

CITY OF BRISTOW, OKLAHOMA

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

**RALPH OSBORN, CPA LLP**

500 South Chestnut

P. O. Box 1015

Bristow, Oklahoma 74010

CITY OF BRISTOW, OKLAHOMA  
TABLE OF CONTENTS  
JUNE 30, 2023

Independent Auditors' Report	1-3
Financial Statements	
Statement of Net Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	5
Balance Sheet - Modified Cash Basis - Governmental Funds	6
Reconciliation of Balance Sheet - Governmental Funds with the Statement of Net Position	7
Statement of Revenues, Expenditures, and Change in Fund Balance - Modified Cash Basis - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	9
Statement of Fund Net Position - Modified Cash Basis - Proprietary Funds	10
Statement of Revenues, Expenses and Changes in Fund Net Position - Modified Cash Basis - Proprietary Funds	11
Statement of Cash Flows - Modified Cash Basis Proprietary Fund	12
Notes to Financial Statements	13-25
Supplemental Information	
Budgetary Comparison Schedule - General Fund	26-28
Budgetary Comparison Schedule - Notes to Required Supplementary Information	29
Other Information	
Combining Balance Sheet - Modified Cash Basis - Nonmajor Governmental Funds	30
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash Basis Nonmajor Governmental Funds	31
Schedule of Expenditure of Federal Awards	32
Independent Auditors' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	33-34
Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on Schedule of Federal Awards Required by Uniform Guidance	35-37
Schedule of Findings and Questioned Costs	38
Status of Prior Year Findings and Questioned Costs	39

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of Bristow, Oklahoma

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund(except as described below), and the aggregate remaining fund information of the City of Bristow, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Bristow'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 modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bristow as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

#### Basis for Opinion

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 City of Bristow, Oklahoma, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

#### Emphasis of Matter

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

#### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement 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 City of Bristow'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 opinion. 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Bristow'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 City of Bristow'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.

## Other Matters

### Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Bristow, Oklahoma's basic financial statements. The budgetary comparison and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditure of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and is also not a required part of the basic financial statements.

The budgetary comparison and the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison and the combining 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 July 15, 2024, on our consideration of City of Bristow's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bristow, Oklahoma's internal control over financial reporting and compliance.

***Ralph Osborn, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
July 15, 2024

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2023

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Business</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,319,466	\$ 1,506,564	\$ 2,826,030
Investments	580,105	218,663	798,768
Restricted Assets			
Cash - Debt Service	2,540	689,349	691,889
Cash - Bond Construction	-	3,381,049	3,381,049
Cash - Reserve	-	697,596	697,596
Total Current Assets	<u>1,902,111</u>	<u>6,493,221</u>	<u>8,395,332</u>
Non-Current Assets			
Capital Assets			
Land	427,816	558,652	986,468
Other Capital Assets Net of			
Accumulated Depreciation	<u>10,272,084</u>	<u>20,506,229</u>	<u>30,778,313</u>
Total Non-Current Assets	<u>10,699,900</u>	<u>21,064,881</u>	<u>31,764,781</u>
Total Assets	<u>12,602,011</u>	<u>27,558,102</u>	<u>40,160,113</u>
<b>LIABILITIES</b>			
Current Liabilities			
Utility Deposits	-	229,857	229,857
Lease Payable, current	38,453	-	38,453
Bonds and Notes Payable, current	-	6,266,894	6,266,894
Total Current Liabilities	<u>38,453</u>	<u>6,496,751</u>	<u>6,535,204</u>
Non-Current Liabilities			
Lease Payable, non-current	14,638	-	14,638
Bond and Notes Payable, non-current	-	9,395,000	9,395,000
Total Non-Current Liabilities	<u>14,638</u>	<u>9,395,000</u>	<u>9,409,638</u>
Total Liabilities	<u>53,091</u>	<u>15,891,751</u>	<u>15,944,842</u>
<b>NET POSITION</b>			
Invested in Capital Assets,			
Net of Related Debt	10,699,900	5,402,987	16,102,887
Restricted			
Debt Service	2,540	689,349	691,889
Construction	-	3,381,049	3,381,049
Reserve	-	697,596	697,596
Unrestricted	<u>1,846,480</u>	<u>1,495,370</u>	<u>3,341,850</u>
Total Net Position	<u>\$ 12,548,920</u>	<u>\$ 11,666,351</u>	<u>\$24,215,271</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF ACTIVITIES  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2023

FUNCTION/PROGRAMS	Expenses	Program Revenue			
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue
Governmental Activities					
General Government	\$ 735,363	\$ 29,623	\$ 43,029	\$ 724,687	\$ 61,976
Public Safety	2,213,108	368,379	487,691	-	(1,357,038)
Street	878,654	-	30,066	-	(848,588)
Culture and Education	182,153	-	50,694	-	(131,459)
Public Service	85,853	-	-	-	(85,853)
Parks and Recreation	181,895	-	-	-	(181,895)
Cemetery	225,823	46,910	-	-	(178,913)
Hospital	786,224	-	-	-	(786,224)
Total Governmental Activities	5,289,073	444,912	611,480	724,687	(3,507,994)
Business-type Activities					
Administration	25,214	-	-	-	(25,214)
Sanitation	170,522	576,748	-	-	406,226
Water/Wastewater	2,860,144	1,771,111	-	-	(1,089,033)
Airport	87,878	28,070	-	260,510	200,702
Total Business-Type Activities	3,143,758	2,375,929	-	260,510	(507,319)
Total Primary Government	\$8,432,831	\$2,820,841	\$ 611,480	\$ 985,197	\$(4,015,313)

	Primary Government		
	Business		
	Governmental	Type	
	Activities	Activities	Total
CHANGES IN NET POSITION			
Net (expense) Revenue	<u>\$ (3,507,994)</u>	<u>\$ (507,319)</u>	<u>\$ (4,015,313)</u>
General Revenues			
Taxes			
Sales Tax	4,470,267	-	4,470,267
Use Tax	402,134	-	402,134
Franchise	161,435	-	161,435
Gas Tax	8,106	-	8,106
Cigarette Tax	30,337	-	30,337
Room Tax	3,387	-	3,387
Taxes in Lieu	13,704	-	13,704
Cell Tower Revenue	41,073	-	41,073
Donations	99,869	-	99,869
Other	256,575	49,148	305,723
Interest	10,155	194,214	204,369
Sale of Assets	-	-	-
Transfers	<u>53,989</u>	<u>(53,989)</u>	<u>-</u>
Total General Revenue and Transfers	<u>5,551,031</u>	<u>189,373</u>	<u>5,740,404</u>
Change in Net Position	2,043,037	(317,946)	1,725,091
Net Position - Beginning	<u>10,505,883</u>	<u>11,984,297</u>	<u>22,490,180</u>
Net Position - Ending	<u>\$12,548,920</u>	<u>\$ 11,666,351</u>	<u>\$24,215,271</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	<u>General Fund</u>	<u>Hospital</u>	<u>Capital Improvement</u>	<u>General Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalent	\$ 19,542	\$ 257,500	\$ 780,425	\$ 52,626	\$ 209,373	\$1,319,466
Investments	5,549	202,180	290,438	-	81,938	580,105
Restricted Cash	<u>-</u>	<u>2,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,540</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 25,091</u></u>	<u><u>\$ 462,220</u></u>	<u><u>\$ 1,070,863</u></u>	<u><u>\$ 52,626</u></u>	<u><u>\$ 291,311</u></u>	<u><u>\$1,902,111</u></u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Due Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Restricted	-	2,540	-	-	-	2,540
Unrestricted	<u>25,091</u>	<u>459,680</u>	<u>1,070,863</u>	<u>52,626</u>	<u>291,311</u>	<u>1,899,571</u>
<b>Total Fund Balances</b>	<u>25,091</u>	<u>462,220</u>	<u>1,070,863</u>	<u>52,626</u>	<u>291,311</u>	<u>1,902,111</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 25,091</u></u>	<u><u>\$ 462,220</u></u>	<u><u>\$ 1,070,863</u></u>	<u><u>\$ 52,626</u></u>	<u><u>\$ 291,311</u></u>	<u><u>\$1,902,111</u></u>

The accompanying notes are an integral part of these financial statements.



CITY OF BRISTOW, OKLAHOMA  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
WITH THE STATEMENTS OF NET POSITION  
JUNE 30, 2023

Total Fund Balance \$ 1,902,111

Amounts reported in the statement of net  
position are different because:

Capital assets used in governmental activities  
are not financial resources therefore are not  
reported as assets in governmental funds.

Land	427,816	
Capital Assets	18,909,010	
Accumulated Depreciation	<u>(8,636,926)</u>	<u>10,699,900</u>

Certain long-term liabilities are not due and payable  
from current financial resources and, therefore, are not  
reported in the funds:

Lease purchase payable	<u>(53,091)</u>
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TOTAL NET POSITION	<u>\$12,548,920</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Hospital	Capital Improvement	General Grants	Other Governmental Funds	Governmental Funds
<b>Revenue</b>						
Sales Tax	\$ 4,202,051	\$ -	\$ 268,216	\$ -	\$ -	\$ 4,470,267
Use Tax	402,134	-	-	-	-	402,134
Franchise Tax	161,435	-	-	-	-	161,435
E911 Fee	76,034	-	-	-	-	76,034
Gasoline Tax	8,106	-	-	-	-	8,106
Motor Vehicle Tax	30,066	-	-	-	-	30,066
Alcoholic Beverage Tax	43,029	-	-	-	-	43,029
Cigarette Tax	30,337	-	-	-	-	30,337
PILOT (Bristow Housing Auth)	13,704	-	-	-	-	13,704
Cell Tower Revenue	41,073	-	-	-	-	41,073
Fire Revenue	77,627	-	-	-	-	77,627
Swimming Pool	-	-	-	-	-	-
Cemetery	41,338	-	-	-	5,572	46,910
Room Tax	3,387	-	-	-	-	3,387
License and Permits	29,623	-	-	-	-	29,623
Intergovernmental	-	-	370,253	724,687	168,132	1,263,072
Fines and Forfeits	175	-	-	-	214,543	214,718
Donations	16,055	-	28,472	-	55,342	99,869
Other	10,627	-	-	-	36,940	47,567
Rentals	18,125	44,064	-	-	-	62,189
Insurance Refunds	20,861	-	125,958	-	-	146,819
Sale of Assets	-	-	-	-	-	-
Interest	362	6,706	2,175	-	912	10,155
<b>TOTAL REVENUE</b>	<b>5,226,149</b>	<b>50,770</b>	<b>795,074</b>	<b>724,687</b>	<b>481,441</b>	<b>7,278,121</b>
<b>Expenditures</b>						
Current						
General Government	631,966	-	76,350	-	-	708,316
Public Safety	2,037,461	-	-	-	201,469	2,238,930
Street	741,514	-	-	-	-	741,514
Culture and Education	140,629	-	-	-	41,148	181,777
Public Service	85,853	-	-	-	-	85,853
Parks and Recreation	1,086,295	-	-	-	-	1,086,295
Cemetery	150,695	-	-	-	223,299	373,994
Hospital	-	2,853,157	-	-	-	2,853,157
<b>TOTAL EXPENDITURES</b>	<b>4,874,413</b>	<b>2,853,157</b>	<b>76,350</b>	<b>-</b>	<b>465,916</b>	<b>8,269,836</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>351,736</b>	<b>(2,802,387)</b>	<b>718,724</b>	<b>724,687</b>	<b>15,525</b>	<b>(991,715)</b>
Transfer In	1,813,033	2,234,055	-	-	220,016	4,267,104
Transfer Out	(2,315,588)	-	(900,099)	(784,481)	(212,947)	(4,213,115)
<b>Total Transfers</b>	<b>(502,555)</b>	<b>2,234,055</b>	<b>(900,099)</b>	<b>(784,481)</b>	<b>7,069</b>	<b>53,989</b>
<b>Net change in fund balance</b>	<b>(150,819)</b>	<b>(568,332)</b>	<b>(181,375)</b>	<b>(59,794)</b>	<b>22,594</b>	<b>(937,726)</b>
<b>Fund Balances, beginning</b>	<b>175,910</b>	<b>1,030,552</b>	<b>1,252,238</b>	<b>112,420</b>	<b>268,717</b>	<b>2,839,837</b>
<b>Fund Balances, ending</b>	<b>\$ 25,091</b>	<b>\$ 462,220</b>	<b>\$ 1,070,863</b>	<b>\$ 52,626</b>	<b>\$ 291,311</b>	<b>\$ 1,902,111</b>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
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, 2023

Net Changes in Fund Balances - Total Governmental Funds \$ (937,726)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the combined statement of net position and allocated over their estimated useful lives as annual depreciation in the statement of activities. This is the amount by which capital outlay exceeds depreciation outlay in the period.

Depreciation Expense	(450,132)	
Capital Outlay	<u>3,452,293</u>	<u>3,002,161</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund. Long-term liabilities at year end consist of:

Lease proceeds	-	
Principal payments	<u>(21,398)</u>	<u>(21,398)</u>

CHANGE IN NET POSITION	<u>\$ 2,043,037</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
JUNE 30, 2023

	<u>Municipal Authority</u>	<u>Airport</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,437,749	\$ 68,815	\$ 1,506,564
Investments	218,663	-	218,663
Restricted Assets			
Cash-Debt Reserve	697,596	-	697,596
Cash-Debt Service	689,349	-	689,349
Cash-Bond Construction	<u>3,381,049</u>	<u>-</u>	<u>3,381,049</u>
TOTAL CURRENT ASSETS	<u>6,424,406</u>	<u>68,815</u>	<u>6,493,221</u>
Non-Current Assets			
Capital Assets			
Land	280,977	277,675	558,652
Capital Assets, Net of Accumulated Depreciation	<u>11,854,419</u>	<u>8,651,810</u>	<u>20,506,229</u>
TOTAL NON-CURRENT ASSETS	<u>12,135,396</u>	<u>8,929,485</u>	<u>21,064,881</u>
TOTAL ASSETS	<u>18,559,802</u>	<u>8,998,300</u>	<u>27,558,102</u>
<b>LIABILITIES</b>			
Current Liabilities			
Utility Deposits	229,857	-	229,857
Lease Payable, current	-	-	-
Bonds and Notes Payable, current	<u>6,266,894</u>	<u>-</u>	<u>6,266,894</u>
TOTAL CURRENT LIABILITIES	<u>6,496,751</u>	<u>-</u>	<u>6,496,751</u>
Non-Current Liabilities			
Bonds and Notes Payable, non-current	<u>9,395,000</u>	<u>-</u>	<u>9,395,000</u>
TOTAL NON-CURRENT LIABILITIES	<u>9,395,000</u>	<u>-</u>	<u>9,395,000</u>
TOTAL LIABILITIES	<u>15,891,751</u>	<u>-</u>	<u>15,891,751</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(3,526,498)	8,929,485	5,402,987
Restricted:			
Debt Service	689,349	-	689,349
Bond Construction	3,381,049	-	3,381,049
Escrow	697,596	-	697,596
Unrestricted	<u>1,426,555</u>	<u>68,815</u>	<u>1,495,370</u>
Net Position of Business-Type Activities	<u>\$ 2,668,051</u>	<u>\$ 8,998,300</u>	<u>\$11,666,351</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
MODIFIED CASH BASIS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Municipal Authority</u>	<u>Airport</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for Services			
Water Charges	\$ 1,030,285	\$ -	\$ 1,030,285
Water Tower Fee	51,960	-	51,960
Wastewater Charges	656,030	-	656,030
Sanitation Charges	576,748	-	576,748
Penalty	28,086	-	28,086
Taps	4,750	-	4,750
Rentals	-	19,298	19,298
Fuel Sales	-	8,772	8,772
Other	-	-	-
TOTAL OPERATING REVENUE	<u>2,347,859</u>	<u>28,070</u>	<u>2,375,929</u>
<u>OPERATING EXPENSES</u>			
Administration	25,214	-	25,214
Water	1,208,552	-	1,208,552
Sewer	170,522	-	170,522
Sanitation	543,754	-	543,754
Building	371,920	-	371,920
Airport	-	47,423	47,423
Depreciation	440,393	40,455	480,848
TOTAL OPERATING EXPENSES	<u>2,760,355</u>	<u>87,878</u>	<u>2,848,233</u>
OPERATING INCOME (LOSS)	<u>(412,496)</u>	<u>(59,808)</u>	<u>(472,304)</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>			
Grants	260,510	-	260,510
Insurance Refund	49,148	-	49,148
Investment Income	194,044	170	194,214
Admin Fees	-	-	-
Interest and Fees			
on Notes and Leases Payable	<u>(295,525)</u>	<u>-</u>	<u>(295,525)</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>208,177</u>	<u>170</u>	<u>208,347</u>
Income Before Transfers	(204,319)	(59,638)	(263,957)
Transfer to Other Funds	(6,582,198)	-	(6,582,198)
Transfer from Other Funds	<u>5,743,729</u>	<u>784,480</u>	<u>6,528,209</u>
TOTAL TRANSFERS	<u>(838,469)</u>	<u>784,480</u>	<u>(53,989)</u>
Change in Net Position	(1,042,788)	724,842	(317,946)
TOTAL NET POSITION, BEGINNING	<u>3,710,839</u>	<u>8,273,458</u>	<u>11,984,297</u>
TOTAL NET POSITION, ENDING	<u>\$ 2,668,051</u>	<u>\$ 8,998,300</u>	<u>\$11,666,351</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Municipal Authority</u>	<u>Airport</u>	<u>Total</u>
Cash Flows from Operating activities			
Cash Received from customers	\$ 2,347,859	\$ 28,070	\$ 2,375,929
Cash Payments to Employees	(653,903)	-	(653,903)
Cash Payments to Suppliers for Goods and Services	(1,651,115)	(47,423)	(1,698,538)
Net Cash Provided (Used) by Operating Activities	<u>42,841</u>	<u>(19,353)</u>	<u>23,488</u>
Cash Flows from Non-Capital Financing Activities			
Transfers, net	(789,321)	784,480	(4,841)
Net Cash Provided by Non-Capital Financing Activities	<u>(789,321)</u>	<u>784,480</u>	<u>(4,841)</u>
Cash Flows from Capital and Related Financing Activities			
Grants	260,510	-	260,510
Acquisition of Fixed Assets	(4,419,531)	(752,680)	(5,172,211)
Proceeds of Loan	3,716,005	-	3,716,005
Principal Paid on Notes and Bonds Payable	(1,230,000)	-	(1,230,000)
Interest Paid on Notes and Bonds Payable	(295,525)	-	(295,525)
Net Cash Used for Capital and Related Financing Activities	<u>(1,968,541)</u>	<u>(752,680)</u>	<u>(2,721,221)</u>
Cash Flows from Investing Activities			
Interest Revenue	194,044	170	194,214
Net Cash Provided by Investing Activities	<u>194,044</u>	<u>170</u>	<u>194,214</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,520,977)	12,617	(2,508,360)
Cash and Cash Equivalents, Beginning	<u>8,945,383</u>	<u>56,198</u>	<u>9,001,581</u>
Cash and Cash Equivalents, Ending	<u>\$ 6,424,406</u>	<u>\$ 68,815</u>	<u>\$ 6,493,221</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) by Operating Activities			
Operating Income (Loss)	\$ (412,496)	\$ (59,808)	\$ (472,304)
Adjustments to Reconcile Operating Income to Net Cash:			
Depreciation	440,393	40,455	480,848
Used by Operating Activities:			
Changes in Assets and Liabilities:			
Increase in Utility Deposits	14,944	-	14,944
Net Cash Provided by Operating Activities	<u>\$ 42,841</u>	<u>\$ (19,353)</u>	<u>\$ 23,488</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Bristow, Oklahoma, was incorporated under the provisions of the laws of the State of Oklahoma. The City is a charter city in which the citizens elect the mayor at large and eight council members by wards. The financial statements of the City have been prepared in conformity with the modified cash basis. The significant accounting policies of the government are described below.

The accompanying financial statements present the activities of the City of Bristow. The City has considered all potential component units for which the City is financially accountable and other organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

Component Units

Component units are legally separate organizations for which the City is financially accountable as described above. A blended component unit is a separate legal entity that meets the component unit criteria above. In addition, the blended component units provide services that almost exclusively benefit the City even though they do not provide services directly to the City. These component units are blended into those of the City by appropriate fund type to constitute the primary government presentation. A discretely presented component unit is reported separate from City fund types in the financial statements.

Blended Component Units

The Municipal Authority of the City of Bristow, Oklahoma - The Authority provides water, sewer, and sanitation services in the City. Trustees of the Authority are made up of the mayor and City Council of Bristow. Financial transactions occur between the City and Authority on a regular basis.

Bristow Hospital Authority - The Authority manages activity associated with hospital property owned by the City. The operations of the hospital were sold to an operating company in a previous year. A portion of the sales tax collected by the City is dedicated to the hospital. The City transfers sales tax receipts from the General Fund to the Hospital Authority to pay debt principal and interest.

Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations. Related organizations are described as follows:

Bristow Industrial Authority - Promotes economic development in the City. The Board of Trustees consists of the mayor of the City and other members appointed by the City Council.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A functional program is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services with report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions on these programs uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements of the City are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned and unassigned.

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



CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Measurement Focus and Basis of Accounting

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

**Measurement Focus**

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item B below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

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

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures /expenses when they result from cash transactions with a provision for depreciation in the government-wide statements and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are *not recorded* in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements of proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Fund Types and Major Funds

The City reports the following major governmental funds:

General Fund - The general fund reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Capital Improvements - The fund accounts for capitol projects of the City.

General Grants - The fund accounts for major grant projects.

Hospital Authority - The fund reports activity related to the City hospital.

The City reports the following major enterprise funds:

Municipal Authority - The Authority provides certain utility services for the City.

Airport - The fund accounts for operation of the municipal airport.

Budgetary Accounting and Control

The Mayor submits an annual budget to the City Council in accordance with the Oklahoma Municipal Budget Act. The budget is presented to the City Council for review. Public hearings are held to address priorities and allocation of resources. In June, the City Council adopts the subsequent fiscal year budgets for the City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Public trusts submit budget and other planning documents to their respective governing bodies.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by sources. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. Budget revisions at this level are subject to final review by the City Council. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. Within these control levels, management may transfer appropriations without Council approval.

The budgets for the governmental funds and proprietary fund operations are prepared on the cash basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be paid. Budgetary comparison financial statements are reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Investments

The City follows Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires marketable securities to be carried at fair value. The City considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The investments reported in the financial statements consist of Certificates of Deposits, government bonds, U.S. government notes and securities. Money held by trustee banks for use in retiring bonds is usually held in United States government securities.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Encumbrances outstanding at year end are cancelled under the modified cash basis. The encumbrance is added to the subsequent year expenses when paid.

Inventories and Prepaids

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary funds and similar component unit inventories are recorded at the lower of cost or market on a first-in, first-out basis. The City has not maintained inventory records, however, the value of inventory on hand at June 30, 2023 is not believed to be material.

Prepaids recording payments to vendors that benefit future reporting periods are also reported on the consumption basis. Both inventories and prepaids are similarly reported in government-wide and fund financial statements. Under the modified cash basis, prepaids are not reported. The expense is included in the period the liability is paid.

Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost or at estimated historical cost for those items not previously reported and comprehensively reported in the government-wide financial statements. The City maintains infrastructure assets records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component units financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$2,000 or more as purchase and construction outlays occur. The cost of normal maintenance and repairs that do not add to the assets value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are moved from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	5-60
Improvements, other than buildings	2-50
Mobile equipment	3-40
Furniture, machinery, and equipment	3-30
Utility system	5-60

Compensated Absences

Full-time, permanent employees are granted personal leave in varying amounts to specified maximums depending on tenure with the City. The City does not record a liability for accrued compensated absences. The amount paid for compensated absences is expensed as paid.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Reserves and Designations

Reserves represent those portions of fund balance not available for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of counterparty, the City will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the City, and are held by counterparty or the counterparty's trust department but not in the name of the City. The City's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments. As of June 30, 2023, all of the City's deposits and investments were either covered by federal deposit insurance or were fully collateralized.

Deposits

The City had deposits at financial institutions with a carrying amount of approximately \$8,395,332 at June 30, 2023. The bank balance of the deposits at June 30, 2023 was approximately \$8,467,782.

Credit Risk

Fixed-income securities are subject to credit risk. However, the City did not have fixed income securities at June 30, 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City Council monitors the investment performance on an ongoing basis to limit the City's interest rate risk. As of June 30, 2023, the City's deposits consisted of demand deposits and certificates of deposit with a maturity of 12 months or less.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

The City did not report any interfund receivables or payables at June 30, 2023.

NOTE D - RESTRICTED CASH

The City is reporting the following restricted cash:

Escrow	\$ 697,596
Debt Service	689,349
Bond Construction	<u>3,381,049</u>
Total	<u>\$ 4,767,994</u>

The escrow is held for use in retiring the outstanding revenue bonds, see Note I.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE E - CAPITAL ASSETS

The following table provides a summary of changes in capital assets:

	CAPITAL ASSETS, DEPRECIATED				
		Infrastructure & Furniture, Improvements Other Than	Machinery, and		Capital Assets Not Depreciated
PRIMARY GOVERNMENT	Buildings	Buildings	Equipment	Totals	Land
Governmental Activities					
Balance, June 30, 2022	\$ 5,859,628	\$ 5,457,054	\$ 4,140,035	\$15,456,717	\$ 427,816
Increases	-	3,033,528	418,765	3,452,293	-
Decreases	-	-	-	-	-
Balance, June 30, 2023	<u>5,859,628</u>	<u>8,490,582</u>	<u>4,558,800</u>	<u>18,909,010</u>	<u>427,816</u>
Accumulated Depreciation					
Balance, June 30, 2022	2,025,458	3,063,578	3,097,758	8,186,794	
Increases	76,359	199,557	174,216	450,132	
Decreases	-	-	-	-	
Balance, June 30, 2023	<u>2,101,817</u>	<u>3,263,135</u>	<u>3,271,974</u>	<u>8,636,926</u>	
Governmental Activities					
Capital Assets, Net	<u>\$ 3,757,811</u>	<u>\$ 5,227,447</u>	<u>\$ 1,286,826</u>	<u>\$10,272,084</u>	<u>\$ 427,816</u>
Business-type Activities					
Balance, June 30, 2022	\$ 824,129	\$22,258,493	\$ 1,542,017	\$24,624,639	\$ 545,652
Increases	121,062	4,934,377	103,772	5,159,211	13,000
Decreases	-	-	-	-	-
Balance, June 30, 2023	<u>945,191</u>	<u>27,192,870</u>	<u>1,645,789</u>	<u>29,783,850</u>	<u>558,652</u>
Accumulated Depreciation					
Balance, June 30, 2022	687,716	6,965,043	1,144,014	8,796,773	
Increases	28,320	396,370	56,158	480,848	
Decreases	-	-	-	-	
Balance, June 30, 2023	<u>716,036</u>	<u>7,361,413</u>	<u>1,200,172</u>	<u>9,277,621</u>	
Business-type Activities					
Capital Assets, Net	<u>\$ 229,155</u>	<u>\$19,831,457</u>	<u>\$ 445,617</u>	<u>\$20,506,229</u>	<u>\$ 558,652</u>
PRIMARY GOVERNMENT					
Capital Assets, Net	<u>\$ 3,986,966</u>	<u>\$25,058,904</u>	<u>\$ 1,732,443</u>	<u>\$30,778,313</u>	<u>\$ 986,468</u>

DEPRECIATION EXPENSE

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
General Government	\$ 30,574	Water/Wastewater	\$ 440,393
Public Safety	122,239	Airport	40,455
Street	168,354		
Culture and Education	376		
Parks and Recreation	35,284		
Public Service	-		
Cemetery	33,458		
Hospital	59,847		

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE F - SALES TAX

Sales tax revenue is 61.42% of non-utility revenue of the City. The City Sales tax rate is 5%. The amount is appropriated to various funds in the following manner:

City General Fund	2.20%
Municipal Authority	1.00%
Building Fund	.50%
Capital Improvement	.30%
Hospital Fund	.50%
Park Fund	.50%

NOTE G - SALES TAX REVENUE

The City, pursuant to Ordinance No. 107-082809 (the "Ordinance"), is levying a sales tax of one percent (1.00%), as approved by the qualified electors of the County at an election held November 10, 2009, in accordance with Title 68, Oklahoma Statutes 2011, Section 1370, as amended (the "Sales Tax Revenues"), which shall be used for the payment of the debt service, including payment of interest and principal and premium. The City and the Bristow Hospital Authority have entered into a Sales Tax Agreement dated as of September 1, 2012 (the "Sales Tax Agreement"), pursuant to which the City agrees, subject to availability and appropriation of funds, to transfer, as received, to the Trustee on behalf of the Authority, and hereby appropriates to the Authority proceeds of the 1 cent Sales Tax Revenues. This agreement expired in September 2020 when the sales tax expired.

<u>FY</u>	<u>Total Collections</u>	<u>1 Cent</u>	<u>Avg Monthly</u>	<u>Change</u>
2022/23	\$ 4,470,267	\$ 894,053	\$ 74,504	8.02%
2021/22	4,138,509	827,702	68,975	11.16%
2020/21	3,723,011	744,601	62,050	2.72%
2019/20	3,624,377	724,875	60,406	4.18%
2018/19	3,478,971	695,794	57,983	2.46%
2017/18	3,395,310	679,062	56,589	0.62%
2016/17	3,374,481	674,896	56,241	1.32%
2015/16	3,330,414	666,083	55,507	0.60%
2014/15	3,310,442	662,088	55,174	0.68%
2013/14	3,287,975	657,595	54,800	3.41%
2012/13	3,179,494	635,899	52,992	-1.28%
2011/12	3,220,710	644,142	53,679	4.79%
2010/11	3,073,290	614,658	51,222	3.70%
2009/10	2,210,942	592,729	49,394	-7.98%

NOTE H - CHANGES IN LONG-TERM DEBT

The following is a summary of the long-term debt transactions of the City for the year ended June 30, 2023:

	<u>Notes Payable</u>	<u>Bonds Payable</u>	<u>Capital Lease Obligation</u>	<u>Total</u>
Balance, July 1, 2022	\$1,460,889	\$11,715,000	\$ 74,489	\$13,250,378
Additions	3,716,005	-	-	3,716,005
Retirements	(80,000)	(1,150,000)	(21,398)	(1,251,398)
Balance, June 30, 2023	<u>\$5,096,894</u>	<u>\$10,565,000</u>	<u>\$ 53,091</u>	<u>\$15,714,985</u>

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE I - PROPRIETARY FUND REVENUE BONDS PAYABLE

The following is a summary of revenue bond transactions of the Municipal Authority for the year ended June 30, 2023.

	Payable at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
2018 B Revenue Bonds	\$ 5,040,000	\$ -	\$ (495,000)	\$ 4,545,000
2021 A Revenue Bonds	3,340,000	-	(320,000)	3,020,000
2021 B Revenue Bonds	3,335,000	-	(335,000)	3,000,000
	<u>\$ 11,715,000</u>	<u>\$ -</u>	<u>\$ (1,150,000)</u>	<u>\$10,565,000</u>

The bonds payable as of June 30, 2023 are as follows:

\$5,680,000 Utility System Refunding Revenue Bonds, Series 2018 B in annual installments with 2.8-3.5% interest secured by Authority revenue and real and personal property.	\$ 4,545,000
\$3,500,000 Utility System Refunding Revenue Bonds, Series 2021 A in annual installments with 2.8-3.5% interest secured by Authority revenue and real and personal property.	3,020,000
\$3,500,000 Utility System Refunding Revenue Bonds, Series 2021 B in annual installments with 2.8-3.5% interest secured by Authority revenue and real and personal property.	<u>\$ 3,000,000</u>
Total	<u>\$ 10,565,000</u>

Debt service principal and interest requirements for outstanding bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 1,170,000	\$ 247,127	\$ 1,417,127
2025	1,200,000	222,140	1,422,140
2026	1,220,000	194,292	1,414,292
2027	1,255,000	165,714	1,420,714
2028	1,290,000	134,978	1,424,978
2029-2032	4,430,000	214,642	4,644,642
TOTAL	<u>\$ 10,565,000</u>	<u>\$ 1,178,893</u>	<u>\$ 11,743,893</u>

The Authority paid interest in the amount of \$295,525 on its outstanding bonds during the fiscal year.

NOTE J - NOTES PAYABLE PROPRIETARY FUND

The following is a summary of the long-term debt transactions of the Municipal Authority the year ended June 30, 2023:

	Payable at July 1, 2022	Additions	Retirements	Balance at June 30, 2023
OWRB Loan Series 2020	\$ 1,460,889	\$ 3,658,532	\$ (80,000)	\$ 5,039,421
OWRB Loan Series 2022	-	57,473	-	57,473
	<u>\$ 1,460,889</u>	<u>\$ 3,716,005</u>	<u>\$ (80,000)</u>	<u>\$ 5,096,894</u>

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

A brief description of the outstanding notes payable at June 30, 2022 is set forth below:

<u>Outstanding</u>	<u>Amount</u>
Oklahoma Water Resource Board original loan amount of \$9,100,000. As of June 30, 2023, only \$5,119,422 has been drawn down.	\$ 5,039,421
Oklahoma Water Resource Board original loan amount of \$2,575,000. As of June 30, 2023, only \$57,473 has been drawn down.	<u>57,473</u>
Total	<u>\$ 5,096,894</u>

Per the loan agreements dated October 1, 2020, and June 1, 2022, respectively, OWRB will provide a final amortization schedule after construction of the Project is completed and the Borrower has certified to the OWRB that all Project Costs have been paid.

NOTE K - DEBT SERVICE COVERAGE

The revenue bond indentures require the Authority maintain a schedule of rates or charges for services sufficient to provide funds which together with other revenues pledged will provide net revenues available for debt service equal to at least 150% of the annual debt service requirement for the 2018 and 2021 bond issues.

Also, the OWRB Loan agreements require the Authority maintain a schedule of rates or charges for services sufficient to provide funds which together with other revenues pledged will provide net revenues available for debt service equal to at least 125% of the annual debt service requirement

Operating income (loss)	\$ (412,496)
Sales tax appropriations	<u>3,576,214</u>
Net revenue	3,163,718
Required net revenue	<u>1,445,525</u>
Excess/(deficit)	<u>\$ 1,718,193</u>
Ratio	<u>2.19 to 1</u>

NOTE L - LEASE OBLIGATIONS

The City and Authority have entered into lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as a capital lease for accounting purposes since title transfers at the end of the lease term and it has been recorded at the present value of the future minimum lease payments.

The schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, is as follows:

<u>Year ending June 30</u>	<u>Equipment</u>	<u>Tasers</u>	<u>Total</u>
2024	\$ 31,134	\$ 7,319	\$ 38,453
2025	-	7,319	7,319
2026	-	7,319	7,319
Total minimum lease payments	31,134	21,957	53,091
Less: Amount representing interest	-	-	-
Present value of future minimum lease payments	<u>\$ 31,134</u>	<u>\$ 21,957</u>	<u>\$ 53,091</u>

NOTE M - COMPENSATED ABSENCES

The City and Authority have not reported an amount for accrued compensated absences. Under the modified cash basis of accounting, payments for vacation and sick leave are expensed as paid.



CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE N - PENSION OBLIGATIONS

Oklahoma Police and Firefighter's Pension and Retirement Systems

City of Bristow participates in two statewide, cost-sharing multiple-employer defined benefit plans on behalf of police officers and firefighters. The systems are administered by agencies of the State of Oklahoma and funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary. The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>Oklahoma Police Pension And Retirement System</u>	<u>Oklahoma Firefighter's Pension And Retirement System</u>
Eligibility to Participate	All full-time officers employed by a participating Municipality; not less than 21 years of age or more than 45 years of age when hired	All full-time or voluntary Firefighters of a participating municipality hired before age 45
Authority establishing contribution obligations and benefit provisions	State Statute	State Statute
Plan members' contribution rate	8% of covered payroll	9% of covered payroll
City's contribution rate	13% of covered payroll	14% of covered payroll
Period required to vest	10 years	10 years
Benefits and eligibility for distribution (full time)	20 years of credited service, 2 ½% of final average salary Multiplied by the years of Credited service with a maximum Of 30 years considered; If vested At or after age 50, Or after 10 But before 20 years of credited service, with reduced benefits	20 years credited service, 2 ½% of Final average salary multiplied by The years of credited service with a Maximum of 30 years considered; If Vested, at or after Age 50, or after 10 but before 20 years of Credited service, with reduced Benefits.
Benefits and eligibility for distribution (Volunteer)		20 years credited service equal to \$5.46 per month per year of service. With a maximum of 30years considered
Deferred retirement option	Yes, 20 years credited service With additional option to Participate in deferred option Plan for a maximum of 5 years	Yes, 20 years credited service With continued service for 30 or More years
Provisions for:		
Cost of living adjustments (normal retirement)	Yes	Yes, if vested by 5/83
Death (duty, non-duty, post-retirement)	Yes	Yes
Disability	Yes	Yes
Cost of living allowances	Yes	Yes

Contributions required by State Statute:

	<u>Oklahoma Police Pension And Retirement System</u>		<u>Oklahoma Firefighter's Pension And Retirement System</u>	
<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2023	\$ 62,799	100%	\$ 58,882	100%
2022	60,217	100%	57,453	100%
2021	58,239	100%	53,059	100%

Trend information showing the progress of the systems in accumulating sufficient assets to pay benefits when due is presented in the annual financial reports of the respective plans. Copies of these reports may be obtained from Oklahoma Firefighters Pension and Retirement System, 4545 North Lincoln Blvd., Suite 265, Oklahoma City, Oklahoma 73105 or Oklahoma Police Pension and Retirement System, 11 NW 63<sup>rd</sup> Street, Suite 305, Oklahoma City, Oklahoma 73116.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Oklahoma Municipal Retirement Fund

The City allows employees to participate in Oklahoma Municipal Retirement Fund, a defined contributions plan. The plan is funded by contributions from participants and employees. The following is a summary of eligibility factor, contribution methods, and benefit provision:

Oklahoma Municipal Retirement Fund

Eligibility	All regular, full-time employees except police, firefighters and other employees who are covered under an approved system.
Employer contributions	9.33% of pay.
Employee contributions	5.25% of pay.
Service	
Credited Service	The last period of continuous employment with the employer excluding any periods before the effective date of the plan specified in the adoption agreement.
Vesting	Credited service plus transferred service from other OMRF employees.
Benefit Eligibility	5 or more years of vesting service.
Final Average Compensation	The average of the 5 highest consecutive annual salaries out of the last 10 years of service.
Accrued Benefit	Plan AA 2.625% of final average compensation multiplied by the number of years of credited service.
Normal Retirement Age	Age 65 with 5 or more years of vesting service.
Normal Retirement Eligibility	Termination of employment on or after normal retirement age.
Benefit	The accrued benefit payable immediately.
Early Retirement Eligibility	Termination after age 55 with 5 or more years of vesting.
Benefit	The accrued benefit payable starting at normal retirement, or the accrued benefit reduced 5% per year for commencement prior to normal retirement age.
Disability Retirement Eligibility	Total and permanent disability after 5 or more years of service.
Benefit	The accrued benefit is payable upon disablement without Reduction for early payment.
Termination Before Retirement Age	
Before Vesting	Return of employee contributions with interest.
After Vesting	The accrued benefit payable starting at age 65, or a reduced benefit payable at an early retirement age.
	<u>Oklahoma Municipal Retirement Fund</u>
In-service Death	
Before vesting	Return of member contributions with interest.
After vesting (married participants only)	50% of the accrued benefit is payable to the spouse until death or remarriage.
After Vesting (other participants)	50% of the accrued benefit is payable for 60 months certain.

CITY OF BRISTOW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Payment Options

Normal form

The normal form of payment of the accrued benefit is a monthly lifetime annuity with 5 years certain.

Optional forms

Disability retirement benefits are paid only under the normal form.

Other retirement benefits are available under actuarially Equivalent optional forms:

- Joint and 50% survivor annuity
- Joint and 66-2/3rds last survivor annuity
- Joint and 100% survivor annuity

Cost of Living

Benefits in payment status are adjusted each July 1<sup>st</sup> based on the percentage change in the CPI. The maximum increase is 3% per year.

Contributions for the current and two prior years are as follows.

<u>Fiscal Year</u>	<u>Required Contribution</u>
2023	\$ 98,904
2022	84,877
2021	86,438

Annual reports may be obtained from Oklahoma Municipal Retirement System, 525 Central Park Drive, Oklahoma City, OK 73105.

NOTE O - 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; and natural disasters. The City carries commercial insurance for risk of loss, including workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Claims not paid from commercial insurance may be paid from available cash or from a property tax assessment. The 2023 net valuation of taxable property in the City of Bristow was \$25,298,618.

NOTE P - FEDERAL STATE GRANTS

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE Q - TRANSFERS

The City and Municipal Authority adjust transfers between funds as needed during the budgeting process and as funds are needed.

NOTE R - SUBSEQUENT EVENTS

The City has evaluated subsequent events and contingencies through July 15, 2024, the date which financial statements were available.

CITY OF BRISTOW, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
<b>Revenue</b>				
Sales Tax	\$ 3,659,825	\$ 3,659,825	\$ 4,202,051	\$ 542,226
Use Tax	404,945	404,945	402,134	(2,811)
Franchise Tax	210,000	210,000	161,435	(48,565)
E911 Fee	76,000	76,000	76,034	34
Gasoline Tax	-	-	8,106	8,106
Motor Vehicle Tax	41,250	41,250	30,066	(11,184)
Alcoholic Beverage Tax	47,100	57,100	43,029	(14,071)
Cigarette Tax	31,250	31,250	30,337	(913)
PILOT (Bristow Housing Authority)	17,328	17,328	13,704	(3,624)
Cell Tower Revenue	39,629	43,629	41,073	(2,556)
Fire Revenue	86,282	80,282	77,627	(2,655)
Swimming Pool	13,000	-	-	-
Cemetery	72,515	72,515	41,338	(31,177)
Room Tax	5,247	5,247	3,387	(1,860)
License and Permits	28,263	28,263	29,623	1,360
Fines and Forfeits	204,010	204,010	175	(203,835)
Donations	10,000	55,000	16,055	(38,945)
Other	14,279	14,279	10,627	(3,652)
Sale of Assets	70,598	70,598	-	(70,598)
Rental	13,620	23,620	18,125	(5,495)
Insurance refunds	6,692	36,692	20,861	(15,831)
Interest	582	582	362	(220)
<b>TOTAL REVENUE</b>	<b>5,052,415</b>	<b>5,132,415</b>	<b>5,226,149</b>	<b>93,734</b>
<b>Expenditures</b>				
<b>MANAGERIAL DEPARTMENT</b>				
Personal Services	85,989	85,989	82,743	3,246
Materials and Supplies	10,800	10,800	9,765	1,035
<b>TOTAL MANAGERIAL DEPARTMENT</b>	<b>96,789</b>	<b>96,789</b>	<b>92,508</b>	<b>4,281</b>
<b>CLERK/PURCHASING DEPARTMENT</b>				
Personal Services	255,504	298,004	264,684	33,320
<b>TOTAL CLERK/PURCHASING DEPT</b>	<b>255,504</b>	<b>298,004</b>	<b>264,684</b>	<b>33,320</b>
<b>TREASURER DEPARTMENT</b>				
Personal Services	76,513	95,733	85,446	10,287
Other Service and Charges	525	525	525	-
<b>TOTAL TREASURER DEPARTMENT</b>	<b>77,038</b>	<b>96,258</b>	<b>85,971</b>	<b>10,287</b>
<b>MUNICIPAL JUDGE DEPARTMENT</b>				
Personal Services	11,225	14,450	14,179	271
<b>TOTAL MUNICIPAL JUDGE DEPT</b>	<b>11,225</b>	<b>14,450</b>	<b>14,179</b>	<b>271</b>

CITY OF BRISTOW, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
GENERAL GOVERNMENT DEPARTMENT				
Personal Services	3,760	6,760	6,301	459
Other Service and Charges	123,300	174,300	165,758	8,542
Materials and Supplies	19,150	19,150	16,744	2,406
Capital Outlay	-	-	-	-
TOTAL GENERAL GOVERNMENT DEPT	<u>146,210</u>	<u>200,210</u>	<u>188,803</u>	<u>11,407</u>
POLICE DEPARTMENT				
Personal Services	1,107,024	1,107,024	1,068,787	38,237
Other Service and Charges	19,963	24,963	15,130	9,833
Materials and Supplies	<u>68,174</u>	<u>123,174</u>	<u>83,089</u>	<u>40,085</u>
TOTAL POLICE DEPARTMENT	<u>1,195,161</u>	<u>1,255,161</u>	<u>1,167,006</u>	<u>88,155</u>
FIRE DEPARTMENT				
Personal Services	770,560	805,560	759,340	46,220
Other Service and Charges	9,248	9,248	9,190	58
Materials and Supplies	<u>31,811</u>	<u>36,811</u>	<u>28,160</u>	<u>8,651</u>
TOTAL FIRE DEPARTMENT	<u>811,619</u>	<u>851,619</u>	<u>796,690</u>	<u>54,929</u>
STREET DEPARTMENT				
Personal Services	407,955	457,955	475,831	(17,876)
Other Service and Charges	90,122	100,122	129,889	(29,767)
Materials and Supplies	<u>142,020</u>	<u>215,620</u>	<u>135,794</u>	<u>79,826</u>
TOTAL STREET DEPARTMENT	<u>640,097</u>	<u>773,697</u>	<u>741,514</u>	<u>32,183</u>
ANIMAL CONTROL DEPARTMENT				
Personal Services	52,660	64,468	47,068	17,400
Other Service and Charges	2,268	6,268	3,394	2,874
Materials and Supplies	<u>10,066</u>	<u>30,066</u>	<u>9,124</u>	<u>20,942</u>
TOTAL ANIMAL CONTROL DEPARTMENT	<u>64,994</u>	<u>100,802</u>	<u>59,586</u>	<u>41,216</u>
SENIOR CITIZENS DEPARTMENT				
Capital Outlay	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	-
TOTAL SENIOR CITIZENS DEPT	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	-
LIBRARY DEPARTMENT				
Personal Services	119,934	130,934	131,549	(615)
Other Service and Charges	3,080	3,080	3,023	57
Materials and Supplies	<u>11,190</u>	<u>11,190</u>	<u>6,057</u>	<u>5,133</u>
TOTAL LIBRARY DEPARTMENT	<u>134,204</u>	<u>145,204</u>	<u>140,629</u>	<u>4,575</u>

CITY OF BRISTOW, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
CEMETERY DEPARTMENT				
Personal Services	116,612	129,874	133,615	(3,741)
Materials and Supplies	12,178	17,178	17,080	98
TOTAL CEMETERY DEPARTMENT	128,790	147,052	150,695	(3,643)
SPORTS COMPLEX DEPARTMENT				
Other Service and Charges	8,748	8,748	9,553	(805)
Materials and Supplies	840	840	-	840
TOTAL SPORTS COMPLEX DEPT	9,588	9,588	9,553	35
POOL DEPARTMENT				
Personal Services	2,668	-	-	-
Other Service and Charges	215	1,215	965	250
Materials and Supplies	608	608	127	481
Capital Outlay	-	-	898,033	(898,033)
TOTAL POOL DEPARTMENT	3,491	1,823	899,125	(897,302)
INSPECTION DEPARTMENT				
Personal Services	74,592	82,292	74,673	7,619
Materials and Supplies	2,993	4,993	4,180	813
TOTAL INSPECTION DEPARTMENT	77,585	87,285	78,853	8,432
PARK DEPARTMENT				
Personal Services	111,254	130,254	128,077	2,177
Other Service and Charges	16,848	16,848	16,832	16
Materials and Supplies	13,189	36,189	32,708	3,481
TOTAL PARK DEPARTMENT	141,291	183,291	177,617	5,674
TOTAL EXPENDITURES	3,800,586	4,268,233	4,874,413	(606,180)
Excess (deficiency) of revenue over expenditures	1,251,829	864,182	351,736	(512,446)
Other financing sources (uses)				
Transfer In	1,746,364	1,846,364	1,813,033	(33,331)
Transfer Out	(2,441,233)	(2,581,233)	(2,315,588)	265,645
TOTAL OTHER FINANCING SOURCES (USES)	(694,869)	(734,869)	(502,555)	232,314
Net change in fund balance	556,960	129,313	(150,819)	(280,132)
Fund Balances, beginning	151,577	176,939	175,910	1,029
Fund Balances, ending	\$ 708,537	\$ 306,252	\$ 25,091	\$ (279,103)

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023

Budgetary Accounting

The annual operating budgets are prepared and presented on the cash basis of accounting. Per City ordinance, the City utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at the year end are not considered expenditures for budgetary purposes, and are considered lapsed, as are all unused appropriations. Any open purchase orders to be honored in the subsequent budget year are re-appropriated and re-encumbered in the next year's budget. As a result, no reserve for encumbrances is reported at year end.

For the year ended June 30, 2023, the City complied in all material respects with the applicable budget laws relating to expenditures and appropriations at the legal level of control. Oklahoma Statute §11.17-206.D encumbrances for capital projects may be considered nonfiscal and excluded from the budget.

CITY OF BRISTOW, OKLAHOMA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	<u>Cemetery</u>	<u>Cemetery Care</u>	<u>Police Training</u>	<u>Court</u>	<u>Library</u>	<u>Jones Found- ation</u>	<u>Special Fire</u>	<u>Grant Match</u>	<u>Amphitheater</u>	<u>TOTAL NONMAJOR FUNDS</u>
<b>ASSETS</b>										
Cash and Cash										
Equivalents	\$ 7,023	\$ 27,318	\$ 33,414	\$12,115	\$37,137	\$ 5,765	\$19,713	\$ 65,565	\$ 1,323	\$209,373
Investments	<u>-</u>	<u>53,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,304</u>	<u>-</u>	<u>81,938</u>
TOTAL ASSETS	<u>\$ 7,023</u>	<u>\$ 80,952</u>	<u>\$ 33,414</u>	<u>\$12,115</u>	<u>\$37,137</u>	<u>\$ 5,765</u>	<u>\$19,713</u>	<u>\$ 93,869</u>	<u>\$ 1,323</u>	<u>\$291,311</u>
<b>LIABILITIES</b>										
Due to Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>										
Designated	<u>7,023</u>	<u>80,952</u>	<u>33,414</u>	<u>12,115</u>	<u>37,137</u>	<u>5,765</u>	<u>19,713</u>	<u>93,869</u>	<u>1,323</u>	<u>291,311</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,023</u>	<u>\$ 80,952</u>	<u>\$ 33,414</u>	<u>\$12,115</u>	<u>\$37,137</u>	<u>\$ 5,765</u>	<u>\$19,713</u>	<u>\$ 93,869</u>	<u>\$ 1,323</u>	<u>\$291,311</u>

The accompanying notes are an integral part of these financial statements.



CITY OF BRISTOW, OKLAHOMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2023

	Cemetery	Cemetery Care	Police Training	Court	Library	Jones Found- ation	Special Fire	Grant Match	Amphitheater	Total Nonmajor Funds
<b>REVENUES</b>										
Cemetery Sales	\$ -	\$ 5,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,572
Intergovernmental	-	-	72,506	-	50,694	-	44,932	-	-	168,132
Other	-	-	-	-	-	-	-	36,940	-	36,940
Sales of Assets	-	-	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	214,543	-	-	-	-	-	214,543
Donations	30,175	-	-	-	-	25,017	-	-	150	55,342
Interest	48	685	-	32	-	5	-	140	2	912
<b>TOTAL REVENUES</b>	<u>30,223</u>	<u>6,257</u>	<u>72,506</u>	<u>214,575</u>	<u>50,694</u>	<u>25,022</u>	<u>44,932</u>	<u>37,080</u>	<u>152</u>	<u>481,441</u>
<b>EXPENDITURES</b>										
<b>Current</b>										
Culture and Education	-	-	-	-	17,331	23,447	-	-	370	41,148
Park and Recreation	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	93,407	40,179	-	-	30,156	37,727	-	201,469
Cemetery	223,299	-	-	-	-	-	-	-	-	223,299
<b>TOTAL EXPENDITURES</b>	<u>223,299</u>	<u>-</u>	<u>93,407</u>	<u>40,179</u>	<u>17,331</u>	<u>23,447</u>	<u>30,156</u>	<u>37,727</u>	<u>370</u>	<u>465,916</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(193,076)</u>	<u>6,257</u>	<u>(20,901)</u>	<u>174,396</u>	<u>33,363</u>	<u>1,575</u>	<u>14,776</u>	<u>(647)</u>	<u>(218)</u>	<u>15,525</u>
<b>Other Financing Sources (Uses)</b>										
Transfer In	158,277	-	43,739	-	-	-	-	18,000	-	220,016
Transfer Out	-	(40,000)	-	(172,947)	-	-	-	-	-	(212,947)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>158,277</u>	<u>(40,000)</u>	<u>43,739</u>	<u>(172,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>-</u>	<u>7,069</u>
<b>Net Change in Fund Balance</b>	<u>(34,799)</u>	<u>(33,743)</u>	<u>22,838</u>	<u>1,449</u>	<u>33,363</u>	<u>1,575</u>	<u>14,776</u>	<u>17,353</u>	<u>(218)</u>	<u>22,594</u>
<b>Fund Balance - Beginning</b>	<u>41,822</u>	<u>114,695</u>	<u>10,576</u>	<u>10,666</u>	<u>3,774</u>	<u>4,190</u>	<u>4,937</u>	<u>76,516</u>	<u>1,541</u>	<u>268,717</u>
<b>Fund Balance - Ending</b>	<u>\$ 7,023</u>	<u>\$ 80,952</u>	<u>\$ 33,414</u>	<u>\$ 12,115</u>	<u>\$ 37,137</u>	<u>\$ 5,765</u>	<u>\$ 19,713</u>	<u>\$ 93,869</u>	<u>\$ 1,323</u>	<u>\$ 291,311</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BRISTOW, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA#</u>	<u>Grantor's Number</u>	<u>Expenditures*</u>
United States Department of Transportation			
Federal Aviation Administration (FAA)			
Direct programs:			
Airport Improvement (AIP) Grant	20.106	3-40-0128-010-2016	\$ 699,275
Total Federal Aviation Administration (FAA)			<u>699,275</u>
United States Department of Transportation			
Passed through Oklahoma Aeronautics Commission (OAC)			
Airport Improvement (AIP) Grant	20.106	3-40-0128-010-2016	37,562
Total passed through Oklahoma Aeronautics Commission (OAC)			<u>37,562</u>
United States Department of Housing and Urban Development (HUD)			
Passed through Oklahoma Department of Commerce (OKDOC)			
Community Development Block Grant	14.228	21-18548	260,510
Total passed through OK Dept of Commerce			<u>260,510</u>
United States Department of The Treasury			
Passed through Oklahoma Office of the Governor			
American Rescue Plan Act	21.027		308,859
Total passed through OK Dept of the Governor			<u>308,859</u>
Total Expenditures of Federal Awards			<u>\$ 1,306,206</u>

Note 1 -\* Represents federal share of expenditures only.

Note 2 -This schedule is prepared using the modified cash basis of accounting described in Note A.

Note 3 -The City has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

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

To the Honorable Mayor and Members of the City Council  
City of Bristow  
Bristow, 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 modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bristow, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Bristow's basic financial statements and have issued our report thereon dated July 15, 2024.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Bristow's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Bristow's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Bristow'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 over financial reporting 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 I 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 City of Bristow, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of the 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

***Ralph Osborn, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
July 15, 2024

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of Trustees  
City of Bristow  
Bristow, Oklahoma

### Report on Compliance for Each Major Federal Program

We have audited City of Bristow, Oklahoma compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned cost.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that We plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as We considered necessary in the circumstance.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### Opinion on Each Major Federal Program

In our opinion, City of Bristow complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

## Report on Internal Control Over Compliance

Management of City of Bristow is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, We considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, We do not express an opinion on the effectiveness of City of Bristow's internal control over compliance.

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

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

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

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 City of Bristow, Oklahoma as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Bristow, Oklahoma's basic financial statements. We issued our report thereon dated July 15, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sincerely,

***Ralph Osborn, CPA LLP***

Ralph Osborn, CPA LLP  
Bristow, Oklahoma  
July 15, 2024

CITY OF BRISTOW, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023

Section I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:  
basis

Unmodified on modified cash

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ Yes      X No

Significant deficiency identified that is  
not considered to be material weakness(es)?

\_\_\_ Yes      X None Reported

Noncompliance material to financial  
statements noted?

\_\_\_ Yes      X No

Federal Awards

Internal control over major programs:

Material Weakness(es) identified?

\_\_\_ Yes      X No

Significant deficiency identified that is  
not considered to be material weakness(es)?

\_\_\_ Yes      X None Reported

Type of auditor's report issued on compliance  
to major programs:  
basis

Unmodified on modified cash

Any audit findings disclosed that are required

to be reported in accordance with section  
510(a) of Uniform Guidance

\_\_\_ Yes      X No

Programs tested as Major Programs

CFDA Number(s)

Name of Federal Program or Cluster

20.106

Airport Improvement Program

Dollar threshold used to distinguish  
between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_ Yes      X No

Section II - Financial Statement Findings

There were no findings noted.



CITY OF BRISTOW, OKLAHOMA  
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COST  
FOR THE YEAR ENDED JUNE 30, 2023

There were no findings or questioned costs reported in the audit for the year ended June 30, 2022.