,983	1,689,642
Differences between expected and actual experience	447,981	(1,843,092)	(187,879)	(879,788)	159,192	(422,875)	-
Changes of assumptions	-	1,602,992	-	283,261	-	-	-
Benefit payments, including refunds of member contributions	(1,263,472)	(1,176,086)	(1,075,998)	(1,016,605)	(1,040,526)	(966,693)	(857,478)
<b>Net change in total pension liability</b>	<u>1,479,894</u>	<u>839,893</u>	<u>902,360</u>	<u>598,698</u>	<u>1,226,991</u>	<u>703,845</u>	<u>1,150,892</u>
<b>Total pension liability - beginning</b>	<u>27,326,527</u>	<u>26,486,634</u>	<u>25,584,274</u>	<u>24,985,576</u>	<u>23,758,585</u>	<u>23,054,740</u>	<u>21,903,848</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 28,806,421</u>	<u>\$ 27,326,527</u>	<u>\$ 26,486,634</u>	<u>\$ 25,584,274</u>	<u>\$ 24,985,576</u>	<u>\$ 23,758,585</u>	<u>\$ 23,054,740</u>
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 875,145	\$ 955,002	\$ 1,111,238	\$ 1,118,024	\$ 1,098,186	\$ 1,145,860	\$ 1,230,392
Contributions - member	277,090	283,664	314,801	317,015	311,247	327,700	344,472
Net investment income	848,882	1,329,038	1,303,114	1,916,169	142,576	399,025	1,903,979
Benefit payments, including refunds of member contributions	(1,263,472)	(1,176,086)	(1,075,998)	(1,016,605)	(1,040,526)	(966,693)	(857,478)
Administrative expense	(42,576)	(39,731)	(36,807)	(33,387)	(29,565)	(29,336)	(28,636)
<b>Net change in plan fiduciary net position</b>	<u>695,069</u>	<u>1,351,887</u>	<u>1,616,348</u>	<u>2,301,216</u>	<u>481,918</u>	<u>876,556</u>	<u>2,592,729</u>
<b>Plan fiduciary net position - beginning</b>	<u>20,568,119</u>	<u>19,216,232</u>	<u>17,599,884</u>	<u>15,298,668</u>	<u>14,816,750</u>	<u>13,940,194</u>	<u>11,347,465</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 21,263,188</u>	<u>\$ 20,568,119</u>	<u>\$ 19,216,232</u>	<u>\$ 17,599,884</u>	<u>\$ 15,298,668</u>	<u>\$ 14,816,750</u>	<u>\$ 13,940,194</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 7,543,233</u>	<u>\$ 6,758,408</u>	<u>\$ 7,270,402</u>	<u>\$ 7,984,390</u>	<u>\$ 9,686,908</u>	<u>\$ 8,941,835</u>	<u>\$ 9,114,546</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.81%	75.27%	72.55%	68.79%	61.23%	62.36%	60.47%
<b>Covered employee payroll</b>	\$ 4,537,702	\$ 4,585,858	\$ 5,117,008	\$ 5,019,586	\$ 4,987,399	\$ 5,312,233	\$ 5,583,554
<b>Net pension liability as a percentage of covered-employee payroll</b>	166.23%	147.37%	142.08%	159.06%	194.23%	168.33%	163.24%

**Notes to Schedule:**

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

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**Required Supplementary Information**  
**Oklahoma Municipal Retirement Fund**

**Schedule of Employer Contributions**

**Last Seven Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 909,762	\$ 829,529	\$ 910,263	\$ 1,099,597	\$ 1,025,382	\$ 1,034,378	\$ 1,073,765
Contributions in relation to the actuarially determined contribution	909,762	875,734	960,983	1,154,659	1,126,060	1,149,535	1,230,391
Contribution deficiency (excess)	\$ -	\$ (46,205)	\$ (50,720)	\$ (55,062)	\$ (100,678)	\$ (115,157)	\$ (156,626)
Covered employee payroll	\$4,560,211	\$4,621,331	\$4,740,954	\$5,451,648	\$5,083,698	\$5,187,454	\$5,312,233
Contributions as a percentage of covered-employee payroll	19.95%	18.95%	20.27%	21.18%	22.15%	22.16%	23.16%

**Notes to Schedule:**

1. Only seven fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2020
3. Actuarially determined contribution rate is calculated as of July 1, 2020  
July 2020 through June 2021 contributions were at a rate of 19.95%
4. Methods and assumptions used to determine contribution rates:
  - Actuarial cost method - Unit Credit
  - Amortization method - Level dollar amount
  - Remaining amortization period - 20 years
  - Asset valuation method - Actuarial
  - Smoothing period - 5 years
  - Recognition method - Non-asymptotic
  - Corridor - 70% - 130%
  - Salary increases - 4.50% to 7.50% (varies by attained age)
  - Investment rate of return - 7.25%

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***Required Supplementary Information – OPEB***

The funded status and funding progress of the City's defined benefit OPEB plan for the most recent actuarial valuations is as follows:

**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**City of Bartlesville Health Insurance Implicit Rate Plan**

**Last 4 Fiscal Years**

	2021	2020	2019	2018
<b>Total OPEB liability</b>				
Service cost	\$ 75,359	\$ 44,980	\$ 46,223	\$ 46,222
Interest	34,838	44,926	41,397	41,236
Change in assumptions	(45,395)	175,661	70,673	(30,339)
Differences between expected and actual experience	-	-	-	-
Benefit payments, net of retiree contributions	(52,232)	(56,198)	(48,180)	(48,180)
Other changes	(102,269)	85,556	-	-
<b>Net change in total OPEB liability</b>	<b>(89,699)</b>	<b>294,925</b>	<b>110,113</b>	<b>8,939</b>
<b>Total OPEB liability - beginning</b>	<b>1,589,729</b>	<b>1,294,804</b>	<b>1,184,691</b>	<b>1,175,752</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,500,030</b>	<b>\$ 1,589,729</b>	<b>\$ 1,294,804</b>	<b>\$ 1,184,691</b>
 <b>Covered employee payroll</b>	 <b>\$ 12,553,000</b>	 <b>\$ 12,674,000</b>	 <b>\$ 11,600,000</b>	 <b>\$ 11,600,000</b>
 <b>Total OPEB liability as a percentage of covered- employee payroll</b>	 <b>11.95%</b>	 <b>12.54%</b>	 <b>11.16%</b>	 <b>10.21%</b>

**Notes to Schedule:**

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

The discount rate used for were as follows:

2019: 3.50%

2020: 2.21%

2021: 2.16%

Healthcare cost trend rates graded from 5.99% in 2020 to 4.87% in 2060.

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**SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
Oklahoma Municipal Retirement Fund Retiree Medical Plan  
Last Ten Fiscal Years\*

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 6,374	\$ 6,682	\$ 6,217	\$ 5,710
Interest	27,367	32,149	36,579	37,749
Changes of assumptions	-	4,672	-	-
Experience Gain/(Loss)	(46,790)	(73,048)	(61,809)	-
Benefit payments, including refunds of member contributions	(36,008)	(32,492)	(47,346)	(59,140)
Net change in total OPEB liability	(49,057)	(62,037)	(66,359)	(15,681)
Total OPEB liability - beginning	382,566	444,603	510,962	526,643
Total OPEB liability - ending	\$ 333,509	\$ 382,566	\$ 444,603	\$ 510,962
Plan fiduciary net position				
Contributions - employer	\$ -	\$ 7,253	\$ 41,443	\$ 44,363
Net investment income	21,426	35,701	36,960	56,138
Benefit payments	(36,008)	(32,492)	(47,346)	(59,140)
Administrative expense	(1,099)	(1,084)	(1,039)	(988)
Net change in plan fiduciary net position	(15,681)	9,378	30,018	40,373
Plan fiduciary net position - beginning	544,604	535,226	505,208	464,835
Plan fiduciary net position - ending (b)	\$ 528,923	\$ 544,604	\$ 535,226	\$ 505,208
Net OPEB liability (asset) - ending (a) - (b)	\$ (195,414)	\$ (162,038)	\$ (90,623)	\$ 5,754
Plan fiduciary net position as a percentage of the total OPEB liability	158.59%	142.36%	120.4%	98.87%
Covered employee payroll	\$ 4,537,702	\$ 4,585,858	\$ 5,258,659	\$ 5,410,122
Net OPEB liability (asset) as a percentage of covered-employee payroll	(4.31%)	(3.53%)	(1.7%)	0.11%

**Notes to Schedule:**

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

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**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Oklahoma Municipal Retirement Fund Retiree Medical Plan

Last Ten Fiscal Years\*

	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$ -	\$ 7,038	\$ 43,121
Contributions in relation to the actuarially determined contribution	-	-	7,038	43,121
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 4,560,211	\$ 4,537,702	\$ 4,585,858	\$ 5,258,659
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.15%	0.82%

**Notes to Schedule:**

1. \*Only four fiscal years are presented because 10-year data is not yet available.
2. Valuation Date: June 30 , 2020
3. Methods and assumptions used to determine contribution rates:
  - Mortality: PubG-2010 (25%A/75%B) males
  - PubG-2010 (50%A/50%B) females
  - Interest Rate: 7.5% per annum.
  - Inflation: 2.75% per annum.
  - Marriage Assumptions: Females are assumed to be three years younger than their male spouses.
  - Pay increases: Range from 7.5% to 4.5%
  - Aggregate cost method



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**OTHER SUPPLEMENTARY INFORMATION**

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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021**

	<u>Bartlesville History Museum Trust Authority</u>	<u>E-911 Fund</u>	<u>Special Library Fund</u>	<u>Special Museum Fund</u>	<u>Economic Development Fund</u>	<u>Bartlesville Library Trust Authority</u>	<u>Restricted Revenues Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	126,009	64,791	302,224	123,956	2,239,739	1,757,830	374,323
Receivable from other governments	-	-	-	-	-	-	-
Taxes receivable, net	-	42,486	-	-	295,679	-	-
Other receivables, net of allowance	479	158	1,184	473	8,303	536	-
Total assets	<u>\$ 126,488</u>	<u>\$ 107,435</u>	<u>\$ 303,408</u>	<u>\$ 124,429</u>	<u>\$ 2,543,721</u>	<u>\$ 1,758,366</u>	<u>\$ 374,323</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ 2,924	\$ 10,945	\$ -	\$ -	\$ -	\$ -
Advanced revenue	-	-	-	-	140	-	-
Accrued payroll payable	-	37,490	913	900	-	-	-
Other payables	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>40,414</u>	<u>11,858</u>	<u>900</u>	<u>140</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	126,488	67,021	291,550	123,529	2,543,581	1,758,366	374,323
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>126,488</u>	<u>67,021</u>	<u>291,550</u>	<u>123,529</u>	<u>2,543,581</u>	<u>1,758,366</u>	<u>374,323</u>
Total liabilities and fund balances	<u>\$ 126,488</u>	<u>\$ 107,435</u>	<u>\$ 303,408</u>	<u>\$ 124,429</u>	<u>\$ 2,543,721</u>	<u>\$ 1,758,366</u>	<u>\$ 374,323</u>

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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021, (Continued)**

	<u>Municipal Airport Fund</u>	<u>Harshfield Library Donation</u>	<u>Golf Course Memorial Fund</u>	<u>Justice Assistance Grant Fund</u>	<u>Neighborhood Park Fund</u>	<u>Cemetery Perpetual Fund</u>	<u>Memorial Stadium Operating Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	286,628	627,660	12,343	3,134	15,398	10,324	-
Receivable from other governments	-	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net of allowance	1,089	2,387	48	-	59	38	-
Total assets	<u>\$ 287,717</u>	<u>\$ 630,047</u>	<u>\$ 12,391</u>	<u>\$ 3,134</u>	<u>\$ 15,457</u>	<u>\$ 10,362</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advanced revenue	-	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	-	630,047	-	3,134	15,457	10,362	-
Committed	287,717	-	12,391	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>287,717</u>	<u>630,047</u>	<u>12,391</u>	<u>3,134</u>	<u>15,457</u>	<u>10,362</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 287,717</u>	<u>\$ 630,047</u>	<u>\$ 12,391</u>	<u>\$ 3,134</u>	<u>\$ 15,457</u>	<u>\$ 10,362</u>	<u>\$ -</u>

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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021, (Continued)**

	<u>Housing TIF</u>	<u>BRTA Pass</u>	<u>Hotel Motel Tax</u>	<u>Capital</u> <u>Improvement</u> <u>Sales Tax</u>	<u>CIP-</u> <u>Wastewater</u>	<u>CIP-Wastewater</u>	<u>CIP-City Hall</u>
	<u>Districts</u>	<u>Through</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Regulatory Fund</u>	<u>Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	805,045	-	37,258	5,472,066	116,829	784,684	55,054
Receivable from other governments	-	-	-	30,507	-	-	-
Taxes receivable, net	-	-	29,002	553,066	-	-	-
Other receivables, net of allowance	-	-	-	20,672	444	2,982	209
Total assets	<u>\$ 805,045</u>	<u>\$ -</u>	<u>\$ 66,260</u>	<u>\$ 6,076,311</u>	<u>\$ 117,273</u>	<u>\$ 787,666</u>	<u>\$ 55,263</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 57,927	\$ 50,613	\$ -	\$ -	\$ 2,000
Advanced revenue	-	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-	-
Other payables	5,000	-	-	-	-	-	-
Total liabilities	<u>5,000</u>	<u>-</u>	<u>57,927</u>	<u>50,613</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Fund balances:							
Restricted	800,045	-	8,333	6,025,698	117,273	787,666	53,263
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>800,045</u>	<u>-</u>	<u>8,333</u>	<u>6,025,698</u>	<u>117,273</u>	<u>787,666</u>	<u>53,263</u>
Total liabilities and fund balances	<u>\$ 805,045</u>	<u>\$ -</u>	<u>\$ 66,260</u>	<u>\$ 6,076,311</u>	<u>\$ 117,273</u>	<u>\$ 787,666</u>	<u>\$ 55,263</u>

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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021, (Continued)**

	<u>CIP-Storm Sewer</u> <u>Fund</u>	<u>CDBG Fund</u>	<u>2008B GO Bond</u> <u>Fund</u>	<u>2009 GO Bond</u> <u>Fund</u>	<u>2010 GO Bond</u> <u>Fund</u>	<u>2012 GO Bond</u> <u>Fund</u>	<u>2018A GO Bond</u> <u>Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	51,963	-	-	2,636	410	106,472	227,971
Receivable from other governments	-	3,460	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net of allowance	197	-	-	-	-	-	-
Total assets	<u>\$ 52,160</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ 2,636</u>	<u>\$ 410</u>	<u>\$ 106,472</u>	<u>\$ 227,971</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,775
Advanced revenue	-	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298,775</u>
Fund balances:							
Restricted	52,160	3,460	-	2,636	410	106,472	-
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(70,804)
Total fund balances	<u>52,160</u>	<u>3,460</u>	<u>-</u>	<u>2,636</u>	<u>410</u>	<u>106,472</u>	<u>(70,804)</u>
Total liabilities and fund balances	<u>\$ 52,160</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ 2,636</u>	<u>\$ 410</u>	<u>\$ 106,472</u>	<u>\$ 227,971</u>

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**Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2021, (Continued)**

	<u>2014B GO Bond</u>	<u>2021A GO Bond</u>	<u>2017 GO Bond</u>	<u>2018B GO Bond</u>	<u>2018C GO Bond</u>	<u>2019A GO Bond</u>	<u>2019B GO Bond</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>
								<u>Funds</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ 1,079,080	\$ -	\$ -	\$ 704,035	\$ 742,148	\$ 385,860	\$ 2,911,123
Investments	3,885	-	15,853	284,880	-	-	-	13,909,365
Receivable from other governments	-	-	-	-	-	-	-	33,967
Taxes receivable, net	-	-	-	-	-	-	-	920,233
Other receivables, net of allowance	-	-	-	-	-	-	-	39,258
Total assets	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 15,853</u>	<u>\$ 284,880</u>	<u>\$ 704,035</u>	<u>\$ 742,148</u>	<u>\$ 385,860</u>	<u>\$ 17,813,946</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 199,894	\$ 15,846	\$ -	\$ 638,924
Advanced revenue	-	-	-	-	-	-	-	140
Accrued payroll payable	-	-	-	-	-	-	-	39,303
Other payables	-	-	-	7,403	9,560	18,794	-	40,757
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,403</u>	<u>209,454</u>	<u>34,640</u>	<u>-</u>	<u>719,124</u>
Fund balances:								
Restricted	3,885	1,079,080	15,853	277,477	494,581	707,508	385,860	16,865,518
Committed	-	-	-	-	-	-	-	300,108
Unassigned (deficit)	-	-	-	-	-	-	-	(70,804)
Total fund balances	<u>3,885</u>	<u>1,079,080</u>	<u>15,853</u>	<u>277,477</u>	<u>494,581</u>	<u>707,508</u>	<u>385,860</u>	<u>17,094,822</u>
Total liabilities and fund balances	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 15,853</u>	<u>\$ 284,880</u>	<u>\$ 704,035</u>	<u>\$ 742,148</u>	<u>\$ 385,860</u>	<u>\$ 17,813,946</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021**

	<u>Bartlesville History Museum Trust Authority</u>	<u>E-911 Fund</u>	<u>Special Library Fund</u>	<u>Special Museum Fund</u>	<u>Economic Development Fund</u>	<u>Bartlesville Library Trust Authority</u>	<u>Restricted Revenues Fund</u>
<b>REVENUES</b>							
Taxes	\$ -	\$ 520,542	\$ -	\$ -	\$ 1,669,771	\$ -	\$ -
Intergovernmental	-	-	49,178	-	-	-	500,000
Charges for services	-	2,400	33	124	-	-	-
Investment earnings	303	206	759	337	7,709	350,539	-
Miscellaneous	-	-	4,957	-	-	-	-
Contributions and donations	-	-	25,919	25,611	-	-	23,739
Total revenues	<u>303</u>	<u>523,148</u>	<u>80,846</u>	<u>26,072</u>	<u>1,677,480</u>	<u>350,539</u>	<u>523,739</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	507,399
Public Safety	-	1,026,361	-	-	-	-	16,210
Culture and recreation	-	-	168,750	25,306	-	-	25,842
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,026,361</u>	<u>168,750</u>	<u>25,306</u>	<u>-</u>	<u>-</u>	<u>549,451</u>
Excess (deficiency) of revenues over expenditures	<u>303</u>	<u>(503,213)</u>	<u>(87,904)</u>	<u>766</u>	<u>1,677,480</u>	<u>350,539</u>	<u>(25,712)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	-	-	-
Transfers in	-	511,118	73,722	-	-	-	-
Transfers out	-	-	-	-	(1,088,516)	(73,722)	-
Total other financing sources and uses	<u>-</u>	<u>511,118</u>	<u>73,722</u>	<u>-</u>	<u>(1,088,516)</u>	<u>(73,722)</u>	<u>-</u>
Net change in fund balances	303	7,905	(14,182)	766	588,964	276,817	(25,712)
Fund balances - beginning	126,185	59,116	305,732	122,763	1,954,617	1,481,549	400,035
Fund balances - ending	<u>\$ 126,488</u>	<u>\$ 67,021</u>	<u>\$ 291,550</u>	<u>\$ 123,529</u>	<u>\$ 2,543,581</u>	<u>\$ 1,758,366</u>	<u>\$ 374,323</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021, (Continued)**

	<u>Municipal Airport Fund</u>	<u>Harshfield Library Donation</u>	<u>Golf Course Memorial Fund</u>	<u>Justice Assistance Grant Fund</u>	<u>Neighborhood Park Fund</u>	<u>Cemetery Perpetual Fund</u>	<u>Memorial Stadium Operating Fund</u>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	2,806	-
Investment earnings	683	1,331	61	-	39	35	-
Miscellaneous	-	-	-	-	-	-	-
Contributions and donations	-	-	9,586	-	272	-	-
Total revenues	<u>683</u>	<u>1,331</u>	<u>9,647</u>	<u>-</u>	<u>311</u>	<u>2,841</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General government	79	-	-	-	-	400	-
Public Safety	-	-	-	2,760	-	-	-
Culture and recreation	-	45,769	4,479	-	-	-	-
Capital Outlay	2,192	-	-	-	-	-	-
Total Expenditures	<u>2,271</u>	<u>45,769</u>	<u>4,479</u>	<u>2,760</u>	<u>-</u>	<u>400</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,588)</u>	<u>(44,438)</u>	<u>5,168</u>	<u>(2,760)</u>	<u>311</u>	<u>2,441</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,588)	(44,438)	5,168	(2,760)	311	2,441	-
Fund balances - beginning	289,305	674,485	7,223	5,894	15,146	7,921	-
Fund balances - ending	<u>\$ 287,717</u>	<u>\$ 630,047</u>	<u>\$ 12,391</u>	<u>\$ 3,134</u>	<u>\$ 15,457</u>	<u>\$ 10,362</u>	<u>\$ -</u>



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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021, (Continued)**

	<u>Housing TIF</u>	<u>BRTA Pass</u>	<u>Hotel Motel</u>	<u>Capital</u>	<u>CIP-Wastewater</u>	<u>CIP-</u>	<u>CIP-City Hall</u>
	<u>Districts</u>	<u>Through</u>	<u>Tax Fund</u>	<u>Improvement</u>	<u>Fund</u>	<u>Wastewater</u>	<u>Fund</u>
				<u>Sales Tax Fund</u>		<u>Regulatory</u>	
						<u>Fund</u>	
<b>REVENUES</b>							
Taxes	\$ 704,067	\$ 772,758	\$ 233,714	\$ 3,029,989	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	160,929	-	-	-
Charges for services	-	-	-	-	9,200	-	-
Investment earnings	-	-	-	16,780	88	1,686	179
Miscellaneous	-	-	-	29,750	-	-	11,401
Contributions and donations	-	-	-	-	-	-	-
Total revenues	<u>704,067</u>	<u>772,758</u>	<u>233,714</u>	<u>3,237,448</u>	<u>9,288</u>	<u>1,686</u>	<u>11,580</u>
<b>EXPENDITURES</b>							
Current:							
General government	296,677	-	713	1,367	-	-	792
Public Safety	-	-	-	8,387	-	-	-
Culture and recreation	-	-	-	17,371	-	-	-
Capital Outlay	-	-	-	2,272,049	38,462	-	-
Total Expenditures	<u>296,677</u>	<u>-</u>	<u>713</u>	<u>2,299,174</u>	<u>38,462</u>	<u>-</u>	<u>792</u>
Excess (deficiency) of revenues over expenditures	<u>407,390</u>	<u>772,758</u>	<u>233,001</u>	<u>938,274</u>	<u>(29,174)</u>	<u>1,686</u>	<u>10,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(772,758)	(232,241)	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(772,758)</u>	<u>(232,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	407,390	-	760	938,274	(29,174)	1,686	10,788
Fund balances - beginning	392,655	-	7,573	5,087,424	146,447	785,980	42,475
Fund balances - ending	<u>\$ 800,045</u>	<u>\$ -</u>	<u>\$ 8,333</u>	<u>\$ 6,025,698</u>	<u>\$ 117,273</u>	<u>\$ 787,666</u>	<u>\$ 53,263</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021, (Continued)**

	<u>CIP-Storm Sewer Fund</u>	<u>CDBG Fund</u>	<u>2008B GO Bond Fund</u>	<u>2009 GO Bond Fund</u>	<u>2010 GO Bond Fund</u>	<u>2012 GO Bond Fund</u>	<u>2018A GO Bond Fund</u>
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	78,882	-	-	-	-	-
Charges for services	6,528	-	-	-	-	-	-
Investment earnings	(28)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-
Total revenues	<u>6,500</u>	<u>78,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital Outlay	8,232	75,430	88	-	-	-	3,629,361
Total Expenditures	<u>8,232</u>	<u>75,430</u>	<u>88</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,629,361</u>
Excess (deficiency) of revenues over expenditures	<u>(1,732)</u>	<u>3,452</u>	<u>(88)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,629,361)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,732)	3,452	(88)	-	-	-	(3,629,361)
Fund balances - beginning	53,892	8	88	2,636	410	106,472	3,558,557
Fund balances - ending	<u>\$ 52,160</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ 2,636</u>	<u>\$ 410</u>	<u>\$ 106,472</u>	<u>\$ (70,804)</u>

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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2021, (Continued)**

	<u>2014B GO Bond</u>	<u>2021A GO Bond</u>	<u>2017 GO Bond</u>	<u>2018B GO Bond</u>	<u>2018C GO Bond</u>	<u>2019A GO Bond</u>	<u>2019B GO Bond</u>	<u>Total-Other</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>
								<u>Funds</u>
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,930,841
Intergovernmental	-	-	-	-	-	-	-	788,989
Charges for services	-	-	-	-	-	-	-	21,091
Investment earnings	-	-	-	-	-	-	-	380,707
Miscellaneous	-	-	-	-	-	-	-	46,108
Contributions and donations	-	-	-	-	-	-	-	85,127
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,252,863</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	70,920	-	-	86,081	-	160,710	1,125,138
Public Safety	-	-	-	-	-	-	-	1,053,718
Culture and recreation	-	-	-	-	-	-	-	287,517
Capital Outlay	24,239	-	155,395	164,963	885,435	1,142,407	-	8,398,253
Total Expenditures	<u>24,239</u>	<u>70,920</u>	<u>155,395</u>	<u>164,963</u>	<u>971,516</u>	<u>1,142,407</u>	<u>160,710</u>	<u>10,864,626</u>
Excess (deficiency) of revenues over expenditures	<u>(24,239)</u>	<u>(70,920)</u>	<u>(155,395)</u>	<u>(164,963)</u>	<u>(971,516)</u>	<u>(1,142,407)</u>	<u>(160,710)</u>	<u>(2,611,763)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from long-term debt	-	1,150,000	-	-	-	-	-	1,150,000
Transfers in	-	-	-	-	-	-	-	584,840
Transfers out	-	-	-	-	-	-	-	(2,167,237)
Total other financing sources and uses	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(432,397)</u>
Net change in fund balances	(24,239)	1,079,080	(155,395)	(164,963)	(971,516)	(1,142,407)	(160,710)	(3,044,160)
Fund balances - beginning	28,124	-	171,248	442,440	1,466,097	1,849,915	546,570	20,138,982
Fund balances - ending	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 15,853</u>	<u>\$ 277,477</u>	<u>\$ 494,581</u>	<u>\$ 707,508</u>	<u>\$ 385,860</u>	<u>\$ 17,094,822</u>

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**Combining Statement of Net Position – Nonmajor Enterprise Funds – June 30, 2021**

	<u>Adams Municipal Golf Course</u>	<u>Sooner Pool</u>	<u>Frontier Pool</u>	<u>Community Center Trust Authority</u>	<u>Adult Center Trust Authority</u>	<u>Bartlesville Redevelopment Trust Authority</u>	<u>Total</u>
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 436,407	\$ 17,863	\$ 2,418,823	\$ 2,873,093
Investments	99,965	3,712	11,927	5,455,055	73,598	-	5,644,257
Restricted:							
Cash and cash equivalents	-	-	-	50,000	-	-	50,000
Other receivables	45,091	515	74	91,609	-	6,795	144,084
Prepaid Expenses	-	-	-	12,553	-	-	12,553
Total current assets	<u>145,056</u>	<u>4,227</u>	<u>12,001</u>	<u>6,045,624</u>	<u>91,461</u>	<u>2,425,618</u>	<u>8,723,987</u>
Noncurrent assets:							
Mortgage and security agreement	-	-	-	-	-	133,901	133,901
Net OPEB asset	1,609	-	-	-	-	-	1,609
Capital assets:							
Land and construction in progress	498,500	-	-	1,035,952	97,615	-	1,632,067
Other capital assets, net of accum depr	1,050,008	165,543	738,534	4,015,976	115,991	-	6,086,052
Total noncurrent assets	<u>1,550,117</u>	<u>165,543</u>	<u>738,534</u>	<u>5,051,928</u>	<u>213,606</u>	<u>133,901</u>	<u>7,853,629</u>
Total assets	<u>1,695,173</u>	<u>169,770</u>	<u>750,535</u>	<u>11,097,552</u>	<u>305,067</u>	<u>2,559,519</u>	<u>16,577,616</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>							
Deferred amounts related to pensions	89,336	-	-	-	-	-	89,336
Deferred amounts related to OPEB	2,486	-	-	-	-	-	2,486
	<u>91,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,822</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	5,892	3,266	5,212	37,755	-	11,239	63,364
Accrued personnel expenses	8,174	-	-	8,498	-	-	16,672
Accrued interest payable	-	-	-	-	-	390	390
Advanced revenue	44,748	-	-	-	-	-	44,748
Deposit liability	-	-	-	26,739	-	-	26,739
Notes payable	-	-	-	-	-	133,686	133,686
Incentives payable	-	-	-	-	-	74,092	74,092
Total current liabilities	<u>58,814</u>	<u>3,266</u>	<u>5,212</u>	<u>72,992</u>	<u>-</u>	<u>219,407</u>	<u>359,691</u>
Noncurrent liabilities:							
Net pension liability	275,483	-	-	-	-	-	275,483
Total OPEB liability	12,354	-	-	-	-	-	12,354
Compensated absences	17,458	-	-	-	-	-	17,458
Total noncurrent liabilities	<u>305,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,295</u>
Total liabilities	<u>364,109</u>	<u>3,266</u>	<u>5,212</u>	<u>72,992</u>	<u>-</u>	<u>219,407</u>	<u>664,986</u>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Deferred amounts related to pensions	20,139	-	-	-	-	-	20,139
Deferred amounts related to OPEB	16,880	-	-	-	-	-	16,880
Total Deferred Inflow of Resources	<u>37,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,019</u>
<b>NET POSITION</b>							
Net investment in capital assets	1,548,508	165,543	738,534	5,051,928	213,606	-	7,718,119
Restricted for capital projects	-	-	-	50,000	-	-	50,000
Restricted for other purposes	-	-	-	-	-	2,079,292	2,079,292
Unrestricted (deficit)	(162,641)	961	6,789	5,922,632	91,461	260,820	6,120,022
Total net position	<u>\$ 1,385,867</u>	<u>\$ 166,504</u>	<u>\$ 745,323</u>	<u>\$ 11,024,560</u>	<u>\$ 305,067</u>	<u>\$ 2,340,112</u>	<u>\$ 15,967,433</u>

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**Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds – Year Ended June 30, 2021**

	<u>Adams Municipal Golf Course</u>	<u>Sooner Pool</u>	<u>Frontier Pool</u>	<u>Community Center Trust Authority</u>	<u>Adult Center Trust Authority</u>	<u>Bartlesville Redevelopment Trust Authority</u>	<u>Total</u>
<b>REVENUES</b>							
Charges for services	\$ 328,613	\$ -	\$ -	\$ 141,855	\$ 21,948	\$ -	\$ 492,416
Lease revenue	-	-	-	132,630	-	-	132,630
Operating grants and contributions	-	-	-	208,728	10,935	-	219,663
Total operating revenues	<u>328,613</u>	<u>-</u>	<u>-</u>	<u>483,213</u>	<u>32,883</u>	<u>-</u>	<u>844,709</u>
<b>OPERATING EXPENSES</b>							
Personal services	255,881	-	-	572,099	22,183	110,874	961,037
Contractual services	115,254	38,802	35,600	100,690	-	32,207	322,553
Utilities	15,557	-	9,103	93,201	5,612	1,822	125,295
Repairs and maintenance	33,896	5,655	9,452	23,955	4,151	-	77,109
Other supplies and expenses	57,116	5,577	6,334	59,217	2,936	8,516	139,696
Programs	-	-	-	-	-	321,289	321,289
Depreciation	108,709	24,068	203,343	409,287	8,674	-	754,081
Total operating expenses	<u>586,413</u>	<u>74,102</u>	<u>263,832</u>	<u>1,258,449</u>	<u>43,556</u>	<u>474,708</u>	<u>2,701,060</u>
Operating income (loss)	<u>(257,800)</u>	<u>(74,102)</u>	<u>(263,832)</u>	<u>(775,236)</u>	<u>(10,673)</u>	<u>(474,708)</u>	<u>(1,856,351)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	393	(38)	(56)	916,350	1,148	684	918,481
Miscellaneous revenue	-	1,000	6,500	-	-	-	7,500
Total non-operating revenue (expenses)	<u>393</u>	<u>962</u>	<u>6,444</u>	<u>916,350</u>	<u>1,148</u>	<u>684</u>	<u>925,981</u>
Income (loss) before contributions and transfers	<u>(257,407)</u>	<u>(73,140)</u>	<u>(257,388)</u>	<u>141,114</u>	<u>(9,525)</u>	<u>(474,024)</u>	<u>(930,370)</u>
Capital contributions	-	-	-	195,500	-	-	195,500
Transfers in	144,130	37,360	35,806	232,241	-	772,758	1,222,295
Change in net position	<u>(113,277)</u>	<u>(35,780)</u>	<u>(221,582)</u>	<u>568,855</u>	<u>(9,525)</u>	<u>298,734</u>	<u>487,425</u>
Total net position - beginning	1,499,144	202,284	966,905	10,455,705	314,592	2,041,378	15,480,008
Total net position - ending	<u>\$ 1,385,867</u>	<u>\$ 166,504</u>	<u>\$ 745,323</u>	<u>\$ 11,024,560</u>	<u>\$ 305,067</u>	<u>\$ 2,340,112</u>	<u>\$ 15,967,433</u>

**CITY OF BARTLESVILLE, OKLAHOMA**  
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**Combining Cash Flow Statement – Nonmajor Enterprise Funds – Year Ended June 30, 2021**

	<u>Adams Municipal Golf Course</u>	<u>Sooner Pool</u>	<u>Frontier Pool</u>	<u>Community Center Trust Authority</u>	<u>Adult Center Trust Authority</u>	<u>Bartlesville Redevelopment Trust Authority</u>	<u>Total Other Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 373,130	\$ 1,056	\$ 6,594	\$ 439,796	\$ 32,883	\$ (1,774)	\$ 851,685
Payments to suppliers and employees	(467,262)	(52,950)	(65,768)	(797,646)	(34,882)	-	(1,418,508)
Payments for incentives and operations	-	-	-	-	-	(475,040)	(475,040)
Net cash provided by (used in) operating activities	(94,132)	(51,894)	(59,174)	(357,850)	(1,999)	(476,814)	(1,041,863)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	144,130	37,360	35,806	232,241	-	772,758	1,222,295
Net cash provided by noncapital financing activities	144,130	37,360	35,806	232,241	-	772,758	1,222,295
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchases of capital assets	-	-	-	(116,184)	-	-	(116,184)
Decrease in security interest in property	-	-	-	-	-	140,000	140,000
Payment on incentives payable	-	-	-	-	-	(15,360)	(15,360)
Proceeds from capital grant	-	-	-	195,500	-	-	195,500
Principal paid on debt	-	-	-	-	-	(140,000)	(140,000)
Interest and fiscal agent fees paid on debt	-	-	-	-	-	(408)	(408)
Net cash provided by (used in) capital and related financing activities	-	-	-	79,316	-	(15,768)	63,548
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Sale of investments	-	14,572	23,424	-	-	-	37,996
Purchase of investments	(50,391)	-	-	(659,114)	(1,277)	-	(710,782)
Interest and dividends	393	(38)	(56)	916,350	1,148	684	918,481
Net cash provided by (used in) investing activities	(49,998)	14,534	23,368	257,236	(129)	684	245,695
<b>Net increase (decrease) in cash and cash equivalents</b>	-	-	-	210,943	(2,128)	280,860	489,675
<b>Balances - beginning of year</b>	-	-	-	275,464	19,991	2,137,963	2,433,418
<b>Balances - end of year</b>	\$ -	\$ -	\$ -	\$ 486,407	\$ 17,863	\$ 2,418,823	\$ 2,923,093
<b>Reconciliation to Statement of Net Position:</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 436,407	\$ 17,863	\$ 2,418,823	\$ 2,873,093
Restricted cash and cash equivalents - current	-	-	-	50,000	-	-	50,000
Total cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ 486,407	\$ 17,863	\$ 2,418,823	\$ 2,923,093
<b>Reconciliation of operating income (loss) to net cash provided by (used in) Operating Activities:</b>							
Operating (loss)	\$ (257,800)	\$ (74,102)	\$ (263,832)	\$ (775,236)	\$ (10,673)	\$ (474,708)	\$ (1,856,351)
Adjustments to reconcile (loss) to net cash (used in) operating activities:							
Depreciation expense	108,709	24,068	203,343	409,287	8,674	-	754,081
Miscellaneous revenue	-	1,000	6,500	-	-	-	7,500
Change in assets and liabilities:							
Accounts receivable	-	-	-	(43,417)	-	-	(43,417)
Other receivable	38,468	56	94	-	-	(1,774)	36,844
Accounts payable	811	(2,916)	(5,279)	37,447	-	(332)	29,731
Deferred revenue	6,050	-	-	-	-	-	6,050
Accrued salaries payable	336	-	-	2,200	-	-	2,536
OPEB liability	(17,550)	-	-	-	-	-	(17,550)
Pension liability	9,042	-	-	-	-	-	9,042
Deposits subject to refund	-	-	-	14,453	-	-	14,453
Prepaid expenses	-	-	-	(2,584)	-	-	(2,584)
Compensated absence liability	17,802	-	-	-	-	-	17,802
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (94,132)</u>	<u>\$ (51,894)</u>	<u>\$ (59,174)</u>	<u>\$ (357,850)</u>	<u>\$ (1,999)</u>	<u>\$ (476,814)</u>	<u>\$ (1,041,863)</u>

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**Combining Statement of Net Position – Internal Service Funds – June 30, 2021**

	<b>Internal Service Funds</b>			
	<b><u>Workers'</u></b>	<b><u>Health</u></b>	<b><u>Auto Collision</u></b>	
	<b><u>Compensation</u></b>	<b><u>Insurance</u></b>	<b><u>Insurance Fund</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ 45,900	\$ -	\$ 45,900
Investments	282,790	385	427,445	710,620
Cash held by third parties	60,000	-	-	60,000
Other receivables	769	(672)	-	97
Total current assets	<u>343,559</u>	<u>45,613</u>	<u>427,445</u>	<u>816,617</u>
Non-current assets:				
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>343,559</u>	<u>45,613</u>	<u>427,445</u>	<u>816,617</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	9,319	5,615	-	14,934
Claims and judgments	142,978	76,021	-	218,999
Compensated absences	-	-	-	-
Capital lease obligation	-	-	-	-
Loans payable	-	-	-	-
Net OPEB obligation	-	-	-	-
Underfunded pension liability	-	-	-	-
Bonds payable	-	-	-	-
Total current liabilities	<u>152,297</u>	<u>81,636</u>	<u>-</u>	<u>233,933</u>
Noncurrent liabilities:				
Claims and judgments	214,466	114,032	-	328,498
Total noncurrent liabilities	<u>214,466</u>	<u>114,032</u>	<u>-</u>	<u>328,498</u>
Total liabilities	<u>366,763</u>	<u>195,668</u>	<u>-</u>	<u>562,431</u>
<b>NET POSITION</b>				
Unrestricted (deficit)	(23,204)	(150,055)	427,445	254,186
Total net position	<u>\$ (23,204)</u>	<u>\$ (150,055)</u>	<u>\$ 427,445</u>	<u>\$ 254,186</u>

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**Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds**  
**– Year Ended June 30, 2021**

	<u>Internal Service Funds</u>			
	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Auto Collision</u> <u>Insurance Fund</u>	<u>Total</u>
<b>REVENUES</b>				
Charges for services	\$ 150,966	\$ 3,137,059	\$ 75,000	\$ 3,363,025
Total operating revenues	<u>150,966</u>	<u>3,137,059</u>	<u>75,000</u>	<u>3,363,025</u>
<b>OPERATING EXPENSES</b>				
Personal services	161,973	3,260,696	-	3,422,669
Contractual services	1,000	795,423	-	796,423
Repairs and maintenance	-	-	7,556	7,556
Total Operating Expenses	<u>162,973</u>	<u>4,056,119</u>	<u>7,556</u>	<u>4,226,648</u>
Operating income (loss)	<u>(12,007)</u>	<u>(919,060)</u>	<u>67,444</u>	<u>(863,623)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	640	(2,188)	-	(1,548)
Miscellaneous revenue	-	277,544	27,492	305,036
Total non-operating revenue	<u>640</u>	<u>275,356</u>	<u>27,492</u>	<u>303,488</u>
Change in net position	(11,367)	(643,704)	94,936	(560,135)
Total net position - beginning	(11,837)	493,649	332,509	814,321
Total net position - ending	<u>\$ (23,204)</u>	<u>\$ (150,055)</u>	<u>\$ 427,445</u>	<u>\$ 254,186</u>



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**Combining Cash Flow Statement – Internal Service Funds – Year Ended June 30, 2021**

	Internal Service Funds			
	<u>Workers'</u>	<u>Health</u>	<u>Auto Collision</u>	
	<u>Compensation</u>	<u>Insurance</u>	<u>Insurance Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 151,059	\$ 3,416,934	\$ 102,492	\$ 3,670,485
Payments to suppliers and employees	(65,691)	(3,882,555)	(7,556)	(3,955,802)
Net cash provided by (used in) operating activities	<u>85,368</u>	<u>(465,621)</u>	<u>94,936</u>	<u>(285,317)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale (purchase) of investments	(86,008)	467,809	(94,936)	286,865
Interest and dividends	640	(2,188)	-	(1,548)
Net cash provided by (used in) investing activities	<u>(85,368)</u>	<u>465,621</u>	<u>(94,936)</u>	<u>285,317</u>
<b>Net increase in cash and cash equivalents</b>	-	-	-	-
<b>Balances - beginning of year</b>	<u>60,000</u>	<u>45,900</u>	<u>-</u>	<u>105,900</u>
<b>Balances - end of year</b>	<u>\$ 60,000</u>	<u>\$ 45,900</u>	<u>\$ -</u>	<u>\$ 105,900</u>
<b>Reconciliation to Statement of Net Position:</b>				
Cash and cash equivalents	\$ -	\$ 45,900	\$ -	\$ 45,900
Cash held by third parties	60,000	-	-	60,000
Total cash and cash equivalents, end of year	<u>\$ 60,000</u>	<u>\$ 45,900</u>	<u>\$ -</u>	<u>\$ 105,900</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in)</b>				
<b>Operating Activities:</b>				
Operating income (loss)	\$ (12,007)	\$ (919,060)	\$ 67,444	\$ (863,623)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Miscellaneous revenue	-	277,544	27,492	305,036
Change in assets and liabilities:				
Other receivable	93	2,331	-	2,424
Accounts payable	6,221	(16,489)	-	(10,268)
Claims liability	91,061	190,053	-	281,114
Net cash provided by (used in) operating activities	<u>\$ 85,368</u>	<u>\$ (465,621)</u>	<u>\$ 94,936</u>	<u>\$ (285,317)</u>

**CITY OF BARTLESVILLE, OKLAHOMA**  
**ANNUAL FINANCIAL REPORT**  
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**INTERNAL CONTROL AND COMPLIANCE INFORMATION**

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

To the Honorable Mayor and City Council  
City of Bartlesville, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bartlesville, Oklahoma (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 25, 2022.

Our report includes a reference to other auditors who audited the financial statements of the Community Center Trust Authority, Bartlesville Development Authority, and the Bartlesville Redevelopment Trust Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2021-01.

### **Purpose of this Report**

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

*Arledge & Associates, P.C.*

Edmond, Oklahoma  
April 25, 2022



**CITY OF BARTLESVILLE, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2021**

**A. Internal Control**

*None to report for the audit period*

**B. Compliance Findings**

**Finding: 2021-01 – Filing with the State Auditor (Repeat Finding of 2020-02)**

**Criteria:** In order to comply with filing of reports with the Oklahoma State Auditor and Inspector (State Auditor), management needs to appropriately monitor the timing of the submission of the filing of the audit report six months after the end of the fiscal year.

**Condition:** The implementation of the Enterprise Resource Planning system processes was not timely implemented to ensure that the filing of 2021 audit report was filed within the required time frame.

**Cause and Effect:** Enterprise Resource Planning implementation was the cause due to the City not able to close the yearend financial statement within the required time frame to file with the State Auditor.

**Recommendation:** We recommend the internal controls for reporting with the state auditor be reviewed to ensure that future filings are completed within the prescribed timeline.

**Management Response:** With the scope and magnitude of changes related to a complete change in Enterprise Resource Planning software the City knows that All policy and procedure manuals need updated and controls reevaluated to suite the City's new business practices.