

City Of
Glenpool
Creating Opportunity



**ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REPORTS**

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

**THE CITY OF GLENPOOL,
OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS**

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

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

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

TABLE OF CONTENTS

	Page
Independent Auditor’s Report on Financial Statements	5-7
Management Discussion and Analysis	9-18
The Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Governmental Funds Financial Statements:	
Balance Sheet	23
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	24
Reconciliation of Governmental Fund and Government-Wide Financial Statements.....	25-26
Proprietary Funds Financial Statements:	
Statement of Net Position.....	28
Statement of Revenues, Expenses, and Changes in Net Position.....	29
Statement of Cash Flows.....	30
Footnotes to the Basic Financial Statements	31-64
Required Supplementary Information:	
Budgetary Comparison Information	
Budgetary Comparison Schedule (Budgetary Basis) – General Fund.....	66
Budgetary Comparison Schedule (Budgetary Basis) – Public Safety Personnel Fund.....	66
Footnotes to Budgetary Comparison Schedules.....	67
Schedules of Required Supplementary Information – Oklahoma Firefighter’s Pension & Retirement System.....	68
Schedules of Required Supplementary Information – Oklahoma Police Pension & Retirement System.....	69
Schedules of Required Supplementary Information – Other Post-Employment Benefits.....	70
Other Supplementary Information:	
Nonmajor Governmental Fund Combining Statements	
Combining Balance Sheet.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	72
Federal Awards Information	
Schedule of Expenditures of Federal Awards.....	73

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

TABLE OF CONTENTS

Reports Required by *Government Auditing Standards*:

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 <i>Government Auditing Standards</i>	75-76
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Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Glenpool, Oklahoma
Glenpool, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Glenpool, Oklahoma (the City), as of and for the year ended June 30, 2023 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining nonmajor fund financial statements and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 combining nonmajor fund financial statements fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 of Glenpool, Oklahoma’s internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
December 28, 2023



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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Our discussion and analysis of the City of Glenpool's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2023, the City's total net position increased \$5,668,898 or 19.4% from the prior year.
- During the year, the City's expenses for governmental activities were \$12,163,358 and were funded by program revenues of \$1,721,483 and further funded with taxes and other general revenues that totaled \$16,988,557 excluding net transfers.
- In the City's business-type activities, such as utilities, total expenses exceeded program revenues by \$1,014,628.
- At June 30, 2023, the General Fund reported an unassigned fund balance of \$15,144,319, which is an increase of 25.4% from the prior year unassigned fund balance.
- For budgetary reporting purposes, the General Fund reported total resources (inflows) over estimates by \$1,597,201 or 10.9%, while expenditures were under the final appropriations by \$2,057,266 or 14%.
- The City implemented GASB Statement 96, SBITAs, during the fiscal year. Subscription assets and related amounts were recorded in the financial statements.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Glenpool (the "City") and its component units using the integrated approach as prescribed by GASB Statements No. 14, 34, 39 and 61. Included in this report are government-wide statements for each of two categories of activities - governmental and business-type.

The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately and combined. These statements include all assets of the City (including infrastructure) and deferred outflows as well as all liabilities (including long-term debt) and deferred inflows.

About the City

The City is organized under the statutes of the State of Oklahoma. The City operates under a Council-Manager form of government and is governed by council members. The five members elect the mayor from their own body. The City provides the following services as authorized by the State: general government, code and planning, public safety (fire, police, animal control and court), streets and parks, community development, and economic development for the geographical area organized as the City.

The City's Financial Reporting Entity

This annual report includes all activities for which the City of Glenpool City Council is fiscally responsible. These activities, defined as the City's financial reporting entity, are operated within separate legal entities that make up the primary government.

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

The City's financial reporting entity includes the primary government (City of Glenpool) and the blended component units as follows:

- The City of Glenpool - that operates the public safety; streets and roads; culture recreation; public improvements; planning and zoning; and general administrative services.
- The Glenpool Utility Services Authority (GUSA) - that operates the water, sewer and sanitation services of the City.
- The Glenpool Industrial Authority - that operates the industrial development services of the City.

Using This Annual Report

This annual report is presented in a format that substantially meets the presentation requirements of the Governmental Accounting Standards Board (GASB) in accordance with generally accepted accounting principles. The presentation includes financial statements that communicate the City's financial condition and changes therein at two distinct levels:

- The City as a whole (a government-wide presentation)
- The City's funds (a presentation of the City's major and aggregate non-major funds)

The City's various government-wide and fund financial statements are presented throughout this annual report and are accompanied by:

- Management's Discussion and Analysis - provides useful analysis that facilitates a better understanding of the City's financial condition and changes therein.
- Footnotes - elaborates on the City's accounting principles used in the preparation of the financial statements and further explain financial statement elements.
- Supplemental Information - provides additional information about specified elements of the financial statements, such as budgetary comparison information.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

One of the most frequently asked questions about the City's finances is, "Has the City's overall financial condition improved, declined or remained steady over the past year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it from the prior year. You can think of the City's net position - the difference between assets, deferred outflows, liabilities and deferred inflows - as one way to measure the City's financial condition. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's property tax base, the condition of the City's roads, and the quality of services to assess the overall health of the City.

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

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, sewer and sanitation services are reported here, along with industrial development activity.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the City's enterprise funds are essentially the same as the business-type activities we report in the government-wide statements but provide more details and additional information, such as cash flows.

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

The City as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the year ended June 30, 2023, net position was as follows:

NET POSITION (In Thousands)									
	Governmental Activities		% Inc. (Dec.)	Business-Type Activities		% Inc. (Dec.)	Total		% Inc. (Dec.)
	2023	2022		2023	2022		2023	2022	
Current assets	\$ 23,731	\$ 19,272	23%	\$ 8,515	\$ 7,490	14%	\$ 32,246	\$ 26,762	20%
Capital assets, net	16,695	16,458	1%	34,375	35,227	-2%	51,070	51,685	-1%
Total assets	<u>40,426</u>	<u>35,730</u>	13%	<u>42,890</u>	<u>42,717</u>	0%	<u>83,316</u>	<u>78,447</u>	6%
Deferred outflows	3,634	2,746	32%	1,533	1,618	-5%	5,167	4,364	18%
Current liabilities	3,541	1,933	83%	2,318	2,305	1%	5,859	4,238	38%
Non-current liabilities	10,206	6,043	69%	36,444	38,196	-5%	46,650	44,239	5%
Total liabilities	<u>13,747</u>	<u>7,976</u>	72%	<u>38,762</u>	<u>40,501</u>	-4%	<u>52,509</u>	<u>48,477</u>	8%
Deferred inflows	912	4,975	-82%	105	71	48%	1,017	5,046	-80%
Net position									
Net investment in capital assets	14,531	14,772	-2%	2,735	1,816	51%	17,266	16,588	4%
Restricted	4,512	3,430	32%	-	-	0%	4,512	3,430	32%
Unrestricted	10,358	7,323	41%	2,821	1,947	45%	13,179	9,270	42%
Total net position	<u>\$ 29,401</u>	<u>\$ 25,525</u>	15%	<u>\$ 5,556</u>	<u>\$ 3,763</u>	48%	<u>\$ 34,957</u>	<u>\$ 29,288</u>	19%

The above numbers reflect an increase in total net position of 15% for governmental activities and an increase of 48% for business type activities. Overall, the net position for both governmental and business-type activities increased 19% over last fiscal year.

Deferred inflows of resources increased by 80% due to changes related to the net pension and OPEB liabilities in the current year, along with additional deferrals related to leases.

Governmental activities current liabilities increased by 83% due mainly to an increase in unearned revenue related to ARPA grant.

Governmental activities non-current liabilities increased by 69% due mainly to an increase in fire net pension liability.

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

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

CHANGES IN NET POSITION (In Thousands)									
	<u>Governmental</u>		% Inc.	<u>Business-Type</u>		% Inc.	<u>Total</u>		% Inc.
	Activities			Activities			(Dec.)		
	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>	
Revenues									
Charges for service	\$ 739	\$ 775	-5%	\$ 5,960	\$ 5,802	3%	\$ 6,699	\$ 6,577	2%
Operating grants and contributions	893	638	40%	152	129	18%	1,045	767	36%
Capital grants and contributions	89	999	-91%	112	927	-88%	201	1,926	-90%
Taxes	15,872	15,019	6%	-	-	-	15,872	15,019	6%
Intergovernmental revenue	214	207	3%	-	-	-	214	207	3%
Investment income	727	17	4176%	137	2	6750%	864	19	4447%
Miscellaneous	175	191	-8%	-	45	100%	175	236	-26%
Total revenues	<u>18,709</u>	<u>17,846</u>	5%	<u>6,361</u>	<u>6,905</u>	-8%	<u>25,070</u>	<u>24,751</u>	1%
Expenses									
General government	1,891	1,771	7%	-	-	-	1,891	1,771	7%
Public safety	8,303	6,634	25%	-	-	-	8,303	6,634	25%
Streets and parks	1,058	1,059	0%	-	-	-	1,058	1,059	0%
Community development	674	648	4%	-	-	-	674	648	4%
Economic development	184	69	167%	-	-	-	184	69	167%
Interest on long-term debt	53	25	112%	-	-	-	53	25	112%
Water	-	-	-	2,977	3,129	-5%	2,977	3,129	-5%
Sewer	-	-	-	2,718	2,325	17%	2,718	2,325	17%
Sanitation	-	-	-	734	759	-3%	734	759	-3%
Industrial development	-	-	-	367	491	-25%	367	491	-25%
Conference center	-	-	-	442	392	13%	442	392	13%
Total expenses	<u>12,163</u>	<u>10,206</u>	19%	<u>7,238</u>	<u>7,096</u>	2%	<u>19,401</u>	<u>17,302</u>	12%
Excess (deficiency) before transfers	6,546	7,640	-14%	(877)	(191)	359%	5,669	7,449	-24%
Transfers	<u>(2,670)</u>	<u>(2,753)</u>	-3%	<u>2,670</u>	<u>2,753</u>	-3%	-	-	-
Change in net position	3,876	4,887	-21%	1,793	2,562	-30%	5,669	7,449	-24%
Beginning net position	25,525	20,638	24%	3,763	1,201	213%	29,288	21,839	34%
Ending net position	<u>\$ 29,401</u>	<u>\$ 25,525</u>	15%	<u>\$ 5,556</u>	<u>\$ 3,763</u>	48%	<u>\$ 34,957</u>	<u>\$ 29,288</u>	19%

Governmental activities capital grants and contributions decreased by 91% during the year due to street related capital asset contributions received during FY 22 in the approximate amount of \$999,000.

Governmental and business-type activities had an increase in investment income of 4447% from the prior year due to interest rates increasing in the current year, especially in the sweep account.

Business-type activities capital grants and contributions decreased by 88% during the year due to approximately \$927,000 of capital being contributed in the prior year and only approximately \$193,000 being contributed in the current year.

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

Governmental Activities

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

General government: Permits and licenses, inspections fees

Public safety: Fines and forfeitures, E-911, dog pound fees, grants, on-behalf payments

Streets and parks: Development fees, gas excise tax, commercial vehicle tax, capital contributions

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

(In Thousands)

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2023	2022		2023	2022	
	General government	\$ 1,891		\$ 1,771	7%	
Public safety	8,303	6,633	25%	(6,946)	(5,567)	25%
Streets and parks	1,058	1,059	0%	(836)	91	-1019%
Community development	674	649	4%	(674)	(648)	4%
Economic development	184	69	167%	(184)	(69)	167%
Interest on long-term debt	53	25	112%	(53)	(25)	112%
Total	\$ 12,163	\$ 10,206	19%	\$ (10,442)	\$ (7,794)	34%

Business-type Activities

The business-type activities had an increase in net position of \$1,792,695.

(In Thousands)

	Total Expense of Services		% Inc. Dec.	Net Revenue (Expense) of Services		% Inc. Dec.
	2023	2022		2023	2022	
	Water	\$ 2,977		\$ 3,130	-5%	
Sewer	2,718	2,325	17%	(1,032)	(27)	3722%
Sanitation	734	759	-3%	146	103	42%
Industrial development	367	491	-25%	(215)	(363)	-41%
Conference center	442	392	13%	(54)	(67)	-19%
Total	\$ 7,238	\$ 7,097	2%	\$ (1,015)	\$ (237)	328%

Sewer net expense increased by approximately \$1,005,000 (3722%) due to a decrease in contributed capital received in FY23, along with an increase in current year expenses.

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

Sanitation net revenue increased by approximately \$43,000 (42%) due to decrease in expenses and an increase in charges for services in the current year.

Industrial development net expense decreased by approximately \$148,000 (41%) due mainly to a decrease in industrial development expenses in FY23.

General Fund Budgetary Highlights

For the year ended June 30, 2023, the General Fund reported actual budgetary basis revenues over final estimates by \$1,597,201 or a 10.9% positive variance. General Fund actual expenditures were under final appropriations by \$2,057,266 or a 14% positive variance.

Capital Asset and Debt Administration

Capital Assets

At the end of June 30, 2023, the City has \$51.1 million invested in capital assets including police and fire equipment, buildings, water and sewer lines, roads, and park facilities, among others.

Capital Assets						
(In Thousands)						
(Net of accumulated depreciation)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<i>Non-Depreciable Assets</i>						
Land	\$ -	\$ -	\$ 2,883	\$ 2,883	\$ 2,883	\$ 2,883
Construction in progress	111	23	340	258	451	281
<i>Depreciable Assets</i>						
Buildings and improvements	4,501	4,699	10,384	10,756	14,885	15,455
Furniture, fixtures and equipment	1,236	1,327	251	258	1,487	1,585
Vehicles	1,976	1,397	-	16	1,976	1,413
Infrastructure	8,725	9,011	20,516	21,056	29,241	30,067
Intangible leased equipment	146	-	-	-	146	-
Totals	<u>\$ 16,695</u>	<u>\$ 16,457</u>	<u>\$ 34,374</u>	<u>\$ 35,227</u>	<u>\$ 51,069</u>	<u>\$ 51,684</u>

See note 5 for additional details.

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

This year's more significant capital asset additions are the CIP projects of the Wasteload & Wetland WWTP totaling \$80,893 and Kendalwood South Community Improvement project, totaling \$87,383, along with a Fire Pumper truck totaling \$780,000.

Debt Administration

At year-end, the City had approximately \$39.9 million in outstanding notes, bonds, and subscription obligations, and additionally, the City had \$0.9 million in accrued compensated absences and utility deposits liability.

	Long-Term Debt (In Thousands)						Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
Revenue bonds payable	\$ -	\$ -	\$ 35,980	\$ 37,515	\$ 35,980	\$ 37,515	-4.1%
Notes payable	2,017	1,687	1,804	1,968	3,821	3,655	4.5%
Subscription obligations	147	-	-	-	147	-	100.0%
Deposits subject to refund	-	-	349	342	349	342	2.0%
Accrued compensated absences	528	431	39	39	567	470	20.6%
Totals	<u>\$ 2,692</u>	<u>\$ 2,118</u>	<u>\$ 38,172</u>	<u>\$ 39,864</u>	<u>\$ 40,864</u>	<u>\$ 41,982</u>	-2.7%

See note 6 for additional details.

Economic Factors and Next Year's Budget

The City has continued to see strong growth in sales and use tax; we ended FY22-23 with a 5.7% increase in sales tax and a 9.8 % increase in use tax over the prior year. While we expect both sales and use tax to continue to grow in FY23-24, staff took a conservative approach to the FY23-24 Budget and presented to Council a budget with modest expenditure increases. The FY23-24 Sales tax revenue budget is based on a one-quarter percent increase over the FY22-23 actual collections.

Since the advent of the FY23-24 budget year, sales and use taxes continue to increase, although at a slower pace than the last several years. Use tax collections for the first several months of the fiscal year are 14.0% higher, while sales tax collections have slowed considerably to 1.9% over prior fiscal year. Additionally, residential and commercial building permits issued in CY2023 have declined by approximately 33% over CY2022. Given these fluctuating conditions, the staff stands by their decision to recommend a budget that utilized a slight increase over the prior year actual revenues to build the new budget.

The growth in revenue across our major funds allowed us to add several new positions within the FY23-24 budget, including: one new firefighter; one new police officer; one new property room clerk; one new water distribution crew leader; one new streets and parks laborer; three part-time seasonal positions to assist with summer mowing, and one part-time conference center position to help with night and weekend

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

events. In addition to the satisfactory performance increases for the Fire and Police Department as required in their respective Collective Bargaining Agreements and a 4% raise for non-union employees, the Police Department's new two-year contract included salary adjustments across the board for all employees with a slightly higher rate targeted for Patrolmen and Master Patrolmen.

The increases experienced this year in sales and use taxes combined with our staff's ability to hold costs in check when appropriate allowed the City to budget many one-time capital needs from the growth in fund balance instead of planned revenue for the fiscal year. In addition, we increased the annual appropriation for street repairs from \$350,000 in FY22-23 to \$400,000 for FY23-24. This represents a 33% increase (\$100,000) to our road repair budget over the last two fiscal years.

Finally, the City is in the engineering and design phase of a \$44 million project financed by a grant through the American Recovery Plan Act. The funding will be used to build a mechanical wastewater treatment facility to replace the current lagoon settlement system. This new and expanded system will be designed to meet the needs of the City's continued population growth.

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 12205 S. Yukon Avenue, Glenpool, OK 74033 or phone at (918) 322-5409.

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

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

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

Statement of Net Position– June 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 19,308,551	\$ 9,111,222	\$ 28,419,773
Investments	14,360	289,549	303,909
Accounts receivable, net of allowance	-	762,516	762,516
Court receivable, net of allowance	195,826	-	195,826
Lease receivable	63,206	-	63,206
Internal balances	1,663,611	(1,663,611)	-
Due from other governments	2,106,980	-	2,106,980
Other receivables, net of allowance	40,275	15,215	55,490
Net pension asset	338,603	-	338,603
Capital Assets:			
Land and construction in progress	110,688	3,222,543	3,333,231
Other capital assets, net of depreciation	16,584,469	31,151,946	47,736,415
Total Assets	<u>40,426,569</u>	<u>42,889,380</u>	<u>83,315,949</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	-	1,492,355	1,492,355
Deferred amounts related to pensions	3,408,095	-	3,408,095
Deferred amounts related to OPEB	225,535	40,632	266,167
Total Deferred Outflows	<u>3,633,630</u>	<u>1,532,987</u>	<u>5,166,617</u>
LIABILITIES			
Accounts payable and accrued expenses	562,403	396,865	959,268
Accrued interest payable	20,419	108,432	128,851
Due to bondholders	38,200	-	38,200
Due to other governments	2,224	-	2,224
Unearned revenue	2,300,196	-	2,300,196
Long-term liabilities			
Due within one year	617,096	1,812,611	2,429,707
Due in more than one year	10,206,593	36,443,692	46,650,285
Total liabilities	<u>13,747,131</u>	<u>38,761,600</u>	<u>52,508,731</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to leases	60,184	-	60,184
Deferred amounts related to pensions	153,278	-	153,278
Deferred amounts related to OPEB	698,429	104,937	803,366
Total Deferred Inflows	<u>911,891</u>	<u>104,937</u>	<u>1,016,828</u>
NET POSITION			
Net investment in capital assets	14,531,548	2,734,707	17,266,255
Restricted for:			
Economic development	810,432	-	810,432
Capital projects	121,277	-	121,277
Parks & recreation	244,933	-	244,933
Public safety	1,576,258	-	1,576,258
Streets	1,758,706	-	1,758,706
Unrestricted	10,358,023	2,821,123	13,179,146
Total net position	<u>\$ 29,401,177</u>	<u>\$ 5,555,830</u>	<u>\$ 34,957,007</u>

See accompanying notes to the basic financial statements.

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

Statement of Activities –Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities:							
General Government	\$ 1,891,184	\$ 141,973	\$ -	\$ -	\$ (1,749,211)	\$ -	\$ (1,749,211)
Public Safety	8,302,842	587,609	767,611	1,850	(6,945,772)	-	(6,945,772)
Streets and Parks	1,058,289	9,325	125,732	87,383	(835,849)	-	(835,849)
Community Development	674,413	-	-	-	(674,413)	-	(674,413)
Economic Development	183,635	-	-	-	(183,635)	-	(183,635)
Interest on Long-term debt	52,995	-	-	-	(52,995)	-	(52,995)
Total governmental activities	<u>12,163,358</u>	<u>738,907</u>	<u>893,343</u>	<u>89,233</u>	<u>(10,441,875)</u>	<u>-</u>	<u>(10,441,875)</u>
Business-Type Activities:							
Water	2,977,016	3,116,753	-	-	-	139,737	139,737
Sewer	2,717,968	1,574,588	-	111,893	-	(1,031,487)	(1,031,487)
Sanitation	734,155	880,247	-	-	-	146,092	146,092
Industrial Development	367,468	-	152,312	-	-	(215,156)	(215,156)
Conference center	441,591	387,777	-	-	-	(53,814)	(53,814)
Total business-type activities	<u>7,238,198</u>	<u>5,959,365</u>	<u>152,312</u>	<u>111,893</u>	<u>-</u>	<u>(1,014,628)</u>	<u>(1,014,628)</u>
Total primary government	<u>\$ 19,401,556</u>	<u>\$ 6,698,272</u>	<u>\$ 1,045,655</u>	<u>\$ 201,126</u>	<u>\$ (10,441,875)</u>	<u>\$ (1,014,628)</u>	<u>\$ (11,456,503)</u>
General revenues:							
Taxes:							
Sales and use taxes					14,986,198	-	14,986,198
Franchise taxes and public service taxes					632,329	-	632,329
Hotel/motel taxes					254,067	-	254,067
Intergovernmental revenue not restricted to specific programs					214,289	-	214,289
Unrestricted investment earnings					727,127	136,844	863,971
Miscellaneous					174,547	-	174,547
Transfers					(2,670,479)	2,670,479	-
Total general revenues and transfers					<u>14,318,078</u>	<u>2,807,323</u>	<u>17,125,401</u>
Change in net position					3,876,203	1,792,695	5,668,898
Net position - beginning					25,524,974	3,763,135	29,288,109
Net position - ending					<u>\$ 29,401,177</u>	<u>\$ 5,555,830</u>	<u>\$ 34,957,007</u>

See accompanying notes to the basic financial statements.

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

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

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

Governmental Funds Balance Sheet - June 30, 2023

	<u>General Fund</u>	<u>Special Revenue</u>		<u>Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Public Safety Personnel Fund</u>	<u>ARPA Grant Fund</u>	<u>Public Safety Capital Fund</u>		
ASSETS						
Cash and cash equivalents	\$ 12,836,106	\$ 874,727	\$ 2,355,884	\$ 440,603	\$ 2,801,231	\$ 19,308,551
Investments	14,360	-	-	-	-	14,360
Due from other funds	1,663,611	-	-	-	-	1,663,611
Due from other governments	1,688,960	209,162	-	98,733	110,125	2,106,980
Court fines receivable, net	195,826	-	-	-	-	195,826
Lease receivable	63,206	-	-	-	-	63,206
Other receivables	11,118	-	-	-	29,157	40,275
Total assets	<u>\$ 16,473,187</u>	<u>\$ 1,083,889</u>	<u>\$ 2,355,884</u>	<u>\$ 539,336</u>	<u>\$ 2,940,513</u>	<u>\$ 23,392,809</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 282,419	\$ 10,995	\$ 55,688	\$ -	\$ 1,449	\$ 350,551
Accrued payroll payable	171,399	35,972	-	-	3,716	211,087
Due to bondholders	38,200	-	-	-	-	38,200
Due to other governments	2,224	-	-	-	-	2,224
Other payables	765	-	-	-	-	765
Unearned revenue	-	-	2,300,196	-	-	2,300,196
Total liabilities	<u>495,007</u>	<u>46,967</u>	<u>2,355,884</u>	<u>-</u>	<u>5,165</u>	<u>2,903,023</u>
Deferred inflows:						
Deferred amounts related to leases	60,184	-	-	-	-	60,184
Unavailable revenue	256,177	-	-	-	-	256,177
Total deferred inflows	<u>316,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,361</u>
Fund balances:						
Restricted	-	1,036,922	-	539,336	2,935,348	4,511,606
Assigned	517,500	-	-	-	-	517,500
Unassigned	15,144,319	-	-	-	-	15,144,319
Total fund balances	<u>15,661,819</u>	<u>1,036,922</u>	<u>-</u>	<u>539,336</u>	<u>2,935,348</u>	<u>20,173,425</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 16,473,187</u>	<u>\$ 1,083,889</u>	<u>\$ 2,355,884</u>	<u>\$ 539,336</u>	<u>\$ 2,940,513</u>	<u>\$ 23,392,809</u>

See accompanying notes to the basic financial statements.

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

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

	General Fund	Special Revenue		Capital Project	Other Governmental Funds	Total Governmental Funds
		Public Safety Personnel Fund	ARPA Grant Fund	Public Safety Capital Fund		
REVENUES						
Taxes	\$ 12,508,702	\$ 1,615,515	\$ -	\$ 764,294	\$ 1,106,779	\$ 15,995,290
Intergovernmental	1,077,778	3,437	80,893	-	-	1,162,108
Licenses and permits	74,336	-	-	-	-	74,336
Charges for services	355,465	-	-	-	9,325	364,790
Fines & forfeitures	225,896	-	-	-	-	225,896
Investment earnings	727,127	-	-	-	-	727,127
Miscellaneous	231,672	-	-	-	-	231,672
Total revenues	<u>15,200,976</u>	<u>1,618,952</u>	<u>80,893</u>	<u>764,294</u>	<u>1,116,104</u>	<u>18,781,219</u>
EXPENDITURES						
Administration	571,390	-	-	-	-	571,390
General government	1,156,393	-	-	-	-	1,156,393
Police	2,009,004	540,867	-	-	-	2,549,871
Dispatch	502,961	-	-	-	-	502,961
Fire	2,821,083	966,778	-	-	-	3,787,861
Animal control	142,214	-	-	-	-	142,214
Streets and parks	635,724	-	-	-	-	635,724
Emergency management	8,959	-	-	-	-	8,959
Community development	664,981	-	-	-	-	664,981
Economic development	-	-	-	-	179,911	179,911
Capital outlay	696,541	-	80,893	962,537	-	1,739,971
Debt service:						
Principal	45,984	-	-	404,306	95,214	545,504
Interest and other charges	-	-	-	48,545	-	48,545
Total expenditures	<u>9,255,234</u>	<u>1,507,645</u>	<u>80,893</u>	<u>1,415,388</u>	<u>275,125</u>	<u>12,534,285</u>
Excess (deficiency) of revenues over expenditures	<u>5,945,742</u>	<u>111,307</u>	<u>-</u>	<u>(651,094)</u>	<u>840,979</u>	<u>6,246,934</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from borrowings	61,872	-	-	780,000	-	841,872
Other financing source-SBITAs	180,963	-	-	-	-	180,963
Transfers in	1,814,400	-	-	-	-	1,814,400
Transfers out	(4,418,946)	-	-	-	-	(4,418,946)
Total other financing sources (uses)	<u>(2,361,711)</u>	<u>-</u>	<u>-</u>	<u>780,000</u>	<u>-</u>	<u>(1,581,711)</u>
Net change in fund balances	3,584,031	111,307	-	128,906	840,979	4,665,223
Fund balances - beginning	12,077,788	925,615	-	410,430	2,094,369	15,508,202
Fund balances - ending	<u>\$ 15,661,819</u>	<u>\$ 1,036,922</u>	<u>\$ -</u>	<u>\$ 539,336</u>	<u>\$ 2,935,348</u>	<u>\$ 20,173,425</u>

See accompanying notes to the basic financial statements.

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

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds \$ 20,173,425

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 16,695,157

Other long-term assets are not available to pay for current period expenditures and therefore they, along with pension and OPEB related deferred outflows, are not reported in the funds.

Unavailable revenue	256,177
Net pension asset	338,603
Pension and OPEB related deferred outflows	<u>3,633,630</u>
	<u>4,228,410</u>

Some liabilities (such as Notes Payable, Subscription Obligations, Long-term Compensated Absences, Bonds Payable, OPEB, and net pension liability), are not due and payable in the current period and therefore, they, along with pension and OPEB related deferred inflows, are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Accrued interest payable	(20,419)
Notes payable	(2,016,692)
Subscription obligations	(146,917)
Total net OPEB liability	(613,611)
Net pension liability	(7,518,582)
Pension and OPEB related deferred inflows	(851,707)
Accrued compensated absences	<u>(527,887)</u>
	<u>(11,695,815)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 29,401,177

See accompanying notes to the basic financial statements.

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

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Net change in fund balances - total governmental funds: \$ 4,665,223

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

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

Capital asset purchases capitalized	1,425,986
Capital assets contributed	14,960
Capital assets transferred to business-type activities	(80,893)
Subscription asset purchases capitalized	180,963
Amortization expense	(35,239)
Depreciation expense	(1,268,365)
	237,412

In the Statement of Activities, the net cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as pension expenditures.

(386,075)

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

(100,560)

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	38,572
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal payments on long-term debt	511,458
Proceeds of long-term debt	(841,872)
Principal payments on long-term debt	34,046
Proceeds of long-term subscription obligations	(180,963)
	(477,331)

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	(4,450)
Change in accrued compensated absences	(96,588)
	(101,038)

Change in net position of governmental activities	\$ 3,876,203
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See accompanying notes to the basic financial statements.

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

BASIC FINANCIAL STATEMENTS - PROPRIETARY FUNDS

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

Proprietary Fund Statement of Net Position - June 30, 2023

	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,712,170	\$ 504,264	\$ 4,216,434
Investments	75,358	-	75,358
Restricted:			
Cash and cash equivalents	4,894,788	-	4,894,788
Investments	214,191	-	214,191
Accounts receivable, net	762,516	-	762,516
Other receivables	-	15,215	15,215
Total current assets	<u>9,659,023</u>	<u>519,479</u>	<u>10,178,502</u>
Non-current assets:			
Capital assets:			
Land and construction in progress	2,432,077	790,466	3,222,543
Other capital assets, net of accumulated depreciation	30,716,438	435,508	31,151,946
Total non-current assets	<u>33,148,515</u>	<u>1,225,974</u>	<u>34,374,489</u>
Total assets	<u>42,807,538</u>	<u>1,745,453</u>	<u>44,552,991</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts on refunding	1,492,355	-	1,492,355
Deferred amounts related to OPEB	30,439	10,193	40,632
Total deferred outflows	<u>1,522,794</u>	<u>10,193</u>	<u>1,532,987</u>
LIABILITIES			
Current liabilities:			
Accounts payable	308,010	60,167	368,177
Accrued payroll payable	22,804	5,884	28,688
Accrued interest payable	108,432	-	108,432
Due to other funds	1,663,611	-	1,663,611
Deposits subject to refund	69,763	-	69,763
Compensated absences	2,387	1,568	3,955
Notes payable	168,893	-	168,893
Bonds payable	1,570,000	-	1,570,000
Total current liabilities	<u>3,913,900</u>	<u>67,619</u>	<u>3,981,519</u>
Non-current liabilities:			
Compensated absences	21,488	14,108	35,596
Deposits subject to refund	279,053	-	279,053
Total net OPEB liability	63,492	20,576	84,068
Notes payable	1,634,975	-	1,634,975
Bonds payable	34,410,000	-	34,410,000
Total non-current liabilities	<u>36,409,008</u>	<u>34,684</u>	<u>36,443,692</u>
Total liabilities	<u>40,322,908</u>	<u>102,303</u>	<u>40,425,211</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to OPEB	81,850	23,087	104,937
Total deferred inflows	<u>81,850</u>	<u>23,087</u>	<u>104,937</u>
NET POSITION			
Net investment in capital assets	1,508,733	1,225,974	2,734,707
Unrestricted	2,416,841	404,282	2,821,123
Total net position	<u>\$ 3,925,574</u>	<u>\$ 1,630,256</u>	<u>\$ 5,555,830</u>

See accompanying notes to the basic financial statements.

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

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

	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
REVENUES			
Water	\$ 3,022,426	\$ -	\$ 3,022,426
Sewer	1,526,936	-	1,526,936
Sanitation	853,605	-	853,605
Miscellaneous	168,621	387,777	556,398
Total operating revenues	<u>5,571,588</u>	<u>387,777</u>	<u>5,959,365</u>
OPERATING EXPENSES			
Water and sewer operations	2,944,220	-	2,944,220
Utility billing	354,830	-	354,830
Sanitation	734,155	-	734,155
Industrial development	-	350,290	350,290
Conference center operations	-	441,591	441,591
Depreciation	1,083,286	17,178	1,100,464
Total Operating Expenses	<u>5,116,491</u>	<u>809,059</u>	<u>5,925,550</u>
Operating income (loss)	<u>455,097</u>	<u>(421,282)</u>	<u>33,815</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	136,844	-	136,844
Miscellaneous revenue	-	152,312	152,312
Gain on disposal of capital assets	28,900	-	28,900
Interest expense	(1,283,221)	-	(1,283,221)
Miscellaneous expenses	(58,327)	-	(58,327)
Total non-operating revenue (expenses)	<u>(1,175,804)</u>	<u>152,312</u>	<u>(1,023,492)</u>
Income (loss) before contributions and transfers	<u>(720,707)</u>	<u>(268,970)</u>	<u>(989,677)</u>
Capital contributions	192,786	-	192,786
Transfers in	4,418,946	-	4,418,946
Transfers out	(1,814,960)	(14,400)	(1,829,360)
Change in net position	<u>2,076,065</u>	<u>(283,370)</u>	<u>1,792,695</u>
Total net position - beginning	1,849,509	1,913,626	3,763,135
Total net position - ending	<u>\$ 3,925,574</u>	<u>\$ 1,630,256</u>	<u>\$ 5,555,830</u>

See accompanying notes to the basic financial statements.

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

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

	Glenpool Utility Service Authority	Glenpool Industrial Authority	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 5,554,867	\$ 536,499	\$ 6,091,366
Payments to suppliers	(3,206,140)	(658,298)	(3,864,438)
Payments to employees	(651,648)	(232,346)	(883,994)
Receipts of customer meter deposits	49,755	-	49,755
Refunds of customer meter deposits	(42,475)	-	(42,475)
Net cash provided by (used in) operating activities	1,704,359	(354,145)	1,350,214
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	(1,814,960)	-	(1,814,960)
Transfers to other funds	4,418,946	(14,400)	4,404,546
Net cash provided by (used in) noncapital financing activities	2,603,986	(14,400)	2,589,586
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(12,700)	(42,448)	(55,148)
Proceeds from sale of capital assets	28,900	-	28,900
Principal paid on debt	(1,699,553)	-	(1,699,553)
Interest and fiscal agent fees paid on debt	(1,287,546)	-	(1,287,546)
Net cash (used in) capital and related financing activities	(2,970,899)	(42,448)	(3,013,347)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (purchase) of investments	(8)	-	(8)
Interest and dividends	136,844	-	136,844
Net cash provided by investing activities	136,836	-	136,836
Net increase (decrease) in cash and cash equivalents	1,474,282	(410,993)	1,063,289
Balances - Beginning of Year	7,132,676	915,257	8,047,933
Balances - End of Year	\$ 8,606,958	\$ 504,264	\$ 9,111,222
Reconciliation to Statement of Net Position:			
Cash and cash equivalents	\$ 3,712,170	\$ 504,264	\$ 4,216,434
Restricted cash and cash equivalents - current	4,894,788	-	4,894,788
Total cash and cash equivalents, end of year	\$ 8,606,958	\$ 504,264	\$ 9,111,222
Reconciliation of operating income (loss) to net cash provided by (used in) Operating Activities:			
Operating income (loss)	\$ 455,097	\$ (421,282)	\$ 33,815
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	1,083,286	17,178	1,100,464
Miscellaneous revenue	(58,327)	152,312	93,985
Change in assets, liabilities and deferrals:			
Accounts receivable	(28,704)	-	(28,704)
Other receivables	70,310	(3,590)	66,720
Deferred outflows related to pensions	85,685	-	85,685
Deferred outflows related to OPEB	(1,678)	1,031	(647)
Accounts payable	73,368	(108,062)	(34,694)
Accrued payroll payable	10,641	550	11,191
Deposits subject to refund	7,280	-	7,280
Deferred inflows related to OPEB	26,045	8,387	34,432
Total net OPEB liability	(14,169)	(5,492)	(19,661)
Accrued compensated absences	(4,475)	4,823	348
Net cash provided by (used in) operating activities	\$ 1,704,359	\$ (354,145)	\$ 1,350,214
Noncash capital and related financing activities:			
Contributed capital assets	\$ 192,786	\$ -	\$ 192,786
	\$ 192,786	\$ -	\$ 192,786

See accompanying notes to the basic financial statements.

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

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

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

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

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

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

Blended Component Units:

- **The Glenpool Utility Services Authority (GUSA)** – created pursuant to a Trust Indenture for the benefit of the City of Glenpool, Oklahoma. The GUSA was established to acquire, construct, develop, equip, operate, maintain, repair, enlarge and remodel water and sewer facilities for the City of Glenpool. The water and sanitary sewer systems owned by the City have been leased to the GUSA until such date that all indebtedness of the GUSA is retired or provided for. The GUSA 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 five trustees identical to the City Council.
- **The Glenpool Industrial Authority (GIA)** – created September 28, 1981, for the benefit of the City of Glenpool, Oklahoma. The GIA was created to promote the development of industry and to provide additional employment in the Glenpool, Oklahoma area. The GIA 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 five trustees appointed by the City Council.

These component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance City services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authorities. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated

resources. In addition, the City has leased certain existing assets at the creation of the Authorities to the Trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

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

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

- Public Safety – Fire, Police, Dispatch, Animal control, Emergency management – fines and forfeitures, 911 revenue and restricted operating grants.
- Streets and parks – Development fees, commercial vehicle and gasoline excise tax shared by the State and other capital grants and contributions.
- Community development
- Economic development
- General Government – licenses and permits.

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

Governmental Funds:

The City's governmental funds include:

Major Funds:

- General Fund – accounts for all activities not accounted for in other special-purpose funds.
- Public Safety Personnel Fund – a special revenue fund that accounts for a 0.55% dedicated sales tax that is used solely for public safety personnel expenditures.
- ARPA Grant Fund – a special revenue fund that accounts for grant revenue from the American Rescue Plan Act.
- Public Safety Capital Fund – a capital project fund that accounts for a 0.26% dedicated sales tax that is used solely for public safety equipment and capital improvements.

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

Special Revenue Funds:

- Hotel-Motel Tax Fund – accounts for a 5% hotel-motel tax used to encourage, promote, and foster economic development, culture and leisure in the city.

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

Capital Project Funds:

- Parks & Recreational Fund – accounts for revenue from housing developers used for park improvements.
- Capital Improvement Fund – accounts for monies set aside by City Council for capital improvements.
- Streets and Infrastructure Fund – accounts for a 0.29% dedicated sales tax that is used for streets and infrastructure improvements.

The governmental funds are reported on the modified accrual basis of accounting. On the modified accrual basis of accounting, revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

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

The General Fund, Public Safety Personnel Fund and Public Safety Capital Fund are considered major funds and are therefore displayed in separate columns. All other governmental funds are considered non-major funds and are aggregated under the column titled Other Governmental Funds.

Proprietary Funds:

The City's proprietary funds include:

Enterprise Fund

- Glenpool Utility Service Authority Fund - accounts for the activities of the public trust in providing water, sewer and sanitation services to the public.
- Glenpool Industrial Authority Fund - accounts for the activities of the public trust in supporting industrial development as well as the operation of the Glenpool Conference Center.

The proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows, liabilities and deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows, liabilities and deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within 60 days of period end) to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

Cash and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, "cash and cash equivalents" includes all demand and savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are considered cash equivalents.

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

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and miscellaneous fees. Business-type activities report utilities as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, miscellaneous, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$10,000 is used to report capital assets. The range of estimated useful lives by type of asset is as follows:

- Buildings	40 years
- Furniture, Fixtures and Equipment	3-5 years
- Land Improvements	20 years
- Vehicles	5-20 years
- Infrastructure	10-50 years

Intangible leased assets are amortized over the life of the associated contract.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to revenue bond and OWRB note payable trustee accounts and utility meter deposits.

Long-Term Debt

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

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

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation, sick, and compensatory time permit employees to accumulate varying amounts as determined by management and contracts with employee groups. Compensated absences are reported as accrued in the government-wide and proprietary financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

Deferred Outflows and Inflows

Deferred outflows and inflows are the consumption or acquisition of net position by the City that are applicable to a future reporting period. At June 30, 2023, the City's deferred outflows and deferred inflows of resources were comprised of pension, OPEB, debt refunding related deferrals and leases. As mentioned in Note 1.H., certain pension and OPEB amounts are deferred, some as outflows and other as inflows, amortized as a component of pension and insurance expense in future periods.

Equity Classifications

Government-Wide and Proprietary Fund Financial Statements:

Equity is classified as net position and displayed in three components:

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

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

Governmental Fund Financial Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. Currently, the City has no committed fund balance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Assignments for transfers and interest income for governmental funds are made through the budgetary process. Currently, the City has no assigned fund balance.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

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

E. Revenues, Expenditures, and Expenses

Sales Tax

The City presently levies a 5.1 cent sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. Four cents are recorded in the General Fund (three cents as undedicated and one cent as dedicated), 0.29 cents in the Streets and Infrastructure Fund, 0.26 cents in the Public Safety Capital Fund, and the remaining 0.55 cents in the Public Safety Personnel Fund.

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

Property Tax

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments.

As of June 30, 2023, the City had no outstanding general obligation bonds or judgments. No property tax was levied during the fiscal year ended June 30, 2023.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund - By Operating and Non-Operating:

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to the use of economic resources.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements:

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

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

Government-Wide Financial Statements:

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

1. Internal balances - amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effect of interfund services between funds, if any, are not eliminated in the Statement of Activities.

G. Use of Estimates

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

The City generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases unless the rate that the lessor/vendor charges is known.

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

H. Pensions and OPEB

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

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

2. Cash, Cash Equivalents, and Investments

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

At June 30, 2023, the reporting entity held the following deposits and investments:

Primary Government:

<u>Type</u>	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value Heirarchy</u>	<u>Carrying Value</u>
Deposits:				
Demand deposits				\$ 23,659,410
Cash on hand				200
Time deposit	Due within 1 year			303,909
				<u>23,963,519</u>
Investments:				
Invesco S/T Inv Treas Oblg-Rsrv 1910		AAA-m	N/A	4,760,163
				<u>4,760,163</u>
Total deposits and investments				<u>\$ 28,723,682</u>
 Reconciliation to Statement of Net Position:				
Cash and cash equivalents				\$ 28,419,773
Investments				303,909
				<u>\$ 28,723,682</u>

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

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

The City’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. At June 30, 2023, the City was not exposed to custodial credit risk.

Investment Credit Risk - The City has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. Federally insured certificates of deposit issued through the Certificate of Deposit Account Registry Service (“CDARS”) by financial institutions located in the United States, provided that (i) the funds are initially invested through a financial institution that is participating in CDARS (ii) the financial institution received reciprocal deposits from customers of other financial institutions in an amount equal to the funds initially invested; and (iii) each such certificate of deposit is in an amount that is eligible for full FDIC insurance coverage.

As noted in the schedule of deposits and investments above at June 30, 2023, all of the City’s investments in debt securities were rated AAA-m by Standard & Poor.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Currently, the City has no investments that require this disclosure.

Investment Interest Rate Risk - the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk - the City places no limit on the amount it may invest in any one issuer. Since the City has all investments in certificates of deposit, government securities, or money market accounts, there is no concentration of investment credit risk exposure.

Restricted Cash and Investments – The amounts reported as restricted assets of the proprietary fund statement of net position are comprised of amounts restricted for debt service, construction purposes and Public Works Authority customer utility deposits. The restricted assets as of June 30, 2023 are as follows:

	Current	
	Cash and cash equivalents	Investments
2011 OWRB CWSRF Debt Service Account	\$ 59,333	\$ -
2019 Construction Fund	3,690,871	-
2019 Tax Bond Fund	1,009,959	-
Meter deposits	134,625	214,191
Total	\$ 4,894,788	\$ 214,191

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

3. Accounts Receivable

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

	Accounts Receivable	Less: Allowance for Uncollectible Accounts	Net Accounts Receivable
<i>Governmental Activities:</i>			
Court fines	\$ 1,958,255	\$ (1,762,429)	\$ 195,826
Other receivables	47,855	(7,580)	40,275
Total Governmental Activities	\$ 2,006,110	\$ (1,770,009)	\$ 236,101
<i>Business-Type Activities:</i>			
Utilities	\$ 1,052,143	\$ (289,627)	\$ 762,516
Other receivables	314,435	(299,220)	15,215
Total Business-type Activities	\$ 1,366,578	\$ (588,847)	\$ 777,731

4. Leases Receivables

The City is a party as lessor for two noncancellable long-term leases of land, and infrastructure. The corresponding lease receivables, are recorded in an amount equal to the present value of the expected future minimum lease payments received or received, respectively, discounted by an applicable interest rate. Lease-related amounts are recognized at the inception of leases in which the city is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Governmental Activities

The City as a lessor, has entered into lease agreements involving land and infrastructure. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$26,360.

5. Capital Assets and Depreciation

Capital Assets:

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, infrastructure, and intangible leased equipment. Capital assets are reported at actual or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. For the year ended June 30, 2023, capital assets balances changed as follows:

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

	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 23,305	\$ 87,383	\$ -	\$ 110,688
Total capital assets not being depreciated	<u>23,305</u>	<u>87,383</u>	<u>-</u>	<u>110,688</u>
Other capital assets:				
Buildings and improvements	8,016,679	-	-	8,016,679
Furniture, fixtures and equipment	5,586,065	267,546	(255,394)	5,598,217
Vehicles	5,064,866	1,005,124	(246,340)	5,823,650
Infrastructure	9,976,325	-	-	9,976,325
Total other capital assets at historical cost	<u>28,643,935</u>	<u>1,272,670</u>	<u>(501,734)</u>	<u>29,414,871</u>
Less accumulated depreciation for:				
Buildings and improvements	3,318,110	198,228	-	3,516,338
Furniture, fixtures and equipment	4,259,518	358,047	(255,394)	4,362,171
Vehicles	3,667,425	426,278	(246,340)	3,847,363
Infrastructure	964,442	285,812	-	1,250,254
Total accumulated depreciation	<u>12,209,495</u>	<u>1,268,365</u>	<u>(501,734)</u>	<u>12,976,126</u>
Other assets:				
Intangible leased equipment	-	180,963	-	180,963
Total other assets	<u>-</u>	<u>180,963</u>	<u>-</u>	<u>180,963</u>
Less accumulated amortization for:				
Intangible leased equipment	-	35,239	-	35,239
Total accumulated amortization	<u>-</u>	<u>35,239</u>	<u>-</u>	<u>35,239</u>
Other capital assets, net	<u>16,434,440</u>	<u>150,029</u>	<u>-</u>	<u>16,584,469</u>
Governmental activities capital assets, net	<u>\$ 16,457,745</u>	<u>\$ 237,412</u>	<u>\$ -</u>	<u>\$ 16,695,157</u>
	Balance at July 1, 2022	Additions	Disposals	Balance at June 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,883,021	\$ -	\$ -	\$ 2,883,021
Construction in progress	258,629	80,893	-	339,522
Total capital assets not being depreciated	<u>3,141,650</u>	<u>80,893</u>	<u>-</u>	<u>3,222,543</u>
Other capital assets:				
Buildings and improvements	14,889,714	-	-	14,889,714
Furniture, fixtures and equipment	997,472	42,448	-	1,039,920
Vehicles	498,732	-	(94,113)	404,619
Infrastructure	29,427,809	124,593	-	29,552,402
Total other capital assets at historical cost	<u>45,813,727</u>	<u>167,041</u>	<u>(94,113)</u>	<u>45,886,655</u>
Less accumulated depreciation for:				
Buildings and improvements	4,133,560	371,718	-	4,505,278
Furniture, fixtures and equipment	739,885	48,551	-	788,436
Vehicles	482,972	15,761	(94,113)	404,620
Infrastructure	8,371,941	664,434	-	9,036,375
Total accumulated depreciation	<u>13,728,358</u>	<u>1,100,464</u>	<u>(94,113)</u>	<u>14,734,709</u>
Other capital assets, net	<u>32,085,369</u>	<u>(933,423)</u>	<u>-</u>	<u>31,151,946</u>
Business-type activities capital assets, net	<u>\$ 35,227,019</u>	<u>\$ (852,530)</u>	<u>\$ -</u>	<u>\$ 34,374,489</u>

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

Depreciation/amortization of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation/amortization expense has been allocated as follows:

<p>Governmental Activities: Depreciation: General government \$ 68,696 Public safety 801,624 Streets & parks <u>398,045</u> Total Depreciation <u>\$ 1,268,365</u></p> <p>Amortization: General government \$ 35,239 Total Amortization <u>\$ 35,239</u></p>	<p>Business-Type Activities: Depreciation: Water \$ 623,766 Sewer 459,520 Industrial development <u>17,178</u> Total Depreciation <u>\$ 1,100,464</u></p>
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6. Long-Term Debt and Debt Service Requirements

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

<u>Type of Debt</u>	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Notes payable (direct borrowing)	\$ 1,686,278	\$ 841,872	\$ 511,458	\$ 2,016,692	\$ 530,476
Subscription obligations	-	180,963	34,046	146,917	33,831
Accrued compensated absences	431,299	527,887	431,299	527,887	52,789
Total Governmental Activities	<u>\$ 2,117,577</u>	<u>\$ 1,550,722</u>	<u>\$ 976,803</u>	<u>\$ 2,691,496</u>	<u>\$ 617,096</u>
			Total OPEB liability	\$ 613,611	
			Net pension liability-fire	7,518,582	
				<u>\$ 10,823,689</u>	
Business-Type Activities:					
Revenue bonds payable	\$ 37,515,000	\$ -	\$ 1,535,000	\$ 35,980,000	\$ 1,570,000
Notes Payable (direct borrowing)	1,968,421	-	164,553	1,803,868	168,893
Deposits Subject to Refund	341,536	49,755	42,475	348,816	69,763
Accrued compensated absences	39,203	39,551	39,203	39,551	3,955
Total Business-Type Activities	<u>\$ 39,864,160</u>	<u>\$ 89,306</u>	<u>\$ 1,781,231</u>	<u>\$ 38,172,235</u>	<u>\$ 1,812,611</u>
			Total OPEB liability	84,068	
				<u>\$ 38,256,303</u>	

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

Governmental activities long-term debt:

Notes Payable (direct borrowing):

Oklahoma Department of Transportation (ODOT) Note dated November 6, 1995, original amount \$39,325 for right-of-way, monthly payments totaling \$1,200, no interest, commencing November 1995 through June 2027.	\$	5,925
Oklahoma Department of Transportation (ODOT) Note dated September 24, 1991, original amount \$44,661 for right-of-way, monthly payments totaling \$1,200, no interest, commencing July 1996 through June 2033.		12,361
St Francis Public Improvements-Agreement dated October 2017, original amount of \$952,142 for public improvement, 39 monthly payments of \$23,804 beginning January 2019.		499,875
\$521,003 note payable with BB&T for public safety communications system infrastructure, interest rate of 3.65%, annual installments commencing November 23, 2017 through November 23, 2028.		330,732
\$243,658 note payable with Oklahoma State Bank for breathing apparatus, interest rate of 2.38%, annual installment commencing September 9, 2022 through September 9, 2026.		197,188
\$562,977 note payable with Oklahoma State Bank, 2009 Pierce Velocity 100' aerial platform fire truck, interest rate of 3.36%, annual installment commencing April 24, 2019 through April 24, 2024.		120,159
\$61,872 note payable with Axon Enterprise Inc., for body camera equipment, annual installment commencing April 2023 through April 2027.		52,334
\$780,000 note payable with PNC Equipment Finance, LLC, for fire truck, interest rate of 1.86%, annual installments commencing September 2022 through September 2026.		632,055
\$273,446 note payable Oklahoma State Bank for 6 police vehicles, interest rate of 2.11%, annual installment commencing March 2, 2022 through March 2, 2026.		166,063
Total Note Payable	\$	<u>2,016,692</u>
	Current portion	\$ 530,476
	Noncurrent portion	1,486,216
	Total Notes Payable	<u>\$ 2,016,692</u>

Accrued Compensated Absences:

	Current portion	\$	52,789
	Noncurrent portion		475,098
Total Accrued Compensated Absences		\$	<u>527,887</u>

Subscription Obligations:

	Current portion	\$	33,831
	Noncurrent portion		113,086
Total Subscription Obligations		\$	<u>146,917</u>

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

Business-type activities long-term debt:

Deposits subject to Refund:

Current portion	\$	69,763
Noncurrent portion		279,053
Total Deposits Subject to Refund	\$	<u>348,816</u>

Accrued Compensated Absences:

Current portion	\$	3,955
Noncurrent portion		35,596
Total Accrued Compensated Absences	\$	<u>39,551</u>

Notes Payable (direct borrowings):

2011 OWRB CWSRF Fixed Rate Note dated October 11, 2011, original amount of \$3,740,625, \$322,892 in principal forgiveness from Environmental Protection Agency Capitalization Grant for Clean Water State Revolving Funds, secured by utility revenues and pledged sales taxes, 2.16% interest plus administrative fee of 5%, semiannual installments of principal commencing September 15, 2014, through March 15, 2032. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants of the Borrower contained in this Loan Agreement or in the Local Note; 2) accelerate the payment of principal of and interest accrued on the Local Note; 3) appoint temporary trustees to take over, operate and maintain the System on a profitable basis and ensure the payment of the principal of and interest on the Local Note and any other Borrower indebtedness; 4) file suit to enforce or enjoin the action or inaction of the parties under the provisions of this Loan Agreement.

	\$	1,803,868
Total Notes Payable	\$	<u>1,803,868</u>
Current portion	\$	168,893
Noncurrent portion		1,634,975
Total Notes Payable	\$	<u>1,803,868</u>

Revenue Bonds Payable:

Series 2019 Utility Revenue Refunding Bonds dated September 30, 2019, original issue amount of \$40,720,000, sold on the open market, secured by utility revenues and dedicated 1 cent sales tax and other pledged sales tax, interest rates range from 2.361% to 3.665%, semiannual interest and annual principal installments commencing December 1, 2019, through November 1, 2040. In the event of default, the lender may: 1) accelerate maturity; 2) foreclose on lien; 3) sale collateral; 4) apply for court to appoint a receiver to administer the secured property; 5) exercise any and all rights and remedies possessed by lender.

	\$	35,980,000
Total Revenue Bonds Payable	\$	<u>35,980,000</u>
Current portion	\$	1,570,000
Noncurrent portion		34,410,000
Total Revenue Bonds Payable	\$	<u>35,980,000</u>

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

Debt Service Requirements to Maturity:

<u>Year Ending June 30,</u>	Governmental Activities			
	Notes Payable (direct borrowings)		Subscription Obligations	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 530,476	\$ 34,250	33,831	\$ 3,579
2025	415,193	25,324	34,591	2,819
2026	420,544	18,473	10,369	2,041
2027	370,822	11,493	10,638	1,771
2028	146,386	5,546	10,915	1,495
2029-2033	132,910	5,678	46,573	3,066
2034	361	-	-	-
Totals	<u>\$ 2,016,692</u>	<u>\$ 100,764</u>	<u>\$ 146,917</u>	<u>\$ 14,771</u>

<u>Year Ending June 30,</u>	Business Type Activities			
	Revenue Bonds Payable		Notes Payable (direct borrowings)	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,570,000	\$ 1,110,977	\$ 168,893	\$ 38,698
2025	1,610,000	1,073,437	173,607	34,871
2026	1,645,000	1,033,918	178,320	31,044
2027	1,675,000	992,099	183,162	27,112
2028	1,715,000	947,615	188,061	23,134
2029-2033	9,345,000	3,960,536	911,825	50,874
2034-2038	10,910,000	2,358,015	-	-
2039-2041	7,510,000	419,277	-	-
Totals	<u>\$ 35,980,000</u>	<u>\$ 11,895,874</u>	<u>\$ 1,803,868</u>	<u>\$ 205,733</u>

7. Fund Balance and Net Position

The following table shows the fund balance classifications as shown in the Governmental Funds Balance Sheet:

	General Fund	Public Safety Personnel Fund	Public Safety Capital Fund	Other Governmental Funds	Total
Fund Balance:					
Restricted For:					
Economic Development	\$ -	\$ -	\$ -	\$ 810,432	\$ 810,432
Capital Projects	-	-	-	121,277	121,277
Parks & Recreation	-	-	-	244,933	244,933
Public Safety	-	1,036,922	539,336	-	1,576,258
Streets	-	-	-	1,758,706	1,758,706
Sub-total Restricted	<u>-</u>	<u>1,036,922</u>	<u>539,336</u>	<u>2,935,348</u>	<u>4,511,606</u>
Assigned For:					
Future Year's Budget	<u>517,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>517,500</u>
Unassigned	<u>15,144,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,144,319</u>
Total Fund Balance	<u>\$ 15,661,819</u>	<u>\$ 1,036,922</u>	<u>\$ 539,336</u>	<u>\$ 2,935,348</u>	<u>\$ 20,173,425</u>

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

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

	State Statutes	Enabling Legislation	Contractual Agreements	Total
Governmental Activities:				
Economic Development:				
Hotel-Motel Tax Fund	\$ -	\$ 810,432	\$ -	\$ 810,432
Sub-total Economic Development	-	810,432	-	810,432
Capital Projects:				
Capital Improvement Fund	-	-	121,277	121,277
Sub-total Capital Projects	-	-	121,277	121,277
Parks and Recreation:				
Parks & Recreation Fund	-	244,933	-	244,933
Sub-total Parks and Recreation	-	244,933	-	244,933
Public Safety:				
Public Safety Personnel Fund	-	1,036,922	-	1,036,922
Public Safety Capital Fund	-	539,336	-	539,336
Sub-total Parks and Recreation	-	1,576,258	-	1,576,258
Streets:				
Streets & Infrastructure Fund	-	1,758,706	-	1,758,706
Sub-total Streets	-	1,758,706	-	1,758,706
TOTAL RESTRICTED NET POSITION	-	\$ 4,390,329	\$ 121,277	\$ 4,511,606

8. Internal and Interfund Balances and Transfers

The City's policy is to eliminate interfund transfers and balances in the statements of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances and then offset in the total column in the government-wide statements. Interfund transfers and balances between funds are not eliminated in the fund financial statements.

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2023 were as follows:

Transfer From	Transfer To	Amount	Purpose of Transfer
General Fund	Glenpool Utility Services Authority	2,618,946	Debt service
General Fund	Glenpool Utility Services Authority	1,800,000	Bond pledge
Glenpool Utility Services Authority	General Fund	1,800,000	Return of bond pledge
Glenpool Industrial Authority	General Fund	14,960	Purchase of capital assets
Glenpool Industrial Authority	General Fund	14,400	Reimbursement of lease
Total		<u>\$ 6,248,306</u>	

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Total
Governmental Funds	\$ 1,814,400	\$ (4,418,946)	\$ (2,604,546)
Proprietary Funds	4,418,946	(1,829,360)	2,589,586
	<u>\$ 6,233,346</u>	<u>\$ (6,248,306)</u>	<u>\$ (14,960)</u>

Reconciliation to Statement of Activities:

Net Transfers	\$ (2,604,546)
Transfer capital asset from governmental activities to business-type activities	(80,893)
Transfer capital asset from business-type activities to governmental activities	14,960
Total Transfers	<u>\$ (2,670,479)</u>

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

Balances:

Interfund receivable and payables at June 30, 2023 were comprised of the following:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Balance</u>
Glenpool Utility Services Authority	General Fund	\$ 1,663,611	Pooled cash deficit in prior years
Total		<u>\$ 1,663,611</u>	

Reconciliation to Fund Financial Statements:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds	\$ 1,663,611	\$ -
Proprietary Funds	-	1,663,611
Total	<u>\$ 1,663,611</u>	<u>\$ 1,663,611</u>

9. Pledged Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged four cents (or 78.4%) of future sales tax revenues and net utility revenues to repay \$40,720,000 of Series 2019 Utility System Revenue Bonds. Proceeds from the bonds provided financing for capital assets. The bonds are payable from pledged sales tax revenues and further secured by net water, sewer and sanitation utility revenues. The bonds are payable through 2040. The total principal and interest payable for the remainder of the life of these bonds is \$47,875,874. Pledged sales taxes received in the current year were \$4,418,946 and net water, sewer and sanitation utility revenues were \$1,538,383 for total pledged revenues of \$5,957,329. Debt service payments of \$2,688,632 for the current fiscal year were 45.1% of total pledged revenues for this note.

Sales Tax and Utility Net Revenues Pledge – The City has also pledged four cents (or 78.4%) of future sales tax revenues and net utility revenues to repay the following notes payable: \$3,740,625 of 2011 CWSRF Oklahoma Water Resources Board Notes Payable. Proceeds from the notes provided for the purchase or construction of sewer systems. The notes are payable from pledged sales tax revenues and further secured by net water, sewer and sanitation utility revenues through 2033. The total principal and interest payable for the remainder of the life of these notes is \$2,009,601. Pledged sales taxes received in the current year were \$4,418,946 and net water, sewer and sanitation utility revenues were \$1,538,383 for total pledged revenues of \$5,957,329. Debt service payments of \$212,782 for the current fiscal year were 3.6% of total pledged revenues for these notes.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability and Physical Property – Covered through participation in Oklahoma Municipal Assurance Group risk entity pool (1)
- Worker’s Compensation – Worker’s compensation is covered through participation in the Oklahoma Municipal Assurance Group risk entity pool (2)

(1) Liability Protection Plan

The basic insurance agreements cover claims against municipalities for all government functions, utilities, and services covered in the Plan. These include bodily injury, property damage, wrongful acts, personal injury, and related torts under the state tort claims law and federal civil rights laws. All public officials, employees, services, and municipal functions are covered unless they are specifically listed as exclusions in the Plan.

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

Reserves for claim losses include provisions for reported claims on a case basis and an estimate of claims incurred but not reported limited by aggregate and individual loss levels as specified by the Plan's reinsurance contracts. These credits, if any, represent contingent liabilities of the Plan if the reinsurer was unable to meet its obligations under the reinsurance agreement.

The Plan's insurance agreements are reinsured for excess losses based upon the contract year. The significant components of each reinsurance contract can be obtained from the Plan's annual financial report.

(2) Worker's Compensation

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

Specific aggregate stop loss coverage is provided by Comp Source.

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

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

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

11. Commitments and Contingencies

Litigation:

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

Federal and State Award Programs:

The City of Glenpool participates in various federal or state grant/loan programs from year to year. In 2023, the City's involvement in federal and state award programs was not material. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

12. Pension Plan Participation

The City of Glenpool participates in three pension or retirement plans:

- Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan.
- Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan.
- Oklahoma Municipal Retirement Fund – an agent multiple-employer defined contribution plan.

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

	Governmental Activities
Net Pension Asset:	
Police Pension System	\$ 338,603
Total Net Pension Asset	\$ 338,603
Net Pension Liability:	
Firefighter's Pension System	7,518,582
Total Net Pension Liability	\$ 7,518,582
Deferred Outflows of Resources:	
Police Pension System	\$ 683,088
Firefighter's Pension System	2,725,007
Total Deferred Outflows of Resources	\$ 3,408,095
Deferred Inflows of Resources:	
Police Pension System	\$ 63,490
Firefighter's Pension System	89,788
Total Deferred Inflows of Resources	\$ 153,278
Pension Expense:	
Police Pension System	\$ 78,671
Firefighter's Pension System	1,523,748
Total Pension Expense	\$ 1,602,419

Oklahoma Firefighters' Pension and Retirement System:

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

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

Normal Retirement:

- Hired Prior to November 1, 2013
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

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

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

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

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. Contributions to the pension plan from the City were \$292,397. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$657,099 during the year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$588,972. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported a net pension liability of \$7,518,582 for its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.5749318%.

For the year ended June 30, 2023, the City recognized pension expense of \$1,523,748. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 965,183	\$ 37,956
Changes of assumptions	-	47,937
Net difference between projected and actual earnings on pension plan investments	873,740	-
Changes in proportion and differences between City contributions and proportionate share of contributions	588,554	-
City contributions during measurement date	5,133	3,896
City contributions subsequent to the measurement date	292,397	-
Total	<u>\$ 2,725,007</u>	<u>\$ 89,789</u>

In the year ending June 30, 2023, \$292,397 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 765,198
2025	541,532
2026	195,273
2027	840,818
	<u>\$ 2,342,821</u>

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	20%	3.62%
Domestic equity	47%	5.66%
International equity	15%	8.34%
Real estate	10%	7.64%
Other assets	8%	5.08%

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 9,688,272	\$ 7,518,582	\$ 5,703,741

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

Oklahoma Police Pension and Retirement System:

Plan description - The City of Glenpool, 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

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

participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

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

Contributions - The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 8% percent of their annual pay. Participating cities are required to contribute 13% of the employees' annual pay. Contributions to the pension plan from the City were \$166,720. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$152,753 during the calendar year and this is reported as both a revenue and an expenditure in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$168,254. These on-behalf payments did not meet the criteria of a special funding situation.

Pension Liabilities (Asset) , Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the City reported assets of \$338,603 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2022. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2022. Based upon this information, the City's proportion was 0.4222401%.

For the year ended June 30, 2023, the City recognized pension expense of \$78,671. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166,089	\$ 36,883
Changes of assumptions	11,788	-
Net difference between projected and actual earnings on pension plan investments	330,408	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,979	17,100
City contributions during measurement date	3,104	9,507
City contributions subsequent to the measurement date	166,720	-
Total	\$ 683,088	\$ 63,490

In the year ending June 30, 2023, \$166,720 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of or an addition to the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	103,675
2025		25,066
2026		(93,739)
2026		400,534
2027		17,342
	\$	452,878

Actuarial Assumptions-The total pension liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%	
Salary increases:	3.5% to 12% average, including inflation	
Investment rate of return:	7.5% net of pension plan investment expense	
Cost of living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).	
Mortality rates:	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.	

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

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

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

The actuarial assumptions used in the July 1, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, are summarized in the following table:

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 981,033	\$ (338,603)	\$ (1,454,018)

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.

Summary of Contributions:

Oklahoma Firefighter's Pension and Retirement System			Oklahoma Police Pension and Retirement System		
Fiscal Year	Required Contribution	Percentage Contributed	Fiscal Year	Required Contribution	Percentage Contributed
2021	\$ 250,661	100%	2021	\$ 182,455	100%
2022	\$ 259,445	100%	2022	\$ 183,220	100%
2023	\$ 292,397	100%	2023	\$ 166,720	100%

Oklahoma Municipal Retirement Fund (OkMRF)

The City participates in a defined contribution plan with the Oklahoma Municipal Retirement Fund. The defined contribution plan is available to all full-time employees. A defined contribution plan's benefits depend solely on amounts contributed to the plan and investment earnings. Benefits vest at time of employment, with normal retirement at age 65. Participants are required to contribute 2% of their covered compensation and the City is required to contribute 7% of covered compensation. Participants are permitted to make voluntary deductible contributions to the plan. The City's annual cost for covered employees (with the exception of the City Manager, Assistant City Manager, and the Chief of Police) was equal to the City's required and actual contributions of \$156,911.

The City has separate defined contribution plans for the City Manager, Assistant City Manager, and the Chief of Police. The City makes employer contributions that are set amounts in accordance with plan each year. For fiscal year 2023, the employer contributed 21%, 7%, and 13% respectively for the participants. The City's annual cost for the City Manager's plan of \$32,275 for 2023 was equal to the City's required and actual contributions. The City's annual cost for the Assistant City Manager and Chief of Police of \$8,752 and \$1,199, respectively, for 2023 were equal to the City's required and actual contributions.

13. Other Post-Employment Benefits

Plan description - The City provides post-retirement benefit options for health care, prescription drug, dental and vision benefits for retired employees not yet eligible for Medicare that elect to make required contributions. The benefits are provided in accordance with State law and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The relationship for these benefits is not formalized in a contract or plan document, only a few sentences in the administrative policy. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the City and plan members. This understanding is based on communications between the employers and plan member and the historical pattern of practice with regard to the sharing of benefit costs.

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

Employees may become eligible for those post-retirement benefits if they reach normal retirement age while working for the City and may continue until they become eligible for Medicare benefits. As of June 30, 2023, no retired employee is receiving benefits under this plan.

Funding policy - The City funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay premiums established by the City, with the City subsidizing the remaining costs. Contribution requirements are established and amended as needed by the City Council on an annual basis.

Employees Covered by Benefit Terms - At June 30, 2023 the following employees were covered by the benefit terms:

Active Employees	98
Inactive or beneficiaries currently receiving benefit payments	<u>0</u>
Total	<u>98</u>

Total OPEB Liability - The City’s total OPEB liability of \$697,679 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions- The total OPEB liability as of June 30, 2023, was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial cost method – Entry age normal
- Cost method application – Level percentage of pay
- Discount rate – 4.13%
- Healthcare cost trend rates – 6.12% grading to 3.94%
- Payroll growth – 3.0%
- Mortality rates – Pub2010Gen and Pub2010PS Mortality (separate employee and retiree tables for males and females; separate tables for disabled lives) with full cohort mortality projection using SOA scale AA
- Retirement and turnover rates – OkMRF 2017 experience study for civilians; police and fire are based on rates for those groups in Oklahoma

As long as the City’s OPEB plan remains unfunded the expected long-term rate of return is not relevant. However, should the plan be funded through an irrevocable trust sometime in the future, the OPEB expense will be reduced by the expected return on the fund, and the discount rates will be based on a mix of the municipal bond yield on the measurement date and the long term rate of return of the fund based on its asset allocation.

The long-term expected rate of return on OPEB plan investments is determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (2.5%) and deducting investment expenses. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap stocks	37.0%	5.7%
Mid/small cap stocks	12.0%	6.5%
International stocks	17.0%	5.4%
Bonds	33.0%	2.5%
Multi-sector bonds	0.0%	3.5%
Real estate	0.0%	4.8%
Cash equivalents	1.0%	0.0%
Total	100.0%	

Changes in Total OPEB Liability –The following table reports the components of changes in total OPEB liability:

	Total OPEB Liability
Balances at Beginning of Year	\$ 907,134
Changes for the Year:	
Service cost	122,200
Interest expense	36,438
Differences between expected and actual experience	(124,305)
Change of assumptions	(243,788)
Net Changes	(209,455)
Total	\$ 697,679
Governmental Activities	\$ 613,611
Business-Type Activities	84,068
	\$ 697,679

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 4.13%, 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 (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
OPEB liability	\$ 805,816	\$ 697,679	\$ 604,451

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rates that are 1-percentage point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 5.12% Grading to 3.31%	Healthcare Cost Trend Rates 6.12% Grading to 4.31%	1% Decrease 7.12% Grading to 5.31%
OPEB liability	\$ 592,474	\$ 697,679	\$ 831,866

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the City recognized OPEB expense of \$114,687. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,506	\$ 268,478	\$ 3,084	\$ 36,783	\$ 25,590	\$ 305,261
Changes of assumptions	192,484	418,985	26,372	57,403	218,856	476,388
Changes in proportion	10,545	10,966	11,176	10,751	21,721	21,717
Total	<u>\$ 225,535</u>	<u>\$ 698,429</u>	<u>\$ 40,632</u>	<u>\$ 104,937</u>	<u>\$ 266,167</u>	<u>\$ 803,366</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities	Business-Type Activities	Total Activities
Year ended June 30:			
2024	\$ (38,963)	\$ (4,987)	\$ (43,950)
2025	(38,963)	(4,987)	(43,950)
2026	(38,339)	(4,901)	(43,240)
2027	(37,012)	(4,720)	(41,732)
2028	(55,942)	(7,572)	(63,514)
Thereafter	(263,675)	(37,138)	(300,813)
	<u>\$ (472,894)</u>	<u>\$ (64,305)</u>	<u>\$ (537,199)</u>

14. Tax Abatements

The City attracts and/or maintains business development through the GIA, which has the ability to induce developers with a sales tax and/or hotel-motel tax abatement agreement. These incentives stimulate economic growth and are seen as a benefit to all the residents and business owners throughout the City. Some of the factors considered are the jobs created during the development of the project, the permanent jobs that will remain after the completion of the project, the cost of the improvements to the property and the amount of sales tax that is expected to be generated by the business.

For the fiscal year ended June 30, 2023 the GIA did not abate hotel-motel tax that would have otherwise been remitted to the City.

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amount of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2023:

1. In October 2020, the City entered into a sales tax reimbursement agreement with a business in the total amount of \$600,000. Reimbursement payments are made annually to this business and are based on the sales tax increase above an annualized baseline. The sales tax rebate period is ten years from the date all facility improvements associated with site plans are completed or until the \$600,000 has been reimbursed to the business, whichever is sooner. The first payment is occurred in July 2022 in the amount of \$8,149.94. Balance remaining is \$591,850.06 as of 6-30-23.

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

2. In September 2019, the City entered into a sales tax reimbursement agreement with a developer and another corporate entity in the total amount of \$354,540.60. The rebated sales taxes were set to begin at the end of the first full fiscal quarter following the first submission of sales tax revenue payments to the City by a specific business within the developer's commercial development. The corporate entity was set to receive a maximum of \$100,000 in rebated sales taxes before the developer's payments could begin. The developer is set to receive a maximum of \$254,540.60. The final payment made to the corporate entity was made in July 2021, and payments to the developer started that same quarter. Balance remaining is \$12,397.51 as of 6-30-23. This payment will be made in August 2023.

3. In May 2018, the City of Glenpool Tax Increment District No. 2 was created whereby a developer is to receive reimbursement for qualified project costs up to \$3,250,000 or ten years expire, whichever comes first. Funding for this reimbursement comes from the allocation of ad valorem and sales tax based on the ad valorem tax increments in excess of base assessed value that are attributable to improvements made on the District site for the project and sales tax growth on taxable sales and services within the project area.

4. In January 2017, the City of Glenpool Tax Increment District No. 1 was created whereby a developer is to receive reimbursement for qualified project costs up to \$5,250,000 or ten years expire starting, whichever comes first. Funding for this reimbursement comes from the allocation of ad valorem and sales tax based on the ad valorem tax increments in excess of base assessed value that are attributable to improvements made on the District site for the project and sales tax growth on taxable sales and services within the project area.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

General Fund				
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ 70,436	\$ 12,077,788	\$ 12,007,352
Resources (Inflows):				
Taxes	11,624,250	11,772,642	12,508,702	736,060
Intergovernmental	263,210	402,911	267,926	(134,985)
Licenses and permits	81,120	81,120	74,336	(6,784)
Charges for services	334,740	334,740	355,465	20,725
Fines & forfeitures	166,060	166,060	225,896	59,836
Investment earnings	770	770	727,127	726,357
Miscellaneous	25,680	35,680	231,672	195,992
Transfer in	1,814,400	1,814,400	1,814,400	-
Total resources (Inflows)	<u>14,310,230</u>	<u>14,608,323</u>	<u>16,205,524</u>	<u>1,597,201</u>
Amounts available for appropriation	<u>14,310,230</u>	<u>14,678,759</u>	<u>28,283,312</u>	<u>13,604,553</u>
Charges to Appropriations (Outflows):				
Administration	762,970	652,970	571,390	81,580
General government	1,205,460	1,361,460	1,214,618	146,842
Police	2,222,500	2,236,800	1,983,265	253,535
Dispatch	583,080	583,080	502,961	80,119
Fire	2,556,190	2,599,890	2,306,613	293,277
Animal control	136,930	154,630	142,214	12,416
Streets and parks	1,119,140	1,254,841	807,260	447,581
Emergency management	70,500	70,500	8,959	61,541
Community development	829,360	829,360	665,267	164,093
Transfers out	4,824,100	4,935,228	4,418,946	516,282
Total Charges to Appropriations	<u>14,310,230</u>	<u>14,678,759</u>	<u>12,621,493</u>	<u>2,057,266</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,661,819</u>	<u>\$ 15,661,819</u>

Public Safety Personnel Fund				
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,516,010	\$ 1,516,010	\$ 1,615,515	\$ 99,505
Intergovernmental	-	-	3,437	3,437
Total revenues	<u>1,516,010</u>	<u>1,516,010</u>	<u>1,618,952</u>	<u>102,942</u>
EXPENDITURES				
Departmental:				
Police	556,930	556,930	540,867	16,063
Fire	1,054,320	1,054,320	966,778	87,542
Total Expenditures	<u>1,611,250</u>	<u>1,611,250</u>	<u>1,507,645</u>	<u>103,605</u>
Excess (deficiency) of revenues over expenditures	<u>(95,240)</u>	<u>(95,240)</u>	<u>111,307</u>	<u>206,547</u>
Budgetary Fund balances - beginning	95,240	95,240	925,615	830,375
Budgetary Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,036,922</u>	<u>\$ 1,036,922</u>

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

ARPA Grant Fund				
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,216,998	\$ 1,216,998	\$ 80,893	\$ (1,136,105)
Total revenues	1,216,998	1,216,998	80,893	(1,136,105)
EXPENDITURES				
Departmental:				
General government	1,216,998	1,216,998	80,893	1,136,105
Total Expenditures	1,216,998	1,216,998	80,893	1,136,105
Excess (deficiency) of revenues over expenditures	-	-	-	-
Budgetary Fund balances - beginning	-	-	-	-
Budgetary Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Footnotes to Budgetary Comparison Schedules:

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

	General Fund
Total revenue - budgetary basis	\$ 16,205,524
On-behalf revenue	809,852
Transfers In	(1,814,400)
Total revenue - GAAP basis	\$ 15,200,976
Total expenditures - budgetary basis	12,621,493
On-behalf expenses	809,852
Capital outlay-new loan proceeds	61,872
Capital outlay-new SBITAs	180,963
Transfers Out	(4,418,946)
Total expenses - GAAP basis	\$ 9,255,234

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability	0.326300%	0.321600%	0.335300%	0.424700%	0.470670%	0.496380%	0.534067%	0.534548%	0.574932%
City's proportionate share of the net pension liability	\$3,354,967	\$3,413,117	\$4,096,830	\$5,341,402	\$5,298,045	\$5,245,030	\$6,579,240	\$3,520,357	\$7,518,582
City's covered-employee payroll	\$ 870,964	\$ 871,564	\$ 982,474	\$ 1,257,713	\$ 1,398,565	\$ 1,529,807	\$ 1,719,243	\$ 1,790,436	\$ 1,853,176
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	385.20%	391.61%	416.99%	424.69%	378.82%	342.86%	382.68%	196.62%	405.71%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%

Notes to Schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 122,123	\$ 137,546	\$ 176,080	\$ 195,799	\$ 214,173	\$ 240,694	\$ 250,661	\$ 259,445	\$ 292,397
Contributions in relation to the statutorily required contribution	122,123	137,546	176,080	195,799	214,173	240,694	250,661	259,445	292,397
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 871,564	\$ 982,474	\$ 1,257,713	\$ 1,398,565	\$ 1,529,807	\$ 1,719,243	\$ 1,790,436	\$ 1,853,176	\$ 2,088,547
Contributions as a percentage of covered-employee payroll	14.01%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Notes to Schedule:

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

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

Schedules of Required Supplementary Information

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

Last 10 Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's proportion of the net pension liability (asset)	0.3703%	0.3721%	0.3757%	0.4001%	0.4001%	0.4223%	0.4042%	0.4058%	0.4222%
City's proportionate share of the net pension liability (asset)	\$ (124,661)	\$ 15,172	\$ 575,383	\$ 30,779	\$ (201,718)	\$ (26,959)	\$ 464,240	\$(1,946,586)	\$ (338,603)
City's covered-employee payroll	\$ 1,035,823	\$ 1,051,731	\$ 1,147,269	\$ 1,203,929	\$ 1,320,836	\$ 1,398,315	\$ 1,377,238	\$ 1,401,491	\$ 1,403,535
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.03%	1.44%	50.15%	2.56%	15.27%	1.93%	33.71%	-138.89%	-24.13%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%

Notes to Schedule:

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

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM**

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Statutorially required contribution	\$ 136,836	\$ 149,106	\$ 152,662	\$ 171,709	\$ 181,781	\$ 179,041	\$ 182,455	\$ 183,220	\$ 166,720
Contributions in relation to the statutorially required contribution	136,836	149,106	152,662	171,709	181,781	179,041	182,455	183,220	166,720
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 1,051,493	\$ 1,147,269	\$ 1,203,929	\$ 1,320,836	\$ 1,398,315	\$ 1,377,238	\$ 1,401,491	\$ 1,403,535	\$ 1,282,462
Contributions as a percentage of covered-employee payroll	13.01%	13.00%	12.68%	13.00%	13.00%	13.00%	13.02%	13.05%	13.00%

Notes to Schedule:

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

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

Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTH INSURANCE IMPLICIT RATE SUBSIDY PLAN
Last 10 Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	\$ 43,113	\$ 42,338	\$ 79,815	\$ 105,391	\$ 127,665	\$ 122,200
Interest	17,633	22,292	33,574	27,860	31,561	36,438
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	38,385	(9,317)	11,602	(236,759)	(124,305)
Changes in assumptions	(19,619)	245,965	179,338	8,401	(315,755)	(243,788)
Expected net benefit payments	-	(3,217)	(7,615)	(8,072)	-	-
Net change in total OPEB liability	41,127	345,763	275,795	145,182	(393,288)	(209,455)
Balances - Beginning of Year	492,555	533,682	879,445	1,155,240	1,300,422	907,134
Balances - End of Year	\$ 533,682	\$ 879,445	\$ 1,155,240	\$ 1,300,422	\$ 907,134	\$ 697,679
Covered employee payroll	\$ 4,250,000	\$ 4,850,000	\$ 4,830,000	\$ 5,018,000	\$ 5,169,000	\$ 5,685,000
Total OPEB liability as a percentage of covered employee payroll	12.56%	18.13%	23.92%	25.92%	17.55%	12.27%

Notes to Schedule:

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

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

OTHER SUPPLEMENTARY INFORMATION

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

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

	<u>Special Revenue</u>		<u>Capital Project Funds</u>		<u>Total Governmental Funds</u>
	<u>Hotel-Motel Tax Fund</u>	<u>Parks & Rec Fund</u>	<u>Capital Improvement Fund</u>	<u>Streets & Infrastructure Fund</u>	
ASSETS					
Cash and cash equivalents	\$ 786,440	\$ 244,933	\$ 121,277	\$ 1,648,581	\$ 2,801,231
Due from other governments	-	-	-	110,125	110,125
Other receivables	29,157	-	-	-	29,157
Total assets	<u>\$ 815,597</u>	<u>\$ 244,933</u>	<u>\$ 121,277</u>	<u>\$ 1,758,706</u>	<u>\$ 2,940,513</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,449	\$ -	\$ -	\$ -	\$ 1,449
Accrued payroll payable	3,716	-	-	-	3,716
Total liabilities	<u>5,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,165</u>
Fund balances:					
Restricted	810,432	244,933	121,277	1,758,706	2,935,348
Total fund balances	<u>810,432</u>	<u>244,933</u>	<u>121,277</u>	<u>1,758,706</u>	<u>2,935,348</u>
Total liabilities and fund balances	<u>\$ 815,597</u>	<u>\$ 244,933</u>	<u>\$ 121,277</u>	<u>\$ 1,758,706</u>	<u>\$ 2,940,513</u>

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

	<u>Special Revenue</u>		<u>Capital Project Funds</u>		<u>Total Governmental Funds</u>
	<u>Hotel-Motel Tax Fund</u>	<u>Parks & Rec Fund</u>	<u>Capital Improvement Fund</u>	<u>Streets & Infrastructure Fund</u>	
REVENUES					
Taxes	\$ 254,067	\$ -	\$ -	\$ 852,712	\$ 1,106,779
Charges for services	-	9,325	-	-	9,325
Total revenues	<u>254,067</u>	<u>9,325</u>	<u>-</u>	<u>852,712</u>	<u>1,116,104</u>
EXPENDITURES					
Economic development	179,911	-	-	-	179,911
Debt service:					
Principal	-	-	-	95,214	95,214
Total expenditures	<u>179,911</u>	<u>-</u>	<u>-</u>	<u>95,214</u>	<u>275,125</u>
Excess (deficiency) of revenues over expenditures	<u>74,156</u>	<u>9,325</u>	<u>-</u>	<u>757,498</u>	<u>840,979</u>
Net change in fund balances	74,156	9,325	-	757,498	840,979
Fund balances - beginning	736,276	235,608	121,277	1,001,208	2,094,369
Fund balances - ending	<u>\$ 810,432</u>	<u>\$ 244,933</u>	<u>\$ 121,277</u>	<u>\$ 1,758,706</u>	<u>\$ 2,935,348</u>

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/State Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Agency or Grant Number	Program or Award Amount	Federal Expenditures
FEDERAL ASSISTANCE:				
<u>U. S. DEPARTMENT OF TREASURY:</u>				
American Rescue Plan Act-Trauch #1, #2 & #3	21.027	N/A	\$ 2,445,534	\$ 80,893
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Bulletproof Vest Partnership	16.607	2022BUBX	4,009	1,850
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed through Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	PT-23-03-15-01	20,277	10,384
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
Passed through Tulsa County: CDBG - Urban City Program	14.218	B-21-UC-40-0001	123,701	87,383
TOTAL FEDERAL ASSISTANCE			\$ 2,593,521	\$ 180,510

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

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and
Members of the City Council
City of Glenpool, Oklahoma
Glenpool, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Glenpool, Oklahoma (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hick & Company, PC

Tulsa, Oklahoma
December 28, 2023

