



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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**THE CITY OF BIXBY,
OKLAHOMA**

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

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL REPORT
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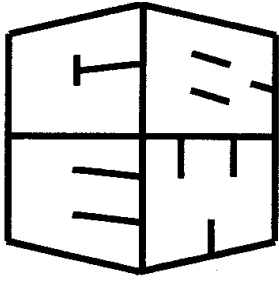
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INDEPENDENT AUDITOR'S REPORT

November 16, 2023

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, 2023, 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, 2023, 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.

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 9–24 and 79–84 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, 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 November 16, 2023 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
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**CITY OF BIXBY, OKLAHOMA
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MANAGEMENT DISCUSSION AND ANALYSIS

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

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, 2023. 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 30,153.

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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As of and for the Year Ended June 30, 2023

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, 2023, net position was as follows:

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Current assets	\$ 114,949	\$ 116,743	-2%	\$ 38,112	\$ 38,506	-1%	\$ 153,061	\$ 155,249	-1%
Capital assets, net	124,605	114,706	9%	102,931	95,612	8%	227,536	210,318	8%
Total assets	<u>239,554</u>	<u>231,449</u>	4%	<u>141,043</u>	<u>134,118</u>	5%	<u>380,597</u>	<u>365,567</u>	4%
Deferred outflows	5,790	2,991	94%	1,022	332	208%	6,812	3,323	105%
Current liabilities	9,278	5,519	68%	3,081	4,277	-28%	12,359	9,796	26%
Non-current liabilities	86,421	81,798	6%	17,590	18,285	-4%	104,011	100,083	4%
Total liabilities	<u>95,699</u>	<u>87,317</u>	10%	<u>20,671</u>	<u>22,562</u>	-8%	<u>116,370</u>	<u>109,879</u>	6%
Deferred inflows	338	6,602	-95%	116	1,458	-92%	454	8,060	-94%
Net position									
Net investment in capital assets	91,687	88,505	4%	85,033	76,300	11%	176,720	164,805	7%
Restricted	13,229	13,785	-4%	761	734	4%	13,990	14,519	-4%
Unrestricted	44,391	38,231	16%	35,484	33,396	6%	79,875	71,627	12%
Total net position	<u>\$ 149,307</u>	<u>\$ 140,521</u>	6%	<u>\$ 121,278</u>	<u>\$ 110,430</u>	10%	<u>\$ 270,585</u>	<u>\$ 250,951</u>	8%

The above numbers reflect an increase in total net position of 6% for governmental activities and an increase of 10% for business-type activities. Overall, the net position for both governmental and business-type activities increased 8% over last fiscal year.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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Deferred outflows of resources increased by 105% and deferred inflows of resources decreased by 94% due to changes related to the net pension and OPEB liabilities and assets in the current year. Current liabilities increased 26% due to increased accounts payable for public safety projects.

For the year ended June 30, 2023, net position of the primary government changed as follows:

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Revenues									
Charges for service	\$ 3,313	\$ 3,342	-1%	\$ 13,778	\$ 13,242	4%	\$ 17,091	\$ 16,584	3%
Operating grants and contributions	1,320	965	37%	-	-	-	1,320	965	37%
Capital grants and contributions	454	6,064	-93%	1,051	2,791	-62%	1,505	8,855	-83%
Taxes	31,968	27,796	15%	-	-	-	31,968	27,796	15%
Intergovernmental revenue	220	5,132	-96%	-	-	-	220	5,132	-96%
Investment income	1,922	211	811%	616	145	325%	2,538	356	613%
Miscellaneous	1,022	919	11%	63	91	-31%	1,085	1,010	7%
Total revenues	40,219	44,429	-9%	15,508	16,269	-5%	55,727	60,698	-8%
Expenses									
General government	4,864	5,278	-8%	-	-	-	4,864	5,278	-8%
Public safety	12,177	8,630	41%	-	-	-	12,177	8,630	41%
Streets	2,774	2,657	4%	-	-	-	2,774	2,657	4%
Culture, parks and recreation	1,637	1,617	1%	-	-	-	1,637	1,617	1%
Cemetery	165	165	0%	-	-	-	165	165	0%
Economic development	223	348	-36%	-	-	-	223	348	-36%
Interest on long-term debt	2,422	992	144%	-	-	-	2,422	992	144%
Water	-	-	-	8,213	7,252	13%	8,213	7,252	13%
Wastewater	-	-	-	3,618	3,321	9%	3,618	3,321	9%
Total expenses	24,262	19,687	23%	11,831	10,573	12%	36,093	30,260	19%
Excess (deficiency) before transfers	15,957	24,742	-36%	3,677	5,696	-35%	19,634	30,438	-35%
Transfers	(7,171)	(2,885)	149%	7,171	2,885	149%	-	-	-
Change in net position	8,786	21,857	-60%	10,848	8,581	26%	19,634	30,438	-35%
Beginning net position	140,521	118,664	18%	110,430	101,849	8%	250,951	220,513	14%
Ending net position	\$ 149,307	\$ 140,521	6%	\$ 121,278	\$ 110,430	10%	\$ 270,585	\$ 250,951	8%

Capital grants and contributions decreased by 83% during the year due to decreased capital contributions received during FY23.

Intergovernmental revenue decreased by 96% during the year due to revenue recognition of ARPA funding from the State of Oklahoma that happened in FY22, but not in FY23.

Investment income increased by 613% during the year due to increased interest rates nationwide.

Interest expense increased by 144% due to increased cost associated with recently issued GO bonds.

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 revenues on the Statement of Activities.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

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.

	Total Expense		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	of Services			of Services		
	2023	2022		2023	2022	
General government	\$ 4,864	\$ 5,278	-8%	\$ (3,824)	\$ (3,953)	-3%
Public safety	12,177	8,630	41%	(10,007)	(6,997)	43%
Streets	2,774	2,657	4%	(1,151)	4,552	-125%
Culture, parks and recreation	1,637	1,617	1%	(1,560)	(1,594)	-2%
Cemetery	165	165	0%	12	16	-25%
Economic development	223	348	-36%	(223)	(349)	-36%
Interest on long-term debt	2,422	992	144%	(2,422)	(992)	144%
Total	<u>\$ 24,262</u>	<u>\$ 19,687</u>	23%	<u>\$ (19,175)</u>	<u>\$ (9,317)</u>	106%

General government net revenue decreased by approximately \$9.9 million, or 106%, due to decreased capital contributions during the fiscal year and increased expenses related to depreciation, interest expense, and public safety expenses, and grant funding expenses, offset by increases in both G.O. bond debt and accrued compensated absences.

Business-type Activities

The business-type activities had an increase in net position of \$10,847,796.

	Total Expense		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	of Services			of Services		
	2023	2022		2023	2022	
Water	\$ 8,213	\$ 7,252	13%	\$ 2,333	\$ 3,473	-33%
Wastewater	3,618	3,322	9%	665	1,987	-67%
Total	<u>\$11,831</u>	<u>\$10,574</u>	12%	<u>\$ 2,998</u>	<u>\$ 5,460</u>	-45%

Water net revenue decreased by approximately \$1.15 million (33%) due to an increase in expenses.

**CITY OF BIXBY, OKLAHOMA
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General Fund Budgetary Highlights

For the year ended June 30, 2023, the General Fund reported actual budgetary basis revenues over final estimates by \$2,765,506 or a 14.8% positive variance. General Fund actual expenditures were under final appropriations by \$89,259 or a 0.5% positive variance.

Capital Asset and Debt Administration

Capital Assets

At the end of June 30, 2023, the City has \$227.5 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 Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 17,240	\$ 16,331	\$ 4,812	\$ 489	\$ 22,052	\$ 16,820
Buildings and improvements	8,767	9,039	294	319	9,061	9,358
Machinery, furniture and equipment	15,354	15,420	2,169	2,482	17,523	17,902
Infrastructure	72,534	56,991	64,335	63,673	136,869	120,664
Construction in progress	10,710	16,924	31,321	28,648	42,031	45,572
Totals	\$ 124,605	\$ 114,705	\$ 102,931	\$ 95,611	\$ 227,536	\$ 210,316

See note 4 for additional details.

This year's more significant capital asset additions are the Downtown River Streetscape for \$7.6 million, Fry Creek trail improvements for \$1.5 million, South Bixby drainage project for \$1.3 million, Haikey Creek flood damage rehab for \$1.4 million, land acquisitions of \$5.3 million and various street and paving projects totaling \$4.6 million.

Debt Administration

At year-end, the City had \$97.9 million in outstanding notes, and bonds, and additionally, the City had \$3.5 million in accrued compensated absences and utility deposits, a decrease of approximately \$486 thousand from the prior year. The decrease in long-term debt is attributed to the regular schedule payments that decreased notes payable.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2022-2023</u>
General obligation bonds	\$ 69,090	\$ 67,920	\$ -	\$ -	\$ 69,090	\$ 67,920	1.7%
Notes payable	10,895	11,395	17,898	19,312	28,793	30,707	-6.2%
Deposits subject to refund	-	-	1,206	1,095	1,206	1,095	10.1%
Accrued compensated abs	2,041	1,844	219	269	2,260	2,113	7.0%
Totals	\$ 82,026	\$ 81,159	\$ 19,323	\$ 20,676	\$ 101,349	\$ 101,835	-0.5%

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 and the Pandemic. 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+ eleven 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-24 and one for FY-25) 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-24 & FY-25) 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-24 (July 1, 2023 – June 30, 2024), first year of the 2024/2025 Biennium

Revenue Assumptions

Following is an explanation of revenue assumptions on which the approved FY-24 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 FY22 exceeded the FY21 prior year by \$2,019,176. The original budget for FY24 was increased modestly due to anticipated revenues; but, actual revenue for FY23 exceeded budget by \$1,672,080. Budgeted revenues for FY-24 were then forecast to increase \$1,571,513 compared to FY23. This two year look-back process is considered to be very conservative and adds stability to the budget process.

FY-24 General Fund total revenues are budgeted to grow by \$1,571,513 or 13.20% over FY-23 budget, while General Fund expenses are budgeted to grow by \$1,547,842 or 12.63%. This expenditure growth over revenue growth is due to a 5% Cost of Living Adjustment (mostly from inflation and collective bargaining agreements and funded from prior year savings) and preparation for adding an ambulance service to our Fire Department. FY-25 General Fund revenues are forecast to grow by \$42,525 or 0.30%, while General Fund expenses are forecast to be stable, each as compared to the FY-24 budget (potential wage increases are not considered due to trigger points which would prevent increases).

Bixby Public Works Authority (BPWA) revenues are estimated to grow during each year of the biennium in part due population growth. Specifically, FY-24's budgeted revenues for BPWA reflect the fully phased-in sewer rate increases, for the purpose of funding a new sewer treatment process, as required by order of the ODEQ, which went into operation in FY23. Although revenues are also subject to a potential

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increase in the sales price of the city's treated water, effective October 1, 2023, 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 a population growth of approximately 1.5% 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-24 Budget is devoted to Bixby Police, Fire and Street Departments as detailed below (the Police, Fire and Streets were actually increased by \$1,361,014):

- \$654,738 or 42.30% of the new General Fund spending went to the Police Department, while \$582,704 or 37.65% went to the Fire Department, and \$123,572 or 7.98% went to the Streets Department. The large increase to the Fire Department is due to the City preparing to add Ambulatory Services and adding personnel.
- \$10,885,842 or 78.89% of the \$13,802,911 in total General Fund spending approved for FY-24 was budgeted for Police, Fire, Streets and Emergency Services alone;

Among other major initiatives provided for in the FY-24 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-24 budget continues with our minimum wage paid to City employees (increased to \$17.00 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 5.0% cost of living increase (with some increases greater than 5.0%);
- A collective bargaining agreement with the city's firefighters union provides firefighters with an overall average wage increase of 7.39% in FY-24. This is the first year of a two 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 EMS dispatcher) and is committed to providing the proper training to produce more EMTs;

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- A collective bargaining agreement (approved in May 2023) with the city’s police union provided officers with an overall average wage increase of 14.42% in FY-24. FY24 is the first year of a two year collective bargaining agreement with members of its police union. The Police Department added 3 new positions for FY24 (two officers and one code enforcement officer);
- 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. Oklahoma Water Resources Board approved a \$24,000,000 Promissory Note Loan in September 2017. This facility began operations in FY23;
- Continues planning for water system improvements to address anticipated storage and distribution needs in South Bixby;
- Funds the city’s 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 brought 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

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as community events. The use of the building will be prioritized for Bixby Public Schools 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 \$4.36 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;
- 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 and vehicles; equipment for the Parks Department, a new Administration building for Utility 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, 2023. 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-24 budget provides the Sales Tax Personnel Fund (established in 2017 by referendum) to provide continuing funding for twenty-three positions of:
 - eleven Firefighters;
 - four Police Officers;
 - five Public Safety Dispatchers (Communications Officers)
 - three Street Department crew member positions;
 - included in the above, FY24 provides for two new EMT positions for an ambulatory service.

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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, for and expanded mowing and other requirements, including the Haikey Creek Flood Control project.

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. There are approximately \$6 million left to be expended.

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 (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

April 2022 General Obligation Bond Election Overwhelmingly Approved by Local Voters

On April 25, 2022, Bixby voters overwhelmingly approved each our proposition involving the issuance of \$43,000,000 in General Obligation bonds. These bonds were issued in 2022 to provide funding of a new Performing Arts Center designed to improve economic development and quality of life. 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.

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. The City anticipates continued growth when the new Performing Arts Center is completed.

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 2022 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 30,153 (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 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)
- 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)

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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.

Fifty-four percent of Bixby's citizens hold college degrees. Bixby has the highest median home values in the Tulsa Metro Region (at \$320,000, is 32% 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 2022, voters approved by an overwhelming majority a multi-year \$110,000,000 bond issue, without raising taxes, for the construction and renovation of school buildings, including a new high school. This award-winning school system boasts excellent state test scores and outstanding activity programs. The 2022 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.

Recently, ground was broken for a new 16,000 square foot \$30 million multi-use facility called Iconik Bixby. It will have 132 apartments, multiple retail spaces and a parking garage. This facility will be right across from City Hall in downtown Bixby,

The PostRock Plaza shopping center, located at 101st and Memorial, was purchased by new owners, who bought the facility previously known as the Spirit Bank Event Center and transformed it into a mega church. Several new restaurants have opened in the community and/or are currently under construction.

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.

Further south, 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, is still growing with plans to add pickle ball courts. 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.

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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, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 36,529,478	\$ 11,831,542	\$ 48,361,020
Investments	72,380,223	24,023,893	96,404,116
Accounts receivable, net of allowance	1,255,603	1,928,295	3,183,898
Internal balances	227,483	(227,483)	-
Due from other governments	2,990,318	475,208	3,465,526
Other receivables	13,166	-	13,166
Lease receivable	4,718	-	4,718
Prepaid expenses	997,947	-	997,947
Net pension asset	467,584	-	467,584
Net OPEB asset	82,645	80,772	163,417
Capital Assets:			
Land and construction in progress	27,950,141	36,132,651	64,082,792
Other capital assets, net of depreciation	96,654,587	66,797,990	163,452,577
Total Assets	<u>\$ 239,553,893</u>	<u>\$ 141,042,868</u>	<u>\$ 380,596,761</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	\$ 5,720,701	\$ 970,876	\$ 6,691,577
Deferred amounts related to OPEB	69,722	50,688	120,410
Total Deferred Outflows	<u>5,790,423</u>	<u>1,021,564</u>	<u>6,811,987</u>
LIABILITIES			
Accounts payable and accrued expenses	2,464,889	520,606	2,985,495
Accrued interest payable	410,659	102,504	513,163
Due to bondholders	1,222	-	1,222
Due to other governments	8,328	-	8,328
Long-term liabilities			
Due within one year	6,393,295	2,458,201	8,851,496
Due in more than one year	86,421,408	17,589,991	104,011,399
Total liabilities	<u>95,699,801</u>	<u>20,671,302</u>	<u>116,371,103</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to leases	4,696	-	4,696
Deferred amounts related to pensions	288,962	67,416	356,378
Deferred amounts related to OPEB	43,631	48,158	91,789
Total Deferred Inflows	<u>337,289</u>	<u>115,574</u>	<u>452,863</u>
NET POSITION			
Net investment in capital assets	91,687,471	85,032,745	176,720,216
Restricted by:			
State statutes	6,337,964	-	6,337,964
Enabling legislation	190,193	-	190,193
Contractual	6,700,352	761,066	7,461,418
Unrestricted	44,391,246	35,483,745	79,874,991
Total net position	<u>\$ 149,307,226</u>	<u>\$ 121,277,556</u>	<u>\$ 270,584,782</u>

See accompanying notes to the basic financial statements.

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Statement of Activities –Year Ended June 30, 2023

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	\$ 4,864,052	\$ 1,039,966	\$ -	\$ -	\$ (3,824,086)	\$ -	\$ (3,824,086)
Public Safety	12,176,107	1,108,352	1,054,324	6,235	(10,007,196)	-	(10,007,196)
Streets	2,774,032	910,480	265,306	447,699	(1,150,547)	-	(1,150,547)
Culture and Recreation	1,636,682	77,045	-	-	(1,559,637)	-	(1,559,637)
Cemetery	165,290	176,850	-	-	11,560	-	11,560
Economic Development	223,284	-	-	-	(223,284)	-	(223,284)
Interest on Long-term debt	2,422,254	-	-	-	(2,422,254)	-	(2,422,254)
Total governmental activities	<u>24,261,701</u>	<u>3,312,693</u>	<u>1,319,630</u>	<u>453,934</u>	<u>(19,175,444)</u>	<u>-</u>	<u>(19,175,444)</u>
Business-Type Activities:							
Water	8,213,193	10,033,466	-	512,713	-	2,332,986	2,332,986
Wastewater	3,618,364	3,744,553	-	538,493	-	664,682	664,682
Total business-type activities	<u>11,831,557</u>	<u>13,778,019</u>	<u>-</u>	<u>1,051,206</u>	<u>-</u>	<u>2,997,668</u>	<u>2,997,668</u>
Total primary government	<u>\$ 36,093,258</u>	<u>\$ 17,090,712</u>	<u>\$ 1,319,630</u>	<u>\$ 1,505,140</u>	<u>\$ (19,175,444)</u>	<u>\$ 2,997,668</u>	<u>\$ (16,177,776)</u>
General revenues:							
Taxes:							
Property taxes					\$ 7,279,749	\$ -	\$ 7,279,749
Sales and use taxes					22,887,171	-	22,887,171
Franchise taxes and public service taxes					1,355,984	-	1,355,984
Hotel/motel taxes					189,824	-	189,824
E911 taxes					254,914	-	254,914
Intergovernmental revenue not restricted to specific programs					219,652	-	219,652
Unrestricted investment earnings					1,922,503	616,503	2,539,006
Miscellaneous					1,022,419	62,723	1,085,142
Transfers					(7,170,902)	7,170,902	-
Total general revenues and transfers					<u>27,961,314</u>	<u>7,850,128</u>	<u>35,811,442</u>
Change in net position					<u>8,785,870</u>	<u>10,847,796</u>	<u>19,633,666</u>
Net position - beginning					<u>140,521,356</u>	<u>110,429,760</u>	<u>250,951,116</u>
Net position - ending					<u>\$ 149,307,226</u>	<u>\$ 121,277,556</u>	<u>\$ 270,584,782</u>

See accompanying notes to the basic financial statements.

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ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Governmental Funds Balance Sheet - June 30, 2023

	<u>General Fund</u>	<u>2021 GO Bond 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	\$ 4,264,459	\$ 444,281	\$ 14,479,623	\$ 1,802,376	\$ 11,113,376	\$ 4,443,680	\$ 16,124,417	\$ 52,672,212
Investments	7,173,615	3,075,241	-	6,901,916	30,672,698	923,577	26,756,648	75,503,695
Receivable from other governments	1,380,666	-	-	747,573	-	108,558	1,228,729	3,465,526
Due from other funds	825,307	-	185,785	-	-	859	426,689	1,438,640
Taxes receivable, net	89,003	-	-	-	-	-	47,061	136,064
Court fines receivable, net	880,651	-	-	-	-	-	-	880,651
Ambulance receivable, net	26,647	-	-	-	-	-	-	26,647
Utilities receivable, net	-	-	-	-	-	-	47,152	47,152
Leases receivable	4,718	-	-	-	-	-	-	4,718
Other receivables	76,456	-	-	-	-	4,361	97,438	178,255
Prepaid expenses	-	-	-	997,947	-	-	-	997,947
Total assets	<u>\$ 14,721,522</u>	<u>\$ 3,519,522</u>	<u>\$ 14,665,408</u>	<u>\$ 10,449,812</u>	<u>\$ 41,786,074</u>	<u>\$ 5,481,035</u>	<u>\$ 44,728,134</u>	<u>\$ 135,351,507</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 114,174	1,141,148	\$ 2,383	\$ 422,064	\$ 75,802	\$ -	\$ 331,292	\$ 2,086,863
Accrued payroll payable	318,009	-	-	-	-	-	54,654	372,663
Due to other funds	859	-	-	-	-	10,526	1,013,987	1,025,372
Due to bondholders	1,222	-	-	-	-	-	-	1,222
Payable to other governments	8,328	-	-	-	-	-	-	8,328
Other payables	7,746	-	-	-	-	-	-	7,746
Total liabilities	<u>450,338</u>	<u>1,141,148</u>	<u>2,383</u>	<u>422,064</u>	<u>75,802</u>	<u>10,526</u>	<u>1,399,933</u>	<u>3,502,194</u>
Deferred inflows:								
Unavailable revenue	925,577	-	-	21,298	-	89,486	80,430	1,116,791
Leases	4,696	-	-	-	-	-	-	4,696
Total deferred inflows	<u>930,273</u>	<u>-</u>	<u>-</u>	<u>21,298</u>	<u>-</u>	<u>89,486</u>	<u>80,430</u>	<u>1,121,487</u>
Fund balances:								
Restricted	-	1,053,134	-	-	40,833,649	4,843,242	14,446,233	61,176,258
Assigned	1,440,938	1,325,240	14,663,025	10,006,450	876,623	537,781	29,146,789	57,996,846
Unassigned (deficit)	11,899,973	-	-	-	-	-	(345,251)	11,554,722
Total fund balances	<u>13,340,911</u>	<u>2,378,374</u>	<u>14,663,025</u>	<u>10,006,450</u>	<u>41,710,272</u>	<u>5,381,023</u>	<u>43,247,771</u>	<u>130,727,826</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 14,721,522</u>	<u>\$ 3,519,522</u>	<u>\$ 14,665,408</u>	<u>\$ 10,449,812</u>	<u>\$ 41,786,074</u>	<u>\$ 5,481,035</u>	<u>\$ 44,728,134</u>	<u>\$ 135,351,507</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, 2023

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2023

	<u>General Fund</u>	<u>2021 GO Bond 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,190,263	\$ -	\$ 7,190,263
Sales and use tax	9,376,555	-	-	5,540,543	-	-	7,970,073	22,887,171
Franchise and miscellaneous taxes	1,355,984	-	-	-	-	-	444,738	1,800,722
Intergovernmental	1,327,787	-	-	-	-	-	2,754,813	4,082,600
Licenses and permits	951,033	-	-	-	-	-	-	951,033
Charges for services	775,406	-	172,479	-	-	32,445	1,031,430	2,011,760
Fines & forfeitures	411,144	-	-	-	-	-	-	411,144
Investment earnings	224,405	71,745	326,226	210,831	865,997	35,580	533,391	2,268,175
Miscellaneous	689,536	-	-	49,326	-	107,260	240,360	1,086,482
Total revenues	<u>15,111,850</u>	<u>71,745</u>	<u>498,705</u>	<u>5,800,700</u>	<u>865,997</u>	<u>7,365,548</u>	<u>12,974,805</u>	<u>42,689,350</u>
EXPENDITURES								
Administration	549,757	-	-	-	-	-	-	549,757
City attorney	132,111	-	-	-	-	-	-	132,111
Municipal court	94,898	-	-	-	-	-	-	94,898
Community service	3,791	-	-	-	-	-	-	3,791
General government	1,256,971	-	-	-	-	205,350	1,856,719	3,319,040
Police	4,251,576	-	-	-	-	-	1,162,386	5,413,962
Fire	4,691,124	-	-	-	-	-	-	4,691,124
Emergency Management	14,905	-	-	-	-	-	-	14,905
Streets	709,982	-	-	-	-	-	1,241,042	1,951,024
Culture and recreation	-	-	-	-	-	-	907,215	907,215
Cemetery	147,579	-	-	-	-	-	-	147,579
Economic development	-	-	-	-	-	-	289,484	289,484
E-911	-	-	-	-	-	-	112,524	112,524
Water and sewer	556,074	-	-	-	-	-	-	556,074
Capital outlay	129,180	4,621,163	1,434,178	5,996,845	859,083	-	1,110,661	14,151,110
Debt service:								
Principal	-	-	-	-	-	3,330,000	500,000	3,830,000
Interest and other charges	-	-	-	-	-	2,096,146	394,538	2,490,684
Total expenditures	<u>12,537,948</u>	<u>4,621,163</u>	<u>1,434,178</u>	<u>5,996,845</u>	<u>859,083</u>	<u>5,631,496</u>	<u>7,574,569</u>	<u>38,655,282</u>
Excess (deficiency) of revenues over expenditures	<u>2,573,902</u>	<u>(4,549,418)</u>	<u>(935,473)</u>	<u>(196,145)</u>	<u>6,914</u>	<u>1,734,052</u>	<u>5,400,236</u>	<u>4,034,068</u>
OTHER FINANCING SOURCES (USES)								
Proceeds from long-term debt	-	-	-	-	-	4,500,000	-	4,500,000
Transfers in	7,489,825	1,250,000	3,940,904	1,885,641	-	-	12,410,579	26,976,949
Transfers out	(8,006,278)	-	(2,200,000)	(3,755,668)	-	(4,411,007)	(9,768,082)	(28,141,035)
Total other financing sources (uses)	<u>(516,453)</u>	<u>1,250,000</u>	<u>1,740,904</u>	<u>(1,870,027)</u>	<u>-</u>	<u>88,993</u>	<u>2,642,497</u>	<u>3,335,914</u>
Net change in fund balances	2,057,449	(3,299,418)	805,431	(2,066,172)	6,914	1,823,045	8,042,733	7,369,982
Fund balances - beginning	11,283,462	5,677,792	13,857,594	12,072,622	41,703,358	3,557,978	35,205,038	123,357,844
Fund balances - ending	<u>\$ 13,340,911</u>	<u>\$ 2,378,374</u>	<u>\$ 14,663,025</u>	<u>\$ 10,006,450</u>	<u>\$ 41,710,272</u>	<u>\$ 5,381,023</u>	<u>\$ 43,247,771</u>	<u>\$ 130,727,826</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, 2023**

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds \$ 130,727,826

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. 124,604,728

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	1,116,791
Net OPEB asset	82,645
Net pension asset	467,584
Pension and OPEB related deferred outflows	5,790,423
	7,457,443

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	(14,663,025)
Citizen's Planned Fund	(5,375,545)
	(20,038,570)

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	(410,659)
Notes payable	(10,895,000)
General obligation bonds	(69,090,000)
Bond premium	(1,046,092)
Net pension liability	(9,742,132)
Pension and OPEB related deferred inflows	(332,593)
Accrued compensated absences	(2,041,479)
	(93,557,955)

Internal service fund net position, classified as governmental activities at the government-wide financial statements. 113,754

Net Position of Governmental Activities in the Statement of Net Position \$ 149,307,226

See accompanying notes to the basic financial statements.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Net change in fund balances - total governmental funds: \$ 7,369,982

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	13,882,111
Capital assets contributed	447,701
Depreciation expense	(4,429,636)
Book value of disposed capital assets	(1,227)
	9,898,949

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. (133,304)

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. 20,635

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 (2,228,355)

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	(805,431)
Citizen's Planned Fund	(4,418,503)
	(5,223,934)

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	3,830,000
Proceeds of long-term debt	(4,500,000)
Bond premium	(107,260)
Amortization of bond premium and deferred amounts on refunding	70,513
	(706,747)

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. (2,685)

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	(11,180)
Change in accrued compensated absences	(197,491)
	(208,671)

Change in net position of governmental activities \$ 8,785,870

See accompanying notes to the basic financial statements.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Proprietary Fund Statement of Net Position - June 30, 2023

	<u>Bixby Public Works Authority</u>	<u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,361,570	\$ 113,754
Investments	2,044,455	-
Restricted:		
Cash and cash equivalents	376,435	-
Due from other funds	21,887	-
Accounts receivable, net	1,928,295	-
Total current assets	<u>16,732,642</u>	<u>113,754</u>
Non-current assets:		
Restricted:		
Investments	1,693,015	-
Net OPEB asset	80,772	-
Capital assets:		
Land and construction in progress	36,132,651	-
Other capital assets, net of accumulated depreciation	66,797,990	-
Total non-current assets	<u>104,704,428</u>	<u>-</u>
Total assets	<u>\$ 121,437,070</u>	<u>\$ 113,754</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	970,876	-
Deferred amounts related to OPEB	50,688	-
Total deferred outflows	<u>1,021,564</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 460,807	\$ -
Accrued payroll payable	57,416	-
Accrued interest payable	102,504	-
Due to other funds	435,155	-
Deposits subject to refund	202,214	-
Compensated absences	43,789	-
Notes payable	2,212,198	-
Total current liabilities	<u>3,514,083</u>	<u>-</u>
Non-current liabilities:		
Compensated absences	175,153	-
Deposits subject to refund	1,003,666	-
Net pension liability	725,474	-
Notes payable	15,685,698	-
Total non-current liabilities	<u>17,589,991</u>	<u>-</u>
Total liabilities	<u>21,104,074</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	67,416	-
Deferred amounts related to OPEB	48,158	-
Total deferred inflows	<u>115,574</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	85,032,745	-
Restricted for debt service	761,066	-
Unrestricted	15,445,175	113,754
Total net position	<u>\$ 101,238,986</u>	<u>\$ 113,754</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, 2023

Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2023

	<u>Bixby Public</u> <u>Works Authority</u>	<u>Internal Service</u> <u>Funds</u>
REVENUES		
Water	\$ 9,914,103	\$ -
Sewer	3,617,650	-
Miscellaneous	101,358	44,692
Total operating revenues	<u>13,633,111</u>	<u>44,692</u>
OPERATING EXPENSES		
Administration	2,264,863	-
Water	5,504,755	-
Wastewater	1,557,723	-
Insurance claims	-	47,467
Depreciation	2,033,166	-
Total Operating Expenses	<u>11,360,507</u>	<u>47,467</u>
Operating income (loss)	<u>2,272,604</u>	<u>(2,775)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and investment revenue	279,984	90
Gain on disposal of capital assets	35,152	-
Interest expense	(371,997)	-
Total non-operating revenue (expenses)	<u>(56,861)</u>	<u>90</u>
Income (loss) before contributions and transfers	2,215,743	(2,685)
Capital contributions	2,386,881	-
Transfers in	11,704,702	-
Transfers out	(10,683,464)	-
Change in net position	5,623,862	(2,685)
Total net position - beginning	95,615,124	116,439
Total net position - ending	<u>\$ 101,238,986</u>	<u>\$ 113,754</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, 2023**

Reconciliation of Proprietary Fund and Government-Wide Financial Statements:

Total net position, proprietary funds	\$ 101,238,986
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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	14,663,025
Citizen's Planned Fund	5,375,545
	20,038,570

Net Position of Business-type Activities in the Statement of Net Position	\$ 121,277,556
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Change in net position - total proprietary funds:	\$ 5,623,862
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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	805,431
Citizen's Planned Fund	4,418,503
	5,223,934

Change in net position of business-type activities	\$ 10,847,796
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See accompanying notes to the basic financial statements.

CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Proprietary Fund Statement of Cash Flows - Year Ended June 30, 2023

	Bixby Public Works Authority	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 13,653,741	\$ 44,692
Payments to suppliers	(8,162,948)	(47,467)
Payments to employees	(2,434,805)	-
Receipts of customer meter deposits	300,675	-
Refunds of customer meter deposits	(189,586)	-
Interfund receipts	7,446	-
Interfund payments	220,037	-
Net cash provided by (used in) operating activities	3,394,560	(2,775)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	11,704,702	-
Transfers to other funds	(10,683,464)	-
Net cash provided by noncapital financing activities	1,021,238	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(6,965,095)	-
Proceeds from sale of capital assets	35,152	-
Proceeds from debt	741,188	-
Principal paid on debt	(2,155,550)	-
Interest and fiscal agent fees paid on debt	(382,779)	-
Net cash provided by (used in) capital and related financing activities	(8,727,084)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	4,855,026	-
Interest and dividends	279,984	90
Net cash provided by investing activities	5,135,010	90
Net increase (decrease) in cash and cash equivalents	823,724	(2,685)
Balances - beginning of year	11,914,281	116,439
Balances - end of year	\$ 12,738,005	\$ 113,754
Reconciliation to Statement of Net Position:		
Cash and cash equivalents	\$ 12,361,570	\$ 113,754
Restricted cash and cash equivalents - current	376,435	-
Total cash and cash equivalents, end of year	\$ 12,738,005	\$ 113,754

See accompanying notes to the basic financial statements.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2023, (Continued)

	<u>Bixby Public Works Authority</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) Operating Activities:		
Operating income	\$ 2,272,604	\$ (2,775)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation expense	2,033,166	-
Change in assets, liabilities, and deferrals:		
Due from other funds	220,037	-
Due to other funds	7,446	-
Accounts receivable	20,630	-
Deferred outflows related to pensions and OPEB	(689,094)	-
Inventories	13,819	-
Accounts payable	(1,153,426)	-
Accrued salaries payable	1,518	-
Deposits subject to refund	111,089	-
Deferred inflows related to pensions and OPEB	(1,342,472)	-
Net OPEB asset	40,439	-
Net pension asset	1,183,322	-
Net pension liability	725,474	-
Accrued compensated absences	(49,992)	-
Net cash provided by (used in) operating activities	\$ 3,394,560	\$ (2,775)
Noncash activities:		
Contributed capital assets	\$ 2,386,881	\$ -
	\$ 2,386,881	\$ -

See accompanying notes to the basic financial statements.

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

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 30,000 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.

- **The Bixby Industrial Authority.**

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. The City, as beneficiary of the Public Trust, receives title to any residual assets when a Public Trust is dissolved. The Trust was created in June 2023, but had no activity during the fiscal year.

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.

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.
- 2021 GO Bond Fund – a capital project fund that accounts for bond proceeds used to finance public safety buildings, improvements, remodeling, and repairs.
- 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.

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- 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.
- SWAT Mutual Fund – accounts for revenue and expenditures for a SWAT consortium of Bixby, Glenpool, Jenks, and Sand Springs Police Departments.
- State Police Asset Forfeiture Fund – accounts for the City’s share of funds from various multi-jurisdictional operations.
- 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 ¾ 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.
- 2022B 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.

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

The General Fund, 2022A GO Bond Fund, 2021 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.

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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

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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 assets by the City that are applicable to a future reporting period. At June 30, 2023, 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

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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.

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, 2023**, the City's net assessed valuation of taxable property was \$373,922,359. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended **June 30, 2023** was \$21.83.

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.

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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, 2023**, 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				\$ 46,940,172
Cash on hand				650
Time deposits	Due within 1 year		N/A	<u>96,404,116</u>
				<u>143,344,938</u>
Investments:				
GS Fin Sq Treas Instr-Prem #3515		Aaa-mf	N/A	<u>1,420,198</u>
				<u>1,420,198</u>
Total deposits and investments				<u><u>\$ 144,765,136</u></u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 48,361,020
Investments				<u>96,404,116</u>
				<u><u>\$ 144,765,136</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, 2023**, 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, 2023**, 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, 2023** are as follows:

	Current	Noncurrent
	Cash and cash equivalents	Investments
2009 OWRB DWSRF Construction Account	\$ 46,161	\$ -
2011 OWRB CWSRF Construction Account	67,928	-
BPWA Debt Service CDs	-	749,481
Worker's Comp Escrow	-	-
Meter deposits	262,346	943,534
Total	\$ 376,435	\$ 1,693,015

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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.

		Less: Allowance for Uncollectible	Net
	Receivables	Accounts	Receivables
Governmental Activities:			
Franchise taxes	\$ 102,169	\$ -	\$ 102,169
Court fines	1,761,230	(880,579)	880,651
Ambulance fees	104,630	-	104,630
Stormwater	131,424	-	131,424
Leases	4,718	-	4,718
Other taxes	49,895	-	49,895
Total Governmental Activities	\$ 2,154,066	\$ (880,579)	\$ 1,273,487
Business-Type Activities:			
Utilities	\$ 2,649,594	\$ (721,299)	\$ 1,928,295
Total Business-type Activities	\$ 2,649,594	\$ (721,299)	\$ 1,928,295

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, 2023**, capital assets balances changed as follows:

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	Balance at July 1, 2022	Additions	Disposals	Transfers	Balance at June 30, 2023
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 16,330,953	\$ 909,100	\$ -	\$ -	\$ 17,240,053
Construction in progress	16,924,472	10,846,408	-	(17,060,792)	10,710,088
Total capital assets not being depreciated	<u>33,255,425</u>	<u>11,755,508</u>	<u>-</u>	<u>(17,060,792)</u>	<u>27,950,141</u>
Other capital assets:					
Buildings and improvements	11,830,422	-	-	-	11,830,422
Infrastructure	95,746,513	804,056	-	17,060,792	113,611,361
Machinery, furniture and equipment	33,225,303	1,770,244	467,043	-	34,528,504
Total other capital assets at historical cost	<u>140,802,238</u>	<u>2,574,300</u>	<u>467,043</u>	<u>17,060,792</u>	<u>159,970,287</u>
Less accumulated depreciation for:					
Buildings and improvements	2,791,260	272,522	-	-	3,063,782
Infrastructure	38,755,624	2,321,321	-	-	41,076,945
Machinery, furniture and equipment	17,804,999	1,835,793	465,819	-	19,174,973
Total accumulated depreciation	<u>59,351,883</u>	<u>4,429,636</u>	<u>465,819</u>	<u>-</u>	<u>63,315,700</u>
Other capital assets, net	81,450,355	(1,855,336)	1,224	17,060,792	96,654,587
Governmental activities capital assets, net	<u>\$ 114,705,780</u>	<u>\$ 9,900,172</u>	<u>\$ 1,224</u>	<u>\$ -</u>	<u>\$ 124,604,728</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 488,651	\$ 4,323,400	\$ 4,323,400	\$ -	\$ 488,651
Construction in progress	28,647,912	4,046,636	-	(1,373,948)	31,320,600
Total capital assets not being depreciated	<u>29,136,563</u>	<u>8,370,036</u>	<u>4,323,400</u>	<u>(1,373,948)</u>	<u>31,809,251</u>
Other capital assets:					
Buildings and improvements	1,510,553	-	-	-	1,510,553
Machinery, furniture and equipment	5,948,614	127,105	-	-	6,075,719
Infrastructure	86,938,300	854,837	-	1,373,948	89,167,085
Total other capital assets at historical cost	<u>94,397,467</u>	<u>981,942</u>	<u>-</u>	<u>1,373,948</u>	<u>96,753,357</u>
Less accumulated depreciation for:					
Buildings and improvements	1,191,856	24,982	-	-	1,216,838
Machinery, furniture and equipment	3,466,340	440,243	-	-	3,906,583
Infrastructure	23,264,005	1,567,941	-	-	24,831,946
Total accumulated depreciation	<u>27,922,201</u>	<u>2,033,166</u>	<u>-</u>	<u>-</u>	<u>29,955,367</u>
Other capital assets, net	66,475,266	(1,051,224)	-	1,373,948	66,797,990
Business-type activities capital assets, net	<u>\$ 95,611,829</u>	<u>\$ 7,318,812</u>	<u>\$ 4,323,400</u>	<u>\$ -</u>	<u>\$ 98,607,241</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	\$ 977,216
Public safety	1,047,604
Streets	1,664,124
Culture and recreation	718,837
Cemetery	21,855
	<u>\$ 4,429,636</u>

Business-Type Activities:

Water	\$ 944,388
Wastewater	1,088,778
	<u>\$ 2,033,166</u>

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5. Long-Term Debt and Debt Service Requirements

For the year ended **June 30, 2023**, the reporting entity's long-term debt changed as follows:

<u>Type of Debt</u>	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 67,920,000	\$ 4,500,000	\$ 3,330,000	\$ 69,090,000	\$ 5,465,000
Notes payable (direct borrowing)	11,395,000	-	500,000	10,895,000	520,000
Accrued compensated absences	1,843,990	197,489	-	2,041,479	408,295
Total Governmental Activities	<u>\$ 81,158,990</u>	<u>\$ 4,697,489</u>	<u>\$ 3,830,000</u>	<u>\$ 82,026,479</u>	<u>\$ 6,393,295</u>
Business-Type Activities:					
Notes Payable (direct borrowing)	\$ 19,312,258	\$ 741,188	\$ 2,155,550	\$ 17,897,896	\$ 2,212,198
Deposits Subject to Refund	1,094,791	111,089	-	1,205,880	202,214
Accrued compensated absences	268,934	-	8,344	218,942	43,789
Total Business-Type Activities	<u>20,675,983</u>	<u>852,277</u>	<u>2,163,894</u>	<u>19,322,718</u>	<u>2,458,201</u>
Total Long-Term Debt	<u>\$ 101,834,973</u>	<u>\$ 5,549,766</u>	<u>\$ 5,993,894</u>	<u>\$ 101,349,197</u>	<u>\$ 8,851,496</u>

Reconciliation to Statement of Net Position:

Governmental Activities:

Due within one year	\$ 6,393,295
Due in more than one year	86,421,408
Less unamortized bond premium	(1,046,092)
Net pension liability	(9,742,132)
Total Governmental Activities Long-Term Liabilities	<u>\$ 82,026,479</u>

Business-Type Activities:

Due within one year	\$ 2,458,201
Due in more than one year	17,589,991
Net pension liability	(725,474)
Total Business-Type Activities Long-Term Liabilities	<u>\$ 19,322,718</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.

	\$ 10,895,000
Total Note Payable	<u>\$ 10,895,000</u>
Current portion	\$ 520,000
Noncurrent portion	10,375,000
Total Notes Payable	<u>\$ 10,895,000</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.		2,200,000
\$4,500,000 General Obligation Bonds of 2022B, due in annual installments of \$500,000 with an annual interest rate between 3.25% and 4.00%, repaid by property tax levies. final payment due December 2032.		4,500,000
\$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.		2,190,000
\$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.		1,870,000
\$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.		1,120,000
\$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.		2,680,000
\$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.		4,030,000
Total Notes Payable	\$	<u>69,090,000</u>
Current portion	\$	5,465,000
Noncurrent portion		<u>63,625,000</u>
Total Notes Payable	\$	<u>69,090,000</u>

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Accrued Compensated Absences:

	Current portion	408,295
	Noncurrent portion	<u>1,633,184</u>
	Total Accrued Compensated Absences	<u><u>\$ 2,041,479</u></u>

Business-type activities long-term debt:

Deposits subject to Refund:

	Current portion	\$ 202,214
	Noncurrent portion	<u>1,003,666</u>
	Total Deposits Subject to Refund	<u><u>\$ 1,205,880</u></u>

Accrued Compensated Absences:

	Current portion	\$ 43,789
	Noncurrent portion	<u>175,153</u>
	Total Accrued Compensated Absences	<u><u>\$ 218,942</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.

\$ 602,382

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.

1,227,482

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.

15,769,046

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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.

		298,986
Total Notes Payable	\$	17,897,896
Current portion	\$	2,212,198
Noncurrent portion		15,685,698
Total Notes Payable	\$	17,897,896

Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Governmental Activities			
	General		Notes Payable	
	Obligation Bonds		(direct borrowings)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 5,465,000	\$ 2,235,654	\$ 520,000	\$ 376,775
2025	5,965,000	2,018,801	535,000	358,488
2026	6,025,000	1,857,666	555,000	339,588
2027	5,295,000	1,694,011	575,000	319,900
2028	4,735,000	1,583,297	595,000	299,688
2029-2033	16,505,000	6,217,761	3,300,000	1,168,475
2034-2038	8,950,000	4,156,325	4,815,000	535,150
2039-2043	8,950,000	2,487,150	-	-
2044-2047	7,200,000	722,400	-	-
Totals	\$ 69,090,000	\$ 22,973,065	\$ 10,895,000	\$ 3,398,064

<u>Year Ending June 30,</u>	Business-type Activities	
	Notes Payable	
	(direct borrowings)	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,212,198	\$ 367,694
2025	2,274,848	322,453
2026	2,292,574	276,084
2027	2,360,549	229,046
2028	2,423,699	180,738
2029-2032	7,064,986	251,233
Totals	\$ 18,628,854	\$ 1,627,248

Less: Amount not drawn down (730,958)
\$ 17,897,896

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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	2021 GO Bond Fund	Water & Sewer Development Fund	Capital Improvement Fund			
Fund Balances:								
Restricted for:								
Park improvements	\$ -	\$ 40,833,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,833,649
Park/street/public safety improvements	-	-	1,053,134	-	-	-	1,794,286	2,847,420
Debt service	-	-	-	-	-	4,843,242	-	4,843,242
Personnel	-	-	-	-	-	-	1,200,615	1,200,615
Bentley park	-	-	-	-	-	-	2,499,581	2,499,581
E911	-	-	-	-	-	-	817,917	817,917
Public safety	-	-	-	-	-	-	4,445,565	4,445,565
Disaster recovery	-	-	-	-	-	-	1,969,129	1,969,129
Fry creek	-	-	-	-	-	-	82,591	82,591
Cemetery capital	-	-	-	-	-	-	574,520	574,520
Downtown river corridor	-	-	-	-	-	-	871,836	871,836
Stormwater system	-	-	-	-	-	-	190,193	190,193
Sub-total Restricted	-	40,833,649	1,053,134	-	-	4,843,242	14,446,233	61,176,258
Assigned to:								
Subsequent year budget	825,079	-	-	-	-	-	-	825,079
Downtown river corridor	-	-	-	-	-	-	3,577,944	3,577,944
Disaster recovery	-	-	-	-	-	-	1,268,059	1,268,059
Rural fire	213,909	-	-	-	-	-	-	213,909
Fishing activities	109,902	-	-	-	-	-	-	109,902
Cemetery maintenance	235,511	-	-	-	-	-	-	235,511
Cemetery beautification	64	-	-	-	-	-	-	64
Alive at 25	56,473	-	-	-	-	-	-	56,473
Streets	-	-	-	-	-	-	3,395,885	3,395,885
Park/street/public safety improvements	-	876,623	1,325,240	-	-	-	4,756,460	6,958,323
Debt service	-	-	-	-	-	537,781	-	537,781
Public safety	-	-	-	-	-	-	130,387	130,387
Bentley park	-	-	-	-	-	-	1,841,936	1,841,936
E911	-	-	-	-	-	-	29,123	29,123
Fry creek	-	-	-	-	-	-	2,221,854	2,221,854
Economic development	-	-	-	-	-	-	629,184	629,184
Capital improvements	-	-	-	-	10,006,450	-	-	10,006,450
Sewer system improvements	-	-	-	-	-	-	5,375,545	5,375,545
Stormwater system	-	-	-	-	-	-	5,920,412	5,920,412
Water and sewer maintenance	-	-	-	14,663,025	-	-	-	14,663,025
Sub-total Assigned	1,440,938	876,623	1,325,240	14,663,025	10,006,450	537,781	29,146,789	57,996,846
Unassigned (deficit):	11,899,973	-	-	-	-	-	(345,251)	11,554,722
TOTAL FUND BALANCES	\$ 13,340,911	\$ 41,710,272	\$ 2,378,374	\$ 14,663,025	\$ 10,006,450	\$ 5,381,023	\$ 43,247,771	\$ 130,727,826

Enterprise Funds:

Net Position Restricted For Debt Service \$ 761,066

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

	State Statutes	Enabling Legislation	Contractual Agreements	Total
Governmental Activities:				
Capital Projects:				
Stormwater Management Fund	\$ -	\$ 190,193	\$ -	\$ 190,193
Fry Creek Fund	-	-	82,591	82,591
Sub-total Capital Projects	-	190,193	82,591	272,784
Debt Service:				
Debt Service Fund	4,932,728	-	-	4,932,728
Sub-total Debt Service	4,932,728	-	-	4,932,728
Other				
Cemetery Care Fund	574,520	-	-	574,520
Downtown River Corridor Fund	-	-	871,836	871,836
Parks Fund	-	-	2,499,581	2,499,581
Sales Tax Personnel Fund	-	-	1,200,615	1,200,615
Disaster Recover Fund	-	-	2,045,729	2,045,729
State Forfeiture Fund	12,799	-	-	12,799
E911 Fund	817,917	-	-	817,917
Sub-total Other	1,405,236	-	6,617,761	8,022,997
Total Governmental Activities	6,337,964	190,193	6,700,352	13,228,509
Business-Type Activities:				
Revenue Bond Trustee Accounts	-	-	761,066	761,066
TOTAL RESTRICTED NET POSITION	\$ 6,337,964	\$ 190,193	\$ 7,461,418	\$ 13,989,575

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, 2023 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	1,766,430	Sales tax transfer
ARPA Fund	General Fund	4,906,324	Operations
BPWA	Citizen's Planned Fund	5,175,518	Sales tax transfer
General Fund	BPWA	1,772,518	Sales tax transfer
General Fund	Stormwater Management Fund	951,000	ARPA Funding
General Fund	Stormwater Management Fund	200,000	Operations
General Fund	Cemetery Maintenance	50,071	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	369	Operations
General Fund	Capital Improvement Fund	16,973	Operations
General Fund	Economic Development Fund	20	Operations
General Fund	Water and Sewer Development	3,940,904	ARPA Funding
General Fund	Downtown River Corridor Fund	19,560	Operations
General Fund	SWAT Mutual Fund	44,863	Debt service
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	1,800,000	Land purchase
Capital Improvement Fund	BPWA	1,648,668	Return unused funds
Citizen's Planned Fund	BPWA	2,921,127	Debt service
Citizen's Planned Fund	BPWA	1,362,389	Transfer funding
Stormwater Management Fund	Fry Creek Fund	200,000	Transfer funding
BPWA	Capital Improvement Fund	1,648,668	Sales tax transfer
Water and Sewer Development	BPWA	2,200,000	Transfer funding
BPWA	2021 GO Bond Fund	1,250,000	Debt service
2018B GO Bond Fund	2016 GO Bond Fund	17,603	Transfer funding
2018 GO Bond Fund	2016 GO Bond Fund	21,828	Debt service
2011 GO Bond Fund	2016 GO Bond Fund	58,811	Bond proceeds
Debt Service Fund	2022B GO Bond Fund	4,411,007	Bond proceeds
Total		<u>\$ 38,681,651</u>	

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
Governmental Funds	\$ 26,976,949	\$ (28,141,035)	\$ (1,164,086)
Proprietary Funds	11,704,702	(10,683,464)	1,021,238
	<u>\$ 38,681,651</u>	<u>\$ (38,824,499)</u>	<u>\$ (142,848)</u>

Reconciliation to Statement of Activities:

Fund balance	\$ (1,021,238)
Contributed capital assets	(550)
Capital project funds to business-type activity	(2,632,906)
Sales tax reclass from business-type to governmental	(3,516,208)
	<u>\$ (7,170,902)</u>

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Balances:

Interfund receivable and payables at June 30, 2023 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	General Fund	227,483	Negative cash
Meter Deposit	BPWA	21,887	Meter deposits
Downtown River Corridor	General Fund	593,324	Negative cash
BPWA	Water and Sewer Development Fund	185,785	Correct deposit
Park Fund	General Fund	4,500	Correct deposit
Total		<u>\$ 1,460,527</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>	<u>Total</u>
Governmental Funds	\$ 1,438,640	\$ (1,025,372)	\$ 413,268
Proprietary Funds	21,887	(435,155)	(413,268)
Total	<u>\$ 1,460,527</u>	<u>\$ (1,460,527)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

Fund balance	\$ 413,268
Water/sewer activity moved to business-type activities at GW	(185,785)
	<u>\$ 227,483</u>

8. Pledged Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged one cent (or 24.7%) 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 \$17,850,432. Pledged sales taxes received in the current year were \$4,710,480 and net water and sewer utility revenues were \$4,305,770 for total pledged revenues of \$9,016,250. Debt service payments of \$2,239,786 for the current fiscal year were 24.8% 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 \$2,165,171. Pledged net water and utility revenues in the current fiscal year were \$4,805,770. 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:

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- 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 2023, 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, 2023:**

<u>Project by Activity</u>	<u>Amount Outstanding</u>
Parks	\$ 3,472,044
Streets	\$ 1,420,757
Building renovations	\$ 70,102
Downtown River Corridor	\$ 32,170
Parking improvements	\$ 239,201
Wastewater Treatment Plant	\$ 1,882,007
Water and Sewer projects	\$ 924,045
Fire Station No. 1	\$ 9,868,190
Performing Arts Center	\$ 3,375,603

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.

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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.

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 \$373,529. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$786,556 during the year and this is reported as both a

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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 \$705,008. 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, 2023, the City reported a net pension liability of \$8,999,857 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022. Based upon this information, the City's proportion was 0.6882%.

For the year ended June 30, 2023, the City recognized pension expense of \$1,701,319. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,155,339	\$ 45,434
Changes of assumptions	-	57,381
Net difference between projected and actual earnings on pension plan investments	1,045,880	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,015,984	-
City contributions during measurement date	9,913	3,483
City contributions subsequent to the measurement date	373,529	-
Total	<u>\$ 3,600,645</u>	<u>\$ 106,298</u>

The \$373,529 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, 2024. 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:	
2024	\$ 920,618
2025	758,552
2026	368,829
2027	1,072,819
2028	-
	<u>\$ 3,120,818</u>

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Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2022, 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, 2022, 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 arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, 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%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 11,597,010	\$ 8,999,857	\$ 6,827,465

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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 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 \$270,329. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$259,215 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 \$232,346. These on-behalf payments did not meet the criteria of a special funding situation.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported an asset of \$467,584 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. 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, 2022. Based upon this information, the City's proportion was 0.5831%.

For the year ended June 30, 2023, the City recognized pension expense of \$96,204. At June 30, 2023, 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	\$ 229,356	\$ 50,932
Changes of assumptions	16,279	-
Net difference between projected and actual earnings on pension plan investments	456,267	-
Changes in proportion and differences between City contributions and proportionate share of contributions	243	83,399
City contributions during measurement date	20,076	11,364
City contributions subsequent to the measurement date	270,329	-
Total	\$ 992,550	\$ 145,695

The \$270,329 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, 2024. 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:	
2024	\$ 130,708
2025	22,826
2026	(139,545)
2027	546,108
2028	16,429
	\$ 576,526

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2022, 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

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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:	<p>Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.</p> <p>Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA.</p> <p>Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.</p>

The actuarial assumptions used in the July 1, 2022, 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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.34%
Domestic equity	4.69%
International equity	8.34%
Real estate	7.64%
Private Equity	9.66%

The current allocation policy is that approximately 65% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 20% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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

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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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,354,730	\$ (467,584)	\$ (2,007,885)

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

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- 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 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.

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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 \$509,885.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a liability of \$1,467,749 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2022. Based upon this information, the City's proportion was 0.1746%.

For the year ended June 30, 2023, the City recognized pension expense of \$951,494. At June 30, 2023, 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	\$ -	\$ 67,294
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,540,589	-
Changes in proportion and differences between City contributions and proportionate share of contributions	16,921	3,880
City contributions during measurement period	30,987	33,211
City contributions subsequent to the measurement date	509,885	-
Total	\$ 2,098,382	\$ 104,385

The \$509,885 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, 2024. 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:	
2024	\$ 227,835
2025	222,580
2026	157,122
2027	876,575
	\$ 1,484,112

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Actuarial Assumptions- The total pension liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of July 1, 2022, 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
- 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, 2022, 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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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.

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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employers' net pension liability (asset)	\$ 3,597,462	\$ 1,467,749	\$ (333,370)

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 \$29,927.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2023, the City reported an asset of \$163,417 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2022. 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, 2022. Based upon this information, the City's proportion was 0.1746% percent.

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For the year ended June 30, 2023, the City recognized OPEB expense (benefit) of (\$83,269). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 81,646
Changes of assumptions	13,798	-
Net difference between projected and actual earnings on pension plan investments	61,851	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,960	4,385
City contributions during measurement period	9,874	5,758
City contributions subsequent to the measurement date	29,927	-
Total	<u>\$ 120,410</u>	<u>\$ 91,789</u>

The \$29,927 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, 2024. 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:	
2024	\$ (6,820)
2025	(5,409)
2026	(3,574)
2027	18,440
2028	(3,943)
	<u>\$ (1,306)</u>

Actuarial Assumptions- The net OPEB asset as of June 30, 2022, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Investment return – 6.50% compounded annually net of investment expense and including inflation
- Salary increases – 3.50% 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, 2022, 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, 2022, 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, 2022. 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)	\$ (105,485)	\$ (163,417)	\$ (213,055)

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, 2023:

A grocery retailer received rebated sales taxes during 2023. 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; the agreement will terminate in July 2023.

A grocery retailer received rebated sales taxes during 2023. 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 2023. 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 2023. 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 \$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; therefore the agreement will terminate no later than December 2025.

A retailer received rebated sales taxes during 2023. The sales tax rebated cannot \$350,000. This sales tax rebate period is for an initial five years from the sales tax commencement date (the date the City first receives sales tax), and can be extended for an additional five years. The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into July 2022 with the first rebate being paid in January 2023; therefore the agreement will terminate no later than December 2032.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BIXBY, OKLAHOMA
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As of and for the Year Ended June 30, 2023**

Budgetary Comparison Schedule (Budgetary Basis) – Year Ended June 30, 2023

	<u>General Fund</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ 9,323,800	\$ 9,323,800	\$ 10,719,037	\$ 1,395,237
Resources (Inflows):				
Sales and use tax	8,785,625	8,785,625	9,376,555	590,930
Franchise and miscellaneous taxes	1,026,319	1,026,319	1,355,984	329,665
Intergovernmental	290,000	290,000	282,016	(7,984)
Licenses and permits	563,589	563,589	942,138	378,549
Charges for services	575,023	575,023	701,066	126,043
Fines & forfeitures	363,681	363,681	411,144	47,463
Investment earnings	50,000	50,000	222,047	172,047
Miscellaneous	252,082	252,082	687,151	435,069
Transfer in	6,739,030	6,739,030	7,432,754	693,724
Total resources (Inflows)	<u>18,645,349</u>	<u>18,645,349</u>	<u>21,410,855</u>	<u>2,765,506</u>
Amounts available for appropriation	<u>27,969,149</u>	<u>27,969,149</u>	<u>32,129,892</u>	<u>4,160,743</u>
Charges to Appropriations (Outflows):				
Administration	614,254	614,254	549,757	64,497
Attorney	152,172	152,172	132,111	20,061
Municipal court	151,540	151,540	94,898	56,642
Community service	9,565	9,565	3,791	5,774
General government	1,161,224	1,161,224	1,269,552	(108,328)
Police	4,725,406	4,725,406	4,083,464	641,942
Fire	3,968,575	3,968,575	3,904,568	64,007
Emergency Management	42,505	42,505	14,905	27,600
Streets	788,342	788,342	710,562	77,780
Development Services	538,329	538,329	556,370	(18,041)
Cemetery	103,157	103,157	78,584	24,573
Transfers out	7,239,030	7,239,030	8,006,278	(767,248)
Total Charges to Appropriations	<u>19,494,099</u>	<u>19,494,099</u>	<u>19,404,840</u>	<u>89,259</u>
Fund balances - ending	<u>\$ 8,475,050</u>	<u>\$ 8,475,050</u>	\$ 12,725,052	<u>\$ 4,250,002</u>
Reconciliation to Statement of Revenues, Expenditures, and Change in Fund Balance:				
Rural Fire Account Balance			213,909	
Fishing License Account Balance			109,902	
Alive at 25 Account Balance			56,473	
Cemetery Beautification Account Balance			64	
Cemetery Maintenance Account Balance			235,511	
Total General Fund Fund Balance			<u>\$ 13,340,911</u>	

**CITY OF BIXBY, OKLAHOMA
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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:

	<u>General Fund</u>
Total revenue - budgetary basis	\$ 21,410,855
On-behalf revenue	1,045,771
Transfers In	<u>(7,432,754)</u>
Total revenue - GAAP basis	<u>\$ 15,023,872</u>
Total expenditures - budgetary basis	19,404,840
On-behalf expenses	1,045,771
Transfers Out	<u>(8,006,278)</u>
Total expenses - GAAP basis	<u>\$ 12,444,333</u>

4. Expenditures exceeded appropriations as follows:

General Fund –General Government	\$ 108,328
General Fund –Development Services	\$ 18,041
General Fund –Transfers out	\$ 767,248

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
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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	2023
City's proportion of the net pension liability	0.403131%	0.449495%	0.478342%	0.519481%	0.536564%	0.540202%	0.573712%	0.581450%	0.688202%
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	\$ 8,999,857
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	\$ 2,285,694
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%	394%
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%	69.49%

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

Notes to Schedule:

Only nine 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	2023
Statutorily required contribution	\$ 177,848	\$ 187,014	\$ 207,315	\$ 225,881	\$ 233,641	\$ 248,726	\$ 274,167	\$ 320,967	\$ 373,529
Contributions in relation to the statutorily required contribution	177,848	187,014	207,315	225,881	233,641	248,726	274,167	320,967	373,529
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	\$ 2,667,252
Contributions as a percentage of covered-employee payroll	14.00%	13.95%	14.00%	13.97%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

Only nine 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	2023
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%	0.5831%
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)	\$ (467,584)
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	\$ 2,016,175
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%	23.19%
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%	102.74%

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

Notes to Schedule:

Only nine 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	2023
Statutorily required contribution	\$ 161,840	\$ 160,509	\$ 173,546	\$ 202,458	\$ 214,986	\$ 215,004	\$ 253,903	\$ 262,103	\$ 270,329
Contributions in relation to the statutorily required contribution	161,840	160,509	173,546	202,458	214,986	215,004	253,903	262,103	270,329
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	\$ 2,079,456
Contributions as a percentage of covered-employee payroll	12.64%	12.99%	12.98%	13.00%	12.99%	13.00%	13.99%	13.00%	13.00%

Notes to Schedule:

Only nine fiscal 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'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	2023
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%	0.1746%
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)	\$ 1,467,749
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	\$ 3,164,433
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%	46%
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%	92.24%

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

Notes to Schedule:

Only nine 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	2023
Contractually required contribution	\$ 430,600	\$ 420,869	\$ 423,213	\$ 413,957	\$ 410,707	\$ 445,153	\$ 496,386	\$ 490,925	\$ 509,885
Contributions in relation to the contractually required contribution	430,600	420,869	423,213	413,957	410,707	445,153	496,386	490,925	509,885
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	\$ 3,267,153
Contributions as a percentage of covered-employee payroll	16.50%	16.51%	16.53%	15.46%	15.38%	15.45%	15.45%	15.51%	15.61%

Notes to Schedule:

Only nine 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 OPEB LIABILITY (ASSET)
SUPPLEMENTAL HEALTH INSURANCE PROGRAM

Last 10 Fiscal Years* (Dollar amounts in thousands)

	2018	2019	2020	2021	2022	2023
City's proportion of the net OPEB liability (asset)	0.1470%	0.1596%	0.1564%	0.1628%	0.1823%	0.1746%
City's proportionate share of the net OPEB liability (asset)	\$ 16,842	\$ (20,658)	\$ (60,810)	\$ (76,305)	\$ (250,581)	\$ (163,417)
City's covered-employee payroll	\$ 2,560,070	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178	\$ 3,164,433
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	1%	1%	2%	3%	8%	5%
Plan fiduciary net position as a percentage of the total OPEB liability	96.50%	103.94%	112.11%	114.27%	142.87%	130.01%

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

Notes to Schedule:

Only six 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	2023
Contractually required contribution	\$ 28,971	\$ 30,268	\$ 31,701	\$ 34,815	\$ 31,581	\$ 29,927
Contributions in relation to the contractually required contribution	28,971	30,268	31,701	34,815	31,581	29,927
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,677,258	\$ 2,670,422	\$ 2,881,360	\$ 3,213,178	\$ 3,164,433	\$ 3,267,153
Contributions as a percentage of covered-employee payroll	1.08%	1.13%	1.10%	1.08%	1.00%	0.92%

Notes to Schedule:

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

CITY OF BIXBY, OKLAHOMA
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OTHER SUPPLEMENTARY INFORMATION

CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

Combining Balance Sheet – General Fund Accounts – June 30, 2023

	<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	\$ 3,683,469	\$ 213,909	\$ 71,167	\$ 56,473	\$ 64	\$ 239,377	\$ 4,264,459
Investments	7,134,880	-	38,735	-	-	-	7,173,615
Receivable from other governments	1,380,666	-	-	-	-	-	1,380,666
Due from other funds	825,307	-	-	-	-	-	825,307
Taxes receivable, net	89,003	-	-	-	-	-	89,003
Court fines receivable, net	880,651	-	-	-	-	-	880,651
Ambulance receivable, net	26,647	-	-	-	-	-	26,647
Leases receivable	4,718	-	-	-	-	-	4,718
Other receivables	76,456	-	-	-	-	-	76,456
Total assets	<u>\$ 14,101,797</u>	<u>\$ 213,909</u>	<u>\$ 109,902</u>	<u>\$ 56,473</u>	<u>\$ 64</u>	<u>\$ 239,377</u>	<u>\$ 14,721,522</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 110,308	\$ -	\$ -	\$ -	\$ -	\$ 3,866	\$ 114,174
Accrued payroll	318,009	-	-	-	-	-	318,009
Due to other funds	859	-	-	-	-	-	859
Due to bondholders	1,222	-	-	-	-	-	1,222
Payable to other governments	8,328	-	-	-	-	-	8,328
Other payables	7,746	-	-	-	-	-	7,746
Total liabilities	<u>446,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,866</u>	<u>450,338</u>
Deferred Inflows:							
Unavailable revenue	925,577	-	-	-	-	-	925,577
Leases	4,696	-	-	-	-	-	4,696
Total deferred inflows	<u>930,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>930,273</u>
Fund balances:							
Assigned	825,079	213,909	109,902	56,473	64	235,511	1,440,938
Unassigned	11,899,973	-	-	-	-	-	11,899,973
Total fund balances	<u>12,725,052</u>	<u>213,909</u>	<u>109,902</u>	<u>56,473</u>	<u>64</u>	<u>235,511</u>	<u>13,340,911</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 14,101,797</u>	<u>\$ 213,909</u>	<u>\$ 109,902</u>	<u>\$ 56,473</u>	<u>\$ 64</u>	<u>\$ 239,377</u>	<u>\$ 14,721,522</u>

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund
Accounts – For the Year Ended June 30, 2023**

	<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>
REVENUES							
Sales and use tax	\$ 9,376,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,376,555
Franchise and miscellaneous taxes	1,355,984	-	-	-	-	-	1,355,984
Intergovernmental	1,327,787	-	-	-	-	-	1,327,787
Licenses and permits	942,138	-	8,895	-	-	-	951,033
Charges for services	701,066	38,290	-	-	500	35,550	775,406
Fines & forfeitures	411,144	-	-	-	-	-	411,144
Investment earnings	222,047	736	680	-	1	941	224,405
Miscellaneous	687,151	-	-	2,385	-	-	689,536
Total revenues	<u>15,023,872</u>	<u>39,026</u>	<u>9,575</u>	<u>2,385</u>	<u>501</u>	<u>36,491</u>	<u>15,111,850</u>
EXPENDITURES							
Current:							
Administration	549,757	-	-	-	-	-	549,757
City attorney	132,111	-	-	-	-	-	132,111
Municipal court	94,898	-	-	-	-	-	94,898
Community service	3,791	-	-	-	-	-	3,791
General government	1,256,971	-	-	-	-	-	1,256,971
Police	4,245,956	5,490	-	130	-	-	4,251,576
Fire	4,691,124	-	-	-	-	-	4,691,124
Emergency Management	14,905	-	-	-	-	-	14,905
Streets	709,982	-	-	-	-	-	709,982
Culture and recreation	-	-	-	-	-	-	-
Cemetery	78,584	-	-	-	725	68,270	147,579
Development services	556,074	-	-	-	-	-	556,074
Capital Outlay	110,180	-	7,000	-	-	12,000	129,180
Total Expenditures	<u>12,444,333</u>	<u>5,490</u>	<u>7,000</u>	<u>130</u>	<u>725</u>	<u>80,270</u>	<u>12,537,948</u>
Excess (deficiency) of revenues over expenditures	<u>2,579,539</u>	<u>33,536</u>	<u>2,575</u>	<u>2,255</u>	<u>(224)</u>	<u>(43,779)</u>	<u>2,573,902</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	7,432,754	7,000	-	-	-	50,071	7,489,825
Transfers out	(8,006,278)	-	-	-	-	-	(8,006,278)
Total other financing sources and uses	<u>(573,524)</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,071</u>	<u>(516,453)</u>
Net change in fund balances	2,006,015	40,536	2,575	2,255	(224)	6,292	2,057,449
Fund balances - beginning	10,719,037	173,373	107,327	54,218	288	229,219	11,283,462
Fund balances - ending	<u>\$ 12,725,052</u>	<u>\$ 213,909</u>	<u>\$ 109,902</u>	<u>\$ 56,473</u>	<u>\$ 64</u>	<u>\$ 235,511</u>	<u>\$ 13,340,911</u>

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Combining Balance Sheet – Nonmajor Governmental Funds – June 30, 2023

	Special Revenue Funds											Capital Project Funds									Total Governmental Funds		
	Park Fund	E911 Fund	Fry Creek Maintenance Fund	Street & Alley Fund	Economic Development Fund	Federal	State Police	SWAT Mutual 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		2022B GO Bond Fund	ARPA Capital Improvement Fund
						Police Asset Forfeiture Fund	Asset Forfeiture Fund																
ASSETS																							
Cash and cash equivalents	\$ 1,756,524	\$ 460,464	\$ 865,864	\$ 1,802,997	\$ 606,858	\$ 19,574	\$ 14,583	\$ 27,477	\$ 600,046	\$ 1,306,109	\$ 567,219	\$ 70,912	\$ 172,014	\$ 58,919	\$ -	\$ 2,541,976	\$ -	\$ 1,109,001	\$ 1,776,865	\$ 1,956,008	\$ 411,007	\$ -	\$ 16,124,417
Investments	2,368,035	361,862	1,438,581	1,556,843	-	-	-	-	2,637,142	3,820,359	510,710	-	405,436	-	-	3,409,354	-	520,483	3,123,472	2,561,369	4,043,002	-	26,756,648
Receivable from other governments	253,445	-	-	29,264	-	3,930	-	-	76,600	190,083	158,403	-	-	-	-	41,896	-	-	475,208	-	-	-	1,228,729
Due from other funds	-	-	-	10,526	-	-	-	-	-	-	-	-	-	-	-	416,163	-	-	-	-	-	-	428,669
Taxes receivable, net	-	24,735	-	-	22,326	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,061
Utilities receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,152	-	-	-	-	-	-	47,152
Other receivables	-	-	-	-	-	-	-	-	-	13,166	-	-	-	-	-	84,272	-	-	-	-	-	-	97,438
Total assets	\$ 4,378,004	\$ 847,061	\$ 2,304,445	\$ 3,399,630	\$ 629,184	\$ 23,404	\$ 14,583	\$ 27,477	\$ 3,313,788	\$ 5,329,717	\$ 1,236,332	\$ 70,912	\$ 577,450	\$ 475,082	\$ -	\$ 6,124,650	\$ -	\$ 1,629,484	\$ 5,375,545	\$ 4,517,377	\$ 4,454,009	\$ -	\$ 44,728,134
LIABILITIES AND FUND BALANCES																							
Liabilities:																							
Accounts payable	\$ 13,050	\$ 21	\$ -	\$ 3,745	\$ -	\$ 1,050	\$ -	\$ 2,009	\$ -	\$ 286,613	\$ -	\$ -	\$ 2,930	\$ -	\$ -	\$ 14,045	\$ -	\$ 7,829	\$ -	\$ -	\$ -	\$ -	\$ 331,292
Payroll payable	18,937	-	-	-	-	-	-	-	-	-	35,717	-	-	-	-	-	-	-	-	-	-	-	54,654
Due to other funds	4,500	-	-	-	-	-	-	-	-	593,324	-	-	-	-	-	-	-	-	-	-	-	-	1,013,987
Total liabilities	36,487	21	-	3,745	-	1,050	-	2,009	-	879,937	35,717	-	416,163	2,930	-	14,045	-	7,829	-	-	-	-	1,399,933
Deferred Inflows:																							
Unavailable revenue	-	-	-	-	-	3,830	-	-	76,600	-	-	-	-	-	-	-	-	-	-	-	-	-	80,430
Fund balances:																							
Restricted	2,499,581	817,917	82,591	-	-	-	12,799	-	1,969,129	871,836	1,200,615	-	574,520	249,864	-	190,193	-	1,544,422	-	4,432,766	-	-	14,446,233
Assigned	1,841,936	29,123	2,221,854	3,395,885	629,184	18,524	1,784	25,468	1,268,059	3,577,944	-	-	225,218	-	5,920,412	-	77,233	5,375,545	84,611	4,454,009	-	-	29,146,789
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(345,251)	-	-	-	-	-	-	-	-	-	-	(345,251)
Total fund balances	4,341,517	847,040	2,304,445	3,395,885	629,184	18,524	14,583	25,468	3,237,188	4,449,780	1,200,615	-	574,520	475,082	-	6,110,605	-	1,621,655	5,375,545	4,517,377	4,454,009	-	43,247,771
Total liabilities and fund balances	\$ 4,378,004	\$ 847,061	\$ 2,304,445	\$ 3,399,630	\$ 629,184	\$ 23,404	\$ 14,583	\$ 27,477	\$ 3,313,788	\$ 5,329,717	\$ 1,236,332	\$ 70,912	\$ 577,450	\$ 475,082	\$ -	\$ 6,124,650	\$ -	\$ 1,629,484	\$ 5,375,545	\$ 4,517,377	\$ 4,454,009	\$ -	\$ 44,728,134

**CITY OF BIXBY, OKLAHOMA
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds – For the Year Ended June 30, 2023

	Special Revenue Funds											Capital Project Funds										Total Other Governmental Funds	
	Park Fund	E911 Fund	Fry Creek Maintenance Fund	Street & Alley Fund	Economic Development Fund	Federal Police Forfeiture Fund	State Police Asset Forfeiture Fund	SWAT Mutual 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	2019B Bond Fund	Citizen's Planned Fund	2020 GO Bond Fund	2022B GO Bond Fund		ARPA Capital Improvement Fund
REVENUES																							
Sales and use tax	\$ 1,875,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,406,483	\$ 1,172,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,516,208	\$ -	\$ -	\$ -	\$ 7,970,073
Franchise and miscellaneous taxes	-	254,914	-	-	189,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	444,738
Intergovernmental	-	-	-	285,583	-	5,596	215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,754,813
Charges for services	68,150	-	-	-	-	-	-	-	-	-	-	-	52,800	-	910,480	-	-	-	-	-	-	-	1,031,430
Investment earnings	56,179	6,367	29,595	35,529	2,481	74	72	62,129	96,873	11,381	-	7,536	320	119	88,614	-	16,310	10,293	65,411	43,002	1,106	-	533,391
Miscellaneous	1,994	-	-	718	-	-	-	30,000	207,648	-	-	-	-	-	-	-	-	-	-	-	-	-	240,390
Total revenues	2,001,635	261,281	29,595	321,830	192,305	5,670	287	30,000	62,129	1,711,004	-	60,336	320	119	999,094	-	16,310	3,526,501	65,411	43,002	2,464,525	12,974,855	
EXPENDITURES																							
Current:																							
General government	-	-	-	-	-	-	-	-	138,849	1,719,870	-	-	-	-	-	-	-	-	-	-	-	-	1,856,719
Police	-	-	-	-	-	12,254	6,127	49,395	-	1,094,610	-	-	-	-	-	-	-	-	-	-	-	-	1,162,386
Streets	-	-	22,209	1,073,122	-	-	-	-	-	2,791	-	-	-	-	142,920	-	-	-	-	-	-	-	1,241,042
Culture and recreation	907,215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	907,215
Cemetery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	289,484	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	289,484
E-911	-	112,524	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112,524
Principal	-	-	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Interest and other charges	-	-	-	-	-	-	-	-	394,538	-	-	-	-	-	-	-	-	-	-	-	-	-	394,538
Capital Outlay	-	3,036	-	180,016	-	-	-	1,720	30,143	-	-	6,360	253,194	-	377,367	-	249,703	-	9,122	-	-	-	1,110,661
Total Expenditures	907,215	115,560	22,209	1,253,138	289,484	12,254	6,127	49,395	138,569	2,644,551	1,097,401	6,360	253,194	-	520,287	-	249,703	-	9,122	-	-	-	7,574,569
Excess (deficiency) of revenues over expenditures	1,094,420	145,721	7,386	(931,308)	(97,179)	(6,584)	(5,840)	(19,395)	(76,440)	(933,547)	86,050	-	53,976	(252,874)	119	478,807	-	(233,393)	3,526,501	56,289	43,002	2,464,525	5,400,236
OTHER FINANCING SOURCES (USES)																							
Transfers in	369	-	200,000	885,000	20	-	-	44,863	-	19,560	-	-	-	98,242	1,576,000	-	-	5,175,518	-	4,411,007	-	-	12,410,579
Transfers out	(220,000)	(60,000)	-	-	-	-	-	-	-	-	-	-	-	(58,811)	(200,000)	(21,828)	(17,603)	(4,283,516)	-	-	(4,906,324)	-	(9,768,082)
Total other financing sources and uses	(219,631)	(60,000)	200,000	885,000	20	-	-	44,863	-	19,560	-	-	-	39,431	1,376,000	(21,828)	(17,603)	892,002	-	4,411,007	(4,906,324)	-	2,642,497
Net change in fund balances	874,789	85,721	207,386	(46,308)	(97,159)	(6,584)	(5,840)	25,468	(76,440)	(913,987)	86,050	-	53,976	(154,632)	(58,692)	1,854,807	(21,828)	(250,995)	4,418,503	56,289	4,454,009	(2,441,799)	8,042,733
Fund balances - beginning	3,465,728	761,519	2,097,059	3,442,193	725,343	25,108	20,473	-	3,313,629	5,363,767	1,114,565	620,544	629,714	58,692	4,235,788	21,828	1,872,651	957,042	4,461,088	-	-	2,441,799	35,205,038
Fund balances - ending	\$ 4,341,517	\$ 847,040	\$ 2,304,445	\$ 3,395,885	\$ 628,184	\$ 18,524	\$ 14,583	\$ 25,468	\$ 3,237,188	\$ 4,449,780	\$ 1,200,615	\$ (345,251)	\$ 574,520	\$ 475,082	\$ 6,110,695	\$ -	\$ 1,621,655	\$ 5,375,545	\$ 4,517,377	\$ 4,454,009	\$ -	\$ -	\$ 43,247,771

CITY OF BIXBY, OKLAHOMA
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Combining Schedule of Net Position – BPWA Enterprise Fund Accounts – June 30, 2023

	<u>BPWA</u>	<u>Wastewater Treatment Plant Project Account</u>	<u>Meter Deposit Account</u>	<u>DAWES Account</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,466,355	\$ 6,692,627	\$ 199,392	\$ 3,196	\$ 12,361,570
Investments	-	2,044,455	-	-	2,044,455
Restricted:					
Cash and cash equivalents	114,089	-	262,346	-	376,435
Due from other funds	21,887	-	-	-	21,887
Accounts Receivable, net	1,928,295	-	-	-	1,928,295
Total current assets	<u>7,530,626</u>	<u>8,737,082</u>	<u>461,738</u>	<u>3,196</u>	<u>16,732,642</u>
Non-current assets:					
Restricted:					
Investments	749,481	-	943,534	-	1,693,015
Net OPEB Asset	80,772	-	-	-	80,772
Capital Assets:					
Land and construction in progress	36,097,651	-	-	35,000	36,132,651
Other capital assets, net of accumulated depreciation	66,567,499	-	-	230,491	66,797,990
Total non-current assets	<u>103,495,403</u>	<u>-</u>	<u>943,534</u>	<u>265,491</u>	<u>104,704,428</u>
Total assets	<u>111,026,029</u>	<u>8,737,082</u>	<u>1,405,272</u>	<u>268,687</u>	<u>121,437,070</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	970,876	-	-	-	970,876
Deferred amounts related to OPEB	50,688	-	-	-	50,688
Total deferred outflows	<u>1,021,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,021,564</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	252,178	208,629	-	-	460,807
Payroll payable	57,416	-	-	-	57,416
Accrued interest payable	102,504	-	-	-	102,504
Due to other funds	227,483	185,785	21,887	-	435,155
Deposits subject to refund	-	-	202,214	-	202,214
Compensated absences	43,789	-	-	-	43,789
Notes payable	2,212,198	-	-	-	2,212,198
Total current liabilities	<u>2,895,568</u>	<u>394,414</u>	<u>224,101</u>	<u>-</u>	<u>3,514,083</u>
Non-current liabilities:					
Compensated absences	175,153	-	-	-	175,153
Deposits subject to refund	-	-	1,003,666	-	1,003,666
Net pension liability	725,474	-	-	-	725,474
Notes payable	15,685,698	-	-	-	15,685,698
Total non-current liabilities	<u>16,586,325</u>	<u>-</u>	<u>1,003,666</u>	<u>-</u>	<u>17,589,991</u>
Total liabilities	<u>19,481,893</u>	<u>394,414</u>	<u>1,227,767</u>	<u>-</u>	<u>21,104,074</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to pensions	67,416	-	-	-	67,416
Deferred amounts related to OPEB	48,158	-	-	-	48,158
Total deferred inflows	<u>115,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,574</u>
NET POSITION					
Net investment in capital assets	84,767,254	-	-	265,491	85,032,745
Restricted for debt service	761,066	-	-	-	761,066
Unrestricted	6,921,806	8,342,668	177,505	3,196	15,445,175
Total net position	<u>\$ 92,450,126</u>	<u>\$ 8,342,668</u>	<u>\$ 177,505</u>	<u>\$ 268,687</u>	<u>\$101,238,986</u>

CITY OF BIXBY, OKLAHOMA
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Combining Schedule of Revenues, Expenses, and Changes in Net Position – BPWA Enterprise Fund Accounts – Year Ended June 30, 2023

	<u>BPWA</u>	<u>Wastewater Treatment Plant Project Account</u>	<u>Meter Deposit Account</u>	<u>DAWES Account</u>	<u>Total</u>
REVENUES					
Charges for services:					
Water	\$ 9,914,103	\$ -	\$ -	\$ -	\$ 9,914,103
Sewer	3,617,650	-	-	-	3,617,650
Miscellaneous	97,630	-	3,728	-	101,358
Total operating revenues	<u>13,629,383</u>	<u>-</u>	<u>3,728</u>	<u>-</u>	<u>13,633,111</u>
OPERATING EXPENSES					
Administration	2,264,863	-	-	-	2,264,863
Water	5,504,677	78	-	-	5,504,755
Wastewater	340,143	1,217,580	-	-	1,557,723
Depreciation	2,010,325	-	-	22,841	2,033,166
Total operating expenses	<u>10,120,008</u>	<u>1,217,658</u>	<u>-</u>	<u>22,841</u>	<u>11,360,507</u>
Operating income (loss)	<u>3,509,375</u>	<u>(1,217,658)</u>	<u>3,728</u>	<u>(22,841)</u>	<u>2,272,604</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	144,713	125,974	9,284	13	279,984
Gain on capital asset disposal	35,152	-	-	-	35,152
Interest expense	(371,997)	-	-	-	(371,997)
Total non-operating revenue (expenses)	<u>(192,132)</u>	<u>125,974</u>	<u>9,284</u>	<u>13</u>	<u>(56,861)</u>
Income (loss) before contributions and transfers	<u>3,317,243</u>	<u>(1,091,684)</u>	<u>13,012</u>	<u>(22,828)</u>	<u>2,215,743</u>
Capital contributions	2,386,331	-	-	550	2,386,881
Interaccount transfers in	4,002,287	2,867,789	-	-	6,870,076
Interaccount transfers out	(2,867,789)	(4,002,287)	-	-	(6,870,076)
Transfers in	10,342,313	1,362,389	-	-	11,704,702
Transfers out	(10,683,464)	-	-	-	(10,683,464)
Change in net position	<u>6,496,921</u>	<u>(863,793)</u>	<u>13,012</u>	<u>(22,278)</u>	<u>5,623,862</u>
Total net position - beginning	85,953,205	9,206,461	164,493	290,965	95,615,124
Total net position - ending	<u>\$ 92,450,126</u>	<u>\$ 8,342,668</u>	<u>\$ 177,505</u>	<u>\$ 268,687</u>	<u>\$ 101,238,986</u>

CITY OF BIXBY, OKLAHOMA
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As of and for the Year Ended June 30, 2023

Combining Schedule of Net Position – Internal Service Fund Accounts – June 30, 2023

	<u>COB Account</u>	<u>FSA Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 104,238	\$ 9,516	\$ 113,754
Total assets	<u>104,238</u>	<u>9,516</u>	<u>113,754</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	104,238	9,516	113,754
Total net position	<u>\$ 104,238</u>	<u>\$ 9,516</u>	<u>\$ 113,754</u>

CITY OF BIXBY, OKLAHOMA
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Combining Schedule of Revenues, Expenses, and Changes in Net Position – Internal Service Fund Accounts – Year Ended June 30, 2023

	<u>COB Account</u>	<u>FSA Account</u>	<u>Total</u>
REVENUES			
Miscellaneous	\$ -	\$ 44,692	\$ 44,692
Total operating revenues	<u>-</u>	<u>44,692</u>	<u>44,692</u>
OPERATING EXPENSES			
Insurance claims	-	47,467	47,467
Total operating expenses	<u>-</u>	<u>47,467</u>	<u>47,467</u>
Operating income (loss)	<u>-</u>	<u>(2,775)</u>	<u>(2,775)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	90	-	90
Total non-operating revenue (expenses)	<u>90</u>	<u>-</u>	<u>90</u>
Income (loss) before transfers	<u>90</u>	<u>(2,775)</u>	<u>(2,685)</u>
Transfers in	-	-	-
Change in net position	<u>90</u>	<u>(2,775)</u>	<u>(2,685)</u>
Total net position - beginning	104,148	12,291	116,439
Total net position - ending	<u>\$ 104,238</u>	<u>\$ 9,516</u>	<u>\$ 113,754</u>

**CITY OF BIXBY, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2023**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023**

<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	PT-23-03-03-22	61,000	29,680
State and Community Highway Safety	20.600	PT-22-03-03-21	86,500	10,878
Alcohol Impaired Driving Countermeasures	20.601		-	-
Sub-total U.S. Department of Transportation			<u>147,500</u>	<u>40,558</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	38,446
Bulletproof Vest Partnership Program	16.607	2020 BUBX	8,441	2,255
Bulletproof Vest Partnership Program	16.607	2021 BUBX	3,495	3,495
Bulletproof Vest Partnership Program	16.607	2022 BUBX	7,665	485
Sub-total U.S. Department of Justice			<u>144,601</u>	<u>44,681</u>
<u>U.S. Department of Homeland Security:</u>				
<u>Passed through the Oklahoma Department of Homeland Security:</u>				
Emergency Operations Center	97.052	EMW-2021-FG-11044	33,636	21,298
Sub-total U.S. Department of Homeland Security			<u>33,636</u>	<u>21,298</u>
Total Expenditures of Federal Awards			<u>\$ 325,737</u>	<u>\$ 106,537</u>

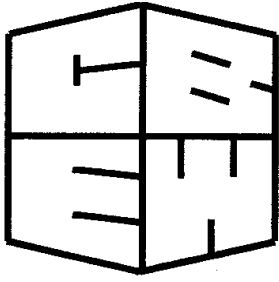
Note A - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements 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.

INTERNAL CONTROL COMPLIANCE INFORMATION

**CITY OF BIXBY, OKLAHOMA
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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

November 16, 2023

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, 2023, 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 November 16, 2023

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

CBEW Professional Group, LLP
Certified Public Accountants