



THE CITY OF
JENKS
OKLAHOMA

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

CITY OF JENKS, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

**CITY OF JENKS
Jenks, Oklahoma**

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Jenks, Oklahoma

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

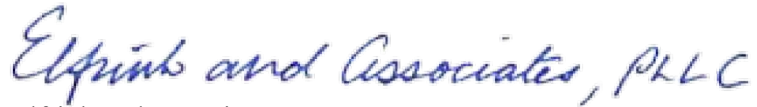
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and other post-employment benefit schedules on pages 3-15 and 60-65 be presented to supplement the basic financial statements. Such 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining general and nonmajor fund financial statements and schedule of expenditures of federal awards on pages 66-76 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Elfrink and Associates, PLLC". The signature is written in a cursive, flowing style.

Elfrink and Associates, PLLC

Tulsa, Oklahoma

April 18, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Introduction

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

Overview of Financial Statements and Financial Analysis

The financial statements presented herein include all of the activities of the City of Jenks (the "City") and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are governmental-wide statements for each of two categories of activities – governmental and business-type.

Government-wide Financial Statements

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. The two government-wide financial statements are, as follows:

Statement of Net Position

- The **Statement of Net Position** presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Jenks is improving or deteriorating.
- The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues for uncollected taxes and expenses for future general obligation debt payments. The statement includes the annual depreciation for infrastructure and governmental assets.

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 service, Aquarium and Industrial Authority are reported here.

Reporting the City's Most Significant Funds

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

- **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, along with certain capital project funds, are 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 of Jenks' Net Position

The following table reflects a summary statement of net position compared to the prior year:

TABLE 1
NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
Current assets	\$ 62,710	\$ 57,455	9%	\$ 55,983	\$ 59,723	-6%	\$ 118,693	\$ 117,178	1%
Capital assets, net	76,266	72,566	5%	42,039	32,934	28%	118,305	105,500	12%
Total assets	<u>138,976</u>	<u>130,021</u>	7%	<u>98,022</u>	<u>92,657</u>	6%	<u>236,998</u>	<u>222,678</u>	6%
Total deferred outflows	<u>1,549</u>	<u>2,021</u>	-23%	<u>4,613</u>	<u>4,638</u>	-1%	<u>6,162</u>	<u>6,659</u>	-7%
Current liabilities	5,829	3,435	70%	5,586	3,544	58%	11,415	6,979	64%
Non-current liabilities	36,278	41,171	-12%	40,652	41,763	-3%	76,930	82,934	-7%
Total liabilities	<u>42,107</u>	<u>44,606</u>	-6%	<u>46,238</u>	<u>45,307</u>	2%	<u>88,345</u>	<u>89,913</u>	-2%
Total deferred inflows	<u>3,833</u>	<u>482</u>	695%	<u>129</u>	<u>70</u>	84%	<u>3,962</u>	<u>552</u>	618%
Net position									
Net investment in capital assets	59,884	54,279	10%	23,562	18,785	25%	83,446	73,064	14%
Restricted	23,656	19,722	20%	477	910	-48%	24,133	20,632	17%
Unrestricted	11,045	12,954	-15%	32,229	32,222	0%	43,274	45,176	-4%
Total net position	<u>\$ 94,585</u>	<u>\$ 86,955</u>	9%	<u>\$ 56,268</u>	<u>\$ 51,917</u>	8%	<u>\$ 150,853</u>	<u>\$ 138,872</u>	9%

Explanations for the significant changes exceeding 20% and \$500,000 include:

Governmental Activities:

Current liabilities – Increased 70% (\$2.39 million) mainly due to the receipt of the first tranche of American Recovery Plan Act (ARPA) funds, \$2.075 million. The funds were not spent during fiscal year 2022 and are therefore categorized as Unearned Revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Total deferred inflows – Increased 695% (\$3.35 million) mainly due to the increase in deferred amounts related to pensions (Police and Fire departments) of \$3.299 million.

Business-Type Activities:

Capital assets, net – Increased 28% (\$9.11 million) mainly due to the JPWA's Wastewater Treatment Plant Improvements - Phase 1 project currently in construction in progress with \$6.8 million paid in the fiscal year.

Current liabilities – Increased 58% (\$2.04 million) mainly due an increase in accounts payable of \$1.2 million mainly due to the accrual of construction invoices and related retainage payable for the JPWA's Wastewater Treatment Plant Improvements - Phase 1. Also, the current portion of the JAA Revenue Bonds increased \$490,000 due to the issuance of \$20.8 million JAA Revenue Bonds, Series 2021 A&B, and the refunding of the 2014 JAA Revenue Bonds from the funds received from the 2021B series.

Net investment in capital assets – Increased 25% (\$4.78 million) mainly due to the JPWA's Wastewater Treatment Plant Improvements - Phase 1 project currently in construction in progress. This project is funded by the 2019 JPWA Revenue Bonds.

City of Jenks' Changes in Net Position

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
Revenues									
Charges for service	\$ 986	\$ 850	16%	\$ 22,811	\$ 20,347	12%	\$ 23,797	\$ 21,197	12%
Operating grants and contributions	675	2,719	-75%	299	111	169%	974	2,830	-66%
Capital grants and contributions	2,365	7,106	-67%	2,168	193	1023%	4,533	7,299	-38%
Taxes	19,975	16,519	21%	-	-	0%	19,975	16,519	21%
Intergovernmental revenue	141	56	152%	-	27	100%	141	83	70%
Investment income	(379)	122	-411%	(193)	149	-230%	(572)	271	-311%
Miscellaneous	545	565	-4%	723	1,539	-53%	1,268	2,104	-40%
Total revenues	24,308	27,937	-13%	25,808	22,366	15%	50,116	50,303	0%
Expenses									
General government	1,719	1,514	14%	-	-		1,719	1,514	14%
Public safety	6,815	8,103	-16%	-	-		6,815	8,103	-16%
Streets	3,526	3,833	-8%	-	-		3,526	3,833	-8%
Economic development	1,763	1,806	-2%	-	-		1,763	1,806	-2%
Culture, parks and recreation	679	557	22%	-	-		679	557	22%
Interest on long-term debt	1,689	1,003	68%	-	-		1,689	1,003	68%
Water	-	-		10,487	10,412	1%	10,487	10,412	1%
Wastewater	-	-		3,102	3,016	3%	3,102	3,016	3%
Sanitation	-	-		1,980	1,981	0%	1,980	1,981	0%
Stormwater	-	-		105	65	62%	105	65	62%
Aquarium	-	-		6,270	6,183	1%	6,270	6,183	1%
Total expenses	16,191	16,816	-4%	21,944	21,657	1%	38,135	38,473	-1%
Excess (deficiency) before transfers	8,117	11,121	-27%	3,864	709	445%	11,981	11,830	1%
Transfers	(487)	(461)	6%	487	461	-6%	-	-	
Increase in net position	7,630	10,660	-28%	4,351	1,170	-272%	11,981	11,830	1%
Net position, beginning	86,955	76,295	14%	51,917	50,747	-2%	138,872	127,042	9%
Net position, ending	\$ 94,585	\$ 86,955	9%	\$ 56,268	\$ 51,917	8%	\$ 150,853	\$ 138,872	9%

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Explanations for the significant changes exceeding 20% and \$500,000 include:

Governmental Activities:

Operating grants and contributions – Decreased 75% (\$2.04 million) mainly due to the receipt of \$1.79 million in CARES Act funds from the State in the previous fiscal year (FY2021).

Capital grants and contributions - Decreased 67% (\$4.74 million) mainly due to the majority of ODOT contributions for the 111th Street and Elwood Ave. intersection project occurred during fiscal year 2021.

Taxes – Increased 21% (\$3.46 million) mainly due to a \$2.09 million increase in sales and use tax receipts and a \$1.07 million increase in property tax receipts for general obligation (G.O.) bond debt service. The ad valorem levy increased due to the issuance of the 2020 G.O. bond issuance.

Investment income – Decreased 411% (\$0.5 million) mainly due to the rising interest rate environment experienced during latter part of the fiscal year causing market value losses for our certificates of deposit.

Interest on long-term debt – Increased 68% (\$0.69 million) mainly due to the first interest payment for the 2020 G.O. Bonds.

Business-type Activities:

Capital grants and contributions – Increased 1023% (\$1.98 million) mainly due to the receipt of donated infrastructure from new commercial and residential developments in the current fiscal year.

Miscellaneous – Decreased 53% (\$0.82 million) mainly due to the receipt of proceeds from the sale of land held by the JPWA in the previous fiscal year.

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

Governmental Activities:

The following table compares fiscal year 2022 and 2021 total Governmental Activities expenses and net revenue (expense) of services:

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

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

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2022	2021		2022	2021	
General government	\$ 1,719	\$ 1,514	14%	\$ (982)	\$ 1,033	-195%
Public safety	6,815	8,103	-16%	(6,272)	(7,383)	-15%
Streets	3,526	3,833	-8%	(675)	3,153	-121%
Economic development	1,763	1,806	-2%	(1,763)	(1,806)	-2%
Culture and recreation	679	557	22%	(784)	(135)	481%
Interest on long-term debt	1,689	1,003	68%	(1,689)	(1,002)	69%
Total	\$16,191	\$16,816	-4%	(\$12,165)	(\$6,140)	98%

Explanations for the significant changes exceeding 20% and \$500,000, not previously explained in Table 2, include:

Governmental Activities:

General government net revenue (expense) – Decrease of 195% (\$2.02 million) in net expense; mainly due to the receipt of \$1.79 million in CARES Act funds from the State in the previous fiscal year.

Streets net revenue (expense) – Decrease of 121% (\$3.83 million) in net expense; mainly due to the majority of ODOT contributions for the 111th Street and Elwood Ave. intersection project occurred during fiscal year 2021.

Culture and recreation net revenue (expense) – Increase of 481% (\$0.65 million) in net expense; mainly due to a correction in capital grants and contributions revenue resulting in a decrease of \$237,421.

Interest on long-term debt net revenue (expense) – Increase of 69% (\$0.69 million) in net expense; mainly due to the first interest payment for the 2020 G.O. Bonds.

Business-type Activities:

The following table compares fiscal year 2022 and 2021 total Business-type Activities expenses and net revenue (expense) of services:

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

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2022	2021		2022	2021	
Water	\$ 10,487	\$ 10,412	1%	\$ 1,497	\$ 308	386%
Wastewater	3,102	3,016	3%	276	(715)	-139%
Sanitation	1,980	1,981	0%	(329)	(371)	-11%
Stormwater	105	65	62%	484	(65)	-845%
Aquarium	6,270	6,183	1%	1,406	(162)	-968%
Total	\$ 21,944	\$ 21,657	1%	\$ 3,334	\$ (1,005)	-432%

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Water net revenue (expense) – Increase of 386% (\$1.19 million) in net revenue; mainly due to an increase in water sales of \$0.5 million and \$0.72 million in capital grants and contributions from donated water infrastructure from new commercial and residential developments.

Wastewater net revenue (expense) – Increase of 139% (\$0.99 million) in net expense; mainly due to \$0.71 million in capital grants and contributions from donated sewer infrastructure from new commercial and residential developments.

Stormwater net revenue (expense) – Increase of 845% (\$0.55 million) in net revenue; mainly due to \$0.59 million in capital grants and contributions from donated sewer infrastructure from new commercial and residential developments.

Aquarium net revenue (expense) – Increase of 968% (\$1.57 million) in net expense; mainly due to an increase in fee revenue at the Aquarium of \$0.78 million, an increase of \$0.21 million in Memberships, and \$0.17 million in new revenue from the State of Oklahoma's sales tax portion (see below - Operations Concerns and Anticipated Actions - Jenks Aquarium Authority (JAA)).

A Financial Analysis of the City's Funds

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$57.38 million, an increase of \$0.83 million from the previous fiscal year. The enterprise funds reported a combined net position of \$56.3 million, an increase of \$4.35 million.

Other funds highlights include:

The General Fund fund balance reported a decrease of \$12.96 million as transfers were made to fund the creation of the Jenks Economic Development Authority (JEDA), the City of Jenks Stabilization Reserve Fund, and the City of Jenks Capital Reserve Fund.

The Vision Sales Tax Fund increased its fund balance by \$1.28 million due to the unspent portion of sales and use tax revenue, restricted to fund future projects.

Budgetary Highlights

General Fund revenues were \$5.54 million (or 28.88%) more than final estimates, mainly due to the receipt of our first allocation of funds from the American Rescue Plan Act (ARPA). General Fund expenses were \$0.99 million (or 3.2%) less than final appropriations. Fund balances decreased due to the transfer of funds to fund the creation of two reserve funds: City of Jenks Stabilization Reserve Fund and City of Jenks Capital Reserve Fund.

Capital Assets

At the end of June 30, 2022, the City had \$118.3 million invested in capital assets including police and fire equipment, buildings, water and sewer lines, roads and park facilities. That's an increase of \$12.8 million over the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

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

	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 6,105	\$ 3,285	\$ 3,601	\$ 3,388	\$ 9,706	\$ 6,673
Buildings	2,967	3,187	9,569	10,044	12,536	13,231
Roads and bridges	2,770	2,043	-	-	2,770	2,043
Other improvements	1,224	658	61	73	1,285	731
Machinery and equipment	3,439	3,850	4,372	4,015	7,811	7,865
Infrastructure	45,429	47,194	9,904	8,291	55,333	55,485
Exhibits	-	-	5,127	5,146	5,127	5,146
Construction in progress	14,332	12,348	9,405	1,976	23,737	14,324
Totals	\$ 76,266	\$ 72,565	\$ 42,039	\$ 32,933	\$ 118,305	\$ 105,498

This year's more significant capital asset additions include:

Land – 202 W Main Street	\$2,448,000
Donated Infrastructure – Torrey Lakes – Streets	897,000
Splashpad at Veterans Park	474,000
Jellyfish and Clownfish Exhibit	473,000
Donated Infrastructure – Torrey Lakes – Water	366,000
Donated Infrastructure – Torrey Lakes – Sanitary Sewer	331,000
Donated Infrastructure – Torrey Lakes – Stormwater	289,000

Debt Administration

At the end of June 30, 2022, the City had about \$73.1 million in outstanding notes, bonds, capital leases, and accrued compensated absences. These debts are further detailed below:

TABLE 6
Primary Government Long-Term Debt
(In Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities		Activities	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accrued absences	\$ 336	\$ 329	\$ 212	\$ 142	\$ 548	\$ 471
Revenue bonds	-	-	37,355	38,100	37,355	38,100
Notes payable	399	706	-	-	399	706
General obligation bonds	34,800	36,965	-	-	34,800	36,965
Totals	\$ 35,535	\$ 38,000	\$ 37,567	\$ 38,242	\$ 73,102	\$ 76,242

No debt issuances occurred during fiscal year 2022. During fiscal year 2021, the City of Jenks issued \$20.5 million in General Obligation bonds, Series 2020 to finance street projects. The JPWA issued \$2.92 million in Utility System Revenue Bonds, Series 2020 to finance the water meter conversion project. The JAA issued \$20.8 million in Revenue Bonds, Series 2021A&B to finance facility improvements and funds from the 2021B series are held in escrow for the refunding of the 2014 JAA Revenue Bonds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Also, the JPWA acts as guarantor for the outstanding bonds and long term note of the Jenks Aquarium Authority as detailed in the above schedule pertaining to JAA in Business-Type Activities.

More detailed information about the City's long-term debt can be found in Note 2.

Operations Concerns and Anticipated Actions - City of Jenks

The City continues to perform well. The high inflationary environment helped boost sales and use tax receipts. The Federal Reserve's response to combat inflation by raising interest rates have resulted in higher interest income on our reserves. Sales and use tax revenue exceeded management projections in FY2022 by \$2.2 million or 21.4% and continues to exceed projections in the current fiscal year. For the first time ever, the City received a \$1 million+ monthly sales and use tax remittance, in September 2022, and continues to receive such receipts in the current fiscal year (July 2022 – January 2023). Management expects this strong performance to continue into the coming fiscal years as Jenks continues to be an attractive place for commerce.

In October 2022, the City received the second half of its allocation from the Coronavirus Local Fiscal Recovery Fund through the American Rescue Plan Act; the total allocation is \$4,170,709.49. Management is currently researching potential projects for these funds. The City has until December 31, 2024, to allocate the funds and until December 31, 2026, to spend the funds.

The City has historically been very conservative in its management practices. This is apparent in management's ability to control growth in personnel and operating expenses as it evaluates revenue performance. Evidence of such undertakings are reflected in higher-than-average cash reserves and investments for cities of similar circumstances. During the fiscal year, the City Council approved two ordinances for the creation of two reserve funds: City of Jenks Stabilization Reserve Fund and City of Jenks Capital Reserve Fund. Unrestricted fund balance from the General Fund was transferred to fund these two new funds. The Stabilization Reserve Fund will continue to help the City build a strong financial foundation to weather future potential economic downturns. The Capital Reserve Fund will accumulate funds to help finance the capital needs of the City.

The expenses associated with the City's general fund are primarily associated with public safety (police and fire functions). With current funding sources and their current and projected growth, it is unlikely that the City could sustain additional expenses in this area at any significant level without a significant increase in operating revenue. A 0.55 percent sales and use tax increase on qualifying sales was approved by voters in 2016 in order to help fund a low water dam on the Arkansas River, as well as fund capital improvement projects. However, these funds may not be used for operating expenditures. The City's primary focus is to continue to encourage growth in existing sources of public income by expansion of private sector entrepreneurship.

The effects of the *McGirt v. Oklahoma* case will not be determined until other cases are litigated. The Oklahoma Tax Commission indicated in a September 30, 2020, memorandum that it may lack the jurisdiction to enforce sales tax on tribal citizens and businesses on tribal land. Although this may apply to only a very small percentage of the City's population and businesses, it could slightly impact sales tax revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

The City continues to work with the private sector to achieve high quality housing development and stimulate commercial and industrial development, which have contributed to a strong ad valorem base when compared to similar cities of size and circumstance. Economic development continues to be a top priority and during the fiscal year, the City Council approved the creation of a new public trust of the City of Jenks, the Jenks Economic Development Authority (JEDA).

While the challenge to continue operational capabilities endures, the City strategically uses its reserves and other City Council initiatives to improve revenue streams to continue to provide quality public services. Such undertakings include having development projects pay its "fair share" in new infrastructure costs; pay back agreements to/from developers and/or the City for public infrastructure investments; charge reasonable permit fees for the review of development planning, engineering, and construction inspection; and in cooperation with other taxing authorities, structure tax increment financing districts and specialized charges and financing where city authorities and funds can be conservatively leveraged to stimulate development.

For example, in August 2021, the City used \$2.42 million of its fund balance to purchase prime real estate, 4.2 acres of land located on Main Street near the gateway to the City's downtown area. Management issued a request for proposals to developers soliciting their ideas to turn this property into a dynamic and innovative mixed-use development to spark the revitalization of the downtown area. An advisory panel of Jenks citizens and business owners reviewed the proposals and submitted their recommendation to the City Council. The City Council, recently, approved an economic development contract with the selected developer. The City eagerly awaits the groundbreaking of this transformative project.

The City continues to use its general obligation (G.O.) bond capacity, with voter approval, to leverage significant investments in infrastructure improvements (primarily in the area of street construction) with other state and federal funding sources at a great benefit to the local taxpayers. For example, in the Fall of 2020, the City issued \$20.5 million in G.O. bonds, receiving an Aa2 rating from Moody's Investor Service, for street improvements. The majority of these funds are for the widening of south Elm Street from 111st to 131st street. The project is currently in the engineering design, right-of-way acquisition, and utility relocation phase with construction expected to start in late 2023.

Until recently, the only allowed source of tax revenue available to Oklahoma cities to cover operating expenses came from sales and use tax. The reliance on a revenue source which tends to be volatile and dependent on economic conditions strengthens the need for stable revenue options. Via its membership with the Oklahoma Municipal League, the City continues to work with the State Legislature to strengthen the revenue options available to municipalities. In the Spring of 2021 during the legislative session, the Oklahoma State Legislature and Governor passed and signed a new bill into law allowing municipalities, with voter approval, to form a public safety district and levy up to 5 mills in ad valorem taxes. The ad valorem revenue generated by the district is restricted for public safety expenses for personnel and capital outlays. The additional revenue generated from this stable source will help the City weather the next economic downturn, potentially without having to reduce personnel citywide and/or in public safety. The City is reviewing this opportunity and hopes to pursue this in a future city election. Another option for additional operating revenue could be asking residents to vote and approve an increase to the current sales tax rate.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Economic Factors and Next Year's Budget

The unemployment rate in the Tulsa Metro Area is around 3.0% in December of 2022, down from 13.5% in April of 2020. This rate is expected to remain low if favorable economic conditions continue. The State, while improving its overall business sector diversification, is still heavily centered to the energy sector. Other significant sectors include agriculture, tourism, health, and aerospace. The City of Jenks is the home to a Kimberly-Clark Manufacturing Facility and two gas fueled power plants. The housing stock is diversified, and the community has one of the highest average household incomes in the Tulsa Metro Area. The community is home to two quality public school districts one of which (Jenks Public Schools) has received the prestigious Malcolm Baldrige Award for Public Education. The City is the owner (through its Jenks Aquarium Authority) and home to the Oklahoma Aquarium, the only public aquarium of its size and quality in the state and region.

While revenue is expected to increase in the short term, economic development initiatives may diminish related fund balances in the short term to facilitate private sector business investments in the community through municipal capital investments. However, in some cases the economic investments from fund balances are contingent on a form of payback agreement. Fund balances required by resolutions as contingencies will be maintained.

Operations Concerns and Anticipated Actions - Jenks Public Works Authority (JPWA)

The City of Jenks is the beneficiary of the Jenks Public Works Authority (JPWA), which is the utility arm of the City. JPWA is responsible for:

- the water distribution system (buying potable water wholesale from the City of Tulsa),
- the wastewater treatment (by contract with private operator),
- the wastewater collection system, the storm water system, the refuse system (by contract with private operator),
- the solid waste collection system (by contract with a private operator),
- the emergency medical system (by contract with a City of Tulsa trust), and
- the connection to the Tulsa Transit System (by contract with a City of Tulsa trust).

The JPWA is an anchor to the City and its related entities' credit worthiness through being the enterprise financial vehicle, not only for itself, but as guarantor of the other related entities' revenue bonds and loans which are guaranteed by the JPWA revenue stream and its authorizations under the State Constitution and Statutes.

The COVID-19 pandemic did not adversely affect the Authority as water sales increased due to residents staying home more than usual. The Authority completed its water meter conversion project, installing new radio water meters that measure and record water consumption with a higher accuracy. As the Statement of Activities shows, charges for services for water continues to increase about \$0.50 million from fiscal year 2021 to 2022. We expect the water meter upgrades to continue generating more revenue for the Authority and minimize unbilled consumption. Management expects the city to continue to grow at a modest pace.

Historically, any wholesale water increases by the City of Tulsa to the JPWA have been passed through by rate increases to the Jenks rate payers when these costs have been increased by the wholesale provider. This has been the long-standing policy practice of the policy bodies to do so. It is anticipated that the City of Tulsa will hold rates

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

steady over the next 1-2 years. Given that the JPWA does not own its own water supply, rate elasticity is limited. In comparison, sanitary sewer rates have higher elasticity at this time. The remaining enterprise functions have low to moderate rate elasticity.

Because so much of Jenks residential development is relatively new (over three decades), the overall infrastructure quality of water and sanitary sewer systems are considered to be above average at this time. JPWA initiated facility plan studies and evaluations for the Wastewater Treatment Plant and the Sanitary Sewer collection system – lines and lift stations. In December 2019, JPWA issued \$14,660,000 in Utility System Revenue Bonds to fund upgrades to the wastewater treatment plant. As part of this issuance, the outstanding JPWA Series 2012 Utility System Revenue Bonds were retired. The JPWA Utility System Revenue Bonds received a rating of AA from Standard & Poor's Financials Services. As of January 2023, phase one of the improvements at the wastewater treatment plant is at 70% completion, with an August 2023 completion date.

The management of the wastewater treatment plant will change in April 2023 as Veolia North America has communicated their intent to terminate their contract. As a result of a request for proposal process, the JPWA approved a new management contract with USW Utility Group to start April 2023. The new contract will increase expense by about \$350,000 annually, however, it is expected that the new management team will pursue opportunities to reduce operating costs at the plant.

Economic Factors and Next Year's Budget

The primary factors that affect the health of the water enterprise function of the Jenks Public Works Authority are rates and the weather. Rate elasticity is at least partially influenced by overall economic health within the City and by the size of any rate increases. As mentioned previously, it is anticipated that the Tulsa Water System wholesale supplier will hold its rates to the JPWA in place over the next 1-2 years. The JPWA may use this as an opportunity to increase their own rates to increase revenue.

It is anticipated that the emergency medical services rate structure will be increased at a low to moderate level to reflect the continued subsidy of that function metro wide. No other adjustments to rate functions within the JPWA are known or projected at this time.

Weather tends to have a sizable impact on overall water consumption; however, it remains unpredictable. There was less precipitation at the end of the fiscal year, than in the prior fiscal year. The Authority typically has lower water sales during rainy and cool periods, but higher sales during warm and dry periods. No water rate adjustments relative to weather trends are anticipated at this time. Generally, as of 2023, it is estimated that overall rate elasticity for all sources of services is low to moderate.

Operations Concerns and Anticipated Actions - Jenks Aquarium Authority (JAA)

The Jenks Aquarium Authority (JAA) relied heavily on revenue bonds to finance the construction of the Oklahoma Aquarium. As a result, the debt service requirements on an annual basis are relatively large in comparison to the

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

organization's operating income. To guarantee the debt service requirement, the Jenks City Council appropriated \$12 million of Tulsa County Vision 2025 sales tax funds to the JAA over a 13-year period.

The Tulsa County Vision 2025 sales tax initiative ended in fiscal year 2016. At that time, the JAA was unable to cover the cost of debt service with operating income. In response, the Jenks Public Works Authority designated a specific revenue stream, industrial water sales, to be restricted for JAA debt service.

Before the COVID-19 pandemic, the JAA experienced substantial growth in four of the five fiscal years, from 2016 to 2019. Operating income (loss) changed from a loss of (\$85,782) to a gain of \$138,383, representing a 261% increase. The COVID-19 pandemic created several challenges for the organization. The facility closed to comply with state executive order 2020-07 on March 16, 2020, and remained closed until May 8, 2020. Spring break and most field trips typically occur during this time. As a result, the JAA missed its sales goals during what is generally one of the busiest periods of the fiscal year, ending the fiscal year (FY2020) with an operating loss of \$602,002. As COVID-19 vaccines became readily available and the economy reopened, the JAA experienced a significant rebound in visitors and admissions, ending fiscal year 2021 with an operating income of \$23,888; a 104% increase from the previous fiscal year. This strength continued into fiscal year 2022 as operating income increased to \$1.67 million; a 6,897% increase from fiscal year 2021.

In the Spring of 2021, the JAA decided to take advantage of the low interest rate environment and issued the \$20,800,000 Jenks Aquarium Authority Revenue Bonds Series 2021. The bonds consist of \$7,275,000 Capital Improvement Revenue Bonds - Tax Exempt Series 2021A and \$13,525,000 Revenue Refunding Bonds - Federally Taxable Series 2021B. The proceeds from the Series 2021B, Revenue Refunding Bonds, are restricted for the refunding of the Jenks Aquarium Authority Refunding Revenue Bonds Series 2014 when the call date is triggered. The proceeds from the Series 2021A, Capital Improvement Revenue Bonds, are for improvements to the aquarium's infrastructure and to its facilities. Management's priority is to relocate and construct a new large animal quarantine building as the current one is in poor shape. The JAA has contracted with a local architect to design the new quarantine building and expects the project to be completed in 2 to 3 years. If funds remain, management plans to improve the facility's roof and emergency back-up generator system.

On May 4, 2021, the Oklahoma Governor signed House Bill (HB) 1566, allowing aquariums (non-profit or governmental entities) to retain the State's portion of sales tax (4.5%) generated from the sale of tickets for admission. These funds are to be used in marketing efforts primarily to out-of-state residents to encourage tourism to the aquarium and Oklahoma. The change was effective November 1, 2021, and generated about \$168,000 for fiscal year 2022. Management expects revenue for fiscal year 2023 to exceed \$220,000.

Management continues to focus heavily on creating new ancillary income opportunities, maximizing operational efficiency, upselling memberships, and creating at least one new exhibit every fiscal year. The JAA's newest exhibit, Amazing Invertebrates (a clownfish and jellyfish exhibit), was completed in November 2021. Management expects the new exhibit will drive an increase in admissions and in anticipation of this, admission and membership prices were increased, effective July 1, 2021. Ticket prices were increased by \$1.00 for all tiers and membership prices were increased by \$5 for individual memberships and by \$10 for the other three tiers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2022

Unaudited

Although the aquarium has increased operating revenue over the last several years, such growth rates are unlikely to be sustainable after a full fiscal rebound is made. Management remains committed to creating ancillary income opportunities to maximize operating income growth. In December 2021, the JAA Trustees approved the purchase of an 18-seat carousel to be installed in the entry hall of the aquarium. The carousel was installed and in operation by the middle of October 2022, generating \$50,000+ in sales over the last three months (November 2022 – January 2023). Revenue projections, on the conservative side, anticipate about \$200,000 in ride sales and a payback period of 5 years.

Additionally, a proposed 325,000 square foot Simon Premium Outlet Mall is planned to be constructed on 50 acres just south of the Oklahoma Aquarium on the south side of the Creek Turnpike. Unfortunately, the COVID-19 pandemic halted construction, but the City of Jenks remained in communication with representatives from Simon. Simon restarted construction this month (February 2023) and expects to open Summer 2024. Once it is open, it is anticipated that millions of additional people will visit the City of Jenks and drive within proximity to the Oklahoma Aquarium. Potentially, this additional traffic will increase the overall gate admissions at the facility.

Economic Outlook

The three core markets for the Oklahoma Aquarium are the Tulsa, Oklahoma metropolitan area, the Oklahoma City metropolitan area, and the Springdale/Bentonville, Arkansas metropolitan area. Other geographic markets include South and Southeast Kansas, Southwest Missouri, and North Central Texas. The Aquarium is attracting significant attendance from all these areas, and it is anticipated that these markets offer substantial additional opportunities for revenue growth.

The region enjoys relatively low unemployment. Individual and family income growth is expected increase if the labor market remains tight. This will translate into modest growth for the organization in the absence of dramatic benefits from marketing or other programming efforts. The Oklahoma Aquarium remains a major cultural, recreational, entertainment, and educational point of destination for the Tulsa metropolitan area, the state of Oklahoma, and the Northeast Oklahoma multi-state region. Greater market penetration should be feasible regardless of slow to moderate overall economic growth in these geographic areas.

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 2007, Jenks, OK 74037 or phone at (918) 299-5883.

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City of Jenks
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 28,931,258	\$ 36,921,137	\$ 65,852,395
Investments	29,062,731	16,925,391	45,988,122
Internal balances	341,842	(341,842)	-
Interest receivable	9,361	26,930	36,291
Accounts receivable, net of allowance	358	2,268,392	2,268,750
Court fine receivable, net of allowance	184,807	-	184,807
Due from other governments	2,115,958	183,263	2,299,221
Net pension asset	2,063,575	-	2,063,575
Capital assets:			
Land and construction in progress	20,436,889	13,006,395	33,443,284
Other capital assets, net of depreciation	55,829,029	29,032,238	84,861,267
 Total assets	 <u>138,975,808</u>	 <u>98,021,904</u>	 <u>236,997,712</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	-	1,331,849	1,331,849
Deferred amount on OPEB	25,896	57,025	82,921
Deferred amount on asset retirement obligation	-	3,224,334	3,224,334
Deferred amounts related to pensions	1,523,198	-	1,523,198
Total deferred outflows	<u>1,549,094</u>	<u>4,613,208</u>	<u>6,162,302</u>
LIABILITIES			
Accounts payable	525,699	2,886,909	3,412,608
Accrued payroll liabilities	20,614	7,507	28,121
Accrued interest payable	919,726	311,536	1,231,262
Due to other governments	52,118	-	52,118
Due to bondholders	-	720,610	720,610
Unearned revenue	2,075,516	341,731	2,417,247
Long-term liabilities:			
Due within one year	2,234,876	1,317,338	3,552,214
Due in more than one year	33,708,113	36,984,837	70,692,950
Total OPEB liability	80,523	97,256	177,779
Asset retirement obligation	-	3,570,000	3,570,000
Net pension liability	2,489,136	-	2,489,136
Total liabilities	<u>42,106,321</u>	<u>46,237,724</u>	<u>88,344,045</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to OPEB	111,020	129,310	240,330
Deferred amounts related to pensions	3,722,109	-	3,722,109
Total deferred inflows	<u>3,833,129</u>	<u>129,310</u>	<u>3,962,439</u>
NET POSITION			
Net investment in capital assets	59,884,261	23,561,972	83,446,233
Restricted for:			
Capital projects	4,683,328	-	4,683,328
Debt service	3,185,843	477,215	3,663,058
Streets	1,387,130	-	1,387,130
Culture and recreation	536,647	-	536,647
Public safety	919,745	-	919,745
Pension	443,089	-	443,089
Economic development	5,851,877	-	5,851,877
Vision projects	6,051,309	-	6,051,309
TIF projects	596,856	-	596,856
Unrestricted	11,045,367	32,228,891	43,274,258
Total net position	<u>\$ 94,585,452</u>	<u>\$ 56,268,078</u>	<u>\$ 150,853,530</u>

City of Jenks
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
						Governmental Activities	Business-type Activities	Total
Primary government								
Governmental activities:								
General government	\$ 1,719,001	\$ -	\$ 708,131	\$ 28,720	\$ -	\$ (982,150)	\$ -	\$ (982,150)
Public safety	6,814,532	-	144,789	397,654	-	(6,272,089)	-	(6,272,089)
Streets	3,526,071	-	-	249,162	2,602,197	(674,712)	-	(674,712)
Economic development	1,762,853	-	-	-	-	(1,762,853)	-	(1,762,853)
Culture and recreation	679,359	-	132,730	-	(237,421)	(784,050)	-	(784,050)
Interest on long-term debt	1,689,175	-	-	-	-	(1,689,175)	-	(1,689,175)
Total governmental activities	16,190,991	-	985,650	675,536	2,364,776	(12,165,029)	-	(12,165,029)
Business-type activities								
Water	7,843,629	2,643,868	11,261,800	-	722,716	-	1,497,019	1,497,019
Wastewater	2,477,006	625,384	2,663,882	-	714,689	-	276,181	276,181
Sanitation	1,592,071	387,573	1,650,904	-	-	-	(328,740)	(328,740)
Stormwater	105,365	-	-	-	588,960	-	483,595	483,595
Aquarium	6,269,567	-	7,234,579	299,255	142,093	-	1,406,360	1,406,360
General Operations	3,656,825	(3,656,825)	-	-	-	-	-	-
Total business-type activities	21,944,463	-	22,811,165	299,255	2,168,458	-	3,334,415	3,334,415
Total primary government	\$ 38,135,454	\$ -	\$ 23,796,815	\$ 974,791	\$ 4,533,234	(12,165,029)	3,334,415	(8,830,614)
General revenues:								
Taxes:								
Sales and use taxes						12,791,451	-	12,791,451
Property taxes						3,826,616	-	3,826,616
Franchise and public service taxes						1,274,074	-	1,274,074
Hotel/motel taxes						85,765	-	85,765
Tax apportionment revenue						1,795,275	-	1,795,275
E-911 taxes						202,372	-	202,372
Intergovernmental revenue not restricted to specific programs						140,968	-	140,968
Investment income						(378,746)	(192,833)	(571,579)
Miscellaneous						544,949	722,903	1,267,852
Transfers - Internal activity						(487,017)	487,017	-
Total general revenues and transfers						19,795,707	1,017,087	20,812,794
Change in net position						7,630,678	4,351,502	11,982,180
Net position - beginning						86,954,774	51,916,576	138,871,350
Net position - ending						\$ 94,585,452	\$ 56,268,078	\$ 150,853,530

**City of Jenks
Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,008,841	\$ 3,095,156	\$ 4,424,710	\$ 16,402,551	\$ 28,931,258
Investments	859,629	-	14,800,637	13,402,465	29,062,731
Accrued interest receivable	4,799	-	-	4,562	9,361
Due from other funds	-	-	-	342,022	342,022
Due from other governments	1,811,357	254,307	-	50,294	2,115,958
Accounts receivable	358	-	-	-	358
Court fines receivable, net	184,807	-	-	-	184,807
Total assets	<u>\$ 7,869,791</u>	<u>\$ 3,349,463</u>	<u>\$ 19,225,347</u>	<u>\$ 30,201,894</u>	<u>\$ 60,646,495</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 327,065	\$ -	\$ -	\$ 219,248	\$ 546,313
Accrued interest payable	-	204,505	-	-	204,505
Due to other funds	180	-	-	-	180
Due to other governments	52,118	-	-	-	52,118
Unearned revenue	2,075,516	-	-	-	2,075,516
Total liabilities	<u>2,454,879</u>	<u>204,505</u>	<u>-</u>	<u>219,248</u>	<u>2,878,632</u>
Deferred Inflow of Resources:					
Unavailable revenue	<u>168,449</u>	<u>212,755</u>	<u>-</u>	<u>4,184</u>	<u>385,388</u>
Fund balances:					
Restricted	859,629	2,828,680	19,225,347	20,022,708	42,936,364
Committed	-	-	-	4,962,801	4,962,801
Assigned	3,006,089	103,523	-	4,992,953	8,102,565
Unassigned	1,380,745	-	-	-	1,380,745
Total fund balances	<u>5,246,463</u>	<u>2,932,203</u>	<u>19,225,347</u>	<u>29,978,462</u>	<u>57,382,475</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,869,791</u>	<u>\$ 3,349,463</u>	<u>\$ 19,225,347</u>	<u>\$ 30,201,894</u>	<u>\$ 60,646,495</u>

City of Jenks
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Fund Balance - Net Position Reconciliation: \$ 57,382,475

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 the funds, net of accumulated depreciation of \$32,398,876 76,265,918

Other long-term assets and deferrals are not available to pay for current period expenditures and therefore are deferred or not reported in the funds:

OPEB deferred outflows	25,896
Pension related deferred outflows of resources	1,523,198
Unavailable revenue	385,388
Net pension asset	2,063,575
	3,998,057

Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with certain deferred inflows, are not reported in the funds:

Accrued interest payable	(715,221)
Notes payable	(399,279)
General obligation bond	(34,800,000)
Unamortized premium on general obligation bonds	(407,725)
Net pension liability	(2,489,136)
Pension related deferred inflows of resources	(3,722,109)
Total OPEB liability	(80,523)
OPEB related deferred inflows of resources	(111,020)
Accrued compensated absences	(335,985)
	(43,060,998)

Net Position of Governmental Activities in the Statement of Net Position \$ 94,585,452

City of Jenks
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 14,272,160	\$ 3,709,050	\$ -	\$ 2,083,412	\$ 20,064,622
Intergovernmental	616,922	-	-	315,761	932,683
Charges for services	117,899	-	-	-	117,899
Fines and forfeitures	143,623	-	-	-	143,623
Licenses and permits	533,263	-	-	132,730	665,993
Investment income	(13,240)	(2,303)	(203,679)	(127,899)	(347,121)
Miscellaneous	229,923	-	-	241,057	470,980
Total revenues	<u>15,900,550</u>	<u>3,706,747</u>	<u>(203,679)</u>	<u>2,645,061</u>	<u>22,048,679</u>
EXPENDITURES					
Current:					
General government	3,684,991	2,400	-	582,603	4,269,994
Public safety	6,390,388	-	-	220,143	6,610,531
Urban development	1,148,882	-	-	1,436,001	2,584,883
Streets	-	-	-	28,565	28,565
Culture and recreation	449,649	-	-	128,160	577,809
Capital Outlay	-	-	385,295	1,322,596	1,707,891
Debt Service:					
Principal	-	2,165,000	-	306,577	2,471,577
Interest	-	1,266,655	-	20,132	1,286,787
Total expenditures	<u>11,673,910</u>	<u>3,434,055</u>	<u>385,295</u>	<u>4,044,777</u>	<u>19,538,037</u>
Excess (deficiency) of revenues over expenditures	<u>4,226,640</u>	<u>272,692</u>	<u>(588,974)</u>	<u>(1,399,716)</u>	<u>2,510,642</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,614,293	-	-	16,075,194	23,689,487
Transfers out	(24,797,903)	-	-	(570,393)	(25,368,296)
Total other financing sources (uses)	<u>(17,183,610)</u>	<u>-</u>	<u>-</u>	<u>15,504,801</u>	<u>(1,678,809)</u>
Net change in fund balances	(12,956,970)	272,692	(588,974)	14,105,085	831,833
Fund balances - beginning	18,203,433	2,659,511	19,814,321	15,873,377	56,550,642
Fund balances - ending	<u>\$ 5,246,463</u>	<u>\$ 2,932,203</u>	<u>\$ 19,225,347</u>	<u>\$ 29,978,462</u>	<u>\$ 57,382,475</u>

City of Jenks

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2022**

Changes in Fund Balance - Changes in Net Position Reconciliation: \$ 831,833

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

Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	4,577,600
Book value of disposed capital assets	(56,977)
Contributed capital	2,364,776
Capital assets transferred from business-type activities	1,399,842
Capital assets transferred to business-type activities	(208,050)
Depreciation expense	(4,377,087)
	<u>3,700,104</u>

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 87,107

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. 954,003

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 payment on G.O. bonds payable	2,165,000
Principal payment on notes payable	306,577
Bond premium amortization	22,239
	<u>2,493,816</u>

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	(424,627)
Change in total OPEB liability and related deferrals	(4,953)
Change in accrued compensated absences	(6,605)
	<u>(436,185)</u>

Change in net position of governmental activities \$ 7,630,678

City of Jenks
Statement of Net Position
Proprietary Funds
June 30, 2022

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 14,884,959	\$ 3,417,085	\$ 559	\$ 18,302,603
Restricted cash and cash equivalents	9,223,838	8,442,147	-	17,665,985
Investments	13,667,842	3,257,549	-	16,925,391
Interest receivable	20,736	6,194	-	26,930
Accounts receivable, net	2,174,230	86,494	-	2,260,724
Due from other governments	-	190,931	-	190,931
Due from other funds	786,129	-	-	786,129
Total current assets	<u>40,757,734</u>	<u>15,400,400</u>	<u>559</u>	<u>56,158,693</u>
Non-current assets:				
Restricted cash and cash equivalents	648,009	304,540	-	952,549
Capital assets:				
Land and other non-depreciable assets	12,121,045	885,350	-	13,006,395
Other capital assets, net of depreciation	16,511,836	12,247,007	273,395	29,032,238
Total non-current assets	<u>29,280,890</u>	<u>13,436,897</u>	<u>273,395</u>	<u>42,991,182</u>
Total assets	<u>70,038,624</u>	<u>28,837,297</u>	<u>273,954</u>	<u>99,149,875</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	9,902	47,123	-	57,025
Deferred amount on refunding	-	1,331,849	-	1,331,849
Deferred amount on asset retirement obligation	3,224,334	-	-	3,224,334
Total deferred outflows	<u>3,234,236</u>	<u>1,378,972</u>	<u>-</u>	<u>4,613,208</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,531,662	242,159	-	2,773,821
Accrued payroll liabilities	1,940	119,255	-	121,195
Due to other funds	485,007	642,964	-	1,127,971
Accrued interest payable	67,338	244,198	-	311,536
Unearned revenue	-	341,731	-	341,731
Current portion of:				
Due to depositors	72,001	-	-	72,001
Revenue bonds payable	560,000	715,000	-	1,275,000
Accrued compensated absences	15,815	26,523	-	42,338
Total current liabilities	<u>3,733,763</u>	<u>2,331,830</u>	<u>-</u>	<u>6,065,593</u>
Non-current liabilities:				
Due to depositors	648,009	-	-	648,009
Total OPEB liability	36,602	60,654	-	97,256
Revenue bonds payable, net	16,507,690	20,307,795	-	36,815,485
Asset retirement obligation	3,570,000	-	-	3,570,000
Accrued compensated absences	63,260	106,092	-	169,352
Total non-current liabilities	<u>20,825,561</u>	<u>20,474,541</u>	<u>-</u>	<u>41,300,102</u>
Total liabilities	<u>24,559,324</u>	<u>22,806,371</u>	<u>-</u>	<u>47,365,695</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	46,472	82,838	-	129,310
NET POSITION				
Net investment in capital assets	20,233,893	3,054,684	273,395	23,561,972
Restricted for debt service	415,797	61,418	-	477,215
Unrestricted	28,017,374	4,210,958	559	32,228,891
Total net position	<u>\$ 48,667,064</u>	<u>\$ 7,327,060</u>	<u>\$ 273,954</u>	<u>\$ 56,268,078</u>

City of Jenks
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total
REVENUES				
Water charges	\$ 11,233,652	\$ -	\$ -	\$ 11,233,652
Sewer charges	2,570,038	-	-	2,570,038
Sanitation	1,650,904	-	-	1,650,904
Licenses and permits	121,993	-	-	121,993
Aquarium charges:				
Fees	-	5,710,126	-	5,710,126
Catering	-	276,684	-	276,684
Gift shop	-	569,593	-	569,593
Other charges	-	678,176	-	678,176
Miscellaneous	658,565	122,992	-	781,557
Total operating revenues	<u>16,235,152</u>	<u>7,357,571</u>	<u>-</u>	<u>23,592,723</u>
OPERATING EXPENSES				
General and administrative	2,589,081	-	-	2,589,081
Economic development	557,693	-	-	557,693
Cultural and recreational	75,991	-	-	75,991
Water service	7,134,254	-	-	7,134,254
Sewer service	1,911,188	-	-	1,911,188
Solid waste service	1,592,071	-	-	1,592,071
Stormwater drainage	252,823	-	-	252,823
Aquarium operations	-	4,730,395	-	4,730,395
Depreciation expense	1,075,820	955,723	17,218	2,048,761
Total operating expenses	<u>15,188,921</u>	<u>5,686,118</u>	<u>17,218</u>	<u>20,892,257</u>
Operating income (loss)	<u>1,046,231</u>	<u>1,671,453</u>	<u>(17,218)</u>	<u>2,700,466</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	(149,261)	(43,572)	-	(192,833)
Grants and Contributions	-	183,056	-	183,056
Miscellaneous	36,154	4,636	-	40,790
Gain on disposal of capital assets	16,755	-	-	16,755
Transfer capital assets to governmental activities	(1,387,340)	(12,502)	-	(1,399,842)
Interest expense and fiscal charges	(468,758)	(583,449)	-	(1,052,207)
Total non-operating revenue (expenses)	<u>(1,952,450)</u>	<u>(451,831)</u>	<u>-</u>	<u>(2,404,281)</u>
Income (loss) before contributions and transfers	(906,219)	1,219,622	(17,218)	296,185
Capital contributions	2,234,415	142,093	-	2,376,508
Transfers in	10,682,424	-	-	10,682,424
Transfers out	(9,003,615)	-	-	(9,003,615)
Change in net position	<u>3,007,005</u>	<u>1,361,715</u>	<u>(17,218)</u>	<u>4,351,502</u>
Total net position - beginning	45,660,059	5,965,345	291,172	51,916,576
Total net position - ending	<u>\$ 48,667,064</u>	<u>\$ 7,327,060</u>	<u>\$ 273,954</u>	<u>\$ 56,268,078</u>

City of Jenks
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 15,948,527	\$ 7,384,707	\$ -	\$ 23,333,234
Payments to suppliers	(10,277,795)	(2,319,075)	-	(12,596,870)
Payments to employees	(2,591,763)	(2,236,586)	-	(4,828,349)
Receipts of customer meter deposits	182,635	-	-	182,635
Refunds of customer meter deposits	(104,270)	-	-	(104,270)
Interfund receipts/payments	79,115	(79,115)	-	-
Net cash provided by operating activities	3,236,449	2,749,931	-	5,986,380
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	10,682,424	-	-	10,682,424
Transfers to other funds	(9,003,615)	-	-	(9,003,615)
Net cash provided by noncapital financing activities	1,678,809	-	-	1,678,809
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(7,830,471)	(1,382,124)	-	(9,212,595)
Capital contributions	-	142,093	-	142,093
Capital assets purchased for and transferred to governmental activities	(1,112,368)	-	-	(1,112,368)
Proceeds from sale of capital assets	22,499	-	-	22,499
Principal paid on capital debt	(520,000)	(225,000)	-	(745,000)
Interest and fiscal agent fees paid on capital debt	(500,560)	(329,181)	-	(829,741)
Net cash (used in) capital and related financing activities	(9,940,900)	(1,794,212)	-	(11,735,112)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	(3,717,748)	(354,455)	-	(4,072,203)
Interest and dividends	73,509	(25,133)	-	48,376
Net cash (used in) investing activities	(3,644,239)	(379,588)	-	(4,023,827)
Net decrease in cash and cash equivalents	(8,669,881)	576,131	-	(8,093,750)
Balances - beginning of year	33,426,687	11,587,641	559	45,014,887
Balances - end of year	\$ 24,756,806	\$ 12,163,772	\$ 559	\$ 36,921,137
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 14,884,959	\$ 3,417,085	\$ 559	\$ 18,302,603
Restricted cash and cash equivalents - current	9,223,838	8,442,147	-	17,665,985
Restricted cash and cash equivalents - noncurrent	648,009	304,540	-	952,549
Total cash and cash equivalents, end of year	\$ 24,756,806	\$ 12,163,772	\$ 559	\$ 36,921,137

City of Jenks
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds			
	Public Works Authority (Major)	Aquarium Authority (Major)	Industrial Authority (Nonmajor)	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 1,046,231	\$ 1,671,453	\$ (17,218)	\$ 2,700,466
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,075,820	955,723	17,218	2,048,761
Grants and contributions	-	183,056	-	183,056
Miscellaneous income	36,154	4,636	-	40,790
Change in assets, liabilities, and deferrals:				
Due from other funds	(64,050)	(380,237)	-	(444,287)
Due from other governments	-	(188,606)	-	(188,606)
Accounts receivable	(322,779)	(13,031)	-	(335,810)
Total OPEB liability	(23,062)	9,724	-	(13,338)
OPEB deferred inflows	23,783	35,393	-	59,176
OPEB deferred outflows	1,874	(38,299)	-	(36,425)
Accounts payable	1,083,889	126,525	-	1,210,414
Accrued payroll payable	(4,570)	14,492	-	9,922
Change in asset retirement obligation and related deferral	119,000	-	-	119,000
Due to other funds	143,165	301,122	-	444,287
Unearned revenue	-	41,081	-	41,081
Deposits subject to refund	78,365	-	-	78,365
Accrued compensated absences	42,629	26,899	-	69,528
Net cash provided by operating activities	\$ 3,236,449	\$ 2,749,931	\$ -	\$ 5,986,380
Noncash activities:				
Contributed capital assets	\$ 2,234,415	\$ 142,093	\$ -	\$ 2,376,508
Capital assets transferred to governmental activities	(1,387,340)	(12,502)	-	\$ (1,399,842)

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Jenks, Oklahoma (the "City") complies with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Jenks
Component Units:	Jenks Public Works Authority
	Jenks Aquarium Authority
	Jenks Industrial Authority

In determining the financial reporting entity, the City complies with the provisions of GASB No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and includes all component units of which the City is fiscally accountable.

The component units listed above are Public Trusts established pursuant to Title 60 of Oklahoma State law. A Public Trust (Authority) has 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 of 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.

Blended Component Units/Trusts:

The Jenks Public Works Authority (JPWA) was created pursuant to a Trust Indenture, for the benefit of the City of Jenks, Oklahoma. JPWA was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water and sanitary sewer facilities for the City of Jenks. The water, sanitary sewer and solid waste disposal systems owned by the City have been leased to JPWA until such date that all indebtedness of the Authority is retired or provided for. JPWA is a public trust and an agency of the State of Oklahoma under Title 60, Oklahoma Statutes 1991, Section 176, et seq., and is governed by a board consisting of seven trustees identical with the City Council. JPWA is exempt from State and Federal Income taxes. Any issuances of debt by the JPWA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JPWA is reported as an enterprise fund.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Jenks Aquarium Authority (JAA) is a public trust created under and pursuant to the provisions of Title 60, Oklahoma Statutes 1991, Section 176, et seq., for the use and benefit of the City of Jenks, Oklahoma. The JAA was created to finance, develop and operate the Oklahoma Aquarium. Four City Council members and three members of the Oklahoma Aquarium Foundation serve as the governing body (Trustees). JAA is exempt from State and Federal Income taxes. Any issuances of debt by the JAA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JAA is reported as an enterprise fund.

The Jenks Industrial Authority (JIA) is a public trust created under and pursuant to the provisions of Title 60, Oklahoma Statutes 1991, Section 176, et seq., for the use and benefit of the City of Jenks, Oklahoma. JIA was created to promote the development of industry and to provide additional employment in the Jenks, Oklahoma area. JIA is governed by a board consisting of seven trustees identical with the City Council. JIA is exempt from State and Federal Income taxes. Any issuances of debt by the JIA requires a 2/3rd approval of the City Council. The management of the City and the Trust is the same. JIA is reported as an enterprise fund.

B. 1. Basis of Presentation

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred inflows of resources, liabilities, deferred outflows of resources, or fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 1. Basis of Presentation (Continued)

b. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

c. A fund that does not meet the criteria of (a) and (b), but for which management has determined is of such significance to be reported as a major fund.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

The following are the City's major governmental funds:

General Fund – is the general operating fund of the City. It accounts and reports for all financial resources not required to be reported in another fund. It also includes the following accounts that do not meet the qualifications to be reported as another governmental fund type:

Riverwalk Improvement District – remaining balance represents leftover funds from the Riverwalk Improvement District project whereby expenses were paid from another fund and reimbursements were received from the Muscogee (Creek) Nation Riverwalk for development expenses and related debt service payments and administration fees. This fund was closed out this fiscal year by transferring remaining funds to newly create Capital Reserve fund.

Economic Development – accounts for a \$3 million court-assessed judgment with Green Country for a lease permit fee and yearly transfers assigned to economic development expenses.

City Risk Management – accounts for insurance reimbursements and transfers assigned for risk management expenses.

Municipal Court – accounts for fines, bonds, and other assets held for distribution to the General Fund and others.

Sinking Fund – a debt service fund that accounts for and reports ad valorem taxes levied by the City for use in retiring court-assessed judgments and general obligation bonds and their related interest expense.

2020 GO Bond Issue – accounts for the proceeds of the 2020 Bond Issue for the construction, reconstruction, improvement and repair of streets within the City.

Other governmental funds of the City that are considered non-major funds include:

Special Revenue Funds – account for specific revenue sources that are restricted or committed to expenditures for specific purposes. The following are the City's Special Revenue Funds:

Street and Alley – Accounts for revenues received from gasoline excise tax, motor vehicle tax and expenditures made for street maintenance and operations.

Police Seizure - Accounts for revenues received from drug seizures. All monies and property received must be used for law enforcement purposes only.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 1. Basis of Presentation (Continued)

Park Recreation Funds – Accounts for fees on new residents to be used for parks and recreation expenses in accordance with enabling legislation in Article 4, Section 15-4-1 of the City Code.

Senior Citizens – Accounts for donations and fund raising revenues to be used for the benefit of senior citizens.

Home Rebate – Accounts for \$200 of residential development recreation fee and \$300 of plant development fee revenue to be used to provide \$500 home rebates to qualifying first resident home-buyers. This program ceased in 1994. Any remaining funds should be paid to the Parks Recreation Fund (40%) and the JPWA Wastewater Treatment Plant Fund (60%). This fund was closed during the fiscal year and the remaining balance was transferred accordingly.

Skyline Improvement – Accounts for revenues received from development fees assessed to property owners to be used to reimburse the city for its costs to connect utilities for those property owners. This fund was closed out this fiscal year.

Economic Development Accommodation – Accounts for 87.5% of accommodation tax to be used for economic development.

Vision Sales Tax – Accounts for a .55 cents sales taxes approved by the voters as outlined in Ordinance No. 1392, in effect for 15 years from January 1, 2017. The funds are to be used for specific capital projects to include Jenks/Tulsa Arkansas River Low Water Dam Project, constructing roads and road maintenance, park improvements and construction, sidewalks and trails, upgrades to stormwater and sewer infrastructure.

TIF District #3 – Accounts for tax increment revenues to be used for TIF projects within District #3

TIF District #4 – Accounts for tax increment revenues to be used for TIF projects within District #4

E-911 - Accounts for revenues received from tariff rates on base line telephone charges and expenditures for operations and maintenance of the E-911 system.

TIF District #1 – Accounts for tax increment revenues to be used for TIF projects within District #1

Police General Receipts – Accounts for donations and juvenile fine revenue to be used for juveniles expenses in accordance with an agreement with Oklahoma District Court in Tulsa County,

TIF District #2 – Accounts for tax increment revenues to be used for TIF projects within District #2.

Jenks Economic Development Authority – Accounts to support and promote economic development and commerce to foster economic growth and stability within the City.

City Stabilization Reserve- Accounts for receiving, holding and accounting for amounts designated as stabilization reserves. The minimum amount to be contained in this fund is 30% of budgeted annual non-capital operating expenses for each of the Funds contributing stabilization reserves.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 1. Basis of Presentation (Continued)

Capital Projects Funds – which accounts for and reports resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities, other than those activities financed by proprietary activities or held in trust for individuals, private organizations or other governments. Capital Project Funds of the City include:

1978 Sanitary Sewer, 2002 GO Bond, 1991 GO Bond, 1998 Roadway Improvement, 2014 GO Bond, Fire Suppression Fund, CDBG Fund, 2010 GO Bond, Radio Communications, 2006 GO Bond, Uniformed Patrol Vehicles and City Capital Reserve.

PROPRIETARY FUNDS

Proprietary funds include enterprise funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds:

Jenks Public Works Authority (major fund) – accounts for the operations of providing public works (water, sewer and sanitation) to the City.

Jenks Aquarium Authority (major fund) – accounts for the operations of the Oklahoma Aquarium.

Jenks Industrial Authority (non-major fund) – accounts for promotion of the development of industry and provides additional employment in the Jenks, Oklahoma area.

B. 2. Measurement Focus and Basis of Accounting

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

Measurement Focus

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and the Statement of Activities, and the proprietary fund statements, the “*economic resources*” measurement focus is applied. 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 of resources, liabilities, and deferred inflows of resources (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Fund equity is classified as net position.

Governmental Fund Financial Statements

In the governmental fund financial statements, a “*current financial resources*” measurement focus is applied. Under this focus, only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. 2. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

Government-wide and Proprietary Fund Financial Statements

In the government-wide Statement of Net Position and Statement of Activities, and the proprietary fund financial statements, the accrual basis of accounting is applied. 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 of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. 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 to pay current liabilities. The City has defined “available” as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt, bond premiums, and capital leases are reported as other financial sources.

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

1. Deposits and Investments

Oklahoma Statutes authorize the City to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the City can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit with original maturity date of three months or less. Debt instruments with a maturity date of more than three months from date of purchase are considered to be investments. Investments are stated at fair value.

2. Restricted Cash and Investments

The restricted bond fund cash and investments are the result of financial requirements of bond issues and consist of funds held in Bond Fund Reserve Accounts, Bond Fund Principal Accounts, Bond Fund Interest Accounts, Construction Accounts, and Sales Tax Revenue Accounts. Under the terms and provisions of the Bond Indenture, these special accounts and reserve funds are maintained with the Trustee bank for the benefit of the holders of the bonds and are not subject to lien or attachment by any other creditors. These accounts and reserve funds are to be maintained so long as any bonds are outstanding. Monies contained in the accounts and reserve funds held by the Trustee are required to be continuously invested in authorized securities that mature not later than the respective dates when the funds shall be required for the purpose intended by the trust indenture.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

3. Estimates

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

4. Internal and Interfund Balances and Activities

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

Government-Wide Financial Statements:

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

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.

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 are not eliminated in the statement of activities.

Fund Financial Statements:

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

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

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

5. Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax, grants, property tax, and police fines since they are usually both measurable and available. Property tax and police fines are reported net of allowances for uncollectible accounts. Revenue from non-exchange transactions collectible but not available are deferred in accordance with GASB Statement 33 at the fund level.

Proprietary funds and business-type activities material receivables consist of all revenues earned at year-end and not yet received. Billed and unbilled utility accounts receivable comprise the majority of these receivables. They are reported net of allowances for uncollectible accounts.

6. Inventories

Inventories in both governmental funds and proprietary funds normally consist of minimal amounts of expendable supplies held for consumption. The costs of such inventories are recorded as expenditures when purchased rather than when consumed.

7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide statement of net position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value as of the date received. The City maintains a capitalization threshold of \$5,000 for the governmental and proprietary funds.

The City's infrastructure consists of roads, bridges, culverts, curbs and gutter, streets and sidewalks, drainage system, lighting systems and similar assets that are immovable and of value only to the City. Such infrastructure assets acquired are capitalized in accordance with the requirements of GASB 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add value to the asset or materially extend an asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	10 - 40 years	10 - 40 years
Other improvements	5 - 40 years	5 - 40 years
Equipment and vehicles	3 - 30 years	3 - 30 years
Infrastructure	5 - 50 years	5 - 50 years

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

8. Compensated Absences

Employees are granted vacation and sick leave based upon length of employment. For vacation leave, time is accrued each pay period by years of employment. The accrual of vacation leave may not exceed 2 times the number of hours an employee would accrue in 1 year. In the event of separation, the employee is paid for accumulated vacation leave, provided the employee has completed 12 months of employment. For sick leave, time is accrued in the amount of 3.69 hours per pay period. Sick leave may be accumulated to a maximum of 60 days. Upon separation, the employee will not be compensated for unused sick leave, except if an employee has accumulated 20 days of sick leave days (or 160 hours) at the time of separation, then the employee will be compensated for one-fourth (1/4) of those unused sick leave hours at the final hourly rate of pay. The expense and related liability for vacation benefits and sick leave is recorded in the respective funds of the City or component unit. The liability is computed based on pay rates in effect as of June 30, 2022.

9. Deferred Outflow/Inflow of Resources

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

10. Long-Term Debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities and proprietary funds are reported as liabilities as incurred. The long-term debt presently is primarily comprised of general obligation bonds, capital lease obligations payable, revenue bonds payable, net pension liability, total OPEB liability, and accrued compensated absences. This long-term debt is reported net of unamortized discounts and premiums.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

11. Pensions

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

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

12. Net Position/Fund Balance

In the government-wide financial statement and proprietary fund financial statements, net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on its use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The City Ordinance is the highest level of decision-making authority of the City.

Assigned fund balance represents amounts that are *intended* to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

13. Stabilization Reserve Fund

On June 7, 2022 the City Council adopted an ordinance which established requirements for a stabilization reserve. This fund is created for the purpose of receiving, holding, and accounting for amounts designated as stabilization reserves. Funds are to be contributed by the General Fund and other funds as deemed appropriate by Resolution of the City Council.

The ordinance also established a minimum amount that must be set aside for this purpose. The amount committed for stabilization should be 30% of budgeted annual non-capital operating expenses for each of the funds contributing stabilization reserves into the stabilization reserve fund.

Amounts held in the stabilization reserve fund in excess of the minimum amount may be used only in certain limited and unusual circumstances that must be declared to exist by a 4/5th's majority vote of all of the members of the governing body establishing that one or more of the following criteria exists:

- a. Situations where a significant revenue decline arises that could not have reasonably been foreseen, and for which new revenue is not available and transfers of existing appropriation are not considered feasible or appropriate in maintaining existing service levels;
- b. Correcting the results of an inaccurate estimate, accounting error, or budgeting error;
- c. Expenditures where the proposed use is of a nonoperational nature involving capital or technical purchases having a useful life of greater than five years that will improve the efficiency of the city government. These efficiency improvements should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for city employees;
- d. Expenditures where the proposed use is of a nonrecurring nature, such as a study, start-up costs of a program whose ongoing costs are otherwise funded, or matching funds for a grant. These expenditures should result in tangible benefits that can be measured financially, through better service to the citizens, or in increased productivity for city employees.

Amounts held in the stabilization reserve fund that are below the minimum threshold may be expended only under specific limited circumstances. The existence of this circumstance must be declared by a 4/5th's majority vote of all the members of the governing body establishing that one or more of the criteria listed below exists:

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

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

	<u>Amount Committed for Stabilization</u>	<u>Original Budgeted Operating Expenses</u>	<u>Stabilization as % of Budgeted Expenses</u>
General	\$ 4,962,801	\$ 9,599,900	51.7%
	<u>\$ 4,962,801</u>	<u>\$ 9,599,900</u>	51.7%

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity (Continued)

14. Resource Use Policy

It is in the City's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the City considers restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the City's policy that when an expenditure/expense is incurred for purposes for which committed, assigned, or unassigned resources, including fund balances, are available, the City considers committed amounts to be spent first, followed by assigned amounts and lastly unassigned amounts.

15. Revenues, Expenditures, and Expenses

Sales and Use Tax – The City presently levies 3.55 cent sales and use tax on taxable sales within the City. All sales and use tax are initially deposited into the General Fund. Then .55 cents is transferred to the Vision Sales Tax Fund to be used for specific purposes in accordance with Ordinance 1392, effective for 15 years from January 1, 2017. Additionally, a pledge of sales and use tax revenue for JPWA bonds requires all 3 cents initially deposited into the General Fund be transferred to the JPWA for debt service and then 2 cents is transferred back to the General Fund and the remaining one cent transferred to the JPWA One Cent Capital Fund to be used for capital and related debt service.

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 the following general obligation bonds:

2002 General Obligation Bonds
2006 General Obligation Bonds
2010 General Obligation Bonds
2014 General Obligation Bonds
2020 General Obligation Bonds

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors, elected officials, determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11 percent or more than 13 ½ 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.

For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$331,445,028. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2022 was \$11.47.

Expenditures/Expenses – In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In proprietary fund financial statements, expenses are reported by activity.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

2. DETAILED NOTES –TRANSACTION CLASSES/ACCOUNTS

A. Deposits and Investments

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government deposits may not be returned to it. The City is governed by the State Public Deposits Act which requires that the City obtain and hold collateral whose fair value exceeds the amount of uninsured deposits. Investment securities are exposed to custody credit risk if the securities are uninsured, are not registered in the name of the government, and if held by a counterparty's trust department or agent, but not in the government's name. As of June 30, 2022, the City, as a whole, was not exposed to custodial credit risk as defined above.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investment. The City does not have a formal investment risk policy. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Investment Credit Risk

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations-rating agencies-as of year-end. Investments of the City (excluding Public Trusts) are limited by state law to the following:

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

Public trusts created under O.S. Title 60, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indentures. The City complied, in all material respects, with the above noted investment restrictions.

Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES –TRANSACTION CLASSES/ACCOUNTS (Continued)

A. Deposits and Investments (Continued)

Concentration of Investment Credit Risk

Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this consideration. The City was not exposed to this risk as defined above.

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 are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City did not hold investments that were measured at fair value as of June 30, 2022.

The City held the following deposits and investments at June 30, 2022:

Type	Maturities	Credit Rating	Carrying Value
Deposits:			
Demand deposits and cash on hand	n/a		\$ 48,195,062
Time deposits	Due within one year		21,620,202
Time deposits	Due in 1 - 5 years		24,367,921
			<u>\$ 94,183,184</u>
Investments:			
Money market funds	n/a	AAA	<u>\$ 17,657,333</u>
Total deposits and investments			<u><u>\$ 111,840,517</u></u>
Reconciliation to Statement of Net Position:			
Cash and cash equivalents			\$ 65,852,395
Investments			<u>45,988,122</u>
			<u><u>\$ 111,840,517</u></u>

B. Restricted Assets

The amounts reported as restricted assets on the Proprietary Funds Statement of Net Position are comprised of cash and investments held by the trustee bank on behalf of the public trusts related to its required revenue bond accounts and amounts due to depositors related to utility deposits.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES –TRANSACTION CLASSES/ACCOUNTS (Continued)

B. Restricted Assets (Continued)

	Current Cash and cash Equivalents	Noncurrent Cash and cash Equivalents
Utility Deposits	\$ 72,001	\$ 648,009
Trustee Accounts:		
JAA 2021 Bond Fund	407	-
JAA 2021 Bond Reserver Fund	-	304,540
JAA 2021A Bond Fund	669	-
JAA 2021A Constuction Fund	7,481,873	-
JAA 2021A & 2021B Sinking Fund	959,198	-
JPWA 2019 Bond Fund	206,409	-
JPWA 2019 Bond Project Fund	8,108,100	-
JPWA 2020 Bond Fund	276,726	-
JPWA 2020 Bond Project	560,602	-
Total	<u>\$ 17,665,985</u>	<u>\$ 952,549</u>

C. Accounts Receivable, Court Fines Receivable, and Due from Other Governments

The City's estimate of uncollectible accounts receivable by fund and activity is as follows:

	Utilities Receivable	Aquarium Receivables	Total Enterprise Fund Accounts Receivable
		Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
Utilities	2,681,731	\$ (499,833)	\$ 2,181,898
Aquarium	<u>\$ 86,494</u>	<u>-</u>	<u>86,494</u>
Total Enterprise Fund Accounts Receivable	<u>\$ 2,768,225</u>	<u>\$ (499,833)</u>	<u>\$ 2,268,392</u>
Property Tax	\$ 292,316	\$ (38,009)	\$ 254,307
Sales and Use Tax	1,718,584	-	1,718,584
Other amounts Due from Other Governments	326,330	-	326,330
Total Due from Other Governments	<u>\$ 2,337,230</u>	<u>\$ (38,009)</u>	<u>\$ 2,299,221</u>
Court Fines Receivable	<u>\$ 1,164,170</u>	<u>\$ (979,363)</u>	<u>\$ 184,807</u>

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

D. Capital Assets

Primary Government capital asset activity for the year ended is as follows:

	Balance at June 30, 2021	Additions	Transfers	Disposals	Balance at June 30, 2022
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 3,284,692	\$ 140,697	\$ 2,681,921	\$ (2,090)	\$ 6,105,220
Construction in progress	12,348,354	5,501,785	(3,518,470)	-	14,331,669
Total capital assets not being depreciated	15,633,046	5,642,482	(836,549)	(2,090)	20,436,889
Other capital assets:					
Buildings	7,963,862	89,122	-	-	8,052,984
Roads and Bridges	2,226,509	786,600	140,806	-	3,153,915
Other improvements	731,006	70,895	554,187	-	1,356,088
Furniture & equipment	2,420,806	122,681	-	-	2,543,487
Machinery and equipment	234,672	-	-	-	234,672
Other equipment	971,715	141,778	19,324	-	1,132,817
Vehicles	4,151,226	78,403	-	(97,177)	4,132,452
Infrastructure	66,297,051	927,236	397,203	-	67,621,490
Total other capital assets at historical cost	84,996,847	2,216,715	1,111,520	(97,177)	88,227,905
Less accumulated depreciation for:					
Buildings	(4,776,429)	(309,880)	-	-	(5,086,309)
Roads and Bridges	(183,232)	(201,093)	-	-	(384,325)
Machinery & heavy equipment	(104,870)	(46,935)	-	-	(151,805)
Other improvements	(72,792)	(59,432)	-	-	(132,224)
Furniture & equipment	(1,389,451)	(139,932)	-	-	(1,529,383)
Vehicles	(2,151,776)	(379,987)	-	42,290	(2,489,473)
Other equipment	(282,156)	(151,240)	-	-	(433,396)
Infrastructure	(19,103,373)	(3,088,588)	-	-	(22,191,961)
Total accumulated depreciation	(28,064,079)	(4,377,087)	-	42,290	(32,398,876)
Other capital assets, net	56,932,768	(2,160,372)	1,111,520	(54,887)	55,829,029
Governmental activities capital assets, net	\$ 72,565,814	\$ 3,482,110	\$ 274,971	\$ (56,977)	\$ 76,265,918

	Balance at June 30, 2021	Additions	Transfers	Disposals	Balance at June 30, 2022
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 3,388,373	\$ 212,700	\$ -	\$ -	\$ 3,601,073
Construction in progress	1,976,055	8,458,176	(1,028,909)	-	9,405,322
Total capital assets not being depreciated	5,364,428	8,670,876	(1,028,909)	-	13,006,395
Other capital assets:					
Buildings	21,297,283	109,278	-	-	21,406,561
Other improvements	116,476	-	-	-	116,476
Furniture & equipment	1,458,667	23,924	12,000	-	1,494,591
Vehicles	1,310,632	280,658	-	(16,642)	1,574,648
Exhibits	9,116,576	24,163	473,069	-	9,613,808
Machinery and equipment	3,574,107	382,301	94,141	-	4,050,549
Infrastructure	15,076,880	1,943,307	174,728	-	17,194,915
Total other capital assets at historical cost	51,950,621	2,763,631	753,938	(16,642)	55,451,548
Less accumulated depreciation for:					
Buildings	(11,253,199)	(584,156)	-	-	(11,837,355)
Furniture & equipment	(1,215,771)	(71,131)	-	-	(1,286,902)
Other improvements	(43,684)	(11,648)	-	-	(55,332)
Vehicles	(999,754)	(114,480)	-	10,898	(1,103,336)
Exhibits	(3,970,121)	(517,156)	-	-	(4,487,277)
Other equipment	(112,674)	(245,120)	-	-	(357,794)
Infrastructure	(6,786,243)	(505,071)	-	-	(7,291,314)
Total accumulated depreciation	(24,381,446)	(2,048,762)	-	10,898	(26,419,310)
Other capital assets, net	27,569,175	714,869	753,938	(5,744)	29,032,238
Business-type activities capital assets, net	\$ 32,933,603	\$ 9,385,745	\$ (274,971)	\$ (5,744)	\$ 42,038,633

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to the following activities:

Governmental Activities:		Business-type Activities:	
General government	\$ 220,317	Water	\$ 319,521
Public safety	668,258	Wastewater	577,265
Economic development	160,008	Industrial authority	17,219
Streets	3,119,822	Aquarium	955,723
Culture and recreation	208,682	Drainage	88,041
Total governmental activities depreciation expense	<u>\$ 4,377,087</u>	General operations	90,993
		Total business-type activities depreciation expense	<u>\$ 2,048,762</u>

E. Interfund balances and activities

Interfund receivables and payables at June 30, 2022, were as follows:

Payable To	Receivable From	Amount	Nature of Interfund Balance
Economic Development Accomodation Fund	JPWA Fund	341,842	For Small Animal Wet Lab
JPWA Fund	JAA Fund	341,842	For Small Animal Wet Lab
JPWA Fund	JAA Fund	301,122	Pledged Loan
Park Recreation	General Fund	180	Cash
JPWA Risk Management	JPWA Fund	143,165	JPWA Dump Truck Payment
		<u>\$ 1,128,151</u>	

Reconciliation to Fund Financial Statements:

	Due From	Due to	Net Interfund Balances
Governmental Funds	\$ 342,022	\$ (180)	\$ 341,842
Proprietary Funds	786,129	(1,127,971)	(341,842)
	<u>\$ 1,128,151</u>	<u>\$ (1,128,151)</u>	<u>\$ -</u>

Interfund transfers for the year ended June 30, 2022, were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	JPWA	\$ 8,407,706	Pledged sales tax, 3 cents - bond indenture
General Fund	JPWA	2,157,070	Use tax 3 cents
General Fund	Vision Tax Fund	1,936,876	Sales tax .55 cents per ordinance
General Fund	TIF #4	12,339	Half Cent sales tax revenue - TIF #4
General Fund	Economic Development	4,241,867	To establish Jenks Economic Development Authority
General Fund	TIF District #3	12,482	Half Cent sales tax revenue - TIF #3
General Fund	City Stabilization Fund	5,000,388	To create the City Stabilization Fund
General Fund	City Capital Reserve Fund	3,020,096	To create the City Capital Fund
General Fund	TIF #1	9,079	Half Cent sales tax revenue - TIF #1
1998 Roadway Improvement Fund	City	150,580	To close 1998 Roadway Improvement Fund
1991 GO Bond Fund	General Fund	73,055	To close 1991 GO Bond Fund
Police Seizure	General Fund	38	To close Police Seizure Fund
Police General Receipts	General Fund	640	To close Police General Receipts Fund
E-911	General Fund	150,000	Central Dispatch E-911
JPWA	Radio Communication Fund	95,000	Debt payments for radio communications equipment
JPWA	General Fund	420,431	EMSA fees collected by JPWA
JPWA	General Fund	7,043,184	Return of 2 cents sales tax
JPWA	Fire Suppression Capital	350,000	Fire Department Capital
JPWA Risk Management	Economic Development	1,095,000	AQ Parking Lot Expansion
Home Rebate	JPWA	117,648	To close out Home Rebate Fund
Home Rebate	Park and Recreation	78,432	To close out Home Rebate Fund
Total		<u>\$ 34,371,911</u>	

	Transfers In	Transfers Out	Capital Asset Activity	Net Transfers/ Internal Activity
Reconciliation to Fund Financial Statements:				
Governmental Funds	\$ 23,689,487	\$ (25,368,296)	\$ 1,191,792	\$ (487,017)
Proprietary Funds	10,682,424	(9,003,615)	(1,191,792)	487,017
Total Transfers	<u>\$ 34,371,911</u>	<u>\$ (34,371,911)</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

F. Allocation of Indirect Expenses

Certain indirect expenses (expenses benefiting more than one function) have been allocated to specific functions in the Statement of Activities, while other indirect expenses have not been allocated.

Indirect expenses reported in the Statement of Activities under the function of General Government have not been allocated for governmental purposes.

Indirect expenses of the proprietary funds, classified in the proprietary funds' statement of revenues, expenses and changes in net position as General and Administrative have been allocated to the utility functions on a percentage of total utility revenues in the Statement of Activities.

G. Long-term Debt

The City's long-term debt is described below, segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The governmental long-term debt of the financial reporting entity consisted of the following:

Governmental Activities Long-Term Debt:

General Obligation Bonds:

\$16,090,000 General Obligation Bonds of 2006, due in annual installments of \$850,000 plus semi-annual interest payments; final installment of \$850,000 plus interest due January 1, 2026; with interest rates at 4.00% to 5.00%	3,400,000
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\$5,200,000 General Obligation Bonds of 2010, due in annual installments of \$275,000 plus semi-annual interest payments; final installment of \$275,000 plus interest due June 1, 2030; with interest rates at 2.25% - 5.25%	2,200,000
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\$13,760,000 General Obligation Bonds of 2014, due in annual installments of \$725,000 plus semi-annual interest payments; final installment of \$725,000 plus interest due February 1, 2034; with interest rates at 1.00% - 4.00%	8,700,000
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\$20,500,000 General Obligation Bonds of 2020, due in annual installments of \$1,075,000 plus semi-annual interest payments; final installment of \$1,150,000 plus interest due November 1, 2040; with interest rates at 2.00% -2.50%	
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	20,500,000
Total General Obligation Bonds	<u>\$ 34,800,000</u>

Current portion	\$ 1,850,000
Non-current portion	32,950,000
	<u>\$ 34,800,000</u>

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

G. Long-term Debt (Continued)

Notes Payable - Direct Borrowings:

\$1,494,776 note payable with BancFirst, dated September 14, 2018, payable in monthly installments of \$27,226 with a maturity date of September 14, 2023, with interest at 3.50%, used to purchase two fire trucks. In the event of default, the lender may: 1) accelerate the payment of principal and interest accrued on the note, 2) require the borrower to assemble the collateral and deliver it to the lender, or 3) sell, lease, transfer, or otherwise dispose of the collateral.

Total Notes Payable	399,279
	<u>\$ 399,279</u>
Current portion	\$ 317,679
Non-current portion	81,600
	<u>\$ 399,279</u>

Business-Type Activities Long-Term Debt:

Revenue Bonds:

\$14,660,000 JPWA Refunding Revenue Bonds, Series 2019, issued date December 1, 2019 with a maturity date of December 1, 2049; annual payments approximately \$280,000 to \$695,000 and interest rates from 2.00% - 3.00%; purpose is to aide in enlarging, extending and improving the Authority's sanitary sewer system. Funds were used to refund the Authority's Series 2012 Bonds.

\$ 14,090,000

\$2,920,000 JPWA Refunding Revenue Bonds, Series 2020, issued date August 12, 2020 with a maturity date of August 1, 2030; annual payments approximately \$230,000 to \$335,000 and interest rates of 3.00%; purposes in providing (i) an automated meter reading system for the Authority's water system and (ii) payment for all costs of issuance on the Series 2020 Bonds.

2,690,000

\$20,800,000 JAA Revenue Bonds, consisting of \$7,275,000 Capital Improvement Revenue Bonds Series 2021A and \$13,525,000 Revenue Refunding Bonds Series 2021B, issued on April 1, 2021:

\$7,275,000 Capital Improvement Revenue Bonds, Series 2021A with annual payments of approximately \$460,000 to \$1,065,000 and interest rates of 3.00% with a maturity date of July 1, 2045; purpose is to provide certain capital improvement projects to the aquarium facility including a new shark quarantine building, improving the facility's roof and emergency back-up generator system and providing for miniature golf course and carousel and paying all costs of their issuance.

7,275,000

\$13,525,000 Revenue Refunding Bonds, Series 2021B with annual payemnts of approximately \$225,000 to \$515,000 and interest rates of 0.30% to 2.16% with a maturity date of July 1, 2038; purpose of the taxable advance refunding of the JAA Revenue Refunding Bonds, Series 2014 periously issued for the purpose of providing capital improvements to the Facilities, it will fund a debt service reserve fund, and will pay all costs of their issuance.

Total Revenue Bonds	13,300,000
	<u>\$ 37,355,000</u>
Current portion	\$ 1,275,000
Non-current portion	36,080,000
	<u>\$ 37,355,000</u>

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

G. Long-term Debt (Continued)

The following is a summary of long-term debt transactions of the City:

<u>Type of Debt</u>	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 36,965,000	\$ -	\$ 2,165,000	\$ 34,800,000	\$ 1,850,000
Notes payable - direct borrowings	705,857	-	306,577	399,280	317,679
Accrued compensated absences	329,378	106,312	99,706	335,984	67,197
Total Governmental Activities	<u>\$ 38,000,235</u>	<u>\$ 106,312</u>	<u>\$ 2,571,283</u>	<u>\$ 35,535,264</u>	<u>\$ 2,234,876</u>
Add: Unamortized bond premium				407,725	
				<u>\$ 35,942,989</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 2,234,876	
Due in More than One Year				33,708,113	
				<u>\$ 35,942,989</u>	
Business-Type Activities:					
Revenue bonds payable	\$ 38,100,000	\$ -	\$ 745,000	37,355,000	\$ 1,275,000
Accrued compensated absences	142,162	66,983	(2,545)	211,690	42,338
Total Business-Type Activities	<u>\$ 38,242,162</u>	<u>\$ 66,983</u>	<u>\$ 742,455</u>	<u>\$ 37,566,690</u>	<u>\$ 1,317,338</u>
Add: Unamortized bond premium				735,485	
				<u>\$ 38,302,175</u>	
Reconciliation to Government-Wide Statement of Net Position:					
Due in One Year				\$ 1,317,338	
Due in More than One Year				36,984,837	
				<u>\$ 38,302,175</u>	

The annual debt service requirements to maturity, including principal, interest and administrative fees, for long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>GOVERNMENTAL ACTIVITY DEBT</u>			
	<u>General Obligation Bonds</u>		<u>Notes Payable - Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,850,000	\$ 1,422,338	\$ 317,679	\$ 9,030
2024	2,925,000	900,613	81,601	482
2025	2,925,000	803,125	-	-
2026	2,925,000	702,750	-	-
2027	2,075,000	602,375	-	-
2028-2030	6,225,000	1,460,756	-	-
2031-2035	8,275,000	1,339,406	-	-
2036-2041	7,600,000	528,032	-	-
Totals	<u>\$ 34,800,000</u>	<u>\$ 7,759,395</u>	<u>\$ 399,280</u>	<u>\$ 9,512</u>

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

2. DETAILED NOTES - TRANSACTION CLASSES/ACCOUNTS (Continued)

G. Long-term Debt (Continued)

<u>Year Ending June 30,</u>	<u>BUSINESS-TYPE ACTIVITY DEBT</u>	
	<u>Revenue Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 1,275,000	\$ 891,512
2024	1,295,000	882,274
2025	1,330,000	871,622
2026	1,345,000	858,919
2027	1,370,000	844,094
2028-2030	4,300,000	2,414,126
2031-2035	6,645,000	3,424,213
2036-2040	7,240,000	2,426,696
2041-2045	7,905,000	1,304,625
2046-2050	4,650,000	291,300
Totals	<u>\$ 37,355,000</u>	<u>\$ 14,209,381</u>

Defeased Bonds Outstanding – The Refunding Revenue Bonds of 2021B resulted in the defeasance of the Revenue Bonds of 2014 by placing deposits in an escrow account where the city will make principal and interest payments on the defeased note until the note is paid off in July of 2022. As a result, at fiscal year-end the remaining outstanding balance of these defeased bonds totaled \$12,295,000. The refunding resulted in a net present value savings of \$12,512,526.

H. Pledge of Future Revenues

The Jenks Aquarium Authority (JAA) has pledged revenues to repay the Series 2021A \$7,275,000 Capital Improvement Revenue Bonds and 2021B \$13,525,000 Refunding Revenue Bonds payable. The total principal and interest payable for the remainder of the life of the note, as of June 30, 2022 is \$27,928,831. Debt service payments will begin in fiscal year 2023. The bonds are secured by a first mortgage on the aquarium facilities and a first lien on the gross revenues derived from the operation of the aquarium which as of June 30, 2022 were \$7,357,571. Additionally, the Jenks Public Works Authority (JPWA) has entered into a replenishment agreement whereby JPWA has agreed to replenish the reserve fund in the event withdrawals are made from the reserve. The debt service payments of \$552,068 for fiscal year 2022 were 6.87% of the pledged gross revenues.

The Jenks Public Works Authority (JPWA) has pledged net revenues and three cents sales tax to repay the Series 2019, \$14,660,000 and Series 2020, \$2,920,000 Refunding Bonds payable. The total principal and interest payable for the remainder of the life of these notes as of June 30, 2022, is \$20,945,550 and \$3,068,750 respectively. Debt service payments on the note were \$1,014,550 in fiscal year 2022. The pledged net revenues and sales taxes were \$9,500,903. The debt service payments were 10.68% of the pledged net revenues and sales taxes.

I. Commitments

The City has agreed to remit 75% of its tax apportionment property tax revenues and 100% of its incremental ½ cent sales tax levied within TIF District #1 to be applied toward the debt service payments on an \$11,415,000 Tax Apportionment Note between the Tulsa County Industrial Authority and Village on Main, LLC. The City's only obligation is to remit the taxes received. If the taxes remitted are insufficient to service the debt, the City is not obligated to make up the difference. Village on Main, LLC is responsible for debt payments in excess of the tax apportionment taxes remitted by the City. The term of the note is for 15 years and matures in June 2031. As of June 30, 2022, \$7,940,000 had been drawn on the note. The proceeds of the note will be used to reimburse the City and Village on Main, LLC for the construction of public infrastructure.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

3. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The City has established a self-insurance fund to cover deductibles on claims related to destruction, theft or damage of assets. Losses related to other risks or those exceeding deductibles are covered by commercial insurance. Management believes that such coverage 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.

B. Contingent Liabilities

The City is a defendant in ongoing litigation and various legal actions arising from normal governmental activities. Although most of such actions are covered by insurance, certain actions might have some degree of exposure to the City. The outcome of these lawsuits is not presently determinable, and it is not known if the resolution of these matters will have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system is \$3.6 million as of June 30, 2022. This cost estimate is for abandoning the lagoon system, removing the dike system piping appurtenance, and residual bio solids, and the primary lift station. The average remaining life of these assets is 27 years and the associated deferred outflow of resources is being amortized over that period. There are no required funding and assurance provisions for the estimated liability and no assets are restricted for the payment of the liability.

D. Employee Retirement System and Other Benefit Plans

The City participates in three employee pension systems as follows:

Oklahoma Police Pension and Retirement Plan--Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Firefighters Pension and Retirement Plan--Cost Sharing Multiple Employer - Defined Benefit Plan

Oklahoma Municipal Retirement Fund (OKMRF) – Agent Multiple Employer - Defined Contribution Plan

A summary of all the amounts recorded in the City's financial statements for the plans is as follows:

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

	Governmental Activities
Net Pension Asset	
Police Pension System	<u>\$ 2,063,575</u>
Net Pension Liability	
Police Pension System	\$ -
Firefighter's Pension System	2,489,136
Total Net Pension Liability	<u>\$ 2,489,136</u>
Deferred Outflows of Resources	
Police Pension System	\$ 258,649
Firefighter's Pension System	1,264,549
Total Deferred Outflows of Resources	<u>\$ 1,523,198</u>
Deferred Inflows of Resources	
Police Pension System	\$ 1,620,486
Firefighter's Pension System	2,101,623
Total Deferred Inflows of Resources	<u>\$ 3,722,109</u>

Oklahoma Police Pension and Retirement Plan

Plan description – The City of Jenks, 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.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

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

Contributions – The contributions requirements of the plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$185,728. The State of Oklahoma also made on behalf contributions to OPPRS in the amount of \$158,935 during the fiscal 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 \$122,029. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Asset, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the City reported a asset of \$2,063,575 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 0.4302%.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$212,606). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,628	\$ 81,449
Changes of assumptions	31,380	-
Net difference between projected and actual earnings on pension plan investments	-	1,505,306
Changes in proportion	8,964	24,064
City contributions during measurement date	2,949	9,667
City contributions subsequent to the measurement date	185,728	-
Total	<u>\$ 258,649</u>	<u>\$ 1,620,486</u>

The \$185,728 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

Year ended June 30:

2023	\$ (350,619)
2024	(307,452)
2025	(386,071)
2026	(507,388)
2027	3,965
	<u>\$ (1,547,565)</u>

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

Inflation:	3.0%
Salary increases:	4.0% to 12 % average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary.
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): RP-2000 Blue Collar Healthy Combined table with fully generational Improvement using scale AA.</p> <p>Disabled pensioners: Blue Collar Healthy Combined table with age set forward 4 years.</p>

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private Equity	9.36%
Commodities	0.00%

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

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

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ (773,903)	\$ (2,063,575)	\$ (3,154,088)

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.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

Oklahoma Firefighters Pension & Retirement Plan

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

Benefits provided – FPRS provides retirement benefits to members of the plan. Benefits for members hired prior to November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 20 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month. Benefits vest with 10 years or more service.

Benefits for members hired after November 1, 2013 are determined as 2.5 percent of the employee's final average compensation times the employee's years of service and have reached the age of 50 or have completed 22 years of service, whichever is later. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month. Benefits vest with 11 years or more service.

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% 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 \$176,773 (fiscal year contributions). The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$373,618 during the fiscal 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 \$275,625. These on-behalf payments did not meet the criteria of a special funding situation.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the City reported a liability of \$2,489,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information the City's proportion was 0.3779627%.

For the year ended June 30, 2022, the City recognized pension expense of \$18,761. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 902,753	\$ 43,713
Changes of assumptions	-	55,209
Net difference between projected and actual earnings on pension plan investments	-	1,978,756
Changes in proportion and differences between City contributions and proportionate share of contributions	174,920	18,388
City contributions during the measurement date	10,103	5,557
City contributions subsequent to the measurement date	176,773	-
Total	<u>\$ 1,264,549</u>	<u>\$ 2,101,623</u>

The \$176,773 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 100,971
2024	176,053
2025	270,533
2026	466,290
2027	-
Thereafter	-
Total	<u>\$ 1,013,847</u>

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

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

Inflation:	3.0%
Salary increases:	4.0% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on 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 long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%

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

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

	<u>1% Decrease -6.5%</u>	<u>Current Discount Rate -7.5%</u>	<u>1% Increase -8.5%</u>
Employers' net pension liability	\$ 3,889,790	\$ 2,489,136	\$ 1,316,502

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.

**CITY OF JENKS
Jenks, Oklahoma**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022**

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

Defined Contribution Plans

The City participates in a defined contribution plan with Oklahoma Municipal Retirement Fund (OKMRF) Plan. Plan provisions are established or amended by City Council resolution. The City and its related entities are required to contribute 6.8% of annual covered payroll. Participants may make voluntary contributions to the plan. The plan participants include all employees not participating in the police or firefighter pension plans. Participants vest after one year of service and are entitled to 100 percent of vested contributions. The plan is a variable funding option plan where the contribution may be varied from year to year by the employer.

In addition to the 6.8% contributed for all employees, the City contributes an additional percentage amount for the City Manager, Assistant City Manager, and the City Attorney based on their contractual agreements. These amounts are as follows:

	<u>Contribution Percentage</u>	<u>Total Contributed</u>
City Manager	8%	\$12,531
Asst. City Manager	3%	\$ 3,986
City Attorney	7.5%	\$10,291

For the year ended June 30, 2022, the following amounts related to the defined contribution plan:

Payroll for covered employees	\$3,134,883
Employer (City) contributions made	\$323,638

1. Plan Description - The City participates in a defined benefit plan, a single-employer defined benefit OPEB plan administered by the City of Jenks. The City Council has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.
2. Benefits Provided – The City of Jenks provides medical coverage to eligible retirees and their dependents. Employees are eligible to receive medical coverage if they have 8 or more years of service at retirement. Employees may continue coverage into retirement on the City's plan if they pay the entire premium. Dependents may also continue coverage on a pay-all basis. Coverage ceases upon the retiree reaching Medicare eligibility age. Retiree premiums are the same as active employee premiums. This results in the retirees and beneficiaries receiving an implicit rate subsidy.
3. Employees covered by benefit terms – At June 30, 2022 the following employees were covered by the benefit terms:

Active employees	122
Inactives or beneficiaries currently receiving benefit payments	<u>0</u>
Total	<u>122</u>

4. Discount Rate – A single discount rate of 4.09% was used to measure the total OPEB liability as of June 30, 2021. Since there is no dedicated trust to pay retiree healthcare benefits, the discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2022 was used.

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

3. OTHER INFORMATION (Continued)

D. Employee Retirement System and Other Benefit Plans (Continued)

5. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate – The following presents the total OPEB liability of the City calculated using the health care cost trend rates of 6.0% to 4.5%, as well as what the Plan's Total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower (5.0% to 3.5%) or 1-percentage-point higher (7.0% to 5.5%) than the current rate.

	<u>1% Decrease</u> <u>(5.0% to 3.5%)</u>	<u>Current Health</u> <u>Care Trend Rate</u> <u>(6.0% to 4.5%)</u>	<u>1% Increase</u> <u>(7.0% to 5.5%)</u>
Total OPEB Liability	\$ 156,019	\$ 177,779	\$ 203,566

6. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City calculated using the discount rate of 4.09%, as well as what the Plan's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	<u>1% Decrease</u> <u>(3.09%)</u>	<u>Current Discount</u> <u>(4.09%)</u>	<u>1% Increase</u> <u>(5.09%)</u>
Total OPEB Liability	\$ 196,078	\$ 177,779	\$ 161,391

7. Actuarial Assumptions – The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021 with roll forward procedures to June 30, 2022, using the following actuarial assumptions:

Discount Rate	4.09%
Inflation Rate	3.00%
Salary Rate Increase	4.00%
Initial Health Care Cost Trend Rate	6.5%
Ultimate Health Care Cost Trend Rate	4.5%
Fiscal Year the Ultimate Rate is Reached	Fiscal Year 2038
Retiree Contribution Trend	Same as Health Care Trend
Mortality	PubG.H-2010 Mortality Table-General
Disability Rates	None
Retirement Rates	Later of age 58 or the first age with 8 years of service
Withdrawal Rates	Table T-5 from Pension Actuary's Handbook
Election at Retirement	5% of active employees will elect medical coverage at retirement

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

D. Employee Retirement System and Other Benefit Plans (Continued)

40% of active employees electing retiree coverage are assumed to be married and to elect spousal coverage with males 3 years older than females. Actual spouse data was used for current retirees.

The following table reports the components of changes in total OPEB liability:

For the year ended June 30, 2022, the City recognized OPEB expense of \$4,953. At June 30, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

The deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF JENKS
Jenks, Oklahoma

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2022

4. FUND BALANCES AND NET POSITION

Fund Balance

The following table shows the fund balance classifications as shown on the Governmental Fund Balance Sheet:

	General Fund	G.O. Sinking Fund	2020 GO Bond Issue	Other Governmental Funds	TOTAL
Fund Balances:					
Restricted for:					
Law enforcement	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Streets	-	-	-	1,387,130	1,387,130
E911	-	-	-	906,995	906,995
Juvenile Justice programs	-	-	-	-	-
Economic Development	-	-	-	5,851,877	5,851,877
Capital Improvements	-	-	19,225,347	4,683,328	23,908,675
Grants	-	-	-	-	-
Debt Service	859,629	2,828,680	-	-	3,688,309
Vision Projects	-	-	-	6,049,875	6,049,875
TIF Projects	-	-	-	596,856	596,856
Parking Garage Maintenance	-	-	-	-	-
Wastewater Treatment	-	-	-	-	-
Park and recreation	-	-	-	536,647	536,647
Sub-total Restricted	859,629	2,828,680	19,225,347	20,022,708	42,936,364
Committed to:					
Hunting & Fishing	-	-	-	-	-
Stabilization	-	-	-	4,962,801	4,962,801
Sub-total Committed	-	-	-	4,962,801	4,962,801
Assigned to:					
Subsequent Year Budget	2,259,971	-	-	-	2,259,971
Risk management	746,118	-	-	-	746,118
Riverwalk improvements	-	-	-	-	-
Debt service	-	103,523	-	-	103,523
Streets	-	-	-	47,904	47,904
Park and recreation	-	-	-	30,057	30,057
Law enforcement	-	-	-	-	-
Wastewater treatment	-	-	-	-	-
Vision Projects	-	-	-	55,485	55,485
TIF projects	-	-	-	14,793	14,793
E911	-	-	-	66,136	66,136
Juvenile Justice programs	-	-	-	-	-
Economic Development	-	-	-	26,935	26,935
Capital Improvements	-	-	-	4,751,643	4,751,643
Sub-total Assigned	3,006,089	103,523	-	4,992,953	8,102,565
Unassigned:	1,380,745	-	-	-	1,380,745
TOTAL FUND BALANCES	\$ 5,246,463	\$ 2,932,203	\$ 19,225,347	\$ 29,978,462	\$ 57,382,475

5. SUBSEQUENT EVENT

In October of 2022, the City received the second installment of the American Rescue Plan Act funds in the amount of \$2,095,193.

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2022

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

City of Jenks
Budget and Actual (with Variances)
General Fund
For the year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts,</u> <u>Budgetary Basis</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND TRANSFERS IN				
Taxes	11,650,000	11,650,000	13,979,159	\$ 2,329,159
Intergovernmental	55,000	55,000	74,486	19,486
Charges for services	77,500	77,500	119,018	41,518
Fines and forfeitures	300,000	300,000	148,353	(151,647)
Licenses and permits	425,300	425,300	533,263	107,963
Investment income	57,350	57,350	(3,665)	(61,015)
Miscellaneous	131,400	131,400	2,274,570	2,143,170
Transfers in	6,498,900	6,498,900	7,614,293	1,115,393
Total revenues	19,195,450	19,195,450	24,739,477	5,544,027
EXPENDITURES AND TRANSFERS OUT				
City manager	225,100	225,100	224,056	1,044
City clerk	292,300	292,300	282,185	10,115
City treasury	88,800	88,800	113,265	(24,465)
City attorney	67,600	67,600	51,646	15,954
Personnel	197,100	197,100	203,359	(6,259)
Admin Support/records	78,600	78,600	77,674	926
Municipal court	91,300	91,300	83,741	7,559
General government	191,000	278,000	161,838	116,162
City planner	73,700	73,700	21,685	52,015
Community development	30,000	30,000	21,232	8,768
Uniformed patrol	3,038,800	3,038,800	2,690,129	348,671
Police reserve	251,300	251,300	227,711	23,589
Central dispatch	660,700	660,700	472,759	187,941
Fire suppression	2,632,500	2,632,500	2,591,730	40,770
Fire volunteers	70,900	70,900	40,821	30,079
Protective inspections	278,600	278,600	267,977	10,623
Street maintenance	465,200	465,200	417,921	47,279
General maintenance	28,000	28,000	27,481	519
Parks & grounds	580,800	580,800	477,128	103,672
Animal control	170,600	170,600	143,827	26,773
Transfers out	11,005,200	21,207,200	21,222,565	(15,365)
Total Expenditures	20,518,100	30,807,100	29,820,730	986,370
Excess (deficiency) of revenues over expenditures	(1,322,650)	(11,611,650)	(5,081,253)	6,530,397
Net change in fund balances	(1,322,650)	(11,611,650)	(5,081,253)	6,530,397
Fund balances - beginning	3,898,905	3,898,905	13,515,012	9,616,107
Fund balances - ending	\$ 2,576,255	\$ (7,712,745)	\$ 8,433,759	\$ 16,146,504

**CITY OF JENKS
Jenks, Oklahoma**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2022**

Footnote to Budgetary Comparison Schedules:

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

REVENUES AND TRANSFERS IN:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 24,739,477
Differences - budgetary basis to GAAP:	
State payments made on-behalf of police and fire pension not considered a budgetary resource	532,553
Change in accruals for revenue items	(1,787,772)
Total revenues and transfers in as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 23,484,258</u>
 Total Revenues - General Fund	 \$ 15,869,965
Transfers In - General Fund	7,614,293
	<u>\$ 23,484,258</u>

EXPENDITURES AND TRANSFERS OUT:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$ 29,820,730
Differences - budgetary basis to GAAP:	
Prior year encumbrances recorded as actual expenditures in current year	2,589,737
Current year outstanding encumbrances not recorded as actual expenditures in current year	(200,979)
State payments made on-behalf of police and fire pension not considered a budgetary expenditure	532,553
Change in accruals for expenditure items	43,165
Total expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 32,785,206</u>
 Total Expenditures - General Fund	 \$ 11,562,641
Transfers Out - General Fund	20,535,940
Intraaccount Transfers Out	686,625
	<u>\$ 32,785,206</u>

**CITY OF JENKS
Jenks, Oklahoma**

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
For the Fiscal Year Ended June 30, 2022**

Budget Law

The City has adopted the provisions of the Municipal Budget Act of 1979 (the "Budget Act"). In accordance with the Budget Act, the following process is used to adopt the annual budget:

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. By July 31, the adopted budget is filed with the Office of State Auditor and Inspector.

Per State law, the legal level of control at which expenditures may not legally exceed appropriations is the fund level. All transfers of appropriation between departments and supplemental appropriations require City Council approval. The City Manager may transfer appropriations between object categories within a department without City Council approval. Supplemental appropriations must also be filed with the Office of State Auditor and Inspector.

Budgetary Accounting

The annual operating budgets are prepared and presented on a budgetary basis of accounting. The differences between budgetary basis and modified accrual basis are shown in the following reconciliation schedule.

The City utilizes encumbrance accounting under which all purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year-end are considered expenditures for budgetary purposes. All unencumbered appropriations lapse at year end.

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF JENKS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	0.3180%	0.3116%	0.3467%	0.3527%	0.4210%	0.3873%	0.4523%	0.4302%
City's proportionate share of the net pension liability (asset)	\$ (107,080)	\$ 14,051	\$ 530,903	\$ 27,129	\$ (200,557)	\$ (24,727)	\$ 519,510	\$(2,063,575)
City's covered-employee payroll	\$ 908,769	\$ 995,569	\$ 1,046,800	\$ 1,073,823	\$ 1,197,885	\$ 1,263,845	\$ 1,470,446	\$ 1,428,677
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-11.78%	1.41%	50.72%	2.53%	-16.74%	-1.96%	35.33%	-144.44%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

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

Notes to Schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorially required contribution	\$ 129,424	\$ 136,084	\$ 139,597	\$ 155,725	\$ 164,300	\$ 191,158	\$ 193,599	185,728
Contributions in relation to the statutorially required contribution	129,424	136,084	139,597	155,725	164,300	191,158	193,599	185,728
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 995,569	\$ 1,046,800	\$ 1,073,823	\$ 1,197,885	\$ 1,263,845	\$ 1,470,446	\$ 1,489,223	\$ 1,428,677
Contributions as a percentage of covered-employee payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Notes to Schedule:

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

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Required Supplementary Information

SCHEDULE OF THE CITY OF JENKS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	0.3448%	0.3678%	0.3283%	0.3467%	0.3615%	0.3696%	0.3755%	0.3779%
City's proportionate share of the net pension liability	\$ 3,546,247	\$ 3,903,848	\$ 4,010,356	\$ 4,360,871	\$ 4,069,148	\$ 3,905,090	\$ 4,626,369	\$ 2,489,136
City's covered-employee payroll	\$ 932,521	\$ 1,014,036	\$ 927,043	\$ 940,236	\$ 1,342,450	\$ 1,138,650	\$ 1,162,423	\$ 1,262,664
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	380%	385%	433%	464%	303%	343%	398%	197%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%

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

Notes to Schedule:

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

SCHEDULE OF CITY CONTRIBUTIONS

OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorially required contribution	\$ 141,965	\$ 129,786	\$ 131,633	\$ 187,943	\$ 159,411	\$ 162,739	\$ 171,040	\$ 176,773
Contributions in relation to the statutorially required contribution	141,965	129,786	131,633	187,943	159,411	162,739	171,040	176,773
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,014,036	\$ 927,043	\$ 940,236	\$ 1,342,450	\$ 1,138,650	\$ 1,162,423	\$ 1,221,714	\$ 1,262,664
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

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

CITY OF JENKS
Jenks, Oklahoma

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Required Supplementary Information
Other Post-Employment Benefits
Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022
Total OPEB Liability:					
Service cost	\$ 30,998	\$ 32,877	\$ 30,813	\$ 31,532	\$ 29,295
Interest	6,644	6,621	7,271	5,225	5,288
Difference between expected and actual experience	(12,568)	-	(55,758)	-	(59,833)
Change in assumptions	4,733	4,174	(27,600)	11,147	(39,557)
Benefit payments	(11,982)	(13,554)	-	(3,451)	-
Other changes	(10,761)	1,514	(17,185)	-	-
Net change in total OPEB liability	7,064	31,632	(62,459)	44,453	(64,807)
Total OPEB Liability - beginning	221,896	228,960	260,592	198,133	242,586
Total OPEB Liability - ending	\$ 228,960	\$ 260,592	\$ 198,133	\$ 242,586	\$ 177,779
 Covered employee payroll	 \$ 4,749,848	 \$ 4,749,848	 \$ 6,880,145	 \$ 6,880,145	 \$ 7,179,595
 Total OPEB liability as a percentage of covered employee payroll	 4.82%	 5.49%	 2.88%	 3.53%	 2.48%

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

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

General Fund Combining Balance Sheet Accounts – June 30, 2022

City of Jenks Combining Balance Sheet - General Fund Accounts June 30, 2022						
	General Fund	Riverwalk Improvement District	Economic Development	City Risk Management	Municipal Court Fund	Total General Fund Accounts
ASSETS						
Cash and cash equivalents	\$ 4,197,150	\$ -	\$ -	\$ 746,118	\$ 65,573	\$ 5,008,841
Investments	859,629	-	-	-	-	859,629
Accrued interest receivable	4,799	-	-	-	-	4,799
Intra-account balances	14,137	-	-	-	(14,137)	-
Due from other governments	1,811,357	-	-	-	-	1,811,357
Accounts receivable	358	-	-	-	-	358
Court fines receivable, net	184,807	-	-	-	-	184,807
Total assets	<u>\$ 7,072,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746,118</u>	<u>\$ 51,436</u>	<u>\$ 7,869,791</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 327,065	\$ -	\$ -	\$ -	\$ -	\$ 327,065
Due to other funds	180	-	-	-	-	180
Due to other governments	682	-	-	-	51,436	52,118
Unearned revenue	2,075,516	-	-	-	-	2,075,516
Total liabilities	<u>2,403,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,436</u>	<u>2,454,879</u>
Deferred Inflow of Resources:						
Unavailable revenue	<u>168,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,449</u>
Fund balances:						
Restricted	859,629	-	-	-	-	859,629
Assigned	2,259,971	-	-	746,118	-	3,006,089
Unassigned	1,380,745	-	-	-	-	1,380,745
Total fund balances	<u>4,500,345</u>	<u>-</u>	<u>-</u>	<u>746,118</u>	<u>-</u>	<u>5,246,463</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 7,072,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746,118</u>	<u>\$ 51,436</u>	<u>\$ 7,869,791</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

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

City of Jenks Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund Accounts For the Year Ended June 30, 2022						
	General Fund	Riverwalk Improvement District	Economic Development	City Risk Management	Municipal Court Fund	Total General Fund Accounts
REVENUES						
Taxes	\$ 14,272,160	\$ -	\$ -	\$ -	\$ -	\$ 14,272,160
Intergovernmental	616,922	-	-	-	-	616,922
Charges for services	117,899	-	-	-	-	117,899
Fines and forfeitures	143,623	-	-	-	-	143,623
Licenses and permits	533,263	-	-	-	-	533,263
Investment income	(14,075)	13	361	461	-	(13,240)
Miscellaneous	200,173	-	-	29,750	-	229,923
Total revenues	<u>15,869,965</u>	<u>13</u>	<u>361</u>	<u>30,211</u>	<u>-</u>	<u>15,900,550</u>
EXPENDITURES						
Current:						
General government	3,573,722	-	-	111,269	-	3,684,991
Public safety	6,390,388	-	-	-	-	6,390,388
Public services	1,148,882	-	-	-	-	1,148,882
Culture and recreation	449,649	-	-	-	-	449,649
Total expenditures	<u>11,562,641</u>	<u>-</u>	<u>-</u>	<u>111,269</u>	<u>-</u>	<u>11,673,910</u>
Excess (deficiency) of revenues over expenditures	<u>4,307,324</u>	<u>13</u>	<u>361</u>	<u>(81,058)</u>	<u>-</u>	<u>4,226,640</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,614,293	-	-	-	-	7,614,293
Transfers out	(20,535,940)	(20,096)	(4,241,867)	-	-	(24,797,903)
Intra-account transfers	(686,625)	-	586,625	100,000	-	-
Total other financing sources and uses	<u>(13,608,272)</u>	<u>(20,096)</u>	<u>(3,655,242)</u>	<u>100,000</u>	<u>-</u>	<u>(17,183,610)</u>
Net change in fund balances	(9,300,948)	(20,083)	(3,654,881)	18,942	-	(12,956,970)
Fund balances - beginning	13,801,293	20,083	3,654,881	727,176	-	18,203,433
Fund balances - ending	<u>\$ 4,500,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746,118</u>	<u>\$ -</u>	<u>\$ 5,246,463</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Balance Sheet – June 30, 2022

City of Jenks
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Special Revenue Funds									
	Street and Alley	Police Seizure	Park Recreation	Senior Citizen	Home Rebate	Skyline Improvement	Economic Development Accomodation	Vision Sales Tax	TIF District #3	TIF District #4
ASSETS										
Cash and cash equivalents	\$ 1,160,473	\$ -	\$ 588,261	\$ -	\$ -	\$ -	\$ 1,445,494	\$ 5,221,486	\$ 143,994	\$ 43,323
Investments	248,925	-	-	-	-	-	-	908,319	-	-
Due from other funds	-	-	180	-	-	-	341,842	-	-	-
Due from other governments	25,574	-	-	-	-	-	6,003	-	-	-
Interest receivable	62	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,435,034</u>	<u>\$ -</u>	<u>\$ 588,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,793,339</u>	<u>\$ 6,129,805</u>	<u>\$ 143,994</u>	<u>\$ 43,323</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 21,737	\$ -	\$ -	\$ -	\$ 116,370	\$ 23,011	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>21,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,370</u>	<u>23,011</u>	<u>-</u>	<u>-</u>
Deferred Inflow of Resources:										
Unavailable revenue	-	-	-	-	-	-	-	1,434	-	-
Fund balances:										
Restricted	1,387,130	-	536,647	-	-	-	1,650,034	6,049,875	137,873	41,573
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	47,904	-	30,057	-	-	-	26,935	55,485	6,121	1,750
Total fund balances	<u>1,435,034</u>	<u>-</u>	<u>566,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,676,969</u>	<u>6,105,360</u>	<u>143,994</u>	<u>43,323</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 1,435,034</u>	<u>\$ -</u>	<u>\$ 588,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,793,339</u>	<u>\$ 6,129,805</u>	<u>\$ 143,994</u>	<u>\$ 43,323</u>

**CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION**

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

							Capital Project Funds		
	E911	TIF District #1	Police General Receipts	TIF District #2	Jenks Eco. Dev. Authority	City Stabilization Reserve	1978 Sanitary Sewer Fund	2002 GO Bond Fund	1991 GO Bond Fund
ASSETS									
Cash and cash equivalents	\$ 79,900	\$ 379,319	\$ -	\$ 45,013	\$ 10,034	\$ -	\$ -	\$ 78,814	\$ -
Investments	877,817	-	-	-	4,191,809	4,962,801	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	15,678	-	-	-	-	-	-	-	-
Interest receivable	2,861	-	-	-	-	-	-	-	-
Total assets	\$ 976,256	\$ 379,319	\$ -	\$ 45,013	\$ 4,201,843	\$ 4,962,801	\$ -	\$ 78,814	\$ -
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll payable	-	-	-	-	-	-	-	-	-
Total liabilities	375	-	-	-	-	-	-	-	-
Deferred Inflow of Resources:									
Unavailable revenue	2,750	-	-	-	-	-	-	-	-
Fund balances:									
Restricted	906,995	372,449	-	44,961	4,201,843	-	-	74,968	-
Committed	-	-	-	-	-	4,962,801	-	-	-
Assigned	66,136	6,870	-	52	-	-	-	3,846	-
Total fund balances	973,131	379,319	-	45,013	4,201,843	4,962,801	-	78,814	-
Total liabilities, deferred inflows, and fund balances	\$ 976,256	\$ 379,319	\$ -	\$ 45,013	\$ 4,201,843	\$ 4,962,801	\$ -	\$ 78,814	\$ -

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

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

City of Jenks
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

Capital Project Funds

	City Capital Reserve	1998 Roadway Improvement Fund	2014 GO Bond Fund	Fire Suppression Vehicles	CDBG Fund	2010 GO Bond Fund	Radio Communications	2006 GO Bond Fund	Uniformed Patrol Vehicles	Total Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 1,002,322	\$ -	\$ 2,924,605	\$ 703,215	\$ -	\$ 1,798,927	\$ 327,670	\$ 420,165	\$ 29,536	\$ 16,402,551
Investments	2,212,794	-	-	-	-	-	-	-	-	13,402,465
Due from other funds	-	-	-	-	-	-	-	-	-	342,022
Due from other governments	-	-	-	-	-	3,039	-	-	-	50,294
Interest receivable	-	-	1,639	-	-	-	-	-	-	4,562
Total assets	<u>\$ 3,215,116</u>	<u>\$ -</u>	<u>\$ 2,926,244</u>	<u>\$ 703,215</u>	<u>\$ -</u>	<u>\$ 1,801,966</u>	<u>\$ 327,670</u>	<u>\$ 420,165</u>	<u>\$ 29,536</u>	<u>\$ 30,201,894</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 47,540	\$ -	\$ -	\$ 10,215	\$ -	\$ -	\$ -	\$ 219,248
Accrued payroll payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>47,540</u>	<u>-</u>	<u>-</u>	<u>10,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,248</u>
Deferred Inflow of Resources:										
Unavailable revenue	-	-	-	-	-	-	-	-	-	4,184
Fund balances:										
Restricted	-	-	2,641,454	-	-	1,622,368	-	344,538	10,000	20,022,708
Committed	-	-	-	-	-	-	-	-	-	4,962,801
Assigned	3,215,116	-	237,250	703,215	-	169,383	327,670	75,627	19,536	4,992,953
Total fund balances	<u>3,215,116</u>	<u>-</u>	<u>2,878,704</u>	<u>703,215</u>	<u>-</u>	<u>1,791,751</u>	<u>327,670</u>	<u>420,165</u>	<u>29,536</u>	<u>29,978,462</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,215,116</u>	<u>\$ -</u>	<u>\$ 2,926,244</u>	<u>\$ 703,215</u>	<u>\$ -</u>	<u>\$ 1,801,966</u>	<u>\$ 327,670</u>	<u>\$ 420,165</u>	<u>\$ 29,536</u>	<u>\$ 30,201,894</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

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

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

Special Revenue Funds

	Street and Alley	Police Seizure	Park Recreation	Senior Citizen	Home Rebate	Skyline Improvement	Economic Development Accommodation	Vision Sales Tax	TIF District #3	TIF District #4
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,765	\$ -	\$ 376,616	\$ 131,525
Intergovernmental	249,162	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	132,730	-	-	-	-	-	-	-
Investment income	952	-	(3,653)	-	124	-	223	(7,974)	125	29
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	250,114	-	129,077	-	124	-	85,988	(7,974)	376,741	131,554
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	349,260	-
Public safety	-	-	-	-	-	-	-	-	-	-
Streets	28,565	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	128,160	-	-	-	-	-	-	-
Urban development	-	-	-	-	-	-	182,416	-	-	141,398
Capital outlay	10,000	-	-	-	-	-	116,370	651,686	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	38,565	-	128,160	-	-	-	298,786	651,686	349,260	141,398
Excess (deficiency) of revenues over expenditures	211,549	-	917	-	124	-	(212,798)	(659,660)	27,481	(9,844)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	78,432	-	-	-	1,095,000	1,936,876	12,482	12,339
Transfers out	-	(38)	-	-	(196,080)	-	-	-	-	-
Total other financing sources (uses)	-	(38)	78,432	-	(196,080)	-	1,095,000	1,936,876	12,482	12,339
Net change in fund balances	211,549	(38)	79,349	-	(195,956)	-	882,202	1,277,216	39,963	2,495
Fund balances - beginning	1,223,485	38	487,355	-	195,956	-	794,767	4,828,144	104,031	40,828
Fund balances - ending	\$ 1,435,034	\$ -	\$ 566,704	\$ -	\$ -	\$ -	\$ 1,676,969	\$ 6,105,360	\$ 143,994	\$ 43,323

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2022, (Continued)

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds						Capital Project Funds		
	E911	TIF District #1	Police General Receipts	TIF District #2	Jenks Eco. Dev. Authority	City Stabilization Reserve	1978 Sanitary Sewer Fund	2002 GO Bond Fund	1991 GO Bond Fund
REVENUES									
Taxes	\$ 202,372	\$ 1,110,387	\$ -	\$ 176,747	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	(12,108)	256	-	34	(40,024)	(37,587)	-	50	45
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>190,264</u>	<u>1,110,643</u>	<u>-</u>	<u>176,781</u>	<u>(40,024)</u>	<u>(37,587)</u>	<u>-</u>	<u>50</u>	<u>45</u>
EXPENDITURES									
Current:									
General government	-	-	-	233,343	-	-	-	-	-
Public safety	195,165	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Urban development	-	1,112,187	-	-	-	-	-	-	-
Capital outlay	5,846	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>201,011</u>	<u>1,112,187</u>	<u>-</u>	<u>233,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(10,747)</u>	<u>(1,544)</u>	<u>-</u>	<u>(56,562)</u>	<u>(40,024)</u>	<u>(37,587)</u>	<u>-</u>	<u>50</u>	<u>45</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	9,079	-	-	4,241,867	5,000,388	-	-	-
Transfers out	(150,000)	-	(640)	-	-	-	-	-	(73,055)
Total other financing sources (uses)	<u>(150,000)</u>	<u>9,079</u>	<u>(640)</u>	<u>-</u>	<u>4,241,867</u>	<u>5,000,388</u>	<u>-</u>	<u>-</u>	<u>(73,055)</u>
Net change in fund balances	(160,747)	7,535	(640)	(56,562)	4,201,843	4,962,801	-	50	(73,010)
Fund balances - beginning	1,133,878	371,784	640	101,575	-	-	-	78,764	73,010
Fund balances - ending	<u>\$ 973,131</u>	<u>\$ 379,319</u>	<u>\$ -</u>	<u>\$ 45,013</u>	<u>\$ 4,201,843</u>	<u>\$ 4,962,801</u>	<u>\$ -</u>	<u>\$ 78,814</u>	<u>\$ -</u>

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

NonMajor Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Year Ended June 30, 2022, (Continued)

City of Jenks
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Capital Project Funds									
	City Capital Reserve	1998 Roadway Improvement Fund	2014 GO Bond Fund	Fire Suppression Vehicles	CDBG Fund	2010 GO Bond Fund	Radio Communications	2006 GO Bond Fund	Uniformed Patrol Vehicles	Total Governmental Funds
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,083,412
Intergovernmental	-	-	-	-	-	56,599	-	-	10,000	315,761
Licenses and permits	-	-	-	-	-	-	-	-	-	132,730
Investment income	(28,615)	7	382	423	-	(1,087)	211	270	18	(127,899)
Miscellaneous	-	-	191,057	50,000	-	-	-	-	-	241,057
Total revenues	(28,615)	7	191,439	50,423	-	55,512	211	270	10,018	2,645,061
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	582,603
Public safety	-	-	-	-	-	-	24,978	-	-	220,143
Streets	-	-	-	-	-	-	-	-	-	28,565
Culture and recreation	-	-	-	-	-	-	-	-	-	128,160
Urban development	-	-	-	-	-	-	-	-	-	1,436,001
Capital outlay	-	-	408,811	50,363	-	79,520	-	-	-	1,322,596
Debt service:										
Principal	-	-	-	306,577	-	-	-	-	-	306,577
Interest	-	-	-	20,132	-	-	-	-	-	20,132
Total expenditures	-	-	408,811	377,072	-	79,520	24,978	-	-	4,044,777
Excess (deficiency) of revenues over expenditures	(28,615)	7	(217,372)	(326,649)	-	(24,008)	(24,767)	270	10,018	(1,399,716)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,243,731	-	-	350,000	-	-	95,000	-	-	16,075,194
Transfers out	-	(150,580)	-	-	-	-	-	-	-	(570,393)
Total other financing sources (uses)	3,243,731	(150,580)	-	350,000	-	-	95,000	-	-	15,504,801
Net change in fund balances	3,215,116	(150,573)	(217,372)	23,351	-	(24,008)	70,233	270	10,018	14,105,085
Fund balances - beginning	-	150,573	3,096,076	679,864	-	1,815,759	257,437	419,895	19,518	15,873,377
Fund balances - ending	\$ 3,215,116	\$ -	\$ 2,878,704	\$ 703,215	\$ -	\$ 1,791,751	\$ 327,670	\$ 420,165	\$ 29,536	\$ 29,978,462

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

Combining Schedule of Net Position – Jenks Public Works Authority Accounts – June 30, 2022

	Public Works Authority	JPWA Sinking Fund	JPWA One Cent Capital	JPWA WW Treatment	JPWA Reimbursement to JPWA	JPWA Economic Development	JPWA Risk Management	Total
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 5,107,951	\$ 89,577	\$ 4,232,274	\$ 315,166	\$ 1,394,307	\$ 444,547	\$ 3,301,137	\$ 14,884,959
Restricted cash and cash equivalents	72,001	9,151,837	-	-	-	-	-	9,223,838
Investments	9,660,743	244,715	2,228,568	464,821	246,316	-	822,679	13,667,842
Interest receivable	9,937	1,326	4,714	1,809	689	-	2,261	20,736
Accounts receivable, net	2,174,230	-	-	-	-	-	-	2,174,230
Due from other funds	341,842	-	-	-	-	-	444,287	786,129
Total current assets	17,366,704	9,487,455	6,465,556	781,796	1,641,312	444,547	4,570,364	40,757,734
Non-current assets:								
Restricted cash and cash equivalents	648,009	-	-	-	-	-	-	648,009
Capital assets:								
Land and other non-depreciable assets	12,121,045	-	-	-	-	-	-	12,121,045
Other capital assets, net of depreciation	16,511,836	-	-	-	-	-	-	16,511,836
Total non-current assets	29,280,890	-	-	-	-	-	-	29,280,890
Total assets	46,647,594	9,487,455	6,465,556	781,796	1,641,312	444,547	4,570,364	70,038,624
DEFERRED OUTFLOWS OF RESOURCES								
OPEB	9,902	-	-	-	-	-	-	9,902
Deferred amount on Asset Retirement Obligation	3,224,334	-	-	-	-	-	-	3,224,334
Total deferred outflows	3,234,236	-	-	-	-	-	-	3,234,236
LIABILITIES								
Current liabilities:								
Accounts payable	1,333,764	-	55,238	1,137,193	5,467	-	-	2,531,662
Accrued payroll liabilities	1,940	-	-	-	-	-	-	1,940
Due to other funds	485,007	-	-	-	-	-	-	485,007
Accrued interest payable	-	67,338	-	-	-	-	-	67,338
Current portion of:								
Due to depositors	72,001	-	-	-	-	-	-	72,001
Revenue bonds payable	-	560,000	-	-	-	-	-	560,000
Accrued compensated absences	15,815	-	-	-	-	-	-	15,815
Total current liabilities	1,908,527	627,338	55,238	1,137,193	5,467	-	-	3,733,763
Non-current liabilities:								
Due to depositors	648,009	-	-	-	-	-	-	648,009
Total OPEB liability	36,602	-	-	-	-	-	-	36,602
Revenue bonds payable, net	-	16,507,690	-	-	-	-	-	16,507,690
Asset retirement obligation	3,570,000	-	-	-	-	-	-	3,570,000
Accrued compensated absences	63,260	-	-	-	-	-	-	63,260
Total non-current liabilities	4,317,871	16,507,690	-	-	-	-	-	20,825,561
Total liabilities	6,226,398	17,135,028	55,238	1,137,193	5,467	-	-	24,559,324
DEFERRED INFLOWS OF RESOURCES								
OPEB	46,472	-	-	-	-	-	-	46,472
NET POSITION								
Net investment in capital assets	28,632,881	(8,398,988)	-	-	-	-	-	20,233,893
Restricted for debt service	-	415,797	-	-	-	-	-	415,797
Unrestricted	14,976,079	335,618	6,410,318	(355,397)	1,635,845	444,547	4,570,364	28,017,374
Total net position	\$ 43,608,960	\$ (7,647,573)	\$ 6,410,318	\$ (355,397)	\$ 1,635,845	\$ 444,547	\$ 4,570,364	\$ 48,667,064

CITY OF JENKS, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION

Combining Schedule of Revenues, Expenses and Changes in Net Position – Jenks Public Works Authority Accounts – Year Ended June 30, 2022

City of Jenks
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
JPWA Accounts
For the Year Ended June 30, 2022

	Public Works Authority	JPWA Sinking Fund	JPWA One Cent Capital	JPWA WW Treatment	JPWA Reimbursement to JPWA	JPWA Economic Development	JPWA Risk Management	Total
REVENUES								
Water charges	\$ 11,233,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,233,652
Sewer charges	2,482,407	-	-	-	87,631	-	-	2,570,038
Sanitation	1,650,904	-	-	-	-	-	-	1,650,904
Licenses and permits	-	-	-	93,845	-	28,148	-	121,993
Miscellaneous	658,565	-	-	-	-	-	-	658,565
Total operating revenues	16,025,528	-	-	93,845	87,631	28,148	-	16,235,152
OPERATING EXPENSES								
General and administrative	2,568,865	-	20,216	-	-	-	-	2,589,081
Economic development	552,073	-	5,620	-	-	-	-	557,693
Cultural and recreational	72,721	-	3,270	-	-	-	-	75,991
Water service	7,107,112	-	27,142	-	-	-	-	7,134,254
Sewer service	1,781,011	-	106,241	-	-	-	23,936	1,911,188
Solid waste service	1,592,071	-	-	-	-	-	-	1,592,071
Stormwater drainage	235,499	-	17,324	-	-	-	-	252,823
Depreciation expense	1,075,820	-	-	-	-	-	-	1,075,820
Total operating expenses	14,985,172	-	179,813	-	-	-	23,936	15,188,921
Operating income (loss)	1,040,356	-	(179,813)	93,845	87,631	28,148	(23,936)	1,046,231
NON-OPERATING REVENUES (EXPENSES)								
Investment income	403,353	(255,729)	(284,690)	(7,162)	(4,047)	301	(1,287)	(149,261)
Miscellaneous	36,154	-	-	-	-	-	-	36,154
Gain on disposal of capital assets	16,755	-	-	-	-	-	-	16,755
Transfer capital assets to governmental activities	(1,387,340)	-	-	-	-	-	-	(1,387,340)
Interest expense and fiscal charges	-	(468,758)	-	-	-	-	-	(468,758)
Total non-operating revenue (expenses)	(931,078)	(724,487)	(284,690)	(7,162)	(4,047)	301	(1,287)	(1,952,450)
Income (loss) before contributions and transfers	109,278	(724,487)	(464,503)	86,683	83,584	28,449	(25,223)	(906,219)
Capital contributions	2,234,415	-	-	-	-	-	-	2,234,415
Interaccount transfers	4,294,171	(4,239,458)	1,274,730	(1,944,994)	(112,410)	-	727,961	-
Transfers in	10,564,776	-	-	117,648	-	-	-	10,682,424
Transfers out	(7,558,615)	-	(350,000)	-	-	-	(1,095,000)	(9,003,615)
Change in net position	9,644,025	(4,963,945)	460,227	(1,740,663)	(28,826)	28,449	(392,262)	3,007,005
Total net position - beginning	33,964,935	(2,683,628)	5,950,091	1,385,266	1,664,671	416,098	4,962,626	45,660,059
Total net position - ending	\$ 43,608,960	\$ (7,647,573)	\$ 6,410,318	\$ (355,397)	\$ 1,635,845	\$ 444,547	\$ 4,570,364	\$ 48,667,064

CITY OF JENKS, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2022

Federal Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Grant #	Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. Department of Fish and Wildlife Services</u>				
Passed through Association of Zoos and Aquariums:				
Endangered Species Covid-19 Relief- American Rescue Plan Act	15-657	COVID-19	\$ 183,263	\$ 183,263
Total U.S. Department of Fish and Wildlife Services			\$ 183,263	\$ 183,263
 <u>U.S. Department of Treasury:</u>				
Total U.S. Department of Treasury			\$ -	\$ -
TOTAL FEDERAL AWARDS			\$ 183,263	\$ 183,263

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Jenks, Oklahoma (the "City") under programs of the federal government for the year ended June 30, 2021. 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 a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE INFORMATION

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Elfrink and Associates, PLLC

Certified Public Accountants

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

To the Honorable Mayor and City Council
City of Jenks, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Jenks, Oklahoma ("City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 18, 2023.

Internal Control over Financial Reporting

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

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

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

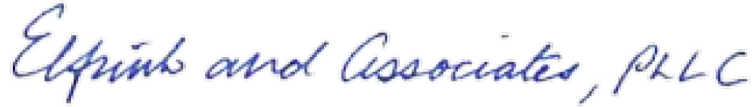
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matter that is 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 communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Elfrink and Associates, PLLC". The script is cursive and fluid.

Elfrink and Associates, PLLC

Tulsa, Oklahoma

April 18, 2023