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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**CITY OF BARTLESVILLE,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bartlesville, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, 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.

We did not audit the financial statements of the City's component units, Bartlesville Redevelopment Trust Authority, Bartlesville Community Center Trust Authority, and Bartlesville Development Authority, collectively (the "Authorities"), which represents 48 percent, 64 percent, and 10 percent, respectively, of the assets, net position, revenues, and where applicable, cash flows of the City of Bartlesville for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for these Authorities, are based solely other report of the other auditors.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 the City adopted new accounting guidance, GASB No. 87 *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual nonmajor fund financial statements as listed in the table of contents of other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and 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 September 29, 2023, 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 PC

Edmond, Oklahoma
September 29, 2023



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MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF BARTLESVILLE, OKLAHOMA
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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, 2022. 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, 2022, the City’s total net position increased by \$14.5 million or 6.83% from the prior year.
- During the year, the City’s expenses for governmental activities were \$31.6 million and were funded by program revenues of \$8.1 million and further funded with taxes and other general revenues that totaled \$36.1 million.
- In the City’s business-type activities, such as utilities, program revenues exceed program expenses by \$2.1 million.
- Taxes increased by \$2.4 million or 8.5% over the prior fiscal year.
- At June 30, 2022, the General Fund reported an unassigned fund balance of \$2.7 million, which is a decrease of 42% from the prior year unassigned fund balance.
- For budgetary reporting purposes, the General Fund reported revenues over estimates of \$0.03 million or 0.2%, while expenditures were under the final appropriations by \$0.7 million or 2.7%.
- Noteworthy changes to the City’s capital assets included:
 - Completed over \$2.6 million in street projects.
 - Completed construction of the Tower Green costing over \$2.4 million.
 - Completed replacement of a 20” water line costing over \$1.8 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 \$0.9 million to its stabilization reserve fund, bringing the total to \$10.2 million or 21% 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.

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.

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 \$226.6 million at the close of the most recent fiscal year.

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021*		2022	2021*		2022	2021*	
Current assets	\$ 64,691	\$ 52,745	23%	\$ 16,522	\$ 20,268	-18%	\$ 81,213	\$ 73,013	11%
Capital assets, net	102,592	100,545	2%	119,532	118,037	1%	222,124	218,582	2%
Other noncurrent assets	6,314	152	4054%	10,473	1,515	591%	16,787	1,667	907%
Total assets	173,597	153,442	13%	146,527	139,820	5%	320,124	293,262	9%
Deferred outflows of resources	5,794	6,738	-14%	549	800	-31%	6,343	7,538	-16%
Current liabilities	6,413	6,492	-1%	6,266	5,622	11%	12,679	12,114	5%
Noncurrent liabilities	33,839	39,393	-14%	30,849	35,025	-12%	64,688	74,418	-13%
Total liabilities	40,252	45,885	-12%	37,115	40,647	-9%	77,367	86,532	-11%
Deferred inflows of resources	14,888	1,838	710%	7,617	419	1718%	22,505	2,257	897%
Net position									
Net investment in									
capital assets	77,383	81,120	-5%	87,243	82,503	6%	164,626	163,623	1%
Restricted	40,057	32,360	24%	4,362	3,908	12%	44,419	36,268	22%
Unrestricted (deficit)	6,811	(1,023)	766%	10,739	13,143	-18%	17,550	12,120	45%
Total net position	\$ 124,251	\$ 112,457	10%	\$ 102,344	\$ 99,554	3%	\$ 226,595	\$ 212,011	7%

*Prior year has not been restated for implementation of GASB 87 - *Leases*.

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 2022, this investment in capital assets, net of related debt, amounted to \$163.9 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, \$44.4 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 \$7.9 million (or 769%) is due primarily to unspent cash proceeds of the issuance of G.O. Bonds at the end of the fiscal year.

The increase in business-type activities noncurrent assets and deferred inflows of resources relate to the Bartlesville Development Authority's implementation of GASB 87 - *Leases* which resulted in the recognition of leases receivable of \$6.4 million and related deferred inflows of resources of \$6.2 million.

Changes in Net Position

For the year ended June 30, 2022, net position of the primary government changed as follows:

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Revenues									
Charges for service	\$ 5,265	\$ 4,640	13%	\$ 24,354	\$ 21,200	15%	\$ 29,619	\$ 25,840	15%
Operating grants and contributions	2,190	4,981	-56%	329	220	50%	2,519	5,201	-52%
Capital grants and contributions	614	749	-18%	93	351	-74%	707	1,100	-36%
Taxes	30,755	28,340	9%	-	-	-	30,755	28,340	9%
Intergovernmental revenue	3,512	371	847%	-	-	-	3,512	371	847%
Investment income	(231)	404	-157%	(467)	948	-149%	(698)	1,352	-152%
Gain on sales of assets	1	(1)	-200%	6	84	-93%	7	83	-92%
Miscellaneous	2,048	1,061	93%	301	134	125%	2,349	1,195	97%
Total revenues	44,154	40,545	9%	24,616	22,937	7%	68,770	63,482	8%
Expenses									
General government	2,456	3,583	-31%	-	-	-	2,456	3,583	-31%
Public safety	13,720	17,622	-22%	-	-	-	13,720	17,622	-22%
Culture, parks and recreation	4,800	6,771	-29%	-	-	-	4,800	6,771	-29%
Public works	10,188	7,980	28%	-	-	-	10,188	7,980	28%
Interest on long-term debt	454	540	-16%	-	-	-	454	540	-16%
Water	-	-	-	8,206	7,903	4%	8,206	7,903	4%
Wastewater	-	-	-	4,606	4,682	-2%	4,606	4,682	-2%
Sanitation	-	-	-	3,255	3,288	-1%	3,255	3,288	-1%
Community Center	-	-	-	1,849	1,258	47%	1,849	1,258	47%
Airport	-	-	-	510	-	100%	510	-	100%
Other Business-Type Activities	-	-	-	4,235	4,380	-3%	4,235	4,380	-3%
Total expenses	31,618	36,496	-13%	22,661	21,511	5%	54,279	58,007	-6%
Excess (deficiency) before transfers	12,536	4,049	210%	1,955	1,426	-37%	14,491	5,475	165%
Transfers	(742)	2,820	126%	742	(2,820)	-126%	-	-	-
Change in net position	11,794	6,869	72%	2,697	(1,394)	293%	14,491	5,475	165%
Beginning net position	112,457	105,588	7%	99,647 **	100,948	-1%	212,104	206,536	3%
Ending net position	\$ 124,251	\$ 112,457	10%	\$ 102,344	\$ 99,554	3%	\$ 226,595	\$ 212,011	7%

* Prior year has not been restated for implementation of GASB 87 - Leases.

** Prior period adjustment for implementation of GASB 87 in comparative prior year for Bartlesville Development Authority.

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

Governmental Activities:

Operating grants and contributions decreased by \$2.7 million or 56% due to decrease in grant funding.

Intergovernmental revenue increased by \$3.1 million or 847% due to ARPA funding.

Investment income decreased by \$635,000 or 157% 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 2023 had a decrease of capital asset transfers moving from Governmental Type to Business Type.

Business-Type Activities:

Operating grants and contributions increased approximately \$109,000 due to an increase in capital grants for the Bartlesville Municipal Airport.

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Capital grants decreased approximately \$258,000 due to a decrease in capital grants for the Bartlesville Community Center Trust Authority.

Investment decreased increase by \$1.5 million due to decreases on the rate of return of investments.

Miscellaneous income increased by \$167,000 due to various infrequent sources throughout the Business-Type Funds.

Gain on sale of assets decrease by \$78,000 mostly due to the sale of assets by the Bartlesville Development Authority in the amount of \$82,976.

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)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
General government	\$ 2,456	\$ 3,583	-31%	(\$1,500)	\$279	-638%
Public safety	13,720	17,622	-22%	(11,105)	(15,202)	-27%
Culture, parks and recreation	4,800	6,771	-29%	(4,544)	(6,613)	-31%
Public works	10,188	7,980	28%	(5,946)	(4,049)	47%
Interest on long-term debt	454	540	-16%	(454)	(540)	-16%
Total	<u>31,618</u>	<u>\$ 36,496</u>	-13%	<u>(\$23,549)</u>	<u>(\$26,125)</u>	-10%

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 governments”. Sales tax revenue reported in the Government-wide Financial Statements totaled \$22,530,622, which represented a 9.3% increase over prior year receipts.

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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 72 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 an increase of \$2.6 million in net position.

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

	Total Expense		% Inc. Dec.	Net Revenue (Expense)		% Inc. Dec.
	of Services			of Services		
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
Water	\$ 8,206	\$ 7,903	4%	\$ 3,342	\$ 2,751	21%
Wastewater	4,606	4,682	-2%	1,039	310	235%
Sanitation	3,255	3,288	-1%	2,152	1,245	73%
Community center	1,849	1,258	47%	(1,036)	(712)	46%
Airport	510	-	100%	(235)	-	100%
Other business-type activities	<u>4,235</u>	<u>4,380</u>	-3%	<u>(3,146)</u>	<u>(3,335)</u>	-6%
Total	<u>\$22,661</u>	<u>\$21,511</u>	5%	<u>\$ 2,116</u>	<u>\$ 259</u>	717%

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

Total assets from governmental activities are approximately \$173.6 million, which represents an increase of \$20.2 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 \$871,580 being set aside in a formal stabilization reserve fund and \$6.2 million being set aside in a formal capital reserve fund. These policies provide for stability and planned capital replacement even during difficult economic times.

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

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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 \$44.1 million for the year and \$46.5 million in expenditures resulting in a deficiency in revenues over expenditures of (\$2.4 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 \$12.9 million. When combined with the deficiency mentioned above, the City's governmental funds' fund balances in total finished the year up approximately \$10.5 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 2022A G.O. Bond Fund. The CIP – Sales Tax Fund receives dedicated sales tax to fund capital improvements. The CIP sales tax fund received \$3.4 million in revenues while expending \$6.6 million leaving a decrease in fund balance of approximately \$3.2 million. 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 finance these funds' long-term capital plans. This fund accumulated \$6.3 million in revenue and transfers while spending \$4.8 million which resulted in an increased fund balance of approximately \$1.5 million. The 2018B G.O. Bond Fund spent approximately \$247,810 of prior year bond proceeds, which explains the decrease in fund balance of the same amount. The 2018C G.O. Bond Fund spent approximately \$452,763 of prior year bond proceeds, which explains the decrease in fund balance of the same amount.

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The 2019A G.O. Bond Fund spent approximately \$58,257 of prior year bond proceeds, which explains the decrease in fund balance of the same amount. The 2022A G.O. Bond Fund received \$9.5 million in bond proceeds, with \$129,975 in expense therefore increasing the fund balance by approximately \$9.3 million.

The general fund reflects an increase in fund balance of \$2,799,228 which brings it up to \$18.93 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 \$790,100 over the budget estimates of \$32,302,069. 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 2021 were \$718,463 below the final budget of \$29,390,884. 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, 2022, the City had \$222.1 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 \$3.5 million over last year.

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

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 3,424	\$ 3,424	\$ 7,466	\$ 7,416	\$ 10,890	\$ 10,840
Works of art	-	-	46	46	46	46
Buildings	2,157	2,626	73,031	74,347	75,188	76,973
Infrastructure	77,931	75,595	31,021	31,615	108,952	107,210
Machinery, furniture and equipment	4,742	4,299	3,772	3,745	8,514	8,044
Leased assets	163	-	31	-	194	-
Construction in progress	14,175	14,602	4,165	868	18,340	15,470
Totals	<u>\$ 102,592</u>	<u>\$ 100,546</u>	<u>\$ 119,532</u>	<u>\$ 118,037</u>	<u>\$ 222,124</u>	<u>\$ 218,583</u>

*Prior year has not been restated for implementation of GASB 87 - *Leases*.

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, 2022 the City of Bartlesville had approximately \$59.1 million in outstanding debt. Table 6 summarizes the outstanding debt. This increase of approximately \$2,967,000 more than last year is due primarily to the net effect of issuance of \$5.7 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)**

	Governmental		Business-Type			Total		Total Percentage Change
	Activities		Activities			Total		
	<u>2022</u>	<u>2021</u>	*	<u>2022</u>	<u>2021</u>	*	<u>2022</u>	
General obligation bonds	\$ 25,075	\$ 19,425	\$ -	\$ -	\$ 25,075	\$ 19,425	29.1%	
Notes payable (direct borrowings)	-	-	32,015	34,657	32,015	34,657	-7.6%	
Lease obligations (direct borrowings)	134	-	31	-	165	-	100.0%	
Workers' compensation claims liability	456	547	-	-	456	547	-16.6%	
Accrued compensated absences	1,038	1,204	343	292	1,381	1,496	-7.7%	
Totals	<u>\$ 26,703</u>	<u>\$ 21,176</u>	<u>\$ 32,389</u>	<u>\$ 34,949</u>	<u>\$ 59,092</u>	<u>\$ 56,125</u>	5.3%	

*Prior year has not been restated for implementation of GASB 87 - *Leases*.

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 jmuninger@cityofbartlesville.org.

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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

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Statement of Net Position— June 30, 2022

	<u>Governmental</u>	<u>Business-type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 14,709,781	\$ 7,155,166	\$ 21,864,947
Investments	43,476,465	4,810,915	48,287,380
Restricted cash and cash equivalents, current	54,029	1,571,600	1,625,629
Accounts receivable, net of allowance	1,372,993	3,183,274	4,556,267
Internal balances	911,464	(911,464)	-
Due from other governmental agencies	4,020,820	-	4,020,820
Inventories	67,767	603,656	671,423
Prepaid expenses	77,497	3,954	81,451
Incentive loans receivable, current	-	105,000	105,000
Restricted cash and cash equivalents, noncurrent	-	3,552,010	3,552,010
Mortgage and security agreement	-	215	215
Lease receivables	1,502,516	6,376,407	7,878,923
Incentive loans receivable, noncurrent	-	452,833	452,833
Other assets	-	402	402
Capital Assets:			
Land and construction in progress	17,599,450	11,677,287	29,276,737
Other capital assets, net of depreciation	84,992,777	107,854,306	192,847,083
Net OPEB asset	294,681	91,689	386,370
Net pension asset	4,516,934	-	4,516,934
Total Assets	<u>173,597,174</u>	<u>146,527,250</u>	<u>320,124,424</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	5,472,941	438,218	5,911,159
Deferred amounts related to OPEB	321,485	110,740	432,225
Total deferred outflow of resources	<u>5,794,426</u>	<u>548,958</u>	<u>6,343,384</u>
LIABILITIES			
Accounts payable and accrued expenses	2,908,975	1,913,695	4,822,670
Accrued interest payable	-	198,003	198,003
Due to depositors	5,000	1,304,017	1,309,017
Restricted cash reserves	-	298,422	298,422
Advanced revenues	7,864	69,851	77,715
Long-term liabilities			
Due within one year:			
Compensated absences	103,787	34,256	138,043
Bonds, notes and contracts	3,155,000	2,418,707	5,573,707
Incentives payable	-	13,407	13,407
Claims payable	182,260	-	182,260
Lease obligations payable	50,215	15,508	65,723
Due in more than one year:			
Compensated absences	934,083	308,305	1,242,388
Bonds, notes and contracts	21,920,000	29,596,576	51,516,576
Claims payable	273,389	-	273,389
Lease obligations payable	84,083	15,583	99,666
Total OPEB liability	1,213,765	377,657	1,591,422
Net pension liability	9,414,005	551,077	9,965,082
Total liabilities	<u>40,252,426</u>	<u>37,115,064</u>	<u>77,367,490</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	13,088,529	1,258,965	14,347,494
Deferred amounts related to OPEB	328,490	175,944	504,434
Deferred amounts related to leases	1,471,272	6,181,766	7,653,038
Total Deferred inflow of resources	<u>14,888,291</u>	<u>7,616,675</u>	<u>22,504,966</u>
NET POSITION			
Net investment in capital assets	77,382,929	87,242,965	164,625,894
Restricted by:			
Enabling legislation	16,308,863	-	16,308,863
Statutory requirements	22,895,111	-	22,895,111
External contracts	853,511	4,362,170	5,215,681
Unrestricted	6,810,469	10,739,334	17,549,803
Total net position	<u>\$ 124,250,883</u>	<u>\$ 102,344,469</u>	<u>\$ 226,595,352</u>

See accompanying notes to the basic financial statements.

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Statement of Activities –Year Ended June 30, 2022

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
Primary government							
Governmental Activities:							
General Government	\$ 2,456,270	\$ 454,422	\$ 469,653	\$ 32,240	\$ (1,499,955)	\$ -	\$ (1,499,955)
Public Safety	13,720,054	940,214	1,178,535	495,995	(11,105,310)	-	(11,105,310)
Culture and Recreation	4,800,289	35,800	134,655	85,874	(4,543,960)	-	(4,543,960)
Public Works	10,187,795	3,834,751	406,992	-	(5,946,052)	-	(5,946,052)
Interest on Long-term debt	453,796	-	-	-	(453,796)	-	(453,796)
Total governmental activities	<u>31,618,204</u>	<u>5,265,187</u>	<u>2,189,835</u>	<u>614,109</u>	<u>(23,549,073)</u>	<u>-</u>	<u>(23,549,073)</u>
Business-Type Activities:							
Water	8,205,542	11,547,338	-	-	-	3,341,796	3,341,796
Wastewater	4,606,466	5,638,171	-	7,734	-	1,039,439	1,039,439
Sanitation	3,255,334	5,407,125	-	-	-	2,151,791	2,151,791
Community Center	1,849,050	548,709	178,931	85,132	-	(1,036,278)	(1,036,278)
Airport	509,980	141,719	133,078	-	-	(235,183)	(235,183)
Other Business-Type Activities	4,234,908	1,071,592	17,205	-	-	(3,146,111)	(3,146,111)
Total business-type activities	<u>22,661,280</u>	<u>24,354,654</u>	<u>329,214</u>	<u>92,866</u>	<u>-</u>	<u>2,115,454</u>	<u>2,115,454</u>
Total primary government	<u>\$ 54,279,484</u>	<u>\$ 29,619,841</u>	<u>\$ 2,519,049</u>	<u>\$ 706,975</u>	<u>\$ (23,549,073)</u>	<u>\$ 2,115,454</u>	<u>\$ (21,433,619)</u>
General revenues:							
Taxes:							
Sales and use taxes					\$ 22,530,622	\$ -	\$ 22,530,622
TIF tax revenue					1,475,150	-	1,475,150
Property taxes					4,167,089	-	4,167,089
Franchise taxes and public service taxes					1,506,257	-	1,506,257
Other taxes					1,076,592	-	1,076,592
Intergovernmental revenue not restricted to specific programs					3,511,876	-	3,511,876
Unrestricted investment earnings					(231,451)	(466,999)	(698,450)
Miscellaneous					2,047,759	301,582	2,349,341
Gain on sale of assets					804	5,950	6,754
Transfers					(741,718)	741,718	-
Total general revenues and transfers					<u>35,342,980</u>	<u>582,251</u>	<u>35,925,231</u>
Change in net position					11,793,907	2,697,705	14,491,612
Net position - beginning, restated					112,456,976	99,646,764	212,103,740
Net position - ending					<u>\$ 124,250,883</u>	<u>\$ 102,344,469</u>	<u>\$ 226,595,352</u>

See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA
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BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

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Governmental Funds Balance Sheet - June 30, 2022

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Reserve Fund</u>	<u>2022 GO Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 3,085,891	-	-	9,370,025	\$ 2,193,865	\$ 14,649,781
Investments	13,262,341	3,428,769	13,558,606	-	12,086,141	42,335,857
Receivable from other governments	170,874	11,313	-	-	3,460	185,647
Due from other funds	384,466	-	-	-	-	384,466
Taxes receivable, net	3,131,012	-	-	-	931,112	4,062,124
Note receivable	-	-	218,008	-	-	218,008
Other receivables, net of allowance	848,884	-	-	-	39,597	888,481
Lease Receivable	1,502,516	-	-	-	-	1,502,516
Inventories	67,767	-	-	-	-	67,767
Prepaid expenses	77,497	-	-	-	-	77,497
Cash - restricted	54,029	-	-	-	-	54,029
Total assets	<u>\$ 22,585,277</u>	<u>\$ 3,440,082</u>	<u>\$ 13,776,614</u>	<u>\$ 9,370,025</u>	<u>\$ 15,254,175</u>	<u>\$ 64,426,173</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 311,470	\$ -	\$ 152,544	\$ -	\$ 1,116,857	\$ 1,580,871
Accrued payroll payable	1,029,362	-	-	-	43,807	1,073,169
Advanced revenue	7,724	-	-	-	140	7,864
Other payables	56,785	-	53,654	-	132,270	242,709
Total liabilities	<u>1,405,341</u>	<u>-</u>	<u>206,198</u>	<u>-</u>	<u>1,293,074</u>	<u>2,904,613</u>
Deferred inflow of resources:						
Unavailable revenue	777,299	-	-	-	-	777,299
Leases	1,471,272	-	-	-	-	1,471,272
Total Deferred Inflows of resources	<u>2,248,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,248,571</u>
Fund balances:						
Nonspendable	145,264	-	-	-	-	145,264
Restricted	-	3,440,082	13,570,416	9,370,025	13,676,962	40,057,485
Committed	10,211,008	-	-	-	294,260	10,505,268
Assigned	5,875,093	-	-	-	-	5,875,093
Unassigned (deficit)	2,700,000	-	-	-	(10,121)	2,689,879
Total fund balances	<u>18,931,365</u>	<u>3,440,082</u>	<u>13,570,416</u>	<u>9,370,025</u>	<u>13,961,101</u>	<u>59,272,989</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 22,585,277</u>	<u>\$ 3,440,082</u>	<u>\$ 13,776,614</u>	<u>\$ 9,370,025</u>	<u>\$ 15,254,175</u>	<u>\$ 64,426,173</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, 2022

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2022

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Reserve Fund</u>	<u>2022 GO Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Sales and miscellaneous taxes	\$ 19,066,624	\$ -	\$ -	\$ -	\$ 7,521,997	\$ 26,588,621
Property taxes	-	4,167,089	-	-	-	4,167,089
Intergovernmental	6,034,973	-	-	-	625,778	6,660,751
Licenses and permits	277,265	-	-	-	-	277,265
Charges for services	549,232	-	3,805,313	-	34,623	4,389,168
Fees and fines	740,151	-	-	-	-	740,151
Investment earnings	(78,284)	24,947	-	-	(177,048)	(230,385)
Miscellaneous	1,052,197	159,617	-	-	157,545	1,369,359
Contributions and donations	-	-	-	-	180,390	180,390
Total revenues	<u>27,642,158</u>	<u>4,351,653</u>	<u>3,805,313</u>	<u>-</u>	<u>8,343,285</u>	<u>44,142,409</u>
EXPENDITURES						
Current:						
General government	7,590,449	52,355	16,042	129,975	864,811	8,653,632
Public safety	15,292,227	-	-	-	1,080,912	16,373,139
Public works	1,685,564	-	2,058,770	-	-	3,744,334
Culture and recreation	2,960,283	-	-	-	514,934	3,475,217
Capital outlay	14	-	2,664,481	-	7,227,422	9,891,917
Debt service:						
Principal	48,222	3,850,000	-	-	1,816	3,900,038
Interest and other charges	813	455,626	-	-	157	456,596
Total expenditures	<u>27,577,572</u>	<u>4,357,981</u>	<u>4,739,293</u>	<u>129,975</u>	<u>9,690,052</u>	<u>46,494,873</u>
Excess (deficiency) of revenues over expenditures	<u>64,586</u>	<u>(6,328)</u>	<u>(933,980)</u>	<u>(129,975)</u>	<u>(1,346,767)</u>	<u>(2,352,464)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	9,500,000	-	9,500,000
Transfers in	6,048,169	-	2,456,491	-	621,848	9,126,508
Transfers out	(3,313,527)	-	-	-	(2,408,802)	(5,722,329)
Total other financing sources and uses	<u>2,734,642</u>	<u>-</u>	<u>2,456,491</u>	<u>9,500,000</u>	<u>(1,786,954)</u>	<u>12,904,179</u>
Net change in fund balances	2,799,228	(6,328)	1,522,511	9,370,025	(3,133,721)	10,551,715
Fund balances - beginning	16,132,137	3,446,410	12,047,905	-	17,094,822	48,721,274
Fund balances - ending	<u>\$ 18,931,365</u>	<u>\$ 3,440,082</u>	<u>\$ 13,570,416</u>	<u>\$ 9,370,025</u>	<u>\$ 13,961,101</u>	<u>\$ 59,272,989</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, 2022

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	59,272,989
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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.		102,592,227
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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 pension asset		4,516,934
Net OPEB asset		294,681
Pension related deferred outflows		5,472,941
OPEB related deferred outflows		321,485
Unavailable revenue deferred inflows		777,299
Internal service funds		767,286
Internal balance related to internal service fund classified as BTA		526,998

Some liabilities, therefore they, along with certain 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		(25,075,000)
Lease obligations payable		(134,298)
Net pension liability		(9,414,005)
Accrued compensated absences liability		(1,037,870)
Total OPEB liability		(1,213,765)
Pension related deferred inflows		(13,088,529)
OPEB related deferred inflows		(328,490)

Net Position of Governmental Activities in the Statement of Net Position		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 124,250,883</td> </tr> </table>	\$ 124,250,883
\$ 124,250,883			

See accompanying notes to the basic financial statements.

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Net change in fund balances - total governmental funds: \$ 10,551,715

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/amortization expense for the period.

Capital asset purchases capitalized	11,928,078
Depreciation expense	(5,898,553)
Amortization expense for leased assets	(20,983)
Capital assets transferred to business-type activities	(4,145,897)

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.	3,888,284
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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	123,474

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	3,850,000
Proceeds of long-term debt	(9,500,000)

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.	513,100
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Internal service fund activity related to Enterprise Funds	261,814
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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	166,285
Change in OPEB liability and related deferrals	26,552
Change in lease obligations payable	50,038

Change in net position of governmental activities	\$ 11,793,907
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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, 2022**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Proprietary Funds Statement of Net Position - June 30, 2022

	Enterprise Funds						Total	Total Internal Service Funds
	BMA	Wastewater Fund	Water Fund	Solid Waste Fund	Bartlesville Development Authority	Other Enterprise Funds		
ASSETS								
Current assets:								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 6,635,831	\$ 519,335	\$ 7,155,166	\$ 105,900
Restricted cash and cash equivalents	1,224,017	-	-	-	298,422	49,161	1,571,600	-
Investments	-	-	-	-	-	4,810,915	4,810,915	1,094,708
Accrued interest	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Accounts receivable, net	2,310,599	-	-	410,997	230,633	4,680	2,956,889	-
Cash held by third parties	-	-	-	-	-	-	-	-
Other receivables	78,074	-	1,688	2,375	-	144,248	226,385	39,553
Leases receivable, current	-	-	-	-	185,526	-	185,526	-
Incentive loans receivable, current	-	-	-	-	105,000	68,279	173,279	-
Prepaid expenses	-	-	-	-	-	-	-	-
Inventory	-	158,103	377,274	-	-	3,954	539,331	-
Total current assets	3,612,690	158,103	378,962	413,372	7,455,412	5,600,552	17,619,091	1,240,161
Noncurrent assets:								
Restricted:								
Cash and cash equivalents	764,660	-	-	-	-	2,787,350	3,552,010	-
Investments	-	-	-	-	-	-	-	-
Leases receivable, noncurrent	-	-	-	-	6,190,881	-	6,190,881	-
Mortgage and security agreement	-	-	-	-	-	215	215	-
Notes receivable	-	-	-	-	452,833	-	452,833	-
Other assets	-	-	-	-	402	-	402	-
Net OPEB asset	-	12,133	41,914	34,193	-	3,449	91,689	-
Capital assets:								
Land and construction in progress	4,889,698	32,187	135,877	-	4,987,458	1,632,067	11,677,287	-
Other capital assets, net of accumulated depreciation	34,163,643	15,502,121	11,228,092	1,833,994	39,583,499	5,542,957	107,654,306	-
Total noncurrent assets	39,818,001	15,546,441	11,405,883	1,868,187	51,215,073	9,968,038	129,819,623	-
Total assets	43,430,691	15,704,544	11,784,845	2,281,559	58,670,485	15,568,590	147,438,714	1,240,161
DEFERRED OUTFLOW OF RESOURCES								
Deferred amounts related to pensions	-	14,890	227,820	130,204	-	65,304	438,218	-
Deferred amounts related to OPEB	-	12,784	44,714	49,349	-	3,893	110,740	-
Total Deferred Outflow of Resources	-	27,674	272,534	179,553	-	69,197	548,958	-
LIABILITIES								
Current liabilities:								
Accounts payable	1,162,370	5,951	85,393	91,186	71,069	146,780	1,562,749	17,226
Restricted cash reserves	-	-	-	-	298,422	-	298,422	-
Accrued personnel expenses	-	18,236	111,947	73,296	-	40,922	244,401	-
Incentives payable	-	-	-	-	-	13,407	13,407	-
Accrued interest payable	198,003	-	-	-	-	-	198,003	-
Due to other funds	37,307	-	-	347,159	-	-	384,466	-
Lease obligations	-	-	9,304	4,343	-	1,861	15,508	-
Other accrued expenses	93,811	-	-	-	-	-	93,811	-
Advanced revenue	-	-	-	2,125	10,548	57,178	69,851	-
Deposit liability	1,224,017	-	-	-	80,000	12,734	1,316,751	-
Compensated absences	-	1,226	22,908	6,371	-	3,751	34,256	-
Claims and judgments	-	-	-	-	-	-	-	182,260
Bonds, notes and loans payable	2,244,240	-	-	-	174,467	-	2,418,707	-
Total current liabilities	4,959,748	25,413	229,552	524,480	634,506	276,633	6,650,332	199,486
Noncurrent liabilities:								
Lease obligations	-	-	9,340	4,325	-	1,918	15,583	-
Claims and judgments	-	-	-	-	-	-	-	273,389
Compensated absences	-	11,036	206,169	57,343	-	33,757	308,305	-
Bonds, notes and loans payable	27,881,329	-	-	-	1,715,247	-	29,596,576	-
Total OPEB liability	-	49,974	172,639	140,837	-	14,207	377,657	-
Net pension liability	-	5,882	281,305	191,097	-	72,793	551,077	-
Total noncurrent liabilities	27,881,329	66,892	669,453	393,602	1,715,247	122,675	30,849,198	273,389
Total liabilities	32,841,077	92,305	899,005	918,082	2,349,753	399,308	37,499,530	472,875
DEFERRED INFLOW OF RESOURCES								
Deferred amounts related to pensions	-	65,485	581,984	461,057	-	150,439	1,258,965	-
Deferred amounts related to OPEB	-	22,577	72,407	66,776	-	14,184	175,944	-
Deferred amounts related to Leases	-	-	-	-	6,181,766	-	6,181,766	-
Total Deferred Inflow of Resources	-	88,062	654,391	527,833	6,181,766	164,623	7,616,675	-
NET POSITION								
Net investment in capital assets	8,927,772	15,534,308	11,345,325	1,825,326	42,438,989	7,171,245	87,242,965	-
Restricted for capital projects	-	-	-	-	-	50,000	50,000	-
Restricted for other purposes	764,660	-	-	-	1,010,440	2,537,070	4,312,170	-
Unrestricted (deficit)	897,182	17,543	(841,342)	(810,129)	6,689,537	5,313,541	11,266,332	767,286
Total net position	\$10,589,614	\$ 15,551,851	\$10,503,983	\$ 1,015,197	\$ 50,138,966	\$ 15,071,856	\$ 102,871,467	\$ 767,286
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(526,998)
Net Position of Business-type Activities								\$ 102,344,469

See accompanying notes to the basic financial statements.

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2022

	Enterprise Funds							Total Internal Service Funds
	BMA	Wastewater Fund	Water Fund	Solid Waste Fund	Bartlesville Development Authority	Other Enterprise Funds	Total	
REVENUES								
Water	\$ 17,027,537	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,027,537	\$ -
Sanitation	-	-	-	5,407,125	-	-	5,407,125	-
Charges for services	-	-	-	-	629,711	1,132,309	1,762,020	3,646,803
Lease revenue	-	-	-	-	-	44,337	44,337	-
Operating grants and contributions	-	7,734	-	-	-	256,445	264,179	-
Total operating revenues	<u>17,027,537</u>	<u>7,734</u>	<u>-</u>	<u>5,407,125</u>	<u>629,711</u>	<u>1,433,091</u>	<u>24,505,198</u>	<u>3,646,803</u>
OPERATING EXPENSES								
Personal services	-	492,528	2,158,828	1,487,534	61,502	1,362,016	5,562,408	2,730,649
Contractual services	40,053	2,415,582	618,171	953,071	495,335	746,816	5,269,028	778,852
Utilities	-	7,781	550,218	6,445	4,786	233,169	802,399	3,280
Repairs and maintenance	-	120,898	620,128	171,461	1,690	100,809	1,014,986	28,295
Other supplies and expenses	-	(51,902)	604,484	250,597	1,705	268,480	1,073,364	-
Programs	-	-	-	-	1,047,298	170,510	1,217,808	-
Amortization expense	-	-	-	-	2,411	-	2,411	-
Depreciation	1,851,427	1,549,209	856,570	390,586	1,208,128	788,076	6,643,996	-
Total operating expenses	<u>1,891,480</u>	<u>4,534,096</u>	<u>5,408,399</u>	<u>3,259,694</u>	<u>2,822,855</u>	<u>3,669,876</u>	<u>21,586,400</u>	<u>3,541,076</u>
Operating income (loss)	<u>15,136,057</u>	<u>(4,526,362)</u>	<u>(5,408,399)</u>	<u>2,147,431</u>	<u>(2,193,144)</u>	<u>(2,236,785)</u>	<u>2,918,798</u>	<u>105,727</u>
NON-OPERATING REVENUES (EXPENSES)								
Interest and investment revenue	(8,990)	-	-	734	131,744	(590,487)	(466,999)	(1,066)
Miscellaneous revenue (expense)	92,570	75	6,399	-	-	322,640	421,684	408,439
Gain on capital asset disposal	-	-	4,249	1,701	-	-	5,950	-
Interest expense	(645,402)	-	(105)	(49)	(101,187)	(20)	(746,763)	-
Total non-operating revenue (expenses)	<u>(561,822)</u>	<u>75</u>	<u>10,543</u>	<u>2,386</u>	<u>30,557</u>	<u>(267,867)</u>	<u>(786,128)</u>	<u>407,373</u>
Income (loss) before transfers and capital contributions	14,574,235	(4,526,287)	(5,397,856)	2,149,817	(2,162,587)	(2,504,652)	2,132,670	513,100
Capital contributions	-	245,979	3,544,918	355,000	-	85,132	4,231,029	-
Transfers in	-	4,838,387	7,623,793	-	1,187,600	1,523,943	15,173,723	-
Transfers out	(12,462,180)	(1,501,012)	(2,355,530)	(2,259,180)	-	-	(18,577,902)	-
Change in net position	2,112,055	(942,933)	3,415,325	245,637	(974,987)	(895,577)	2,959,520	513,100
Total net position - beginning, restated	8,477,559	16,494,784	7,088,658	769,560	51,113,953	15,967,433	99,911,947	254,186
Total net position - ending	<u>\$ 10,589,614</u>	<u>\$ 15,551,851</u>	<u>\$ 10,503,983</u>	<u>\$ 1,015,197</u>	<u>\$ 50,138,966</u>	<u>\$ 15,071,856</u>	<u>\$ 102,871,467</u>	<u>\$ 767,286</u>
Change in Net Position, Enterprise Funds							2,959,520	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(261,815)	
Change in Net Position of Business-type Activities							<u>\$ 2,697,705</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, 2022

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022

	Enterprise Funds							Total Internal Service Funds
	BMA	Wastewater Fund	Water Fund	Solid Waste Fund	Bartlesville Development Authority	Other Enterprise Funds	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 16,672,204	\$ 7,810	\$ 6,399	\$ 5,345,368	\$ 486,570	\$ 1,763,336	\$ 24,281,687	\$ 4,051,432
Payments to suppliers and employees	(1,000)	(3,153,424)	(4,902,516)	(3,039,036)	(2,053,775)	(2,549,479)	(15,699,230)	(3,666,278)
Payments for incentives and operations	-	-	-	-	-	(332,544)	(332,544)	-
Receipts of customer meter deposits	193,196	-	-	-	-	-	193,196	-
Refunds of customer meter deposits	(178,890)	-	-	-	-	-	(178,890)	-
Interfund receipts/payments	37,307	(191,761)	(376,290)	(49,538)	-	-	(580,282)	-
Net cash provided by (used in) operating activities	<u>16,722,817</u>	<u>(3,337,375)</u>	<u>(5,272,407)</u>	<u>2,256,794</u>	<u>(1,567,205)</u>	<u>(1,118,687)</u>	<u>7,683,937</u>	<u>385,154</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from other funds	-	4,838,387	7,623,793	-	1,187,600	1,523,943	15,173,723	-
Transfers to other funds	(12,462,180)	(1,501,012)	(2,355,530)	(2,259,180)	-	-	(18,577,902)	-
Net cash provided by (used in) noncapital financing activities	<u>(12,462,180)</u>	<u>3,337,375</u>	<u>5,268,263</u>	<u>(2,259,180)</u>	<u>1,187,600</u>	<u>1,523,943</u>	<u>(3,404,179)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of capital assets	(2,088,250)	-	-	-	(362,111)	(239,397)	(2,689,758)	-
Proceeds from sale of capital asset	-	-	4,249	1,701	-	-	5,950	-
Proceeds from capital grant	-	-	-	-	-	85,132	85,132	-
Proceeds from debt	-	-	-	-	150,000	-	150,000	-
Decrease in security interest in property	-	-	-	-	-	133,686	133,686	-
Administrative reimbursements	-	-	-	-	-	(60,685)	(60,685)	-
Principal paid on debt	(2,337,602)	-	-	-	(320,341)	(133,686)	(2,791,629)	-
Interest and fiscal agent fees paid on debt	(681,594)	-	(105)	(49)	(101,186)	(410)	(783,344)	-
Net cash provided by (used in) capital and related financing activities	<u>(5,107,446)</u>	<u>-</u>	<u>4,144</u>	<u>1,652</u>	<u>(633,638)</u>	<u>(215,360)</u>	<u>(5,950,648)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Sale (Purchase) of investments	866,691	-	-	-	-	833,344	1,700,035	(384,088)
Interest and dividends	(8,990)	-	-	734	131,744	(590,487)	(466,999)	(1,066)
Net cash provided by (used in) investing activities	<u>857,701</u>	<u>-</u>	<u>-</u>	<u>734</u>	<u>131,744</u>	<u>242,857</u>	<u>1,233,036</u>	<u>(385,154)</u>
Net increase (decrease) in cash and cash equivalents	10,892	-	-	-	(881,499)	432,753	(437,854)	-
Balances - beginning of year	<u>1,977,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,815,752</u>	<u>2,923,093</u>	<u>12,716,630</u>	<u>105,900</u>
Balances - end of year	<u>\$ 1,988,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,934,253</u>	<u>\$ 3,355,846</u>	<u>\$ 12,278,776</u>	<u>\$ 105,900</u>
Reconciliation to Statement of Net Position:								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 6,635,831	\$ 519,335	\$ 7,155,166	\$ 105,900
Restricted cash and cash equivalents - current	1,224,017	-	-	-	298,422	-	1,522,439	-
Cash held by third parties	-	-	-	-	-	2,836,511	2,836,511	-
Restricted cash and cash equivalents - noncurrent	764,660	-	-	-	-	-	764,660	-
Total cash and cash equivalents, end of year	<u>\$ 1,988,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,934,253</u>	<u>\$ 3,355,846</u>	<u>\$ 12,278,776</u>	<u>\$ 105,900</u>

See accompanying notes to the basic financial statements.

CITY OF BARTLESVILLE, OKLAHOMA
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Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2022, (Continued)

	<u>BMA</u>	<u>Wastewater Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Bartlesville Development Authority</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in)								
Operating Activities:								
Operating income (loss)	\$ 15,136,057	\$ (4,526,362)	\$ (5,408,399)	\$ 2,147,431	\$ (2,193,144)	\$ (2,236,785)	\$ 2,918,798	\$ 105,727
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization expense	1,851,427	1,549,209	856,570	390,586	1,210,539	788,076	6,646,407	-
Miscellaneous revenue	92,570	75	6,399	-	-	322,640	421,684	408,439
Miscellaneous expense	-	-	-	-	-	-	-	-
Interest and investment revenue	-	-	-	-	-	-	-	-
Change in assets, liabilities and deferrals:								
Due from other funds	37,307	(191,761)	(376,290)	-	-	-	(530,744)	-
Accrued compensated absences	-	4,737	21,504	4,295	-	34,234	64,770	-
Accounts receivable	(364,757)	-	-	(61,022)	41,972	(134)	(383,941)	-
Other receivable	(44,093)	-	-	2,266	-	(4,691)	(46,518)	(3,810)
Change in lease receivables and related deferral	-	-	-	-	(102,132)	-	(102,132)	-
Change in inventory	-	-	-	-	-	(68,279)	(68,279)	-
Change in lease obligations/lease assets	-	-	(9,281)	(4,365)	-	(1,806)	(15,452)	-
Accounts payable	-	1,600	19,038	49,621	(441,459)	83,416	(287,784)	(33,354)
Advanced revenue	-	-	-	-	(82,981)	12,430	(70,551)	-
Accrued salaries payable	-	257	29,917	26,429	-	24,250	80,853	-
Due to other funds	-	-	-	(49,538)	-	-	(49,538)	-
Claims liability	-	-	-	-	-	-	-	(91,848)
Advanced revenue	-	-	-	(3,000)	-	-	(3,000)	-
Net and total OPEB liability and related deferrals	-	(14,506)	(42,031)	(28,776)	-	(14,381)	(99,694)	-
Net pension liability and related deferrals	-	(50,357)	(226,902)	(217,133)	-	(52,251)	(546,643)	-
Deposits subject to refund	14,306	-	-	-	-	(14,005)	301	-
Prepaid expenses	-	-	-	-	-	8,599	8,599	-
Inventory	-	(110,267)	(142,932)	-	-	-	(253,199)	-
Net cash provided by (used in) operating activities	<u>\$ 16,722,817</u>	<u>\$ (3,337,375)</u>	<u>\$ (5,272,407)</u>	<u>\$ 2,256,794</u>	<u>\$ (1,567,205)</u>	<u>\$ (1,118,687)</u>	<u>\$ 7,683,937</u>	<u>\$ 385,154</u>
Noncash activities:								
Contributed capital assets	-	245,979	3,544,918	355,000	-	-	4,145,897	-
	<u>\$ -</u>	<u>\$ 245,979</u>	<u>\$ 3,544,918</u>	<u>\$ 355,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,145,897</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

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Statement of Fiduciary Net Position - June 30, 2022

	<u>Mausoleum</u> <u>Endowment</u>
ASSETS	
Receivables:	
Other receivables	\$ 33
Total receivables	<u>33</u>
Investments:	
Other investments	<u>7,791</u>
Total investments	<u>7,791</u>
Total assets	<u><u>\$ 7,824</u></u>
 LIABILITIES	
Total liabilities	<u>-</u>
 NET POSITION	
Restricted for other organizations	<u>7,824</u>
Total net position	<u><u>\$ 7,824</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, 2022

	<u>Mausoleum</u> <u>Endowment</u>
ADDITIONS	
Investment earnings:	
Investment earnings	\$ (45)
Total net investment earnings	<u>(45)</u>
Total additions	<u>(45)</u>
DEDUCTIONS	
Miscellaneous expenses	\$ 289
Total deductions	<u>289</u>
Change in net position	<u>(334)</u>
Total net position - beginning	8,158
Total net position - ending	<u>\$ 7,824</u>

See accompanying notes to the basic financial statements.

**CITY OF BARTLESVILLE, OKLAHOMA
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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. 87, *Leases*.

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:

Blended Component Units Reported with the Primary Government	Brief Description of Activity’s Relationship to City	Reporting Funds
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. For reporting purposes, the General Fund includes the activities of the ARPA Account and CDBG Covid Grant Account. 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>
Major:	
General Fund	See above for description.
Debt Service Fund:	
Debt Service Fund	See above for description.
Capital Project Funds:	
Capital Reserve Fund	Accounts for proceeds and expenditures associated with the City's capital reserve ordinance.
2022 G.O. Bonds Fund	Accounts for bond proceeds and expenditures associated with the series 2022 G.O. Bond.
Nonmajor:	
Special Revenue Funds:	
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

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	which are provided to the library for operations.
Special Museum Fund	Accounts for museum grants and donations that are provided primarily by the BHMTA.
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	Accounts for revenues and expenditures of infrastructure improvements at the municipal airport including contracts and grants.
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.
Capital Project Funds:	
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.

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Capital Improvement – Wastewater Regulatory	Accounts for revenues and expenditures associated with the wastewater capital investment fees.
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.
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, Capital Reserve Fund and 2022 GO Bond 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> Major:	<u>Brief Description</u>
Enterprise Funds:	
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.
Municipal Airport Operations Fund	Accounts for revenues and expenses of the municipal airport.

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 additions and deductions of the mausoleum endowment fund. 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 position, the change in net 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 accounts 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.

Leases Receivables

The City (including Bartlesville Development Authority) is a party as lessor for seven long-term leases of land and buildings. The corresponding lease receivable are recorded in an amount equal to the present value of the expected future minimum lease payments received or received, respectively, discounted by an applicable interest rate.

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

Governmental Activities:

The City as a lessor, has entered into lease agreements involving land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$62,106.

Business-type Activities:

The Bartlesville Development Authority as a lessor, has entered into lease agreements involving land and buildings. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$283,607.

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, 2022 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, 2022 the City has deferred inflows of resources related to pensions, OPEB, and lease 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, 2022.

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

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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.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method. 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, lease obligations, 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.

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

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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 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

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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”.

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.

Amounts committed for stabilization may be used only in certain limited and unusual circumstances that must be declared to exist by a 4/5th'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.

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As of June 30, 2022, the City had the following balances committed for stabilization:

	Amount Committed for Stabilization	Original Budgeted Operating Expenses	Stabilization as % of Budgeted Expenses
General	\$ 6,481,032	\$ 30,223,467	21.4%
Wastewater	984,828	5,121,488	19.2%
Water	1,655,122	8,172,026	20.3%
Sanitation	1,090,026	5,115,112	21.3%
	\$ 10,211,008	\$ 48,632,093	21.0%

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 Balance 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, 2022, the following funds had a negative net position/fund balance:

2018A G.O. Bond Fund	(9,246)
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It is anticipated this immaterial deficit will be eliminated in the next fiscal year.

2. Cash, Cash Equivalents, and Investments

At June 30, 2022, the reporting entity held the following deposits and investments:

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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	30,117,705	30,117,705	-	-	-	-
Time Deposits	N/A	73,729	-	24,108	49,621	-	-
Total Deposits		<u>30,194,684</u>					
Investments:							
Corporate Stocks:							
Community Center	N/A	2,710,911	2,710,911				
Library Trust Authority	N/A	198,573	198,573				
Sub-total Corporate Stocks		<u>2,909,484</u>		-	-	-	-
Fixed Income:							
Corporate Bonds		551,080					
Treasury Bonds		-					
Municipal Bonds		251,901					
Other fixed income securities		352,741					
Agencies of the U.S. Govt.							
GNMA/FHLB/FNMA/FFCR	AAA	38,937,151					
Sub-total Fixed Income Investments		<u>40,092,873</u>	-	35,292,961	3,405,277	352,741	1,041,894
Mutual Funds							
Community Center		68,839	68,839	-	-	-	-
Library Trust Authority	AAA	1,201,318	1,201,318	-	-	-	-
Sub-total Mutual Funds		<u>1,270,157</u>					
Total Investments:		<u>44,272,514</u>					
Note Payments held in trust and cash with fiscal agent							
		870,559	870,559	-	-	-	-
Total:		<u>\$ 75,337,757</u>	<u>35,171,155</u>	<u>35,317,069</u>	<u>3,454,898</u>	<u>352,741</u>	<u>1,041,894</u>
Reconciliation to Statement of Net Position:							
Cash and Cash Equivalents:							
Government-wide		\$ 21,864,947					
Mausoleum		7,791					
Investments:							
Government-wide		48,287,380					
Restricted Cash and Cash Equivalents:							
Government-wide, current		1,625,629					
Government-wide, noncurrent		3,552,010					
Total:		<u>\$ 75,337,757</u>					

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, 2022:

Corporate stocks and bonds of \$2,909,484 are Level 1 inputs. U.S. Government and Agency bonds, corporate bonds, municipal bonds, other fixed income securities of \$40,092,873, and mutual funds of \$1,270,157 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.

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The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level to cover the uninsured deposits and accrued interest thereon. At June 30, 2022 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.

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, 2022 are as follows:

	Current	Noncurrent
	Cash and cash equivalents	Cash and cash equivalents
Series 2009 Principal Bond Account	\$ -	\$ 115,671
Series 2009 Interest Bond Account	-	90,518
Utility deposits	1,224,017	-
Bartlesville Development Authority	298,422	-
Bartlesville Municipal Authority	-	558,471
Court bonds	54,029	-
Community Center Trust Authority	49,161	-
Bartlesville Redevelopment Authority	-	2,787,350
Total	\$ 1,625,629	\$ 3,552,010

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3. Accounts, Notes and Leases 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	Less: Allowance	Net
	Receivable	for Uncollectible	Accounts
	<u>Receivable</u>	<u>Accounts</u>	<u>Receivable</u>
Governmental Activities:			
Franchise taxes	\$ 136,416	\$ -	\$ 136,416
Utilities (bug and light)	(230,044)	36,020	(194,024)
Business License	68,391	-	68,391
Court fines	454,807	-	454,807
Fuel Billing	11,337	-	11,337
Abatement	76,897	-	76,897
Demolition	306,295	-	306,295
Lodging tax	49,953	-	49,953
E-911 tax	40,582	-	40,582
Other	300,800	-	300,800
Interest receivable	121,539	-	121,539
Total Governmental Activities	<u>\$ 1,336,973</u>	<u>\$ 36,020</u>	<u>\$ 1,372,993</u>
Business-Type Activities:			
Golf Memberships	\$ 50,059	\$ -	\$ 50,059
Utilities (sanitation)	602,518	(191,521)	410,997
Utilities (Waste water)	1,260,926	(578,266)	682,660
Utilities (Water)	1,803,317	(783,749)	1,019,568
Judgments (BMA)	72,335	-	72,335
From other Govt's	608,371	-	608,371
Interest receivable	5,966	-	5,966
Other	9,203	-	9,203
Bartlesville Community Center Trust Autl	87,083	-	87,083
Bartlesville Development Authority	230,633	-	230,633
Bartlesville Redevelopment Authority	6,399	-	6,399
Total Business-Type Activities	<u>\$ 4,736,810</u>	<u>\$ (1,553,536)</u>	<u>\$ 3,183,274</u>

B. Incentive Loans Receivable

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, 2022, Husky employed twenty-nine employees. Therefore, incentive expense for Husky was \$7,470. 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, 2022 was \$45,000.

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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, 2022, Superior did not add any employees; therefore, Superior is to repay \$25,975 which is included in accounts receivable. Notes receivable due from Superior for the year ended June 30, 2022 was \$40,000. Superior made no repayments during the year ended June 30, 2022. Because of not meeting the employment target, Superior is to repay \$179,578. 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.

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, 2022, 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, 2022 was \$122,500.

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, 2022 was \$233,333.

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, 2022, Custom Molding Services employed fifteen 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, 2022 was \$117,000.

	Balance 7/1/2021	Additions	Reclassified	Forgiven	Payments	Balance 6/30/2022
Business-Type Activities/Bartlesville Development Authority:						
Husky	\$ 59,925	\$ 75	\$ (8,000)	\$ (7,000)	\$ -	\$ 45,000
Superior	60,000	-	(20,000)	-	-	40,000
Phillips Precision Machining	148,750	-	-	(26,250)	-	122,500
Phillips Precision Machining, #2	268,333	-	-	-	(35,000)	233,333
Custom Molding Services	135,000	-	-	(18,000)	-	117,000
Total Business-Type Activities/Bartlesville Development Authority	<u>\$ 672,008</u>	<u>\$ 75</u>	<u>\$ (28,000)</u>	<u>\$ (51,250)</u>	<u>\$ (35,000)</u>	<u>\$ 557,833</u>

Reconciliation to Statement of Net Position:	
Incentive loans receivable, current	105,000
Incentive loans receivable, noncurrent	452,833
Total Incentive Loans Receivable	<u>\$ 557,833</u>

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C. Leases Receivable

The City as a lessor, has entered into lease agreements involving land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$62,106.

The Bartlesville Development Authority (BDA), as a lessor, has entered into lease agreements involving land and buildings. The amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$283,607. The BDA, as a lessor, also has entered into a lease agreement involving land that has payments that vary based on expenses. During the fiscal year, the BDA received variable payments of \$59,368 which was based on the tenant's allocated share (15.95%) of operating expenses incurred by the BDA for maintenance, operation, and repair of the leased property. There has been no recognition of lease receivable or related deferred inflows of resources related to this variable lease.

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, 2022, capital assets balances changed as follows:

	Restated Balance at July 1, 2021	Additions	Disposals	Transfers	CIP	Balance at June 30, 2022
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 3,423,945	\$ -	\$ -	\$ -	\$ -	\$ 3,423,945
Construction in progress	14,601,694	10,236,961	-	-	(10,663,150)	14,175,505
Total capital assets not being depreciated	<u>18,025,639</u>	<u>10,236,961</u>	<u>-</u>	<u>-</u>	<u>(10,663,150)</u>	<u>17,599,450</u>
Other capital assets:						
Infrastructure and improvements	131,661,042	-	-	-	7,041,869	138,702,911
Buildings	12,414,111	-	-	-	-	12,414,111
Equipment and furniture	16,489,559	1,691,117	-	(524,617)	-	17,656,059
Total other capital assets at historical cost	<u>160,564,712</u>	<u>1,691,117</u>	<u>-</u>	<u>(524,617)</u>	<u>7,041,869</u>	<u>168,773,081</u>
Less accumulated depreciation for:						
Infrastructure and improvements	56,066,444	4,705,772	-	-	-	60,772,216
Buildings	9,788,097	469,216	-	-	-	10,257,313
Equipment and furniture	12,190,564	723,564	-	-	-	12,914,128
Total accumulated depreciation	<u>78,045,105</u>	<u>5,898,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,943,657</u>
Leased assets:						
Land	49,796	-	-	-	-	49,796
Equipment	134,540	-	-	-	-	134,540
Total leased assets	<u>184,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,336</u>
Less accumulated amortization:						
Land	-	6,095	-	-	-	6,095
Equipment	-	14,888	-	-	-	14,888
Total amortization of leased assets	<u>-</u>	<u>20,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,983</u>
Other capital assets, net	82,703,943	(4,228,418)	-	(524,617)	7,041,869	84,992,777
Governmental activities capital assets, net	<u>\$ 100,729,582</u>	<u>\$ 6,008,543</u>	<u>\$ -</u>	<u>\$ (524,617)</u>	<u>\$ (3,621,281)</u>	<u>\$ 102,592,227</u>

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	Restated Balance at July 1, 2021	Additions	Disposals	Transfers	CIP	Balance at June 30, 2022
Business-type activities:						
Capital assets not being depreciated:						
Land	\$ 7,416,021	\$ 50,000	\$ -	\$ -	\$ -	\$ 7,466,021
Works of Art	46,137	-	-	-	-	46,137
Construction in progress	867,731	3,344,428	-	-	(47,030)	4,165,129
Total capital assets not being depreciated	<u>8,329,889</u>	<u>3,394,428</u>	<u>-</u>	<u>-</u>	<u>(47,030)</u>	<u>11,677,287</u>
Other capital assets:						
Infrastructure and improvements	89,871,924	147,127	-	-	1,920,059	91,939,110
Buildings	142,936,903	312,109	-	-	1,595,928	144,844,940
Equipment and furniture	15,719,537	92,268	(29,568)	524,617	152,324	16,459,178
Total other capital assets at historical cost	<u>248,528,364</u>	<u>551,504</u>	<u>(29,568)</u>	<u>524,617</u>	<u>3,668,311</u>	<u>253,243,228</u>
Less accumulated depreciation for:						
Infrastructure and improvements	58,256,447	2,661,758	-	-	-	60,918,205
Buildings	68,589,815	3,224,039	-	-	-	71,813,854
Equipment and furniture	11,974,776	742,684	(29,568)	-	-	12,687,892
Total accumulated depreciation	<u>138,821,038</u>	<u>6,628,481</u>	<u>(29,568)</u>	<u>-</u>	<u>-</u>	<u>145,419,951</u>
Leased assets:						
Equipment	46,543	-	-	-	-	46,543
Less accumulated amortization:						
Equipment	-	15,514	-	-	-	15,514
Total leased assets being amortized, net	<u>46,543</u>	<u>(15,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,029</u>
Other capital assets, net	<u>109,753,869</u>	<u>(6,092,491)</u>	<u>-</u>	<u>524,617</u>	<u>3,668,311</u>	<u>107,854,306</u>
Business-type activities capital assets, net	<u>\$ 118,083,758</u>	<u>\$ (2,698,063)</u>	<u>\$ -</u>	<u>\$ 524,617</u>	<u>\$ 3,621,281</u>	<u>\$ 119,531,593</u>

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	\$ 1,161,049
Public safety	825,413
Public works	2,801,020
Culture and recreation	1,132,053
Depreciation expense	<u>\$ 5,919,535</u>

Business-Type Activities:

Wastewater	\$ 1,597,160
Water	2,660,053
Sanitation	390,627
Golf	103,707
Swimming pools	251,979
Community center	420,113
Other	1,220,356
	<u>\$ 6,643,995</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. During the year ended June 30, 2021, a portion of the land, with a cost of \$29,560 was sold for \$112,536. The remaining land is recorded at \$1,010,440. As of June 30, 2022, the Council has not requested the return of the land.

5. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2022, the reporting entity's long-term debt changed as follows:

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<u>Type of Debt</u>	Restated Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$ 19,425,000	\$ 9,500,000	\$ 3,850,000	\$ 25,075,000	\$ 3,155,000
Self insurance claims liability	547,497	2,730,649	2,822,497	455,649	182,260
Lease obligations (direct borrowings)	184,336	-	50,038	134,298	50,215
Accrued compensated absences	1,204,155	1,197,965	1,364,250	1,037,870	103,787
Total Governmental Activities	<u>21,360,988</u>	<u>13,428,614</u>	<u>8,086,785</u>	<u>26,702,817</u>	<u>3,491,262</u>
Business-Type Activities:					
Notes Payable (direct borrowings)	34,656,913	-	2,641,630	32,015,283	2,418,707
Lease obligations (direct borrowings)	46,543	-	15,452	31,091	15,508
Accrued compensated absences	291,975	291,619	241,033	342,561	34,256
Total Business-Type Activities	<u>34,995,431</u>	<u>291,619</u>	<u>2,898,115</u>	<u>32,388,935</u>	<u>2,468,471</u>
Total Long-Term Debt	<u>\$ 56,356,419</u>	<u>\$ 13,720,233</u>	<u>\$ 10,984,900</u>	<u>\$ 59,091,752</u>	<u>\$ 5,959,733</u>

Reconciliation to Statement of Net Position:

Governmental Activities:

Due within one year - bonds, notes, and contracts	\$ 3,155,000
Due within one year - compensated absences	103,787
Due within one year - claims payable	182,260
Due within one year - Lease obligations payable	50,215
Due in more than one year - bonds, notes and contracts	21,920,000
Due in more than one year - compensated absences	934,083
Due in more than one year - claims payable	273,389
Due in more than one year - lease obligations payable	84,083
Total Governmental Activities Long-term Debt	<u>\$ 26,702,817</u>

Business-Type Activities:

Due within one year - bonds, notes, and contracts	\$ 2,418,707
Due within one year - compensated absences	34,256
Due within one year - Lease obligations payable	15,508
Due in more than one year - bonds, notes and contracts	29,596,576
Due in more than one year - lease obligations payable	15,583
Due in more than one year - compensated absences	308,305
Total Business-Type Activities Long-term Debt	<u>\$ 32,388,935</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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On June 1, 2022, \$9,500,000 General Obligation Bonds, Series 2022, serial bonds due annual payments of \$1,185,000 and a final payment of \$1,205,000 through June 1, 2031; semi-annual interest at rates varying from 3% to 4%.	Current	\$ -
	Long-term	<u>9,500,000</u>
	Total	<u>9,500,000</u>
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	\$ 100,000
	Long-term	<u>1,050,000</u>
	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	<u>1,560,000</u>
	Total	<u>1,780,000</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	<u>400,000</u>
	Total	<u>500,000</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	<u>1,675,000</u>
	Total	<u>1,950,000</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	<u>5,700,000</u>
	Total	<u>6,840,000</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	<u>680,000</u>
	Total	<u>900,000</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	<u>1,175,000</u>
	Total	<u>1,750,000</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	<u>180,000</u>
	Total	<u>345,000</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	360,000
	Long-term	<u>-</u>
	Total	<u>360,000</u>
Total current portion		3,155,000
Total long-term portion		<u>21,920,000</u>
Total general obligation bonds		<u>\$ 25,075,000</u>

The City as a lessee has entered into lease agreements involving equipment and land for city operations.

Lease Obligations:	Current	50,215
	Long-term	<u>84,083</u>
	Total	<u>134,298</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 \$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	36,301
Long-term	<u>36,301</u>
Total	<u>72,602</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	27,625
Long-term	<u>27,624</u>
Total	<u>55,249</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	230,000
Long-term	<u>1,890,000</u>
Total	<u>2,120,000</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	1,723,000
Long-term	<u>24,579,000</u>
Total	<u>26,302,000</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	227,314
Long-term	<u>1,348,404</u>
Total	<u>1,575,718</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	174,467
Long-term	<u>1,715,247</u>
Total	<u>1,889,714</u>

Total current portion	2,418,707
Total long-term portion	<u>29,596,576</u>

Total notes payable	<u>\$ 32,015,283</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, 2022, the City fully complied with the requirement.

The Authority as a lessee has entered into a lease agreement involving equipment for operations.

Lease Obligations:	Current	15,508
	Long-term	<u>15,583</u>
	Total	<u>31,091</u>

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Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Governmental Activities			
	General			
	Obligation Bonds		Lease obligations	
	Principal	Interest	Principal	Interest
2023	\$ 3,155,000	\$ 529,425	\$ 50,215	\$ 793
2024	4,125,000	620,569	50,493	515
2025	3,970,000	516,695	6,238	333
2026	3,390,000	422,185	6,453	264
2027	3,150,000	331,025	6,523	193
2028-2031	7,285,000	543,850	14,376	175
Totals	<u>\$ 25,075,000</u>	<u>\$ 2,963,749</u>	<u>\$ 134,298</u>	<u>\$ 2,273</u>

<u>Year Ending June 30,</u>	Business Type Activities			
	Notes Payable (direct borrowings)		Lease Obligations	
	Principal	Interest	Principal	Interest
	2023	\$ 2,418,707	\$ 688,598	15,508
2024	2,470,814	636,481	15,583	41
2025	2,458,081	582,495	-	-
2026	2,504,491	527,814	-	-
2027	2,528,434	471,756	-	-
2028-2032	12,149,756	1,505,766	-	-
2033-2036	7,485,000	302,440	-	-
Totals	<u>\$ 32,015,283</u>	<u>\$ 4,715,350</u>	<u>\$ 31,091</u>	<u>\$ 159</u>

Conduit Debt:

The Bartlesville Education Authority (BEA) has issued its Series 2021A Lease Revenue Note for the Bartlesville Public Schools for \$13,970,000, dated September 15, 2021, with an interest rate of 1.129% and a maturity date of July 1, 2026. The note is secured by lease payments made by the School. Neither the BEA nor the City have any liability for this debt except for remitting the lease payments received to the lender. The balance of this note at June 30, 2022 is \$13,970,000.

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, 2022, the City's workers' compensation claims liability was \$280,190 and the health insurance claims liability was \$175,459 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):

	Worker's Comp	Health	Total
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	357,444	190,053	547,497
Claims and changes in estimates	23,818	2,706,831	2,730,649
Claims payments	(101,072)	(2,721,425)	(2,822,497)
Claims liability, June 30, 2022	<u>\$ 280,190</u>	<u>\$ 175,459</u>	<u>\$ 455,649</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	2022 G.O. Bond Fund	Other Governmental Funds	Total
Fund balances:						
Non-spendable						
Inventory	\$ 67,767	\$ -	\$ -	\$ -	\$ -	\$ 67,767
Prepaid items	77,497	-	-	-	-	77,497
Sub-total Non-spendable	<u>145,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,264</u>
Restricted for:						
Debt service	-	3,440,082	-	-	-	3,440,082
History museum	-	-	-	-	125,789	125,789
E-911	-	-	-	-	40,049	40,049
Special library	-	-	-	-	324,280	324,280
Special museum	-	-	-	-	128,261	128,261
Economic development	-	-	-	-	3,270,925	3,270,925
Library	-	-	-	-	1,540,599	1,540,599
Restricted revenues	-	-	-	-	250,752	250,752
Harshfield library donation	-	-	-	-	602,759	602,759
Justice assistance	-	-	-	-	7,619	7,619
Neighborhood parks	-	-	-	-	27,763	27,763
Cemetery	-	-	-	-	6,914	6,914
Housing TIF Districts	-	-	-	-	1,254,341	1,254,341
Hotel Motel Tax Fund	-	-	-	-	9,045	9,045
CIP Sales tax	-	-	-	-	2,858,814	2,858,814
CIP Wastewater	-	-	-	-	125,495	125,495
CIP Wastewater Regulatory	-	-	-	-	783,306	783,306
CIP City Hall	-	-	-	-	74,119	74,119
CIP Storm Sewer	-	-	-	-	53,058	53,058
Capital reserve	-	-	13,570,416	-	-	13,570,416
2022 G.O. Bond Fund	-	-	-	9,370,025	-	9,370,025
CDBG grant purposes	-	-	-	-	3,460	3,460
2014B G.O. bonds	-	-	-	-	3,885	3,885
2021A G.O. bonds	-	-	-	-	1,079,080	1,079,080
2017 G.O. bonds	-	-	-	-	53	53
2018B GO bonds	-	-	-	-	29,667	29,667
2018C GO bonds	-	-	-	-	41,818	41,818
2019A GO bonds	-	-	-	-	649,251	649,251
2019B GO bonds	-	-	-	-	385,860	385,860
Sub-total Restricted	<u>-</u>	<u>3,440,082</u>	<u>13,570,416</u>	<u>9,370,025</u>	<u>13,676,962</u>	<u>40,057,485</u>
Committed to:						
Stabilization reserve	10,211,008	-	-	-	-	10,211,008
Municipal airport	-	-	-	-	262,923	262,923
Golf course	-	-	-	-	31,337	31,337
Sub-total Committed	<u>10,211,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,260</u>	<u>10,505,268</u>
Assigned to:						
ARPA projects	3,156,371	-	-	-	-	3,156,371
Next year's budget	2,718,722	-	-	-	-	2,718,722
Sub-total Assigned	<u>5,875,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,875,093</u>
Unassigned (deficit):						
2018A GO bonds	-	-	-	-	(9,246)	(9,246)
2012 G.O. bonds	-	-	-	-	(875)	(875)
General Fund	2,700,000	-	-	-	-	2,700,000
Sub-total Unassigned	<u>2,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,121)</u>	<u>2,689,879</u>
Total fund balances	<u>\$ 18,931,365</u>	<u>\$ 3,440,082</u>	<u>\$ 13,570,416</u>	<u>\$ 9,370,025</u>	<u>\$ 13,961,101</u>	<u>\$ 59,272,989</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	\$ -	\$ 3,270,925	\$ -	\$ 3,270,925
E-911	-	40,049	-	40,049
Special Library	-	324,280	-	324,280
Special Museum	-	128,261	-	128,261
Bartlesville History Museum Trust Authority	-	125,789	-	125,789
Bartlesville Library Trust Authority	-	1,540,599	-	1,540,599
Restricted Revenues	-	-	250,752	250,752
Harshfield Library Donation	-	-	602,759	602,759
CDBG Grant	3,460	-	-	3,460
Justice Assistance Grant	7,619	-	-	7,619
Neighborhood Park	27,763	-	-	27,763
Cemetery Perpetual Care	6,914	-	-	6,914
Housing TIF Districts	1,254,341	-	-	1,254,341
Hotel Motel Tax Fund	9,045	-	-	9,045
Debt Service	3,440,082	-	-	3,440,082
Capital Improvement Funds:				
Sales Tax Capital Improvement Fund	-	2,858,814	-	2,858,814
Wastewater Fund	-	125,495	-	125,495
Wastewater Regulatory Fund	-	783,306	-	783,306
Storm Sewer Fund	-	53,058	-	53,058
City Hall	-	74,119	-	74,119
Capital Reserve Fund	-	13,570,416	-	13,570,416
General Obligation Bond Funds:				
2009 G.O. Bond Fund	-	-	-	-
2010 G.O. Bond Fund	-	-	-	-
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	53	-	-	53
2018B G.O. Bond Fund	29,667	-	-	29,667
2018C GO bonds	41,818	-	-	41,818
2019A GO bonds	649,251	-	-	649,251
2019B GO bonds	385,860	-	-	385,860
2022 GO bonds	9,370,025	-	-	9,370,025
Total restricted net position	<u>\$ 16,308,863</u>	<u>\$ 22,895,111</u>	<u>\$ 853,511</u>	<u>\$ 40,057,485</u>
Restricted Net Position - Business-type Activities:				
Bartlesville Municipal Authority	\$ -	\$ -	\$ 764,660	\$ 764,660
Community Center	-	-	50,000	50,000
Bartlesville Development Authority	-	-	1,010,440	1,010,440
Bartlesville Redevelopment Trust Authority	-	-	2,537,070	2,537,070
Total restricted net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,362,170</u>	<u>\$ 4,362,170</u>

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C. Prior Period Adjustment – The Bartlesville Development Authority implemented GASB 87 – *Leases* and presented comparative, separately issued, financial statements. This resulted in a prior period adjustment of \$92,509 due to the difference between lease receivable and the related deferred inflow of resources. The City does not present comparative financial statements, so there was no prior period adjustment related to the implementation of GASB 87.

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>
Water Fund	General Fund	37,307	To cover negative pooled cash
Solid Waste Fund	General Fund	347,159	To cover negative pooled cash
Total		<u>\$ 384,466</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Net</u>
Governmental Funds	\$ 384,466	\$ -	\$ 384,466
Proprietary Funds	-	(384,466)	(384,466)
Total	<u>384,466</u>	<u>(384,466)</u>	<u>-</u>

Reconciliation to Government-Wide Statements:

Net Interfund Balances	384,466	(384,466)
Consolidation of internal service funds activities related to enterprise funds	526,998	(526,998)
Total Internal Balances	<u>\$ 911,464</u>	<u>\$ (911,464)</u>

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2022 were as follows:

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Transfer From	Transfer To	Amount	Purpose of Transfer
Bartlesville Library Trust Authority	Special Library Fund	\$ 97,013	To subsidize the operations of the fund
BMA - Wastewater	Wastewater Fund	4,838,387	To subsidize the operations of the fund
BMA - Water	Water Fund	7,623,793	To subsidize the operations of the fund
General Fund	Adams Municipal Golf Course Fund	58,804	To subsidize the operations of the fund
General Fund	E-911 Fund	524,835	To subsidize the operations of the fund
General Fund	Frontier Pool Fund	50,404	To subsidize the operations of the fund
General Fund	Sooner Pool Fund	40,546	To subsidize the operations of the fund
General Fund	Municipal Airport Fund	250,000	To subsidize the operations of the fund
Hotel Motel Tax Fund	Bartlesville Community Center Trust Authori	344,681	To subsidize the operations of the fund
BRT A Pass-through	Bartlesville Redevelopment Trust Authority	779,508	Transfer TIF, sales tax, and hotel/motel tax
Economic Development Fund	Bartlesville Development Authority	1,187,600	To subsidize the operations of the fund
Solid Waste Fund	General Fund	1,557,445	To subsidize the operations of the fund
Wastewater Fund	General Fund	1,407,445	To subsidize the operations of the fund
Water Fund	General Fund	2,211,700	To subsidize the operations of the fund
General Fund	Capital Reserve Fund	1,850,000	Capital reserve fund established by Ordinance
Solid Waste Fund	Capital Reserve Fund	606,491	Capital reserve fund established by Ordinance
General Fund	General Fund-Stabilization Fund	538,938	Stabilization reserve fund established by Ordinance
Solid Waste Fund	General Fund-Stabilization Fund	95,244	Stabilization reserve fund established by Ordinance
Wastewater Fund	General Fund-Stabilization Fund	93,567	Stabilization reserve fund established by Ordinance
Water Fund	General Fund-Stabilization Fund	143,830	Stabilization reserve fund established by Ordinance
Total		\$ 24,300,231	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Government-Wide Capital Asset Transfers	Statement of Activities Net Transfers
Governmental Funds	\$ 9,126,508	\$ (5,722,329)	\$ (4,145,897)	\$ (741,718)
Proprietary Funds	15,173,723	(18,577,902)	4,145,897	741,718
	\$ 24,300,231	\$ (24,300,231)	\$ -	\$ -

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 ORF-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 \$34,309,283. Pledged net water and sewer utility revenues in the current fiscal year were \$3,604,722. Debt service payments of \$2,883,778 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 Hartford. 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 \$3,421,419 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

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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, 2022, the City had awarded construction contracts totaling \$9,285,158 for various City projects and of this amount \$1,562,503 was outstanding and payable from various funds.

BRTA Series 2009A Note:

In accordance with the Downtown Bartlesville Hotel Project Master Development Agreement, on May 15, 2009, the Authority executed a Tax Apportionment Note, Series 2009A (Taxable) (Downtown Commercial Increment District - Downtown Bartlesville Hotel Project), in the principal amount of \$1,200,000 with BancFirst, to finance the costs associated with the construction of the Downtown Bartlesville Hotel. Interest only shall accrue on the outstanding principal balance, at 5.50% per annum, due on June 1, 2010, and on June 1, 2011. On each June 1st thereafter, the rate will be adjusted annually, based on the quoted Wall Street Journal rate of interest, plus .25%, but shall never exceed the rate of 14.00% per annum. At June 30, 2022, the rate was calculated at 5.75%. Beginning on June 1, 2012, and continuing on June 1st of each year thereafter, principal and interest shall be paid in annual installments, with the final balloon payment to be paid on June 1, 2022. The Series 2009A Note is secured by a second mortgage on the Bartlesville Downtown Hotel Project property site. The outstanding balance of this incentive obligation as of June 30, 2022 is \$0.

Subsequent Events:

No subsequent events disclosures were identified for Bartlesville as of June 30, 2022.

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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 (Benefit):			
Employee Retirement System	\$ (451,705)	\$ (203,447)	\$ (655,152)
Police	(452,083)	-	(452,083)
Firefighters	(49,268)	-	(49,268)
	<u>\$ (953,056)</u>	<u>\$ (203,447)</u>	<u>\$ (1,156,503)</u>
Net Pension Asset:			
Police	<u>\$ 4,516,934</u>	<u>\$ -</u>	<u>\$ 4,516,934</u>
Net Pension Liability:			
Employee Retirement System	\$ 1,223,534	\$ 551,077	\$ 1,774,611
Firefighters	8,190,471	-	8,190,471
	<u>\$ 9,414,005</u>	<u>\$ 551,077</u>	<u>\$ 9,965,082</u>
Deferred Outflow:			
Employee Retirement System	\$ 828,012	\$ 438,218	\$ 1,266,230
Police	643,485	-	643,485
Firefighters	4,001,444	-	4,001,444
	<u>\$ 5,472,941</u>	<u>\$ 438,218</u>	<u>\$ 5,911,159</u>
Deferred Inflow:			
Employee Retirement System	\$ 2,493,159	\$ 1,258,965	\$ 3,752,124
Police	3,496,507	-	3,496,507
Firefighters	7,098,863	-	7,098,863
	<u>\$ 13,088,529</u>	<u>\$ 1,258,965</u>	<u>\$ 14,347,494</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

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:

- 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 \$633,577. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,274,053 (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 \$906,941.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a liability of \$8,190,471 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, 2021. 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, 2021. Based upon this information, the City's proportion was 1.243682%.

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For the year ended June 30, 2022, the City recognized pension expense (benefit) of \$(49,268). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,970,499	\$ 143,838
Change of assumptions	-	181,664
Net difference between projected and actual earnings on pension plan investments	-	6,511,074
Changes in proportion related to city contributions during the measurement period	391,024	259,816
Contributions during measurement date	6,344	2,471
City contributions subsequent to the measurement date	633,577	-
Total	\$ 4,001,444	\$ 7,098,863

The \$633,577 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, 2023. 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:	
2023	\$ (508,464)
2024	(756,001)
2025	(948,200)
2026	(1,518,331)
2026	-
Total	\$ (3,730,996)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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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, 2021, 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%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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. Prior to July 1, 2022, the plan was allocated 36% of the Statewide insurance premium tax. The State has passed legislation that changes the allocation percentage as follows:

- 25.2% effective September 1, 2020
- 36.0% effective July 1, 2022
- 37.8% effective July 1, 2022
- 36.0% effective July 1, 2027.

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	\$ 12,799,307	\$ 8,190,471	\$ 4,331,932

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.

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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.

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 \$490,582. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$419,424 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 \$267,109. These on-behalf payments did not meet the criteria of a special funding situation.

Net Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -At June 30, 2022, the City reported an asset of \$4,516,934 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and

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the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset 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, 2021. Based upon this information, the City's proportion was 0.9416%.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of \$(452,083). At June 30, 2022, 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	\$ 64,852	\$ 178,283
Changes of assumptions	68,688	-
Net difference between projected and actual earnings on pension plan investments	-	3,294,947
Changes in proportion	14,293	17,484
Contributions during measurement period	5,070	5,793
City contributions subsequent to the measurement date	490,582	-
Total	\$ 643,485	\$ 3,496,507

The \$490,582 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as either a reduction of or an addition to the net pension liability (asset) in the year ended June 30, 2023. 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:	
2023	\$ (752,669)
2024	(661,442)
2025	(836,321)
2026	(1,101,665)
2027	8,493
Total	\$ (3,343,604)

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

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

Cost-of-living 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

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decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

Mortality rates:

Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

Active employees (post-retirement): 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, 2021, 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, 2021, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private Equity	9.36%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% 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)	\$ (1,693,987)	\$ (4,516,934)	\$ (6,903,947)

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 .

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. 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 (asset), 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 07/01/21 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

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- | | |
|-----------------------------------|--|
| 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
-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. |

<i>D. Employees Covered by Benefit Terms</i>	
Active Employees	75
Active Employees – opted out 1/1/2010	16
Deferred Vested Former Employees	37
Retirees or Retiree Beneficiaries	<u>125</u>
Total	<u>253</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 21.92% of covered payroll as of July 1, 2021. For the year ended June 30, 2022, the City recognized \$1,034,151 of employer contributions to the plan which is equal to the actuarially determined amount based on covered payroll of \$4,717,842. 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, 2021
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 st 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:
	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, 2021, 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%
	100%		
Average Real Return			4.75%
Inflation			2.75%
Long-term expected return			7.50%

H. *Changes in Net Pension Liability* – The total pension liability was determined based on an actuarial valuation performed as of July 1, 2021 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, 2021 and the City’s report ending date of June 30, 2022, 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)
Balances Beginning of Year	<u>\$ 28,806,421</u>	<u>\$ 21,263,188</u>	<u>\$ 7,543,233</u>
Changes for the Year:			
Service cost	297,742	-	297,742
Interest expense	2,112,014	-	2,112,014
Experience losses (gains) - (amortized over avg remain svc period of actives & inactives)	(1,172,949)	-	(1,172,949)
Changes of assumptions	-	-	-
Contributions--City	-	909,053	(909,053)
Contributions--members	-	273,419	(273,419)
Net investment income	-	5,866,406	(5,866,406)
Benefits paid	(1,316,273)	(1,316,273)	-
Plan administrative expenses	-	(43,449)	43,449
Net Changes	<u>(79,466)</u>	<u>5,689,156</u>	<u>(5,768,622)</u>
Balances End of Year	<u>\$ 28,726,955</u>	<u>\$ 26,952,344</u>	<u>\$ 1,774,611</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 (Asset)	\$ 4,899,712	\$ 1,774,611	\$ (892,464)

The City reported \$(655,152) in pension expense (benefit) for the year ended June 30, 2022. At June 30, 2022, 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	\$ 85,243	\$ 646,963
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,958,827
Changes in proportion and differences between City contributions and proportionate share of contributions.	146,836	146,334
City contributions subsequent to the measurement date	1,034,151	-
Total	<u>\$ 1,266,230</u>	<u>\$ 3,752,124</u>

The \$1,034,151 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, 2023.

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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:

2023	\$(1,130,053)
2024	(816,326)
2025	(718,027)
2026	(855,639)
	<u>\$ (3,520,045)</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, 2022, the City contributed their required 3% fixed contributions of \$162,755 and an additional 2% of matched after-tax employee contributions of \$91,377 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 (Benefit):			
OkMRF Retiree Medical	\$ (59,549)	\$ (18,281)	\$ (77,830)
Unfunded implicit rate	72,835	83,194	156,029
	\$ 13,286	\$ 64,913	\$ 78,199
Net OPEB Asset:			
OkMRF Retiree Medical	\$ 294,681	\$ 91,689	\$ 386,370
	\$ 294,681	\$ 91,689	\$ 386,370
Total OPEB Liability:			
Unfunded implicit rate	\$ 1,213,765	\$ 377,657	\$ 1,591,422
	\$ 1,213,765	\$ 377,657	\$ 1,591,422
Deferred Outflow:			
OkMRF Retiree Medical	3,917	2,703	6,620
Unfunded implicit rate	317,568	108,037	425,605
	\$ 321,485	\$ 110,740	\$ 432,225
Deferred Inflow:			
OkMRF Retiree Medical	\$ 171,812	\$ 55,365	\$ 227,177
Unfunded implicit rate	156,678	120,579	277,257
	\$ 328,490	\$ 175,944	\$ 504,434

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. 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

<u>Provision</u>	As of 07/01/21 <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 th birthday of the retiree. Spouse/dependent – the 65 th 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	91
Nonactive Employees	<u>9</u>
Total	<u>100</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, 2021. For the year ended June 30, 2022, the City recognized \$0 of employer contributions to the plan which equals the actuarially determined amount based on covered payroll of \$4,339,478. 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, 2022
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, 2022 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%
	100%		
		Average Real Return	4.75%
		Inflation	2.75%
		Long-term expected return	7.50%

G. *Changes in Net OPEB Liability (Asset)* – The net OPEB liability (asset) was determined based on an actuarial valuation performed as of July 1, 2022 which is also the measurement date. There have not been changes in benefit terms that affected measurement of the total OPEB liability. The following table reports the components of changes in net OPEB liability (asset):

	June 30, 2022
Net OPEB Asset:	
Total OPEB Liability (TOL)	\$ 270,266
Plan's Fiduciary Net Position	(656,636)
Net OPEB Asset	\$ (386,370)
Plan's fiduciary net position as a % of TOL	242.96%

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	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Beginning Balances	\$ 333,509	\$ 528,924	\$ (195,415)
Changes for the Year:			
Service cost	6,465	-	6,465
Interest	24,478	-	24,478
Differences between expected and actual experience	(79,641)	-	(79,641)
Assumption changes	-	-	-
Contributions - employers	-	-	-
Net investment income	-	143,321	(143,321)
Benefit payments, including refunds	(14,545)	(14,545)	-
Administrative expense	-	(1,064)	1,064
Net changes	<u>(63,243)</u>	<u>127,712</u>	<u>(190,955)</u>
Ending Balances	<u>\$ 270,266</u>	<u>\$ 656,636</u>	<u>\$ (386,370)</u>

Sensitivity of the net OPEB asset to changes in the discount rate. The following presents the net OPEB asset of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net OPEB 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 asset	<u>\$ (373,852)</u>	<u>\$ (386,370)</u>	<u>\$ (395,660)</u>

Sensitivity of the net OPEB 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 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 asset. The following table reflects this.

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Net OPEB asset	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

The City reported \$(77,830) in OPEB expense (benefit) for the year ended June 30, 2022. At June 30, 2022, 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	\$ -	\$ 140,867
Changes of assumptions	2,042	-
Net difference between projected and actual earnings on OPEB plan investments	-	82,089
Changes in proportion	2,887	2,894
Contributions during the measurement period	1,691	1,327
Total	<u>\$ 6,620</u>	<u>\$ 227,177</u>

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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:

2023	\$	(69,327)
2024		(64,029)
2025		(48,437)
2026		(37,199)
2027		(1,565)
	<u>\$</u>	<u>(220,557)</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, 2022 the following employees were covered by the benefit terms:

Active Employees	262
Inactives or beneficiaries currently receiving benefit payments	<u>18</u>
Total	<u>280</u>

Total OPEB Liability – The City’s total OPEB liability of \$1,591,423 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2021.

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

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 2.16%, based on June 30, 2021 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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Age	Civilian Retirement Rate
55 - 61	7%
62	30%
63 - 64	17.5%
65 - 69	30%
70	100%
Years of Service	Retirement Rate Police
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 5.96% in 2021 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:

	Total OPEB Liability
Beginning balances	\$ 1,500,030
Changes for the Year:	
Service cost	94,128
Interest	33,777
Change in assumptions	8,116
Differences between expected and actual experience	73,374
Benefit payments, net of retiree contributions	(52,232)
Other changes	(65,770)
Net change in total OPEB liability	91,393
 Ending Balances	 \$ 1,591,423

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	\$ 1,765,248	\$ 1,591,423	\$ 1,438,758

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 5.96% 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 4.96% grading to 3.87%	Healthcare Cost Trend Rates 5.96% Grading to 4.87%	1% increase 6.96% grading to 5.87%
Total OPEB liability	\$ 1,442,814	\$ 1,591,423	\$ 1,770,180

The City reported \$156,029 in OPEB expense for the year ended June 30, 2022. At June 30, 2022, 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	\$ 63,155	\$ 152,378
Changes of assumptions	245,729	8,159
Changes in proportion	116,721	116,720
Total	\$ 425,605	\$ 277,257

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

Year ended June 30:

2023	\$	28,124
2024		28,837
2025		32,560
2026		32,556
2027		17,333
Thereafter		8,938
	\$	148,348

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, 2022, BDA paid a total of \$15,031 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, 2022, the employer contributed \$17,638 to the plan.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BARTLESVILLE, OKLAHOMA
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Budgetary Comparison Schedule – General Fund (Budgetary Basis) – Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget - Positive (Negative)</u>
REVENUES				
Taxes	\$ 16,592,774	\$ 16,672,774	\$ 19,066,624	\$ 2,393,850
Licenses and permits	222,400	222,400	277,266	54,866
Intergovernmental	3,611,100	3,611,100	750,642	(2,860,458)
Charges for services	437,900	437,900	544,226	106,326
Fees and fines	924,000	924,000	745,158	(178,842)
Investment earnings	100,000	100,000	(99,719)	(199,719)
Miscellaneous	310,000	324,579	1,042,358	717,779
Total revenues	<u>22,198,174</u>	<u>22,292,753</u>	<u>22,326,555</u>	<u>33,802</u>
EXPENDITURES				
Departmental:				
<i>General Government:</i>				
City council	22,660	22,660	11,455	11,205
Administration	873,348	983,627	1,038,573	(54,946)
Accounting and finance	1,620,829	1,710,867	1,630,115	80,752
Legal	218,844	249,444	218,612	30,832
Building & neighborhood service	816,529	818,029	796,943	21,086
Building maintenance	484,290	489,290	478,563	10,727
General services	727,059	745,931	708,725	37,206
Cemetery	16,710	16,710	9,530	7,180
Community development	575,474	580,974	559,884	21,090
Technical services	1,063,110	1,210,625	1,199,119	11,506
Engineering	440,517	445,517	451,010	(5,493)
Fleet maintenance	453,050	461,050	436,281	24,769
Fire	6,925,166	6,952,329	6,910,887	41,442
Police	7,024,231	7,054,560	6,714,257	340,303
Street	1,666,671	1,734,104	1,761,322	(27,218)
Library	1,477,411	1,496,911	1,443,929	52,982
History museum	200,929	204,929	190,726	14,203
Park and recreation	1,415,528	1,467,993	1,378,662	89,331
Total Expenditures	<u>26,022,356</u>	<u>26,645,550</u>	<u>25,938,593</u>	<u>706,957</u>
Excess (deficiency) of revenues over expenditures	<u>(3,824,182)</u>	<u>(4,352,797)</u>	<u>(3,612,038)</u>	<u>740,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,176,590	5,176,590	5,176,590	-
Transfers out	(3,088,528)	(3,338,528)	(3,338,528)	-
Total other financing sources and uses	<u>2,088,062</u>	<u>1,838,062</u>	<u>1,838,062</u>	<u>-</u>
Net change in fund balances	(1,736,120)	(2,514,735)	(1,773,976)	740,759
Fund balances - beginning	2,596,166	3,661,129	3,661,129	-
Fund balances - ending	<u>\$ 860,046</u>	<u>\$ 1,146,394</u>	<u>\$ 1,887,153</u>	<u>\$ 740,759</u>

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.

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3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total revenue and transfers- budgetary basis	\$ 27,503,145
Total expenditures and transfers - budgetary basis	<u>(29,277,121)</u>
Change in fund balance - budgetary basis	(1,773,976)
On-behalf payments	1,693,477
On-behalf payments	(1,693,477)
Encumbrances	545,226
Change in Fund Balance - ARPA Fund	3,156,371
Changes in Fund Balance - Stabilization Fund	871,579
Changes in Fund Balance - Court Bond Fund	28
Change in fund balance - GAAP basis	<u><u>\$ 2,799,228</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*

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	1.243682%	1.220613%	1.253881%	1.263230%	1.252617%	1.178227%	1.238168%	1.209825%
City's proportionate share of the net pension liability	\$ 8,190,471	\$ 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	\$ 4,041,686	\$ 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	203%	379%	343%	379%	442%	437%	402%	371%
Plan fiduciary net position as a percentage of the total pension liability	84.24%	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 eight 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*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 633,577	\$ 565,836	\$ 556,001	\$ 541,293	\$ 525,422	\$ 498,456	\$ 461,404	\$ 458,109
Contributions in relation to the statutorily required contribution	633,577	565,836	556,001	541,293	525,422	498,456	461,404	458,109
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,525,550	\$ 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%	14.00%

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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*

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.9416%	0.9622%	0.9141%	0.9607%	0.9420%	0.8547%	0.8863%	0.9499%
City's proportionate share of the net pension liability (asset)	\$ (4,516,934)	\$ 1,105,034	\$ (58,355)	\$ (457,617)	\$ 72,459	\$ 1,308,962	\$ 36,138	\$ (319,824)
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	\$ 2,561,631
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-138.63%	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)	117.07%	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 eight 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*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 490,582	\$ 423,587	\$ 418,990	\$ 386,424	\$ 380,885	\$ 365,183	\$ 327,774	\$ 326,429
Contributions in relation to the statutorily required contribution	490,582	423,587	418,990	386,424	380,885	365,183	327,774	326,429
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 3,773,708	\$ 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%	13.00%

Notes to Schedule:

*Only eight 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 Eight Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	\$ 297,742	\$ 292,419	\$ 312,887	\$ 287,037	\$ 314,106	\$ 306,603	\$ 343,430	\$ 318,728
Interest	2,112,014	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	(1,172,949)	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	(1,316,273)	(1,263,472)	(1,176,086)	(1,075,998)	(1,016,605)	(1,040,526)	(966,693)	(857,478)
Net change in total pension liability	(79,466)	1,479,894	839,893	902,360	598,698	1,226,991	703,845	1,150,892
Total pension liability - beginning	28,806,421	27,326,527	26,486,634	25,584,274	24,985,576	23,758,585	23,054,740	21,903,848
Total pension liability - ending (a)	\$ 28,726,955	\$ 28,806,421	\$ 27,326,527	\$ 26,486,634	\$ 25,584,274	\$ 24,985,576	\$ 23,758,585	\$ 23,054,740
Plan fiduciary net position								
Contributions - employer	\$ 909,053	\$ 875,145	\$ 955,002	\$ 1,111,238	\$ 1,118,024	\$ 1,098,186	\$ 1,145,860	\$ 1,230,392
Contributions - member	273,419	277,090	283,664	314,801	317,015	311,247	327,700	344,472
Net investment income	5,866,406	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	(1,316,273)	(1,263,472)	(1,176,086)	(1,075,998)	(1,016,605)	(1,040,526)	(966,693)	(857,478)
Administrative expense	(43,449)	(42,576)	(39,731)	(36,807)	(33,387)	(29,565)	(29,336)	(28,636)
Net change in plan fiduciary net position	5,689,156	695,069	1,351,887	1,616,348	2,301,216	481,918	876,556	2,592,729
Plan fiduciary net position - beginning	21,263,188	20,568,119	19,216,232	17,599,884	15,298,668	14,816,750	13,940,194	11,347,465
Plan fiduciary net position - ending (b)	\$ 26,952,344	\$ 21,263,188	\$ 20,568,119	\$ 19,216,232	\$ 17,599,884	\$ 15,298,668	\$ 14,816,750	\$ 13,940,194
Net pension liability - ending (a) - (b)	\$ 1,774,611	\$ 7,543,233	\$ 6,758,408	\$ 7,270,402	\$ 7,984,390	\$ 9,686,908	\$ 8,941,835	\$ 9,114,546
Plan fiduciary net position as a percentage of the total pension liability	93.82%	73.81%	75.27%	72.55%	68.79%	61.23%	62.36%	60.47%
Covered employee payroll	\$ 4,339,478	\$ 4,537,702	\$ 4,585,858	\$ 5,117,008	\$ 5,019,586	\$ 4,987,399	\$ 5,312,233	\$ 5,583,554
Net pension liability as a percentage of covered-employee payroll	40.89%	166.23%	147.37%	142.08%	159.06%	194.23%	168.33%	163.24%

Notes to Schedule:

Only eight 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 Eight Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,034,151	\$ 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	1,034,151	909,762	875,734	960,983	1,154,659	1,126,060	1,149,535	1,230,391
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,205)</u>	<u>\$ (50,720)</u>	<u>\$ (55,062)</u>	<u>\$ (100,678)</u>	<u>\$ (115,157)</u>	<u>\$ (156,626)</u>
Covered employee payroll	\$ 4,717,842	\$ 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	21.92%	19.95%	18.95%	20.27%	21.18%	22.15%	22.16%	23.16%

Notes to Schedule:

1. Only eight fiscal years are presented because 10-year data is not yet available.
2. Latest Valuation Date: July 1, 2021
3. Actuarially determined contribution rate is calculated as of July 1, 2021
July 2021 through June 2022 contributions were at a rate of 21.92%
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 5 Fiscal Years				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 94,128	\$ 75,359	\$ 44,980	\$ 46,223	\$ 46,222
Interest	33,777	34,838	44,926	41,397	41,236
Change in assumptions	8,116	(45,395)	175,661	70,673	(30,339)
Differences between expected and actual experience	73,374	-	-	-	-
Benefit payments, net of retiree contributions	(52,232)	(52,232)	(56,198)	(48,180)	(48,180)
Other changes	(65,770)	(102,269)	85,556	-	-
Net change in total OPEB liability	<u>91,393</u>	<u>(89,699)</u>	<u>294,925</u>	<u>110,113</u>	<u>8,939</u>
Total OPEB liability - beginning	<u>1,500,030</u>	<u>1,589,729</u>	<u>1,294,804</u>	<u>1,184,691</u>	<u>1,175,752</u>
Total OPEB liability - ending	<u>\$ 1,591,423</u>	<u>\$ 1,500,030</u>	<u>\$ 1,589,729</u>	<u>\$ 1,294,804</u>	<u>\$ 1,184,691</u>
Covered employee payroll	\$ 12,796,000	\$ 12,553,000	\$ 12,674,000	\$ 11,600,000	\$ 11,600,000
Total OPEB liability as a percentage of covered-employee payroll	12.44%	11.95%	12.54%	11.16%	10.21%

Notes to Schedule:

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

The discount rate used for were as follows:

- 2020: 3.50%
- 2021: 2.21%
- 2022: 2.16%

Healthcare cost trend rates graded from 5.96% in 2021 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*

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 6,465	\$ 6,374	\$ 6,682	\$ 6,217	\$ 5,710
Interest	24,478	27,367	32,149	36,579	37,749
Changes of assumptions	-	-	4,672	-	-
Experience Gain/(Loss)	(79,641)	(46,790)	(73,048)	(61,809)	-
Benefit payments, including refunds of member contributions	(14,545)	(36,008)	(32,492)	(47,346)	(59,140)
Net change in total OPEB liability	(63,243)	(49,057)	(62,037)	(66,359)	(15,681)
Total OPEB liability - beginning	333,509	382,566	444,603	510,962	526,643
Total OPEB liability - ending	\$ 270,266	\$ 333,509	\$ 382,566	\$ 444,603	\$ 510,962
Plan fiduciary net position					
Contributions - employer	\$ -	\$ -	\$ 7,253	\$ 41,443	\$ 44,363
Net investment income	143,321	21,426	35,701	36,960	56,138
Benefit payments	(14,545)	(36,008)	(32,492)	(47,346)	(59,140)
Administrative expense	(1,063)	(1,099)	(1,084)	(1,039)	(988)
Net change in plan fiduciary net position	127,713	(15,681)	9,378	30,018	40,373
Plan fiduciary net position - beginning	528,923	544,604	535,226	505,208	464,835
Plan fiduciary net position - ending (b)	\$ 656,636	\$ 528,923	\$ 544,604	\$ 535,226	\$ 505,208
Net OPEB liability (asset) - ending (a) - (b)	\$ (386,370)	\$ (195,414)	\$ (162,038)	\$ (90,623)	\$ 5,754
Plan fiduciary net position as a percentage of the total OPEB liability	242.96%	158.59%	142.36%	120.4%	98.87%
Covered employee payroll	\$ 4,339,478	\$ 4,537,702	\$ 4,585,858	\$ 5,258,659	\$ 5,410,122
Net OPEB liability (asset) as a percentage of covered-employee payroll	(8.90%)	(4.31%)	(3.53%)	(1.7%)	0.11%

Notes to Schedule:

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

**CITY OF BARTLESVILLE, OKLAHOMA
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SCHEDULE OF EMPLOYER CONTRIBUTIONS

Oklahoma Municipal Retirement Fund Retiree Medical Plan

Last Ten Fiscal Years*

	2022	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	\$ 4,464,184	\$ 4,339,478	\$ 4,537,702	\$ 4,585,858	\$ 5,258,659
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.15%	0.82%

Notes to Schedule:

1. *Only five fiscal years are presented because 10-year data is not yet available.
2. Valuation Date: June 30, 2021
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

**CITY OF BARTLESVILLE, OKLAHOMA
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OTHER SUPPLEMENTARY INFORMATION

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Combining Balance Sheet – General Fund Accounts – June 30, 2022

	<u>General Fund</u>	<u>ARPA Account</u>	<u>CDBG Covid Grant Account</u>	<u>Total General Fund Accounts</u>
ASSETS				
Cash and cash equivalents	\$ 3,250	\$ 3,156,371	\$ (73,730)	\$ 3,085,891
Investments	13,262,341	-	-	13,262,341
Receivable from other governments	97,144	-	73,730	170,874
Due from other funds	384,466	-	-	384,466
Taxes receivable, net	3,131,012	-	-	3,131,012
Other receivables	848,884	-	-	848,884
Lease Receivable	1,502,516	-	-	1,502,516
Inventories	67,767	-	-	67,767
Prepaid expenses	77,497	-	-	77,497
Cash - restricted	54,029	-	-	54,029
Total assets	<u>\$ 19,428,906</u>	<u>\$ 3,156,371</u>	<u>\$ -</u>	<u>\$ 22,585,277</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 311,470	\$ -	\$ -	\$ 311,470
Accrued payroll payable	1,029,362	-	-	1,029,362
Advanced revenue	7,724	-	-	7,724
Other payables	56,785	-	-	56,785
Total liabilities	<u>1,405,341</u>	<u>-</u>	<u>-</u>	<u>1,405,341</u>
Deferred inflow of resources:				
Unavailable revenue	777,299	-	-	777,299
Leases	1,471,272	-	-	1,471,272
Total Deferred Inflows of resources	<u>2,248,571</u>	<u>-</u>	<u>-</u>	<u>2,248,571</u>
Fund balances:				
Nonspendable	145,264	-	-	145,264
Committed	10,211,008	-	-	10,211,008
Assigned	2,718,722	3,156,371	-	5,875,093
Unassigned	2,700,000	-	-	2,700,000
Total fund balances	<u>15,774,994</u>	<u>3,156,371</u>	<u>-</u>	<u>18,931,365</u>
Total liabilities and fund balances	<u>\$ 19,428,906</u>	<u>\$ 3,156,371</u>	<u>\$ -</u>	<u>\$ 22,585,277</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – Year Ended June 30, 2022

	<u>General Fund</u>	<u>ARPA</u> <u>Account</u>	<u>CDBG Covid</u> <u>Grant</u> <u>Account</u>	<u>Total General</u> <u>Fund Accounts</u>
REVENUES				
Taxes	\$ 19,066,624	\$ -	\$ -	\$ 19,066,624
Intergovernmental	2,444,119	3,156,371	434,483	6,034,973
Licenses and permits	277,265	-	-	277,265
Charges for services	549,232	-	-	549,232
Fees and fines	740,151	-	-	740,151
Investment earnings	(78,284)	-	-	(78,284)
Miscellaneous	1,052,197	-	-	1,052,197
Total revenues	<u>24,051,304</u>	<u>3,156,371</u>	<u>434,483</u>	<u>27,642,158</u>
EXPENDITURES				
Current:				
General government	7,155,966	-	434,483	7,590,449
Public safety	15,292,227	-	-	15,292,227
Public works	1,685,564	-	-	1,685,564
Culture and recreation	2,960,283	-	-	2,960,283
Capital outlay	14	-	-	14
Debt service:				
Principal	48,222	-	-	48,222
Interest and other charges	813	-	-	813
Total expenditures	<u>27,143,089</u>	<u>-</u>	<u>434,483</u>	<u>27,577,572</u>
Excess (deficiency) of revenues over expenditures	<u>(3,091,785)</u>	<u>3,156,371</u>	<u>-</u>	<u>64,586</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,048,169	-	-	6,048,169
Transfers out	(3,313,527)	-	-	(3,313,527)
Total other financing sources and uses	<u>2,734,642</u>	<u>-</u>	<u>-</u>	<u>2,734,642</u>
Net change in fund balances	(357,143)	3,156,371	-	2,799,228
Fund balances - beginning	16,132,137	-	-	16,132,137
Fund balances - ending	<u>\$ 15,774,994</u>	<u>\$ 3,156,371</u>	<u>\$ -</u>	<u>\$ 18,931,365</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022

	<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>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	125,266	42,138	337,864	129,452	2,958,981	1,540,014	250,793
Receivable from other governments	-	-	-	-	-	-	-
Taxes receivable, net	-	40,582	-	-	300,046	-	-
Other receivables, net of allowance	523	43	1,381	541	12,038	585	-
Total assets	<u>\$ 125,789</u>	<u>\$ 82,763</u>	<u>\$ 339,245</u>	<u>\$ 129,993</u>	<u>\$ 3,271,065</u>	<u>\$ 1,540,599</u>	<u>\$ 250,793</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 2,119	\$ 13,485	\$ -	\$ -	\$ -	\$ 41
Advanced revenue	-	-	-	-	140	-	-
Accrued payroll payable	-	40,595	1,480	1,732	-	-	-
Other payables	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>42,714</u>	<u>14,965</u>	<u>1,732</u>	<u>140</u>	<u>-</u>	<u>41</u>
Fund balances:							
Restricted	125,789	40,049	324,280	128,261	3,270,925	1,540,599	250,752
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>125,789</u>	<u>40,049</u>	<u>324,280</u>	<u>128,261</u>	<u>3,270,925</u>	<u>1,540,599</u>	<u>250,752</u>
Total liabilities and fund balances	<u>\$ 125,789</u>	<u>\$ 82,763</u>	<u>\$ 339,245</u>	<u>\$ 129,993</u>	<u>\$ 3,271,065</u>	<u>\$ 1,540,599</u>	<u>\$ 250,793</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022, (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>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	261,788	602,497	31,820	7,619	27,648	8,612
Receivable from other governments	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-
Other receivables, net of allowance	1,135	2,548	120	-	115	36
Total assets	<u>\$ 262,923</u>	<u>\$ 605,045</u>	<u>\$ 31,940</u>	<u>\$ 7,619</u>	<u>\$ 27,763</u>	<u>\$ 8,648</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 2,286	\$ 603	\$ -	\$ -	\$ 1,734
Advanced revenue	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-
Other payables	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>2,286</u>	<u>603</u>	<u>-</u>	<u>-</u>	<u>1,734</u>
Fund balances:						
Restricted	-	602,759	-	7,619	27,763	6,914
Committed	262,923	-	31,337	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances	<u>262,923</u>	<u>602,759</u>	<u>31,337</u>	<u>7,619</u>	<u>27,763</u>	<u>6,914</u>
Total liabilities and fund balances	<u>\$ 262,923</u>	<u>\$ 605,045</u>	<u>\$ 31,940</u>	<u>\$ 7,619</u>	<u>\$ 27,763</u>	<u>\$ 8,648</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022, (Continued)

	<u>Housing TIF Districts</u>	<u>BRTA Pass Through</u>	<u>Hotel Motel Tax Fund</u>	<u>Capital Improvement Sales Tax Fund</u>	<u>CIP- Wastewater Fund</u>	<u>CIP-Wastewater Regulatory Fund</u>	<u>CIP-City Hall Fund</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,259,341	-	43,161	3,341,353	124,977	780,052	75,802
Receivable from other governments	-	-	-	-	-	-	-
Taxes receivable, net	-	-	29,972	560,512	-	-	-
Other receivables, net of allowance	-	-	-	16,223	518	3,254	317
Total assets	<u>\$ 1,259,341</u>	<u>\$ -</u>	<u>\$ 73,133</u>	<u>\$ 3,918,088</u>	<u>\$ 125,495</u>	<u>\$ 783,306</u>	<u>\$ 76,119</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 64,088	\$ 950,062	\$ -	\$ -	\$ -
Advanced revenue	-	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-	-
Other payables	5,000	-	-	109,212	-	-	2,000
Total liabilities	<u>5,000</u>	<u>-</u>	<u>64,088</u>	<u>1,059,274</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Fund balances:							
Restricted	1,254,341	-	9,045	2,858,814	125,495	783,306	74,119
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>1,254,341</u>	<u>-</u>	<u>9,045</u>	<u>2,858,814</u>	<u>125,495</u>	<u>783,306</u>	<u>74,119</u>
Total liabilities and fund balances	<u>\$ 1,259,341</u>	<u>\$ -</u>	<u>\$ 73,133</u>	<u>\$ 3,918,088</u>	<u>\$ 125,495</u>	<u>\$ 783,306</u>	<u>\$ 76,119</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022, (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>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	52,838	-	-	-	-	26,577	20,449
Receivable from other governments	-	3,460	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-	-
Other receivables, net of allowance	220	-	-	-	-	-	-
Total assets	<u>\$ 53,058</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,577</u>	<u>\$ 20,449</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,247	\$ 20,449
Advanced revenue	-	-	-	-	-	-	-
Accrued payroll payable	-	-	-	-	-	-	-
Other payables	-	-	-	-	-	4,205	9,246
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,452</u>	<u>29,695</u>
Fund balances:							
Restricted	53,058	3,460	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	(875)	(9,246)
Total fund balances	<u>53,058</u>	<u>3,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(875)</u>	<u>(9,246)</u>
Total liabilities and fund balances	<u>\$ 53,058</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,577</u>	<u>\$ 20,449</u>

CITY OF BARTLESVILLE, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2022, (Continued)

	<u>2014B GO Bond</u> <u>Fund</u>	<u>2021A GO Bond</u> <u>Fund</u>	<u>2017 GO Bond</u> <u>Fund</u>	<u>2018B GO Bond</u> <u>Fund</u>	<u>2018C GO Bond</u> <u>Fund</u>	<u>2019A GO Bond</u> <u>Fund</u>	<u>2019B GO Bond</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS								
Cash and cash equivalents	\$ -	\$ 1,079,080	\$ -	\$ -	\$ 71,694	\$ 657,231	\$ 385,860	\$ 2,193,865
Investments	3,885	-	53	33,161	-	-	-	12,086,141
Receivable from other governments	-	-	-	-	-	-	-	3,460
Taxes receivable, net	-	-	-	-	-	-	-	931,112
Other receivables, net of allowance	-	-	-	-	-	-	-	39,597
Total assets	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 53</u>	<u>\$ 33,161</u>	<u>\$ 71,694</u>	<u>\$ 657,231</u>	<u>\$ 385,860</u>	<u>\$ 15,254,175</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,720	\$ 29,043	\$ 7,980	\$ -	\$ 1,116,857
Advanced revenue	-	-	-	-	-	-	-	140
Accrued payroll payable	-	-	-	-	-	-	-	43,807
Other payables	-	-	-	1,774	833	-	-	132,270
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,494</u>	<u>29,876</u>	<u>7,980</u>	<u>-</u>	<u>1,293,074</u>
Fund balances:								
Restricted	3,885	1,079,080	53	29,667	41,818	649,251	385,860	13,676,962
Committed	-	-	-	-	-	-	-	294,260
Unassigned (deficit)	-	-	-	-	-	-	-	(10,121)
Total fund balances	<u>3,885</u>	<u>1,079,080</u>	<u>53</u>	<u>29,667</u>	<u>41,818</u>	<u>649,251</u>	<u>385,860</u>	<u>13,961,101</u>
Total liabilities and fund balances	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 53</u>	<u>\$ 33,161</u>	<u>\$ 71,694</u>	<u>\$ 657,231</u>	<u>\$ 385,860</u>	<u>\$ 15,254,175</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022

	<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>
REVENUES							
Taxes	\$ -	\$ 502,125	\$ -	\$ -	\$ 1,885,787	\$ -	\$ -
Intergovernmental	-	-	47,978	4,555	-	-	495,995
Charges for services	-	2,400	46	87	-	-	-
Investment earnings	(699)	(216)	(1,942)	(740)	(11,799)	(120,754)	-
Miscellaneous	-	-	5,051	-	40,956	-	250
Contributions and donations	-	-	53,776	28,346	-	-	30,881
Total revenues	<u>(699)</u>	<u>504,309</u>	<u>104,909</u>	<u>32,248</u>	<u>1,914,944</u>	<u>(120,754)</u>	<u>527,126</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	502,655
Public Safety	-	1,054,143	-	-	-	-	6,735
Culture and recreation	-	-	169,192	27,516	-	-	141,307
Debt Service:							
Principal	-	1,816	-	-	-	-	-
Interest and other charges	-	157	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,056,116</u>	<u>169,192</u>	<u>27,516</u>	<u>-</u>	<u>-</u>	<u>650,697</u>
Excess (deficiency) of revenues over expenditures	<u>(699)</u>	<u>(551,807)</u>	<u>(64,283)</u>	<u>4,732</u>	<u>1,914,944</u>	<u>(120,754)</u>	<u>(123,571)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	524,835	97,013	-	-	-	-
Transfers out	-	-	-	-	(1,187,600)	(97,013)	-
Total other financing sources and uses	<u>-</u>	<u>524,835</u>	<u>97,013</u>	<u>-</u>	<u>(1,187,600)</u>	<u>(97,013)</u>	<u>-</u>
Net change in fund balances	(699)	(26,972)	32,730	4,732	727,344	(217,767)	(123,571)
Fund balances - beginning	126,488	67,021	291,550	123,529	2,543,581	1,758,366	374,323
Fund balances - ending	<u>\$ 125,789</u>	<u>\$ 40,049</u>	<u>\$ 324,280</u>	<u>\$ 128,261</u>	<u>\$ 3,270,925</u>	<u>\$ 1,540,599</u>	<u>\$ 250,752</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022, (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>
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	41,025	-	-	4,485	-	-
Charges for services	-	-	-	-	-	2,652
Investment earnings	(1,593)	(3,487)	(34)	-	(88)	(67)
Miscellaneous	-	-	-	-	-	-
Contributions and donations	-	-	54,993	-	12,394	-
Total revenues	<u>39,432</u>	<u>(3,487)</u>	<u>54,959</u>	<u>4,485</u>	<u>12,306</u>	<u>2,585</u>
EXPENDITURES						
Current:						
General government	63,400	-	-	-	-	6,033
Public Safety	-	-	-	-	-	-
Culture and recreation	-	16,056	20,913	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital Outlay	826	7,745	15,100	-	-	-
Total Expenditures	<u>64,226</u>	<u>23,801</u>	<u>36,013</u>	<u>-</u>	<u>-</u>	<u>6,033</u>
Excess (deficiency) of revenues over expenditures	<u>(24,794)</u>	<u>(27,288)</u>	<u>18,946</u>	<u>4,485</u>	<u>12,306</u>	<u>(3,448)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(24,794)	(27,288)	18,946	4,485	12,306	(3,448)
Fund balances - beginning	287,717	630,047	12,391	3,134	15,457	10,362
Fund balances - ending	<u>\$ 262,923</u>	<u>\$ 602,759</u>	<u>\$ 31,337</u>	<u>\$ 7,619</u>	<u>\$ 27,763</u>	<u>\$ 6,914</u>

CITY OF BARTLESVILLE, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022, (Continued)

	<u>Housing TIF</u> <u>Districts</u>	<u>BRTA Pass</u> <u>Through</u>	<u>Hotel Motel</u> <u>Tax Fund</u>	<u>Capital</u> <u>Improvement</u> <u>Sales Tax Fund</u>	<u>CIP-Wastewater</u> <u>Fund</u>	<u>CIP-</u> <u>Wastewater</u> <u>Regulatory</u> <u>Fund</u>	<u>CIP-City Hall</u> <u>Fund</u>
REVENUES							
Taxes	\$ 695,642	\$ 779,508	\$ 344,680	\$ 3,314,255	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	31,740	-	-	-
Charges for services	-	-	-	-	28,250	-	-
Investment earnings	-	-	-	(30,182)	(635)	(4,360)	(162)
Miscellaneous	-	-	-	87,021	-	-	24,267
Contributions and donations	-	-	-	-	-	-	-
Total revenues	<u>695,642</u>	<u>779,508</u>	<u>344,680</u>	<u>3,402,834</u>	<u>27,615</u>	<u>(4,360)</u>	<u>24,105</u>
EXPENDITURES							
Current:							
General government	241,346	-	(713)	10,765	-	-	1,889
Public Safety	-	-	-	20,034	-	-	-
Culture and recreation	-	-	-	32,603	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	6,506,316	19,393	-	1,360
Total Expenditures	<u>241,346</u>	<u>-</u>	<u>(713)</u>	<u>6,569,718</u>	<u>19,393</u>	<u>-</u>	<u>3,249</u>
Excess (deficiency) of revenues over expenditures	<u>454,296</u>	<u>779,508</u>	<u>345,393</u>	<u>(3,166,884)</u>	<u>8,222</u>	<u>(4,360)</u>	<u>20,856</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(779,508)	(344,681)	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(779,508)</u>	<u>(344,681)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	454,296	-	712	(3,166,884)	8,222	(4,360)	20,856
Fund balances - beginning	800,045	-	8,333	6,025,698	117,273	787,666	53,263
Fund balances - ending	<u>\$ 1,254,341</u>	<u>\$ -</u>	<u>\$ 9,045</u>	<u>\$ 2,858,814</u>	<u>\$ 125,495</u>	<u>\$ 783,306</u>	<u>\$ 74,119</u>

CITY OF BARTLESVILLE, OKLAHOMA
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022, (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>
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,188	-	-	-	-	-	-
Investment earnings	(290)	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-
Total revenues	<u>898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	107,347	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital Outlay	-	-	-	2,636	410	-	(61,558)
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,636</u>	<u>410</u>	<u>107,347</u>	<u>(61,558)</u>
Excess (deficiency) of revenues over expenditures	898	-	-	(2,636)	(410)	(107,347)	61,558
OTHER FINANCING SOURCES (USES)							
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	898	-	-	(2,636)	(410)	(107,347)	61,558
Fund balances - beginning	52,160	3,460	-	2,636	410	106,472	(70,804)
Fund balances - ending	<u>\$ 53,058</u>	<u>\$ 3,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (875)</u>	<u>\$ (9,246)</u>

CITY OF BARTLESVILLE, OKLAHOMA
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2022, (Continued)

	<u>2014B GO Bond</u> <u>Fund</u>	<u>2021A GO Bond</u> <u>Fund</u>	<u>2017 GO Bond</u> <u>Fund</u>	<u>2018B GO Bond</u> <u>Fund</u>	<u>2018C GO Bond</u> <u>Fund</u>	<u>2019A GO Bond</u> <u>Fund</u>	<u>2019B GO Bond</u> <u>Fund</u>	<u>Total-Other</u> <u>Governmental</u> <u>Funds</u>
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,521,997
Intergovernmental	-	-	-	-	-	-	-	625,778
Charges for services	-	-	-	-	-	-	-	34,623
Investment earnings	-	-	-	-	-	-	-	(177,048)
Miscellaneous	-	-	-	-	-	-	-	157,545
Contributions and donations	-	-	-	-	-	-	-	180,390
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,343,285</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	39,436	-	-	864,811
Public Safety	-	-	-	-	-	-	-	1,080,912
Culture and recreation	-	-	-	-	-	-	-	514,934
Debt Service:								
Principal	-	-	-	-	-	-	-	1,816
Interest and other charges	-	-	-	-	-	-	-	157
Capital Outlay	-	-	15,800	247,810	413,327	58,257	-	7,227,422
Total Expenditures	<u>-</u>	<u>-</u>	<u>15,800</u>	<u>247,810</u>	<u>452,763</u>	<u>58,257</u>	<u>-</u>	<u>9,690,052</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(15,800)</u>	<u>(247,810)</u>	<u>(452,763)</u>	<u>(58,257)</u>	<u>-</u>	<u>(1,346,767)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	621,848
Transfers out	-	-	-	-	-	-	-	(2,408,802)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,786,954)</u>
Net change in fund balances	-	-	(15,800)	(247,810)	(452,763)	(58,257)	-	(3,133,721)
Fund balances - beginning	3,885	1,079,080	15,853	277,477	494,581	707,508	385,860	17,094,822
Fund balances - ending	<u>\$ 3,885</u>	<u>\$ 1,079,080</u>	<u>\$ 53</u>	<u>\$ 29,667</u>	<u>\$ 41,818</u>	<u>\$ 649,251</u>	<u>\$ 385,860</u>	<u>\$ 13,961,101</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Net Position – Nonmajor Enterprise Funds – June 30, 2022

	<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>Municipal Airport Operations</u>	<u>Total</u>
ASSETS								
Current assets:								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 300,690	\$ 34,059	\$ 19,548	\$ 165,038	\$ 519,335
Investments	30,939	23,120	14,635	4,668,492	73,729	-	-	4,810,915
Restricted:								
Cash and cash equivalents	-	-	-	49,161	-	-	-	49,161
Accounts receivable, net	-	-	-	-	-	-	4,660	4,660
Other receivables	50,135	558	73	87,083	-	6,399	-	144,248
Inventory	-	-	-	-	-	-	68,279	68,279
Prepaid Expenses	-	-	-	3,954	-	-	-	3,954
Total current assets	<u>81,074</u>	<u>23,678</u>	<u>14,708</u>	<u>5,109,380</u>	<u>107,788</u>	<u>25,947</u>	<u>237,977</u>	<u>5,600,552</u>
Noncurrent assets:								
Restricted:								
Cash and cash equivalents	-	-	-	-	-	2,787,350	-	2,787,350
Mortgage and security agreement	-	-	-	-	-	215	-	215
Net OPEB asset	3,449	-	-	-	-	-	-	3,449
Capital assets:								
Land and construction in progress	498,500	-	-	1,035,952	97,615	-	-	1,632,067
Other capital assets, net of accum depr	946,301	139,459	512,640	3,762,490	107,316	-	74,751	5,542,957
Total noncurrent assets	<u>1,448,250</u>	<u>139,459</u>	<u>512,640</u>	<u>4,798,442</u>	<u>204,931</u>	<u>2,787,565</u>	<u>74,751</u>	<u>9,966,038</u>
Total assets	<u>1,529,324</u>	<u>163,137</u>	<u>527,348</u>	<u>9,907,822</u>	<u>312,719</u>	<u>2,813,512</u>	<u>312,728</u>	<u>15,566,590</u>
DEFERRED OUTFLOW OF RESOURCES								
Deferred amounts related to pensions	65,304	-	-	-	-	-	-	65,304
Deferred amounts related to OPEB	3,893	-	-	-	-	-	-	3,893
	<u>69,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,197</u>
LIABILITIES								
Current liabilities:								
Accounts payable	6,392	15,381	16,250	103,355	-	2,213	3,189	146,780
Accrued personnel expenses	14,649	-	-	6,269	-	-	20,004	40,922
Lease obligations payable	-	-	-	-	-	-	1,861	1,861
Unearned revenue	52,871	-	-	-	-	-	4,307	57,178
Deposit liability	-	-	-	12,734	-	-	-	12,734
Compensated absences	2,075	-	-	-	-	-	1,676	3,751
Incentives payable	-	-	-	-	-	13,407	-	13,407
Total current liabilities	<u>75,987</u>	<u>15,381</u>	<u>16,250</u>	<u>122,358</u>	<u>-</u>	<u>15,620</u>	<u>31,037</u>	<u>276,633</u>
Noncurrent liabilities:								
Lease obligations payable	-	-	-	-	-	-	1,918	1,918
Net pension liability	72,793	-	-	-	-	-	-	72,793
Total OPEB liability	14,207	-	-	-	-	-	-	14,207
Compensated absences	18,672	-	-	-	-	-	15,085	33,757
Total noncurrent liabilities	<u>105,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,003</u>	<u>122,675</u>
Total liabilities	<u>181,659</u>	<u>15,381</u>	<u>16,250</u>	<u>122,358</u>	<u>-</u>	<u>15,620</u>	<u>48,040</u>	<u>399,308</u>
DEFERRED INFLOW OF RESOURCES								
Deferred amounts related to pensions	150,439	-	-	-	-	-	-	150,439
Deferred amounts related to OPEB	14,184	-	-	-	-	-	-	14,184
Total Deferred Inflow of Resources	<u>164,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,623</u>
NET POSITION								
Net investment in capital assets	1,444,801	139,459	512,640	4,798,442	204,931	-	70,972	7,171,245
Restricted for capital projects	-	-	-	50,000	-	-	-	50,000
Restricted for other purposes	-	-	-	-	-	2,537,070	-	2,537,070
Unrestricted (deficit)	(192,562)	8,297	(1,542)	4,937,022	107,788	260,822	193,716	5,313,541
Total net position	<u>\$ 1,252,239</u>	<u>\$ 147,756</u>	<u>\$ 511,098</u>	<u>\$ 9,785,464</u>	<u>\$ 312,719</u>	<u>\$ 2,797,892</u>	<u>\$ 264,688</u>	<u>\$ 15,071,856</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds – Year Ended June 30, 2022

	<u>Adams</u>			<u>Community</u>			<u>Bartlesville</u>			<u>Municipal</u>		
	<u>Municipal Golf</u>	<u>Sooner Pool</u>	<u>Frontier Pool</u>	<u>Center Trust</u>	<u>Adult Center</u>	<u>Trust Authority</u>	<u>Redevelopment</u>	<u>Trust Authority</u>	<u>Operations Fund</u>	<u>Airport</u>	<u>Total</u>	
	<u>Course</u>			<u>Authority</u>	<u>Trust Authority</u>							
REVENUES												
Charges for services	\$ 401,208	\$ -	\$ -	\$ 548,709	\$ 40,673	\$ -	\$ -	\$ 141,719	\$ -	\$ -	\$ 1,132,309	
Lease revenue	-	-	-	44,337	-	-	-	-	-	-	44,337	
Operating grants and contributions	-	-	-	178,931	17,205	-	-	60,309	-	-	256,445	
Total operating revenues	<u>401,208</u>	<u>-</u>	<u>-</u>	<u>771,977</u>	<u>57,878</u>	<u>-</u>	<u>-</u>	<u>202,028</u>	<u>-</u>	<u>-</u>	<u>1,433,091</u>	
OPERATING EXPENSES												
Personal services	244,428	-	-	599,796	18,548	114,012	385,232	1,362,016				
Contractual services	118,204	30,468	26,200	507,800	-	25,892	38,252	746,816				
Utilities	19,979	-	10,766	150,786	7,337	1,722	42,579	233,169				
Repairs and maintenance	33,542	1,948	3,214	55,181	4,445	-	2,479	100,809				
Other supplies and expenses	73,328	10,644	8,621	115,374	11,316	11,382	37,815	268,480				
Programs	-	-	-	-	-	170,510	-	170,510				
Depreciation	103,707	26,084	225,895	420,113	8,674	-	3,603	788,076				
Total operating expenses	<u>593,188</u>	<u>69,144</u>	<u>274,696</u>	<u>1,849,050</u>	<u>50,320</u>	<u>323,518</u>	<u>509,960</u>	<u>3,669,876</u>				
Operating income (loss)	<u>(191,980)</u>	<u>(69,144)</u>	<u>(274,696)</u>	<u>(1,077,073)</u>	<u>7,558</u>	<u>(323,518)</u>	<u>(307,932)</u>	<u>(2,236,785)</u>				
NON-OPERATING REVENUES (EXPENSES)												
Interest and investment revenue	(452)	(8)	(75)	(591,836)	94	1,790	-	(590,487)				
Miscellaneous revenue	-	-	-	-	-	-	322,640	322,640				
Interest expense	-	-	-	-	-	-	(20)	(20)				
Total non-operating revenue (expenses)	<u>(452)</u>	<u>(8)</u>	<u>(75)</u>	<u>(591,836)</u>	<u>94</u>	<u>1,790</u>	<u>322,620</u>	<u>(267,867)</u>				
Income (loss) before contributions and transfers	<u>(192,432)</u>	<u>(69,152)</u>	<u>(274,771)</u>	<u>(1,668,909)</u>	<u>7,652</u>	<u>(321,728)</u>	<u>14,688</u>	<u>(2,504,652)</u>				
Capital contributions	-	-	-	85,132	-	-	-	85,132				
Transfers in	58,804	50,404	40,546	344,681	-	779,508	250,000	1,523,943				
Change in net position	<u>(133,628)</u>	<u>(18,748)</u>	<u>(234,225)</u>	<u>(1,239,096)</u>	<u>7,652</u>	<u>457,780</u>	<u>264,688</u>	<u>(895,577)</u>				
Total net position - beginning	<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>-</u>	<u>15,967,433</u>				
Total net position - ending	<u>\$ 1,252,239</u>	<u>\$ 147,756</u>	<u>\$ 511,098</u>	<u>\$ 9,785,464</u>	<u>\$ 312,719</u>	<u>\$ 2,797,892</u>	<u>\$ 264,688</u>	<u>\$ 15,071,856</u>				

CITY OF BARTLESVILLE, OKLAHOMA
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Combining Cash Flow Statement – Nonmajor Enterprise Funds – Year Ended June 30, 2022

	Adams Municipal Golf Course	Sooner Pool	Frontier Pool	Community Center Trust Authority	Adult Center Trust Authority	Bartlesville Redevelopment Trust Authority	Municipal Airport Operations Fund	Total Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 404,287	\$ (43)	\$ -	\$ 776,503	\$ 57,878	\$ 396	\$ 524,315	\$ 1,763,336
Payments to suppliers and employees	(531,665)	(30,945)	(37,763)	(1,370,972)	(41,646)	-	(536,488)	(2,549,479)
Payments for incentives and operations	-	-	-	-	-	(332,544)	-	(332,544)
Net cash provided by (used in) operating activities	(127,378)	(30,988)	(37,763)	(594,469)	16,232	(332,148)	(12,173)	(1,118,887)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers from other funds	58,804	50,404	40,546	344,681	-	779,508	250,000	1,523,943
Net cash provided by noncapital financing activities	58,804	50,404	40,546	344,681	-	779,508	250,000	1,523,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Purchases of capital assets	-	-	-	(166,628)	-	-	(72,769)	(239,397)
Decrease in security interest in property	-	-	-	-	-	133,686	-	133,686
Payment on incentives payable	-	-	-	-	-	(60,685)	-	(60,685)
Proceeds from capital grant	-	-	-	85,132	-	-	-	85,132
Principal paid on debt	-	-	-	-	-	(133,686)	-	(133,686)
Interest and fiscal agent fees paid on debt	-	-	-	-	-	(390)	(20)	(410)
Net cash provided by (used in) capital and related financing activities	-	-	-	(81,496)	-	(61,075)	(72,789)	(215,360)
CASH FLOWS FROM INVESTING ACTIVITIES								
Sale (Purchase) of investments	69,026	(19,408)	(2,708)	786,564	(130)	-	-	833,344
Interest and dividends	(452)	(8)	(75)	(591,836)	94	1,790	-	(590,487)
Net cash provided by (used in) investing activities	68,574	(19,416)	(2,783)	194,728	(36)	1,790	-	242,857
Net increase (decrease) in cash and cash equivalents	-	-	-	(136,556)	16,196	388,075	165,038	432,753
Balances - beginning of year	-	-	-	486,407	17,863	2,418,823	-	2,923,093
Balances - end of year	\$ -	\$ -	\$ -	\$ 349,851	\$ 34,059	\$ 2,806,898	\$ 165,038	\$ 3,355,846
Reconciliation to Statement of Net Position:								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 300,690	\$ 34,059	\$ 19,548	\$ 165,038	\$ 519,335
Restricted cash and cash equivalents - current	-	-	-	49,161	-	2,787,350	-	2,836,511
Total cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ 349,851	\$ 34,059	\$ 2,806,898	\$ 165,038	\$ 3,355,846
Reconciliation of operating income (loss) to net cash provided by (used in) Operating Activities:								
Operating (loss)	\$ (191,980)	\$ (69,144)	\$ (274,696)	\$ (1,077,073)	\$ 7,558	\$ (323,518)	\$ (307,932)	\$ (2,236,785)
Adjustments to reconcile (loss) to net cash (used in) operating activities:								
Depreciation expense	103,707	26,084	225,895	420,113	8,674	-	3,603	788,076
Miscellaneous revenue	-	-	-	-	-	-	322,640	322,640
Change in assets and liabilities:								
Accounts receivable	-	-	-	4,526	-	-	(4,660)	(134)
Other receivable	(5,044)	(43)	-	-	-	396	-	(4,691)
Change in inventory	-	-	-	-	-	-	(68,279)	(68,279)
Accounts payable	500	12,115	11,038	65,600	-	(9,026)	3,189	83,416
Deferred revenue	8,123	-	-	-	-	-	4,307	12,430
Accrued salaries payable	6,475	-	-	(2,229)	-	-	20,004	24,250
Change in lease obligations/lease assets	-	-	-	-	-	-	(1,806)	(1,806)
OPEB liability	(14,381)	-	-	-	-	-	-	(14,381)
Pension liability	(52,251)	-	-	-	-	-	-	(52,251)
Deposits subject to refund	-	-	-	(14,005)	-	-	-	(14,005)
Prepaid expenses	-	-	-	8,599	-	-	-	8,599
Compensated absence liability	17,473	-	-	-	-	-	16,761	34,234
Net cash provided by (used in) operating activities	\$ (127,378)	\$ (30,988)	\$ (37,763)	\$ (594,469)	\$ 16,232	\$ (332,148)	\$ (12,173)	\$ (1,118,887)

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Statement of Net Position – Internal Service Funds – June 30, 2022

	Internal Service Funds			
	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Auto Collision</u> <u>Insurance Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 60,000	\$ 45,900	\$ -	\$ 105,900
Investments	341,892	275,194	477,622	1,094,708
Other receivables	1,112	38,441	-	39,553
Total current assets	<u>403,004</u>	<u>359,535</u>	<u>477,622</u>	<u>1,240,161</u>
Non-current assets:				
Total non-current assets	-	-	-	-
Total assets	<u>403,004</u>	<u>359,535</u>	<u>477,622</u>	<u>1,240,161</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,586	13,640	-	17,226
Claims and judgments	112,076	70,184	-	182,260
Total current liabilities	<u>115,662</u>	<u>83,824</u>	<u>-</u>	<u>199,486</u>
Noncurrent liabilities:				
Claims and judgments	168,114	105,275	-	273,389
Total noncurrent liabilities	<u>168,114</u>	<u>105,275</u>	<u>-</u>	<u>273,389</u>
Total liabilities	<u>283,776</u>	<u>189,099</u>	<u>-</u>	<u>472,875</u>
NET POSITION				
Unrestricted	119,228	170,436	477,622	767,286
Total net position	<u>\$ 119,228</u>	<u>\$ 170,436</u>	<u>\$ 477,622</u>	<u>\$ 767,286</u>

CITY OF BARTLESVILLE, OKLAHOMA
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As of and for the Year Ended June 30, 2022

Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds
– Year Ended June 30, 2022

	<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>
REVENUES				
Charges for services	\$ 163,135	\$ 3,408,668	\$ 75,000	\$ 3,646,803
Total operating revenues	<u>163,135</u>	<u>3,408,668</u>	<u>75,000</u>	<u>3,646,803</u>
OPERATING EXPENSES				
Personal services	23,818	2,706,831	-	2,730,649
Contractual services	-	778,852	-	778,852
Utilities	-	-	3,280	3,280
Repairs and maintenance	-	-	28,295	28,295
Total Operating Expenses	<u>23,818</u>	<u>3,485,683</u>	<u>31,575</u>	<u>3,541,076</u>
Operating income (loss)	<u>139,317</u>	<u>(77,015)</u>	<u>43,425</u>	<u>105,727</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	(1,316)	250	-	(1,066)
Miscellaneous revenue	4,431	397,256	6,752	408,439
Total non-operating revenue	<u>3,115</u>	<u>397,506</u>	<u>6,752</u>	<u>407,373</u>
Change in net position	142,432	320,491	50,177	513,100
Total net position - beginning	(23,204)	(150,055)	427,445	254,186
Total net position - ending	<u>\$ 119,228</u>	<u>\$ 170,436</u>	<u>\$ 477,622</u>	<u>\$ 767,286</u>

CITY OF BARTLESVILLE, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2022

Combining Cash Flow Statement – Internal Service Funds – Year Ended June 30, 2022

	Internal Service Funds			Total
	Workers' Compensation	Health Insurance	Auto Collision Insurance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 167,223	\$ 3,802,457	\$ 81,752	\$ 4,051,432
Payments to suppliers and employees	(106,805)	(3,527,898)	(31,575)	(3,666,278)
Net cash provided by operating activities	<u>60,418</u>	<u>274,559</u>	<u>50,177</u>	<u>385,154</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of investments	(59,102)	(274,809)	(50,177)	(384,088)
Interest and dividends	(1,316)	250	-	(1,066)
Net cash provided by (used in) investing activities	<u>(60,418)</u>	<u>(274,559)</u>	<u>(50,177)</u>	<u>(385,154)</u>
Net increase in cash and cash equivalents	-	-	-	-
Balances - beginning of year	<u>60,000</u>	<u>45,900</u>	<u>-</u>	<u>105,900</u>
Balances - end of year	<u>\$ 60,000</u>	<u>\$ 45,900</u>	<u>\$ -</u>	<u>\$ 105,900</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 60,000	\$ 45,900	\$ -	\$ 105,900
Total cash and cash equivalents, end of year	<u>\$ 60,000</u>	<u>\$ 45,900</u>	<u>\$ -</u>	<u>\$ 105,900</u>
Reconciliation of operating income (loss) to net cash provided by (used in)				
Operating Activities:				
Operating income (loss)	\$ 139,317	\$ (77,015)	\$ 43,425	\$ 105,727
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Miscellaneous revenue	4,431	397,256	6,752	408,439
Change in assets and liabilities:				
Other receivable	(343)	(3,467)	-	(3,810)
Accounts payable	(5,733)	(27,621)	-	(33,354)
Claims liability	(77,254)	(14,594)	-	(91,848)
Net cash provided by (used in) operating activities	<u>\$ 60,418</u>	<u>\$ 274,559</u>	<u>\$ 50,177</u>	<u>\$ 385,154</u>