



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

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

**THE CITY OF BIXBY,
OKLAHOMA**

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

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

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

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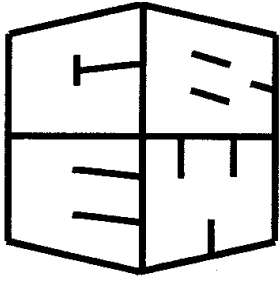
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INDEPENDENT AUDITOR'S REPORT

December 6, 2022

Honorable Board of City Commissioners
City of Bixby
Bixby, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bixby, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Bixby, Oklahoma'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bixby, Oklahoma, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bixby, Oklahoma'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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Bixby, Oklahoma'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 of Bixby, Oklahoma'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, pension exhibits and budgetary comparison information on pages 8–17 and 66–71 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 of Bixby, Oklahoma's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 and the schedule of expenditures of federal awards 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 December 6, 2022 on our consideration of the City of Bixby, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bixby, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bixby, Oklahoma's internal control over financial reporting and compliance.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Our discussion and analysis of the City of Bixby's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which follow.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Bixby (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39 and 61. 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) and deferred outflows as well as all liabilities (including long-term debt) and deferred inflows.

About the City

The City of Bixby, Oklahoma (Bixby or the City) was admitted as a township in 1906. The City is under a Home Rule Charter and is ruled by a "Council-Manager Government" as designated under Title 11 of the Oklahoma Statutes. As a charter city, the citizens from each of the City's five wards elect a council member to represent their respective ward. At the first meeting after the time prescribed for the beginning of the terms of newly elected council members, the council elects from its membership a mayor and vice-mayor. The current population of the City is 29,686.

The City provides the following services: Public safety; streets and roads; water and wastewater services; culture-recreation; public improvements; planning and zoning; and general administrative services.

The City's Financial Reporting Entity

This annual report includes all activities for which the City of Bixby 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 Bixby) and the blended component unit as follows:

- The City of Bixby - that operates the public safety; streets and roads; culture recreation; public improvements; planning and zoning; and general administrative services.
- The Bixby Public Works Authority - that operates the water and sewer services of the City.

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 non-major 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 - provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- Footnotes - elaborates on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements.
- Supplemental Information - provides 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, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it from the prior year. You can think of the City's net position - the difference between assets, deferred outflows, liabilities and deferred inflows - as one way to measure the City's financial condition. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's property tax base, the condition of the City's roads, and the quality of services to assess the overall health 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, and fines finance most of these activities.
- Business-type activities - The City charges a fee to customers to cover the cost of certain services it provides. The city's water and sewer services are reported here.

CITY OF BIXBY, OKLAHOMA
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Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services 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 and the Statement of Revenues, Expenses, and Changes in Fund Net Position. 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 details and additional information, such as cash flows.

The City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2022, net position was as follows:

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Current assets	\$ 116,743	\$ 55,264	111%	\$ 38,506	\$ 36,914	4%	\$ 155,249	\$ 92,178	68%
Capital assets, net	114,706	103,854	10%	95,612	84,958	13%	210,318	188,812	11%
Total assets	231,449	159,118	45%	134,118	121,872	10%	365,567	280,990	30%
Deferred outflows	2,991	3,697	-19%	332	585	-43%	3,323	4,282	-22%
Current liabilities	5,519	4,891	13%	4,277	4,237	1%	9,796	9,128	7%
Non-current liabilities	81,798	38,824	111%	18,285	16,280	12%	100,083	55,104	82%
Total liabilities	87,317	43,715	100%	22,562	20,517	10%	109,879	64,232	71%
Deferred inflows	6,602	436	1414%	1,458	90	1520%	8,060	526	1432%
Net position									
Net investment in capital assets	88,505	80,087	11%	76,300	68,214	12%	164,805	148,301	11%
Restricted	13,785	8,824	56%	734	759	-3%	14,519	9,583	52%
Unrestricted	38,231	29,753	28%	33,396	32,877	2%	71,627	62,630	14%
Total net position	\$ 140,521	\$ 118,664	18%	\$ 110,430	\$ 101,850	8%	\$ 250,951	\$ 220,514	14%

**CITY OF BIXBY, OKLAHOMA
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The above numbers reflect an increase in total net position of 18% for governmental activities and an increase of 8% for business type activities. Overall, the net position for both governmental and business-type activities increased 14% over last fiscal year.

Deferred inflows of resources increased by 1432% and current assets increased by 68% due to changes related to the net pension and OPEB liabilities and assets in the current year. Non-current liabilities increased 82% due to debt issued during the year.

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

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2022	2021		2022	2021		2022	2021	
Revenues									
Charges for service	\$ 3,342	\$ 3,001	11%	\$ 13,242	\$ 12,042	10%	\$ 16,584	\$ 15,043	10%
Operating grants and contributions	965	3,231	-70%	-	-	-	965	3,231	-70%
Capital grants and contributions	6,064	2,695	125%	2,791	2,230	25%	8,855	4,925	80%
Taxes	27,796	23,807	17%	-	-	-	27,796	23,807	17%
Intergovernmental revenue	5,133	210	2344%	-	-	-	5,133	210	2344%
Investment income	210	287	-27%	145	172	-16%	355	459	-23%
Miscellaneous	919	836	10%	91	70	30%	1,010	906	11%
Total revenues	44,429	34,067	30%	16,269	14,514	12%	60,698	48,581	25%
Expenses									
General government	5,278	3,870	36%	-	-	-	5,278	3,870	36%
Public safety	8,630	10,537	-18%	-	-	-	8,630	10,537	-18%
Streets	2,657	2,965	-10%	-	-	-	2,657	2,965	-10%
Culture, parks and recreation	1,617	1,606	1%	-	-	-	1,617	1,606	1%
Cemetery	165	174	-5%	-	-	-	165	174	-5%
Economic development	348	237	47%	-	-	-	348	237	47%
Interest on long-term debt	992	916	8%	-	-	-	992	916	8%
Water	-	-	-	7,252	7,325	-1%	7,252	7,325	-1%
Wastewater	-	-	-	3,321	2,413	38%	3,321	2,413	38%
Total expenses	19,687	20,305	-3%	10,573	9,738	9%	30,260	30,043	1%
Excess (deficiency) before transfers	24,742	13,762	80%	5,696	4,776	19%	30,438	18,538	64%
Transfers	(2,885)	(1,941)	49%	2,885	1,941	49%	-	-	-
Change in net position	21,857	11,821	85%	8,581	6,717	28%	30,438	18,538	64%
Beginning net position	118,664	106,843	11%	101,849	95,133	7%	220,513	201,976	9%
Ending net position	\$ 140,521	\$ 118,664	18%	\$ 110,430	\$ 101,850	8%	\$ 250,951	\$ 220,514	14%

Operating grants and contributions decreased by 70% during the year due receipt of CARES funding from the State of Oklahoma during FY21.

Capital grants and contributions increased by 125% during the year due to increased capital contributions received again during FY22.

Intergovernmental revenue increased by 2344% during the year due to receipts of ARPA funding from the State of Oklahoma.

Included in expenses of business-type activities of the water department are expenses related to debt service requirements which are funded with sales tax revenues apportioned to the fund. The taxes are classified as general revenue on the Statement of Activities.

CITY OF BIXBY, OKLAHOMA
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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. Some of the individual line item revenues reported for each function are:

- General Government: Permits and licenses, inspections fees, operating grants
- Public Safety: Fines and forfeitures, E-911, rural fire dues, grants
- Other public services: Operating grants

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

	<u>Total Expense</u>		<u>% Inc.</u> <u>(Dec.)</u>	<u>Net Revenue</u>		<u>% Inc.</u> <u>(Dec.)</u>
	<u>of Services</u>			<u>(Expense)</u>		
	<u>2022</u>	<u>2021</u>		<u>of Services</u>	<u>of Services</u>	
General government	\$ 5,278	\$ 3,870	36%	\$ (3,953)	\$ (518)	663%
Public safety	8,630	10,537	-18%	(6,997)	(6,615)	6%
Streets	2,657	2,965	-10%	4,552	(1,515)	-400%
Culture, parks and recreation	1,617	1,606	1%	(1,594)	(1,584)	1%
Cemetery	165	174	-5%	16	7	129%
Economic development	348	237	47%	(349)	(237)	47%
Interest on long-term debt	992	916	8%	(992)	(916)	8%
Total	<u>\$ 19,687</u>	<u>\$ 20,305</u>	-3%	<u>\$ (9,317)</u>	<u>\$ (11,378)</u>	-18%

General government net revenue increased by approximately \$2.1 million, or 18%, due to increased capital contributions during the fiscal year due to increased contributed capital for capital assets.

Business-type Activities

The business-type activities had an increase in net position of \$8,580,286.

	<u>Total Expense</u>		<u>% Inc.</u> <u>Dec.</u>	<u>Net Revenue</u>		<u>% Inc.</u> <u>Dec.</u>
	<u>of Services</u>			<u>(Expense)</u>		
	<u>2022</u>	<u>2021</u>		<u>of Services</u>	<u>of Services</u>	
Water	\$ 7,252	\$ 7,325	-1%	\$ 3,473	\$ 2,219	57%
Wastewater	3,322	2,413	38%	1,987	2,314	-14%
Total	<u>\$10,574</u>	<u>\$ 9,738</u>	9%	<u>\$ 5,460</u>	<u>\$ 4,533</u>	20%

Water net revenue increased by approximately \$1.3 million (57%) due to an increased charges for services.

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General Fund Budgetary Highlights

For the year ended June 30, 2022, the General Fund reported actual budgetary basis revenues over final estimates by \$3,228,057 or a 26.1% positive variance. General Fund actual expenditures were under final appropriations by \$101,257 or a 0.7% positive variance.

Capital Asset and Debt Administration

Capital Assets

At the end of June 30, 2022, the City has \$210.3 million invested in capital assets including police and fire equipment, buildings, water and sewer lines, roads, and park facilities, among others.

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	\$ 16,331	\$ 14,904	\$ 489	\$ 489	\$ 16,820	\$ 15,393
Buildings and improvements	9,039	9,194	319	366	9,358	9,560
Machinery, furniture and equipment	15,420	16,039	2,482	2,654	17,902	18,693
Infrastructure	56,991	50,941	63,673	61,961	120,664	112,902
Construction in progress	16,924	12,776	28,648	19,488	45,572	32,264
Totals	<u>\$ 114,705</u>	<u>\$ 103,854</u>	<u>\$ 95,611</u>	<u>\$ 84,958</u>	<u>\$ 210,316</u>	<u>\$ 188,812</u>

See note 4 for additional details.

This year's more significant capital asset additions are the CIP projects of street improvements totaling \$4.2 million and the water reclamation project totaling \$7.5 million. Along with various street and drainage infrastructure improvements totaling \$8.3 million

Debt Administration

At year-end, the City has \$98.6 million in outstanding notes, and bonds, and additionally, the City had \$3.2 million in accrued compensated absences and utility deposits, an increase of approximately \$49.6 million from the prior year. The increase in long-term debt is attributed to the issuance of the 2021 and 2022A GO Bonds in the amount of \$50.5 million.

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>		<u>Total</u>
	<u>Activities</u>		<u>Activities</u>				<u>Percentage</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
General obligation bonds	\$ 67,920	\$ 20,460	\$ -	\$ -	\$ 67,920	\$ 20,460	232.0%
Notes payable	11,395	12,068	19,312	16,744	30,707	28,812	6.6%
Deposits subject to refund	-	-	1,095	971	1,095	971	12.8%
Accrued compensated absences	1,844	1,776	269	211	2,113	1,987	6.3%
Totals	<u>\$ 81,159</u>	<u>\$ 34,304</u>	<u>\$ 20,676</u>	<u>\$ 17,926</u>	<u>\$ 101,835</u>	<u>\$ 52,230</u>	95.0%

See note 6 for additional details.

Economic Factors and Next Year’s Budget

Budget as Policy

A budget is more than just a set of numbers. It is, of course, a legally required detailed plan for allocating the limited resources, which are made available to a municipality, to accomplish its complex and varied missions and goals. But, it is equally an expression of public policy, revealing much about how the City: raises revenues to fund its operations and infrastructure improvements; prioritizes spending among various competing needs and demands; ensures stability and sustainability of its public services, and; builds capacity to deal with future disasters, economic difficulties and emergencies.

Bixby has a long-standing practice of:

- budgeting in a conservative manner;
- offering a quality but limited scope of governmental services;
- operating with a relatively lean workforce, with employees wearing many hats;
- striving to build and maintain adequate reserves, and;
- operating with relatively low amounts of debt.

This conservative approach to fiscal management has served Bixby well through the past, including through the Great Recession. It has earned the city high marks for its record of strong fiscal management from national credit rating firms, and is reflective of the conservative nature of the community itself. Only one other city in Oklahoma, that being Oklahoma City, has a higher credit rating than does Bixby.

As Standard & Poor’s noted when it increased Bixby’s bond rating to AA+ ten years ago, the city’s heavy reliance on the relatively volatile local sales tax to fund most of its operations makes it imperative to maintain, at all times, sufficient reserves to satisfy liabilities, meet cash flow needs, serve as a safeguard against fluctuations in revenues, and to fund emergencies and other unanticipated expenses. This was especially true during the COVID-19 pandemic. The City of Bixby’s budget for the forthcoming fiscal year honors those principles. The City still enjoys that same AA+ rating today.

Bixby’s Biennial Budget

The City of Bixby implemented, effective with the 2015/2017 biennium, and going forward, a conservative budgeting reform known as a “rolling biennial budget”. This means, this year, the City Council developed two separate fiscal year budgets (one for FY-23 and one for FY-24) that are each appropriated annually for their respective fiscal year period.

Typically, only relatively minor adjustments are made in the second year of the biennium to that fiscal year’s budget, to reflect key changes in fiscal circumstances occurring after the initial, or tentative adoption of said budget. Some of the key benefits of biennial budgeting include: enhanced long-range strategic planning; improved fiscal sustainability and, in turn, organizational stability, and; decreased Council and staff time required for budgeting, allowing that time to be devoted to formulating policy solutions to address other critical community and regional issues. Our City Council and senior staff hold an annual two-day Strategic Planning Retreat to discuss long range planning.

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A Balanced Budget

The City's biennial budget proposal is balanced, and each fiscal period's respective budget (i.e., FY-23 & FY-24) meets all statutory requirements of the Oklahoma Municipal Budget Act for proper municipal budgeting.

This budget was carefully crafted to enable the City to live within its means. Specifically, for each fiscal period, it limits the amount of increase in ongoing General Fund (the City's largest fund used to account for its daily operation's activities) spending to the estimated amount of growth in ongoing General Fund revenues. The only exceptions to this rule involve the use of one-time monies, past savings.

As explained further below, in November 2015, a successful special municipal election was held to modify the terms and uses of certain sales tax resources available to the city, to enhance funding for staffing, operations, capital improvement and economic development purposes. Most of the impact of these sales tax measures took effect in January 2017. The explanation which follows immediately deals with the approved budget as initially adopted.

This disciplined approach to budgeting helps:

- ensure stability and sustainability of our operations;
- preserve the level of service we offer our citizens,
- protect our investment in human capital, our most important asset, and;
- grow our fund balance to prepare for any potential revenue shortfall.

FY-23 (July 1, 2022 – June 30, 2023), first year of the 2023/2024 Biennium

Revenue Assumptions

Following is an explanation of revenue assumptions on which the approved FY-23 budget is based. First, it takes into account that Bixby's municipal tax rates changed in January 2017, in accordance with the November 2015 referendum. Should there be any changes made to municipal tax rates by area voters at any time during the biennium, appropriate budget amendments will be presented to the City Council for its consideration at the appropriate time:

We use a two year look-back method to determine revenue projections. Overall General Fund revenues in FY21 exceeded the FY20 prior year by \$659,936. Due to the COVID-19 pandemic, the original budget for FY22 was increased modestly due to anticipated revenues; but, actual revenue for FY22 exceeded budget by \$1,745,790. Budgeted revenues for FY-23 were then forecast to increase \$1,379,079 compared to FY22. This two year look-back process is considered to be very conservative and adds stability to the budget process.

FY-23 General Fund total revenues are budgeted to grow by \$1,379,079 or 13.10% over FY-22 budget, while General Fund expenses are budgeted to grow by \$1,070,327 or 9.57%. This expenditure growth over revenue growth is due to a 4% Cost of Living Adjustment (mostly from collective bargaining agreements and funded from prior year savings) and preparation for adding an ambulance service to our Fire Department. FY-24 General Fund revenues are forecast to grow by \$59,990 or 0.50%, while General Fund expenses are forecast to be stable, each as compared to the FY-23 budget.

Bixby Public Works Authority (BPWA) revenues are estimated to grow during each year of the biennium in part due population growth. Specifically, FY-23's budgeted revenues for BPWA reflect the fully phased-in sewer rate increases, effective July 1st, for purposes of funding a new sewer treatment process, as required by order of the ODEQ, which is scheduled to begin operation in FY23. Although revenues

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are also subject to a potential increase in the sales price of the city's treated water, effective October 1, 2022, due to potential action of its water provider, the City of Tulsa, to increase Bixby's purchase price by a similar percentage at that time, no price increase is anticipated at this time. Bixby has grown to become the 15th largest city in the state. With growth of approximately 5% per year.

Major Initiatives Provided for by this Budget:

PUBLIC SAFETY - Reflecting the public's and City Council's priorities, a large portion of the increased General Fund spending provided for in the FY-23 Budget is devoted to Bixby Police, Fire and Street Departments as detailed below (the Police, Fire and Streets were actually increased by \$1,008,239):

- \$476,290 or 34.54% of the new General Fund spending went to the Police Department, while \$490,608 or 35.58% went to the Fire Department, and \$41,341 or 3.00% went to the Streets Department. The larger increase to the Fire Department is due to the City preparing to add Ambulatory Services and adding personnel.
- \$9,524,828 or 77.72% of the \$12,255,069 in total General Fund spending approved for FY-23 was budgeted for Police, Fire, Streets and Emergency Services alone;

Among other major initiatives provided for in the FY-23 budget are:

Bixby continues to be one of the fastest growing cities in Oklahoma (we moved from 16th largest city to 15th largest in FY21). It is also an affluent and highly educated community which features some of the most favorable demographics to be found. But as a suburban city statutorily dependent on retail sales taxes for the bulk of our operations funding, and one whose residents occasionally shop and dine directly across our city limits boundary in what is urban Tulsa, Bixby faces greater fiscal pressures than most municipalities in our state.

Fortunately, due to economies of scale, there is not an exact linear relationship between growth in a community's population and the number of additional public employees required to provide that community with needed public services. However, in view of the city's historically limited staffing levels, city leaders are committed to working with the citizenry and budgets to actually grow our manpower in virtually all departments over time. This budget continues that effort.

- The FY-23 budget continues with our minimum wage paid to City employees (\$15.00 per hour), and in general, funds market-appropriate compensation adjustments for each of our employee groups, to aid employee recruitment and retention. The City's underlying goal is to ensure its overall compensation (including wages and benefits), provided to its workforce, remains both market-competitive and, equally important, is sustainable over time;
- Specifically, most non-uniformed employees were eligible for a 4.0% cost of living increase (with some increases greater than 4.0%);
- A collective bargaining agreement with the city's firefighters union provides firefighters with an overall average wage increase of 4.53% in FY-23. This is the third year of a three year collective bargaining agreement with members of its fire union. Also, the City is continuing a process to add ambulatory services to our fire department. To that end, the City added six new positions (five Firefighter/EMT and one administrative assistant) and is committed to providing the proper training to produce EMTs;

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- A collective bargaining agreement (approved in December 2020) with the city's police union provided officers with an overall average wage increase of 5.12% in FY-23. FY23 is the third year of a three year collective bargaining agreement with members of its police union. The Police Department added 5 new positions for FY23 (three officers and two dispatchers);
- Continues on-going efforts to address Bixby's ODEQ-mandated wastewater disposal facilities needs through construction and operation of a modern wastewater treatment plant to replace outdated sewage lagoons currently in use. Oklahoma Water Resources Board approved a \$24,000,000 Promissory Note Loan in September 2017. This facility has begun initial operations with scheduled completion in November 2022;
- Continues planning for water system improvements to address anticipated storage and distribution needs in South Bixby;
- Funds the city's new annual comprehensive (city-wide) street and drainage rehabilitation program, known as CIRP, to preserve Bixby's investment in its roads, bridges, and drainage infrastructure. This program (which is funded from Auto License and Gasoline Excise taxes - is an excellent use of such funds, since the program's scope can readily be modified from one year to the next to accommodate funding availability) works well, as long as the overall program commitment is continued. The CIRP was created by the City Council to help address Bixby's growing backlog of infrastructure maintenance, which far and away exceeds the very modest level of dedicated funding otherwise available for such purposes. Results of a comprehensive pavement assessment will enable Council in the coming months to prioritize and allocate these and future street improvement funds to address critical needs;
- Uses past budgetary savings to provide matching funds for future pavement overlays in our community, in partnership with Tulsa County, to be undertaken as their road crew becomes available. Though infrequent, this can occur on relatively short notice, and the city must either have dollars set aside or lose out on the opportunity to partner with another metro Tulsa community;
- Accommodates funding for mitigation to the City's Haikey Creek Flood Control project, which was just completed prior to the Arkansas River flooding in May 2019. This flooding caused damage to the control process and was repaired by July 2022. As completed, it will bring approximately 900 acres out of the floodplain enabling it to be developed, primarily for residential housing;
- Accommodates funding for the City's Phase 3 Downtown River Corridor Development Plan, including downtown streetscapes, a gateway signage project and continued park expansion;
- Continues funding for intersection widening on 111th, 121st, 131st, from Memorial Ave. to Mingo Road. As per state funding requirements, environmental clearances have been obtained and right-of-way acquisitions have been negotiated. Construction will begin pending the Oklahoma Department of Transportation's approval of right-of-way and construction documents;
- Provides funding for an initiative voted on by Bixby citizens in February 2022 to provide for a Performing Arts Center. This facility will be designed to meet the community need for a venue that can support Bixby Public School fine arts, community, and professional performers as well as community events. The use of the building will be prioritized for Bixby Public Schools

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performances but will, for the most part, be scheduled for community activities and professional entertainers.

- Provides funds for a master plan to guide our future improvements at Lake Bixhoma, including the pursuit of federal grants;
- Maintains a restricted, “Disaster Recovery Reserve Fund”, with a current sum of \$3.39 million. Heretofore, these monies, which were accumulated from past budgetary savings over a multiple of years, for the purpose of helping enable the community to recover from a future large-scale natural or man-made disaster, had been accounted for within the Capital Improvement Fund. Also, in FY21, we placed CARES ACT Funds here for future needs;
- Funds the construction of a new fire station, which will include ambulance bays and training facilities, to better serve our Community’s citizens;
- Funds the construction of a new Public Works Facility, which will include the main administration office, training room, wash bays and vehicle and material storage;
- Funds necessary equipment replacement within various departments to ensure employees have the tools necessary to accomplish their mission. This includes Capital Improvement Fund monies for: continued implementation of the city’s comprehensive new Police and Fire radio communications system; new patrol vehicles and miscellaneous police equipment; Fire personal protective gear; equipment for the Parks Department, a new Administration building for the Water billing, Municipal court and City Council Meeting room, replacement computers for various departments, the updating of the community’s Comprehensive Plan, as required by state statute and to help ensure quality development outcomes in our community, etc., and;
- Funds unavoidable increases in various fixed costs (health insurance, dental, workers compensation, etc.) necessary to retain the City’s workforce. The City will continue to provide its workforce with high quality health insurance and related employee benefits.
- The City Council approved a new list of fees and fee increases in April 2017 and modified that fee schedule effective July 1, 2022. The city’s departments will be looking at their fees and use charges to improve or develop new appropriate fees or charges to assure its citizens’ continued high levels of adequate customer service, while no specific revenues from such a proposal were included in the approved budget.

Summary of Related Details

- This FY-23 budget provides the Sales Tax Personnel Fund (established in 2017 by referendum) to provide continuing funding for twenty-one positions of:
 - nine Firefighters;
 - four Police Officers;
 - five Public Safety Dispatchers (Communications Officers)
 - three Street Department crew member positions;
 - included in the above, FY23 provides for two new EMT positions for an ambulatory service; two new dispatchers for the Police Department added a new position for the Street department.

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These new positions were part of the November 2015 referendum to change a portion of the county sales tax to the benefit of the city effective January 2017.

- Continues BPWA funding for three new water distribution crew members, effective November 1, 2015, to help ensure water leaks are addressed on a more timely basis, improve response time to customer complaints, and generally keep pace with the growing demands for services arising from our rapidly-expanding infrastructure network and number of water customers.
- This budget also provides continuing funding for the new Public Information Officer / Event Coordinator for the City and BPWA through the Economic Development Fund, and;
- This budget provides for a transfer of \$625,000 of past budgetary savings from the General Fund to the Stormwater Fund, in anticipation of expanded mowing and other requirements, including when the Haikey Creek Flood Control project comes on-line.

August 2016 General Obligation Bond Election Overwhelmingly Approved by Local Voters

On August 23, 2016, Bixby voters overwhelmingly approved each of four propositions involving the issuance of \$18,000,000 in General Obligation bonds. These bonds were issued over a five year period (starting in 2016) to provide funding of key infrastructure projects designed to improve economic development and quality of life, and provide long term fiscal sustainability for the city's public safety, streets and parks systems, all without raising the total or combined tax rates previously in place.

Proposition 1 provides \$975,000 for funding for stormwater drainage facilities within South Bixby:

Proposition 2 provides \$4,215,000 for Public Safety infrastructure improvements:

- Purchasing and installing Property Security Camera System
- Police Department gun range improvements, including possible land acquisition
- Purchasing and replacing two fire engines and one ladder truck for the Fire Department

Proposition 3 provides \$11,835,000 for repairing streets:

- 131st Street improvements between Memorial and Mingo
- 131st Street improvements between Sheridan and Memorial
- 121st Street improvements between Memorial and 85th East Avenue
- 151st Street and Harvard Avenue improvements and signalization
- 111th Street improvements between Memorial and 86th East Avenue

Proposition 4 provides \$975,000 for improvements of the City's Parks Department:

- Continued improvements at Bentley Park
- Repurposing the rodeo arena to multi-use athletic fields
- Repairing Bixhoma Lake

April 2021 General Obligation Bond Election Overwhelmingly Approved by Local Voters

On April 6, 2021, Bixby voters overwhelmingly approved each of four propositions involving the issuance of \$28,500,000 in General Obligation bonds. These bonds will be issued over a five year period

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(starting in 2021) to provide funding of key infrastructure projects designed to improve economic development and quality of life, and provide long term fiscal sustainability for the city's public safety, streets and parks systems, all without raising the total or combined tax rates previously in place.

Proposition 1 provides \$8,500,000 for funding for a new fire station and ambulance facility in south Bixby:

Proposition 2 provides \$16,300,000 for repairing streets:

- 131st Street improvements between Memorial and Mingo
- Mingo Road Street improvement between 101st to 111th
- 161st Street improvements between Memorial and Central Elementary School
- 131st Street improvements between Mingo and Garnett

Proposition 3 provides \$1,700,000 for improvements of the City's Parks Department:

- Continued improvements at Bentley Park

Proposition 4 provides \$2,000,000 for repairing stormwater drainage:

- South Bixby Drainage projects
- North Bixby Drainage projects

Economy

The long term outlook for the City of Bixby remains positive, as long term local economic development initiatives take root and the national economy experiences growth. City of Bixby officials aggressively market the community as a potential home to retailers in an effort to expand the number of locally available shopping and dining options and boost municipal operating revenues. We currently have two hotels, four retail grocers, two big box home improvement stores and a multi-screen movie theater. Obviously, this outlook is tempered for the short term due to the continuing COVID-19 pandemic.

Bixby is known as a friendly, attractive and rewarding place in which to relocate and prosper. Opportunity for new business activity abounds in Bixby, which features some of the highest population growth trends and most favorable income and educational attainment demographics found in the state of Oklahoma, as well as a documented retail trade gap in excess of \$0.6 billion. This market potential, along with Bixby's high quality of schools, status as the safest community in the state for cities its size, with a stable, progressive government, a dynamic chamber of commerce, and very attractive quality of life, continue to make Bixby a top choice for people and businesses looking to relocate to the Tulsa metro area in NE Oklahoma.

Continuing a multi-year trend, Bixby was once again in 2021 one of the fastest growing cities in Oklahoma. Bixby is now the 15th largest city in the state, up from 32nd a decade ago, and has a population over 29,686 (per worldpopulationreview.com). And while some Tulsa metro area communities are approaching "built-out" status, Bixby has plenty of remaining land within its fence line to accommodate both additional residential growth and significant commercial development, including along the Arkansas River.

Despite this growth, Bixby has retained a friendly, small town feel, with beautiful neighborhoods, numerous churches, and many community amenities. In 2009, these factors led CNN Money.com to select Bixby as one of its Best Places to Live in America, designating it one of America's best small

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towns. Commercial developers have likewise praised the City of Bixby for being “business friendly” and easy to work with, citing the personal attention and access to city staff.

Bixby participates in the diversified Tulsa regional economy and labor market, which is recognized nationally for its performance:

- Greater Tulsa selected No. 1 place to live in the U.S. (Relocate America 2009)
- No. 1 metro for cost of living (Business Facilities 2010)
- No. 4 metro for quality of life (Business Facilities 2010)
- No. 6 region for small business (The Business Journals 2011)
- Top 100 Metro among the leading world economies (Brookings Institution 2012)
- No. 1 fastest-growing state by GDP (The Huffington Post 2010)
- No. 1 state for entrepreneurship (Kaufman Foundation 2010)
- No. 3 state for corporate tax environment (Area Development 2010)
- No. 4 state for workforce development (Area Development 2010)
- No. 4 state for employment (Business Facilities 2010)
- Top 10 state for job growth and business creation (Bureau of Labor Statistics 2011)
- No. 10 state for doing business (Area Development 2010)
- No. 15 best state for top business climate (Site selection Magazine 2012)
- No. 2 among top 10 cities for young people to find a job (the Fiscal Times 2012)

Bixby is well connected to the state and regional economy via an excellent set of state highways and is less than a thirty minute drive to Tulsa International Airport and downtown Tulsa. Bixby is only about a 40 minute drive to the Port of Catoosa (a maritime shipping waterway to the world). And in terms of global connectivity, few cities can compete with Bixby, which recently became Oklahoma’s first “gigabit city”. This new reality, which places Bixby on par with a select group of the most progressive communities in the nation, is expected to boost commercial growth locally and further enhance quality of life for citizens.

Forty-five percent of Bixby’s citizens hold college degrees. Bixby has the highest median home values in the Tulsa Metro Region (at \$223,900, is 60% higher than the state as a whole). Finally, Bixby has the highest Per Capita Income in the Tulsa Metro Region, (at \$47,602, is 34% higher than state as a whole).

The Bixby Public Schools district is one of the fastest growing in the state. In 2010, voters approved by an overwhelming majority a multi-year \$62,000,000 bond issue, without raising taxes, for the construction and renovation of school buildings. This award-winning school system boasts excellent state test scores and outstanding activity programs. A 2015 bond issue won approval to enable the school district to continue to construct and improve its facilities to accommodate the current and forecasted growth in student census.

The PostRock Plaza shopping center, located at 101st and Memorial, was purchased by new owners, who made several major aesthetic upgrades and have been busy filling up remaining vacancies with a variety of professional offices, which is boosting lunch and dinner crowds at area restaurants. They also bought the facility previously known as the Spirit Bank Event Center and transformed it into a mega church. The State’s first Costco, a mammoth membership club retailer and major destination point for shoppers, opened (in the Tulsa city limits), directly across the street from this development, which has further stimulated sales at Bixby retailers and restaurants. Several new restaurants have opened in the community and/or are currently under construction.

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The intersection of 121st & Memorial has become the hub for a considerable amount of commercial and residential development, and is considered one of the hottest development zones in the Tulsa Metro area. A new high-end assisted living center, Covenant Place, is now open on the SW corner, and new housing additions are being planned which will boost head counts and in turn stimulate future retail business activity in the area. Also, we have seen a highly favorable leasing response at a recently-constructed \$20 million Class “A” 248 unit apartment complex (Encore on Memorial) located on the SW corner of 121st & Memorial. Another Class “A” 198 unit apartment complex on the SE corner named Residences at Boardwalk. The development has a small lake that has a boardwalk around it; and, may eventually have shops and restaurants along the boardwalk. One unique development recently approved for this area, near the NW corner, will be a combined housing and retail “village”. This development will be styled like a European village with single and multi-family housing with retail and restaurant space around a small lake. This development is owned by a local church, which will include a new building on the property.

Further south, a \$5 million park expansion and upgrade at Bentley Youth Sports Complex which improved each of the existing sports venues, adding an additional softball quad, and an innovative set of multi-sports courts which will provide opportunities for basketball, soccer, and volleyball tournaments, plus free play when not otherwise in use. There have been multiple electronic scoreboards added through a generous donation. These improvements are enabling this outstanding sports complex to hold even more sports tournaments in the coming years, something which has proven to be a major stimulus to area hotel and other retail business in recent years.

Contacting the City’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director’s Office at P.O. Box 70, Bixby, OK 74008 or phone at (918) 366-4430.

Respectfully submitted,

Charles Barnes
City Treasurer/Finance Director

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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

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Statement of Net Position– June 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 31,276,226	\$ 10,232,920	\$ 41,509,146
Investments	73,901,573	24,514,209	98,415,782
Accounts receivable, net of allowance	1,118,088	1,948,925	3,067,013
Due from other governments	5,619,680	491,860	6,111,540
Other receivables	11,994	-	11,994
Lease receivable	10,073	-	10,073
Prepaid expenses	997,947	-	997,947
Net pension asset	3,678,178	1,183,322	4,861,500
Net OPEB asset	129,370	121,211	250,581
Inventories	-	13,819	13,819
Capital Assets:			
Land and construction in progress	33,255,425	29,136,564	62,391,989
Other capital assets, net of depreciation	81,450,355	66,475,267	147,925,622
Total Assets	<u>\$ 231,448,909</u>	<u>\$ 134,118,097</u>	<u>\$ 365,567,006</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	\$ 2,951,151	\$ 308,159	\$ 3,259,310
Deferred amounts related to OPEB	40,494	24,311	64,805
Total Deferred Outflows	<u>2,991,645</u>	<u>332,470</u>	<u>3,324,115</u>
LIABILITIES			
Accounts payable and accrued expenses	913,070	1,773,492	2,686,562
Accrued interest payable	399,479	113,286	512,765
Due to bondholders	3,279	-	3,279
Due to other governments	4,387	-	4,387
Long-term liabilities			
Due within one year	4,198,798	2,390,293	6,589,091
Due in more than one year	81,798,775	18,285,690	100,084,465
Total liabilities	<u>87,317,788</u>	<u>22,562,761</u>	<u>109,880,549</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to leases	10,052	-	10,052
Deferred amounts related to pensions	6,509,595	1,374,769	7,884,364
Deferred amounts related to OPEB	81,763	83,277	165,040
Total Deferred Inflows	<u>6,601,410</u>	<u>1,458,046</u>	<u>8,059,456</u>
NET POSITION			
Net investment in capital assets	88,505,138	76,299,573	164,804,711
Restricted by:			
State statutes	4,366,040	-	4,366,040
Contractual	9,419,093	733,812	10,152,905
Unrestricted	38,231,085	33,396,375	71,627,460
Total net position	<u>\$ 140,521,356</u>	<u>\$ 110,429,760</u>	<u>\$ 250,951,116</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	\$ 5,278,503	\$ 1,325,065	\$ -	\$ -	\$ (3,953,438)	\$ -	\$ (3,953,438)
Public Safety	8,629,740	943,271	688,160	1,738	(6,996,571)	-	(6,996,571)
Streets	2,656,513	869,688	277,158	6,062,297	4,552,630	-	4,552,630
Culture and Recreation	1,617,322	23,165	-	-	(1,594,157)	-	(1,594,157)
Cemetery	164,565	180,650	-	-	16,085	-	16,085
Economic Development	349,271	-	-	-	(349,271)	-	(349,271)
Interest on Long-term debt	991,804	-	-	-	(991,804)	-	(991,804)
Total governmental activities	<u>19,687,718</u>	<u>3,341,839</u>	<u>965,318</u>	<u>6,064,035</u>	<u>(9,316,526)</u>	<u>-</u>	<u>(9,316,526)</u>
Business-Type Activities:							
Water	7,252,456	9,493,451	-	1,231,776	-	3,472,771	3,472,771
Wastewater	3,321,493	3,748,064	-	1,560,331	-	1,986,902	1,986,902
Total business-type activities	<u>10,573,949</u>	<u>13,241,515</u>	<u>-</u>	<u>2,792,107</u>	<u>-</u>	<u>5,459,673</u>	<u>5,459,673</u>
Total primary government	<u>\$ 30,261,667</u>	<u>\$ 16,583,354</u>	<u>\$ 965,318</u>	<u>\$ 8,856,142</u>	<u>\$ (9,316,526)</u>	<u>\$ 5,459,673</u>	<u>\$ (3,856,853)</u>
General revenues:							
Taxes:							
Property taxes					\$ 4,009,258	\$ -	\$ 4,009,258
Sales and use taxes					22,155,391	-	22,155,391
Franchise taxes and public service taxes					1,197,834	-	1,197,834
Hotel/motel taxes					190,060	-	190,060
E911 taxes					244,439	-	244,439
Intergovernmental revenue not restricted to specific programs					5,132,284	-	5,132,284
Unrestricted investment earnings					209,584	144,656	354,240
Miscellaneous					919,449	91,226	1,010,675
Transfers					(2,884,731)	2,884,731	-
Total general revenues and transfers					<u>31,173,568</u>	<u>3,120,613</u>	<u>34,294,181</u>
Change in net position					<u>21,857,042</u>	<u>8,580,286</u>	<u>30,437,328</u>
Net position - beginning					<u>118,664,314</u>	<u>101,849,474</u>	<u>220,513,788</u>
Net position - ending					<u>\$ 140,521,356</u>	<u>\$ 110,429,760</u>	<u>\$ 250,951,116</u>

See accompanying notes to the basic financial statements.

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

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

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

Governmental Funds Balance Sheet - June 30, 2022

	<u>General Fund</u>	<u>Water & Sewer Development Fund</u>	<u>Capital Improvement Fund</u>	<u>2022A GO Bond Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 4,578,107	\$ 13,775,170	\$ 3,465,243	\$ 1,692,732	\$ 2,635,949	\$ 19,132,934	\$ 45,280,135
Investments	5,523,443	-	7,011,023	40,010,626	911,156	20,565,329	74,021,577
Receivable from other governments	1,405,034	-	693,725	-	16,507	3,996,274	6,111,540
Due from other funds	4,500	185,785	-	-	859	426,689	617,833
Taxes receivable, net	87,861	-	-	-	-	37,394	125,255
Court fines receivable, net	768,876	-	-	-	-	-	768,876
Ambulance receivable, net	25,770	-	-	-	-	-	25,770
Utilities receivable, net	-	-	-	-	-	45,362	45,362
Leases receivable	10,073	-	-	-	-	-	10,073
Other receivables	71,299	-	-	-	4,033	89,487	164,819
Prepaid expenses	-	-	997,947	-	-	-	997,947
Total assets	<u>\$ 12,474,963</u>	<u>\$ 13,960,955</u>	<u>\$ 12,167,938</u>	<u>\$ 41,703,358</u>	<u>\$ 3,568,504</u>	<u>\$ 44,293,469</u>	<u>\$ 128,169,187</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 139,576	\$ 103,361	\$ 95,316	\$ -	\$ -	\$ 382,343	\$ 720,596
Accrued payroll payable	244,037	-	-	-	-	45,453	289,490
Due to other funds	859	-	-	-	10,526	420,663	432,048
Due to bondholders	3,279	-	-	-	-	-	3,279
Payable to other governments	4,387	-	-	-	-	-	4,387
Other payables	6,345	-	-	-	-	-	6,345
Total liabilities	<u>398,483</u>	<u>103,361</u>	<u>95,316</u>	<u>-</u>	<u>10,526</u>	<u>848,459</u>	<u>1,456,145</u>
Deferred inflows:							
Unavailable revenue	782,966	-	-	-	-	2,562,180	3,345,146
Leases	10,052	-	-	-	-	-	10,052
Total deferred inflows	<u>793,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,562,180</u>	<u>3,355,198</u>
Fund balances:							
Restricted	-	-	-	41,692,732	3,088,222	23,127,882	67,908,836
Assigned	1,413,175	13,857,594	12,072,622	10,626	469,756	18,100,199	45,923,972
Unassigned (deficit)	9,870,287	-	-	-	-	(345,251)	9,525,036
Total fund balances	<u>11,283,462</u>	<u>13,857,594</u>	<u>12,072,622</u>	<u>41,703,358</u>	<u>3,557,978</u>	<u>40,882,830</u>	<u>123,357,844</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,474,963</u>	<u>\$ 13,960,955</u>	<u>\$ 12,167,938</u>	<u>\$ 41,703,358</u>	<u>\$ 3,568,504</u>	<u>\$ 44,293,469</u>	<u>\$ 128,169,187</u>

See accompanying notes to the basic financial statements.

CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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>Water & Sewer Development Fund</u>	<u>Capital Improvements Fund</u>	<u>2022A GO Bond Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,031,188	\$ -	\$ 4,031,188
Sales and use tax	9,159,339	-	5,210,615	-	-	7,785,437	22,155,391
Franchise and miscellaneous taxes	1,197,834	-	-	-	-	434,499	1,632,333
Intergovernmental	1,072,376	-	25,970	-	-	2,893,270	3,991,616
Licenses and permits	1,229,928	-	-	-	-	-	1,229,928
Charges for services	739,067	277,615	-	-	31,923	938,843	1,987,448
Fines & forfeitures	376,377	-	-	-	-	-	376,377
Investment earnings	33,042	59,812	34,907	10,626	51,060	125,376	314,823
Miscellaneous	406,203	17,365	-	-	889,949	469,791	1,783,308
Total revenues	<u>14,214,166</u>	<u>354,792</u>	<u>5,271,492</u>	<u>10,626</u>	<u>5,004,120</u>	<u>12,647,216</u>	<u>37,502,412</u>
EXPENDITURES							
Administration	507,021	-	-	-	-	-	507,021
City attorney	91,126	-	-	-	-	-	91,126
Municipal court	123,948	-	-	-	-	-	123,948
Community service	4,040	-	-	-	-	-	4,040
General government	1,291,902	-	-	-	1,603,012	186,007	3,080,921
Police	4,092,335	-	-	-	-	947,603	5,039,938
Fire	3,822,422	-	-	-	-	-	3,822,422
Emergency Management	17,253	-	-	-	-	-	17,253
Streets	745,222	-	-	-	-	3,054,324	3,799,546
Culture and recreation	458	-	-	-	-	919,296	919,754
Cemetery	152,827	-	-	-	-	10,200	163,027
Economic development	-	-	-	-	-	389,271	389,271
E-911	-	-	-	-	-	79,680	79,680
Water and sewer	450,758	-	-	-	-	-	450,758
Capital outlay	81,258	106,731	1,145,853	-	-	5,945,886	7,279,728
Debt service:							
Principal	-	-	193,322	-	3,040,000	480,000	3,713,322
Interest and other charges	-	-	1,942	-	470,643	411,425	884,010
Total expenditures	<u>11,380,570</u>	<u>106,731</u>	<u>1,341,117</u>	<u>-</u>	<u>5,113,655</u>	<u>12,423,692</u>	<u>30,365,765</u>
Excess (deficiency) of revenues over expenditures	<u>2,833,596</u>	<u>248,061</u>	<u>3,930,375</u>	<u>10,626</u>	<u>(109,535)</u>	<u>223,524</u>	<u>7,136,647</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from long-term debt	-	-	-	-	50,500,000	-	50,500,000
Transfers in	2,345,384	-	1,646,431	41,692,732	-	10,219,481	55,904,028
Transfers out	(2,947,563)	(1,707,627)	(1,865,665)	-	(48,937,670)	(5,182,385)	(60,640,910)
Total other financing sources (uses)	<u>(602,179)</u>	<u>(1,707,627)</u>	<u>(219,234)</u>	<u>41,692,732</u>	<u>1,562,330</u>	<u>5,037,096</u>	<u>45,763,118</u>
Net change in fund balances	2,231,417	(1,459,566)	3,711,141	41,703,358	1,452,795	5,260,620	52,899,765
Fund balances - beginning	9,052,045	15,317,160	8,361,481	-	2,105,183	35,622,210	70,458,079
Fund balances - ending	<u>\$ 11,283,462</u>	<u>\$ 13,857,594</u>	<u>\$ 12,072,622</u>	<u>\$ 41,703,358</u>	<u>\$ 3,557,978</u>	<u>\$ 40,882,830</u>	<u>\$ 123,357,844</u>

See accompanying notes to the basic financial statements.

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

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$ 123,357,844
 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.	114,705,780
Other long-term assets are not available to pay for current period expenditures and therefore they, along with pension and OPEB related deferred outflows, are not reported in the funds.	
Unavailable revenue	3,345,146
Net OPEB asset	129,370
Net pension asset	3,678,178
Pension and OPEB related deferred outflows	2,991,645
	10,144,339
Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of these special revenue funds are included in business-type activities in the Statement of Net Position.	
Water and Sewer Development Fund	(13,857,594)
Citizen's Planned Fund	(957,042)
	(14,814,636)
Some liabilities (such as Notes Payable, Long-term Compensated Absences, Bonds Payable, and net pension liability), are not due and payable in the current period and therefore, they, along with pension and OPEB related deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	
Accrued interest payable	(399,479)
Notes payable	(11,395,000)
General obligation bonds	(67,920,000)
Bond premium	(1,009,345)
Net pension liability	(3,829,238)
Pension and OPEB related deferred inflows	(6,591,358)
Accrued compensated absences	(1,843,990)
	(92,988,410)
Internal service fund net position, classified as governmental activities at the government-wide financial statements.	116,439
Net Position of Governmental Activities in the Statement of Net Position	\$ 140,521,356

See accompanying notes to the basic financial statements.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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: \$ 52,899,765

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

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

Capital asset purchases capitalized	9,253,776
Capital assets contributed	5,871,795
Depreciation expense	(4,271,912)
Book value of disposed capital assets	(2,229)
	10,851,430

In the Statement of Activities, the net cost of pension benefits earned is calculated and reported as pension expense. The fund financial statements report pension contributions as pension expenditures. This amount represents the difference between pension contributions and calculated pension expense.

1,475,861

In the Statement of Activities, the net cost of OPEB benefits earned is calculated and reported as OPEB expense. The fund financial statements report OPEB contributions as OPEB expenditures/espenses. This amount represents the difference between OPEB contributions and calculated OPEB expense.

32,779

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

Change in unavailable revenue	2,542,716
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Certain special revenue funds are used by management to perform business-type activities. The net change in fund balances of these special revenue funds are included in business-type activities in the Statement of Net Position:

Water and Sewer Development Fund	1,459,566
Citizen's Planned Fund	487,691
	1,947,257

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	3,713,322
Proceeds of long-term debt	(50,500,000)
Bond premium	(889,949)
Amortization of bond premium and deferred amounts on refunding	38,549
	(47,638,078)

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

751

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in accrued interest payable	(187,025)
Change in accrued compensated absences	(68,414)
	(255,439)

Change in net position of governmental activities \$ 21,857,042

See accompanying notes to the basic financial statements.

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

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

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

Proprietary Fund Statement of Net Position - June 30, 2022

	<u>Bixby Public</u> <u>Works Authority</u>	<u>Internal Service</u> <u>Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,608,251	\$ 116,439
Investments	6,930,054	-
Restricted:		
Cash and cash equivalents	306,030	-
Due from other funds	14,441	-
Accounts receivable, net	1,948,925	-
Inventories	13,819	-
Total current assets	20,821,520	116,439
Non-current assets:		
Restricted:		
Investments	1,662,442	-
Net OPEB asset	121,211	-
Net Pension asset	1,183,322	-
Capital assets:		
Land and construction in progress	29,136,564	-
Other capital assets, net of accumulated depreciation	66,475,267	-
Total non-current assets	98,578,806	-
Total assets	\$ 119,400,326	\$ 116,439
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	308,159	-
Deferred amounts related to OPEB	24,311	-
Total deferred outflows	332,470	-
 LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,614,233	\$ -
Accrued payroll payable	55,898	-
Accrued interest payable	113,286	-
Due to other funds	200,226	-
Deposits subject to refund	186,388	-
Compensated absences	53,787	-
Notes payable	2,150,118	-
Total current liabilities	4,373,936	-
Non-current liabilities:		
Compensated absences	215,147	-
Deposits subject to refund	908,403	-
Notes payable	17,162,140	-
Total non-current liabilities	18,285,690	-
Total liabilities	22,659,626	-
 DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	1,374,769	-
Deferred amounts related to OPEB	83,277	-
Total deferred inflows	1,458,046	-
 NET POSITION		
Net investment in capital assets	76,299,573	-
Restricted for debt service	733,812	-
Unrestricted	18,581,739	116,439
Total net position	\$ 95,615,124	\$ 116,439

See accompanying notes to the basic financial statements.

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

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

	<u>Bixby Public</u> <u>Works Authority</u>	<u>Internal Service</u> <u>Funds</u>
REVENUES		
Water	\$ 9,238,112	\$ -
Sewer	3,585,849	-
Miscellaneous	213,800	45,232
Total operating revenues	<u>13,037,761</u>	<u>45,232</u>
OPERATING EXPENSES		
Administration	1,944,287	-
Water	4,853,715	-
Wastewater	1,335,418	-
Insurance claims	-	44,491
Depreciation	1,933,593	-
Total Operating Expenses	<u>10,067,013</u>	<u>44,491</u>
Operating income	<u>2,970,748</u>	<u>741</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment revenue	80,089	10
Interest expense	(400,205)	-
Total non-operating revenue (expenses)	<u>(320,116)</u>	<u>10</u>
Income before contributions and transfers	2,650,632	751
Capital contributions	2,792,107	-
Transfers in	9,524,225	-
Transfers out	(4,439,421)	-
Change in net position	<u>10,527,543</u>	<u>751</u>
Total net position - beginning	85,087,581	115,688
Total net position - ending	<u>\$ 95,615,124</u>	<u>\$ 116,439</u>

See accompanying notes to the basic financial statements.

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

Reconciliation of Proprietary Fund and Government-Wide Financial Statements:

Total net position, proprietary funds \$ 95,615,124

Amounts reported for business-type activities in the Statement of Net Position are different because:

Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of these special revenue funds are included in business-type activities in the Statement of Net Position.

Water and Sewer Development Fund	13,857,594
Citizen's Planned Fund	957,042
	14,814,636

Net Position of Business-type Activities in the Statement of Net Position \$ 110,429,760

Change in net position - total proprietary funds: \$ 10,527,543

Amounts reported for Business-type Activities in the Statement of Activities are different because:

Certain special revenue funds are used by management to perform business-type activities. The net change in fund balances of these special revenue funds are included in business-type activities in the Statement of Net Position:

Water and Sewer Development Fund	(1,459,566)
Citizen's Planned Fund	(487,691)
	(1,947,257)

Change in net position of business-type activities \$ 8,580,286

See accompanying notes to the basic financial statements.

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

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

	<u>Bixby Public</u> <u>Works Authority</u>	<u>Internal Service</u> <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 12,547,203	\$ 45,232
Payments to suppliers	(6,226,979)	(44,491)
Payments to employees	(2,321,030)	-
Receipts of customer meter deposits	215,315	-
Refunds of customer meter deposits	(91,612)	-
Interfund receipts	3,693	-
Interfund payments	(3,693)	-
Net cash provided by operating activities	<u>4,122,897</u>	<u>741</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	9,524,225	-
Transfers to other funds	(4,439,421)	-
Net cash provided by noncapital financing activities	<u>5,084,804</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(9,795,114)	-
Proceeds from notes receivables	-	-
Proceeds from debt	4,703,148	-
Principal paid on debt	(2,134,884)	-
Interest and fiscal agent fees paid on debt	(372,283)	-
Net cash provided by (used in) capital and related financing activities	<u>(7,599,133)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,937,459)	-
Interest and dividends	80,089	10
Net cash provided by (used in) investing activities	<u>(6,857,370)</u>	<u>10</u>
Net increase (decrease) in cash and cash equivalents	(5,248,802)	751
Balances - beginning of year	<u>17,163,083</u>	<u>115,688</u>
Balances - end of year	<u>\$ 11,914,281</u>	<u>\$ 116,439</u>
Reconciliation to Statement of Net Position:		
Cash and cash equivalents	\$ 11,608,251	\$ 116,439
Restricted cash and cash equivalents - current	306,030	-
Total cash and cash equivalents, end of year	<u>\$ 11,914,281</u>	<u>\$ 116,439</u>

See accompanying notes to the basic financial statements.

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

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

	<u>Bixby Public Works Authority</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by		
Operating Activities:		
Operating income	\$ 2,970,748	\$ 741
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,933,593	-
Change in assets, liabilities, and deferrals:		
Due from other funds	(3,693)	-
Due to other funds	3,693	-
Accounts receivable	(490,558)	-
Deferred outflows related to pensions and OPEB	252,795	-
Accounts payable	(130,639)	-
Accrued salaries payable	4,347	-
Deposits subject to refund	123,703	-
Deferred inflows related to pensions and OPEB	1,367,575	-
Net OPEB asset	(84,494)	-
Net pension asset	(1,183,322)	-
Net pension liability	(698,734)	-
Accrued compensated absences	57,883	-
Net cash provided by operating activities	<u>\$ 4,122,897</u>	<u>\$ 741</u>

See accompanying notes to the basic financial statements.

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

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of Bixby) and the blended component unit as noted below. This annual report includes all activities for which the City of Bixby City Council/Manager is fiscally responsible.

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statements No. 14, 34, 39, and 61 and includes all component units for which the City is financially accountable.

The City of Bixby – that provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.

The City of Bixby has a population of approximately 23,000 located in northeast Oklahoma. The City is a Council/Manager form of government that provides for three branches of government:

- Legislative – the City Council is the governing body elected by the citizens
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Council

The City provides typical municipal services such as public safety, street maintenance, culture, parks and recreation.

Blended Component Unit:

- **The Bixby Public Works Authority** – that operates the water and sewer services of the City.

This component unit is a Public Trust established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authority is 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 Authority generally retains 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 Authority to the Trustees on a long-term basis. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

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

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

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

- Public Safety – Fire, Police, Ambulance – fines and forfeitures, ambulance fees, fire run charges, 911 revenue and restricted operating grants.
- Streets – Commercial vehicle and gasoline excise tax shared by the State and other restricted operating grants.
- Culture, parks, and recreation – park usage fees, fishing license fees, operating and capital grants.
- Cemetery – cemetery revenues
- General Government – licenses and permits and restricted operating grants.

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

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds. The General Fund also includes the Rural Fire, Fishing License, Cemetery Beautification and Cemetery Maintenance accounts.
- 2022A GO Bond Fund – a capital project fund that accounts for bond proceeds used to finance culture and recreation facilities and public parks.
- Water and Sewer Development Fund – a capital project fund that accounts for revenue from water and sewer development fee and expenses for water and sewer maintenance and improvements.
- Capital Improvement Fund – a capital project fund that accounts for ¼ cent sales tax for capital improvements.
- Debt Service Fund – a debt service fund that accounts for receipt of ad valorem taxes and used to make debt service payments for general obligation bonds.

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

Special Revenue Funds:

- Park Fund – accounts for ¼ penny sales tax used to improve and maintain Bentley Park.
- E911 Fund – accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.
- Fry Creek Maintenance Fund – accounts for the ongoing maintenance of the Fry Creek Channel.
- Street and Alley Fund – accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.
- Economic Development Fund – accounts for revenues received from hotel lodging tax and expenses to enhance the City's ability to attract new industry to the area.
- Federal Police Asset Forfeiture Fund – accounts for the City's share of funds from various multi-jurisdictional operations.
- State Police Asset Forfeiture Fund – accounts for the City's share of funds from various multi-jurisdictional operations.

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- Disaster Recovery Fund – accounts for funds set aside to help enable our community to recover from a future large-scale natural or man-made disaster.
- Sales Tax Personnel Fund – accounts for sales tax that is voter restricted to hire additional City personnel in the police, fire and street departments.

Capital Project Funds:

- Cemetery Care Fund – accounts for 12.5% of cemetery revenue restricted by State law for cemetery capital improvements.
- 2016 Bond Fund – accounts for bond proceeds used to finance streets, parks and recreation, and public safety improvements.
- 2011 Bond Fund – accounts for bond proceeds used to finance streets, parks and recreation, and public safety improvements.
- Stormwater Management Fund –accounts for revenues from stormwater fees and expenses for maintenance and capital improvements of the stormwater system.
- 2018 Bond Fund – accounts for bond proceeds used to finance streets and public safety improvements.
- 2018B Bond Fund – accounts for bond proceeds used to finance streets and public safety improvements.
- Citizen’s Planned Fund –accounts for $\frac{3}{4}$ cent sales tax restricted for sewer system improvements and debt service.
- 2019 GO Bond Fund –accounts for bond proceeds used to finance streets and park improvements.
- Downtown River Corridor Fund – accounts for the repurposed 0.3 of one cent sales tax to enhance the Arkansas River access and renovate downtown infrastructure.
- 2020 GO Bond Fund – accounts for bond proceeds used to finance public safety buildings, improvements, remodeling, and repairs.
- 2021 GO Bond Fund – accounts for bond proceeds used to finance public safety buildings, improvements, remodeling, and repairs.
- ARPA Capital Improvements Fund –accounts for ARPA proceeds used for capital improvements.

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.

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, 2022A GO Bond Fund, Water and Sewer Development Fund, Capital Improvement Fund, and Debt Service Fund are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column titled Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds include:

Enterprise Fund

- Bixby Public Works Authority Fund - accounts for the activities of the public trust in providing water and sewer services to the public. The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. 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.

Internal Service Fund

The City's Internal Service Fund is used to account for the financing of services provided by one department to other departments of the City and it is included in the governmental activities in the government-wide statements.

C. 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-like 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, deferred outflows, liabilities and deferred inflows 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, deferred outflows, liabilities and deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary 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, deferred outflows, liabilities and deferred inflows 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 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.

D. 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 of the promissory note trustee accounts are considered cash equivalents.

Investments are carried at fair value. 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. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, ad valorem 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, ad valorem 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.

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 infrastructure assets acquired prior to July 1, 2002.

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

- Buildings	10-60 years
- Machinery and Equipment	3-30 years
- Infrastructure	5-60 years
- Other Improvements	5-60 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 revenue bond trustee accounts and utility meter deposits.

Long-Term Debt

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

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

The City's policies regarding vacation, sick, and compensatory time permit employees to accumulate varying amounts as determined by management and contracts with employee groups.

Compensated absences are reported as accrued in the government-wide and proprietary financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

Deferred Outflows and Inflows

Deferred outflows and inflows are the consumption or acquisition of net position by the City that are applicable to a future reporting period. At June 30, 2022, the City's deferred outflows and deferred inflows of resources were comprised of pension and OPEB related deferrals, leases and a deferred amount related to a refunding. As mentioned in Note 1.H., certain pension and OPEB amounts are deferred, some as outflows and other as inflows, amortized as a component of pension and insurance expense in future periods.

Equity Classifications

Government-Wide and Proprietary Fund Financial 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 the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement 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 or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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

Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.

- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. Currently, the City has no committed fund balance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

E. Revenues, Expenditures, and Expenses

Sales Tax

The City presently levies a four and five one-hundredths cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Two cents is recorded in the General Fund, three-fourths cent in the Citizen’s Planned Fund, thirty-five hundredths of one cent in the Capital Improvement Fund, one-fourth cent in the Personnel Sales Tax Fund, thirty hundredths of one cent in the Downtown River Corridor Fund and the remaining forty hundredths of one cent in the Park Fund.

Sales tax resulting from sales occurring prior to year-end and received by the City after year-end have been accrued and are included under the caption “Due from other governments”. They represent taxes on sales occurring prior to year-end.

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.

At the present time the City levies a property tax to fund the annual debt service requirements of general obligation bonds outstanding.

The property tax levy, as determined by the City’s debt service needs, is submitted to the County Excise Board for approval. County assessors determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent nor more than 13½ percent.

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Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. Property taxes levied, but not collected during the year or within 60 days of year-end are reported as deferred revenue.

For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$338,001,295. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2022 was \$21.54.

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, noncapital financing, or investing activities.

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.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements:

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

1. Interfund loans - amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - sales or purchases of goods and services between funds are reported as

revenues and expenditures/expenses.

3. Interfund reimbursements - repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

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.

G. 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.

H. Pensions and OPEB

For purposes of measuring the net pension asset, 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 Oklahoma Municipal Retirement Fund (OkMRF) and additions to/deductions from OFPRS, OPPRS and OkMRF's fiduciary net position have been determined on the same basis as they are reported by OFPRS, OPPRS and OkMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by these funds are reported at fair value.

For purposes of measuring the total OPEB liability or net OPEB asset, deferred outflows of resources, and deferred inflows and OPEB expense for the single employer other postemployment benefit plan the measurement has been prepared in accordance with GASB Statement No. 75.

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2. Cash, Cash Equivalents, and Investments

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

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

Primary Government:

<u>Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value Heirarchy</u>	<u>Carrying Value</u>
Deposits:				
Demand deposits				\$ 40,129,681
Cash on hand				250
Time deposits	Due within 1 year		N/A	98,415,782
				<u>138,545,713</u>
Investments:				
GS Fin Sq Treas Instr-Prem #3515		Aaa-mf	N/A	1,379,215
				<u>1,379,215</u>
Total deposits and investments				<u><u>\$ 139,924,928</u></u>
 Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 41,509,146
Investments				98,415,782
				<u><u>\$ 139,924,928</u></u>

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 110% of the uninsured deposits and accrued interest thereon. At June 30, 2022, the City was not exposed to custodial credit risk.

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.

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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. Federally insured certificates of deposit issued through the Certificate of Deposit Account Registry Service (“CDARS”) by financial institutions located in the United States, provided that (i) the funds are initially invested through a financial institution that is participating in CDARS (ii) the financial institution received reciprocal deposits from customers of other financial institutions in an amount equal to the funds initially invested; and (iii) each such certificate of deposit is in an amount that is eligible for full FDIC insurance coverage.

As noted in the schedule of deposits and investments above at June 30, 2022, all of the City’s investments in debt securities were rated Aaa-mf by Moody’s.

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. Currently, the City has no investments that require this disclosure.

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.

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, construction purposes, worker’s compensation escrow and Public Works Authority customer utility deposits. The restricted assets as of June 30, 2022 are as follows:

	Current	Noncurrent
	Cash and cash equivalents	Investments
2009 OWRB DWSRF Construction Account	\$ 45,093	\$ -
2011 OWRB CWSRF Construction Account	66,424	-
BPWA Debt Service CDs	-	735,581
Worker's Comp Escrow	26,583	-
Meter deposits	167,930	926,861
Total	\$ 306,030	\$ 1,662,442

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3. Accounts, Notes, and Leases Receivable

Receivables - Accounts receivable of the business-type activities consist of customers utilities services provided, both billed and unbilled, due at year end, reported net of allowance for uncollectible amounts. The governmental activities receivables include fines receivables.

The City is a party as lessor for non-cancellable long-term lease of land. The corresponding lease receivable is 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 is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$5,520.

	Receivables	Less: Allowance for Uncollectible Accounts	Net Receivables
Governmental Activities:			
Franchise taxes	\$ 99,855	\$ -	\$ 99,855
Court fines	1,537,681	(768,805)	768,876
Ambulance fees	98,596	-	98,596
Stormwater	122,855	-	122,855
Leases	10,073	-	10,073
Other taxes	39,900	-	39,900
Total Governmental Activities	\$ 1,908,960	\$ (768,805)	\$ 1,140,155
Business-Type Activities:			
Utilities	\$ 2,622,330	\$ (673,405)	\$ 1,948,925
Total Business-type Activities	\$ 2,622,330	\$ (673,405)	\$ 1,948,925

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:

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	Balance at July 1, 2021	Additions	Disposals	Transfers	Balance at June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 14,904,220	\$ 1,426,733	\$ -	\$ -	\$ 16,330,953
Construction in progress	12,776,469	7,214,580	-	(3,066,577)	16,924,472
Total capital assets not being depreciated	<u>27,680,689</u>	<u>8,641,313</u>	<u>-</u>	<u>(3,066,577)</u>	<u>33,255,425</u>
Other capital assets:					
Buildings and improvements	11,705,232	(5,929,846)	-	6,055,036	11,830,422
Infrastructure	87,448,600	11,286,372	-	(2,988,459)	95,746,513
Machinery, furniture and equipment	32,175,712	1,127,732	78,141	-	33,225,303
Total other capital assets at historical cost	<u>131,329,544</u>	<u>6,484,258</u>	<u>78,141</u>	<u>3,066,577</u>	<u>140,802,238</u>
Less accumulated depreciation for:					
Buildings and improvements	2,511,728	279,532	-	-	2,791,260
Infrastructure	36,507,153	2,248,471	-	-	38,755,624
Machinery, furniture and equipment	16,137,002	1,743,909	75,912	-	17,804,999
Total accumulated depreciation	<u>55,155,883</u>	<u>4,271,912</u>	<u>75,912</u>	<u>-</u>	<u>59,351,883</u>
Other capital assets, net	76,173,661	2,212,346	2,229	3,066,577	81,450,355
Governmental activities capital assets, net	<u>\$ 103,854,350</u>	<u>\$ 10,853,659</u>	<u>\$ 2,229</u>	<u>\$ -</u>	<u>\$ 114,705,780</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 488,651	\$ -	\$ -	\$ -	\$ 488,651
Construction in progress	19,489,152	9,536,944	-	(378,183)	28,647,913
Total capital assets not being depreciated	<u>19,977,803</u>	<u>9,536,944</u>	<u>-</u>	<u>(378,183)</u>	<u>29,136,564</u>
Other capital assets:					
Buildings and improvements	1,510,553	-	-	-	1,510,553
Machinery, furniture and equipment	5,721,691	243,808	16,885	-	5,948,614
Infrastructure	83,753,647	2,806,471	-	378,183	86,938,301
Total other capital assets at historical cost	<u>90,985,891</u>	<u>3,050,279</u>	<u>16,885</u>	<u>378,183</u>	<u>94,397,468</u>
Less accumulated depreciation for:					
Buildings and improvements	1,144,585	47,271	-	-	1,191,856
Machinery, furniture and equipment	3,067,807	415,418	16,885	-	3,466,340
Infrastructure	21,793,101	1,470,904	-	-	23,264,005
Total accumulated depreciation	<u>26,005,493</u>	<u>1,933,593</u>	<u>16,885</u>	<u>-</u>	<u>27,922,201</u>
Other capital assets, net	64,980,398	1,116,686	-	378,183	66,475,267
Business-type activities capital assets, net	<u>\$ 84,958,201</u>	<u>\$ 10,653,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,611,831</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	\$ 1,180,760
Public safety	964,108
Streets	1,389,921
Culture and recreation	717,018
Cemetery	20,105
	<u>\$ 4,271,912</u>

Business-Type Activities:

Water	\$ 881,695
Wastewater	1,051,898
	<u>\$ 1,933,593</u>

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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:

<u>Type of Debt</u>	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 20,460,000	\$ 50,500,000	\$ 3,040,000	\$ 67,920,000	\$ 3,330,000
Notes payable (direct borrowing)	12,068,322	-	673,322	11,395,000	500,000
Accrued compensated absences	1,775,577	68,413	-	1,843,990	368,798
Total Governmental Activities	<u>\$ 34,303,899</u>	<u>\$ 50,568,413</u>	<u>\$ 3,713,322</u>	<u>\$ 81,158,990</u>	<u>\$ 4,198,798</u>
Business-Type Activities:					
Notes Payable (direct borrowing)	\$ 16,743,994	\$ 4,703,148	\$ 2,134,884	\$ 19,312,258	\$ 2,150,118
Deposits Subject to Refund	971,088	123,703	-	1,094,791	186,388
Accrued compensated absences	211,051	-	8,344	268,934	53,787
Total Business-Type Activities	<u>17,926,133</u>	<u>4,826,851</u>	<u>2,143,228</u>	<u>20,675,983</u>	<u>2,390,293</u>
Total Long-Term Debt	<u>\$ 52,230,032</u>	<u>\$ 55,395,264</u>	<u>\$ 5,856,550</u>	<u>\$ 101,834,973</u>	<u>\$ 6,589,091</u>

Reconciliation to Statement of Net Position:

Governmental Activities:

Due within one year	\$ 4,198,798
Due in more than one year	81,798,775
Less unamortized bond premium	(1,009,345)
Net pension liability	(3,829,238)
Total Governmental Activities Long-Term Liabilities	<u>\$ 81,158,990</u>

Business-Type Activities:

Due within one year	\$ 2,390,293
Due in more than one year	18,285,690
Total Business-Type Activities Long-Term Liabilities	<u>\$ 20,675,983</u>

Governmental activities long-term debt:

Notes Payable (direct borrowing):

Sales Tax Revenue Note Payable, Series 2017, original issue amount of \$13,980,000, dated November 30, 2017, issued by Bixby Public Works Authority, secured by sales tax, to be used on the Downtown River Corridor Project, interest rate of 3.5%, final maturity March 1, 2038. Repaid by sales tax apportioned. In the event of default the Lender may: 1) declare the entire principal outstanding and interest accrued therein immediately due and payable, 2) may apply to any court of for the appointment of a receiver as administer, 3) take any action necessary or desirable at law or in equity to enforce the performance of the obligation.

	\$ 11,395,000
Total Note Payable	<u>\$ 11,395,000</u>
Current portion	\$ 500,000
Noncurrent portion	<u>10,895,000</u>
Total Notes Payable	<u>\$ 11,395,000</u>

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General Obligation Bonds Payable:

\$43,000,000 General Obligation Refunding Bonds of 2022A, due in annual installments of between \$1,790,000 and \$1,830,000 with an annual interest rate of between 3.00% and 4.00%, repaid by property tax levies. final payment due June 2047. \$ 43,000,000

\$7,500,000 General Obligation Bonds of 2021, due in annual installments between \$830,000 and \$860,000, with an annual interest rate of 1.00%, repaid by property tax levies. final payment due December 2026. 7,500,000

\$4,900,000 General Obligation Bonds of 2016B, due in annual installments of \$540,000 with an annual interest rate of 1.50%, repaid by property tax levies. final payment due December 2026. 2,740,000

\$6,400,000 General Obligation Bonds of 2008, due in annual installments of \$455,000 with an annual interest rate between 3.00% and 4.10%, repaid by property tax levies. final payment due June 2023. 485,000

\$10,000,000 General Obligation Bonds of 2011, due in annual installments of \$710,000 and a final installment of \$770,000 with an annual interest rate between 2.00% and 4.00%, repaid by property tax levies. final payment due June 2026. 2,900,000

\$2,400,000 General Obligation Bonds of 2019, due in annual installments ranging from \$265,000 to \$280,000 with an annual interest rate between 1.20% and 3.00%, repaid by property tax levies. final payment due October 2029. 2,135,000

\$2,000,000 General Obligation Bonds of 2018A, due in annual installments ranging from \$220,000 to \$240,000 with an annual interest rate between 2.3% and 2.7%, repaid by property tax levies. final payment due May 2028. 1,340,000

\$4,000,000 General Obligation Bonds of 2018B, due in annual installments ranging from \$440,000 to \$480,000 with an annual interest rate between 2.2% and 2.9%, repaid by property tax levies. final payment due December 2028. 3,120,000

\$4,700,000 General Obligation Bonds of 2020, due in annual installments ranging from \$670,000 to \$680,000 with an annual interest rate 1.0%, repaid by property tax levies. final payment due December 2028. 4,700,000

Total Notes Payable \$ 67,920,000

Current portion \$ 3,330,000

Noncurrent portion 64,590,000

Total Notes Payable \$ 67,920,000

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Accrued Compensated Absences:

	Current portion	368,798
	Noncurrent portion	<u>1,475,192</u>
Total Accrued Compensated Absences	\$	<u><u>1,843,990</u></u>

Business-type activities long-term debt:

Deposits subject to Refund:

	Current portion	\$ 186,388
	Noncurrent portion	<u>908,403</u>
Total Deposits Subject to Refund	\$	<u><u>1,094,791</u></u>

Accrued Compensated Absences:

	Current portion	\$ 53,787
	Noncurrent portion	<u>215,147</u>
Total Accrued Compensated Absences	\$	<u><u>268,934</u></u>

Notes Payable (direct borrowings):

2009 DWSRF Note Payable to Oklahoma Water Resources Board dated November 19, 2009, original amount of \$2,160,000 with an annual interest rate of 3.23% due in semi-annual installments of principal and interest beginning March 15, 2011, final installment due September 15, 2030, payable from and secured by utility revenues. In the event of default the lender may: 1) file suit for specific performance of covenants, 2) acceleration of payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement.

\$ 672,183

2011 CWSRF Note Payable to Oklahoma Water Resources Board dated June 15, 2011, original amount of \$2,860,000 with an annual interest rate of 2.7% due in semi-annual installments of principal and interest beginning September 15, 2012, final installment due March 15, 2032, payable from and secured by utility revenues. In the event of default the lender may: 1) file suit for specific performance of covenants, 2) acceleration of payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement, 5) interest rate increases to 14% from date of default until date of payment.

1,346,256

2017 CWSRF Note Payable to Oklahoma Water Resources Board dated September 1, 2017, original amount of \$24,000,000 with an annual interest rate of 1.42% due in semi-annual installments of principal and interest beginning September 15, 2018, final installment due March 15, 2031, payable from and secured by utility revenues. In the event of default the lender may: 1) file suit for specific performance of covenants, 2) acceleration of payment of principal and interest accrued on all notes, 3) appoint temporary trustees to take over, operate, and maintain the System, 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement, 5) interest rate increases to 14% from date of default until date of payment.

16,947,857

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111 N Cabaniss Ave Note payable with Mabrey Bank, original issue amount of \$451,017 dated December 2, 2019, issued by Bixby Public Works Authority, secured by a security interest in the property, interest rate of 3.9%, final maturity December 2029.

		345,962
Total Notes Payable	\$	19,312,258
Current portion	\$	2,150,118
Noncurrent portion		17,162,140
Total Notes Payable	\$	19,312,258

Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Governmental Activities			
	General		Notes Payable	
	Obligation Bonds		(direct borrowings)	
	Principal	Interest	Principal	Interest
2023	\$ 3,330,000	\$ 2,111,767	\$ 500,000	\$ 394,538
2024	5,465,000	1,990,029	520,000	376,775
2025	5,465,000	1,863,176	535,000	358,488
2026	5,525,000	1,718,291	555,000	339,588
2027	4,795,000	1,570,573	575,000	319,900
2028-2032	16,450,000	6,410,159	3,190,000	1,281,088
2033-2037	8,950,000	4,489,713	3,790,000	676,813
2038-2042	8,950,000	2,827,250	1,730,000	45,413
2043-2047	8,990,000	1,082,000	-	-
Totals	\$ 67,920,000	\$ 24,062,958	\$ 11,395,000	\$ 3,792,603

<u>Year Ending June 30,</u>	Business-type Activities	
	Notes Payable	
	(direct borrowings)	
	Principal	Interest
2023	\$ 2,150,118	\$ 411,771
2024	2,212,199	367,694
2025	2,274,848	322,453
2026	2,292,574	276,084
2027	2,360,549	229,046
2028-2032	9,494,117	431,972
Totals	\$ 20,784,405	\$ 2,039,020

Less: Amount not drawn down (1,472,147)
\$ 19,312,258

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6. Fund Balance and Net Position

The following tables show the fund balance classifications as shown in the Governmental Funds Balance Sheet and net position restrictions of the Proprietary Fund Statement of Net Position:

General Fund	Major Capital Project Funds			Major Debt Service Fund	Other Governmental Funds	TOTAL
	2022A GO Bond Fund	Water & Sewer Development Fund	Capital Improvement Fund	Debt Service Fund		
Fund Balances:						
Restricted for:						
Streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Park improvements	-	41,692,732	-	-	-	41,692,732
Park/street/public safety improvements	-	-	-	-	7,989,083	7,989,083
Debt service	-	-	-	3,088,222	-	3,088,222
Personnel	-	-	-	-	1,114,565	1,114,565
Bentley park	-	-	-	-	1,749,490	1,749,490
E911	-	-	-	-	738,563	738,563
Public safety	-	-	-	-	4,460,599	4,460,599
Disaster recovery	-	-	-	-	2,107,698	2,107,698
Fry creek	-	-	-	-	104,800	104,800
Economic development	-	-	-	-	-	-
Cemetery capital	-	-	-	-	520,544	520,544
Capital improvements	-	-	-	-	2,440,284	2,440,284
Downtown river corridor	-	-	-	-	1,902,256	1,902,256
Stormwater system	-	-	-	-	-	-
Water and sewer maintenance	-	-	-	-	-	-
Sub-total Restricted	-	41,692,732	-	3,088,222	23,127,882	67,908,836
Committed to:						
E911	-	-	-	-	-	-
Sub-total Committed	-	-	-	-	-	-
Assigned to:						
Subsequent year budget	848,750	-	-	-	-	848,750
Funds due employees	-	-	-	-	-	-
Disaster recovery contingency	-	-	-	-	-	-
Infrastructure rehabilitation	-	-	-	-	-	-
Emergency	-	-	-	-	-	-
Litigation contingency	-	-	-	-	-	-
Calendar year 2016 budget	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Downtown river corridor	-	-	-	-	3,461,511	3,461,511
Disaster recovery	-	-	-	-	1,205,930	1,205,930
Rural fire	173,373	-	-	-	-	173,373
Fishing activities	107,327	-	-	-	-	107,327
Cemetery maintenance	229,219	-	-	-	-	229,219
Cemetery beautification	288	-	-	-	-	288
Alive at 25	54,218	-	-	-	-	54,218
Streets	-	-	-	-	3,442,193	3,442,193
Park/street/public safety improvements	-	10,626	-	-	271,594	282,220
Debt service	-	-	-	469,756	-	469,756
Public safety	-	-	-	-	46,020	46,020
Bentley park	-	-	-	-	1,717,238	1,717,238
E911	-	-	-	-	22,756	22,756
Fry creek	-	-	-	-	1,992,259	1,992,259
Economic development	-	-	-	-	726,343	726,343
Capital improvements	-	-	12,072,622	-	1,515	12,074,137
Sewer system improvements	-	-	-	-	957,042	957,042
Stormwater system	-	-	-	-	4,255,798	4,255,798
Water and sewer maintenance	-	-	13,857,594	-	-	13,857,594
Sub-total Assigned	1,413,175	10,626	13,857,594	12,072,622	18,100,199	45,923,972
Unassigned (deficit):	9,870,287	-	-	-	(345,251)	9,525,036
TOTAL FUND BALANCES	\$ 11,283,462	\$ 41,703,358	\$ 13,857,594	\$ 12,072,622	\$ 3,557,978	\$ 40,882,830
						\$ 123,357,844

Enterprise Funds:

Net Position Restricted For Debt Service \$ 733,812

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Net position restrictions for the Government-wide financial statements are as follows:

	State Statutes	Contractual Agreements	Total
Governmental Activities:			
Capital Projects:			
ARPA Capital Improvement Fund	\$ -	\$ 2,440,284	\$ 2,440,284
Fry Creek Fund	-	104,800	104,800
Sub-total Capital Projects	<u>-</u>	<u>2,545,084</u>	<u>2,545,084</u>
Debt Service:			
Debt Service Fund	3,088,222	-	3,088,222
Sub-total Debt Service	<u>3,088,222</u>	<u>-</u>	<u>3,088,222</u>
Other			
Cemetery Care Fund	520,544	-	520,544
Downtown River Corridor Fund	-	1,902,256	1,902,256
Parks Fund	-	1,749,490	1,749,490
Sales Tax Personnel Fund	-	1,114,565	1,114,565
Disaster Recover Fund	-	2,107,698	2,107,698
State Forfeiture Fund	18,711	-	18,711
E911 Fund	738,563	-	738,563
Sub-total Other	<u>1,277,818</u>	<u>6,874,009</u>	<u>8,151,827</u>
Total Governmental Activities	<u>4,366,040</u>	<u>9,419,093</u>	<u>13,785,133</u>
Business-Type Activities:			
Revenue Bond Trustee Accounts	-	733,812	733,812
TOTAL RESTRICTED NET POSITION	<u>\$ 4,366,040</u>	<u>\$ 10,152,905</u>	<u>\$ 14,518,945</u>

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.

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Transfers:

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose of Transfer</u>
E911	General Fund	\$ 60,000	Operations
BPWA	General Fund	700,000	Pilot fees
BPWA	General Fund	1,528,319	Sales tax transfer
General Fund	BPWA	1,672,035	Sales tax transfer
Water and Sewer Development	Downtown River Corridor Fund	473,893	Debt service
General Fund	BPWA	357,406	Capital assets
BPWA	Citizen's Planned Fund	775,187	Sales tax transfer
General Fund	Stormwater Management Fund	200,000	Operations
General Fund	Cemetery Maintenance Fund	50,065	Operations
General Fund	Street and Alley Fund	310,000	Operations
General Fund	Street and Alley Fund	275,000	Operations
General Fund	Stormwater Management Fund	425,000	Operations
General Fund	Park Fund	339	Operations
General Fund	2021 GO Bond Fund	4,980	Operations
General Fund	Economic Development Fund	10,144	Operations
Park Fund	Capital Improvement Fund	220,000	Operations
Capital Improvement Fund	Street and Alley Fund	300,000	Operations
Capital Improvement Fund	Rural Fire Fund	7,000	Operations
Capital Improvement Fund	BPWA	1,558,665	Return unused funds
Citizen's Planned Fund	BPWA	1,362,389	Debt service
Citizen's Planned Fund	BPWA	3,339,996	Transfer funding
Stormwater Management Fund	Fry Creek Fund	200,000	Transfer funding
BPWA	Capital Improvement Fund	1,426,431	Sales tax transfer
Water and Sewer Development	BPWA	1,233,734	Transfer funding
Debt Service Fund	2021 GO Bond Fund	7,244,938	Bond proceeds
Debt Service Fund	2022A GO Bond Fund	41,692,732	Bond proceeds
Total		<u>\$ 65,428,253</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
Governmental Funds	\$ 55,904,028	\$ (60,640,910)	\$ (4,736,882)
Proprietary Funds	9,524,225	(4,439,421)	5,084,804
	<u>\$ 65,428,253</u>	<u>\$ (65,080,331)</u>	<u>\$ 347,922</u>

Reconciliation to Statement of Activities:

Fund balance	\$ (5,084,804)
Capital project funds to business-type activity	5,634,825
Sales tax reclass from business-type to governmental	(3,434,752)
	<u>\$ (2,884,731)</u>

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Balances:

Interfund receivable and payables at June 30, 2022 were comprised of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
2019 GO Bond Fund	2016 GO Bond Fund	\$ 416,163	Negative cash
General Fund	Debt Service Fund	859	Correct deposit
Debt Service Fund	Street and Alley Fund	10,526	Correct deposit
BPWA	Water and Sewer Development Fund	185,785	Correct deposit
Meter Deposit	BPWA	14,441	Meter deposits
Park Fund	General Fund	4,500	Correct deposit
Total		<u>\$ 632,274</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds	\$ 617,833	\$ (432,048)
Proprietary Funds	14,441	(200,226)
Total	<u>\$ 632,274</u>	<u>\$ (632,274)</u>

8. Pledged Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one cent (or 28.6%) of future sales tax revenues and net utility revenues to repay \$24,000,000 of 2017 CWSRF Oklahoma Water Resources Board Note payable. Proceeds from the note provided for the construction of sewer systems. The note is payable from pledged sales tax revenues and net water and sewer utility revenues. The note is payable through 2031. The total principal and interest payable for the remainder of the life of the note is \$20,114,880. Pledged sales taxes received in the current year were \$4,579,670 and net water and sewer utility revenues were \$4,904,341 for total pledged revenues of \$9,484,011. Debt service payments of \$2,213,180 for the current fiscal year were 23.3% of total pledged revenues for this note.

Utility Net Revenues Pledge - The City has also pledged the net water and sewer utility revenues to repay the following notes payable: \$2,160,000 of 2009 DWSRF and \$2,860,000 of 2011 CWSRF Oklahoma Water Resources Board Notes Payable. Proceeds from the notes provided for the purchase or construction of water and sewer systems. The notes are payable from pledged net water and sewer utility revenues through 2031 and 2032, respectively. The total principal and interest payable for the remainder of the life of these notes is \$2,307,933. Pledged net water and utility revenues in the current fiscal year were \$4,904,341. Debt service payments of \$237,810 for the current fiscal year were 4.9% 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 and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool (1)
- Worker’s Compensation – Worker’s compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool (2)

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful and cybersecurity 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 Plan.

The title to all assets acquired by the Plan are vested in the Group. 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 Plan, and is responsible for its obligation under any contract entered into with the 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 Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The 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 Plan's annual financial report.

(2) Worker's Compensation

The title to all assets acquired by the Plan are vested in the Plan. In the event of termination of the Plan, such property shall belong to the then members of the Plan in equal shares. Each participating city pays for all costs, premiums, or other fees attributable to its respective participation in the Plan, policy or service established under the agreement establishing the Oklahoma Municipal Assurance Group, and is responsible for its obligations under any contract entered into with the Plan.

Specific aggregate stop loss coverage is provided by Comp Source.

Reserves for policy and contract claims provide for reported claims on a case basis and a provision for incurred but not reported claims limited to specific retention levels for each member as outlined in the Plan's reinsurance agreement.

The Plan worker's compensation coverage is reinsured for losses in excess of respective retention levels. The reinsurance agreement covers losses incurred within the effective period of the agreement. Each Plan member's liability for claims losses is limited to their individual retention levels as outlined in the Plan's reinsurance agreement.

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

10. Commitments and Contingencies

Litigation:

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

Federal and State Award Programs:

The City of Bixby participates in various federal or state grant/loan programs from year to year. In 2022, the City’s involvement in federal and state award programs was material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Construction Commitments:

The following construction contracts were outstanding and payable at June 30, 2022:

<u>Project by Activity</u>	<u>Amount Outstanding</u>
Parks	\$ 29,750
Streets	\$ 2,128,750
Building renovations	\$ 215,160
Downtown River Corridor	\$ 61,840
Stormwater	\$ 99,628
Wastewater Treatment Plant	\$ 521,357
Water and Sewer projects	\$ 589,796
Fire Station No. 1	\$ 907,766

DEQ Consent Order:

The City of Bixby is currently under Consent Order 19-265 from the Oklahoma Department of Environmental Quality that is related to its wastewater treatment facilities. Timely compliance with the Consent Order is needed to avoid any fines. The City continues to address the ODEQ-mandated wastewater disposal facilities needs through construction and operation of a modern wastewater treatment plant to replace outdated sewage lagoons currently in use. The City has applied for and received an extension to December 31, 2022 to complete the necessary improvements as mandated by the consent order.

11. Pension Plan Participation

The City of Bixby 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.
- Oklahoma Public Employees Retirement System (OPERS) – a statewide cost-sharing plan.
- Oklahoma Municipal Retirement Fund – an agent multiple-employer defined contribution plan.

Oklahoma Firefighters’ Pension and Retirement System:

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

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

Normal Retirement:

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$320,967. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$574,766 during the year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$424,016. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported a net pension liability of \$3,829,238 for its proportionate share of the total 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 0.5815%.

For the year ended June 30, 2022, the City recognized pension expense of \$246,901. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,388,778	\$ 67,248
Changes of assumptions	-	84,932
Net difference between projected and actual earnings on pension plan investments	-	3,044,080
Changes in proportion and differences between City contributions and proportionate share of contributions	429,852	-
City contributions during measurement date	9,060	5,887
City contributions subsequent to the measurement date	320,967	-
Total	<u>\$ 2,148,657</u>	<u>\$ 3,202,147</u>

The \$320,967 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	\$ (62,379)
2024	(226,895)
2025	(373,076)
2026	(712,107)
2027	-
	<u>\$ (1,374,457)</u>

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:	275% 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.

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

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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. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability	\$ 5,983,977	\$ 3,829,238	\$ 2,025,280

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.

Oklahoma Police Pension and Retirement System:

Plan description - The City of Bixby, 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

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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 determine by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$262,103. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$232,344 during the calendar year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$142,825. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the City reported an asset of \$2,415,238 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and 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 0.5035%.

For the year ended June 30, 2022, the City recognized pension expense of \$238,681. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,677	\$ 95,329
Changes of assumptions	36,728	-
Net difference between projected and actual earnings on pension plan investments	-	1,761,832
Changes in proportion and differences between City contributions and proportionate share of contributions	1,129	2,172
City contributions during measurement date	25,377	7,951
City contributions subsequent to the measurement date	262,103	-
Total	<u>\$ 360,014</u>	<u>\$ 1,867,284</u>

The \$262,103 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension 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	\$ (399,811)
2024	(350,534)
2025	(443,636)
2026	(583,782)
2027	8,390
	<u>\$ (1,769,373)</u>

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 adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

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

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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

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

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	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ (905,787)	\$ (2,415,238)	\$ (3,691,591)

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

Oklahoma Public Employees Retirement System:

Plan description - The City of Bixby, as the employer, participates in Oklahoma Public Employees Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Title 74 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the OPERS. OPERS issues a publicly available financial report that can be obtained at www.opers.ok.gov.

Benefits provided - OPERS provides retirement, disability, and death benefits to members of the plan. Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Benefits are calculated for each member category as follows:

- **Employees**
 - Benefits are determined at 2% of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.
 - Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5% computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased

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benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

- Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.
- Hazardous Duty Members
 - Benefits are determined at (a) 2.5% of the final average compensation up to the applicable annual salary cap multiplied by the number of years of service as a hazardous duty member not to exceed 20 years and (b) 2.0% of the final average compensation multiplied by the number of years of service in excess of 20 years and any other years of service creditable. Normal retirement age under the Plan is 62 or at completion of 20 years of creditable service as a hazardous duty member or Rule of 80/90 if participant became a member prior to November 1, 2011, or age 65 or at completion of 20 years of creditable service as a hazardous duty member or Rule of 90 if participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest the retirement benefit at the time of death, benefits can be paid in monthly payments over the life of the spouse if the spouse so elects.

Upon the death of a retired member, the Plan will pay a \$5,000 death benefit to the member's beneficiary or estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Contributions - The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. Employees are required to contribute 3.5% percent of their annual pay. Participating entities are required to contribute 16.5% of the employees' annual pay. A portion of the contributions received by OPERS are allocated to the Supplemental Health Insurance program; see Note 12. Contributions to the pension plan from the City were \$490,925.

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Pension Liabilities, 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 \$2,446,262 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and 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 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 0.1823%.

For the year ended June 30, 2022, the City recognized pension expense of \$158,974. 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	\$ -	\$ 61,509
Changes of assumptions	180,255	-
Net difference between projected and actual earnings on pension plan investments	-	2,728,030
Changes in proportion and differences between City contributions and proportionate share of contributions	56,924	13
City contributions during measurement period	22,534	25,381
City contributions subsequent to the measurement date	490,925	-
Total	\$ 750,638	\$ 2,814,933

The \$490,925 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension 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	\$	(502,652)
2024		(632,898)
2025		(668,702)
2026		(750,968)
	\$	(2,555,220)

Actuarial Assumptions- The total pension liability as of June 30, 2022, was determined based on an actuarial valuation prepared as of July 1, 2021, using the following actuarial assumptions:

- Investment return – 6.50% compounded annually net of investment expense and including inflation
- Salary increases – 3.5% to 9.25% per year including inflation

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- Mortality rate – Mortality rate Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25% per year
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

The actuarial assumptions used in the July 1, 2021, valuation are based on the results of the most recent actuarial experience study, which cover the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int's Developed Equity	23.0%	6.5%
Emerging Market Equity	5.0%	8.5%
Core Fixed Income	25.0%	0.5%
Long Term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
Total	100.0%	

Discount Rate- The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those 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. The discount rate determined does not use a municipal bond rate.

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 6.50%, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

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	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employers' net pension liability (asset)	\$ (227,106)	\$ (2,446,262)	\$ (4,978,123)

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 OPERS; which can be located at www.opers.ok.gov.

12. Other Post-Employment Benefits

Plan description - The City as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Public Employees Retirement System (OPERS). The authority to establish and amend benefit provisions rests with the State Legislature. OPERS issues a publicly available financial report that can be obtained at www.ok.gov/OPERS

Benefits provided - OPERS pays a medical insurance supplement to eligible members who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries. The supplement payment is capped at \$105 per month per retiree, remitted to EGID.

Contributions - The contribution rates for each member category of the System are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. An actuarially determined portion of the total contributions to the System are set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code. Based on the contribution requirements of the plan employers and employees contribute a single amount based on a single contribution rate as described in Note 11; from this amount OPERS allocates a portion of the contributions to the supplemental health insurance program. Contributions allocated to the OPEB plan from the City were \$31,581.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2022, the City reported an asset of \$250,581 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 0.1823% percent.

For the year ended June 30, 2022, the City recognized OPEB expense of (\$31,647). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 81,227
Changes of assumptions	22,278	-
Net difference between projected and actual earnings on pension plan investments	-	71,349
Changes in proportion and differences between City contributions and proportionate share of contributions	1,684	5,566
City contributions during measurement period	9,262	6,898
City contributions subsequent to the measurement date	31,581	-
Total	<u>\$ 64,805</u>	<u>\$ 165,040</u>

The \$31,581 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or contribution to the net OPEB liability (asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2023	\$	(34,296)
2024		(32,203)
2025		(30,712)
2026		(28,790)
2027		(5,815)
	<u>\$</u>	<u>(131,816)</u>

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

- Investment return – 6.50% compounded annually net of investment expense and including inflation
- Salary increases – 3.25% to 9.25% per year including inflation
- Mortality rates – Mortality rate Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.50%
- Payroll growth – 3.25%
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years
- Health Care Trend Rate – Not applicable based on how the System is structured and benefit payments are made.

The actuarial assumptions used in the July 1, 2021, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int's Developed Equity	23.0%	6.5%
Emerging Market Equity	5.0%	8.5%
Core Fixed Income	25.0%	0.5%
Long Term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
Total	100.0%	

Discount Rate- A single discount rate of 6.50% was used to measure the net OPEB asset as of June 30, 2021. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate-The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 6.50%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employers' net pension liability (asset)	\$ (188,423)	\$ (250,581)	\$ (303,858)

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

13. Tax Abatements

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

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The sales tax rebate program allows a retail store, business, or developer to receive rebated sales tax in an amount equal to one cent (\$0.01) from every three and one-half cents (\$0.035) of sales tax that the business generates. To be eligible for this program, the project area should be developed or redeveloped after a significant vacancy to provide economic opportunity to the City and its' citizens.

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amount of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2022:

A grocery retailer received rebated sales taxes during 2022. The sales tax rebated cannot \$500,000. This sales tax rebate period is for ten years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into August 2011 with the first rebate being paid in January 2013; therefore the agreement will terminate no later than January 2023.

A grocery retailer received rebated sales taxes during 2022. The sales tax rebated cannot \$600,000. This sales tax rebate period is for ten years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2018 with the first rebate being paid in March 2019; therefore the agreement will terminate no later than June 2028.

A developer received rebated sales taxes during 2022. The sales tax rebated cannot \$1,000,000. This sales tax rebate period is for fifteen years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2018 with the first rebate being paid in July 2019; therefore the agreement will terminate no later than June 2033.

A restaurant received rebated sales taxes during 2022. The sales tax rebated cannot \$100,000. This sales tax rebate period is for five years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into September 2021 with the first rebate being paid in November 2021; therefore the agreement will terminate no later than October 2026.

A restaurant received rebated sales taxes during 2022. The sales tax rebated cannot \$100,000. This sales tax rebate period is for five years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into March 2021 with the first rebate being paid in January 2022. The restaurant closed in April 2022.

A restaurant received rebated sales taxes during 2022. The sales tax rebated cannot \$50,000. This sales tax rebate period is for four years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2021 with the first rebate being paid in January 2022. The restaurant closed in May 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>General Fund</u>			
	<u>Budgeted Amounts</u>		<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 7,478,190	\$ 7,478,190	\$ 8,547,401	\$ 1,069,211
Resources (Inflows):				
Sales and use tax	7,206,546	7,206,546	9,159,339	1,952,793
Franchise and miscellaneous taxes	1,026,319	1,026,319	1,197,834	171,515
Intergovernmental	290,000	290,000	265,266	(24,734)
Licenses and permits	563,589	563,589	1,221,888	658,299
Charges for services	575,023	575,023	671,297	96,274
Fines & forfeitures	563,681	563,681	376,377	(187,304)
Investment earnings	50,000	50,000	31,087	(18,913)
Miscellaneous	252,082	252,082	402,352	150,270
Transfer in	1,858,462	1,858,462	2,288,319	429,857
Total resources (Inflows)	<u>12,385,702</u>	<u>12,385,702</u>	<u>15,613,759</u>	<u>3,228,057</u>
Amounts available for appropriation	<u>19,863,892</u>	<u>19,863,892</u>	<u>24,161,160</u>	<u>4,297,268</u>
Charges to Appropriations (Outflows):				
Administration	542,570	542,570	507,021	35,549
Attorney	152,172	152,172	91,126	61,046
Municipal court	150,239	150,239	123,948	26,291
Community service	9,565	9,565	4,040	5,525
General government	1,183,616	1,183,616	1,291,902	(108,286)
Police	4,249,116	4,249,116	3,928,505	320,611
Fire	3,477,967	3,477,967	3,251,275	226,692
Emergency Management	42,505	42,505	17,253	25,252
Streets	747,001	747,001	745,862	1,139
Development Services	527,010	527,010	450,758	76,252
Cemetery	103,157	103,157	82,870	20,287
Transfers out	2,358,462	2,358,462	2,947,563	(589,101)
Total Charges to Appropriations	<u>13,543,380</u>	<u>13,543,380</u>	<u>13,442,123</u>	<u>101,257</u>
Fund balances - ending	<u>\$ 6,320,512</u>	<u>\$ 6,320,512</u>	\$ 10,719,037	<u>\$ 4,398,525</u>
Reconciliation to Statement of Revenues, Expenditures, and Change in Fund Balance:				
Rural Fire Account Balance			173,373	
Fishing License Account Balance			107,327	
Alive at 25 Account Balance			54,218	
Cemetery Beautification Account Balance			288	
Cemetery Maintenance Account Balance			229,219	
Total General Fund Fund Balance			<u>\$ 11,283,462</u>	

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Footnotes to Budgetary Comparison Schedules:

1. The budgetary comparison schedule is reported on a GAAP basis using the modified accrual basis with the exception of on-behalf payments made by the state related to firefighter and police pension and transfers in/out.
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 Manager. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total revenue - budgetary basis	\$ 15,613,759
On-behalf revenue	807,110
Transfers In	(2,288,319)
Total revenue - GAAP basis	\$ 14,132,550
Total expenditures - budgetary basis	13,442,123
On-behalf expenses	807,110
Transfers Out	(2,947,563)
Total expenses - GAAP basis	\$ 11,301,670

4. Expenditures exceeded appropriations as follows:

General Fund –General Government	\$ 108,286
General Fund –Transfers out	\$ 589,101

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Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.403131%	0.449495%	0.478342%	0.519481%	0.536564%	0.540202%	0.573712%	0.581450%
City's proportionate share of the net pension liability	\$ 4,145,593	\$ 4,770,991	\$ 5,843,964	\$ 6,533,637	\$ 6,039,812	\$ 5,708,119	\$ 7,067,633	\$ 3,829,238
City's covered-employee payroll	\$ 1,100,698	\$ 1,270,341	\$ 1,340,589	\$ 1,480,822	\$ 1,616,386	\$ 1,668,866	\$ 1,776,615	\$ 1,958,339
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	377%	376%	436%	441%	374%	342%	398%	196%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%

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

Notes to Schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorially required contribution	\$ 177,848	\$ 187,014	\$ 207,315	\$ 225,881	\$ 233,641	\$ 248,726	\$ 274,167	\$ 320,967
Contributions in relation to the statutorially required contribution	177,848	187,014	207,315	225,881	233,641	248,726	274,167	320,967
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,270,341	\$ 1,340,589	\$ 1,480,822	\$ 1,616,386	\$ 1,668,866	\$ 1,776,615	\$ 1,958,339	\$ 2,285,694
Contributions as a percentage of covered-employee payroll	14.00%	13.95%	14.00%	13.97%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

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

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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Schedules of Required Supplementary Information

**SCHEDULE OF THE CITY OF BIXBY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.4100%	0.4240%	0.4181%	0.4469%	0.5074%	0.5088%	0.5122%	0.5035%
City's proportionate share of the net pension liability (asset)	\$ (138,026)	\$ 17,289	\$ 640,261	\$ 34,375	\$ (241,711)	\$ (32,480)	\$ 588,270	\$ (2,415,238)
City's covered-employee payroll	\$ 1,129,379	\$ 1,280,757	\$ 1,235,936	\$ 1,336,603	\$ 1,557,376	\$ 1,655,248	\$ 1,655,248	\$ 1,814,638
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.22%	1.35%	51.80%	2.57%	15.52%	1.96%	-35.54%	133.10%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

*The amounts present 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

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorially required contribution	\$ 161,840	\$ 160,509	\$ 173,546	\$ 202,458	\$ 214,986	\$ 215,004	\$ 253,903	\$ 262,103
Contributions in relation to the statutorially required contribution	161,840	160,509	173,546	202,458	214,986	215,004	253,903	262,103
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,280,757	\$ 1,235,936	\$ 1,336,603	\$ 1,557,376	\$ 1,655,248	\$ 1,653,885	\$ 1,814,638	\$ 2,016,175
Contributions as a percentage of covered-employee payroll	12.64%	12.99%	12.98%	13.00%	12.99%	13.00%	13.99%	13.00%

Notes to Schedule:

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

**CITY OF BIXBY, OKLAHOMA
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Schedules of Required Supplementary Information

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

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Last 10 Fiscal Years* (Dollar amounts in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.1457%	0.1477%	0.1420%	0.1470%	0.1596%	0.1564%	0.1628%	0.1823%
City's proportionate share of the net pension liability (asset)	\$ 267,459	\$ 531,317	\$ 1,408,795	\$ 794,983	\$ 311,355	\$ 208,335	\$ 1,452,068	\$(2,446,262)
City's covered-employee payroll	\$ 2,468,546	\$ 2,609,698	\$ 2,548,985	\$ 2,560,070	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11%	20%	55%	31%	12%	8%	50%	-76%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	96.00%	89.48%	94.28%	97.96%	98.63%	91.59%	112.51%

*The amounts present 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.

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY'S CONTRIBUTIONS

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN

Last 10 Fiscal Years (Dollar amounts in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 430,600	\$ 420,869	\$ 423,213	\$ 413,957	\$ 410,707	\$ 445,153	\$ 496,386	\$ 490,925
Contributions in relation to the contractually required contribution	430,600	420,869	423,213	413,957	410,707	445,153	496,386	490,925
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,609,698	\$ 2,548,985	\$ 2,560,070	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178	\$ 3,164,433
Contributions as a percentage of covered-employee payroll	16.50%	16.51%	16.53%	15.46%	15.38%	15.45%	15.45%	15.51%

Notes to Schedule:

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

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Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
Last 10 Fiscal Years* (Dollar amounts in thousands)

	2018	2019	2020	2021	2022
City's proportion of the net OPEB liability (asset)	0.1470%	0.1596%	0.1564%	0.1628%	0.1823%
City's proportionate share of the net OPEB liability (asset)	\$ 16,842	\$ (20,658)	\$ (60,810)	\$ (76,305)	\$ (250,581)
City's covered-employee payroll	\$ 2,560,070	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	1%	1%	2%	3%	8%
Plan fiduciary net position as a percentage of the total OPEB liability	96.50%	103.94%	112.11%	114.27%	142.87%

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

Notes to Schedule:

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

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY'S CONTRIBUTIONS
SUPPLEMENTAL HEALTH INSURANCE PROGRAM
Last 10 Fiscal Years (Dollar amounts in thousands)

	2018	2019	2020	2021	2022
Contractually required contribution	\$ 28,971	\$ 30,268	\$ 31,701	\$ 34,815	\$ 31,581
Contributions in relation to the contractually required contribution	28,971	30,268	31,701	34,815	31,581
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178	\$ 3,164,433
Contributions as a percentage of covered-employee payroll	1.08%	1.13%	1.10%	1.08%	1.00%

Notes to Schedule:

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

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OTHER SUPPLEMENTARY INFORMATION

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

	<u>General Fund</u>	<u>Rural Fire Account</u>	<u>Fishing License Account</u>	<u>Alive At 25 Account</u>	<u>Cemetery Beautification Account</u>	<u>Cemetery Maintenance Account</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 4,045,908	\$ 173,373	\$ 69,003	\$ 54,218	\$ 388	\$ 235,217	\$ 4,578,107
Investments	5,485,119	-	38,324	-	-	-	5,523,443
Receivable from other governments	1,405,034	-	-	-	-	-	1,405,034
Due from other funds	4,500	-	-	-	-	-	4,500
Taxes receivable, net	87,861	-	-	-	-	-	87,861
Court fines receivable, net	768,876	-	-	-	-	-	768,876
Ambulance receivable, net	25,770	-	-	-	-	-	25,770
Leases receivable	10,073	-	-	-	-	-	10,073
Other receivables	71,299	-	-	-	-	-	71,299
Total assets	<u>\$ 11,904,440</u>	<u>\$ 173,373</u>	<u>\$ 107,327</u>	<u>\$ 54,218</u>	<u>\$ 388</u>	<u>\$ 235,217</u>	<u>\$ 12,474,963</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 133,478	\$ -	\$ -	\$ -	\$ 100	\$ 5,998	\$ 139,576
Accrued payroll	244,037	-	-	-	-	-	244,037
Due to other funds	859	-	-	-	-	-	859
Due to bondholders	3,279	-	-	-	-	-	3,279
Payable to other governments	4,387	-	-	-	-	-	4,387
Other payables	6,345	-	-	-	-	-	6,345
Total liabilities	<u>392,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>5,998</u>	<u>398,483</u>
Deferred Inflows:							
Unavailable revenue	782,966	-	-	-	-	-	782,966
Leases	10,052	-	-	-	-	-	10,052
Total deferred inflows	<u>793,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>793,018</u>
Fund balances:							
Assigned	848,750	173,373	107,327	54,218	288	229,219	1,413,175
Unassigned	9,870,287	-	-	-	-	-	9,870,287
Total fund balances	<u>10,719,037</u>	<u>173,373</u>	<u>107,327</u>	<u>54,218</u>	<u>288</u>	<u>229,219</u>	<u>11,283,462</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,904,440</u>	<u>\$ 173,373</u>	<u>\$ 107,327</u>	<u>\$ 54,218</u>	<u>\$ 388</u>	<u>\$ 235,217</u>	<u>\$ 12,474,963</u>

CITY OF BIXBY, OKLAHOMA
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Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Rural Fire</u> <u>Account</u>	<u>Fishing</u> <u>License</u> <u>Account</u>	<u>Alive At 25</u> <u>Account</u>	<u>Cemetery</u> <u>Beautification</u> <u>Account</u>	<u>Cemetery</u> <u>Maintenance</u> <u>Account</u>	<u>Total</u>
REVENUES							
Sales and use tax	\$ 9,159,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,159,339
Franchise and miscellaneous taxes	1,197,834	-	-	-	-	-	1,197,834
Intergovernmental	1,072,376	-	-	-	-	-	1,072,376
Licenses and permits	1,221,888	-	8,040	-	-	-	1,229,928
Charges for services	671,297	31,200	-	-	325	36,245	739,067
Fines & forfeitures	376,377	-	-	-	-	-	376,377
Investment earnings	31,087	654	402	-	1	898	33,042
Miscellaneous	402,352	700	-	3,151	-	-	406,203
Total revenues	<u>14,132,550</u>	<u>32,554</u>	<u>8,442</u>	<u>3,151</u>	<u>326</u>	<u>37,143</u>	<u>14,214,166</u>
EXPENDITURES							
Current:							
Administration	507,021	-	-	-	-	-	507,021
City attorney	91,126	-	-	-	-	-	91,126
Municipal court	123,948	-	-	-	-	-	123,948
Community service	4,040	-	-	-	-	-	4,040
General government	1,291,902	-	-	-	-	-	1,291,902
Police	4,083,850	4,752	-	3,733	-	-	4,092,335
Fire	3,822,422	-	-	-	-	-	3,822,422
Emergency Management	17,253	-	-	-	-	-	17,253
Streets	745,222	-	-	-	-	-	745,222
Culture and recreation	-	-	458	-	-	-	458
Cemetery	82,870	-	-	-	550	69,407	152,827
Development services	450,758	-	-	-	-	-	450,758
Capital Outlay	81,258	-	-	-	-	-	81,258
Total Expenditures	<u>11,301,670</u>	<u>4,752</u>	<u>458</u>	<u>3,733</u>	<u>550</u>	<u>69,407</u>	<u>11,380,570</u>
Excess (deficiency) of revenues over expenditures	<u>2,830,880</u>	<u>27,802</u>	<u>7,984</u>	<u>(582)</u>	<u>(224)</u>	<u>(32,264)</u>	<u>2,833,596</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,288,319	7,000	-	-	-	50,065	2,345,384
Transfers out	(2,947,563)	-	-	-	-	-	(2,947,563)
Total other financing sources and uses	<u>(659,244)</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,065</u>	<u>(602,179)</u>
Net change in fund balances	2,171,636	34,802	7,984	(582)	(224)	17,801	2,231,417
Fund balances - beginning	8,547,401	138,571	99,343	54,800	512	211,418	9,052,045
Fund balances - ending	<u>\$ 10,719,037</u>	<u>\$ 173,373</u>	<u>\$ 107,327</u>	<u>\$ 54,218</u>	<u>\$ 288</u>	<u>\$ 229,219</u>	<u>\$ 11,283,462</u>

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

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

	Special Revenue Funds										Capital Project Funds												
	Park Fund	E911 Fund	Fry Creek Maintenance Fund	Street & Alley Fund	Economic Development Fund	Federal Asset Forfeiture Fund	State Police Asset Forfeiture Fund	Disaster Recovery Fund	Downtown River Corridor Fund	Sales Tax Personnel Fund	2019 GO Bond Fund	Cemetery Care Fund	2016 Bond Fund	2011 Bond Fund	Stormwater Management Fund	2018 Bond Fund	2018B Bond Fund	Citizen's Planned Fund	2020 GO Bond Fund	2021 GO Bond Fund	ARPA Capital Improvement Fund	Total Governmental Funds	
ASSETS																							
Cash and cash equivalents	\$ 923,589	\$ 385,925	\$ 685,100	\$ 398,207	\$ 708,582	\$ 25,108	\$ 20,423	\$ 1,236,363	\$ 4,411,843	\$ 478,616	\$ 70,912	\$ 125,160	\$ 213,551	\$ 58,692	\$ 1,020,366	\$ 21,828	\$ 1,363,598	\$ 345,178	\$ 1,957,592	\$ 3,242,017	\$ 1,440,284	\$ 19,132,934	
Investments	2,316,912	357,149	1,411,959	3,279,599	-	-	-	2,077,585	756,711	501,347	-	-	-	2,827,969	-	509,053	120,004	2,503,496	2,503,496	1,001,515	20,565,329		
Receivable from other governments	262,325	-	-	46,214	-	1,738	-	76,600	196,744	163,953	-	-	-	293,275	-	-	491,860	-	-	-	2,463,565	3,996,274	
Due from other funds	-	-	-	10,526	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	429,689	
Taxes receivable, net	-	19,033	-	-	18,361	-	-	-	-	-	-	416,163	-	-	-	-	-	-	-	-	-	37,394	
Utilities receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,362	-	-	-	-	-	-	45,362	
Other receivables	-	-	-	-	-	-	-	-	11,694	-	-	-	-	-	77,493	-	-	-	-	-	-	89,487	
Total assets	\$ 3,502,826	\$ 762,107	\$ 2,097,059	\$ 3,734,546	\$ 726,943	\$ 26,846	\$ 20,423	\$ 3,390,548	\$ 5,377,292	\$ 1,143,916	\$ 70,912	\$ 523,694	\$ 629,714	\$ 58,692	\$ 4,264,465	\$ 21,828	\$ 1,872,651	\$ 957,042	\$ 4,461,088	\$ 5,745,513	\$ 4,905,364	\$ 44,293,469	
LIABILITIES AND FUND BALANCES																							
Liabilities:																							
Accounts payable	\$ 15,496	\$ 788	\$ -	\$ 272,076	\$ 600	\$ -	\$ -	\$ 320	\$ 13,525	\$ -	\$ -	\$ 3,150	\$ -	\$ -	\$ 8,667	\$ -	\$ -	\$ -	\$ -	\$ 67,721	\$ -	\$ 382,343	
Payroll payable	16,102	-	-	-	-	-	-	-	-	29,351	-	-	-	-	-	-	-	-	-	-	-	45,453	
Due to other funds	4,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	420,663	
Total liabilities	36,098	788	-	272,076	600	-	-	320	13,525	29,351	-	416,163	-	-	8,667	-	-	-	-	67,721	-	848,459	
Deferred Inflows:																							
Unavailable revenue	-	-	-	20,277	-	1,738	-	76,600	-	-	-	-	-	-	-	-	-	-	-	-	-	2,463,565	2,562,180
Fund balances:																							
Restricted	1,749,490	738,563	104,800	-	-	-	18,711	2,107,698	1,902,256	1,114,565	-	520,544	503,058	-	-	1,811,728	-	4,441,888	5,674,297	2,440,284	23,127,882		
Assigned	1,717,238	22,756	1,992,259	3,442,193	726,343	25,108	1,712	1,205,930	3,461,511	-	-	126,656	58,692	4,255,798	21,828	60,923	957,042	19,200	3,495	18,100,199			
Unassigned	-	-	-	-	-	-	-	-	-	(345,251)	-	-	-	-	-	-	-	-	-	-	-	(345,251)	
Total fund balances	3,466,728	761,319	2,097,059	3,442,193	726,343	25,108	20,423	3,313,628	5,363,767	1,114,565	(345,251)	520,544	629,714	58,692	4,255,798	21,828	1,872,651	957,042	4,461,088	5,677,792	2,441,799	40,882,830	
Total liabilities and fund balances	\$ 3,502,826	\$ 762,107	\$ 2,097,059	\$ 3,734,546	\$ 726,943	\$ 26,846	\$ 20,423	\$ 3,390,548	\$ 5,377,292	\$ 1,143,916	\$ 70,912	\$ 523,694	\$ 629,714	\$ 58,692	\$ 4,264,465	\$ 21,828	\$ 1,872,651	\$ 957,042	\$ 4,461,088	\$ 5,745,513	\$ 4,905,364	\$ 44,293,469	

CITY OF BIXBY, 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

	Special Revenue Funds										Capital Project Funds										Total Other Governmental Funds	
	Park Fund	EB11 Fund	Fry Creek Maintenance Fund	Street & Alley Fund	Economic Development Fund	Federal Police Asset Forfeiture Fund	State Police Asset Forfeiture Fund	Disaster Recovery Fund	Downtown River Corridor Fund	Sales Tax Personnel Fund	2019 GO Bond Fund	Cemetery Care Fund	2016 Bond Fund	2011 Bond Fund	Stormwater Management Fund	2019 Bond Fund	2018B Bond Fund	Citizen's Planned Fund	2020 GO Bond Fund	2021 GO Bond Fund		ARPA Capital Improvement Fund
REVENUES																						
Sales and use tax	\$ 1,831,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,373,901	\$ 1,144,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,434,752	\$ -	\$ -	\$ -	\$ 7,785,437
Franchise and miscellaneous taxes	-	244,439	-	-	190,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	434,499
Intergovernmental	-	-	-	256,881	-	4,503	1,100	-	-	-	-	-	-	-	190,502	-	-	-	-	-	-	2,440,284
Charges for services	15,125	-	-	-	-	-	-	-	-	-	54,030	-	-	-	869,688	-	-	-	-	-	-	938,843
Investment earnings	11,878	2,632	9,686	19,274	3,290	109	85	13,833	4,158	3,404	-	2,856	2,597	-	12,943	-	8,914	4,755	19,200	3,495	1,515	125,376
Miscellaneous	6,935	-	-	31,537	-	-	-	-	182,811	-	-	-	-	-	248,508	-	-	-	-	-	-	469,791
Total revenues	1,865,806	247,071	9,686	307,692	193,350	4,612	1,185	13,833	1,560,870	1,148,320	-	56,886	2,597	387	1,321,641	365	8,914	3,439,507	19,200	3,495	2,441,799	12,647,216
EXPENDITURES																						
Current:																						
General government	-	-	-	-	-	-	-	35,649	150,358	-	-	-	-	-	-	-	-	-	-	-	-	186,007
Police	-	-	-	-	-	6,968	643	-	-	939,992	-	-	-	-	-	-	-	-	-	-	-	947,603
Streets	-	-	63,258	2,821,971	-	-	-	-	-	5,288	-	-	-	-	163,807	-	-	-	-	-	-	3,054,324
Culture and recreation	919,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	919,296
Cemetery	-	-	-	-	-	-	-	-	-	-	10,200	-	-	-	-	-	-	-	-	-	-	10,200
Economic development	-	-	-	-	389,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	389,271
E-911	-	79,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,680
Principal	-	-	-	-	-	-	-	-	480,000	-	-	-	-	-	-	-	-	-	-	-	-	480,000
Interest and other charges	-	-	-	-	-	-	-	-	411,425	-	-	-	-	-	-	-	-	-	-	-	-	411,425
Capital Outlay	-	-	-	19,090	-	-	-	18,579	270,710	-	8,650	7,280	1,614,726	-	1,672,284	45,686	511,278	-	-	1,575,621	-	5,945,886
Total Expenditures	919,296	79,680	63,258	2,841,061	389,271	6,968	643	54,228	1,312,493	945,280	8,650	17,480	1,614,726	201,982	1,836,091	45,686	511,278	-	-	1,575,621	-	12,423,692
Excess (deficiency) of revenues over expenditures	946,510	167,391	(53,572)	(2,533,369)	(195,921)	(2,356)	542	(40,395)	248,377	203,040	(8,650)	39,406	(1,612,129)	(201,595)	(514,450)	(45,321)	(502,364)	3,439,507	19,200	(1,572,126)	2,441,799	223,524
OTHER FINANCING SOURCES (USES)																						
Transfers in	339	-	200,000	885,000	10,144	-	-	-	473,893	-	-	-	-	-	625,000	-	-	775,187	-	7,249,918	-	10,219,481
Transfers out	(220,000)	(60,000)	-	-	-	-	-	-	-	-	-	-	-	-	(200,000)	-	-	(4,702,385)	-	-	-	(5,182,385)
Total other financing sources and uses	(219,661)	(60,000)	200,000	885,000	10,144	-	-	-	473,893	-	-	-	-	-	425,000	-	-	(3,927,198)	-	7,249,918	-	5,037,096
Net change in fund balances	726,849	107,391	146,428	(1,648,369)	(185,777)	(2,356)	542	(40,395)	722,270	203,040	(8,650)	39,406	(1,612,129)	(201,595)	(89,450)	(45,321)	(502,364)	(487,691)	19,200	5,677,792	2,441,799	5,260,620
Fund balances - beginning	2,739,879	653,928	1,950,631	5,090,562	912,120	27,464	19,881	3,354,023	4,641,497	911,525	(336,601)	481,138	2,241,843	260,287	4,345,248	67,149	2,375,015	1,444,733	4,441,888	-	-	35,622,210
Fund balances - ending	\$ 3,466,728	\$ 761,319	\$ 2,097,059	\$ 3,442,193	\$ 726,343	\$ 25,108	\$ 20,423	\$ 3,313,628	\$ 5,363,767	\$ 1,114,565	\$ (345,251)	\$ 520,544	\$ 629,714	\$ 58,692	\$ 4,255,798	\$ 21,828	\$ 1,872,651	\$ 957,042	\$ 4,461,088	\$ 5,677,792	\$ 2,441,799	\$ 40,882,830

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

Combining Schedule of Net Position – BPWA Enterprise Fund Accounts – June 30, 2022

	BPWA	Wastewater Treatment Plant Project Account	Meter Deposit Account	DAWES Account	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,588,129	\$ 3,838,005	\$ 178,934	\$ 3,183	\$ 11,608,251
Investments	-	6,930,054	-	-	6,930,054
Restricted:					
Cash and cash equivalents	138,100	-	167,930	-	306,030
Due from other funds	14,441	-	-	-	14,441
Accounts Receivable, net	1,948,925	-	-	-	1,948,925
Inventories	13,819	-	-	-	13,819
Total current assets	<u>9,703,414</u>	<u>10,768,059</u>	<u>346,864</u>	<u>3,183</u>	<u>20,821,520</u>
Non-current assets:					
Restricted:					
Investments	735,581	-	926,861	-	1,662,442
Net OPEB Asset	121,211	-	-	-	121,211
Net Pension Asset	1,183,322	-	-	-	1,183,322
Capital Assets:					
Land and construction in progress	29,101,564	-	-	35,000	29,136,564
Other capital assets, net of accumulated depreciation	66,222,485	-	-	252,782	66,475,267
Total non-current assets	<u>97,364,163</u>	<u>-</u>	<u>926,861</u>	<u>287,782</u>	<u>98,578,806</u>
Total assets	<u>107,067,577</u>	<u>10,768,059</u>	<u>1,273,725</u>	<u>290,965</u>	<u>119,400,326</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	308,159	-	-	-	308,159
Deferred amounts related to OPEB	24,311	-	-	-	24,311
Total deferred outflows	<u>332,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>332,470</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	238,420	1,375,813	-	-	1,614,233
Payroll payable	55,898	-	-	-	55,898
Accrued interest payable	113,286	-	-	-	113,286
Due to other funds	-	185,785	14,441	-	200,226
Deposits subject to refund	-	-	186,388	-	186,388
Compensated absences	53,787	-	-	-	53,787
Notes payable	2,150,118	-	-	-	2,150,118
Total current liabilities	<u>2,611,509</u>	<u>1,561,598</u>	<u>200,829</u>	<u>-</u>	<u>4,373,936</u>
Non-current liabilities:					
Compensated absences	215,147	-	-	-	215,147
Deposits subject to refund	-	-	908,403	-	908,403
Net pension liability	-	-	-	-	-
Notes payable	17,162,140	-	-	-	17,162,140
Total non-current liabilities	<u>17,377,287</u>	<u>-</u>	<u>908,403</u>	<u>-</u>	<u>18,285,690</u>
Total liabilities	<u>19,988,796</u>	<u>1,561,598</u>	<u>1,109,232</u>	<u>-</u>	<u>22,659,626</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	1,374,769	-	-	-	1,374,769
Deferred amounts related to OPEB	83,277	-	-	-	83,277
Total deferred inflows	<u>1,458,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,458,046</u>
NET POSITION					
Net investment in capital assets	76,011,791	-	-	287,782	76,299,573
Restricted for debt service	733,812	-	-	-	733,812
Unrestricted	9,207,602	9,206,461	164,493	3,183	18,581,739
Total net position	<u>\$ 85,953,205</u>	<u>\$ 9,206,461</u>	<u>\$ 164,493</u>	<u>\$ 290,965</u>	<u>\$ 95,615,124</u>

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

Combining Schedule of Revenues, Expenses, and Changes in Net Position – BPWA Enterprise Fund Accounts – Year Ended June 30, 2022

	BPWA	Wastewater Treatment Plant Project Account	Meter Deposit Account	DAWES Account	Total
REVENUES					
Charges for services:					
Water	\$ 9,238,112	\$ -	\$ -	\$ -	\$ 9,238,112
Sewer	3,585,849	-	-	-	3,585,849
Miscellaneous	213,871	-	(71)	-	213,800
Total operating revenues	<u>13,037,832</u>	<u>-</u>	<u>(71)</u>	<u>-</u>	<u>13,037,761</u>
OPERATING EXPENSES					
Administration	1,944,287	-	-	-	1,944,287
Water	4,853,715	-	-	-	4,853,715
Wastewater	515,058	820,360	-	-	1,335,418
Depreciation	1,887,980	-	-	45,613	1,933,593
Total operating expenses	<u>9,201,040</u>	<u>820,360</u>	<u>-</u>	<u>45,613</u>	<u>10,067,013</u>
Operating income (loss)	<u>3,836,792</u>	<u>(820,360)</u>	<u>(71)</u>	<u>(45,613)</u>	<u>2,970,748</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	37,640	41,560	876	13	80,089
Interest expense	(400,205)	-	-	-	(400,205)
Total non-operating revenue (expenses)	<u>(362,565)</u>	<u>41,560</u>	<u>876</u>	<u>13</u>	<u>(320,116)</u>
Income (loss) before contributions and transfers	<u>3,474,227</u>	<u>(778,800)</u>	<u>805</u>	<u>(45,600)</u>	<u>2,650,632</u>
Capital contributions	2,792,107	-	-	-	2,792,107
Interaccount transfers in	8,081,710	5,358,371	-	-	13,440,081
Interaccount transfers out	(5,358,371)	(8,081,710)	-	-	(13,440,081)
Transfers in	8,161,836	1,362,389	-	-	9,524,225
Transfers out	(4,439,421)	-	-	-	(4,439,421)
Change in net position	<u>12,712,088</u>	<u>(2,139,750)</u>	<u>805</u>	<u>(45,600)</u>	<u>10,527,543</u>
Total net position - beginning	<u>73,241,117</u>	<u>11,346,211</u>	<u>163,688</u>	<u>336,565</u>	<u>85,087,581</u>
Total net position - ending	<u>\$ 85,953,205</u>	<u>\$ 9,206,461</u>	<u>\$ 164,493</u>	<u>\$ 290,965</u>	<u>\$ 95,615,124</u>

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

Combining Schedule of Net Position – Internal Service Fund Accounts – June 30, 2022

	<u>COB Account</u>	<u>FSA Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 104,148	\$ 12,291	\$ 116,439
Total assets	<u>104,148</u>	<u>12,291</u>	<u>116,439</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	104,148	12,291	116,439
Total net position	<u>\$ 104,148</u>	<u>\$ 12,291</u>	<u>\$ 116,439</u>

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

Combining Schedule of Revenues, Expenses, and Changes in Net Position – Internal Service Fund Accounts – Year Ended June 30, 2022

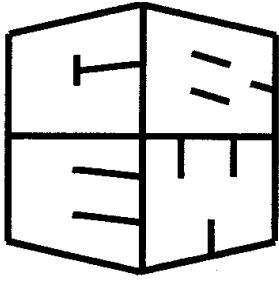
	<u>COB Account</u>	<u>FSA Account</u>	<u>Total</u>
REVENUES			
Miscellaneous	\$ -	\$ 45,232	\$ 45,232
Total operating revenues	<u>-</u>	<u>45,232</u>	<u>45,232</u>
OPERATING EXPENSES			
Insurance claims	-	44,491	44,491
Total operating expenses	<u>-</u>	<u>44,491</u>	<u>44,491</u>
Operating income	<u>-</u>	<u>741</u>	<u>741</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	10	-	10
Total non-operating revenue (expenses)	<u>10</u>	<u>-</u>	<u>10</u>
Income before transfers	<u>10</u>	<u>741</u>	<u>751</u>
Transfers in	-	-	-
Change in net position	<u>10</u>	<u>741</u>	<u>751</u>
Total net position - beginning	104,138	11,550	115,688
Total net position - ending	<u>\$ 104,148</u>	<u>\$ 12,291</u>	<u>\$ 116,439</u>

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

SINGLE AUDIT AND INTERNAL CONTROL COMPLIANCE INFORMATION

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

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Charles E. Crooks, Jr., CPA – Trisha J. Rieman, CPA – Gabrielle Conchola, CPA

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

December 6, 2022

Honorable Board of City Commissioners
City of Bixby
Bixby, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bixby, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Bixby, Oklahoma's basic financial statements, and have issued our report thereon dated December 6, 2022

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

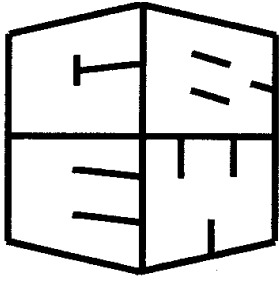
As part of obtaining reasonable assurance about whether the City’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

CBEW Professional Group, LLP

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Certified Public Accountants



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 6, 2022

The Honorable Governance Board
City of Bixby
Bixby, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Bixby, Oklahoma's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Bixby, Oklahoma's major federal programs for the year ended June 30, 2022. City of Bixby, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Bixby, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Bixby, Oklahoma and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Bixby, Oklahoma's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Bixby, Oklahoma's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Bixby, Oklahoma's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Bixby, Oklahoma's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Bixby, Oklahoma's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Bixby, Oklahoma's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Bixby, Oklahoma's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

City of Bixby
December 6, 2022

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CBEW Professional Group, LLP

CBEW PROFESSIONAL GROUP, LLP
Certified Public Accountants

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor/ Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation:</u>				
<u>Passed through the Oklahoma Highway Safety Office:</u>				
State and Community Highway Safety	20.600	AI-21-03-01-20	54,149	9,770
State and Community Highway Safety	20.600	PT-22-03-03-21	86,500	36,715
Sub-total U.S. Department of Transportation			<u>140,649</u>	<u>46,485</u>
<u>U.S. Department of Housing and Urban Development:</u>				
<u>Passed through the Oklahoma Department of Commerce:</u>				
CDBG - Urban City Program	14.218	B-18-UC-40-0001	75,833	3,864
CDBG - Urban City Program	14.218	B-19-UC-40-0001	82,972	82,972
CDBG - Urban City Program	14.218	B-20-UC-40-0001	216,242	103,666
Sub-total U.S. Department of Housing and Urban Development			<u>375,047</u>	<u>190,502</u>
<u>U.S. Department of Justice:</u>				
<u>Passed through the Oklahoma Department of Justice:</u>				
COPS Hiring Program	16.710	2020UMWX0160	125,000	47,415
Bulletproof Vest Partnership Program	16.607	2020 BUBX	8,442	1,738
Sub-total U.S. Department of Justice			<u>133,442</u>	<u>49,153</u>
<u>U.S. Department of Treasury:</u>				
ARPA - Coronavirus Relief Fund	21.027	OK1044-P&E	4,903,849	4,903,849
Total Expenditures of Federal Awards			<u>\$ 5,552,987</u>	<u>\$ 5,189,989</u>

Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only selected portion of the operations of the City, it is not intended and does not present the financial position, changes in net assets, or cash flows of the City.

Note B - Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported using accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF BIXBY
Bixby, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Auditor's Report issued: Unmodified opinion on the basic financial statements.

Internal Control Over Financial Reporting:

Material Weakness(es) identified? __ Yes X No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? __ Yes X No

Federal Awards:

Type of Auditor's Report issued on compliance for major programs: Unmodified for all federal programs.

Internal Control Over Major Programs:

Material Weakness(es) identified? __ Yes X No

Significant Deficiencies identified not considered to be material weaknesses? None reported

Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section .516(a)? __ Yes X No

Dollar threshold used to distinguish Type A and Type B programs \$750,000

Auditee Qualified as low-risk auditee? __ Yes X No

Identification of Major Programs:

CFDA#

21.027 Coronavirus State and Local Fiscal Recovery Funds

FINDINGS - FINANCIAL STATEMENT AUDIT

1. None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None

**CITY OF BIXBY
Bixby, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2022**

There were no prior year audit findings.